



ATCO Gas and Pipelines Ltd.

Northwest Calgary Connector Pipeline Project

April 1, 2020

Alberta Utilities Commission

Decision 24827-D01-2020

ATCO Gas and Pipelines Ltd.

Northwest Calgary Connector Pipeline Project

Proceeding 24827

Application 24827-A001

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1 Decision summary

1. In this decision, the Alberta Utilities Commission considers whether to approve an application from ATCO Gas and Pipelines Ltd. for the construction and operation of approximately 14.3 kilometres of new 508.0-millimetre high-pressure natural gas pipeline and three above-ground stations in the city of Calgary, collectively designated as the Northwest Calgary Connector Pipeline Project. For the reasons outlined in this decision, and subject to the specified conditions, the Commission finds that approval of the proposed project is in the public interest, having regard to the social and economic effects of the project, and its effect on the environment.

2 Introduction

2.1 ATCO Gas and Pipelines Ltd.'s Urban Pipeline Replacement Program

2. Most of ATCO Gas and Pipelines Ltd.'s (ATCO Pipelines) high-pressure gas transmission pipelines currently located in Edmonton and Calgary were constructed prior to 1970 in then rural areas on the outskirts of each city. Since the original installation, urban development has surrounded the previously-installed rural network of transmission pipelines, such that many pipelines are now located in highly developed, densely populated areas.

3. In 2011, ATCO Pipelines initiated a program for the replacement of these urban pipelines through a series of applications to the Commission. ATCO Pipelines identified 12 individual replacement projects (four in Edmonton and eight in Calgary) designed to move many of its existing pipelines into the Edmonton and Calgary transportation and utility corridors (TUCs). ATCO Pipelines referred to the projects collectively as the Urban Pipeline Replacement (UPR) project. In July 2012, the Commission directed ATCO Pipelines to file a single application describing the need for the UPR project.

4. In its application for the UPR project, ATCO Pipelines described why the project was necessary, the three other alternatives it considered, and why it believed the project as proposed was the best solution.

5. The Commission held a public hearing in the fall of 2013 to consider the need for the UPR project and the alternatives developed by ATCO Pipelines. In approving ATCO Pipelines' application in Decision 2014-010,¹ the Commission determined that the risk of continued long-term operation of the existing Edmonton and Calgary pipeline systems was unacceptable and that ATCO Pipelines' UPR proposal to move the systems, primarily into the

¹ Decision 2014-010: ATCO Pipelines, a division of ATCO Gas and Pipelines Ltd. – Urban Pipeline Replacement Project, Proceeding 1995, Application 1608617, January 17, 2014. Errata issued on February 21, 2014.

TUCs, was in the public interest. The Commission concluded that the UPR proposal was superior to the other alternatives, having regard to risk management, system integrity, reliability of supply, public disruption, technical feasibility and siting.

6. Following the Commission's approval of the need for the UPR project, ATCO Pipelines began to file applications for the individual pipeline projects that were described in its UPR application. The Northwest Calgary Connector Pipeline Project is the final major project to complete the TUC pipeline circuit in Calgary.

2.2 The Northwest Calgary Connector Pipeline application

7. On August 22, 2019, ATCO Pipelines filed Application 24827-A001 with the Commission seeking approval for the construction and operation of the Northwest Calgary Connector Pipeline Project (the project) in the city of Calgary, pursuant to Section 11 of the *Pipeline Act* and Section 4.1 of the *Gas Utilities Act*. The application seeks to add the proposed new pipelines to Licence 1952. The project consists of the following additions:

- A newly constructed pipeline (lines 99 to 136 – 14.3 kilometres of 508.0-millimetre outside-diameter pipeline).
- Two gate stations, designated as the Crowfoot Gate Station and Nolan Hill Gate Station.
- A control station designated as the Big Hill Springs Control Station.

8. ATCO Pipelines submitted that the project is part of its UPR program, and along with improving the safety and reliability of ATCO Pipelines' overall pipeline network, it will directly serve the majority of the residential demand for natural gas within northwest Calgary. While ATCO Pipelines considered multiple routing alternatives, it applied for a single route which it deemed to be the preferred option.

2.3 The Commission's consideration of the application

9. An approval for new gas utility pipelines in Alberta generally follows two separate application processes. The rates process sets rates to allow the gas utility to recover its prudently incurred costs. In that process, the gas utility seeks the Commission's approval for the forecast capital expenditures for new pipeline facilities within the context of a utility rate application pursuant to the *Gas Utilities Act*. In its general rate application, the gas utility includes a business case for the new pipeline project that describes the need or justification for the new project, the alternatives available to meet that need, and the utility's choice of the best alternative.

10. The Commission's assessment of the business case is economic in nature and includes a cost-benefit analysis, supply-demand forecasts, and safety, security of supply, and rate impact analyses. However, potentially-affected landowners do not usually participate in the general rate application process because there is generally very little consideration of site-specific impacts.

11. In a separate facility application process, the gas utility seeks the Commission's approval to construct and operate the new pipeline, pursuant to the *Pipeline Act* and the *Gas Utilities Act*. The facility application generally focuses on the site-specific impacts of the project. When deciding whether to approve a facility application, the Commission evaluates the justification for the project as configured and its site-specific impacts. The need for the project, including its

economic benefits, is weighed or balanced against any adverse social, economic or environmental effects to determine if approval of the proposed project is in the public interest.

12. While gas utilities in Alberta generally follow these two application processes for the approval of new gas utility pipeline projects in the order presented above, there is no statutory requirement that they proceed in this fashion.

13. 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 situation, 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.

14. In this case, the Commission assessed the business case for all of the UPR projects, including the Northwest Calgary Connector Project, in the original UPR proceeding in 2013; and ATCO Pipelines is requesting approval of the facility application to construct and operate that project in this proceeding.

2.4 Commission process

15. The Commission issued a notice of hearing on September 5, 2019, in anticipation of further process in light of unresolved concerns of affected parties identified in ATCO Pipelines' application. The notice was issued in accordance with the requirements of Rule 001: *Rules of Practice*.

16. The Commission received a number of statements of intent to participate, as detailed in Appendix A of this decision, in response to the Commission's notice. Several landowners combined to form the following intervenor groups:

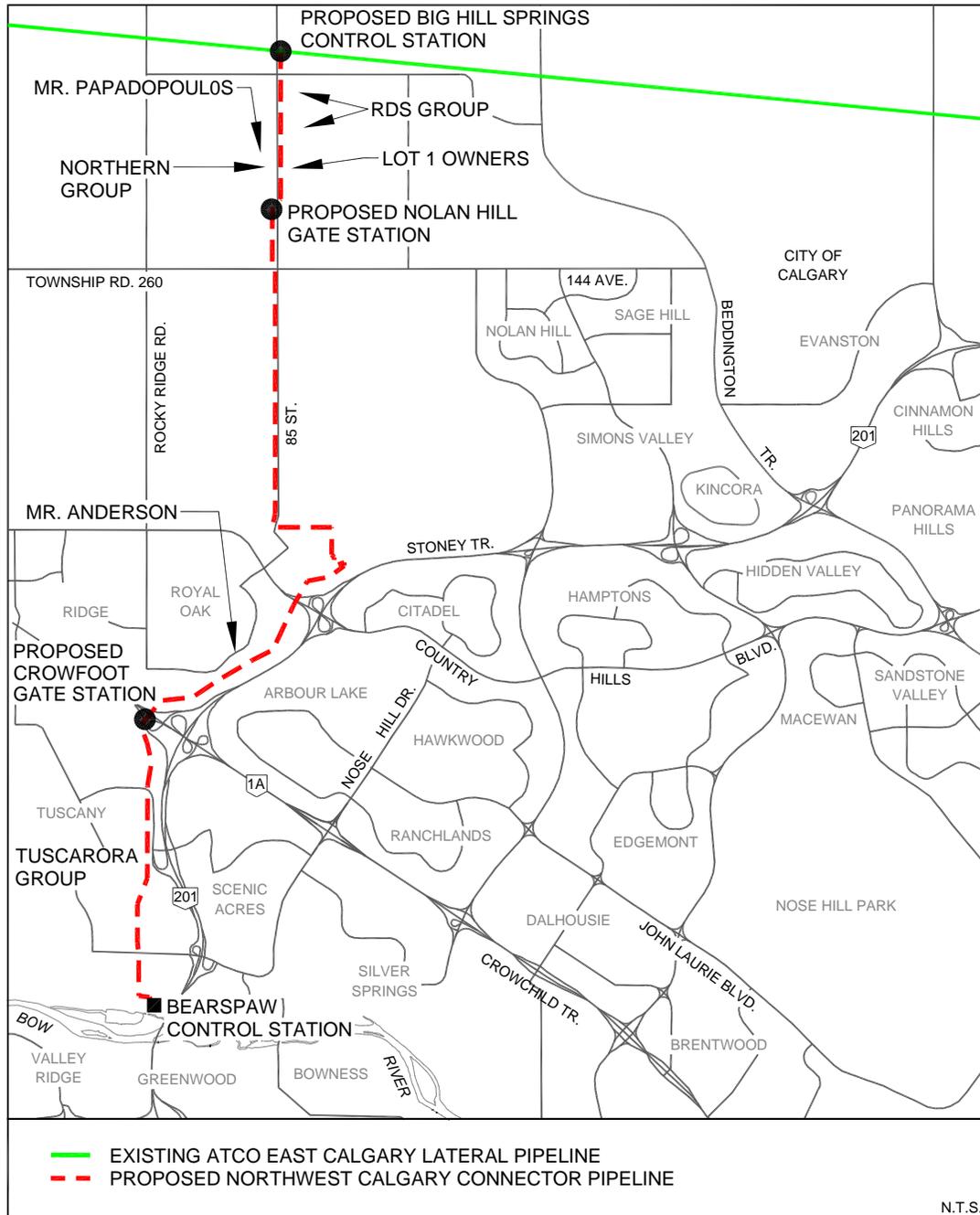
- The Tuscarora Group, consisting of residents living in the communities of Tuscarora, Royal Birch and Tuscany, adjacent to the proposed right-of-way in the TUC. The group's primary concerns were right-of-way width and placement of the proposed pipeline within the TUC, damage to its members' homes during construction, and safety in the event of a leak, explosion or other incident associated with the proposed pipeline. The group retained Ronald Burdylo of RSBFOUR Consulting Ltd., to provide an opinion on the proposed pipeline's engineering and construction.
- The Northern Group, consisting of residents on the west side of 85th Street Northwest outside of the TUC. Its members' primary concerns were routing of the proposed pipeline close to their homes and safety concerns relating to incidents associated with the proposed pipeline. The group also retained Mr. Burdylo to provide pipeline engineering and construction opinion on the project.
- The Lot 1 Owners, consisting of the landowners of a subdivided portion of land on the east side of 85th Street Northwest, adjacent to the Northern Group. Its members' primary concerns were routing of the proposed pipeline on their property, damage to their homes and business during construction, impact of the project on future development of their land, impact on value of their land, and safety concerns relating to incidents associated

with the proposed pipeline. The group retained the services of Sanjit Singh of Wernick Omura Inc. to provide a commercial appraisal report for the property on which ATCO Pipelines is proposing to acquire a pipeline right-of-way for the construction of the proposed pipeline.

- The RDS Group, consisting of RJR Enterprises Ltd., Dombee Property Ltd. and Sunny Sky Resources Ltd. RJR is the owner of the northwest quarter of Section 3, Township 26, Range 2, west of the Fifth Meridian; and Sunny Sky and Dombee are the owners of the southwest quarter of Section 10, Township 26, Range 2, west of the Fifth Meridian. Their land is on the east side of 85th Street Northwest, adjacent to the Northern Group. The group members' primary concerns were routing of the proposed pipeline on their property, impact of the project on future development of their land, impact on property and economic value of their land, and safety concerns in the event of a pipeline incident. Several witnesses with particular expertise were retained by the group. Brian Gettel of Gettel Appraisals Ltd. prepared a route evaluation analysis from a real estate cost and impact perspective; the B&A Planning Group filed a development assessment report of the RDS Group lands; and Chijioke Ukiwe of ReliaSafe Solutions filed a safety and risk assessment of the proposed Northwest Calgary Connector Pipeline Project. The RDS Group also retained Veritas Litigation Support Services to provide an image and drone video capture of various route options.

17. The Commission also received submissions from Ernie Anderson, a Royal Oak resident, whose home is west and adjacent to the proposed right-of-way in the TUC, and Andy Papadopoulos, a landowner on the west side of 85th Street Northwest who participated in the Commission's process, but not as part of the Northern Group. Mr. Anderson's primary concerns were the proximity of the pipeline to homes, lack of emergency response information, and disturbances during construction. Mr. Papadopoulos expressed concerns with consultation and suggested that the pipeline should be located in the TUC instead of along 85th Street Northwest.

18. The map below identifies the proposed pipeline route, which is within the TUC for the portion along Stoney Trail, and the approximate locations of the landowners who participated in this proceeding.



19. A public hearing to consider the application was held from February 10, 2020 to February 13, 2020, in Calgary, Alberta. The Commission heard evidence that can largely be divided into two distinct portions of the proposed pipeline route: (i) the portion of the route along the TUC, and (ii) the portion of the route outside the TUC. The discussion of the evidence in the sections that follow is organized accordingly.

3 Portion of the proposed pipeline route along the transportation and utility corridor

3.1 Views of ATCO Gas and Pipelines Ltd.

20. ATCO Pipelines attempted to site as much of the pipeline route within the TUC as it deemed feasible, having regard to consultation feedback, cost, environmental impact, risk and operational flexibility. In response to siting concerns expressed by parties residing adjacent to the TUC, ATCO Pipelines submitted that the TUC is designated primarily for use as a utility corridor and that all other uses, such as recreation, are secondary. ATCO Pipelines' proposed route is within the TUC or on Alberta Infrastructure's land for 75 per cent of its length.²

21. Alberta Infrastructure provided a letter of non-objection to ATCO Pipelines for the project³ and a letter confirming that an outside-in approach to siting within the TUC is optimal.⁴ ATCO Pipelines interpreted this letter, in conjunction with its project-specific consultation with Alberta Infrastructure, to be a direction to take an outside-in approach with respect to pipeline placement within the TUC. This approach would place the pipeline along the outside edge of the TUC and maximize TUC usage while minimizing impacts to the pipeline caused by subsequent projects. ATCO Pipelines added that its project-specific consultation with Alberta Infrastructure and experience with other TUC pipeline projects have shown that an alignment that deviates from an outside-in approach, including one immediately adjacent to the west side of Stoney Trail as proposed by the Tuscarora Group, would not be permitted.⁵ ATCO Pipelines' Adam Wood testified that although there are instances where other UPR projects deviated from an outside-in pipeline alignment, the deviations were made to accommodate an existing linear infrastructure.⁶

22. ATCO Pipelines stated that it would minimize disturbance to treed areas within the TUC near Tuscarora residences by reducing temporary workspace to the east of the right-of-way from 20 metres to 10 metres. In response to the Tuscarora Group's suggestion that temporary workspace requirements could be further reduced by undertaking construction during winter conditions, ATCO Pipelines indicated that it is opposed to delaying construction unnecessarily. ATCO Pipelines stated that expeditious completion of the pipeline would allow The City of Calgary to complete the twinning of Tuscany Way, a municipal project that cannot be completed until the proposed Northwest Calgary Connector Pipeline is operational.

23. ATCO Pipelines stated that area land use would be restored and committed to replacing pathways damaged during construction and restoring berms/hills to pre-construction contours.⁷ In accordance with Alberta Infrastructure's direction, ATCO Pipelines stated that it would not replace trees removed during construction but clarified that it is only proposing to remove trees within the right-of-way and temporary workspace, and not all trees in the green space in the TUC.

² Exhibit 24827-X0153, ATCO Pipelines Reply Evidence, PDF pages 5-6.

³ Exhibit 24827-X0011, Appendix 6 - Alberta Infrastructure Non-objection.

⁴ Exhibit 24827-X0155, Attachment 2 - Correspondence with Alberta Infrastructure regarding TUC Alignment.

⁵ Exhibit 24827-X0096, AP Round 2 Responses to TUSCARORA Information Requests, PDF page 10.

⁶ Transcript, Volume 1, page 241, lines 5-9.

⁷ Exhibit 24827-X0096, AP Round 2 Responses to TUSCARORA Information Requests, PDF page 24.

24. To minimize disturbances to area residents during construction, ATCO Pipelines would deploy ground vibration monitoring at entry points during horizontal directional drilling (HDD) to ensure ground vibrations do not exceed recommended limits. ATCO Pipelines submitted that conducting a pre- and post-construction assessment of residences to evaluate any structural damage is not necessary. It stated that it has experience addressing vibration complaints from residents, that damage to property caused by construction-related vibration is rare, and that no historical incidents caused by ATCO Pipelines have been recorded.⁸ In the event it receives a complaint in this regard, it will send a representative to evaluate.

25. ATCO Pipelines stated that while noise, dust and traffic are unavoidable during construction operations, it would endeavour to control traffic and minimize noise and dust to mitigate impacts to neighbouring landowners and residents.⁹ It disagreed with the Tuscarora Group's characterization of trees within the TUC serving as an effective noise barrier. In this regard, ATCO Pipelines considers noise abatement associated with existing hills and berms to be more effective and confirmed that it would return the grading along the route to its pre-construction state.¹⁰

26. To address safety concerns, ATCO Pipelines stated that the project is designed in accordance with Standard CSA Z662-19 for a Class 4 location, although the locations traversed by the pipeline range between Class 1 and Class 3. ATCO Pipelines explained that the class system refers to pipeline design standards associated with proximal population density. Class 1 is generally associated with farmland. Class 3 is generally associated with urban settings. Class 4 includes the prevalence of buildings with four or more stories above ground, and has more stringent design conditions, such as increased steel strength and/or wall thickness, than a Class 3 or Class 1.¹¹

27. ATCO Pipelines stated that designing to this standard ensures the pipeline is built to the most stringent standards and will accommodate any current and future land use in its proximity.¹² It added that the pipeline will be capable of in-line inspections, is subject to annual leak and cathodic protection surveys, will undergo non-destructive weld inspections and will transport odourized natural gas. ATCO Pipelines submitted that the risk associated with the pipeline is low and within acceptable industry-standard risk limits.

28. ATCO Pipelines submitted that it would continue to engage with landowners and residents in proximity to the pipeline, both during construction and operation, and respond to specific questions or concerns related to the project, including emergency response procedures. In response to concerns with its emergency response procedures, ATCO Pipelines advised the Tuscarora Group of the steps to be taken in the event its members smell gas in or outside a building.¹³

⁸ Transcript, Volume 1, page 318, lines 9-13.

⁹ Exhibit 24827-X0153, ATCO Pipelines Reply Evidence, PDF page 22.

¹⁰ Transcript, Volume 4, page 699, lines 9-22.

¹¹ Exhibit 24827-X0096, AP Round 2 Responses to TUSCARORA Information Requests, PDF page 36.

¹² Exhibit 24827-X0096, AP Round 2 Responses to TUSCARORA Information Requests, PDF page 36.

¹³ Exhibit 24827-X0153, ATCO Pipelines Reply Evidence, PDF page 13.

3.2 Views of the interveners

29. During the hearing, a number of Tuscarora Group members confirmed they are aware that the green space behind or in close proximity to their homes is a TUC and stated that they understood its purpose prior to purchasing their homes. The group suggested that notwithstanding, the pipeline could be moved further into the TUC, closer to Stoney Trail and away from residences to mitigate residential impacts. Mr. Anderson raised similar concerns and stated that the proximity of the proposed pipeline to his home would cause noise, dust and traffic impacts.

30. The Tuscarora Group submitted that siting the pipeline adjacent to the west boundary of Stoney Trail, instead of adjacent to residential property lines, is its preferred alignment. It explained that the heavily treed areas behind its members' homes are used for various recreational activities, such as walking, biking, and dog walking.

31. In the Tuscarora Group's view, Alberta Infrastructure's use of the word "optimal" as it relates to an outside-in alignment, indicates a preference but allows for flexibility to deviate to a route further away from its members' homes. The group requested that this flexibility be explored further. While group members acknowledged that land-use features such as pathways and the off-leash dog area would be restored after construction, they stated that the beauty of the area would be lost, primarily due to tree removal. Group members added that the trees provide a natural and effective sound barrier from Stoney Trail traffic noise.

32. The group retained RSBFOUR Consulting Ltd. to prepare an assessment of the routing for the proposed project. In its report, RSBFOUR stated that aligning the pipeline adjacent to Stoney Trail could be achieved and would not affect overall construction costs. It also indicated that the re-routed pipeline could be installed at a greater depth, or incorporate concrete slabs to provide added protection should other developments occur in the TUC. This would reduce the number of trees removed in the pathway and dog park areas, preserving the beauty and land use of the area, and increase separation distance from homes without affecting future TUC development.¹⁴

33. The Tuscarora Group expressed concerns with the amount of disturbance and tree removal required and requested that ATCO Pipelines reduce the width of the temporary workspace to construct the pipeline within the TUC. RSBFOUR stated in its report that temporary workspace is not always required, particularly in flat conventionally trenched areas, and is often specified for convenience. Strategies such as stripping topsoil "blade width only" and eliminating "passing lanes" on short sections were identified to minimize the need for temporary workspace. The group requested that the Commission direct ATCO Pipelines to assess workspace requirements and attempt to minimize tree clearing similar to that specified in Decision 20512-D01-2016.¹⁵ The group also suggested that if ATCO Pipelines started construction in winter when less topsoil is stripped, it would require less temporary workspace for soil storage.¹⁶

¹⁴ Exhibit 24827-X0115, Intervener Written Submission - Tuscarora Group (02942090xA2535), PDF page 7.

¹⁵ Exhibit 24827-X0115, Intervener Written Submission - Tuscarora Group (02942090xA2535), PDF page 10.

¹⁶ Transcript, Volume 4, page 632, lines 7-12.

34. Although the Tuscarora Group agreed that the risk of pipeline failure is low and within acceptable industry-standard risk limits,¹⁷ it expressed concerns with the magnitude of harm from a pipeline failure and the limited information and consultation on emergency procedures, especially given the proximity of the pipeline to residences and the potential presence of people with reduced mobility. The group understands that ATCO Pipelines' corporate emergency response plan contains sensitive information that ought not be disclosed but requested that ATCO Pipelines and The City of Calgary provide community members with basic pipeline emergency information, possibly in the form of a community session.

35. Tuscarora Group members also raised concerns with potential structural damage to their homes due to vibrations from construction activity in close proximity. They are concerned that rock hammering, road boring and HDD operations could result in drywall cracks, foundation/concrete cracks, misalignment of doors and windows, and other issues. The group requested that ATCO Pipelines conduct pre- and post-construction inspections for group members who request it.¹⁸

36. Mr. Papadopoulos emphasized the importance of placing the pipeline in the TUC to the maximum extent possible. He stated that ATCO Pipelines did not give adequate weighting to route options with a greater length in the TUC, and if it had, such an alternative would have been ranked as superior to the preferred route. He submitted that the applied-for route should be rejected because it does not follow routing from the UPR proceeding decision which illustrated a greater conceptual distance within the TUC.

4 Portion of the pipeline route outside the transportation and utility corridor

4.1 Views of ATCO Gas and Pipelines Ltd.

37. ATCO Pipelines submitted that this project is unique from other UPR projects because approximately 50 per cent of the proposed pipeline route is located outside the TUC and the north tie-in point with the East Calgary Lateral Pipeline is not fixed. ATCO Pipelines consulted with area stakeholders including landowners, occupants and residents along four route options (A to D) as well as The City of Calgary, Rocky View County and Alberta Infrastructure.¹⁹ ATCO Pipelines proceeded with route A and ruled out the remaining routes on account of factors such as constructability, cost and landowner concerns.

38. ATCO Pipelines recognized intervenor concerns with the pipeline route north of the exit point from the TUC, particularly north of the Alberta Infrastructure lands, towards the north tie-in point. However, based on its consideration of costs, environmental impacts, stakeholder support, risk and operational flexibility factors for each route, it submitted that the preferred route is superior to all alternatives considered.²⁰

39. Similar to the portion of the pipeline that is within the TUC, ATCO Pipelines designed this portion for a Class 4 location to accommodate current and future land use in proximity to the pipeline and incorporated safety features and procedures.²¹ ATCO Pipelines retained

¹⁷ Transcript, Volume 2, page 384, line 3 to page 385, line 3.

¹⁸ Transcript, Volume 4, page 684, lines 12-24.

¹⁹ Exhibit 24827-X0001, Cover Letter, PDF page 9.

²⁰ Exhibit 24827-X0153, ATCO Pipelines Reply Evidence, PDF page 5.

²¹ Exhibit 24827-X0096, AP Round 2 Responses to TUSCARORA Information Requests, PDF page 36.

Dynamic Risk Assessment Systems Inc. to evaluate the risks associated with the various route options. In its quantitative risk assessment report, Dynamic Risk defined risk as a measure of the probability that a hazardous event will occur and the severity of the adverse effects of that hazardous event. It stated that for a sweet gas utility pipeline such as this one, the hazardous event considered is the ignited release of natural gas, and that the adverse effects associated with that event relate to public safety impacts caused by thermal radiation to populations in the vicinity of the pipeline. Dynamic Risk identified two distinct approaches to calculating and reporting quantitative measures of risk, individual risk and societal risk.²²

40. Tyler Klashinsky of Dynamic Risk stated that he used an individual risk approach in this instance because it is applicable to all land uses and relies less on speculation of future development.^{23,24} Individual risk is defined as the likelihood of a fatality of an unprotected person at a specific location, resulting from an accident on an adjacent facility occurring over the course of a year; whereas societal risk is calculated on the basis of both the probability of pipeline failure and the number of fatalities that could result from a pipeline failure.²⁵ Mr. Klashinsky added that an individual risk approach has the potential to depict risk with a greater level of resolution along the length of a pipeline segment than the societal risk approach;²⁶ ATCO Pipelines submitted that this is a more conservative approach to risk assessment,²⁷ and disagreed with the RDS Group's criticisms of its approach. In ATCO Pipelines' view, in his analysis, Mr. Ukiwe (the RDS Group's independent witness) incorrectly relied on the assumption that the RDS Group's lands have an approved development plan and did not consider the possibility that land along the alternatives to route A, such as those within the Bearspaw area structure plan, could also have a development plan.²⁸

41. Dynamic Risk explained that there are no standards or legislation governing risk acceptability in Canada, but that the Canadian Society for Chemical Engineering "Risk Assessment – Recommended Practices for Municipalities and Industry" presents risk acceptability guidelines based on the individual risk criteria of the former Major Industrial Accidents Council of Canada (MIACC). These guidelines set the acceptable annual risk thresholds as follows:

- manufacturing, warehouses and open spaces, 100 in a million (10^{-4})
- commercial, offices, and low density residential, 10 in a million (10^{-5})
- all other uses including institutions, high-density residential etc., one in a million (10^{-6})²⁹

42. Dynamic Risk concluded that based on the MIACC guidelines, the risk results for the Northwest Calgary Connector Pipeline Project are considered acceptable for all land uses and do not require further control measures.³⁰

43. ATCO Pipelines stated that it also considered variations of route A, alternate routes A1 to A6, and noted that the northern portion of the preferred route avoids areas approved for ongoing gravel development, traverses nearly all existing residential subdivisions in the area, and is

²² Exhibit 24827-X0097, AP Round 2 Responses to RDS Information Requests, PDF page 16.

²³ Transcript, Volume 2, page 308, lines 7-21.

²⁴ Transcript, Volume 4, page 553, lines 23-25 and page 554, lines 1-5.

²⁵ Exhibit 24827-X0097, AP Round 2 Responses to RDS Information Requests, PDF page 16 and 17.

²⁶ Transcript, Volume 4, page 553, lines 2-7.

²⁷ Transcript, Volume 4, page 552, lines 18-19.

²⁸ Transcript, Volume 4, page 585, lines 20-25, page 586, lines 1-10.

²⁹ Exhibit 24827-X0097, AP Round 2 Responses to RDS Information Requests, PDF page 58.

³⁰ Exhibit 24827-X0097, AP Round 2 Responses to RDS Information Requests, PDF page 59.

routed through the interior of the Glacier Ridge Area Structure Plan (GRASP).³¹ ATCO Pipelines explored these variations to identify a route with no landowner objections; when no such route was found, it defaulted to the shorter and less costly alignment and concluded that the preferred route remained superior to other route options.³²

44. ATCO Pipelines stated that when the GRASP was discussed at a meeting with The City of Calgary it recommended that ATCO Pipelines consult with directly-affected landowners and occupants.³³ ATCO Pipelines noted that the preferred route is located on the westernmost boundary of the GRASP and that its route selection process, including assessment of alternatives, considered current and potential future development. It submitted that given the specific pipeline design features, which exceed applicable code requirements ensuring the pipeline is safe now and in the future, land development can occur around its proposed project. ATCO Pipelines added that the project is required to provide natural gas to the City and future developments in the area (including the future development of Glacier Ridge). As such, avoiding areas of present and future potential development is not feasible for this type of infrastructure.³⁴

45. ATCO Pipelines also retained CITYTREND to prepare a report on the land development assessment report submitted by the RDS Group. Bryan Romanesky of CITYTREND remarked that many steps have to be taken before land currently designated for agricultural use can be developed (either as part of the City or Rocky View County).³⁵ ATCO Pipelines submitted that “the Glacier Ridge Area Structure Plan would have to be amended to include the RJR lands as lands identified for growth, followed by the creation of an outline plan showing further details of the overall lot, road system, and open space design, followed by land use redesignation, followed by subdivision, and then finally applications for and the issuance of development and building permits.”³⁶

46. ATCO Pipelines stated that the proposed pipeline can be incorporated into future area structure plan amendments, prior to the outline plan stage, and that investments made by interveners in the future development of their lands are not lost as the pipeline is compatible with such plans.³⁷

47. Mr. Romanesky stated that The City of Calgary may work with developers in setting municipal reserve requirements to account for developable land lost to the pipeline and that development plans can be revised to minimize or even eliminate lost lots due to the pipeline right-of-way. In CITYTREND’s opinion, “... the ATCO ROW [right-of-way] will not influence or hinder the type of uses and development that may occur in the future.” It added that the interveners’ proposed developments are conceptual and can be amended to accommodate the pipeline.³⁸

48. Telford Land & Valuation Inc., retained by ATCO Pipelines to review the interveners’ appraisal reports, stated that the RDS Group’s assumption that the proposed pipeline cannot be incorporated into the urban development scheme is inaccurate. In its report, Telford stated that

³¹ Exhibit 24827-X0153, ATCO Pipelines Reply Evidence, PDF page 16.

³² Transcript, Volume 2, page 305, lines 11-20.

³³ Exhibit 24827-X0097, AP Round 2 Responses to RDS Information Requests, PDF page 66.

³⁴ Exhibit 24827-X0153, ATCO Pipelines Reply Evidence, PDF page 17.

³⁵ Transcript, Volume 2, page 319, lines 24-25 and page 320, lines 1-9.

³⁶ Transcript, Volume 4, page 581, lines 17-25.

³⁷ Transcript, Volume 4, page 582, lines 6-16.

³⁸ Exhibit 24827-X0158, Attachment 5 – CITYTREND Report, PDF page 10.

the reports of the interveners do not consider the development horizon of the lands on alternate routes, local gravel land sales or potential impacts of the active gravel operation in reaching their conclusion that some of the alternate routes, specifically route A2, are superior to the preferred route.³⁹

49. CITYTREND also stated that 85th Street Northwest is currently a secondary rural road providing access to existing country residential development and that there is no imminent need to upgrade the street to a higher standard until high-density urban development is pursued.⁴⁰ At the hearing, ATCO Pipelines' Ryan O'Hara testified that the project, including the portion of the pipeline route paralleling 85th Street Northwest, was discussed with The City of Calgary and that the City provided a letter of non-objection.⁴¹⁻⁴² ATCO Pipelines also discussed the possibility of 85th Street Northwest becoming an arterial road with the City's road department which indicated that additional space is required for road widening.⁴³ ATCO Pipelines stated that it submitted an alignment sheet to the City showing a 5.2-metre offset from the proposed pipeline right-of-way east of the current road edge, which was prepared on the basis of its prior consultations with the City. This offset also aligns with the land along 85th Street Northwest to the south of the project. ATCO Pipelines stated that it did not receive any comment or objection from the City regarding its design.⁴⁴

50. In its reply evidence ATCO Pipelines confirmed that the Lot 1 Owners, including workers and visitors, would continue to have access to their land during the construction of the proposed pipeline and that there would be no issues with the integrity of the ground following construction. ATCO Pipelines stated that it would adhere to the cleanup, reclamation and monitoring measures specified in the environmental protection plan.⁴⁵⁻⁴⁶ ATCO Pipelines further noted that the Lot 1 Owners could continue to use the land for its current parking and storage use, so long as it does not affect the depth of cover over the pipeline.⁴⁷

51. ATCO Pipelines stated that it is committed to minimizing the impact of its activities and responding to any issues, such as flooding, that may arise from its construction activities in a proactive manner. It is also committed to meeting with landowners and occupants in the event they have questions or concerns regarding emergency response planning procedures.⁴⁸ ATCO Pipelines confirmed that it is required to enter into an indemnity agreement with The City of Calgary regarding road use, which will ensure that ATCO Pipelines repairs any damage it causes to the road and returns it to a condition as good or better than prior to construction of the pipeline.⁴⁹

³⁹ Exhibit 24827-X0156, Attachment 3 – Telford Report, PDF page 1.

⁴⁰ Exhibit 24827-X0158, Attachment 5 – CITYTREND Report, PDF page 1.

⁴¹ Exhibit 24827-X0012, Appendix 7 - City of Calgary Non-objection.

⁴² Transcript, Volume 1, page 27, line 25 and page 28, lines 1-4.

⁴³ Transcript, Volume 1, page 96, lines 15-19.

⁴⁴ Transcript, Volume 1, page 99, line 25 and page 100, lines 1-3.

⁴⁵ Exhibit 24827-X0020, Appendix 13a - PCSA & EPP.

⁴⁶ Exhibit 24827-X0153, ATCO Pipelines Reply Evidence, PDF page 23.

⁴⁷ Transcript, Volume 4, page 588, lines 4-25 and page 589, lines 1-9.

⁴⁸ Transcript, Volume 4, page 703, lines 8-25 and page 704, lines 1-2.

⁴⁹ Transcript, Volume 4, page 569, lines 18-25 and page 570, line 1.

4.2 Views of the interveners

52. The Northern Group's preference is to not have a pipeline near its members' homes, but that if the pipeline is approved, it would like the pipeline to remain on the east side of 85th Street Northwest as applied for by ATCO Pipelines.⁵⁰

53. Ronald Burdylo of RSBFOUR Consulting Ltd., retained by the Northern Group to provide a pipeline engineering and construction opinion, supported the proposed route over other route alternatives, including routes A1 to A6.⁵¹

54. At the hearing, Ulla and Steve Kalny, members of the Northern Group, expressed concerns with water drainage and flooding in front of their house and requested additional consultation from ATCO Pipelines on this issue and on emergency procedures.⁵²

55. The RDS Group asked that ATCO Pipelines' application be denied as applied for because of inadequate consideration of alternate routes. The group expressed concerns with routing, impacts on planned future development and the safety and risk associated with a high-pressure transmission pipeline routed through its lands.⁵³

56. The RDS Group noted that the RJR land is currently designated as special-purpose, future development within The City of Calgary and is already incorporated into the GRASP. The group submitted that the Sunny Sky and Dombie land, which is currently outside of the GRASP in Rocky View County's ranch and farm district and primarily designated for agricultural activities, could be redesignated as residential due to its proximity to the city of Calgary and therefore has the potential to be annexed by the City.⁵⁴

57. During the hearing, Jamal Ruparell, a member of the RDS Group, stated that he was told by ATCO Pipelines that it was considering 10 routes, including routes A1 to A6, and that he was surprised that ATCO Pipelines applied for only one route, the preferred route.⁵⁵ The RDS Group submitted that ATCO Pipelines did not properly assess the existing and future land use and future development of the alternate routes such as A1, A5 or A2.⁵⁶ The group submitted that RJR made significant financial contributions towards the planning and development of the GRASP; the RJR lands have been designated for future residential and commercial development and, as a result, approving the preferred route will reduce developable land and adversely affect RJR's planned land development.⁵⁷

58. Brian Gettel of Gettel Appraisals Ltd. was retained by the RDS Group to appraise each of the alternate route's relative costs from a real estate perspective and provide commentary on potential impacts of the pipeline on future land use. Mr. Gettel indicated in his report that the lands adjacent to alternate route A2 are rural, making their integration with a pipeline easier than in the case of the RJR lands, which are urban and have potential for future residential and park

⁵⁰ Transcript, Volume 4, page 649, lines 5-11.

⁵¹ Transcript, Volume 4, page 651, lines 21-24.

⁵² Transcript, Volume 4, page 653, lines 3-11 and page 655, lines 1-5.

⁵³ Exhibit 24827-X0117, 2019 12 16 RDS Group Submission FINAL v3, PDF pages 6-13.

⁵⁴ Exhibit 24827-X0117, 2019 12 16 RDS Group Submission FINAL v3, PDF pages 10-11.

⁵⁵ Transcript, Volume 2, page 506, lines 1-4.

⁵⁶ Transcript, Volume 4, page 605, lines 24-25 and page 606, line 1.

⁵⁷ Exhibit 24827-X0117, 2019 12 16 RDS Group Submission FINAL v3, PDF pages 9-10.

development. Mr. Gettel therefore concluded that alternate route A2 would have a lower development cost impact than the preferred route.⁵⁸

59. Brown & Associates Planning Group, retained by the RDS Group, indicated⁵⁹ that a potential upgrade to 85th Street Northwest cannot be achieved even with a 5.2-metre offset because of the current configuration of the road and the homes on either side. Brown noted that there is inadequate space to accommodate the minimum 36-metre arterial road and that landowners along the west side of 85th Street Northwest would have to give up some of their land to The City of Calgary for such an upgrade to be possible, presenting additional challenges.⁶⁰ Mr. Ruparell and Carmela Chan of the RDS Group testified that they were unaware of the 5.2-metre offset taken from their land between 85th Street Northwest and the west border of the 15-metre right-of-way for the preferred route,⁶¹ which would result in an additional loss of eight lots from the estimated 50-lot loss in the Brown report for the potential RJR development.⁶² The RDS Group submitted that the positioning of the preferred route would affect the expansion of 85th Street Northwest and may result in the arterial road being placed further east onto the RJR lands.⁶³

60. The RDS Group stated that the loss of developable land caused by the 5.2-metre offset, pipeline right-of-way, and potential upgrade to 85th Street Northwest are compounded by the 10 per cent municipal reserve requirement. In the RDS Group's view, any lost developable land would not count towards the 10 per cent of open land requirement which would have to come from the remainder of the available land, further reducing the number of lots available.⁶⁴

61. Mr. Ukiwe of ReliaSafe Solutions Inc. was retained by the RDS Group to conduct a pipeline risk and right-of-way assessment of ATCO Pipelines' route selection and recommend alternate routes. In his view, a societal risk analysis is more appropriate for the project because it accounts for the severity of failure among a higher population density reflecting the future development of RDS lands.⁶⁵ Mr. Ukiwe concluded that based on risk impacts and costs, alternate routes A1 or A5 are superior because those routes have substantially lower population densities and do not have approved area structure plans in place.⁶⁶

62. The Lot 1 Owners stated that its land was purchased primarily for the purpose of future development under the GRASP and submitted that it could lose up to four lots of future development layout if the proposed high-pressure pipeline is built on its land.⁶⁷ The Lot 1 Owners retained Wernick Omura Inc. to conduct a commercial appraisal⁶⁸ of its land to show the impact of the proposed right-of-way. The appraisal report identified the replacement cost of the structure used as an office and market value of the land before and after the planned future development.

⁵⁸ Exhibit 24827-X0119, Appendix E – Evidence of Brian Gettel, PDF page 30

⁵⁹ Exhibit 24827-X0129, Appendix G - Evidence of BAPG.

⁶⁰ Transcript, Volume 4, page 616, lines 23-25 and page 617, lines 1-6.

⁶¹ Transcript, Volume 2, page 489, lines 18-23 and page 491, line 14-17.

⁶² Transcript, Volume 2, page 449, lines 8-14.

⁶³ Transcript, Volume 4, page 616, lines 14-17.

⁶⁴ Transcript, Volume 4, page 617, lines 19-25 and page 618, lines 1-5.

⁶⁵ Transcript, Volume 3, page 577, lines 4-11.

⁶⁶ Exhibit 24827-X0117, 2019 12 16 RDS Group Submission FINAL v3, PDF page 9.

⁶⁷ Transcript, Volume 4, page 657, lines 4-17.

⁶⁸ Exhibit 24827-X0136 to X0140, Intervener Evidence, PDF pages 40-118.

63. The Lot 1 Owners also objected to ATCO Pipelines' proposed removal of mature trees and an office structure on their land if the application were granted.⁶⁹ It echoed the concerns of the RDS Group that the road offset, pipeline right-of-way, municipal reserve and potential arterial road would reduce a significant amount of its developable land.⁷⁰

64. The Lot 1 Owners also expressed a concern with the safety of the proposed pipeline. It noted that ATCO Pipelines admitted during cross-examination that the further people are away from a pipeline, the lower the consequences of a leak or explosion.⁷¹

65. Mr. Papadopoulos requested that the Commission reject ATCO Pipelines' proposed route on procedural grounds due to serious deficiencies in the consultation program and non-compliance with the UPR decision as it relates to that portion of the proposed pipeline outside of the TUC.⁷² He also stated that ATCO Pipelines should have The City of Calgary confirm its plans for 85th Street Northwest prior to construction of the pipeline to develop an optimal solution.⁷³

5 Consultation

66. ATCO Pipelines stated that in accordance with Rule 020: *Rules Respecting Gas Utility Pipelines*, in selecting the alignment of the proposed pipeline and facility locations for the project, it conducted extensive consultations with Alberta Infrastructure, The City of Calgary, the Aboriginal Consultation Office of Alberta, industry and other stakeholders. The City of Calgary reviews and approves the alignment of utilities within municipal public thoroughfares, and Alberta Infrastructure reviews and approves the alignment of utilities within the Calgary TUC. ATCO Pipelines' consultation also included publishing several notices of open houses for the proposed project in the Calgary Herald and Calgary Sun.⁷⁴

67. With respect to development in the Calgary TUC, Section 4(2) of the *Calgary Restricted Development Area Regulations* states:

No Minister of the Crown, government official or government agency shall, without the written consent of the Minister of Infrastructure, exercise any power under the *Municipal Government Act*, *The Pipeline Act*, 1975, *the Water Resources Act* or any other Act to order, authorize, approve, permit or consent to any operation or activity that causes, is likely to cause or will cause a surface disturbance of any land in the Area, or issue or cause to be issued any order, authorization, approval, permit, licence or consent instrument for that purpose.

68. ATCO Pipelines indicated that it received letters from both The City of Calgary⁷⁵ and from Alberta Infrastructure⁷⁶ stating that they had no objections to the project and that ministerial consent for the project within the Calgary TUC would be issued subsequent to Commission approval.

⁶⁹ Transcript, Volume 4, page 659, lines 7-13.

⁷⁰ Transcript, Volume 4, page 663, lines 18-25 and page 664, lines 1-2.

⁷¹ Transcript, Volume 4, page 665, lines 4-9.

⁷² Transcript, Volume 4, page 669, lines 24-25 and page 670, lines 1-14.

⁷³ Transcript, Volume 4, page 667, lines 8-22.

⁷⁴ Exhibit 24827-X0001, Cover Letter, PDF page 2-3.

⁷⁵ Exhibit 24827-X0012, Appendix 7 - City of Calgary Non-objection.

⁷⁶ Exhibit 24827-X0011, Appendix 6 - Alberta Infrastructure Non-objection.

69. According to ATCO Pipelines, it consulted with landowners, occupants and residents that were directly adjacent⁷⁷ to the pipeline right-of-way in accordance with Rule 020.

70. At the hearing, the Tuscarora Group members testified that they had no issues with ATCO Pipelines' consultation, but expressed concerns with their lack of ability to consult with Alberta Infrastructure. The Tuscarora and Northern groups both requested additional consultation with ATCO Pipelines on emergency response procedures and flooding issues. ATCO Pipelines committed to continue consultation beyond the AUC process and during operation of the project.

71. Charlie Ludwig of the Tuscarora Group stated that he was not directly consulted by ATCO Pipelines despite his property being located within 100 metres of the pipeline right-of-way. At the hearing, ATCO Pipelines responded that it consulted with all landowners located within 100 metres and directly adjacent to the pipeline; and that although Mr. Ludwig's property is within 100 metres, it did not conduct "one-on-one" consultation with him because his property is not directly adjacent to the pipeline right-of-way.⁷⁸

72. The RDS Group and the Lot 1 Owners also expressed concern with ATCO Pipelines' consultation process during the hearing. They stated that they were not aware of the road allowance offset or its dimensions until shortly before the hearing.⁷⁹ ATCO Pipelines stated that this land was shown on its application material but was not dimensioned and that consultation never proceeded to the point where those details would be discussed.

73. Mr. Papadopoulos expressed concerns regarding his discussions with ATCO Pipelines during consultation. More specifically, he alleged that ATCO Pipelines committed to avoid routing the pipeline along 85th Street Northwest, and that it did not engage in good faith consultation because it did not explain, to him or any member of the Northern Group, why it did not honour this commitment and did not route the pipeline in accordance with the conceptual route illustrated in the UPR need decision.

6 Environmental assessment

74. ATCO Pipelines retained CH2M Hill Energy Canada Ltd. to complete a pre-construction site assessment and environmental protection plan⁸⁰ for the project, and committed to implementing all recommendations included in the plan. It stated that most of the proposed project is located within the municipal boundaries of the city of Calgary, with 1.05 kilometres located outside the city boundary, and is therefore exempt from the *Environmental Protection and Enhancement Act* approval requirement. However, ATCO Pipelines stated that it would nonetheless adhere to the Environmental Protection Guidelines for Pipelines in constructing the project. ATCO Pipelines also confirmed that it would comply with the code of practice in accordance with the *Water Act* for all watercourse and wetland crossings.⁸¹

⁷⁷ In AUC Rule 020, directly adjacent means any adjacent property that is within 100 metres of the pipeline and would include property across the road from a right of way, but would exclude property that is across a major divided highway or ring road within a transportation utility corridor.

⁷⁸ Transcript, Volume 1, page 264, lines 1-18.

⁷⁹ Transcript, Volume 4, page 662, lines 21-24 and page 663, lines 1-2.

⁸⁰ Exhibit 24827-X0037, Pre-construction Site Assessment and Environmental Protection Plan.

⁸¹ Exhibit 24827-X0001, Cover Letter, PDF page 8.

75. ATCO Pipelines submitted a historical resources application to Alberta Culture and Tourism for clearance under the *Historical Resources Act*. It is required⁸² to complete a historical resources impact assessment for archeological resources prior to the start of construction, and a paleontological monitoring program during construction. ATCO Pipelines stated that it would not start construction of the pipeline until *Historical Resources Act* approval has been obtained and that it would abide by the conditions set out in the approval.⁸³

76. ATCO Pipelines engaged ACI Acoustical Consultants Inc. to complete noise impact assessments⁸⁴ for the proposed Crowfoot Gate Station, Nolan Hill Gate Station and Big Hill Springs Control Station. The assessments demonstrated that noise mitigation would not be required at the sites and that the stations would meet the requirements of Rule 012: *Noise Control*. The Commission did not receive any concerns from stakeholders regarding the gate stations.

7 Commission findings

77. The Commission has considered the application in the light of the applicable legislative and regulatory framework described earlier. For the reasons that follow, the Commission finds that the project is in the public interest having regard to its social, economic, environmental and other effects.

78. The Commission agrees with the parties that siting the pipeline within the TUC is preferable and is consistent with its purpose of protecting utility alignments from advancing development in the urban context. It is also satisfied that siting the pipeline along the TUC's outer edge is reasonable and consistent with other UPR projects located within the Edmonton and Calgary TUCs, and with Alberta Infrastructure's preferred layout.

79. The Commission's interpretation of Alberta Infrastructure's letter is that the use of the word "optimal" does not signify a direction, but a preference to place pipeline infrastructure along the outer edge of the TUC, and that deviations would only be allowed where an existing linear disturbance prevents that preferred alignment. In this instance, it is not necessary to deviate from Alberta Infrastructure's preference because there is no existing linear disturbance.

80. While it is further from Tuscarora residences, the routing suggested by the Tuscarora Group would not preclude the removal of trees and would cause potential disruption and construction-related damage to the pipeline should Stoney Trail be expanded. And, although relocating the pipeline would result in a greater separation from residences, as agreed upon by ATCO Pipelines and all independent witnesses, the risk is reduced by the fact that the pipeline will be constructed and operated at a level of risk that is within accepted industry standards. The Commission therefore finds that the associated risk with the pipeline in proximity to the Tuscarora residences is sufficiently minimized in the proposed location.

⁸² Exhibit 24827-X0022, Appendix 14 - Historical Resources Act Requirements.

⁸³ Exhibit 24827-X0001, Cover Letter, PDF page 8.

⁸⁴ Exhibit 24827-X0004, Appendix 2a - Crowfoot Gate Noise Impact Assessment, Exhibit 24827-X0005, Appendix 2b - Nolan Hill Gate Noise Impact Assessment and Exhibit 24827-X0006, Appendix 2c - Big Hill Springs Noise Impact Assessment FDI Acoustics Noise Impact Assessment.

81. From a noise perspective, the evidence on the record is that berms, rather than trees, are the primary noise abatement feature in the section of the TUC of concern to Tuscarora Group members. The Commission is satisfied that ATCO Pipelines' commitment to restore berms to pre-construction contours will sufficiently mitigate any noise issues. The Commission recognizes that tree cover of sufficient density can provide noise abatement, however, this is a moot point given that Alberta Infrastructure is not allowing trees to be replanted within the TUC.

82. The Commission agrees with ATCO Pipelines that property damage from construction-related vibration is unlikely. It accepts that ATCO Pipelines has experience in constructing and operating pipelines in proximity to residents and that no vibration-related construction damage to nearby residences has been attributed to ATCO Pipelines' projects in the past. The Commission is satisfied that ATCO Pipelines' experience in dealing with vibration complaints, including its practice of on-site evaluation of such complaints and use of vibration monitoring at HDD entry points, will provide appropriate mitigation to any vibration issues that may arise. Accordingly, the Commission finds that it is unnecessary for ATCO Pipelines to conduct pre- and post-construction structural assessments of residences.

83. While the Commission recognizes the Tuscarora Group's concern with the magnitude of harm arising from a potential pipeline failure, it finds that the design, construction and operation of the proposed pipeline, including comprehensive in-line testing and 24-hour monitoring, will result in an acceptable level of risk. The Tuscarora Group's independent witness also agreed that the risk of leaks and ruptures is low and within acceptable industry-standard risk limits.

84. From a safety perspective, ATCO Pipelines stated that it would continue to consult with stakeholders on the availability of information on emergency procedures. In this regard, the Commission finds that the creation of a brochure or other consultation material explaining evacuation procedures and other pipeline safety issues will assist in alleviating stakeholders' safety-related concerns. Accordingly, the Commission makes it a condition of its approval that ATCO Pipelines create and provide to landowners at their request, a project-specific emergency procedure information package.

85. Once the pipeline leaves the TUC, ATCO Pipelines has proposed a single preferred route despite having evaluated several alternate route options. The Commission considers that had the alternate route options been considered with the same level of detail as the preferred route, potential impacts, such as development potential on alternate routes A1 to A6, would have been more clear and allowed for better comparability to the preferred route. However, it is ultimately up to an applicant to decide whether to apply for multiple routing alternatives based on the specific circumstances in any given project area. Where an applicant decides to pursue a single routing alternative, the onus rests on the applicant to demonstrate that approval of the proposed route is in the public interest and to provide adequate rationale for its elimination of other potential routes. In the present circumstances, ATCO Pipelines investigated a number of options but decided not to pursue them because it determined its preferred route to be clearly superior to those options. The Commission finds that ATCO Pipelines included sufficient information in its application to allow interveners and the Commission to understand the options investigated and the rationale for their exclusion.

86. All routing options evaluated by ATCO Pipelines for this project appear to have similar associated environmental and risk impacts and landowner opposition. The record indicates that although alternate route D has some appeal because of its greater utilization of the TUC, existing

development north of the TUC appears to preclude further consideration of that route. The Commission finds that between routes A to D and A1 to A6, ATCO Pipelines' selection of alternate route A as its preferred route was reasonable given its use of Alberta Infrastructure lands both within and outside the TUC, its alignment along the edge of the GRASP, and that it is the most direct and least expensive option to connect to the East Calgary Lateral Pipeline.

87. The RDS Group presented video drone footage of the preferred route and alternate routes A1, A5 and A2. This evidence, intended to depict an aerial view of the project route, did not provide additional information or context to the routes already depicted on maps and did not assist the Commission in its understanding of the issues before it.

88. The Commission recognizes that the proposed pipeline is likely to have some impact on the development of land on the east side of 85th Street Northwest. It also acknowledges that the RJR and Lot 1 Owner lands are within the GRASP and that while the Dombree and Sunny Sky lands are outside the GRASP, these lands could be redesignated for residential development in the future and annexed by The City of Calgary. However, in each of these cases, the evidence on the record indicates that a number of steps are needed for these lands to be developed as part of the city of Calgary and the Commission is satisfied that there will be many opportunities to refine and amend development plans prior to the start of construction of the residential development.

89. Furthermore, the Commission accepts Mr. Romanesky's evidence that The City of Calgary can work with developers in setting municipal reserve requirements to account for developable land lost to the pipeline, and that development plans can be revised to minimize or even eliminate lost lots due to the pipeline right-of-way. It also agrees that the proposed pipeline can be incorporated into the GRASP or any other area development plans since these plans are largely in the initial stages of their development. The Commission is therefore confident that there will be opportunities for these interveners to work with The City of Calgary to maximize the development potential of the lands once the pipeline is in place.

90. The Commission finds that the risk associated with operating the pipeline at its proposed location is acceptable given that the pipeline has been designed in accordance with Standard CSA Z662-19 for a Class 4 location (i.e., the highest population density), notwithstanding that current land uses along the preferred route range from Class 1 to Class 3. Moreover, ATCO Pipelines has proposed a comprehensive integrity management program and emergency response protocols. The Commission agrees with ATCO Pipelines that these measures address any risk associated with possible future high-density development adjacent to the project.

91. The Commission finds that the risk assessment filed by ATCO Pipelines provides a reasonable and effective understanding of the risks associated with the proposed pipeline, noting that there are currently no standards or legislation governing risk acceptability in Canada. It is also satisfied that the two risk-assessment approaches discussed during the oral hearing, individual and societal risk, are both acceptable in evaluating risk.

92. That said, the Commission finds the ReliaSafe report to be more speculative because it is based on the assumption that development of the RDS and Lot 1 Owners lands will occur and that development of lands along alternate routes A1 to A6 will not. By comparison, the individual risk assessment conducted by Dynamic Risk considers potential future development and assumes that an unprotected individual is next to the pipeline at all times. The Commission

observes that a societal risk assessment was not prepared by any of the parties. In addition, it is not persuaded by ReliaSafe's report. The Commission accepts Dynamic Risk's assessment that the project's level of risk is acceptable for all land uses, in accordance with the MIACC guidelines. In this regard, it agrees with Dynamic Risk that the use of the MIACC guidelines (presented by the Canadian Society for Chemical Engineering in its "Risk Assessment – Recommended Practices for Municipalities and Industry") is reasonable in the circumstances as there are no established regulatory requirements or standards for pipelines.

93. During the hearing, the Commission heard that the interveners would like more certainty on the possibility of an 85th Street Northwest upgrade and whether it can be accommodated within the existing road allowance, accounting for the offsets on either side of the road. The evidence before the Commission is that an upgrade to 85th Street Northwest is not definitive and that should 85th Street Northwest become an arterial road, it can be located on the proposed alignment with the planned offsets. While the Commission considers that there is insufficient evidence on the record indicating that an upgrade of 85th Street Northwest to an arterial road is definite, it is satisfied that the proposed design accounts for the possibility of a road upgrade and is acceptable to The City of Calgary; as such, it finds the proposed 5.2-metre offset east of 85th Street Northwest to be prudent in the circumstances.

94. In conclusion, having considered the Northwest Calgary Connector Pipeline Project as required under Section 17 of the *Alberta Utilities Commission Act*, the Commission is satisfied that the application meets the information requirements of Rule 020. It finds that the risk associated with the project is acceptable and that the pipeline can be operated safely. In coming to this conclusion, the Commission had regard for the following factors: the pipeline will meet or exceed the specification for a Class 4 location pipeline under Standard CSA Z662-19, will be subject to comprehensive in-line testing, and will be under constant monitoring by ATCO Pipelines' 24-hour control centre.

95. Concerning the environment, ATCO Pipelines committed to implementing all recommendations in the environmental protection plan. It also committed to complying with the code of practice under the *Water Act* for all watercourse and wetland crossings. In light of these commitments, the Commission finds that the potential environmental impacts of the project are sufficiently mitigated.

96. The Commission finds that siting the pipeline along the outer edge of the TUC is preferable in the circumstances as it will serve to minimize potential impacts to the pipeline from future development within the TUC. Although the Commission acknowledges that in certain circumstances it is possible and appropriate to deviate the alignment of the pipeline within the TUC from Alberta Infrastructure's outside-in approach, no such circumstances would justify doing so here.

97. The Commission recognizes that the proposed pipeline is likely to have some impact on future land development. However, it finds that the proposed pipeline is generally compatible with this purpose, and considers that interveners' investment with respect to the development of their land is not lost because the pipeline can be integrated into their plans. In this regard, it is satisfied that there will be opportunities to refine and amend development plans to minimize to a large extent the loss of developable land due to the pipeline right-of-way.

98. The Commission acknowledges that ATCO Pipelines will have to obtain a *Historical Resources Act* approval from Alberta Culture and Tourism prior to construction of the project and abide by the conditions set out in that approval.

99. The Commission is satisfied that the noise impact assessments submitted by ATCO Pipelines were conducted in accordance with Rule 012 and that the project meets the permissible sound levels set out in the rule.

100. The Commission finds that ATCO Pipelines' participant involvement program allowed potentially directly and adversely affected parties an opportunity to understand the project, a reasonable opportunity to voice concerns and to have those concerns addressed where feasible. This is consistent with the purpose of consultation and Rule 020 requirements. The Commission acknowledges ATCO Pipelines' commitment to ongoing consultation to address emergency and flooding issues.

101. Lastly, the Commission is of the view that ATCO Pipelines should have been more transparent with parties regarding the amount of setback disturbance anticipated by the project on private lands. This would include having discussions with landowners about the total width of disturbance, including the road offset, and providing sufficiently-detailed drawings highlighting the dimensions of each component of the pipeline disturbance. That said, this oversight did not appear to prejudice intervener participation in the hearing process and the Commission is satisfied that the issue was adequately tested in the oral hearing. In addition, the Commission found no evidence on the record to support Mr. Papadopoulos's statement that ATCO Pipelines made a commitment not to place the pipeline along 85th Street Northwest.

102. To address stakeholder safety and consultation concerns, the Commission makes it a condition of its approval that ATCO Pipelines create and provide to landowners at their request, a project-specific emergency procedure information package, and submit a copy to the Commission no later than 60 days before the pipeline is operational.

103. A licence for the construction and operation of the project will be issued upon receipt of the Minister of Infrastructure's written consent for construction within the Calgary TUC.

8 Decision

104. 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 will issue the amended licence after receipt of the ministerial consent for construction within the Calgary TUC.

Dated on April 1, 2020.

Alberta Utilities Commission

(original signed by)

Anne Michaud
Vice-Chair

Appendix A – Proceeding participants

Name of organization (abbreviation) Company name of counsel or representative
ATCO Gas and Pipelines Ltd. (ATCO Pipelines) S. Munro
Tuscarora Group M. Niven R. Barata
Northern Group M. Niven R. Barata
RDS Group R. Secord
Lot 1 Owners M. Bedyal
Ernie Anderson
Andy Papadopoulos

Alberta Utilities Commission
Commission panel Anne Michaud, Vice-Chair
Commission staff R. Watson (Commission counsel) L. Osanyintola T. Davison V. Choy

Appendix B – Oral hearing – registered appearances

Name of organization (abbreviation) Name of counsel or representative	Witnesses
ATCO Gas and Pipelines Ltd. (ATCO Pipelines) S. Munro T. Myers	R. O'Hara A. Wood T. Klashinsky B. Romanesky R. Telford
Tuscarora Group M. Niven R. Barata	R. Burdyllo S. Thomas G. Kaye M. Enns G. Enns C. Ludwig D. Morey
Northern Group M. Niven R. Barata	R. Burdyllo U. Kalny S. Kalny
RDS Group R. Secord	P. MacInnis D. MacGregor B. Gettel C. Ukiwe H. Wilson C. Chan J. Ruparell
Lot 1 Owners M. Bedyal	E. Trahan S. Singh J. Wadh
Ernie Anderson	
Andy Papadopoulos	A. Papadopoulos