

DA2014-195

August 18, 2014

ATCO Gas and Pipelines Ltd. (South)
7210 – 42 Street N.W.
Edmonton, Alberta T6B 3H1

Attention: Larry Karpo, P. Eng.
Senior Engineering Technical Leader, Compressor and Salt Caverns Engineering

Vermilion Compressor Station
Licence No. 25935
Application No. 1610745
Proceeding No. 3348

Minor pipeline project application

ATCO Gas and Pipelines Ltd. (South) (ATCO), by Application No. 1610745 registered on July 25, 2014, filed an application with the Alberta Utilities Commission (AUC or the Commission) under Section 11 of the *Pipeline Act* and Section 4.1 of the *Gas Utilities Act* to add a new compressor station with two compressor units as installations seven and eight to Licence No. 25935 in Township 50, Range 5 west of the Fourth Meridian. One of the compressor units was previously removed from Licence No. 1571 and Licence No. 6396 under Application 1610576, Proceeding No. 3231, [DA2014-127](#).¹ The other is a new unit.

ATCO stated that its Ranfurly transmission system will require incremental capacity by the winter of 2014/15 in order to ensure security of supply. The need for incremental capacity is primarily due to significant declines in producer receipts coupled with temperature sensitive demand growth. The Vermilion compressor station has been selected as the least cost alternative for provision of the required incremental peak capacity while meeting minimum delivery pressure requirements at the end of the Ranfurly transmission pipeline. The proposed compressor station consists of two 1,000 kilowatt compressor units which would act as booster compressors on the Ranfurly transmission line; lube oil separation vessels; and associated piping, control and safety equipment.

ATCO stated that it would be responsible for 100 per cent of the costs associated with this project, which are estimated at approximately \$12 million. This is an NGTL directed project that was approved by TransCanada Pipelines in 2014 and therefore was not included in the 2013/14 General Rate Application (GRA) Application No. 1609158, Proceeding No. 2322. This project would be subject to deferral account treatment as approved by the Commission in the above noted application.

ATCO stated that the proposed facility is located on cultivated agricultural land within the County of Vermilion River. In conjunction with the site selection and validation process, ATCO completed a desktop environmental study as well as physical site inspections on the proposed compressor location. Based on these reviews, the site is considered low risk for

¹ DA2014-127: ATCO Gas and Pipelines Ltd. (South). Compressor Installation Removal, Application No. 1610576, Proceeding No. 3231, May 29, 2014.

environmental and wildlife impact. To provide additional third party review and confirmation of suitability, ATCO submitted a pre-disturbance site assessment prepared by Summit Environmental Consultants (Summit). Topsoil and subsoil would be stored on site in accordance with recommendations from Summit with a view to preserving the soil to facilitate ultimate site reclamation to its original condition and utility. Liquids stored at atmospheric pressure, such as bulk engine and compressor oil, would be stored in dual-walled tanks. Spill containment boxes would be used to prevent spills when emptying tanks or liquids from pressure vessels. This project does not require clearance under the *Historical Resources Act* as the proposed work area is not referenced in the latest edition of the Alberta Listing of Historic Resources. Predicted concentrations of NO_x for the proposed compressor station are well below the Alberta ambient objectives. The proposed compressor station design manages storm water runoff originating both on-site and off-site through site grading and ditches to direct storm water runoff appropriately.

ATCO stated that since a significant portion of the loads on this pipeline transmission system are temperature dependent, the compressor is required to be operational by approximately November 1, 2014 to minimize risk of security of supply issues. The required construction start date to meet this schedule is on or about August 18, 2014.

ATCO stated that the proposed station is designed to meet the requirements of AUC Rule 012 - *Noise Control* (AUC Rule 012). ACI Acoustical Consultants Inc. completed and submitted a noise impact assessment and AUC Rule 012 Appendix 3 - Noise Impact Assessment Summary Form. The Noise Impact Assessment Summary Form indicates that the predicted sound levels are below the permissible sound levels.

ATCO stated that consultation has been successfully completed in accordance with AUC Rule 020: *Rules Respecting Gas Utility Pipelines* requirements, with no concerns or objections received from affected landowners and occupants. There are currently no residences within 1,500 metres of the proposed compressor station.

ATCO has provided information respecting the need, nature and extent of the project. Since the project involves limited ground disturbance and is adjacent to the original right-of-way, the resultant environmental impact of the work has been assessed with no significant impact identified. The landowners and occupants of the affected lands did not object to the project.

Based upon the information provided, ATCO has demonstrated that the proposal is of a minor nature, no person other than the landowners and occupants of the land upon which the project takes place will likely be directly affected by the proposal, and no significant adverse environmental impact will be caused by the proposed project.

The Commission approves the application. The amended licence is attached.



Brian Shand, P. Eng.
Director, Gas Facilities
On behalf of the Alberta Utilities Commission

Attachment