



Shell Canada Limited

Section 39 Review Request on ERCB Decision D 83-22 on
Moose Mountain Pipeline Facility

May 2, 2005

ALBERTA ENERGY AND UTILITIES BOARD

Decision 2005-041: Shell Canada Limited, Section 39 Review Request on ERCB
Decision D 83-22 on Moose Mountain Pipeline Facility

May 2, 2005

Published by

Alberta Energy and Utilities Board
640 – 5 Avenue SW
Calgary, Alberta
T2P 3G4

Telephone: (403) 297-8311
Fax: (403) 297-7040
Web site: www.eub.gov.ab.ca

ALBERTA ENERGY AND UTILITIES BOARD

Calgary Alberta

SHELL CANADA LIMITED SECTION 39 REVIEW REQUEST ON ERCB DECISION D 83-22 MOOSE MOUNTAIN PIPELINE FACILITY

Decision 2005-041
Application No. 1385121

1 DECISION

Having considered the application and the supplemental information supplied by Shell Canada Limited (Shell), the Alberta Energy and Utilities Board (EUB/Board) hereby approves the requested variance in operating conditions imposed under *Decision D 83-22*, subject to successful confirmation of the pipeline integrity, as outlined in the report.

2 INTRODUCTION

2.1 Application No. 1356040

On July 30, 2004, Shell submitted a request to the EUB to vary the operating conditions imposed on the Moose Mountain pipeline facility through Energy Resources Conservation Board (ERCB) *Decision D 83-22*, pursuant to Section 39 of the *Energy Resources Conservation Act* and Section 46 of the *Alberta Energy and Utilities Board Rules of Practice*. Specifically, the application was for the review and variance of ERCB *Decision D 83-22* for the limited purpose of addressing the requirements set out in *Decision D 83-22* that the pipelines shall be operated such that the hydrogen sulphide (H₂S) release volumes shall not exceed those used in the risk analysis.

2.2 Hearing

The Board was scheduled to hold a public hearing in Calgary, Alberta, on March 9, 2005, before Presiding Member J. R. Nichol, P.Eng., and Board Members T. M. McGee and J. I. Douglas, FCA. The hearing was cancelled by the EUB for the reasons set out below.

2.3 Background

On September 20, 2004, the Board issued the Notice of Review and Variance for Application No. 1356040 pursuant to Section 39 of the *Energy Resources Conservation Act*. No submissions were filed in response to this notice.

On January 4, 2005, the Board granted Shell's application for the review and variance of ERCB *Decision D 83-22* for the limited purpose of addressing the requirements set out in *Decision D 83-22* that the pipelines shall be operated such that the H₂S release volumes shall not exceed those used in the risk analysis. In response to approval of Phase 1 of this review request, the Board initiated Proceeding No. 1385121.

A Notice of Hearing Respecting Proceeding No. 1385121 was issued on February 10, 2005. No submissions opposing Shell's variance request were received. As a result, the EUB cancelled the

hearing by letter dated March 2, 2005, and proceeded to complete its review of the request to vary the operating conditions.

3 DISCUSSION

In support of the application, Shell filed technical submissions, including a Pipeline Engineering Assessment Report and a Risk Reassessment Report, which were reviewed by the Board. The Board finds that the risk associated with the expected H₂S release volumes associated with the higher operating pressures and throughput is within acceptable limits. The Board also considered the Pipeline Engineering Assessment Report, which recommended the conducting of an internal inspection and assessment of the results of that inspection prior to initiating the requested increase in operating pressures and believes that this would be an appropriate condition to apply, if the request is granted.

Therefore, the Board approves the requested variance subject to the condition that the normal operating pressures on the discharge pipeline segments from the Moose Mountain Compressor Station, located at Legal Subdivision (LSD) 13, Section 22, Township 22, Range 6, West of the 5th Meridian, to the Quirk Creek Gas Plant, located at LSD 2, Section 4, Township 21, Range 4, West of the 5th Meridian, shall not be increased until an Internal Pipeline Corrosion Inspection Tool (IPCIT) inspection is completed for the entire discharge pipeline and the Board has confirmed that the pipeline segments may be operated at pressures close to their licensed pressures or some other such pressures as the Board may prescribe.

Shell has submitted a letter to confirm that it intends to perform the next IPCIT inspection of the discharge pipeline no later than July 30, 2005. The panel expects Shell to provide results of this inspection and its engineering assessment on the condition of the discharge pipeline no later than September 30, 2005. EUB staff will review the results of the inspection and Shell's assessment and confirm the acceptance of the results with the panel before allowing the pipeline segments to resume to the licensed operating pressures of 14900 and 12400 kilopascals respectively.

Dated in Calgary, Alberta, on May 2, 2005.

ALBERTA ENERGY AND UTILITIES BOARD

<original signed by>

J. R. Nichol, P.Eng.
Presiding Member

<original signed by>

T. M. McGee
Board Member

<original signed by>

J. I. Douglas, FCA
Board Member