



ATCO Gas and Pipelines Ltd.

Gleichen Branch Transmission Pipeline Loop Installation

November 25, 2021

Alberta Utilities Commission

Decision 26938-D01-2021

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Gleichen Branch Transmission Pipeline Loop Installation

Proceeding 26938

Application 26938-A001

November 25, 2021

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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 approves an application from ATCO Gas and Pipelines Ltd. to install approximately 2.68 kilometres of new 88.9-millimetre high-pressure sweet natural gas pipeline to loop the existing 60.3-millimetre Gleichen Branch Transmission Pipeline under Licence 1819.

2 Application

2. On October 27, 2021, ATCO Gas and Pipelines Ltd. filed Application 26938-A001 with the Commission seeking approval for an amendment to Licence 1819 pursuant to Section 11 of the *Pipeline Act* and Section 4.1 of the *Gas Utilities Act* for the addition of newly constructed pipeline (line 61 – 2.68 kilometres of 88.9-millimetre outside-diameter pipe) (the project).

3. The proposed pipeline is required to meet the current and future natural gas demands on the Gleichen-Cluny transmission system. The proposed pipeline will be routed as shown in Figure 1.

Figure 1. Gleichen Branch Transmission Pipeline Loop Installation



4. ATCO's application included:
 - A business case¹ for the Gleichen-Cluny Transmission Looping – Installation Project, which includes the project need and breakdown of the project cost.
 - An environmental evaluation report² for the project. ATCO stated that all recommendations in the environmental evaluation report would be followed during construction activities.
 - *Historical Resources Act*³ approval dated October 18, 2021.
5. ATCO stated that the need for the project was demonstrated within the business case for the Gleichen-Cluny Transmission Looping – Installation Project, which was filed and approved under ATCO's 2021-2023 General Rate Application⁴ (GRA).
6. ATCO explained that the project was presented in the GRA as two pipeline loops; one on each of the Cluny Branch Transmission Pipeline and Gleichen Branch Transmission Pipeline. ATCO added that this application is for the installation of an 88.9-millimetre loop on the existing 60.3-millimetre Gleichen Branch Transmission Pipeline, line 35 under Licence 1819, and a separate application would be submitted for the other pipeline loop on the existing Cluny Branch Transmission Pipeline.
7. The total project cost for both loops is estimated to be \$3,000,000 and the individual project cost for the loop on the Gleichen Branch Transmission Pipeline is estimated to be \$1,600,000. ATCO is responsible for 100 per cent of the project cost. ATCO noted that the approved total project cost for both loops in the GRA proceeding is \$2,685,000 and that the increase in cost is due to an increase in the length of the loop on the 60.3-millimetre Gleichen Branch Transmission Pipeline from 2.4 kilometres to 2.68 kilometres, which allows for a tie-in to the existing steel pipeline that is more easily constructable than an aluminum pipeline tie-in. In addition, the longer pipeline allows the existing pipeline to remain in-service during the tie-in, thereby minimizing customer impact during construction. ATCO added that even with the additional cost, the project is still the least cost alternative.
8. ATCO also stated that consultation and notifications with landowners and occupants for the project has been completed, in accordance with Rule 007: *Applications for Power Plants, Substations, Transmission Lines, Industrial System Designations, Hydro Developments and Gas Utility Pipelines* (formerly Rule 020),⁵ and there are no outstanding concerns or objections related to the project. Construction is anticipated to begin in the fourth quarter of 2021.
9. The Commission issued a notice of application; no submissions were received in response.

¹ Exhibit 26938-X0008, 8-1061429 Business Case.

² Exhibit 26938-X0010, 10-1061429 EER – Gleichen.

³ Exhibit 26938-X0009, 9-1061429 HRA Approval – Gleichen.

⁴ Decision 25663-D01-2021: ATCO Pipelines, a division of ATCO Gas and Pipelines Ltd. – 2021-2023 General Rate Application, Proceeding 25663, March 1, 2021.

⁵ Rule 020: *Rules Respecting Gas Utility Pipelines* was rescinded on September 1, 2021, and is no longer in effect.

3 Discussion and findings

10. With consideration that the project need has previously been established in the ATCO 2021-2023 GRA, and for the reasons outlined below, the Commission finds that approval of the project is in the public interest having regard to the social, economic, and other effects of the project, including the project's effect on the environment. The Commission finds the minor increase in project length to facilitate a tie-in to the existing steel pipeline rather than the existing aluminum pipeline to be operationally prudent.

11. The Commission has reviewed the application and has determined that it meets the requirements of Rule 007.

12. The Commission accepts ATCO's submission that a participant involvement program has been conducted and that there are no outstanding public or industry objections or concerns.

13. The Commission finds that the potential environmental impacts of the project have been sufficiently addressed in ATCO's environmental evaluation report and accepts ATCO's commitment to implement the recommendations presented in that report to reduce the risk of potential adverse environmental impacts associated with the project.

14. The Commission notes that the proposed route as shown in Figure 1 parallels ATCO's existing high-pressure natural gas pipeline to which the proposed pipeline would be tied into at both ends. Therefore, the Commission accepts that the proposed route is the shortest possible route and it poses minimal impact to the affected landowners and occupants.

15. Based on all of the above, the Commission considers the project to be in the public interest in accordance with Section 17 of the *Alberta Utilities Commission Act*.

4 Decision

16. Pursuant to Section 11 of the *Pipeline Act* and Section 4.1 of the *Gas Utilities Act*, the Commission approves the application and grants ATCO Gas and Pipelines Ltd. the amended licence as set out in Appendix 1 – Gas Utility Pipeline Licence 1819 – November 25, 2021 (Appendix 1 will be distributed separately).

Dated on November 25, 2021.

Alberta Utilities Commission

(original signed by)

Brian Shand, P.Eng.
Applications Director, Facilities Division
On behalf of the Alberta Utilities Commission