

# Bulletin 2019-01

January 30, 2019

## **Revision to AUC Rule 020: *Rules Respecting Gas Utility Pipelines***

The Alberta Utilities Commission is seeking written feedback, comments and suggestions regarding proposed changes to gas utility pipeline applications by **March 1, 2019**.

The AUC is responsible for approving new gas utility pipelines and amendments to existing gas utility pipelines under the *Alberta Utilities Commission Act*, the *Gas Utilities Act* and the *Pipeline Act*. In Alberta, gas utility pipelines are pipelines owned by ATCO Gas and Pipelines Ltd. (ATCO) and AltaGas Utilities Inc. (AltaGas), operate at pressures greater than 700 kilopascals and are licensed under the *Pipeline Act*.

While the AUC is the approving authority for gas utility pipelines, the Alberta Energy Regulator (AER) includes all approved gas utility pipelines in its pipeline database. Accordingly, when the AUC approves a new gas utility pipeline or an amendment to an existing gas utility pipeline, the AER database must be updated to include the new pipeline or reflect the amendments to existing pipelines.

Currently, the AUC issues a decision report and a licence for each gas utility pipeline application, regardless of the scope or nature of the application. If the AUC approves an application, the AUC then initiates updates to the AER's pipeline database by filing an application through the AER's OneStop system.

### **Proposed changes**

The AUC proposes to make two material process changes to the AUC's application process for gas utility pipeline applications.

First, the AUC will continue to issue a licence for all approved applications. However, the applications to update the AER database, through its OneStop system, for all AUC approved applications will be made by the owners of the gas utility pipeline, ATCO and AltaGas, and not by the AUC.

Second, the AUC will issue an updated licence but no decision report for pipeline amendment applications that address minor, administrative changes. Applications involving approvals for more significant changes will continue to receive both a decision report and a licence from the AUC.

The AUC has grouped the gas utility pipeline applications it receives into two tiers:

- (1) Tier 1 applications relate to amendments for administrative changes necessary to ensure accurate and reliable pipeline records or applications for projects with no customer-cost implication.
- (2) Tier 2 applications relate to all other projects, including (a) applications for new projects and (b) applications for amendments to existing projects that will have cost implications to

customers and projects that involve ground disturbance and construction activities, even if there is no cost impact to customers.

Examples of pipeline applications that fall under each tier designation are listed in Table 1, along with the proposed changes to the application process and requirements for each tier.

**Table 1. Process changes and requirements for new tier designation**

	<b>Tier 1 application type</b>	<b>Tier 2 application type</b>
<b>Tier description</b>	<ul style="list-style-type: none"> <li>No need approval or project approval required because the amendment reflects record updates due to an error, a review of as-built information or an abandonment notification.</li> <li>Approval for the amendment or related activity is set out in an earlier decision or the amendment is administrative in nature.</li> <li>Minimal or no capital cost implications to customers.</li> </ul>	<ul style="list-style-type: none"> <li>New projects</li> <li>Projects involving ground disturbance and construction activities.</li> <li>Usually have cost implications to customers.</li> </ul>
<b>Pipeline amendment application examples</b>	<ul style="list-style-type: none"> <li>Record amendments.</li> <li>Self-disclosure.</li> <li>Pipeline splits due to as-built review.</li> <li>Abandonment applications filed within 90 days of completing the abandonment operation.</li> <li>Low-pressure conversion.</li> <li>Maximum operating pressure (MOP) changes.</li> <li>Surface pipeline removals.</li> <li>Pipeline splits and abandonments requested and paid for by a third party.</li> </ul>	<ul style="list-style-type: none"> <li>Pipeline removal and replacement projects requested and paid for by a third party.</li> <li>Pipeline splits, removal and replacement projects proposed by the gas utility pipeline owner.</li> <li>All other application types not mentioned in Tier 1 including: <ul style="list-style-type: none"> <li>compressor addition or removal</li> <li>new pipeline construction</li> <li>surface pipeline installation, etc.</li> </ul> </li> </ul>
<b>Proposed process</b>	<ul style="list-style-type: none"> <li>ATCO Gas and Pipelines Ltd. (ATCO) and AltaGas Utilities Inc. (AltaGas) will file applications within the eFiling system as they currently do. The Commission will review the applications for completeness and accuracy as well as technical correctness.</li> <li>If the Commission approves the application, it will issue an amended licence but no decision report.</li> <li>ATCO or AltaGas must file a related OneStop application with the AER.</li> </ul>	<ul style="list-style-type: none"> <li>ATCO and AltaGas will file applications within the eFiling System and the Commission will review the applications as is currently done.</li> <li>If any Tier 1 activities are applied for in conjunction with any of the Tier 2 activities, the application will be treated as a Tier 2 application.</li> <li>If the Commission approves the application, it will issue a decision report and a licence for approved applications, as it is currently the practice.</li> <li>After the Commission issues the decision report and licence to ATCO or AltaGas, it will be the responsibility of the company to update the licence with the AER using the OneStop system.</li> </ul>
<b>Requirements – filing and post-disposition documentation</b>	<ul style="list-style-type: none"> <li>When filing the applications to update the licence with the AER using the OneStop system, ATCO and AltaGas would be required to use the business associate (BA) code designated for AUC regulated gas utility pipelines only, and also reference AUC in the application's project name to further identify the AUC related applications.</li> <li>The AER will follow up directly with ATCO and AltaGas on any errors found on the applications.</li> <li>ATCO or AltaGas would be required to confirm to the Commission, through the eFiling System, that the necessary AER applications had been made and licence granted.</li> </ul>	<ul style="list-style-type: none"> <li>Same as Tier 1.</li> </ul>
<b>Proposed timing to update AER record</b>	<ul style="list-style-type: none"> <li>ATCO or AltaGas submit to the AUC a copy of the licence confirmation issued by the AER within 60 days of receiving the AUC's approval.</li> </ul>	<ul style="list-style-type: none"> <li>Same as Tier 1.</li> </ul>

The revised process is expected to be more efficient and effective for both the AUC and the applicants.

The Commission invites stakeholders to provide written feedback, comments and suggestions on these proposed process changes by **4 p.m. on March 1, 2019**. All written submissions and any questions on this bulletin should be submitted to Lekan Osanyintola of the AUC Facilities Division at [lekan.osanyintola@auc.ab.ca](mailto:lekan.osanyintola@auc.ab.ca) or by telephone at 403-592-4369.

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