

Appendix A – Gas Utility Pipelines

Gas utility pipelines are used to transport high pressure natural gas (> 700 kPa) to industrial users, other pipeline systems, and distribution systems which eventually bring natural gas to customers at a lower pressure. The entire lifecycle of a gas utility pipeline operating in Alberta is regulated by the Alberta Utilities Commission (AUC). The AUC also regulates the tolls, tariffs, service, and operating regulations for gas utility pipelines. There are only two designated gas utility pipeline companies in Alberta (ATCO Gas and AltaGas Utilities Inc.), but some rural gas co-ops may operate gas distribution lines over 700 kPa.¹²

Negotiations for gas utility pipelines will occur in a similar way to AER-regulated pipelines. An exception to this is rural gas co-ops, where negotiations occur under the authority of the *Rural Utilities Act* (see appendix B). As part of the licence application to the AUC, the utility company must conduct a participant involvement program involving anyone whose rights may be directly and adversely affected by the gas utility pipeline. The goal at this stage is to create an open dialogue about how impacts can be avoided or mitigated. At this time, the company will also seek to negotiate a right-of-way with the landowner.

Consultation and notification radiuses are determined by the AUC.¹³ Consultation refers to direct in-person or phone conversation, whereas notification is written notice only. For gas utility pipelines, landowners and occupants (renters) along the right-of-way must be provided a written package and consulted either in-person or on the phone. Written notification must be provided to Crown disposition holders, urban municipalities, and local authorities along the right-of-way. Notified parties must be given a minimum of 14 days after notification to respond. Adjacent landowners, occupants, and residents may be notified as well, depending on the type of development.

An application to the AUC must be made in order to construct, operate, modify, remove or abandon a gas utility pipeline. The application may be categorized as routine or non-routine, although the application review process is similar for both.

- Routine Approval

A routine application can be filed when the company has met all of the technical and participant involvement requirements, and there are no outstanding concerns or objections. The company must obtain a Confirmation of Non-Objection from the landowners and occupants along the right-of-way.

If the only outstanding negotiation issue with a landowner is compensation (and this has been confirmed in writing), the company may file a routine licence application because compensation is not within the jurisdiction of the AUC. Upon issuance of a licence, the applicant would then pursue a Right of Entry Order with the Surface Rights Board (SRB) to gain access to the land and settle the issue of compensation.

- Non-Routine Approval

If the AUC requirements cannot be met or there are outstanding landowner concerns other than compensation, the applicant must file a non-routine licence application. A public hearing may be held, with opportunities for public involvement. In some cases the AUC may direct the company to submit a non-routine application.

¹² *Gas Utilities Designation Regulation*

¹³ Alberta Utilities Commission, *Rule 020: Rules Respecting Gas Utility Pipelines*
http://www.auc.ab.ca/regulatory_documents/Consultations/Rule020.pdf

A gas utility pipeline licence expires one year from date of issuance, which gives the company one year to act on the licence.

The AUC has the authority for the entire lifecycle of a gas utility pipeline. Ongoing operational inspections and investigations for high pressure gas pipelines owned by ATCO Gas and Pipelines and AltaGas Utilities are completed by the AER under a memorandum of understanding with the AUC. The AER provides inspection and incident response for 12,000 km of pipelines regulated by the AUC. The AER maintains records of its inspections and reportable incidents on AUC-regulated lines, and reports the results back to the AUC. The AER will conduct the initial incident review and ensure the situation is safe. Any subsequent investigations are completed by the AUC.

Abandonment, discontinuation, and resumption rules for gas utility pipelines are similar to what exists for AER regulated oil and gas pipelines.

- Discontinued Pipelines
Pipeline discontinuation is defined as the temporary deactivation of a pipeline or part of a pipeline. When a pipeline is discontinued, the company must ensure corrosion protection is in working condition and monitored going forward. The pipeline must be physically isolated or disconnected from any operating facility or other pipeline, and cleaned and purged. Landowner notification is not required for discontinuing a pipeline, but the AUC must be advised within 90 days.
- Abandonment
An abandoned pipeline is one that has been permanently removed from service in accordance with the *Pipeline Act* and *Pipeline Rules*. Landowner notification is required for the removal of surface equipment and abandonment of a pipeline. The AUC must be notified within 90 days of abandonment.
- Full or Partial Removal
Full pipeline removal is defined as the removal of the entire pipeline, including road, railway, and watercourse crossings. If crossings are not being removed, it is considered a partial removal. Both full and partial removal requires a company to conduct notification for landowners and occupants along the right-of-way. For a full removal, a licence must be obtained from the AUC through a non-routine application. For a partial removal, the AUC must be notified within 90 days.
- Pipeline Resumption
Notification is not required for the resumption of a discontinued pipeline, but notification and personal consultation (and Confirmation of Non-Objection, where applicable) are required for the resumption of an abandoned pipeline. A licence from the AUC must be obtained before resumption of either. The application for the resumption of an abandoned pipeline must be submitted before work is started.

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