

# Pipelines – Planning for the Future

## INTRODUCTION

Pipelines are an integral part of the Canadian economy and of our very way of life, transporting energy from supply areas to market – ultimately so that people have the energy required to maintain a high standard of living. While any broad-scale abandonment of pipelines may be many decades in the future, the Canada Energy Regulator (CER) has directed that federally-regulated pipeline companies, such as Alliance, collect funds from their shippers to cover the later costs of abandonment.

The purpose of this fact sheet is to provide stakeholders with background on this long-range initiative, in the shared interests of transparent and open communication. This fact sheet is also intended to facilitate discussion with stakeholders, who are encouraged to raise any questions and share any perspectives they may have regarding this subject and the approach outlined here.

## PIPELINE LIFECYCLE

All pipeline systems have a lifecycle with the following four distinct phases: (1) planning and design; (2) engineering and construction; (3) operations; and (4) abandonment. Alliance has one of the newest pipeline systems in North America. With robust design and maintenance standards in place, Alliance has been operating its system since the year 2000, and plans to continue operations for many decades into the future. Alliance is committed to effectively managing its system throughout its full lifecycle. Social and environmental responsibility is a hallmark of this ongoing commitment.

## PIPELINE ABANDONMENT

Pipeline systems are extremely long-life assets. Nevertheless, over time, pipeline infrastructure may no longer be required as supply and market dynamics evolve, or as such infrastructure reaches the end of its lifespan. Depending on the circumstances, this may involve a specific portion of a pipeline system, or in some cases, the entire pipeline system. This final phase of the pipeline lifecycle is generally referred to as decommissioning or abandonment.

## ABANDONMENT COLLECTION

Under the current CER directive, federally-regulated pipeline companies are required to collect and set aside funds to cover costs associated with future abandonment. Alliance started such collection in early 2015 through a surcharge to its shippers, with the funds held in trust. The trust is being managed through an independent trustee, and funds may be accessed only for the purpose of pipeline abandonment. The CER has approved the trust mechanism, and will continue to be made aware of the level of funding within the trust and the nature of the holdings by way of a trust report and financial statements that are required to be filed with the CER on an annual basis and made available as a matter of public record.

## PRELIMINARY ASSUMPTIONS

Because any potential abandonment of the Alliance system is so far into the future, such early collection is necessarily based on preliminary assumptions regarding abandonment methods and associated costs. Recognizing that such plans are highly preliminary, Alliance wishes to outline its expected abandonment approach. Alliance presently anticipates that any future abandonment plan would generally involve the removal of above-ground facilities such as meter stations, compressor stations, and valve sites. Alliance also anticipates that buried piping would typically be abandoned in place in an environmentally responsible and safe manner. This approach is less intrusive to our stakeholders than other options such as removal, which would require the disruption of land and large-scale excavation. Such piping would be emptied and internally cleaned, and any other appropriate steps taken. In special cases, such as at roadway or railway crossings, Alliance might choose to fill the piping with a solid material, like cement. In extenuating circumstances and based on site-specific evaluations, certain buried pipe sections may be removed with the land then reclaimed. The abandonment fund includes an allowance for any limited pipe removal that may be required. While few issues would be expected to arise related to piping abandoned in place, the abandonment fund also includes an allowance for the resolution of any localized post-abandonment issues that may arise over the course of time.



## **FUTURE ABANDONMENT PLANS**

As already highlighted, any broad-scale abandonment related to the Alliance pipeline is many decades away. Under prevailing legislation, pipeline companies are required to file comprehensive abandonment plans for the CER's consideration and approval prior to actual implementation. Pipeline companies will be expected to notify and consult relevant stakeholders in the future regarding development of specific abandonment plans. Additionally, it is expected that the CER will extend opportunities for public input prior to ruling on the adequacy of such plans.

## **CANADA ENERGY REGULATOR WEBSITE**

Further detailed information relating to the topic of pipeline abandonment is available through the CER's website at [www.cer-rec.gc.ca](http://www.cer-rec.gc.ca). To find the relevant page on the CER website, type "pipeline abandonment" into the main search field.

## **ALLIANCE WEBSITE**

Related information may also be found on Alliance's website at [www.alliancepipeline.com](http://www.alliancepipeline.com) in the "Our Communities/ Canadian Stakeholders" section.

## **QUESTIONS OR COMMENTS**

Any questions or comments related to the Alliance pipeline system or this specific topic may be addressed to any of the Lands and Right of Way representatives identified below:

### **Dave Martin**

Advisor – Lands and Right of Way  
Alliance Fort St. John Office  
250-819-7677

### **Matt Martel**

Sr. Advisor – Lands and Right of Way  
Alliance Whitecourt Office  
780-939-1190

### **Trevor Sim**

Advisor – Lands and Right of Way  
Alliance Saskatchewan Office  
306-551-5825