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## LETTER DECISION

File OF-Fac-Gas-A174-2018-03 01  
5 September 2019

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Ms. Finnamore:

**Abandonment Hearing MHW-007-2019  
AltaGas Holdings Inc. for and on behalf of AltaGas Pipeline Partnership  
(AltaGas)  
Application for Approval to Abandon the Acadia Valley Pipeline and  
Acadia Valley Tie-ins (Project) to be assessed by the National Energy  
Board (Board) pursuant to paragraph 74(1)(d) of the *National Energy  
Board Act* (NEB Act) and section 50 of the *National Energy Board Onshore  
Pipeline Regulations* (NEB OPR)**

The National Energy Board (NEB or Board) has considered the above-referenced application dated 30 November 2018 (Application). The Application describes activities related to the abandonment of the 7.7 kilometre (km) natural gas Acadia Valley Pipeline (Pipeline) and tie-ins. Pursuant to section 74 of the *National Energy Board Act* (NEB Act) and section 50 of the *National Energy Board Onshore Pipeline Regulations* (NEB OPR), the Board has issued the attached Order ZO-A174-007-2019 (Order), the effect of which is to grant AltaGas leave to abandon the Project. The attached Order sets out the conditions the Board has imposed on the Project.

The Board's analysis and conclusions in support of its decision to issue the Order are set out below. In reaching its decision, the Board considered all of the evidence on the record. The regulatory documents on file in the MHW-007-2019 proceeding are available on the Board's website at [www.neb-one.gc.ca](http://www.neb-one.gc.ca).

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## **1.0 Project Overview and the NEB Process**

### **1.1 Application and Project Overview**

On 30 November 2018, AltaGas filed their Application for leave to abandon in-place the Project with a total estimated cost of \$131,791. AltaGas submitted information about land, engineering, environment and socio-economic matters with its Application and in its 30 April 2019 and 5 June 2019 responses to the Board's Information Requests No. 1 and No. 2.

AltaGas said that the Pipeline is located on privately-held lands and public land in Alberta and Saskatchewan. No federal Crown land is involved.

AltaGas said that the Pipeline would be abandoned in-place with abandonment activities occurring only within the lease boundaries of existing facilities located at either end of the Pipeline and at a tie in between these end points. The Pipeline has a riser at each end and a riser at a tie-in which are located on leases held by EECL Resources Ltd. in Alberta, and by Cona Resources Ltd. and Canadian Natural Resources Limited (CNRL) in Saskatchewan. The risers are to be removed below ground level using an internal cold cutter, capped, and the holes are to be filled with sand with no ground disturbance.

AltaGas indicated that it had acquired one temporary workspace measuring 50 meters by 50 meters for the Project located at NW 01-27-01W4M in Alberta. No additional easements are required and no easements will be surrendered upon abandonment.

### **1.2 The NEB Process**

Under the NEB Act, the Board must hold a public hearing to consider an application for leave to abandon a pipeline. The Board issued a Notice of Abandonment Hearing MHW-007-2019 for the Project (Notice) on 26 March 2019 which set out how the Board would consider the Application. The Board directed AltaGas to serve a copy of the Notice on all persons potentially impacted by the Project. The Notice indicated that any person potentially impacted by the Project wishing to participate in the Board's hearing process must file a letter with the Board by 18 April 2019.

The Board identified 16 Indigenous communities with asserted traditional territory in the Project area and directed AltaGas to serve a copy of the Notice to these Indigenous communities. Details are discussed in section 2.5 of this Letter Decision. In the Notice, the Board also directed AltaGas to serve a copy of the Notice to Her Majesty the Queen in Right Canada as grantors of the Project's Utility right-of-way.

## **2.0 Assessment of the Application**

### **2.1 Engineering Matters**

AltaGas indicated that the Project will be carried out in accordance with *Canadian Standards Association (CSA) Standard Z662-15: Oil and Gas Pipeline Systems* (CSA Z662-15) and the NEB OPR. AltaGas further noted that it will conduct hazard assessments on the Pipeline to be abandoned to ensure proper handling, storage and/or disposal of onsite infrastructure, waste and materials.

### ***Views of the Board***

The Board finds that the Project's abandonment activities as described in the Application are consistent with AltaGas' commitment, and requirement to comply with CSA Z662-15 and the NEB OPR. The Board is therefore satisfied with AltaGas' approach.

The new edition of the CSA Z662-19, Oil and Gas Pipeline Systems standard was released to the general public on 19 June 2019. As the NEB OPR incorporates CSA Z662 by reference "as amended from time to time," the new version of the standard has entered into force pursuant to NEB OPR as of that date. The 2015 version of CSA Z662 has been rescinded and replaced; it has no force or effect. An [Information Advisory](#) regarding CSA Z662-19 was issued by the Board on 8 July 2019. The Board reminds AltaGas that it is obligated to comply with the new requirements in CSA Z662-19.

## **2.2 Economics Matters**

AltaGas stated that it performed a commercial evaluation and determined that there is no future potential for these facilities, as such AltaGas proposes to abandon the facilities. AltaGas said that there are no current customers on the Pipeline. AltaGas stated that the Cona Resources tie-in to the Pipeline is no longer required and will be abandoned at the same time and that Cona Resources is aware of the abandonment project for the Pipeline and Tie-ins.

AltaGas stated that the estimated total cost of the abandonment is \$131,791. AltaGas confirmed that funding would be available for the proposed abandonment and post-abandonment monitoring and contingency. AltaGas also acknowledged that it bears the ongoing financial responsibility, for as long as it retains ownership of the Pipeline, for abandonment, monitoring, and any potential remediation required in the future.

### ***Views of the Board***

The Board notes that the facilities have no current customers. Therefore, the Board is of the view that there will be no material impact on tolls or shippers from the abandonment.

The Board is satisfied that funding will be available for the abandonment activities. The Board notes that AltaGas will remain financially responsible for the facilities abandoned in-place. Further, the Board notes that the letter of credit filed by AltaGas with the Board, for the amount of the full Abandonment Cost Estimate (ACE) for all AltaGas-owned NEB-regulated pipelines, could be drawn upon were there unfulfilled abandonment or reclamation obligations.

Given the small size of the abandonment relative to the size of AltaGas's ACE, the Board is of the view that no changes to AltaGas's ACE will be required. Improving the accuracy of ACEs is an ongoing process which benefits from learnings of abandonments as they take place. Therefore, the Board imposes **Condition 4 – Quarterly Physical Abandonment Activity Cost Reports** which requires AltaGas to provide actual cost data broken down by abandonment activity.

## 2.3 Environment Matters

AltaGas is proposing to abandon two pipelines in-place: a 5.2 km pipeline from 07-36-026-29 W3M to 12-02-027-29 W3M in Alberta; and a 2.5 km pipeline from 12-02-027-29 W3M in Saskatchewan to 14-01-027-01 W4M in Alberta. As well, AltaGas is proposing to remove three associated risers which are located within an EECL Resources Ltd. lease site at 14-01-027-01 W4M (Alberta), a Canadian Natural Resources Limited well site in 07-36-026-29 W3M (Saskatchewan); and a Cona Resources lease site at 02-02-027-29 W3M (Saskatchewan). AltaGas noted that all work will take place on the existing surface leases at the pipelines' endpoints and tie-in.

AltaGas stated that pipelines have been depressurized and were scheduled to be pigged clean in 2018. Abandonment activities will include: purging and cleaning the pipelines; filling the pipelines with air to atmospheric pressure; removing the risers without ground disturbance by using an internal cold cutter and filling the void with sand; isolating the pipelines by mechanical capping below ground; and, disconnecting cathodic protection. AltaGas expects the activities to take approximately 7-10 days to complete.

The Project is located on both private and public lands. The surrounding land use at the 14-01-27-01 W4M lease is cultivated pasture land, whereas land use at the 07-36-026-29 W3M and 02-02-027-29 W3M leases is mixed grasslands.

The presence of clubroot is known to occur in Special Areas No. 3 in Alberta. AltaGas has developed a project-specific Clubroot Management Plan which follows clubroot best management practices in Alberta and Saskatchewan. The Clubroot Management Plan is included in AltaGas' Environmental Protection Plan (EPP) filed for the Project.

AltaGas indicated that the pipeline crosses three watercourses, one waterbody and one wetland, but noted that none of the abandonment activities are planned to occur within the vicinity of these features. The watercourses do not have a restricted activity period.

AltaGas filed the results of the Phase I Environmental Site Assessment (ESA) which was conducted for the Pipeline to estimate the likelihood that contamination may be present. The scope of the Phase I ESA was developed in accordance with CSA Z768-01. No historical spills, odours or surface staining were identified as a result of the assessment and no Phase II ESA is required. AltaGas indicated that if impacted soils were identified during abandonment activities, remediation will be conducted until impacted materials meet the criteria laid out in the *NEB Remediation Process Guide, Alberta Tier 1 and Tier 2 Soil and Groundwater Remediation Guidelines*, or in accordance with the *Saskatchewan Upstream Petroleum Sites Remediation Guideline and Restoration of Spill Sites on Agricultural and Pasture Lands*, as appropriate.

AltaGas' EPP includes mitigation measures to be implemented in the event contamination is encountered or suspected during abandonment activities, as well as measures for spill prevention, preparedness and management.

AltaGas noted that the Project falls in wildlife and sensitive species zones in Alberta for northern leopard frog, prairie falcon, ferruginous hawk, burrowing owl, sharp-tailed grouse and amphibians. As well, in Saskatchewan, the Pipeline crosses lands designated as "Terrestrial Wildlife Habitat." AltaGas indicated that, while wildlife sweeps

are not required in Saskatchewan, it will conduct wildlife sweeps and surveys prior to abandonment activities for the entire Project area, should the activities be scheduled between March 15 and October 31, to ensure protection of sensitive wildlife in the area. AltaGas further noted that, if previously unidentified listed or sensitive species or their habitat were identified, a mitigation plan specific to the species would be developed in conjunction with the regional biologist. As well, AltaGas committed to conducting migratory bird searches prior to abandonment activities, if the activities could not be scheduled to avoid the bird nesting period.

AltaGas stated that it would commence reclamation activities following abandonment and in accordance with provincial regulatory requirements and guidelines, as applicable. AltaGas indicated that it didn't anticipate reclamation where surface facilities are being removed due to the techniques being used. However, during the Phase I ESA assessment, bare areas or areas with poor vegetation growth were noted at five locations along the pipeline right-of-way: two areas within NW-35-026-29 W3M, two areas within NE-34-026-29 W3M, and one area within SE-02-027-29 W3M. As well, subsidence was noted at the areas of poor vegetation growth in NW-35-026-29 W3M and NE-34-026-29 W3M during the ESA and a landowner identified concerns regarding subsidence on his property. AltaGas submitted a Corrective Action Plan to address the issues identified during the Phase I ESA assessment which outlines the site-specific reclamation that will be required to achieve equivalent land capability.

### ***Views of the Board***

The Board notes that the Project is not subject to the requirements of an Environmental Assessment under the *Canadian Environmental Assessment Act, 2012*. Environment matters were considered by the Board pursuant to the NEB Act.

The Board is of the view that there is low environmental risk of leaving the Pipeline in-place as it is comprised of small diameter pipe and it will be purged, cleaned and capped at either end. The Board further notes that the results of the Phase I ESA report indicate that the abandoned Pipeline is not expected to pose a contamination risk.

The Board notes that the proposed abandonment activities are limited in scope. While there is some potential for the Project activities to interact with wildlife and wildlife habitat (including species at risk and of provincial concern), the Board is of the view that the mitigation measures in AltaGas' EPP will be sufficient to avoid or minimize potential adverse environmental effects.

While AltaGas has filed a Corrective Action Plan to address the issues noted during the Phase I ESA assessment and by a landowner and has committed to reclaiming the Pipeline right-of-way (RoW) to equivalent land capability, the Board is imposing ***Condition 5 – Reclamation Reporting*** which sets out the schedule and requirements for reporting progress to the NEB for addressing the above-noted issues and the equivalent land capability objective. AltaGas is required to monitor the Pipeline RoW and provide Reclamation Reports, after the first, third and fifth complete growing seasons following the completion of abandonment activities, demonstrating that the RoW has reached or is on a trajectory to reaching equivalent land capability. If equivalent land capability has

not been reached by fifth year reporting, AltaGas must submit a schedule for reporting its progress towards that objective to the NEB.

Considering the nature and scope of the Project, AltaGas' proposed mitigation measures, and the implementation of Condition 5, the Board anticipates that any potential adverse environmental effects arising from the Project would be of limited geographic extent, short-term, reversible and are not likely to cause any significant adverse environmental effects.

## **2.4 Public Consultation, Lands and Socio-Economic Matters**

This section addresses AltaGas' public consultation program. AltaGas' Indigenous engagement and consultation are discussed in section 2.5.

AltaGas said it provided Project information to potentially interested stakeholders, including landowners, occupants and regional governments on 27 September 2018. It stated that no outstanding issues or concerns were raised by the Application date of 30 November 2018.

On 26 March 2019, the Board provided AltaGas with the Notice and directed that AltaGas serve the Notice by 29 March 2019 on all persons potentially impacted by the Project, including landowners, tenants, lessees, users and occupants, interested government bodies, third party shippers, and other persons identified by AltaGas.

On 30 April 2019 AltaGas confirmed that it had served copies of the Notice on all persons potentially impacted by the Project including: landowners; tenants; lessees; users and occupants; interested government bodies; third party shippers; and, other persons identified by it. AltaGas stated that it had received two responses to the Notice which were requests for more information only. Neither AltaGas nor the Board received any letters or comments regarding concerns the Project as a result of the Notice.

### ***Views of the Board***

The Board's expectations for an applicant regarding public consultation are set out in the Board's *Filing Manual*. Applicants are expected to initiate project-specific consultation activities as soon as possible in the planning and design phase of a Project. The Board notes that AltaGas provided potentially interested stakeholders with notification in advance of its filing of its Application with the Board.

Regarding public consultation, the Board is satisfied that anyone potentially affected by the Project was given notice of the Project and had the opportunity to voice their concerns to AltaGas or the Board. Therefore, the Board is of the view that the design and ultimate implementation of consultation activities was appropriate for the scale and scope of the Project. The Board notes that under the NEB Act, the Board has jurisdiction to oversee the prevention, mitigation, and remediation of any post-abandonment impacts. Accordingly, landowners and land users can contact the Board if any issues or concerns arise.

## 2.5 Indigenous Matters

In the Application, AltaGas stated that it had requested the Board to identify any Indigenous communities that would be affected by the Project through a traditional territory analysis. It stated that the proposed abandonment will involve negligible surface and no subsurface disturbance with all activities being on freehold lands within the boundaries of existing leases. AltaGas further said that the abandonment activities will be localized, occurring on previously disturbed land and of short duration, being 7-10 days.

AltaGas provided notification to 16 Indigenous communities by registered mail on 31 October 2018, a month in advance of its application to the Board.

In its 27 March 2019 letter accompanying the Notice, the Board directed AltaGas to serve the Notice on the following 16 Indigenous communities having asserted traditional territory within which the Project area is located:

- Ahtakakoop Cree Nation
- Asini Wachi Nehiyawak Traditional Band (Mountain Cree)
- Carry the Kettle Nakota Nation
- Kainai First Nation
- Métis Nation of Alberta
- Métis Nation of Alberta - Region 3
- Métis Nation of Saskatchewan
- Métis Nation – Saskatchewan - Western Region 3
- Nekaneet Cree First Nation
- O'Chiese First Nation
- Piikani First Nation
- Poundmaker Cree Nation
- Samson Cree Nation
- Siksika Nation
- Stoney Nakoda Nation
- Wood Mountain Lakota First Nation.

In addition to the notice of public hearing served by AltaGas, the Board provided notification to the listed Indigenous communities through letters dated 27 March 2019 which included a Project description, Project map, and contact information for both AltaGas and the Board.

AltaGas advised that it had received two queries as a result of notifications. The queries were from the Asini Wachi Nehiyawak Traditional Band and the Métis Nation of Alberta – Region 3. On 30 April 2019 AltaGas informed the Board as to how it responded to these queries.

AltaGas stated that all abandonment activities will be conducted on freehold lands being resource company leases. The Board determined that no federal Crown land is involved. AltaGas concluded that due to the short length of time, small scale, localized nature of the proposed work and lack of ground disturbance, potential socio-economic impacts are minimal and can be effectively mitigated. AltaGas does not anticipate long term, residual or cumulative socio-economic impacts.

### ***Views of the Board***

As noted in section 2.4, applicants are expected to initiate project-specific consultation activities as soon as possible in the planning and design phase of a Project. The Board notes that AltaGas initiated their notification process with Indigenous communities and sought the Board's assistance in identifying additional communities.

The Board is of the view that sufficient notification was provided to Indigenous communities that could be impacted by the proposed abandonment activity. Indigenous communities had the opportunity to voice concerns both to the Proponent and through the Board's abandonment hearing process. The Board notes AltaGas' commitment to provide the Asini Wachi Nehiyawak Traditional Band an opportunity to conduct a Healing Ceremony as well as their response to the Métis Nation of Alberta – Region 3.

In assessing the Project's potential impacts on Indigenous interests, the Board considered all of the evidence provided. The Board assessed how AltaGas identified and evaluated the Project's potential impacts, the absence of unresolved concerns raised by Indigenous communities and the limited size and duration of the Project. The Board is of the view that this Project which involves the below-ground removal of riser pipes located on previous disturbed resource company leases and the abandonment in place of the pipeline should not impact the rights and interests of Indigenous communities.

### **3.0 Decision**

Based on the foregoing consideration and reasons, the Board grants AltaGas leave to abandon the facilities as set out on Schedule A of the attached Order.

*Original signed by*

L. George  
Secretary of the Commission

Calgary, Alberta  
September 2019

Attachment