CHAPTER 5 – MAINLINE FACILITY REQUIREMENTS

5.1 Introduction

This chapter details the proposed natural gas transportation mainline facilities required to be in-service on the Alberta System to transport the design flow requirements and peak expected flows shown in Chapter 4 for the Planning Period.

An overview of the facilities requirements for the Planning Period was presented at the TTFP meeting on December 15, 2009. In addition, the current status of facilities that were applied for, are pending regulatory approval or are on-stream following the issuance of the December 2008 Annual Plan were also presented to the TTFP and are listed in Appendix 4.

There are no additional mainline facilities required based on the June 2009 design forecast for the Planning Period. There is one proposed pipeline decommissioning described in Section 5.2.

5.2 System Optimization Update

As described in Section 2.8 of this Annual Plan, system optimization continues to be an integral part of the regular facility design review and planning to meet the design flows.

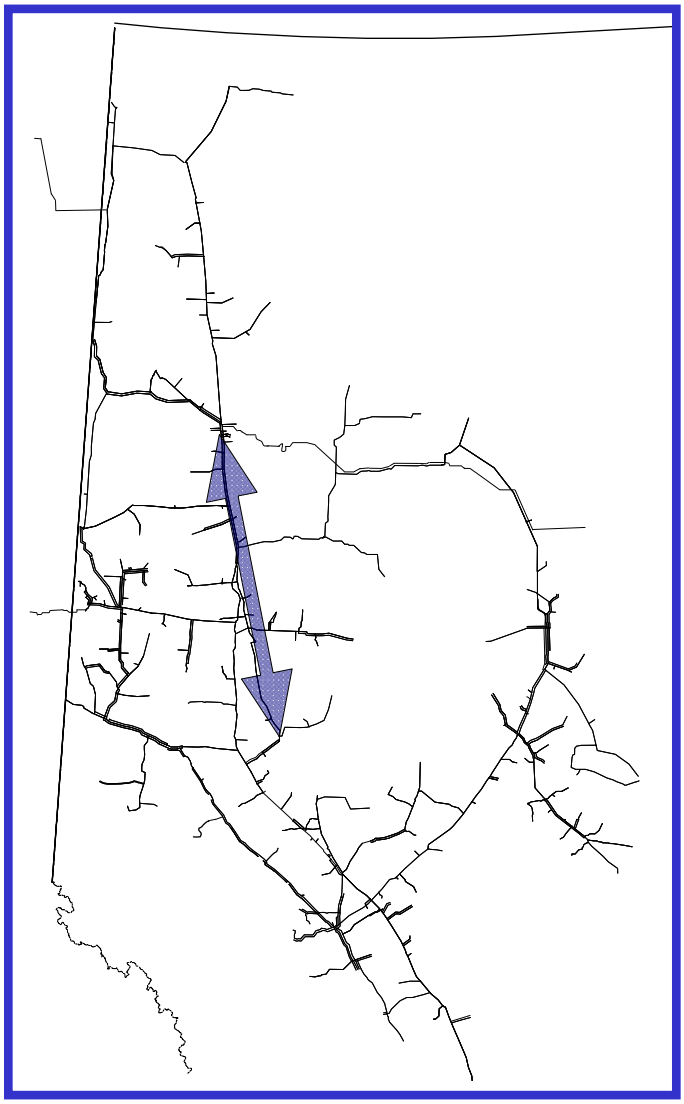
A 265 km section of the Peace River Mainline (“PRML”) NPS 20 from the discharge of NGTL’s existing Meikle River Compressor Station in LSD 15-26-094-02 W6M to the discharge of the Valleyview Compressor Station in LSD 09-09-069-22 W5M (‘PRML Meikle to Valleyview”) including the Valleyview Compressor site can be decommissioned without resulting in the requirement for additional mainline facilities in the Planning Period.

A number of factors resulted in the requirement for decommissioning:

- Pipeline integrity cost has surpassed the cost of decommissioning;
- There are few Receipt Stations and no Delivery Stations on this segment that are not already tied into the adjacent NPS 30 Peace River Mainline Loop;
- The North Central Corridor, located upstream of this segment and expected to be in-service April 2010, will unload this segment; and
- Removal of this segment will reduce fuel gas due to utilization of the more efficient NPS 30 PRML Loop.

Facilities required as a result of the decommissioning are re-connection of three receipt points and four sales taps. Overall, the cost saving for decommissioning is $9.8 million lower than the continued operation and maintenance of this segment, as indicated in the difference in CPVCOS in Table 5.2.1.

Figure 5.2
Peace River Mainline (Meikle to Valleyview) Proposed Decommissioning



The decommissioning of the PRML Meikle to Valleyview section including Valleyview Compressor Station will result in a requirement for the "Proposed Facilities" consisting of three reconnections at the existing Watino, Calais and Dixonville North Meter Stations, reconnections at four non-NGTL owned/operated sales taps, and the relocation or replacement of two pig traps.

Table 5.2.1
Peace River Project Area
Facility Comparison for the 2010/11 Gas Year

Proposed Facilities	Capital Cost ($ millions)		Total CPVCOS ($ millions)	Difference CPVCOS ($ millions)	km	NPS
	First Year	Long Term				
Watino M/S Reconnection	**1.9**				**4.0**	**4**
Calais M/S Reconnection	**1.3**				**2.5**	**6**
Dixonville N Reconnection	**0.1**					
Sales Tap Reconnections	**0.6**					
Pig Trap Relocation or Replacements	**3.7**					
PRML (Meikle to Valleyview Section) Abandonment	**3.2**					
TOTAL	**10.7**	**10.7**	**9.5**	**0.0**		
Alternative Facilities						
PRML (Meikle to Valleyview Section) Maintenance	**0.5**					
TOTAL	**0.5**	**3.6**	**19.3**	**+9.8**		

***Note: Valleyview Compressor Station decommissioning costs are not yet available and therefore not included in the cost comparison table above.**