



ATCO Gas and Pipelines Ltd. (South)

Highwood River Pipeline Replacement

September 23, 2014



The Alberta Utilities Commission

Decision 2014-273: ATCO Gas and Pipelines Ltd. (South)

Highwood River Pipeline Replacement

Application No. 1610472

Proceeding No. 3174

September 23, 2014

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1 Introduction and background

1. ATCO Gas and Pipelines Ltd. (South) (ATCO) filed Application No. 1610472 with the Alberta Utilities Commission (AUC or the Commission) on April 11, 2014, seeking approval for an amendment to Licence No. 2027 pursuant to Section 11 of the *Pipeline Act* and Section 4.1 of the *Gas Utilities Act* for the following (the project):

- splitting of Line 10 into lines 10, 154, 155, 156 and 157
- removal of Line 155
- lines 154 and 156 are to be abandoned under a subsequent application
- addition of Line 158 – 0.50 kilometres (km) of 323.9-millimetre (mm) outside-diameter pipe (OD)

1.1 Background

2. ATCO stated that the existing 323.9-mm pipeline was installed in 1981 to supply natural gas to customers in High River and the surrounding area. The existing pipeline is exposed for approximately 10 metres within the Highwood River north of High River. ATCO proposed to install approximately 500 metres of 323.9-mm OD pipeline, Line 158, using a horizontal directional drill. The 50-metre long section of pipeline between the river banks, Line 155, which includes the exposed section, will be addressed in accordance with the recommendation of a qualified aquatic environmental specialist to cut, cap and remove only those sections of the pipeline that are exposed.

1.2 Commission's process

3. The application was registered on April 11, 2014, as a non-routine application because there were outstanding landowner objections and concerns.

4. The Commission issued information requests to ATCO on April 21, 2014. ATCO responded to the majority of the AUC's information requests on May 22, 2014. The remainder of the information request responses were filed on July 11, 2014.

5. The Commission issued a notice of application on June 6, 2014, with a deadline of June 26, 2014 with respect to submissions in support of or objecting to the application.

6. A statement of intent to participate by Joe and Sandra Matwychuk-Goodman was filed on June 24, 2014.

7. The Commission issued a notice of hearing on August 5, 2014, establishing the process for the proceeding, including the setting of a hearing commencement date of October 7, 2014.

8. On September 5, 2014, Joe and Sandra Matwychuk-Goodman withdrew their objections to the application.

9. A notice of hearing cancellation was issued on September 9, 2014.

1.3 Consultation

10. ATCO stated that consultation with affected parties was completed in accordance with the requirements of AUC Rule 020: *Rules Respecting Gas Utility Pipelines* (AUC Rule 020). ATCO indicated in its application that it was unable to come to an agreement with the landowner, Joe and Sandra Matwychuk-Goodman, on the parcels along the right-of-way located on the west side of the Highwood River.

1.4 Environmental assessment

11. In May 2013, ATCO was provided access to the lands on the east side of the Highwood River to complete a field survey. However, the landowners on the west side of the Highwood River denied ATCO access to the right-of-way to conduct geotechnical investigations.

12. Worley Parsons Resources and Energy (Worley Parsons) completed both fishery and river assessments on behalf of ATCO in relation to the project and a Qualified Aquatic Environmental Specialist Assessment was submitted on behalf of ATCO. The original recommendation in the assessment included the removal of the existing pipeline located in the Highwood River. However, in March 2014, Worley Parsons revised its recommendation to an in-stream cut, cap and removal of only the exposed section of the pipeline due to the presence of large river weights on the existing pipeline that precluded removal. Worley Parsons indicated that under this course of action, there was little risk of the remainder of the pipeline becoming exposed, less work in-stream would be required than under other options, there would be virtually no risk of mobilization of sediment and, therefore, it would pose a low risk to aquatic resources.

13. ATCO has also contracted Tera Environmental Consultants (Tera) to complete a pre-construction site assessment (PCSA) and an environmental protection plan (EPP) for the project. The preliminary PCSA and EPP were filed on July 11, 2014.¹ The EPP provides the environmental protection measures to be implemented during construction to avoid or reduce the potential environmental impacts associated with the project. The EPP contains measures associated with pre-construction, notification of concerned parties, general environmental protections, surveying, access and clearing, topsoil salvage, welding, backfilling, pressure testing, clean-up and reclamation, watercourse crossing and post-construction activities.

14. ATCO indicated that site access would be required before the environmental field assessments and geotechnical investigations can be finalized and the results incorporated into the final EPP. Prior to construction, ATCO indicated that it would finalize the EPP for the proposed project and the revised document would be provided to the construction contractor for execution.

15. ATCO confirmed that the EPP implemented for the project would adhere to the guidelines contained in the *Environmental Protection Guidelines for Pipelines* (C&R/IL/94-5) document published by Alberta Environment and Sustainable Resource Development (ESRD).

¹ Exhibit No. 30.00.ATCO-3174, PCSA and EPP.

16. The EPP provided that although the project is located within an aquatic environmentally significant area, the work required to complete the project could be completed at any time, including restricted activity periods for the Highwood River, without posing a risk to fish or fish habitat.
17. ATCO submitted that it would provide the results of wildlife field work conducted for the proposed project to the Fish and Wildlife Division (FWD) of ESRD and would incorporate any mitigation measures recommended by the FWD into the PCSA and EPP prepared for the proposed project. ATCO further stated that it would also comply with ESRD's setback distances in *Recommended Land Use Guidelines for Protection of Selected Wildlife Species and Habitat Within Grassland and Parkland Natural Regions* (Government of Alberta 2011). Further, ATCO confirmed that any required setbacks associated with raptor nests, sharp-tailed grouse and blue heron would be considered when executing the work required to complete the project.
18. ATCO indicated that the project is located within a key wildlife and biodiversity zone and that construction would be scheduled outside of the recommended timing restrictions of December 15 to April 30.
19. ATCO stated that in the event that geotechnical investigations indicate that the entry or exit of the horizontal directional drilling must be located within the willow habitat on the west side of the Highwood River, a vegetation survey would be necessary. The expectation is that the results of any vegetation survey, including mitigation required, would be incorporated into ATCO's final EPP for the project.
20. ATCO originally stated that it would apply to Alberta Culture for *Historical Resources Act* clearance after land access to the project site has been obtained, if required. However, the EPP filed July 11, 2014, indicated that based on the March 2014 Listing of Historic Resources, a *Historical Resources Act* approval for the project is not required.

2 Findings

21. The Commission has reviewed ATCO's application and accepts that the pipeline is subject to additional stresses and strains that the pipeline is not designed for as a result of being exposed in the Highwood River. This could present risks to worker and public safety; as well as continuity of gas supply to customers. Completion of the project will bring the pipeline crossing into compliance with Canadian Standards Association Z662 *Oil and Gas Pipeline Systems* that requires a minimum depth of cover of 1.2 metres for river crossings where erosion is a threat. The Commission finds that this project is necessary to complete the replacement of the exposed pipeline segment in order to ensure both public safety and security of supply for ATCO's customers.
22. The Commission finds that a participant involvement program has been conducted by ATCO in accordance with AUC Rule 020, and given that no party who may be directly and adversely affected by the Commission's decision chose to participate in this proceeding, there are no outstanding concerns regarding the matters at issue before the Commission.
23. The Commission is satisfied that ATCO has taken reasonable steps to determine the environmental impacts associated with the project and set out measures and mitigations to avoid

or reduce those impacts. The Commission understands that ATCO was denied access to the right-of-way on the west side of the Highwood River and that, as a result, the PCSA and EPP may be amended based on field and geotechnical assessment once completed. The Commission expects that ATCO will implement the various measures and mitigations provided in its EPP to the extent possible or required. It is acknowledged that these measures and mitigations may change slightly due to the detailed site work, however, the Commission requires ATCO to continue to determine the appropriate measures and mitigations, including contingencies in the event that horizontal directional drilling is not feasible, to ensure the environmental impacts are reduced and mitigated.

24. The Commission finds that the method applied for by ATCO to address the exposed pipeline in the Highwood River, to cut and cap the pipeline and removing only the exposed sections, is in line with the recommendation of the Qualified Aquatic Environmental Specialist Assessment. The Commission is satisfied that this method, including the measures and mitigations suggested by Worley Parsons and in the EPP, provides a reasonable solution to ensure that the project can be completed safely and that the environmental impacts are minimized.

25. The Commission has reviewed the application and determined that it meets the requirements stipulated in AUC Rule 020.

26. Based on the foregoing, the Commission considers the project to be in the public interest in accordance with Section 17 of the *Alberta Utilities Commission Act*.

3 Decision

27. Pursuant to Section 11 of the *Pipeline Act* and Section 4.1 of the *Gas Utilities Act*, the Commission approves the amendment to Licence No. 2027 and grants ATCO the amended licence, as set out in Appendix 1 – Gas Utility Pipeline – Highwood River Pipeline Replacement – Licence No. 2027– September 23, 2014 (Appendix 1 will be distributed separately).

Dated on September 23, 2014.

The Alberta Utilities Commission

(original signed by)

Neil Jamieson
Commission Member