

National Energy  
Board



Office national  
de l'énergie

## LETTER DECISION

File OF-Fac-Gas-M182-2017-06  
9 January 2018

Mr. Terry Jordan  
Many Islands Pipe Lines (Canada) Ltd.  
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Regina, SK S4P 4K6  
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Dear Mr. Jordon:

**Abandonment Hearing MHW-005-2017  
Many Islands Pipe Lines (Canada) Ltd. (MIPL(C)L)  
Application for final site decommissioning and reclamation of the  
Chinook-Loomis Pipeline and associated facilities (Project)**

The National Energy Board (NEB or Board) has considered the above-referenced application dated 22 September 2017 (Application). The Application describes activities related to the Chinook-Loomis Pipeline and associated facilities (Facilities). Pursuant to paragraph 74(1)(d) of the *National Energy Board Act* (NEB Act), and taking into account section 50 of the *National Energy Board Onshore Pipeline Regulations* (OPR), the Board has issued the attached Order ZO-M182-001-2018 (Order), the effect of which is to grant (MIPL(C)L) leave to abandon the Facilities. The attached Order sets out the conditions the Board has imposed on the Project.

The Board's reasons for its decision to issue the Order are set out below. In reaching its decision, the Board considered all of the evidence on the record related to this matter. The regulatory documents on file in the MHW-005-2017 proceeding are available in the [Project file](#) on the Board's website.

Given the Facilities will be completely removed, the Board's jurisdiction over them ends when all the conditions of the attached Order have been satisfied.

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## **1.0 Project Overview and the NEB Process**

### **1.1 Application and Project Overview**

On 22 September 2017, MIPL(C)L filed an application with the NEB pursuant to Section 74(1)(d) of the NEB Act and Section 50 of the OPR for authorization to permanently abandon the abovementioned Facilities. (Project). The Project is approximately 23km south of Claydon, Saskatchewan (SK), within the rural municipality of Frontier No.19.

MIPL(C)L stated the activities that would be undertaken for the Project are:

- abandonment and removal of the 106m long Chinook-Loomis Pipeline (includes 90m of line pipe and 16m of facility pipe);
- decommissioning and removal of the associated meter station and custody transfer riser; and,
- the use of an existing graded access trail through native grassland to access the site:
  - Two potential, short drive-on-the grass deviations from the trail through native grassland in SE-06-01-22 W3M because of sloping terrain (i.e., to avoid unnecessary grading on the existing trail to facilitate safe access)
  - Potential access maintenance due to deep washout rills on the existing trail in SW-28-0122 W3M.

### **1.2 The NEB Process**

Under the NEB Act, the Board must hold a public hearing to consider an application for leave to abandon a pipeline. The Board issued a Notice of Abandonment Hearing MHW-005-2017 for the Project (Notice) on 22 November 2017, which set out how the Board would consider the Application.

The Board identified 15 Aboriginal groups with asserted traditional territory in the Project area served them with a Notice of Application, dated 17 November 2017 ([A87986](#)). The groups identified included:

1. Carry the Kettle First Nation
2. File Hills Qu'Appelle Tribal Council
3. Kainai First Nation
4. Little Pine First Nation
5. Métis Nation of Alberta
6. Métis Nation of Alberta- Region 3
7. Métis Nation Saskatchewan
8. Métis Nation - Saskatchewan Western Region III
9. Moosomin First Nation
10. Nekaneet First Nation
11. Piikani First Nation
12. Saulteau First Nation
13. Siksika Nation

14. Stoney Nakoda First Nation
15. Thunderchild First Nation

The Board directed MIPL(C)L to serve a copy of the Notice on all persons potentially impacted by the Project including:

- the landowner;
- tenants;
- lessees;
- users and occupants;
- interested government bodies (e.g. municipalities, provinces);
- Aboriginal groups identified by the Board in the Hearing Notice;
- third party shippers; and,
- other persons identified by MIP(C)L.

The Notice indicated that any member of the public could be involved in the Board's written public hearing process by filing a letter and any supporting documents with the Board. The Board did not receive any letters of interest.

## **2.0 Assessment of the Application**

### **2.1 Engineering Matters**

MIPL(C)L stated that the proposed activities will be completed in accordance with the Canadian Standards Association (CSA) Z662-15, *Oil and Gas Pipeline Systems*, and the OPR, and MIPL(C)L's internal standards, plans and procedures.

#### ***Views of the Board***

The Board is of the view that the Project's proposed activities are consistent with the legislative requirements, which includes the latest version of CSA Z662-15 related to abandonment of piping. The Board is also of the view that abandoning the Facilities by removal is acceptable in this instance, and that the abandonment activities to be conducted by MIPL(C)L are appropriate in the circumstances and will be carried out in a technically safe manner.

### **2.2 Economics Matters**

MIPL(C)L submitted that the Project would cost \$240,000. An additional \$10,000 is estimated for post abandonment contingency reclamation work and reclamation monitoring. MIPL(C)L stated it will provide any additional funding as required. The company also indicated that it will update the overall Abandonment Cost Estimate once the Project is complete.

MIPL(C)L stated that in MH-001-2013 the Board exempted the company from the requirement to set aside funds for abandonment as it is publicly owned (a wholly owned subsidiary of

SaskEnergy Incorporated, a Saskatchewan Crown Corporation). MIPL(C)L confirmed that funding is available to finance the proposed abandonment. MIPL(C)L acknowledged that the assets of the company are deemed assets of the Provincial Crown, and that MIPL(C)L is an agent of the Crown.

MIPL(C)L stated that no stated that no third party shippers will be impacted by the Project.

### ***Views of the Board***

The Board is satisfied that MIPL(C)L, as an agent of the Crown, can finance the proposed abandonment activities. The Board reminds MIPL(C)L that Abandonment Cost Estimates are subject to Board approval. Once MIPL(C)L has completed the abandonment in a manner satisfactory to the Board, it may apply to amend the Abandonment Cost Estimate.

## **2.3 Environment Matters**

The Chinook-Loomis Pipeline is located within the Claydon Grazing Co-op Pasture. The Project is located in a rural agriculture area adjacent to the international border between Saskatchewan and Montana. The predominant land use is livestock grazing. [[A86255-1](#), PDF p. 10 of 14; [A86255-9](#), PDF p. 3 of 37]

MIPL(C)L stated that the Project is localized and of small scale, with a short duration of abandonment activities on previously disturbed areas (i.e., RoW and existing access trail). [[A86255-1](#), PDF p. 11 of 14] MIPL(C)L said that there would be no interaction between the proposed Project and any of physical and meteorological environment, fish and fish habitat, and acoustic environment. [[A86255-9](#), PDF p. 3 of 37]

No species considered a noxious weed in Saskatchewan were identified in the Project area. Several non-native species or those considered nuisance weeds were identified, however the species showed low occurrence and establishment in the Project area. [[A86255-9](#), PDF pp. 10 and 13 of 37]

MIPL(C)L said that the existing access trail crosses through or near several wetlands. MIPL(C)L said that because the Project is scheduled for winter, it is expected that the wetlands will be dry or frozen when crossed. MIPL(C)L further said that implementing equipment checks and spill prevention measures will ensure that water quality is not impacted due to Project activities. [[A86255-9](#), PDF pp. 13 and 14 of 37]

MIPL(C)L stated that there are thirteen species (one moss, one mammal, and eleven birds) listed on Schedule 1 of the *Species at Risk Act* (SARA) that could potentially utilize habitat within or near the Project. [[A88267-1](#), PDF p. 3 of 10]

Environment Canada, in response to a SARA notification letter from the Board, stated that, if the Project is undertaken during the winter, the Project will likely affect critical habitat for Greater sage-grouse, Swift Fox, Sprague's pipit, and Chestnut-collared longspur. Environment Canada

also stated that a key foundation of its advice is that all reasonable alternatives that would reduce the impact on listed species have been considered and the best solution adopted and that all feasible measures will be taken to minimize the impact of the activity on the species or its critical habitat or the residences of its individuals. [[A88472-1](#), PDF pp. 1 and 2 of 2]

MIPL(C)L said that the Project will generally cause a short-term physical disturbance to the RoW, however the area disturbed is small and the effect on species at risk using the Project area after construction is expected to be minimal, as there will be no loss of sagebrush cover or damage to burrows. MIPL(C)L said that of the species listed on Schedule 1 of the SARA, only Greater sage-grouse and Swift fox have the potential to be directly affected by the Project. [[A88267-1](#), PDF p. 6 of 10]

MIPL(C)L said that the Project area does not support a dense cover of sagebrush, and so may not be optimal winter habitat for greater sage-grouse. MIPL(C)L further said that the quarter sections within which the Project components (access trail and pipeline to be abandoned) are located, are not listed in Schedule 1 of the *Emergency Order for the Protection of Greater sage-grouse* (2017). Further, no evidence of leks was observed within 500 m of the Project. [[A88267-1](#), PDF pp. 5 to 7 of 10]

MIPL(C)L also said that there have not been historic observations of Swift fox within 2 km of the Project, according to the Saskatchewan Conservation Data Centre database. No existing Swift fox burrows will be impacted by the Project. No active dens were identified during MIPL(C)L's assessment. [[A88267-1](#), PDF pp. 6 and 7 of 10]

MIPL(C)L indicated that it considered abandoning the pipeline in place as an alternative to removal, however it stated that the surface facilities would still need to be removed and bellholes from 5 m to 15 m long would still be required on each end of the pipeline. MIPL(C)L stated that the remaining short section between the two points that would be disturbed during pipeline removal would not contribute a significant amount of additional disturbance. MIPL(C)L also said that removal of the pipe will aid in re-establishment of compatible sub-surface and surface conditions and will minimize potential settling concerns as the pipe breaks down from corrosion. MIPL(C)L further said that the pipeline was built during a time when introduced species were commonly used in reclamation mixtures, so re-excavating the entire RoW would help reduce the occurrence of some of these species through uprooting and direct mortality. The disturbed area would then be seeded with species that are native to the area. [[A88267-1](#), PDF p. 8 of 10]

MIPL(C)L said that slight increases in airborne and greenhouse gas emissions are expected during the Project that would result in changes to local air quality. However, emissions are expected to dissipate within hours of completion of daily activities and not be detectable beyond the Project footprint area. [[A86255-9](#), PDF p. 22 of 37]

MIPL(C)L said that during the abandonment of the pipeline the most probable accident or malfunction to take place would be a breach or leak from construction equipment (e.g., fuel, lubricant) or remnant free fluids within the pipeline. These spill sources would be localized and

small in size. An emergency response plan is the primary mitigation for accidents and malfunctions. [[A86255-9](#), PDF p. 22 of 37]

MIPL(C)L stated that the Phase I investigation concluded that further Phase II analysis was not required. [[A86255-4](#), PDF p. 14 of 15]

To mitigate adverse impacts to sensitive biophysical attributes within or near the Project site, abandonment activities are proposed by MIPL(C)L to occur during the winter months. MIPL(C)L said this will avoid sensitive breeding and rearing periods for wildlife, migrant bird species will be absent, several year-round resident species (e.g., amphibians, rodent species) will be in hibernation, herbaceous plants will be dormant, and dry or frozen ground will minimize rutting potential, and fire hazard would be reduced. [[A86255-1](#), PDF p. 12 of 14]

MIPL(C)L proposed standard mitigation measures including confining alteration of the current soil profile and vegetation cover to the previously-disturbed right-of-way and reclamation and reseeded of the area disturbed by Project activities with a native seed mix reflective of the dominant plant community. [[A88267-1](#), PDF p. 8 of 10]

MIPL(C)L said that all abandonment stages will be completed in accordance with SaskEnergy/TransGas's Environmental Protection Standards (2017) which outlines expectations for all stages of construction, ranging from signage and proper soil handling to housekeeping, waste management and site reclamation. [[A86255-1](#), PDF p. 12 of 14]

During pipeline cleaning, any free fluids will be captured for disposal at a licensed waste facility. All pipe and associated structures removed will be tested for contamination and transported from site for disposal or recycling per regulatory requirements and as discussed in the Abandonment Plan. [[A86255-1](#), PDF p. 12 of 14]

MIPL(C)L said that company inspectors will be on-site during construction and abandonment field work to oversee and document compliance with engineering standards and environmental best practices. Subsequent to the completion of the abandonment work, the Project site will be assessed to confirm clean-up and reclamation activities meet corporate and regulator standards; and that any deficiencies will be immediately addressed. [[A86255-1](#), PDF p. 13 of 14]

MIPL(C)L said that the site will be assessed and inspected by an environmental monitor for three years post-abandonment to ensure that reclamation efforts have been successful. MIPL(C)L said that any deficiencies found during these inspections will be immediately addressed. [[A86255-1](#), PDF pp. 13 of 14]

MIPL(C)L concluded that predicated residual effects are deemed not significant with implementation of planned mitigation and environmental protection measures. [[A86255-1](#), PDF pp. 13 of 14]

### ***Views of the Board***

The Board notes that the Project is not subject to the requirements of an Environmental

Assessment under the *Canadian Environmental Assessment Act, 2012* as it is not a designated project under that Act. The Board has assessed the environmental effects of the abandonment activities pursuant to the NEB Act.

The Project involves the abandonment of one small-diameter natural gas pipeline with all work proposed along the existing disturbed RoW. The Board notes the mitigation measures that MIPL(C)L will implement during Project activities, including scheduling Abandonment Activities during winter. The Board is satisfied that the mitigation measures are appropriate.

The Board further notes that the Phase I Environmental Site Assessment conducted for the Project concluded that further Phase II analysis is not required.

The Board notes that MIPL(C)L considered abandonment of the pipeline in place as an alternative to pipeline removal. The Board is of the view that all reasonable alternatives that would reduce the impact of the Project on critical habitat of listed species have been considered and the best solution adopted. The Board is further of the view that, given the disturbed nature of the Project site and mitigation and reclamation measures proposed by MIPL(C)L, that all feasible measures will be taken to minimize the impact of the activity on critical habitat of species at risk.

Condition 4 of the Order requires MIPL(C)L to file an Environmental Protection Plan (EPP) specific to the abandonment activities at least 30 days prior to their commencement. Condition 4 also requires MIPL(C)L to confirm that it will notify the Board if any contamination is identified during abandonment activities, and to provide a contingency plan to be implemented in the event that potential contamination is encountered. Condition 4 further requires MIPL(C)L to identify the criteria it will use to determine if reclamation objectives have been met.

The Board acknowledges MIPL(C)L's plans to assess and inspect the Project site for three years post-abandonment to ensure that reclamation efforts have been successful. Condition 5 requires MIPL(C)L to file a post-abandonment report and post-abandonment monitoring plan to provide for monitoring post-abandonment, and to demonstrate that the areas disturbed during abandonment activities have been remediated, if required, and are restored to equivalent land capability.

Given the nature and scope of the Project, and the implementation of the Board's conditions, the Board is of the view that any residual environmental effects would be of limited geographic extent (limited to the Project site), medium-term (in the order of months or years), reversible and of low magnitude. The Board has determined that the carrying out of the Project is not likely to cause significant adverse environmental effects.

## **2.4 Consultation, Lands and Socio-economic Matters**

The Project is located approximately 23km south of Claydon, SK, within the rural

municipality of Frontier No.19 on previously disturbed land within the Claydon Grazing Co-op Pasture. The project will be accessed from Claydon via SK Highway 18 and grid roads to the pasture. Within the pasture, access to the work site will be via an existing graded trail, for approximately 15km. MIPL(C)L stated that all work will take place within MIPL(C)L's existing right-of-way and temporary work space that will be acquired from the directly impacted landowner.

MIPL(C)L notified the directly impacted landowner, stakeholders with registered interests, title holders within a 1.5 radius of the project site of the Project, and Nekaneet First Nation in August 2017. The Board required MIPL(C)L to serve the Notice of Hearing on all persons potentially affected by the Application, including landowners, interested government bodies and Aboriginal groups. The Notice set out the Board's hearing process and required those interested in participating in that process to indicate their intention to do so by 18 December 2017. The Board also sent a Notice of Application to 15 potentially impacted Aboriginal groups, requesting that if they had any concerns about the Project or views on how the Project may impact Aboriginal communities, the use of traditional territory and any potential or established Treaty or Aboriginal rights, to file a Letter of Comment with the Board by 18 December 2017. The Board received no comments from Aboriginal groups or other interested parties. MIPL(C)L stated that given the small scale and localized nature of the Project, coupled with the short duration of activities on a previously disturbed area, there will be minimal socio-economic impacts.

### ***Views of the Board***

The Board is satisfied that anyone potentially affected by the Project was given sufficient notice and had the opportunity to voice their concerns. The Board is of the view that the design and implementation of consultation activities were appropriate for the scale and scope of the Project.

Condition 6 requires MIPL(C)L to notify all landowners, land users and Aboriginal groups of the timing of abandonment activities 15 days prior to commencing them. Condition 7 requires MIPL(C)L to file for approval a land rights summary which includes the number of easements affected by the Project, the number of easements to be surrendered, and the number of easement registrations that will be removed from land titles. Condition 8 requires MIPL(C)L to file a contingency plan to protect landowners and land users, should subsequent land issues arise following the abandonment of the facility and surrender of the easement.

The Board expects applicants to identify the effects projects may have on socio-economic elements, to identify mitigation measures they will implement to reduce those effects, and to assess the significance of any effects that would remain once the mitigation has been applied. The Board is satisfied that MIPL(C)L has identified and addressed all relevant socio-economic effects associated with the Project. The Board notes the limited scope and duration of abandonment activities and is of the view that the Project is not likely to cause any significant socio-economic effects.



### 3.0 Decision

Based on the foregoing consideration and reasons, the Board grants MIPL(C)L leave to abandon the Facilities as set out in Schedule A of the attached Order.

A handwritten signature in black ink, appearing to be 'K. Chaulk', written in a cursive style with a long horizontal stroke extending to the right.

K. Chaulk  
Member

Attachment