



**Syncrude Canada Ltd.**

**Transfer of Licences to  
Suncor Energy (Syncrude) Operating Inc.**

**July 9, 2021**

**Alberta Utilities Commission**

Decision 26614-D01-2021

Syncrude Canada Ltd.

Transfer of Licences to Suncor Energy (Syncrude) Operating Inc.

Proceeding 26614

Application 26614-A001

July 9, 2021

Published by the:

Alberta Utilities Commission

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The Commission may, no later than 60 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 to approve an application from Syncrude Canada Ltd. to transfer permits and licences for four transmission lines and two substations from Syncrude Canada Ltd. (Syncrude) to Suncor Energy (Syncrude) Operating Inc. (SESOI). The Commission considers that there is no need to transfer the permits to construct the transmission facilities since construction has already been completed and no additional construction is proposed. Thus, the Commission has only considered transferring the licences to operate the transmission facilities in this decision. After consideration of the record of the proceeding, and for the reasons outlined in this decision, the Commission finds that approval of the application is in the public interest. The Commission will issue new licences to SESOI upon confirmation of the precise date that operatorship will be transferred.

## **2 Discussion**

2. Syncrude operates an electric system, which has been designated an industrial system,<sup>1</sup> to provide electricity to its oilsands operations (Mildred Lake Plant and Aurora mines) in the Athabasca Oil Sands Region (collectively known as the Syncrude project). Syncrude is the current holder of the following permits and licences for transmission facilities within the industrial system:

- a. Permit and Licence U2005-158<sup>2</sup> to operate Substation D05.
- b. Permit and Licence U2013-245<sup>3</sup> to operate Substation G01.
- c. Permit and Licence U2005-113<sup>4</sup> to operate 240-kilovolt (kV) Transmission Line 201-000-PLL260-1-R1.
- d. Permit and Licence U2005-114<sup>5</sup> to operate 240-kV Transmission Line 201-000-PLL260-2-R2.
- e. Permit and Licence 25935-D01-2020<sup>6</sup> to operate 260-kV Transmission Line 201-PLT260-1.
- f. Permit and Licence 25935-D02-2020<sup>7</sup> to operate 260-kV Transmission Line 201-PLT260-2.

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<sup>1</sup> Industrial System Designation Order 20386-D02-2015, Proceeding 20386, Application 20386-A002, June 3, 2015.

<sup>2</sup> Permit and Licence U2005-158, Application 1364823, April 22, 2005.

<sup>3</sup> Permit and Licence U2013-245, Proceeding 2564, Application 1609494, May 22, 2013.

<sup>4</sup> Permit and Licence U2005-113, Application 1389187, March 18, 2005.

<sup>5</sup> Permit and Licence U2005-114, Application 1389187, March 18, 2005.

<sup>6</sup> Permit and Licence 25935-D01-2020, Proceeding 25935, Application 25935-A001, October 16, 2020.

<sup>7</sup> Permit and Licence 25935-D02-2020, Proceeding 25935, Application 25935-A001, October 16, 2020.

3. Syncrude filed an application with the Commission, under sections 14 and 15 of the *Hydro and Electric Energy Act*, to transfer these permits and licences to SESOI. The application was registered as Application 26614-A001 on June 17, 2021.

4. Syncrude stated that it is the current owner<sup>8</sup> and operator of the Syncrude project, which is a joint venture undertaking between Suncor Energy Inc., Imperial Oil Resources Limited, CNOOC Oil Sands Canada and Sinopec Oil Sands Partnership. The application stated that pursuant to an agreement made between the joint venture participants, Suncor Energy Inc. is to become the operator of the Syncrude project by the end of 2021.

5. Syncrude stated that SESOI, which is a wholly owned subsidiary of Suncor Energy Inc., was incorporated for the purpose of assuming the role of operator of the Syncrude project. It also stated that Syncrude will continue to exist as a corporate entity and will continue to own all facilities associated with the Syncrude project, including the above-mentioned transmission facilities. Syncrude confirmed that the transmission facilities will continue to service the Syncrude project and that the proposed transfers do not involve any changes to the facilities. It submitted that there is no potential for the proposed transfer to adversely affect a third party, and stated that it did not conduct a participant involvement program in relation to the application. Syncrude also stated that SESOI is expected to assume the role of operator of the transmission lines and substations on September 30, 2021.

6. 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*.

### **3 Findings**

7. The Commission finds that since all of the above-mentioned transmission facilities have already been built, there is no need to transfer permits to construct the facilities. The Commission considers that it must only decide whether to approve transferring the licences to operate the facilities.

8. The Commission has reviewed the application and accepts that there are no outstanding public or industry objections or concerns associated with the proposed transfer of the permits and licences. The Commission also accepts that the joint venture participants in the Syncrude project have agreed that SESOI is to assume operatorship of the project, including the facilities comprising the industrial system that serves the Syncrude project.

9. Syncrude stated that the proposed transfer does not involve any changes to the existing facilities and is only required to authorize SESOI to operate the transmission facilities proposed for transfer, which will continue serving the Syncrude project as they have in the past. The Commission is satisfied that the requested transfer would have no effect on previously considered social, economic and environmental effects of the transmission facilities proposed to

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<sup>8</sup> The application states that Syncrude Canada Ltd. is owned by the joint venture participants in proportion to each participant's respective ownership interest in the Syncrude project.

be transferred to SESOI's operatorship and that there are no outstanding technical or environmental concerns arising from or associated with the proposed transfer.

10. Syncrude confirmed that SESOI is registered under the *Business Corporations Act*, by filing a copy of the certificate of incorporation of SESOI with the application. The Commission is satisfied that SESOI meets the requirements of Section 23 of the *Hydro and Electric Energy Act* and is eligible to hold the licences that are currently issued to Syncrude.

11. Based on the foregoing, the Commission considers approval of the application to be in the public interest in accordance with Section 17 of the *Alberta Utilities Commission Act*.

#### **4 Decision**

12. Pursuant to sections 14, 15 and 19 of the *Hydro and Electric Energy Act*, the Commission approves the application.

13. The Commission will issue new licences to operate the transmission facilities to SESOI upon receipt of written confirmation from Syncrude Canada Ltd. of the precise date that the transfer of operatorship of the Syncrude project to SESOI is to become effective. Accordingly, the Commission directs Syncrude to provide such confirmation no less than seven days prior to the effective date of the transfer of operatorship.

Dated on July 9, 2021.

#### **Alberta Utilities Commission**

*(original signed by)*

Carolyn Dahl Rees  
Chair