Decision 25937-D01-2021



ATCO Gas and Pipelines Ltd.

Pipeline Acquisition from Pioneer Pipeline Inc.

June 15, 2021

Alberta Utilities Commission

Decision 25937-D01-2021 ATCO Gas and Pipelines Ltd. Pipeline Acquisition from Pioneer Pipeline Inc. Proceeding 25937 Applications 25937-A001 and 25937-A002

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| Telephone: | 310-4AUC (310-4282) in Alberta |
|------------|---|
| | 1-833-511-4AUC (1-833-511-4282) outside Alberta |
| Email: | info@auc.ab.ca |
| Website: | www.auc.ab.ca |

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ATCO Gas and Pipelines Ltd. Proceeding 25937-D01-2021 Pipeline Acquisition from Pioneer Pipeline Inc. Applications 25937-A001 and 25937-A002

1 Decision summary

1. In this decision, the Alberta Utilities Commission approves applications from ATCO Pipelines, a division of ATCO Gas and Pipelines Ltd., to (i) acquire an existing pipeline and associated facilities from Pioneer Pipeline Inc., and integrate them into the integrated Alberta natural gas transmission system and (ii) include the acquisition costs in its revenue requirement. ATCO Pipelines is directed to revise its 2021-2023 revenue requirement to reflect the approval of the acquisition of the Pioneer pipeline, including the impact on rate base and operation and maintenance, in its next rate application. The Commission also approves a 2021 revenue requirement of \$7.75 million for ATCO Pipelines' portion of the Pioneer pipeline.

2 Applications

2. On October 8, 2020, ATCO Pipelines filed applications 25937-A001 and 25937-A002 seeking approval to transfer two existing pipeline licences, lines 1 to 6 under Licence 60496 and line 1 under Licence 60789 (the Pioneer pipeline), from Pioneer Pipeline Inc. to ATCO Pipelines, pursuant to Section 18 of the *Pipeline Act* and Section 4.1 of the *Gas Utilities Act*.

3. ATCO Pipelines stated that it had agreed to acquire approximately 130.3 kilometres of existing 508-millimetre outside-diameter high-pressure sweet natural gas pipeline from Pioneer. The Pioneer pipeline, constructed in 2018-2019 and jointly owned by Tidewater Midstream and Infrastructure Ltd. and TransAlta Corp., is routed from the Brazeau River Complex (BRC) gas plant to the Sundance and Keephills power plants in the Wabamun area.

4. ATCO Pipelines requested that the Commission include acquisition costs of \$265.66 million (comprised of the purchase price of \$255 million and additional capital expenditures related to system and integrity improvements) into its rate base and revenue requirement. ATCO Pipelines stated that after incorporating the subsequent transfer to NOVA Gas Transmission Ltd. (NGTL) of approximately 29.9 kilometres of the Pioneer pipeline, as further described below, the combined 2021 revenue requirement associated with its acquisition is comprised of an ATCO Pipelines revenue requirement of \$7.75 million and an NGTL revenue requirement of \$1.21 million, for a total of \$8.95 million.¹

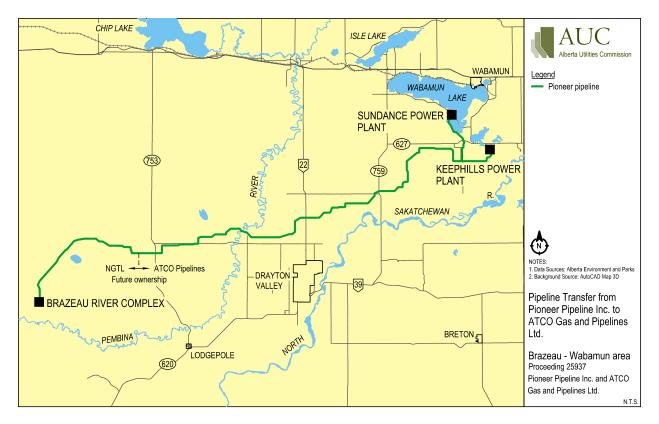
5. ATCO Pipelines stated that NGTL, which is responsible for the operational planning and contracting of the integrated Alberta natural gas transmission system (Alberta System),² determined that purchasing the Pioneer pipeline would be an optimal solution for increasing the ability of the Alberta System to meet growing natural gas demand in the Wabamun area, including providing the capacity to meet a contract for new delivery service. ATCO Pipelines

¹ Exhibit 25937-X0031, AP-UCA-2020NOV27-003(b), PDF page 18.

² The integrated Alberta natural gas transmission system includes both the NGTL and ATCO Pipelines natural gas pipeline systems.

explained that a delivery customer approached NGTL with a request from TransAlta to provide new firm transportation delivery (FT-D) service of 351 terajoules per day to the Keephills and Sundance power plants. ATCO Pipelines added that the proposal includes a contract for 47 MMCFD³ of firm transportation receipt (FT-R) service from the BRC gas plant that is currently the sole source of gas into the Pioneer pipeline, and that these new firm service contracts are contingent upon approval of the sale of the Pioneer pipeline.

6. ATCO Pipelines indicated that on March 12, 2020, NGTL announced that it had executed a letter of intent to purchase the Pioneer pipeline. Following NGTL's announcement, NGTL and ATCO Pipelines agreed that ATCO Pipelines would acquire the Pioneer pipeline and subsequently transfer to NGTL an approximately 29.9-kilometre-long segment of the Pioneer pipeline and associated facilities that are located in NGTL's geographic service area, as defined in the Alberta System Integration Agreement (Integration Agreement), approved by the Commission in 2010. ATCO Pipelines would retain ownership and continue to operate the portion of the pipeline that is located in its geographic service area. The Pioneer pipeline is depicted in the map below.



7. The Commission issued a notice of hearing on October 21, 2020, in anticipation of the need for further process to consider the concerns raised by certain parties in relation to the proposed acquisition of the Pioneer pipeline in ATCO Pipelines' 2021-2023 general rate application. The Commission received statements of intent to participate from the Consumers' Coalition of Alberta (CCA), the Office of the Utilities Consumer Advocate (UCA), NGTL and the Western Export Group (WEG).

³ One million cubic feet per day.

8. The Commission established a written hearing process to consider the applications and received evidence on the following: (i) the Commission's jurisdiction and the Integration Agreement; (ii) the need for the project, including the consideration of viable alternatives; and (iii) the prudence of acquisition costs and revenue requirement.

9. The Commission considers that the close of record for the proceeding is March 18, 2021, when reply argument was filed.

3 The Commission's jurisdiction

10. Section 3 of Rule 020: *Rules Respecting Gas Utility Pipelines* states that the need for a project must be established with an assessment that includes project justification, project cost, identification of viable alternatives and their costs; an assessment of the implications of alternatives on the public and the environment; and the rationale for selecting the applied-for project, including an economic evaluation that compares alternatives. The information provided must enable the Commission to describe where, when, and how the need has been established and must also include reference to the project cost.

11. Under the *Gas Utilities Act*, rates associated with gas utility pipeline facilities are considered and approved as part of the rate application process. In Decision 23799-D01-2019, the Commission addressed the relationship between the facility and rate applications in the context of the assessment of the need for and costs of the project when the facility application is filed before the rate application:

11. The Commission's Rule 020: *Rules Respecting Gas Utility Pipelines* allows an applicant to apply for approval of both the need and the facilities in a single proceeding. Pursuant to the provisions of Rule 020, 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 that case, the Commission would consider 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.⁴

12. Interveners presented two different perspectives on the Commission's jurisdiction to consider ATCO Pipelines' acquisition of the Pioneer pipeline.

13. WEG stated that the Alberta System, which includes both the NGTL and ATCO Pipelines systems, should be regulated under the legislation of one regulator, namely the Canada Energy Regulator (CER). As NGTL is responsible for operations planning, contracting and design for the Alberta System under the Integration Agreement, WEG considered that NGTL should have applied to the CER for approval of NGTL's need determination and the prudence of the acquisition of the Pioneer pipeline, and that the Commission should solely be responsible for the cost recovery of the Pioneer pipeline in ATCO Pipelines' revenue requirement.⁵

⁴ Decision 23799-D01-2019: ATCO Gas and Pipelines Ltd., Pembina-Keephills Transmission Pipeline Project, Proceeding 23799, Application 23799-A001, August 6, 2019 (Decision 23799-D01-2019).

⁵ Exhibit 25937-X0063, 2021-03-18 Reply Argument from WEG re Pioneer Pipeline, PDF pages 4-5.

14. The CCA and the UCA⁶ submitted that because the Commission has jurisdiction to set ATCO Pipelines' rate base, it is therefore required to assess supply options within ATCO Pipelines' service area and the prudence of the acquisition of the Pioneer pipeline.⁷

15. Consistent with past asset sales involving pipelines within the Alberta System, the Commission agrees with ATCO Pipelines⁸ that the relevant regulatory scheme is the *Gas Utilities Act* and that its regulations set out the Commission's jurisdiction over designated gas utilities such as ATCO Pipelines.

In Decision 23799-D01-2019, the Commission addressed NGTL's and ATCO Pipelines' 16. respective roles and responsibilities under the Integration Agreement, and the Commission's jurisdiction over assets that form part of the Alberta System. The Commission confirmed that under integration, NGTL and ATCO Pipelines each continue to own and operate their respective pipeline infrastructure, with construction responsibility and infrastructure ownership belonging to the party in whose footprint a proposed expansion will be built or located.9 However, it also confirmed that only NGTL administers a tariff to customers using the system and that ATCO Pipelines is nevertheless responsible for establishing its revenue requirement and obtaining Commission approval. Once approved, ATCO Pipelines' revenue requirement is charged to NGTL on a monthly basis. For its part, NGTL is responsible to seek approval of its revenue requirement, (which includes ATCO Pipelines' charges) by the CER.¹⁰ Nothing in the Integration Agreement affects the Commission's jurisdiction under the Pipeline Act and the Gas Utilities Act to approve the construction or acquisition of gas utility pipelines and related facilities, or the need for and prudence of capital additions proposed by ATCO Pipelines within its footprint.

17. Each of the AUC and the CER has an assigned role under the Integration Agreement. There is consequently no need, in this proceeding or otherwise, to establish a process to re-assess the legislative framework that governs the respective roles of regulators in relation to the Alberta System.

18. The Commission also confirmed, in Decision 23799-D01-2019, that the overall long-term development of the Alberta System is to be guided by the Alberta System Annual Plan, which sets out a common approach to facility design under integration.¹¹ The use of the annual plan, and the two guidance documents underlying it approved by NGTL and its stakeholders, have been considered by the CER and the Commission on a number of occasions. The Commission finds that the system development approach and guidance documents approved as part of integration are sufficient to guide investment and development decisions about the Alberta System, and that an ATCO Pipelines-specific investment policy is not required.

⁶ Exhibit 25937-X0067, UCA Reply Argument – Proceeding 25937, PDF pages 3-4.

⁷ Exhibit 25937-X0065, CCA Reply Argument - 25937, PDF pages 26-27.

⁸ Exhibit 25937-X0064, ATCO Pipelines Acquisition Reply Argument, PDF pages 47-48.

⁹ Decision 23799-D01-2019, at paragraph 25.

¹⁰ Decision 23799-D01-2019, at paragraph 28.

¹¹ Decision 23799-D01-2019, at paragraphs 26 and 27.

4 Determination of project need, including viable alternatives

19. In support of its applications, ATCO Pipelines submitted that the Pioneer pipeline is needed for the following reasons:

- (i) The existing Alberta System cannot meet the request for FT-D service.
- (ii) NGTL determined that no commercially viable alternative exists to increase the capability of the Alberta System to meet the growing demand in the Wabamun area.
- (iii) The acquisition and integration of the Pioneer pipeline into the Alberta System is the optimal solution to meet the new service request and to increase the ability of the Alberta System to meet growing natural gas demand for its services in the Wabamun area.
- (iv) The Pioneer pipeline is not a dedicated facility or a customer lateral and meets the Extension Facilities Criteria set out in the NGTL Guidelines.¹²

20. The interveners raised concerns with the lack of alternatives considered by NGTL and ATCO Pipelines to meet the required contract demand for the new firm FT-D service. They also questioned whether the existing pipeline infrastructure is capable of meeting the load requirements of TransAlta irrespective of whether the Commission approves the acquisition of the Pioneer pipeline and the inclusion of costs in revenue requirement.

21. The CCA submitted that a configuration of existing pipelines could provide an alternate route to supply the new FT-D service; and that by using the existing ATCO Pipelines Pembina-Keephills Pipeline, ATCO Pipelines can meet the required demand, especially in light of the available capacity arising from the cancellation of the Genesee 4 and 5 power plant expansion.¹³ The CCA added that confirmed contractual support for the Pioneer pipeline is almost exclusively derived from a single customer and only has a 15-year guarantee.¹⁴

22. In addition to noting ATCO Pipelines' failure to consider alternatives, the UCA submitted that ATCO Pipelines could pursue purchasing the Pioneer pipeline at a later date if a compelling business case were made.¹⁵ It asserted that the Pioneer pipeline could potentially meet TransAlta's need for gas supply without ATCO Pipelines acquiring the pipeline,¹⁶ and that the proposed acquisition is effectively a transfer of risk from competitive electrical generators to regulated ratepayers.¹⁷

23. WEG submitted that ATCO Pipelines did not provide sufficient information to justify that the existing Alberta System cannot meet the customer's request for FT-D service without the Pioneer pipeline¹⁸ and maintained that the proposed acquisition would socialize the cost of

- ¹³ Exhibit 25937-X0065, CCA Reply Argument 25937, PDF page 6.
- ¹⁴ Exhibit 25937-X0065, CCA Reply Argument 25937, PDF page 11.

¹² Exhibit 25937-X0056, ATCO Pipelines Acquisition Argument, PDF page 13.

¹⁵ Exhibit 25937-X0046, Proceeding 25937 InterGroup Evidence on behalf of the UCA, PDF pages 12-13.

¹⁶ Exhibit 25937-X0067, UCA Reply Argument - Proceeding 25937, PDF page 5.

¹⁷ Exhibit 25937-X0055, Final UCA Argument - Proceeding 25937, PDF page 8.

¹⁸ Exhibit 25937-X0063, 2021-03-18 Reply Argument from WEG re Pioneer Pipeline, PDF page 7.

the Pioneer pipeline for TransAlta, at a cost to the rest of the shippers on the NGTL system and ATCO Pipelines' system.¹⁹ WEG submitted that TransAlta and Tidewater should continue to bear the risk of the investment decision they made; that is, TransAlta's need for gas in the Wabamun area should continue to be served with existing infrastructure and an interconnection to the NGTL system.²⁰

24. The alternatives described by the CCA, UCA and WEG appear to be impractical in the current circumstances because they do not acknowledge that the incremental FT-D and FT-R contracts are contingent upon the acquisition of the Pioneer pipeline by ATCO Pipelines. The Commission accepts ATCO Pipelines' evidence that NGTL received a request for an FT-D contract, and that it forms the basis for ATCO Pipelines' proposal to acquire the Pioneer pipeline. As the acquisition is underpinned by the new FT-D and FT-R contracts, ATCO Pipelines has therefore demonstrated the need for the acquisition, and that there are only two alternatives available: to either approve or decline the purchase of the pipeline.

25. While some of the interveners suggested alternatives to the acquisition, ATCO Pipelines' applications were brought on the premise that the new delivery and receipt volumes will provide a positive economic benefit to the Alberta System, that both are contingent upon it acquiring the Pioneer pipeline, and that there is no alternative pipeline with available capacity to fulfil the new contract requests and the associated increasing demand over a 20-year period in the Wabamun area.

26. According to ATCO Pipelines, the net economic benefit of \$37.3 million arising from the incremental contract demand, including both the FT-D and FT-R contracts, would not arise from the interveners' suggested alternatives, which would also result in stacked tolls and system looping. The Commission considers that the updated demand forecasts are reasonable and support ATCO Pipelines' Pioneer pipeline acquisition and its future utilization.

27. The evidence filed in this proceeding demonstrates that the incremental receipt and delivery contracts are contingent upon the Pioneer pipeline acquisition and would not materialize otherwise. The Commission accepts NGTL's assessment, performed in accordance with the approved Integration Agreement procedures, that without the Pioneer pipeline acquisition the capacity of the existing system would be inadequate to meet the incremental contract demand.

28. Moreover, while the Commission acknowledges that the Pioneer pipeline is currently serving a sole customer, TransAlta, the pipeline is not dedicated to providing service to one customer and has capacity to provide incremental service to future receipt and delivery customers, as well as the contracted receipt customer. As such, the Commission considers that the interconnection of the Pioneer pipeline to the NGTL pipeline system will increase the reliability and diversity of supply to current and future customers in the Wabamun area.

¹⁹ Exhibit 25937-X0063, 2021-03-18 Reply Argument from WEG re Pioneer Pipeline, PDF page 16.

²⁰ Exhibit 25937-X0063, 2021-03-18 Reply Argument from WEG re Pioneer Pipeline, PDF page 17.

5 Prudence of acquisition costs and revenue requirements

29. ATCO Pipelines submitted that it has demonstrated the prudence of acquiring the Pioneer pipeline. In particular, ATCO Pipelines maintained that the acquisition provides incremental direct FT-R revenue and FT-D revenue that would exceed the revenue requirement²¹ for the Pioneer pipeline.²² It submitted that the incremental revenues are directly related to the pipeline acquisition and are a direct benefit from the acquisition.²³

30. Interveners submitted that ATCO Pipelines failed to justify the fair market value of the purchase price of the Pioneer pipeline. They are concerned about the increased risk to ratepayers associated with long-term costs of the acquisition versus firm revenues of FT-D contracts representing only a portion of the depreciated life of the Pioneer pipeline, and the prudence of the acquisition by ATCO Pipelines.

31. The CCA and the UCA noted that although the purchase price for the Pioneer pipeline is \$255 million, the book value is \$220.3 million, resulting in a difference of \$34.7 million (or a 15.8 per cent premium) that would be gained by the Pioneer pipeline's current owners (TransAlta and Tidewater)²⁴ for a pipeline that came into service less than two years ago.²⁵

32. The UCA and CCA are also concerned that the FT-D contract term is only 15 years, while the depreciation life of the Pioneer pipeline is 67 years. They stated that although the cumulative present value (CPV) of direct revenues exceeds revenue requirements by \$37.3 million at the end of 2040,²⁶ there is no certainty that the FT-D contracts will be renewed after 2040, which exposes ratepayers to a risk of more than \$20 million in revenue requirement.²⁷

33. WEG submitted that since ATCO Pipelines did not negotiate the purchase agreement for the Pioneer pipeline, ATCO Pipelines has no basis to assert that there could not have been an alternative purchase agreement or price, nor can it speak to the prudence of the \$255 million purchase price negotiated by NGTL.²⁸

34. The CCA further recommended that the Commission impose a 50 per cent reduction to ATCO Pipelines' \$1.75 million in legal costs as being excessive, considering that it was NGTL that completed the negotiations for the purchase of the Pioneer pipeline and for the delivery contract with TransAlta, and for which NGTL asked to recover costs in the amount of \$810,000.

35. In response to interveners, ATCO Pipelines indicated that (i) revenues generated from the requested service would fully offset the costs to acquire and operate the Pioneer pipeline and associated facilities; (ii) the minimum contract term for FT-D service under NGTL's tariff is eight years and NGTL has secured FT-D contracts for terms of 15 years, which is almost double the required minimum term of the tariff; and (iii) that the UCA has not presented any evidence to

²¹ This amount is comprised of an ATCO Pipelines revenue requirement of \$7,746,000 and an NGTL revenue requirement of \$1,205,000.

²² Exhibit 25937-X0030, ATCO Pipelines IR Responses to AUC, PDF page 3.

²³ Exhibit 25937-X0064, ATCO Pipelines Acquisition Reply Argument, PDF page 21.

²⁴ Exhibit 25937-X0057, CCA Argument - 25937, PDF page 7.

²⁵ Exhibit 25937-X0055, Final UCA Argument - Proceeding 25937, PDF pages 19-20.

²⁶ Exhibit 25937-X0065, CCA Reply Argument - 25937, PDF page 17.

²⁷ Exhibit 25937-X0067, UCA Reply Argument - Proceeding 25937, PDF page 7.

²⁸ Exhibit 25937-X0063, 2021-03-18 Reply Argument from WEG re Pioneer Pipeline, PDF page 8.

suggest that any receipt or intra-basin NGTL shipper holds a 67-year contract on the NGTL system.²⁹

36. ATCO Pipelines further explained that the \$810,000 amount represents the portion of NGTL-incurred internal labour and legal costs up to July 31, 2020, and that this amount is properly assigned to ATCO Pipelines because it is associated with the portion of the Pioneer pipeline for which ATCO Pipelines will retain ownership following the transfer of the NGTL Footprint pipeline facilities to NGTL.³⁰

37. The Commission is not persuaded by the intervener claims that the acquisition costs are unreasonable and is satisfied that NGTL and the Pioneer pipeline owners negotiated an arm's length transaction that resulted in the purchase price of \$255 million. The Commission also considers it noteworthy that NGTL, which must defend the costs in its revenue requirement to the CER, supports the inclusion of the purchase price in ATCO Pipelines' approved revenue requirement.

38. The Commission is satisfied that the prudence of the acquisition and negotiated purchase price is supported by the forecast that the CPV of the revenue generated exceeds the CPV of the revenue requirements. Specifically, the CPV of \$269.7 million in direct revenues from the NGTL contracts would exceed the CPV of the revenue requirement for the pipeline and associated projects over the 2021-2040 period by more than \$37 million,³¹ and this is so without considering the renewals and expected incremental contracts and revenues. Consequently, a net benefit to ratepayers is forecast from the transaction. It goes without saying that those economic benefits would not materialize without approval of the pipeline acquisition which would facilitate the incremental receipt and delivery contract demand.

39. The Commission also finds that ATCO Pipelines' replacement cost or new build estimates for the Pioneer pipeline, which range from \$292 million to \$340 million,³² are supportive of the purchase price of the Pioneer pipeline, irrespective of whether it was above net book value.

40. The Commission is satisfied that, as indicated by ATCO Pipelines, the acquisition supports the coal-to-gas conversions of existing power plants, such as Sundance units 4, 5 and 6, Keephills units 2 and 3 and Genesee units 1, 2 and 3, in the Wabamun area, connects the Pioneer pipeline to the Alberta System which provides benefits such as security of supply, offers an incremental delivery market for upstream producers, and utilizes existing facilities to mitigate construction risks and land impacts.³³

41. None of the interveners had any concerns with the costs of the integrity assessment and the addition of required facilities to tie the pipeline to the Alberta System. The Commission finds that these costs, including internal and legal costs, are reasonable and a necessary part of ATCO Pipelines' due diligence in reviewing the contract details and ensuring the integrity of the Pioneer pipeline.

²⁹ Exhibit 25937-X0064, ATCO Pipelines Acquisition Reply Argument, PDF page 17.

³⁰ Exhibit 25937-X0064, ATCO Pipelines Acquisition Reply Argument, PDF page 34.

³¹ Exhibit 25937-X0053, Rebuttal Evidence, paragraphs 21-23.

³² Exhibit 25937-X0053, Rebuttal evidence, paragraphs 69-70.

³³ Exhibit 25937-X0030, AUC-AP-2020NOV03-003(d), PDF pages 15, 24-25.

42. ATCO Pipelines identified \$5.91 million of capital upgrades for items such as a tap and riser to tie into NGTL's proposed interconnect, SCADA integration, a hydrogen sulphide (H₂S) buyback at the BRC gas plant, electric grounding and minor valve site upgrades. The Commission accepts ATCO Pipelines' statement that NGTL would be allocated all of the costs associated with the BRC and that the balance of the costs would be split between NGTL and ATCO Pipelines on the basis of the length of the pipelines allocated to their respective geographic service territories.³⁴

43. The Commission accepts ATCO Pipelines' technical rationale for incurring capital upgrade costs (identified through its due diligence review) to add components to the pipeline system for purposes of ensuring safe and reliable operation of the Pioneer pipeline once it is integrated into the Alberta System. It is satisfied that the amount of \$5.91 million in capital upgrade costs is reasonable and approves its inclusion into the calculation of ATCO Pipelines' revenue requirements.

44. The Commission likewise accepts the annual forecast of incremental operating and maintenance costs of \$350,000 as being reasonable for inclusion in ATCO Pipelines' revenue requirement.

45. Lastly, the Commission considers that there is no persuasive evidence of intergenerational risk to ratepayers that would result from the purchase of the Pioneer pipeline. ATCO Pipelines has established that the costs of the pipeline would be recovered over the life of the asset, with revenues projected to exceed the revenue requirements associated with the purchase price.

6 Summary of findings

46. For the reasons stated above, the Commission finds that the pipeline acquisition is in the public interest in accordance with Section 17 of the *Alberta Utilities Commission Act*. ATCO Pipelines is directed to revise its 2021-2023 revenue requirement to reflect the approval of the acquisition of the Pioneer pipeline, including the impact on rate base and operation and maintenance, in its next rate application. In addition, the Commission approves a 2021 revenue requirement of \$7.75 million³⁵ for ATCO Pipelines' portion of the Pioneer pipeline.

³⁴ Exhibit 25937-X0004, Attachment 1 - Pioneer Pipeline Acquisition Business Case, PDF page 6.

³⁵ Exhibit 25937-X0032, AP-UCA-2020NOV-003 Attachment 1.

7 Decision

47. Pursuant to Section 18 of the *Pipeline Act* and Section 4.1 of the *Gas Utilities Act*, the Commission approves the transfer of the existing pipelines, lines 1 to 6 under Licence 60496 and line 1 under Licence 60789, from Pioneer Pipeline Inc. to ATCO Gas and Pipelines Ltd.

48. The amended licences will be issued upon approval of the pipeline licence transfer by the Alberta Energy Regulator and confirmation from ATCO Pipelines that the conditions of closing the acquisition have been satisfied.

Dated on June 15, 2021.

Alberta Utilities Commission

(original signed by)

Anne Michaud Vice-Chair

(original signed by)

Neil Jamieson Commission Member