



## **Canadian Natural Resources Limited**

### **Horizon Industrial System Designation Amendment**

**May 23, 2014**

**The Alberta Utilities Commission**

Decision 2014-143: Canadian Natural Resources Limited

Horizon Industrial System Designation Amendment

Application No. 1610451

Proceeding No. 3160

May 23, 2014

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The Alberta Utilities Commission

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## 1 Introduction

1. Canadian Natural Resources Limited (CNRL) filed an application with the Alberta Utilities Commission (AUC or the Commission), requesting approval to amend its existing industrial system designation at the Horizon Oilsands Project site to include a new 34.5-kilovolt (kV) substation and a 34.5-kV cable, pursuant to Section 4 of the *Hydro and Electric Energy Act*. The application was registered on April 4, 2014, as Application No. 1610451.

## 2 Discussion

2. CNRL, by Order No. U2005-243,<sup>1</sup> has approval to operate an industrial system, encompassing all the electric facilities at its Horizon Oilsands Project site, located approximately 70 kilometres north of Fort McMurray, Alberta.

3. CNRL requested approval to amend the existing industrial system designation to include a 34.5-kV substation including associated electrical distribution equipment and 2.2 kilometres of 34.5-kV cable from CNRL's Horizon U&O/Upgrader 260-kV substation to a new Horizon liquid extraction plant (HLEP). All proposed facilities would be within the existing industrial system designation boundary.

4. CNRL submitted that it is working together with Williams Energy Inc. to develop the HLEP, but that the HLEP and the 34.5-kV substation, would be owned by Williams Energy Inc. The 34.5-kV cable would be owned by CNRL.

5. CNRL submitted that the HLEP would recover C2+ hydrocarbon liquids from the off-gas (feed gas) received from the CNRL Horizon plant that would then be transported via an existing pipeline to the Redwater Olefins Fractionation Plant where the recovered liquids are fractionated into six product streams. CNRL also submitted that the residue gas, which consists of lighter constituents including methane and hydrogen, would be enriched with natural gas and returned to the CNRL Horizon facility for use as fuel gas.

6. CNRL submitted that ATCO Electric Ltd., the transmission facility owner in the area, did not object to the proposed electric facilities.

7. Williams Energy Inc. conducted a participant involvement program for the HLEP project. CNRL submitted that no objections or concerns were identified or raised by any party.

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<sup>1</sup> Industrial System Designation Order No. U2005-243, Application No. 1356248, June 16, 2005.

### 3 Findings

8. The Commission has reviewed the application and finds that the application meets the information requirements stipulated in AUC Rule 007: *Applications for Power Plants, Substations, Transmission Lines, Industrial System Designations and Hydro Developments*.

9. The Commission is satisfied that the amendment has no material change on the overall industrial process described in the application approved under Order No. U2005-243. The Horizon electric system is highly integrated with all components of the industrial process. The Commission is also satisfied that the HLEP facility will be fully integrated within the CNRL Horizon main plant site.

10. The Commission finds that the proposed substation and cable are not likely to cause any adverse environmental and noise effects. The Commission also finds that there are no outstanding public or industry objections or concerns to the amendment.

11. In making its decision on CNRL's amendment to its existing Horizon industrial system designation, the Commission has considered the principles, criteria and legislative framework contained in the *Hydro and Electric Energy Act* and the *Electric Utilities Act*. Based on the evidence contained in the application, the Commission finds that each of the criteria contained in Section 4(3) of the *Hydro and Electric Energy Act* has been met.

12. Due to the nature of the application, a notice of application was not issued and, therefore, a hearing was not required as the Commission considered that its decision or order would not directly and adversely affect the rights of a person pursuant to Section 9 of the *Alberta Utilities Commission Act*.

13. 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*.

### 4 Decision

14. Pursuant to Section 4 of the *Hydro and Electric Energy Act* and sections 2(1)(d) and 117 of the *Electric Utilities Act*, the Commission approves the application and grants to CNRL the approval set out in Appendix 1– Horizon Industrial System Designation Amendment – Order No. U2014-200 – May 23, 2014 (Appendix 1 will be distributed separately).

Dated on May 23, 2014.

### The Alberta Utilities Commission

*(original signed by)*

Neil Jamieson  
Commission Member