



AltaGas Utilities Inc.

Etzikom Lateral Pipeline Project – Phase 2

August 12, 2019

Alberta Utilities Commission

Decision 24631-D01-2019

AltaGas Utilities Inc.

Etzikom Lateral Pipeline Project – Phase 2

Proceeding 24631

Application 24631-A001

August 12, 2019

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The Commission may, within 30 days of the date of this decision and without notice, correct typographical, spelling and calculation errors and other similar types of errors and post the corrected decision on its website.

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 the construction and operation of Phase 2 of Part A (North Section) of its Etzikom Lateral Pipeline Project. Phase 2 consists of approximately four kilometres of new high-pressure natural gas pipeline. After consideration of the record of the proceeding, and for the reasons outlined in this decision, the Commission finds that approval of the construction and operation of the proposed project is in the public interest having regard to the social, economic, and other effects of the project, including its effect on the environment.

2 Introduction and background

2. Phase 1 of Part A (North Section) of the Etzikom Lateral Pipeline Project was recently approved in Decision 24586-D01-2019.¹ In that decision, the Commission approved: (i) the need for both Phase 1 and Phase 2 of Part A (North Section) of the Etzikom Lateral Pipeline Project; and (ii) the construction and operation of Phase 1 of Part A.

3. In Decision 24586-D01-2019, the Commission decided that both Phases 1 and 2 of Part A of the project were necessary to address the planned NOVA Gas Transmission Ltd. abandonment of its Etzikom Lateral Pipeline, which currently provides natural gas supply to AltaGas customers in the area. Because the Commission has already determined that there is a need for Phase 2 of Part A (North Section) of the project, it is not necessary to address it here.

4. AltaGas filed Application 24631-A001 with the Commission on June 6, 2019, seeking approval to amend Licence 6192, pursuant to Section 11 of the *Pipeline Act* and Section 4.1 of the *Gas Utilities Act*, to construct Phase 2 of Part A (North Section) of the project. The project consists of installing approximately 3.46 kilometres of new 88.9-millimetre high-pressure sweet natural gas pipeline from a tie-in to the Forty Mile Gas Co-op Ltd. pipeline, located in Legal Subdivision 3, Section 28, Township 10, Range 7, west of the Fourth Meridian, to the existing AltaGas meter station site SE097, located in Legal Subdivision 1, Section 4, Township 11, Range 7, west of the Fourth Meridian. The project is to maintain gas service to the hamlet of Seven Persons and the applied-for route of the proposed pipeline is shown in the figure below.

¹ Decision 24586-D01-2019: AltaGas Utilities Inc. – Etzikom Lateral Pipeline Project, Proceeding 24586, Application 24586-A001, August 8, 2019.

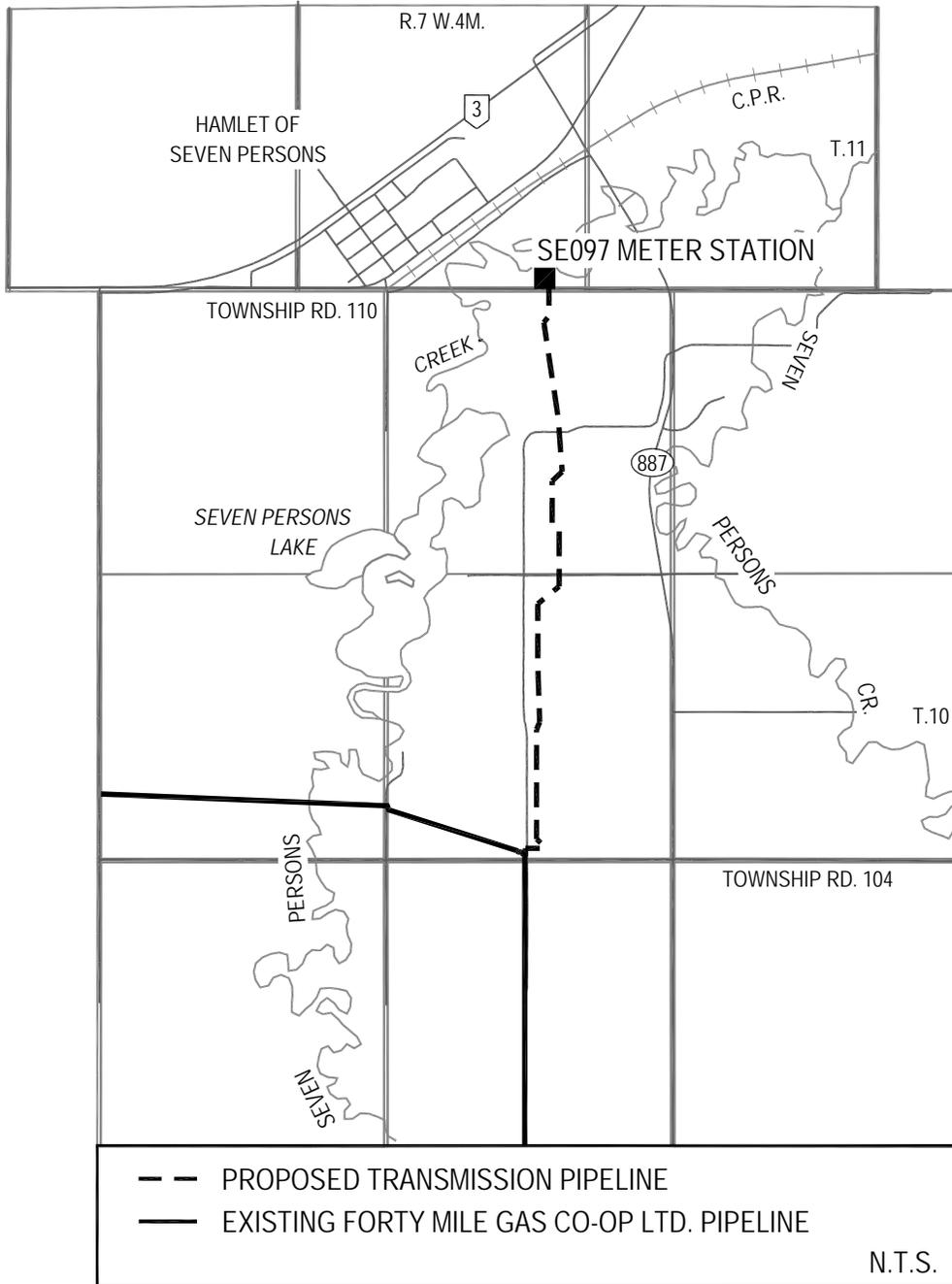


Figure 1 - Proposed pipeline route for the project

3 Commission process

5. The Commission issued a notice of application for Proceeding 24631 on June 18, 2019, indicating a deadline of July 17, 2019, for filing submissions to express objections or concerns with, or support for the application. The notice was sent directly to all landowners, occupants and residents along, and adjacent to, the proposed route for the project, was advertised in the Medicine Hat News and the Bow Island Commentator and made available on the AUC website. No submissions were received by the Commission.

4 Environmental assessment

6. AltaGas retained Kingbird Environmental Consulting Ltd. to complete an environmental protection plan, wildlife desktop review and wildlife survey report 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. AltaGas stated that the majority of the proposed project is on disturbed lands that are cultivated and/or have been seeded with hay or cropland. The proposed pipeline does not cross any natural watercourses or wetlands.

7. In the wildlife survey report, Kingbird stated that no wildlife species at risk were observed during the survey for the proposed project and no wildlife concerns were identified. AltaGas stated it would follow the recommendations within the wildlife survey report.

8. AltaGas stated that a historic resources evaluation was completed and there are no historic resources along the proposed pipeline route and confirmed that the project area is not listed on Alberta Culture and Tourism's *Listing of Historic Resources*.

9. AltaGas proposed to use the open-cut construction method with horizontal directional drilling at crossing locations. It stated that the soil will be separated into topsoil and subsoil. 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.

10. AltaGas stated that 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.

11. AltaGas assessed the noise from the proposed project associated with the existing purchase meter and pressure regulating station SE097. AltaGas provided a noise impact assessment summary form and stated that noise levels would be in compliance with Rule 012: *Noise Control*.

5 Consultation

12. AltaGas indicated that all landowners and occupants within the project area have been provided with written notification of the proposed construction, including a general description of the project, in accordance with the requirements of Rule 020. All landowners, occupants and municipalities have given confirmation that they have no objection to the project.

6 Findings

13. 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.

14. The Commission has determined that the application meets the information requirements of Rule 020: *Rules Respecting Gas Utility Pipelines*, including the requirements for public

involvement and consultation. The Commission accepts AltaGas's confirmation that a participant involvement program has been conducted and that there are no outstanding objections or concerns from the public, local authorities or industry.

15. 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.

16. The Commission accepts AltaGas's assessment and finds that noise levels from the existing meter and pressure regulating station will be in compliance with Rule 012.

17. Finally, as noted above, the Commission has already assessed the need for this project in Decision 24586-D01-2019 and need not revisit its determination.

18. Based on the foregoing, the Commission finds that the project is in the public interest in accordance with Section 17 of the *Alberta Utilities Commission Act*.

7 Decision

19. 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 12, 2019 (Appendix 1 will be distributed separately).

Dated on August 12, 2019.

Alberta Utilities Commission

(original signed by)

Neil Jamieson
Commission Member