



Canada Energy Régie de l'énergie
Regulator du Canada

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File OF-Fac-Gas-N081-2022-07 01
21 December 2022

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Dear Nicole Prince and Ashley Mitchell:

NOVA Gas Transmission Ltd.
Application for the 2021 Pipeline Decommissioning Program pursuant to
Section 45.1 of the *Canadian Energy Regulator Onshore Pipeline Regulations*

Before: M. Watton, Commissioner; T. Grimoldby, Commissioner;
W. Jacknife, Commissioner; S. Luciuk, Commissioner;
M. Chartier, Commissioner

The Commission of the Canada Energy Regulator (**Commission**) has considered NOVA Gas Transmission Ltd.'s (**NGTL's**) application, dated 22 August 2022, for the 2021 Pipeline Decommissioning Program (**Project or Decommissioning Program**), pursuant to section 45.1 of the *Canadian Energy Regulator Onshore Pipeline Regulations* (**OPR**) ([C20624](#)) (**Application**) as well as its subsequent filings dated 8 November 2022 ([C21937](#)) and 28 November 2022 ([C22255](#)).

The Commission is satisfied that the protection of the environment and public safety have been adequately addressed by NGTL.

The Project is partially located on Alexis Nakota Sioux Nation Whitecourt (IR) Reserve Lands. Section 82 of the *Impact Assessment Act* (**IA Act**) requires that, for projects being carried out on federal lands, the Commission must determine whether carrying out the Project is likely to cause significant adverse effects.

The Commission notes that the portion of the Project crossing federal lands will be decommissioned in-place and no physical activities are proposed to occur on the federal lands. Pursuant to section 82 of the IA Act, the Commission finds that, with the proposed decommissioning method and absence of physical activities, the carrying out of the Project is not likely to cause significant adverse environmental effects or socio-economic effects to federal lands.

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On 14 September 2022, the Canada Energy Regulator (**CER**) posted a description of the Project (Reference Number 83970) and a notice inviting public comment on the Impact Assessment Agency's online registry pursuant to subsection 86(1) of the IA Act. The public comment period closed on 28 September 2022. The CER received no comments from the public or from Indigenous peoples.

Prior to its Application, NGTL notified 42 Indigenous¹ communities, who have known and/or asserted traditional territory in the Project area by email and regular mail. The CER also directly notified the same 42 Indigenous communities of NGTL's application on 18 October 2022. No concerns regarding the proposed Project were received by the CER from any of the notified Indigenous communities.

Appropriateness of Decommissioning Methods

NGTL stated that, for the majority of the lateral pipelines, the most appropriate method was to decommission in-place approximately 120 kilometres of pipeline and reclaim the disturbance areas at facilities to equivalent land capability following decommissioning activities. NGTL stated that removal of the lateral pipelines would cause greater disruption to the environment than decommissioning in-place. Pipeline removal would require the use of heavy equipment that would disrupt land use activities and would also increase construction traffic on local roads. Both factors have the potential to increase environmental effects and risk safety issues when compared with decommissioning the pipelines in-place. NGTL proposed to remove above-ground facilities and specific pipeline segments, including those at facilities and one segment of exposed pipe within a watercourse.

Commission Analysis and Findings

The Commission has considered the appropriateness of NGTL's proposed decommissioning methods in consideration of such factors as: physical constraints to removing the pipe and related infrastructure, future land use, environment, safety, and economics.

The Commission notes that the pipelines are in a shared corridor along with other active pipelines and finds that the removal of the lateral pipelines could result in an increase in adverse environmental effects and safety risks. The Commission finds that the proposed decommissioning in-place and removal of above-ground facilities is appropriate for the Project.

Socio-Economic and Land Matters

NGTL anticipates possible impacts from the Decommissioning Program due to seven Project Development Areas (**PDA**s) located in areas with known heritage resources but emphasized that the PDAs would be largely limited to previously disturbed areas. NGTL declared that it would submit a Historical Resources Application and a Statement of Justification for all PDAs and any required temporary access to Alberta Culture and Status of Women (**ACS**W). It also committed to fulfilling all requirements issued by the province of Alberta for the Decommissioning Program under the *Historical Resources Act*.

¹ The use of the term "Indigenous" has the meaning assigned by the definition of "aboriginal peoples of Canada" in subsection 35(2) of the *Constitution Act, 1982* which states:
In this Act, "aboriginal peoples of Canada" includes the Indian, Inuit, and Métis peoples of Canada.

NGTL reported concerns about heritage and cultural resources raised by Cold Lake First Nations, Nose Creek Community, and Peavine Métis Settlement. In addressing these concerns, NGTL referenced the following mitigation measures: environmental orientation for staff, forbidding collection of heritage resources or clearing in proximity to known archaeological sites without authorization, and implementation of the *Cultural Resource Discovery Contingency Plan* in the event that a previously unidentified site or human remains are encountered. NGTL has committed to ongoing engagement with Indigenous communities and organizations including Cold Lake First Nations, Nose Creek Community, and Peavine Métis Settlement during decommissioning activities.

Commission Analysis and Findings

The Commission notes that NGTL is required to file with the CER a confirmation that it has received the required heritage resource clearances at least 30 days prior to commencing any decommissioning activities for sites where heritage resource clearances are required under the *Alberta Historical Resources Act*. Therefore, the Commission imposes **Condition 4** directing NGTL to file confirmation that it has received the permits and clearances required for the decommissioning activities from ACSW.

The Commission is of the view that, with the implementation of NGTL's planned mitigation measures, together with its commitment to ongoing engagement with Indigenous communities and organizations and **Condition 4**, that potential impacts to heritage resources will be minimized.

Environment Matters

NGTL conducted Phase I Environmental Site Assessments of proposed decommissioning facilities and identified two areas of existing or potential contamination associated with meter stations. NGTL filed a Phase II Environmental Site Assessment Plan for the sites and will report to the CER any soil, groundwater, and/or surface water contamination that may cause an adverse effect on the environment. Furthermore, NGTL committed to address and remediate Project-related contamination following procedures outlined in the CER's *Remediation Process Guide*.

NGTL indicated that it must remove a segment of exposed pipe at a pipeline watercourse crossing resulting in potential impacts to fish and fish habitat. The small unnamed watercourse is mapped critical habitat for the *Species at Risk Act (SARA)* listed Athabasca Rainbow Trout and may contain other sensitive fish species including SARA-listed Bull Trout (Western Arctic population), and five provincial species of management concern. NGTL submitted its Request for Review to Fisheries and Oceans Canada (**DFO**) for works in critical habitat as per the Memorandum of Understanding and its addendum between the CER and DFO. NGTL also confirmed that the fish and fish habitat assessment it conducted for the pipeline removal work considered the potential effects to fish species of management concern.

NGTL included a Pipeline Monitoring Plan with its Application for pipelines that are proposed to be decommissioned in-place. The plans detailed the procedures for monitoring of the decommissioned pipelines in conjunction with adjacent operating pipelines. With respect to reclamation monitoring of Project locations with physical disturbance, NGTL said it would conduct first-year reclamation monitoring to determine where equivalent land capability had been met and would schedule further reclamation monitoring until equivalent land capability was achieved on the Project disturbance areas.

Commission Analysis and Findings

The Commission finds that NGTL has appropriately addressed potential contamination issues and environmental protection. The Commission is satisfied with the measures taken for the protection of fish and fish habitat. The Commission also recognizes that the application for review of fish and fish habitat within critical habitat has been sent to DFO for further assessment. With respect to procedures described in NGTL's Pipeline Monitoring Plan for monitoring the pipeline rights-of-way and reclamation monitoring of disturbance areas, the Commission finds that the commitments will adequately address the goal of achieving equivalent land capability. Considering the nature and scope of the Project and proposed mitigation, the Commission finds that any potential adverse environmental effects arising from the proposed decommissioning activities, including cumulative effects, would be of low magnitude, reversible in the short term, be localized in geographical extent, and therefore are not likely to be significant.

Engineering Matters

NGTL stated that it will carry out the following as part of decommissioning activities: that it will physically isolate the meter stations and laterals from the NGTL system; and that above-ground facilities at meter stations will be removed; that it will purge (empty of service fluids and leave without any internal pressure), clean (liquids or debris) and cap, the laterals to be decommissioned, as per CSA Z662-19 section 10.16 (abandonment); and that it will maintain cathodic protection to ensure structural integrity of the highway and railway crossings and to avoid any subsidence that could create a potential safety issue.

In response to CER Information Request No. 2.1, NGTL stated that it will be postponing the filling of the pipelines at the two railway (Canadian National railway crossed by the Carson Creek Lateral and Tweedie Lateral) and two paved highway crossings (Highway 43 – Carson Creek Lateral and Highway 36 – Tweedie Lateral) with concrete until such time as all parallel operating lateral pipelines within the shared right-of-way are at end of their lifecycle and ready for abandonment.

Commission Analysis and Findings

The Commission finds that NGTL has appropriately addressed requirements to remove product from the pipeline, clean the inside of the pipeline, disconnect the pipeline from existing facilities and create barriers within the pipeline to stop anything from entering or exiting the pipeline. With respect to the paved highway and railway crossings, the Commission finds that NGTL's commitment to maintain cathodic protection and monitor for subsidence is sufficient until such time as the other pipelines within the shared right-of-way are ready for abandonment. The Commission notes that NGTL has stated that it will fill the pipeline crossings at the two railway (Canadian National railway crossed by the Carson Creek Lateral and Tweedie Lateral) and two paved highway crossings (Highway 43 – Carson Creek Lateral and Highway 36 – Tweedie Lateral) with concrete when all lateral pipelines within the shared right-of-way have reached the end of their lifecycle and are ready for abandonment.

Financial and Economic Matters

NGTL notified all potentially affected commercial third parties, including the Tolls, Tariff, Facilities and Procedures Committee, and NGTL was not aware of any issues or concerns. NGTL submitted that the Project will have no impacts to existing customers or service on the NGTL System.

Commission Analysis and Findings

The Commission is satisfied with NGTL's submissions, and notes that the decommissioning cost will not impact NGTL System's rate base.

Commission Direction

The Commission has issued Order **MO-039-2022 (Order)** pursuant to section 45.1 of the OPR, approving the Project. A copy of the Order and its Schedule A, which together outline the specifics of the Project as approved, is attached.

The Commission directs NGTL to serve a copy of this letter, the attached Order and its Schedule A on all interested parties.

Yours sincerely,

Signed by

Ramona Sladic
Secretary of the Commission

Attachment



ORDER MO-039-2022

IN THE MATTER OF the *Canadian Energy Regulator Act* (**CER Act**) and the regulations made thereunder; and

IN THE MATTER OF an application made by NOVA Gas Transmission Ltd. (**NGTL**), pursuant to section 45.1 of the *Canadian Energy Regulator Onshore Pipeline Regulations* (**OPR**), dated 22 August 2022, filed with the Canada Energy Regulator (**CER**) under File OF-Fac-Gas-N081-2022-07 01.

BEFORE the Commission of the CER (**Commission**) on 20 December 2022.

WHEREAS NGTL filed an application dated 22 August 2022 (**Application**), pursuant to section 45.1 of the OPR for leave to decommission two lateral pipelines with three associated meter stations and three stand-alone lateral pipelines (**Facilities or Project**), including associated infrastructure, all of which are part of the NGTL System (**2021 Decommissioning Program or Program**) at an estimated cost of \$7.1 million;

AND WHEREAS the information about the Project is set out in Schedule A, attached to and forming part of this Order;

AND WHEREAS the Commission received subsequent submissions from NGTL, dated 8 November 2022 and 28 November 2022;

AND WHEREAS the Project occurs partially on federal lands and section 82 of *the Impact Assessment Act* (**IA Act**) requires that projects must not be carried out on federal lands, unless it is determined that the carrying out of the project is not likely to cause significant adverse environmental effects, or it is determined that the project is likely to cause significant environmental effects and the Governor in Council decides the effects are justified;

AND WHEREAS no surface physical activities will occur on federal lands;

AND WHEREAS the CER published a notice on the Canadian Impact Assessment Registry on 14 September 2022 pursuant to subsection 86(1) of the IA Act, providing a thirty (30) day period for public comment;

AND WHEREAS the Commission received no comments about the Project from interested persons;

AND WHEREAS pursuant to section 82 of the IA Act, the Commission determined that with the proposed decommissioning method and absence of surface physical activities on federal lands, the carrying out of the Project is not likely to cause significant adverse environmental effects;

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AND WHEREAS the Commission has had regard to all considerations that are relevant and directly related to the Project, including environmental matters;

AND WHEREAS the Commission has examined the evidence as contained in the Application and subsequent filings and considers it to be in the public interest to grant the relief requested by NGTL;

IT IS ORDERED that, pursuant to section 45.1 of the OPR, the applied-for Project, as specified in Schedule A, is approved subject to the following conditions:

1. NGTL must comply with all of the conditions contained in this Order unless the Commission otherwise directs.
2. NGTL must decommission and maintain the Facilities in its decommissioned state in accordance with the specifications, standards, commitments made and other information referred to in its Application or in its related submissions.
3. NGTL must implement or cause to be implemented all of the policies, practices, programs, mitigation measures, recommendations, procedures and its commitments for the protection of the environment included in or referred to in its Application or in its related submissions.
4. NGTL must file with the CER, **at least 30 days prior to commencing any decommissioning activities for sites where heritage resource clearances are required** under the *Alberta Historical Resources Act*, confirmation that it has received the permits and clearances required for the decommissioning activities from Alberta Culture and Status of Women.
5. NGTL must, **at least 14 days prior to the commencement of decommissioning activities**, file with the CER a detailed decommission schedule or schedules identifying major decommission activities and must notify the CER of any modifications to the schedule or schedules as they occur.
6. **Within 30 days of the date that the decommissioning is completed**, NGTL must file with the CER a confirmation that the Project was completed in compliance with all applicable conditions in this Order. If compliance with any of these conditions cannot be confirmed, NGTL must file with the CER details as to why compliance cannot be confirmed. The filing required by this condition must include a statement confirming that the signatory to the filing is the accountable officer of NGTL, appointed as Accountable Officer pursuant to s. 6.2 of the OPR.
7. This Order shall expire on 31 December 2025 unless decommissioning activities for this Project has commenced by that date.

THE COMMISSION OF THE CANADA ENERGY REGULATOR

Signed by

Ramona Sladic
Secretary of the Commission

SCHEDULE A
Order MO-039-2022

NOVA Gas Transmission Ltd.
Application dated 22 August 2022
assessed pursuant to section 45.1 of the *Canadian Energy Regulator Onshore Pipeline Regulations*

Application for the 2021 Decommissioning Program
File OF-Fac-Gas-N081-2022-07 01

Pipeline Specifications – Carson Creek Lateral

Project Type	Decommissioning
Location (endpoints)	From NW 08-060-15 W5 to SE 22-061-12 W5. Additional excavations at SW 25-060-14 W5 (tributary to Chickadee Creek); SW 33-060-13 W5; SE 22-061-12 W5.
Approximate Length	36.71 km Removal of approximately 30 to 50 m of the Carson Creek Lateral where there is exposed pipeline crossing in a tributary to Chickadee Creek. The remainder of the lateral will be decommissioned in-place.
Outside Diameter	273.1 mm (NPS 10)
Product	None (formerly non-sour natural gas)

SCHEDULE A (continued)
Order MO-039-2022

Pipeline Specifications – Grande Cache Lateral

Project Type	Decommissioning
Location (endpoints)	From NW 10-058-08 W6 to SW 15-058-08 W6.
Approximate Length	0.30 km Decommissioning in-place of approximately 190 m of Grande Cache Lateral and removal of approximately 110 m within the active mine site if site conditions permit. The remainder of the lateral will remain in service.
Outside Diameter	219.1 mm (NPS 8)
Product	None (formerly non-sour natural gas)

Pipeline Specifications – Hyl0 Lateral

Project Type	Decommissioning
Location (endpoints)	SE 26-064-14 W4 to SE 25-066-14 W4. Additional isolated excavation sites at SE 26-066-14 W4; SW 01-066-14 W4.
Approximate Length	19.88 km
Outside Diameter	219.1 mm (NPS 8)
Product	None (formerly non-sour natural gas)

SCHEDULE A (continued)
Order MO-039-2022

Pipeline Specifications – Peace River Mainline Extension

Project Type	Decommissioning
Location (endpoints)	From SE 27-066-25 to W5 NE 09-069-22 W5. Additional isolated excavation sites at SE 27-066-25 W4; NE 36-066-25 W5; SE 19-067-23 W5; SE 28-068-22 W5; SE 09-069-22 W5.
Approximate Length	38.07 km Approximately 60 m of the Peace River Mainline Extension, within the Valleyview Compressor Station, was removed as part of the Peace River Mainline Abandonment Project.
Outside Diameter	508 mm (NPS 20)
Product	None (formerly non-sour natural gas)

Pipeline Specifications – Tweedie Lateral

Project Type	Decommissioning
Location (endpoints)	From SE 25-066-14 W4 to SW 20-068-12 W4. Additional isolated excavation sites at NW-05-068-12-W4.
Approximate Length	25.74 km Approximately 8 m of Tweedie Lateral will be removed, within the Hylo Receipt Meter Station. The remainder of the lateral will be decommissioned in-place.
Outside Diameter	168.3 mm (NPS 6)
Product	None (formerly non-sour natural gas)

SCHEDULE A (continued)
Order MO-039-2022

Facilities Specifications – HR Milner Power Plant Delivery Meter Station

Project Type	Decommissioning
Facility Type	Metering station
Location	NW 10-058-08 W6
Product	None (formerly non-sour natural gas)

Facilities Specifications – Hylo Receipt Meter Station

Project Type	Decommissioning
Facility Type	Metering station
Location	SE 25-066-14 W4
Product	None (formerly non-sour natural gas)

Facilities Specifications – Hylo South Receipt Meter Station

Project Type	Decommissioning
Facility Type	Metering station
Location	SW 01-066-14 W4
Product	None (formerly non-sour natural gas)