



LETTER DECISION

File OF-Fac-Gas-M182-2017-05
5 March 2018

Mr. Terry Jordan
Many Islands Pipe Lines (Canada) Ltd.
1000 – 1777 Victoria Avenue
Regina, SK S4P 4K6
Email : tjordan@saskenergy.com

Dear Mr. Jordon:

**Abandonment Hearing MHW-006-2017
Many Islands Pipe Lines (Canada) Ltd. (MIPL(C)L)
Application for the abandonment of the Petrolia Pipeline
and associated facilities (Project)**

The National Energy Board (NEB or Board) has considered the above-referenced application dated 16 August, 2017 (Application). The Application describes activities related to the abandonment of the 134m Petrolia 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-M128-004-2018 (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 for the MHW-006-2017 proceeding are available in the [Project file](#) on the Board's website.

Given the Facilities will be 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 16 August 2017, MIPL(C)L filed an application with the NEB pursuant to section 50 of the OPR for the abandonment of the 134 meter Petrolia pipeline and associated facilities (Project). The project is located at the Alberta Saskatchewan border west of Kindersley Saskatchewan, on private land (mainly on cropland and previously disturbed areas). The Petrolia Pipeline is currently isolated as the meter run and all associated above ground facilities, excluding the slug trap have been removed at the meter station site.

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

- removal of 134 m of NPS 4 pipeline (the Petrolia Pipeline);
- removal of the associated riser and meter station site facilities; and
- the reclamation of the project area to be equivalent to adjacent land use.

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-006-2017 for the Project (Notice) on 23 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 Abandonment Application, dated 17 November 2017. 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. Nekanee 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 will be carried out in a technically safe manner.

2.2 Economics Matters

MIPL(C)L submitted that the Project would cost \$260,000. 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 shippers will be adversely affected by the Project as there are no upstream or downstream facilities connected to the Petrolia Pipeline.

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 Petrolia pipeline is located on previously modified and cultivated land, an abandoned compressor, meter station, and low-grade road. Natural wildlife habitat is sparse in the general region and no wetlands or drainages will be encountered or encroached during abandonment activities. No environmentally sensitive areas have been identified along the Project RoW, and no new access to the Project site is required.

MIPL(C)L said that the Project is localized and small scale with short duration of activities on previously modified/developed land. Project activities will be limited to the existing RoW and temporary workspace, as required. MIPL(C)L said that there would be no interaction between the proposed Project and any of the physical and meteorological environment, water quality and quantity, fish and fish habitat, wetlands, or plant species at risk or species of special status.

MIPL(C)L said that the Project Effects Study Area (PESA - defined as the Project Footprint plus a 1 km buffer) does not contain any contaminated sites listed on the Federal Contaminated Sites Inventory, nor are there any recorded spills within the Saskatchewan portion of the PESA. MIPL(C)L said that three spills or complaints have occurred within the PESA that have been submitted to the Alberta Energy Regulator. Approximately 0.1 cubic metres of condensate was spilled in 1998 in close proximity to the proposed Project. The second (0.6 cubic metres of salt/produced water and 4.0 cubic metres of crude oil) and third spill (0.3 cubic metres of salt/produced water) occurred approximately 800 metres northwest of the Project Footprint. MIPL(C)L said that there are no records of previous soil contamination within the Project Footprint.

MIPL(C)L stated that no federally-or provincially-listed plant species have been observed within the Project Footprint or the Project Effects Study Area.

MIPL(C)L three weed species designated as noxious in Alberta and/or Saskatchewan were observed, including Canada thistle (*Cirsium arvense*), kochia (*Bassia scoparia*), and narrow-leaved hawk's beard (*Crepis tectorum*). Four species designated as nuisance in Saskatchewan including quackgrass (*Elymus repens*), common dandelion (*Taraxacum officinale* ssp *officinale*), foxtail barley, and goat's beard (*Tragopogon pratensis*) were observed. All the weed species were primarily found in annual cropland or along field margins.

MIPL(C)L stated that there are no historically documented sightings of federally-listed wildlife species within the Project Effects Study Area in Saskatchewan or Alberta, and no listed wildlife species were observed during its June 2017 site assessment. No nests or den sites were observed in the Project footprint.

MIPL(C)L identified potential Project effects on soil (e.g., soil loss, admixing, and compaction associated with soil handling, spread of possible existing contamination), vegetation (e.g., temporary loss or alteration of vegetation types and potential introduction or spread of weeds), wildlife and wildlife habitat, and air quality (e.g., emission of criteria air contaminants and greenhouse gases).

MIPL(C)L stated that the Project is located within an area with previous soil disturbance, and abandonment activities are not anticipated to decrease soil and soil productivity below the current land use. MIPL(C)L proposed standard mitigation to address potential effects on soil and soil productivity including erosion control measures, storage of topsoil separately from subsoil, and contouring of the Project Footprint to a stable surface after abandonment activities are complete. MIPL(C)L said that there are no records of previous soil contamination within the Project Footprint, but that any soil contamination encountered during the Project will be addressed in the appropriate manner.

MIPL(C)L said that if any listed plant species are identified during Project activities, a management strategy will be determined in consultation with the appropriate government authorities. MIPL(C)L proposed standard mitigation to address potential effects of the Project on vegetation and spread of weeds. MIPL(C)L stated that natural propagation and regeneration are expected to enhance reclamation on the segments that cross non-cultivated land, and that it would seed disturbed areas with an approved seed mixture, if required. MIPL(C)L further stated that monitoring the Project Footprint after completion of abandonment activities will assess revegetation progress and weed occurrences, as well as to determine if follow-up measures are required.

MIPL(C)L said that it is anticipated that the Project will begin in the summer of 2018 and may overlap the critical breeding and nesting period of migratory birds (i.e., April 15 to August 31). However, MIPL(C)L stated that less than 0.01 ha of treed cover may be affected by the Project. MIPL(C)L said that a breeding bird and nest survey will be conducted prior to construction and, if a conflict is identified, appropriate mitigation (e.g., schedule delay) will be employed following consultation with relevant regulatory agencies. MIPL(C)L proposed standard mitigation measures to reduce Project effects on wildlife and wildlife habitat.

MIPL(C)L said that the proposed Project will involve the short-term creation of criteria air contaminants (CAC) and emission of greenhouse gases (GHG) related to use of construction equipment. MIPL(C)L said that no emissions of nuisance odours are expected during the Project. MIPL(C)L also said that the emissions of CAC and GHG during Project activities will result in a change to air quality that is localized and is expected to dissipate within hours of completion of daily Project activities and not be detectable beyond the PESA. MIPL(C)L proposed standard mitigation to reduce effects on air quality such as maintaining vehicles and Project equipment engines and minimizing idling of vehicles and Project equipment.

MIPL(C)L said that the most probable accident or malfunction would result in the accidental release of a contaminant from construction equipment. MIPL(C)L further said that such spills would be highly localized and larger spills would initiate spill management procedures to mitigate potential effects to soil quality. MIPL(C)L said a spill contingency plan will be developed with the construction contractor and made available to all on-site staff, and areas affected by a spill will be remediated and reclaimed to pre-spill conditions.

MIPL(C)L stated that the Phase I investigation concluded that further Phase II analysis was not required.

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.

MIPL(C)L said that during pipeline cleaning, any free fluids will be captured for disposal at a licensed waste facility. MIPL(C)L also said that all pipe and associated structures removed will be tested for contamination and transported from the site for disposal or recycling per regulatory requirements and as discussed in its Abandonment Plan.

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; any deficiencies will be immediately addressed.

MIPL(C)L said that the site will be assessed and inspected by an environmental monitor for three years post-abandonment, to ensure that remediation efforts have been successful. Any deficiencies found during these inspections will be immediately addressed.

MIPL(C)L concluded that predicted residual effects are not significant with implementation of planned mitigation and environmental protection measures. MIPL(C)L said that there are no reasonably foreseeable developments identified that overlap spatially or temporally with the Project so a cumulative effects assessment was not completed.

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. 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.

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,
- 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; and
- 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 Lands, Consultation and Socio-economic Matters

The Project is located approximately 13 km south of Loverna, SK within the Rural Municipality of Milton No. 292 (RM of Milton) on previously modified and cultivated land. The Project will be accessed from existing roads and MIPL(C)L stated that all work will take place within MIPL(C)L's existing right-of-way, a parcel of land owned by MIPL(C)L and temporary work space that it acquired in April and May 2017. Both the RM of Milton and the Saskatchewan Ministry of Highways and Infrastructure provided approval to remove the pipeline crossing the road allowance. MIPL(C)L also received crossing agreements from SaskPower and Telus in order to complete the work.

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 modified land, there will be minimal socio-economic impacts.

MIPL(C)L notified two directly impacted landowners, stakeholders with registered interests, and title holders within a 1.5 radius of the project site of the Project in July 2017, and no concerns were raised. MIPL(C)L noted that as there were no First Nations or Métis communities within 100 km of the Project site, it did not engage any Aboriginal communities. 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 16 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.

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 7 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,
- 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; and
- 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.



K. Chaulk
Member

Attachment