Decision **24586-D01-2019**

Alberta Utilities Commission

# AltaGas Utilities Inc.

## Etzikom Lateral Pipeline Project

## August 8, 2019

**Alberta Utilities Commission**
Decision 24586-D01-2019
AltaGas Utilities Inc.
Etzikom Lateral Pipeline Project
Proceeding 24586
Application 24586-A001

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**Alberta Utilities Commission**

**Calgary, Alberta**

**Decision 24586-D01-2019**

**AltaGas Utilities Inc.** **Proceeding 24586**

**Etzikom Lateral Pipeline Project** **Application 24586-A001**

## 1 Decision summary

1. In this decision, the Alberta Utilities Commission must decide whether it is in the public interest to approve an application by AltaGas Utilities Inc. for:

(a) The need for the Etzikom Lateral Pipeline Project (project), which includes only Part A (North Section) of the project. Part A of the project consists of two phases – phases 1 and 2.

(b) The construction and operation of Phase 1 of the north section, which consists of approximately 13 kilometres of a new high-pressure natural gas pipeline and a new meter and regulating station.

2. After consideration of the record of the proceeding, and for the reasons outlined in this decision, the Commission finds that approval of the need for the project and the construction and operation of the proposed Phase 1 of the project is in the public interest.

## 2 Introduction

3. AltaGas filed Application 24586-A001 pursuant to Section 11 of the *Pipeline Act* and Section 4.1 of the *Gas Utilities Act*. AltaGas seeks to add the proposed new pipelines to Licence 6192. Phase 1 of the project consists of the following:

- addition of a newly constructed pipeline (line 50 – 0.04 kilometres of 219.1-millimetre outside-diameter pipeline)
- addition of a newly constructed pipeline (line 51 – 12.79 kilometres of 219.1-millimetre outside-diameter pipeline)
- addition of a newly constructed pipeline (line 52 – 0.01 kilometres of 114.3-millimetre outside-diameter pipeline)
- addition of a newly constructed pipeline (line 53 – 0.10 kilometres of 168.3-millimetre outside-diameter pipeline)
- addition of a new purchase meter and regulating station at the existing SE124 purchase station

# 3 Background

4. AltaGas stated that in its southeast district, the Etzikom Lateral Pipeline, which is owned and operated by NOVA Gas Transmission Ltd. (NGTL), is the sole source of natural gas supply to multiple AltaGas purchase stations serving approximately 1,370 AltaGas customers. TransCanada Pipelines Limited owns and operates the NGTL system, which is the largest and most extensive natural gas network in Alberta and regulated by the National Energy Board. AltaGas relies on the NGTL system throughout Alberta for its source of supply as the vast majority of AltaGas facilities are tied directly or indirectly to the NGTL system. In late 2017, NGTL notified AltaGas that it intended to abandon its Etzikom Lateral Pipeline by no later than the end of 2019.[1] The NGTL system supplies gas to eight AltaGas purchase stations serving customers in rural areas surrounding the city of Medicine Hat and southeast Alberta, extending south to the hamlet of Etzikom and the surrounding rural areas. In order to maintain safe and reliable service to its customers, AltaGas proposed to construct new pipelines in the area.

5. AltaGas further stated that due to the geographically large distances between AltaGas customers served along the existing NGTL Etzikom Lateral Pipeline, AltaGas's recommended solution identified three main parts for its proposed Etzikom Lateral Pipeline project, which is comprised of Part A (North Section), Part B (Middle Section) and Part C (South Section). Part A is comprised of two phases: Phase 1 is to construct 13 kilometres of new pipeline to connect three AltaGas purchase stations to a single NGTL supply point and Phase 2 is to construct four kilometres of new pipeline to connect an AltaGas purchase station to Forty Mile Gas Co-op Ltd.'s (Forty Mile Co-op) system. The project is scheduled to be completed and in service by the end of 2019.

6. In this application, AltaGas is seeking approval of the need for Part A, which includes phases 1 and 2, and for the approval of the construction and operation of Phase 1 of Part A of its project. The approval for the construction and operation of Phase 2 of Part A has been filed under a separate application in Proceeding 24631. The applied-for route for Phase 1 of the project is shown in the figure below.

[1] Exhibit 24586-X0009, Cover Letter – Part A Phase 1.

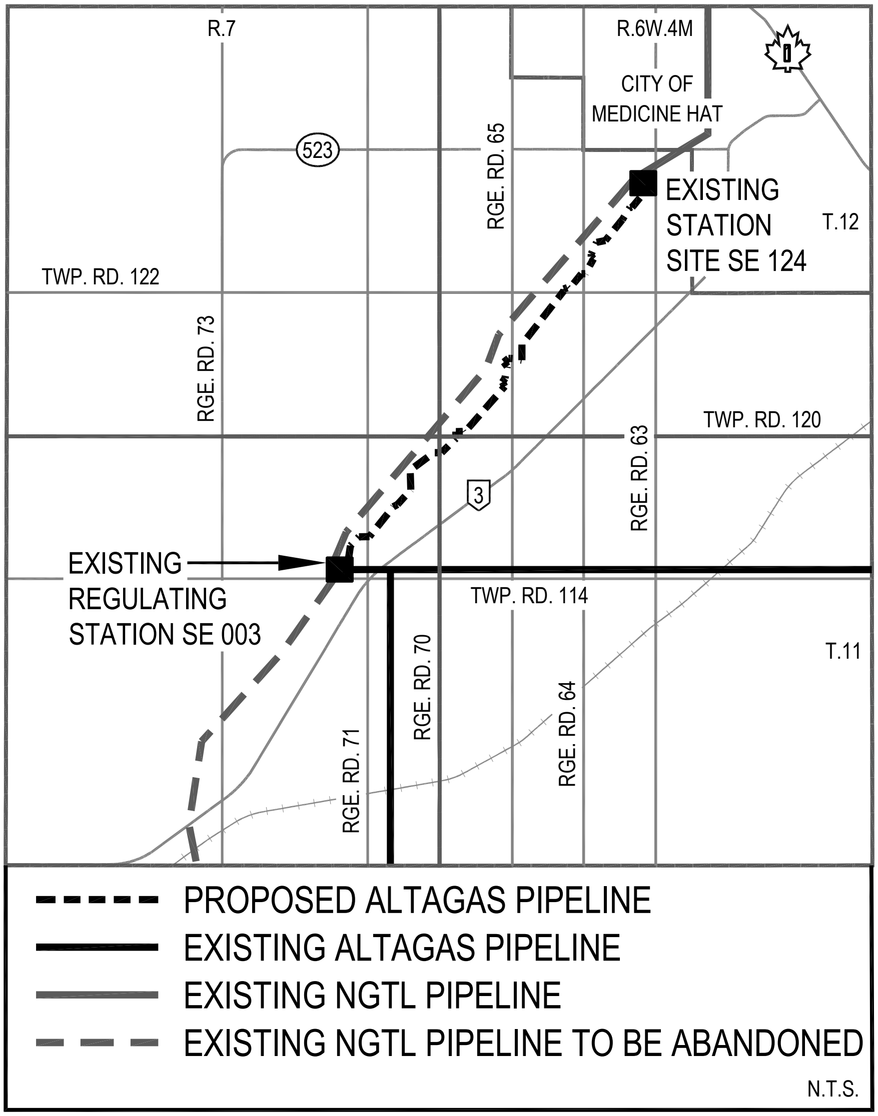


**Figure 1 - Applied-for route for Phase 1**

## 3.1 Project need

7. AltaGas stated that it was notified by NGTL of its intention to abandon the NGTL Etzikom Lateral Pipeline by no later than the end of 2019. This was the result of NGTL's ongoing assessment to identify certain facilities on its system to deactivate, decommission or abandon (DDA). On July 13, 2018, NGTL issued a project notification letter and fact sheet to stakeholders regarding plans for its NGTL Etzikom Lateral Abandonment Project. On October 31, 2018, NGTL filed an application[2] with the National Energy Board to abandon a 64-kilometre section of its Etzikom Lateral Pipeline located six kilometres south of the city of Medicine Hat beginning in the fourth quarter of 2019.[3] This abandonment affects six of AltaGas's eight purchase stations that are connected to the NGTL Etzikom Lateral Pipeline and

[2] NEB File No. OF-Fac-Gas-N081-2018-19 01 Etzikom Abandonment Project MHW-006-2019.

[3] As of the date of this decision, the NEB has not issued a final determination with respect to the NGTL abandonment application.

will result in termination of gas supply to approximately 1,370 of the total 1,715 AltaGas customers in the area.

8. Due to NGTL's abandonment plans, AltaGas has been forced to assess alternatives for the NGTL Etzikom Lateral Pipeline to ensure continued gas supply for AltaGas customers in the affected areas. AltaGas has proposed that the best and only course of action requires the construction and operation of new pipelines and facilities by AltaGas.

9. In response to the Commission's request for AltaGas to provide its opinion on a potential third-party sale of the NGTL Etzikom Lateral Pipeline (which may affect the proposed abandonment), AltaGas stated that the portion of the pipeline that is the subject of the potential sale would not impact the need for the pipelines that are being proposed in this proceeding. AltaGas further stated that NGTL continues to pursue its abandonment application and has indicated to AltaGas there has been no change to the abandonment's proposed schedule. Therefore, in AltaGas's view, it is necessary to proceed with its project in order to ensure continued and reliable service to its customers.[4]

10. The need for the project has not been previously approved. AltaGas, as part of its 2019 annual performance-based regulation (PBR) rate adjustment filing submitted to the Commission on September 10, 2018, applied for a Type 1 capital tracker placeholder for funding to construct new pipelines and facilities under a project referred to as DDA Response: Etzikom Lateral. On December 20, 2018, the Commission issued Decision 23898-D01-2018[5] approving AltaGas's placeholder request for a Type 1 capital tracker for cost recovery on the basis of a management-approved internal 2019 forecast associated with its Etzikom Lateral Pipeline project. In the decision, the Commission further indicated that the Etzikom Lateral Pipeline project would be tested in a true-up application when the actual costs are known to determine whether or not the project meets the Type 1 capital tracker criteria along with the prudence of the expenditures.

11. In proceeding 23898, AltaGas submitted a business case[6] to the Commission in September 2018. AltaGas stated that since the original business case was submitted, it has completed the engineering design and updated the business case for the project in this proceeding. AltaGas provided the updated business case[7] that assessed four alternatives.

## 3.2 Project alternatives

### Alternative 1 – Status quo

12. AltaGas stated that the status quo is not a viable option because it has been notified by NGTL that it intends to abandon the NGTL Etzikom Lateral Pipeline starting in the fourth quarter of 2019, subject to approval from the National Energy Board.

[4] Exhibit 24586-X0025, AUI IR Responses Round 2, pages 1-2.
[5] Decision 23898-D01-2018: AltaGas Utilities Inc. – 2019 Annual Performance-Based Regulation Rate Adjustment Filing, Proceeding 23898, December 20, 2018 (Errata issued on January 11, 2019).
[6] Exhibit 24586-X0004, 2019 DDA Response: Etzikom Lateral – Need Assessment, pages 14-46.
[7] Exhibit 24586-X0004, 2019 DDA Response: Etzikom Lateral – Need Assessment, pages 1-12.

### Alternative 2 – Purchase the NGTL Etzikom Lateral Pipeline

13. AltaGas stated that the purchase of the NGTL Etzikom Lateral Pipeline is not a viable option. NGTL assessed and identified integrity issues on its Etzikom Lateral Pipeline that would require significant incremental capital investment in order to continue to provide safe and reliable service. NGTL further identified that the incremental capital costs to address integrity issues would be in excess of revenue generated from the pipeline.

14. AltaGas also stated that if it were to purchase the NGTL Etzikom Lateral Pipeline, AltaGas would be faced with similar significant capital costs in order to address the integrity issues on the 64-kilometre, 63-year-old pipeline. In addition, it would not be economical for AltaGas to purchase and incur significant integrity remediation costs for the entire pipeline given that the majority of AltaGas customers are concentrated in the north section or the first 24 kilometres of the pipeline.

### Alternative 3 – Rebuild entire NGTL Etzikom Lateral Pipeline

15. AltaGas submitted that rebuilding the entire NGTL Etzikom Lateral Pipeline is not an economically feasible option. AltaGas stated that it investigated a potential option to rebuild the entire length of the NGTL Etzikom Lateral parallel to its existing location. On a preliminary basis and assuming an estimated cost of $450,000 per kilometre for a high-pressure steel pipeline replacement project, the total project cost to replace the 64-kilometre pipeline would be approximately $29 million. Given that the majority of AltaGas's customers are concentrated in the north section or the first 24 kilometres of the NGTL Etzikom Lateral Pipeline and there are only 32 AltaGas customers along the remaining 40 kilometres of the pipeline, it would not be economical for AltaGas to replace the entire length of the pipeline. It would be more prudent to identify more practical and cost effective alternatives to provide gas to the small number of customers currently located on the remaining 40 kilometres of the existing NGTL Etzikom Lateral Pipeline.

16. AltaGas concluded that this is not an economically feasible alternative as the majority of the estimated project cost (i.e., 62 per cent) would be spent to provide gas to a relatively small number of the customers (i.e., two per cent) in AltaGas's southeast district.

### Alternative 4 – Build pipelines in AltaGas-affected areas

17. AltaGas stated that building new pipelines in AltaGas-affected areas is the recommended option at an estimated cost of $9.5 million. Alternative 4 is divided into three parts: Part A (north section), Part B (middle section) and Part C (south section).

18. In the north section of the existing NGTL Etzikom Lateral Pipeline, AltaGas currently utilizes approximately 24 kilometres of the pipeline from north to south via purchase stations SE124 to SE097. The north section is comprised of four AltaGas high-pressure systems and two distribution systems. This means each of the systems will require either individual gas supply or a connection paralleling the NGTL Etzikom Lateral Pipeline to connect the AltaGas systems together. AltaGas stated that it has identified four potential options for the north section, which are discussed below. For purposes of evaluating the estimated project cost for each of the various options, AltaGas assumed an average cost per kilometre of $450,000 for a high-pressure steel-pipeline replacement project.

19. As an update to the DDA: Etzikom Lateral business case, AltaGas's approach for Part A of the project will be comprised of two phases. Phase 1 is to construct 13 kilometres of new pipeline to connect three AltaGas meter stations to a single NGTL supply point just south of Medicine Hat, and Phase 2 is to construct four kilometres of new pipeline to connect AltaGas SE097 purchase station to the Forty Mile Co-op gas supply.

20. AltaGas explained that its systems were historically designed based on specific source locations along the NGTL Etzikom Lateral Pipeline. These systems are not configured to operate with alternative source locations without significant looping. The Forty Mile Co-op system in the Dunmore area has infrastructure in the affected areas, but has lower pressures and capacity relative to a distribution system in comparison to the higher transmission system pressures and capacity AltaGas franchise areas typically access as a source. Therefore, each of the following options for the north section represents a different combination of Forty Mile Co-op and NGTL options. Operationally and due to the existing high-pressure system configuration, as discussed in further detail below, AltaGas considered that utilizing the remaining supply at the SE124 purchase station for the majority of Part A is its best option.

**Sub-options considered for Alternative 4**

**Option 1 - Obtain new supply from Forty Mile Co-op**

21. This option involves using gas supply from the Forty Mile Co-op pipeline system. A seven-kilometre pipeline would be required to connect the Forty Mile Co-op pipeline system to the closest AltaGas high-pressure system that is currently connected to the NGTL Etzikom Lateral Pipeline. In addition, AltaGas would need a new 24-kilometre pipeline to connect its six purchase stations SE101, SE124, SE111, SE104, SE003 and SE097.

22. Overall, AltaGas would need to build 31 kilometres of pipeline at a total estimated cost of $14 million. This is not the most cost effective option for Part A as there are other options that require much less pipeline at a lower cost. Furthermore, based on preliminary hydraulic modelling and analysis by AltaGas' engineering group, this is not a viable option due to the limitations in pressures and capacity from the Forty Mile Co-op pipeline system.

**Option 2 – Maintain NGTL supply at SE124 and replace Etzikom Lateral Pipeline**

23. This option would continue to provide AltaGas with its source of supply from NGTL and AltaGas would replace the entire NGTL Etzikom Lateral Pipeline in the area from SE124 purchase station to both SE097 and SE101 purchase stations. The replacement of the lateral for this north area would require AltaGas to build a 24-kilometre pipeline to connect to its six purchase stations SE101, SE124, SE111, SE104, SE003 and SE097. The estimated cost for Option 2 is $11 million.

24. While this is a viable option in terms of pressures and capacity due to its parallel design to the existing NGTL Etzikom Lateral Pipeline, this is not the most cost effective option for Part A as there are other options that require much less pipeline at a lower cost.

### Option 3 – Maintain NGTL supply at SE124, build pipeline to SE111, obtain new supply from Forty Mile Co-op for SE097 and SE003 high-pressure systems

25. This option would require three high-pressure pipeline systems in the area. The first high-pressure pipeline system would continue to maintain supply from NGTL at SE124 purchase station and would involve building a 12-kilometre pipeline to replace the NGTL Etzikom Lateral Pipeline from the SE124 purchase station to its three purchase stations SE101, SE104, and SE111. The second high-pressure pipeline system would involve building a 3.5-kilometre pipeline to connect the SE097 high-pressure pipeline system to the Forty Mile Co-op gas supply. The third high-pressure pipeline connection would involve building a four-kilometre pipeline to connect the SE097 high-pressure system to the SE003 high-pressure system.

26. Overall, this option would require approximately 20 kilometres of new pipeline at an estimated total project cost of $9 million. Based on a preliminary hydraulic modelling and analysis by AltaGas' engineering group, this is not a viable option as the pressure and load requirements of AltaGas customers exceed the pressures and capacity available from the Forty Mile Co-op pipeline system for the SE097 and SE003 high-pressure systems.

### Option 4 – Maintain NGTL supply at SE124, build pipeline to SE003, obtain new supply from Forty Mile Co-op for SE097 high-pressure system

27. This option would require two high-pressure pipeline connections, rather than three high-pressure pipeline connections as discussed in Option 3 above. The first high-pressure system would continue to obtain gas supply from NGTL at the SE124 purchase station and would involve building a 17-kilometre pipeline to replace the NGTL Etzikom Lateral Pipeline from the SE124 purchase station to four purchase stations SE101, SE104, SE111 and SE003. As an update in the business case, AltaGas stated that the portion of pipe from SE124 purchase station to SE101 purchase station originally identified is no longer required, as the SE101 purchase station is tied to a lateral that NGTL will be keeping active and therefore the total length of pipeline required for the first high-pressure system is reduced to 13 kilometres. The second high-pressure pipeline system would require AltaGas to build a four-kilometre pipeline to connect the SE097 high-pressure system to the Forty Mile Co-op gas supply.

28. On an overall basis, this option would require AltaGas to build 17 kilometres of new pipeline at an estimated total project cost of $9.5 million. The southern SE097 high-pressure pipeline system would receive gas supply from the Forty Mile Co-op system and the rest of the AltaGas pipeline systems would receive gas from NGTL. In the future, these two sources of gas supply could be interconnected via a four-kilometre pipeline giving AltaGas a dual supply on this system. While Forty Mile Co-op does not have the capacity required to serve the large agricultural new business growth industry in the north section of AltaGas' southeast district, its supply could provide a redundant source in the event of an interruption to the NGTL supply.

29. For Part A of the project, Option 4 is AltaGas's preferred and recommended option as it is the most cost effective feasible option. This option would require AltaGas to contract a larger demand from NGTL at the SE124 purchase station, combined with gas supply from the Forty Mile Co-op system for the SE097 high-pressure pipeline system. As previously noted, the Forty Mile Co-op system would not have the pressures and capacity required to serve the entire north section of the area.

30. AltaGas further explained that the preferred solution, Option 4 under Alternative 4, is the lower cost option as it requires less pipeline to be built, and would improve the operational efficiency and reliability for the southeast district of the AltaGas system. This alternative will maintain NGTL gas supply at the SE124 purchase station and replace a portion of the NGTL Etzikom Lateral Pipeline from the SE124 purchase station to the SE003 purchase station and build a new high-pressure pipeline from Forty Mile Co-op to SE097purchase station. Under this approach, two sources of gas supply from NGTL and Forty Mile Co-op, would improve security of supply which increases the reliability of the system. The new large agricultural business activity in this area will continue to be served from an NGTL source. The SE097 system to the south with less demand will be served from Forty Mile Co-op and would be a less costly alternative than building a new pipeline from the SE003 purchase station to the SE097 purchase station. In the future, if these systems were interconnected, there would be two sources of gas supply into the system to provide further reliability.

31. The need for this project is not related to growth, however, AltaGas explained that the table below outlines the current and 20-year forecast of peak demand on the proposed Etzikom Lateral Pipeline.

32. AltaGas also stated that the size of the proposed pipelines was determined using the forecast demand load requirement in the table below and a number of other factors were considered. These factors included the current and future peak demand requirements, expected minimum inlet supplier pressures to the AltaGas pipelines and pressure requirements to AltaGas existing pressure regulating and purchase meter stations.

| Winter | Etzikom lateral peak demand requirement (TJ/d) |
|---|---|
| 2018-2019 (current) | 4.1 |
| 2019-2020 | 4.1 |
| 2020-2021 | 4.2 |
| 2021-2022 | 4.2 |
| 2022-2023 | 4.3 |
| 2023-2024 (5 years) | 4.4 |
| 2024-2025 | 4.4 |
| 2025-2026 | 4.5 |
| 2026-2027 | 4.5 |
| 2027-2028 | 4.6 |
| 2028-2029 | 4.7 |
| 2029-2030 | 4.7 |
| 2030-2031 | 4.8 |
| 2031-2032 | 4.9 |
| 2032-2033 | 5.0 |
| 2033-2034 | 5.0 |
| 2034-2035 | 5.1 |
| 2035-2036 | 5.2 |
| 2036-2037 | 5.2 |
| 2037-2038 | 5.3 |
| 2038-2039 (20 years) | 5.4 |

## 4 Commission process

33. The Commission issued a notice of application on June 18, 2019. The notice was sent directly to all landowners, occupants and residents along and adjacent to the proposed route, was advertised in the Medicine Hat News and made available on the AUC website. No submissions were received in response to the notice.

## 5 Environmental assessment

34. AltaGas retained Kingbird Environmental Consulting Ltd. to complete an environmental protection plan,[8] wildlife desktop review[9] and wildlife survey report[10] for the project. The report described the current environmental conditions and mitigation measures to reduce potential adverse effects of the project on the environment. The report described pre-project environmental land use as a mix of ranching, farming and extensive natural resource development, predominantly oil and gas. The proposed pipeline crosses three watercourses, in which code of practice notifications are required. AltaGas stated that notifications would be submitted to the Alberta Energy Regulator at least 14 days prior to construction.

35. In the wildlife survey report, Kingbird stated that no native prairie habitat and no wildlife species at risk were found anywhere within the proposed project area. As a result, no sharp-tailed grouse lek surveys, burrowing owl surveys or grassland songbird point counts were conducted. There were no sensitive raptor-species nests found within 1,000 metres of the project. AltaGas stated it would follow the recommendations within the wildlife survey report.

36. AltaGas stated that a historic resources evaluation was completed and portions of the project area were identified as having a historic resource value HRV-5 (believed to contain a historic resource), category p (palaeontological). It further stated that a historic resources application has been submitted to Alberta Culture and Tourism and is currently under review.[11]

37. AltaGas proposed to use the open-cut method with horizontal directional drilling at crossing locations, as required. It stated that the soil will be separated into topsoil and subsoil, as necessary. The soil will be stored to prevent co-mingling of the soil types. In the backfill phase, the stored subsoil and topsoil will be returned to their original layers.

38. AltaGas stated that Phase 1 of Part A of the project is planned for construction in September of 2019. Mitigation measures would be put in place during pre-construction and construction, such as topsoil handling, waste disposal and backfilling the trench as soon as practical.

39. AltaGas assessed the noise from the proposed project associated with the existing purchase meter and regulating stations, SE124, SE104, SE111 and SE003. AltaGas provided noise impact assessment summary forms and stated that noise levels would be in compliance with Rule 012: *Noise Control*.

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8 Exhibit 24586-X0004, Environmental Protection Plan.
9 Exhibit 24586-X0005, Wildlife Desktop Review.
10 Exhibit 24586-X0019, Wildlife Survey Report.
11 Exhibit 24586-X0009, Cover Letter – Part A Phase 1.

## 6 Consultation

40. AltaGas indicated that all landowners and occupants have been provided with written notification of the proposed construction, including a general description of the project. All landowners, occupants and municipalities have given confirmation that they have no objection to the project.

## 7 Findings

41. The Commission's Rule 020: *Rules Respecting Gas Utility Pipelines* allows for an applicant to apply for both the need and the facility in a single proceeding. Pursuant to these provisions, a gas utility can seek approval to construct and operate a new gas utility pipeline under the *Pipeline Act* and the *Gas Utilities Act* without prior approval of the associated forecast capital expenditures. In such a case, the Commission considers the need for the project, the alternatives, and the specific routing, all within the facility proceeding, without approving the forecast rate increases necessary to recover the project's costs.

42. In this application, AltaGas is requesting approval of (a) the need for the Etzikom Lateral Pipeline Project, which includes only Part A (north section) of the project; and (b) approval for the construction and operation of Phase 1 of the north section to meet the need.

43. The Commission accepts the evidence from AltaGas that the project is necessary to address the planned NGTL abandonment of its Etzikom Lateral Pipeline, which currently provides natural gas supply to AltaGas customers in the area. Based on the evidence provided by AltaGas, the Commission finds that the project is required to provide reliable, uninterrupted service to those AltaGas customers. Accordingly, the Commission finds that AltaGas has demonstrated that there is a need for the project.

44. As indicated above, AltaGas received approval in Decision 23898-D01-2018 for a Type 1 capital tracker placeholder for funding to construct its project referred to as DDA Response: Etzikom Lateral. In that decision, the Commission specified that the Etzikom Lateral Pipeline project would be tested in a true-up application, including the prudence of the expenditures and whether the project meets the Type 1 capital tracker criteria. Similarly, in considering this project, the Commission notes that nothing in this decision affects any future determinations by the Commission respecting the project's eligibility for Type 1 capital tracker treatment or the prudence of any expenditures.

45. When deciding whether approval of the project is in the public interest, the Commission is required by Section 17 of the *Alberta Utilities Commission Act* to have regard for the project's social and economic effects and the effects of the project on the environment.

46. The Commission also finds that the proposed Alternative 4, Option 4, provides a cost-effective technical solution to ensure continued gas supply for AltaGas customers in the affected areas. It is also an effective means of meeting the long-term demand requirements. With respect to the other alternatives presented, the Commission accepts that the alternative recommended by AltaGas has the lowest forecast cost of installation and is operationally preferable to the other options.

47. The Commission agrees with AltaGas that this project remains the best option to ensure continued and reliable service to AltaGas's customers in the Etzikom area, since NGTL is still pursuing the abandonment of its Etzikom Lateral Pipeline given its age and state. AltaGas confirmed that NGTL considers the continued operation of the pipeline to be uneconomic due to high integrity-related costs and the continuing decline in production and therefore utilization in the area.[12]

48. The Commission has reviewed the application for the proposed Phase 1 portion of the project and has determined that it meets the information requirements of Rule 020.

49. The Commission accepts that AltaGas conducted a participant involvement program in accordance with Rule 020 for the application in question and finds that the participant involvement program was adequate.

50. The Commission finds that the potential environmental impacts of the project have been sufficiently addressed in AltaGas's environmental protection plan and wildlife survey report filed in support of its application. The Commission accepts AltaGas's commitments to implement the recommendations presented in the environmental protection plan and wildlife survey report in order to reduce the risk of potential adverse environmental impacts associated with the project. The Commission expects that AltaGas will abide by any recommendations or conditions arising from the historic resources application that has been submitted to Alberta Culture and Tourism.

51. The Commission accepts the AltaGas assessment that the noise levels from the proposed meter and regulating station located at the existing purchase meter and pressure regulating station will be in compliance with Rule 012.

52. Based on the foregoing, the Commission finds that it is in the public interest to approve: (a) the need for Part A of the project, and (b) the construction and operation of Phase 1 of the project, in accordance with Section 17 of the *Alberta Utilities Commission Act*.

[12] Exhibit 24596-X0025, AUI IR Responses Round 2 to AUC, PDF page 4; Exhibit 24586-X0026, AltaGas-AUC-2019JUL17-001(b) - Attachment 1 NEB Information, PDF page 4.

## 8 Decision

53. Pursuant to sections 3.1(2) and 11 of the *Pipeline Act* and Section 4.1 of the *Gas Utilities Act,* the Commission approves the application and grants AltaGas the amended licence as set out in Appendix 1 – Gas Utility Pipeline Licence 6192 – August 8, 2019 (Appendix 1 will be distributed separately).

Dated on August 8, 2019.

**Alberta Utilities Commission**

*(original signed by)*

Neil Jamieson
Commission Member