



## LETTER DECISION

File OF-Fac-Gas-A174-2018-02 01  
12 August 2019

Ms. Nicole Finnamore, P.Eng.  
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Dear Ms. Finnamore:

**Abandonment Hearing MHW-005-2019**  
**AltaGas Holdings Inc. on behalf of AltaGas Pipeline Partnership (AltaGas)**  
**Application for Approval to Abandon the Pouce Coupe B Pipeline (Project)**

The National Energy Board (NEB or Board) considered the above-referenced application dated 31 October 2018 (Application). The Application describes activities related to the abandonment of the 2.4 kilometre (km) natural gas Pouce Coupe B Pipeline (Pipeline). Pursuant to Section 74(1)(d) of the *National Energy Board Act* (NEB Act), and taking into account Section 50 of the *National Energy Board Onshore Pipeline Regulations* (OPR), the Board has issued the attached Order ZO-A174-005-2019 (Order), the effect of which is to grant AltaGas leave to abandon the Pipeline. The attached Order sets out the conditions the Board has imposed on the Project.

The Board's reasons for its decision to issue the Order are set out below. In reaching its decision, the Board considered all of the evidence on the record related to this matter. The regulatory documents on file in the MHW-005-2019 proceeding are available in the [Project file](#) on the Board's website.

## 1.0 Project Overview and the NEB Process

### 1.1 Application and Project Overview

On 31 October 2018, AltaGas filed their Application for leave to abandon the Pipeline with a total estimated cost of \$93,500. AltaGas submitted information about land, engineering, environment and socio-economic matters with its Application, and in its 25 April 2019 and 21 May 2019 responses to the Board's Information Requests Numbers 1 and 2.

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AltaGas said that the Pipeline is located on privately held lands belonging to four individual landowners. No federal Crown Land is involved.

AltaGas said that the Pipeline would be abandoned in-place with abandonment activities occurring within the lease boundaries of existing Pipeline located at each of the Pipeline's end points. The Pipeline has a riser at each end which are located on leases held by Canadian Natural Resources Limited in Alberta and in British Columbia. The risers are to be removed below ground level using an internal cold cutter, capped, and the holes are to be filled with sand. This allows for no ground disturbance.

AltaGas indicated no new land or facilities are required for the Project. No temporary workspace or additional easements would need to be acquired as the work will be conducted within the existing lease boundaries. 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-005-2019 for the Project on 31 January 2019 (Notice), 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 27 February 2019.

The Board identified nine 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 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 (RoW).

## **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 Standard Z662-15: Oil and Gas Pipeline Systems* (CSA Z662-15) and the 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 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 OPR incorporates Z662 by reference “as amended from time to time”, the new version of the standard has entered into force pursuant to the OPR as of that date. The 2015 version of 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 Economic Matters

AltaGas stated that it performed a commercial evaluation and determined that there is no future potential for this asset and as such AltaGas proposed to abandon the Pipeline. AltaGas said that there are no current customers on the Pipeline.

AltaGas stated that the estimated total cost of the abandonment is \$93,500. 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 Pipeline has 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’ ACE, the Board is of the view that no changes to AltaGas’ 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 Report*** which requires AltaGas to provide actual cost data broken down by abandonment activity.

## 2.3 Environment Matters

AltaGas proposed abandoning the 2.4 km 114 mm outside diameter Pouce Coupe B natural gas pipeline in-place from a source well in 10-18-081-13 W6M (British Columbia) to a tie-in at 10-08-081-13 W6M (Alberta). The end points of the Pipeline are located within Canadian Natural Resources Limited (CNRL) active leases. AltaGas indicated that the pipeline is currently

isolated from the source well and tie-in, and has been pigged clean and is purged with air. Abandonment activities will be limited to the two lease sites where AltaGas proposes to remove the risers with pigging facilities at each end of the Pipeline using an internal cold cutting technology which will eliminate the need for ground disturbance. The abandonment activities are estimated to take approximately one to two days.

The Project is located on private land which is comprised of cultivated land, deciduous forest, and tame pasture. AltaGas determined that there are no registered water wells or residences within a 500 m radius of the Project. The Pipeline RoW does not cross any watercourses, but does traverse one wetland. AltaGas stated that physical abandonment activities will not occur near the wetland.

AltaGas determined that the Project is not located within any sensitive species zones or species or ecosystems at risk regions, and no sensitive species were identified in the Project area. For migratory birds, AltaGas' Environmental Protection Plan (EPP) stated that potentially destructive or disruptive activities should be scheduled to occur outside of the primary nesting period (mid-April to end of August). If activities cannot be avoided during the bird nesting period, a non-intrusive area search should be conducted seven days prior to the scheduled activities.

AltaGas conducted a Phase I Environmental Site Assessment (ESA) with the objective to estimate the likelihood that contamination may be present through a review of historical documentation, site visit and assessments and interviews with interested parties. The site visit investigation revealed no bare areas, subsidence, odours or surface staining along the pipeline RoW. After reviewing all available information, AltaGas determined that the RoW meets all applicable Phase I ESA requirements and, therefore, does not require a Phase II ESA. If contamination is encountered or suspected during abandonment activities, AltaGas stated that remediation would be done in accordance with the NEB's *Remediation Process Guide*.

As no ground disturbance will be required to remove the Pipeline risers, AltaGas indicated that reclamation is not expected to be necessary for areas where physical abandonment activities are occurring within the existing surface leases. However, AltaGas indicated that all areas of concern will be reclaimed in accordance with provincial regulations and standards as necessary, including an area of woody debris on the Pipeline RoW for which a landowner had expressed concerns. As well, AltaGas indicated that it would complete a Detailed Site Assessment along the pipeline RoW to determine if equivalent land capability had been met, or if monitoring or further reclamation will be required. AltaGas noted that reclamation of the lease sites would be the responsibility of CNRL.

AltaGas concluded that there is a minimal likelihood of adverse cumulative environmental effects from the abandonment activities. It indicated that it would follow all recommended best management practices and conditions described in the EPP filed with the Application.

### ***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 has reviewed AltaGas' application to abandon the Pouce Coupe B pipeline in-place and 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 has been 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 no sensitive wildlife species were identified in the Project area and that the proposed abandonment activities occur within existing well sites operated by a third party. With respect to migratory birds, the Board finds AltaGas' mitigation measures as described in its EPP to follow industry standards and adequate.

The Board notes that abandonment activities will not affect native vegetation, wetlands or watercourses. The Board finds that AltaGas' proposed mitigation measures for any potential contaminated soils are suitable given the Project scope and nature of the activities.

While AltaGas has committed to restoring the Pipeline RoW to equivalent land capability and addressing the landowner's concerns regarding woody debris on the RoW, the Board is imposing ***Condition 5 – Reclamation Reporting*** which sets out the schedule and requirements for reporting progress to the NEB for addressing the noted issue 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, the Board expects AltaGas to 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 Board's prescribed condition, the Board anticipates that any potential adverse environmental effects arising from the Project would be of limited geographic extent, short-term, reversible and of low magnitude. The Board has determined that the carrying out of the Project is not likely to cause significant adverse environmental effects.

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

AltaGas said it provided project information to potentially interested stakeholders, including landowners, occupants and regional governments on 26 September 2018. It stated that no outstanding issues or concerns were raised by the application date.

On 31 January 2019, the Board provided AltaGas with the Notice for the Application and directed that AltaGas serve this Notice by 6 February 2019 on all persons potentially impacted by the Project, including landowners, tenants, leasees, users and occupants, interested government bodies, third party shippers, and other persons identified by AltaGas. The Board also directed that this Notice be served on certain specified Indigenous communities, which is described in Section 2.5. The Board did not receive any expressions of concern by any parties served with this Notice by the established time limit of 27 February 2019 or since then.

On 4 March 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.

### ***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 the filing of its Application with the Board.

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 and to the Board. The Board is also of the view that the design and implementation of consultation activities were appropriate given 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.

The Board is satisfied that AltaGas has identified and addressed all relevant socio-economic effects associated with the Project, including those discussed in Section 2.5 of this decision. The Board notes the limited scope and duration of abandonment activities and that the Project is located entirely within leased lands at the end points of the pipeline which are previously disturbed lands. The Board has determined that the carrying out of the Project is not likely to cause significant socio-economic effects.

## **2.5 Indigenous Matters**

In the Application, AltaGas stated that it did not identify any Indigenous communities that would be affected by the abandonment of the Pipeline. 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 one to two days.

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

- Blueberry River First Nation
- Duncan's First Nation
- Halfway River
- Horse Lake First Nation
- Kelly Lake Cree Nation
- Kelly Lake First Nation
- Kelly Lake Metis Settlement (Apetoskan)
- O'Chiese First Nation
- Tsek'hene (McLeod Lake) First Nation

Through the responses to the Board's Information Requests, the Board determined that this required service had taken place. Neither AltaGas nor the Board received any letters or comments about the Project from Indigenous communities.

AltaGas stated that while the Project is located within Treaty 8 territory, all abandonment activities will be conducted exclusively on freehold lands and that no Crown land or temporary workspace is needed. It said that there is no potential for environmental cumulative effects given the scope and location of the Project. It concluded that due to the small nature of the Project and potential effects are not expected to affect uses or interests of Indigenous communities.

### ***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 did not initiate consultation with Indigenous communities until after it was directed to notify specified communities groups by the Board in the Notice. The Board also notes that the notification was not completed within the time frame imposed by the Board. AltaGas is reminded that the Board expects its directives to be followed promptly and completely.

The Board is of the view that AltaGas did ultimately carry out sufficient notification with potentially impacted Indigenous communities. The Board is satisfied that any Indigenous community potentially affected by the Project were given notice and had the opportunity to voice concerns both to AltaGas and the Board.

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 concerns raised by Indigenous communities and the limited scope and duration of the Project. The Board agreed with

AltaGas' view that the below-ground removal of riser pipes located on previous disturbed resource company leases would should not impact the rights and interests of Aboriginal communities.

### **3.0 Decision**

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

A handwritten signature in black ink, appearing to read "Shane Parrish", written in a cursive style.

S. Parrish  
Member

Calgary, Alberta  
August 2019

Attachment