

2018 ABAER 013

Tykewest Limited

Common Carrier and Common Processor Applications

Applications 1869537 & 1869547

Decision

[1] The Alberta Energy Regulator (AER) has accepted the applicant's request to withdraw its applications.

Applications

[2] Tykewest Limited (Tykewest) applied to the AER under sections 48, 55, and 56 of the *Oil and Gas Conservation Act (OGCA)* for an order declaring Encana Corporation (Encana) and Enbridge G and P Canada Inc. (Enbridge) a common carrier of gas from the Tykewest facility located at Legal Subdivision (LSD) 13, Section 15, Township 74, Range 11, West of the 6th Meridian.

[3] Tykewest also applied under sections 53 and 56 of the *OGCA* for an order declaring Encana as a common processor of gas from the blending facility at the Sexsmith plant at LSD 04-08-075-07W6M and declaring Encana and Veresen Midstream General Partner Inc. (Veresen) as common processors of gas from the blending facility at the Hythe plant at LSD 11-18-074-12W6M.

[4] Statements of concern were filed by Encana and Enbridge on November 3, 2016, and by Veresen on February 2, 2018.

[5] On March 26, 2018, requests to participate in the hearing were received from Veresen, Encana, and Enbridge.

[6] On April 11, 2018, the AER granted participation rights in the hearing to Veresen, Encana, and Enbridge.

[7] On August 13, 2018, Tykewest filed an amendment to application 1869547 to remove Veresen from being named a common processor of gas at the Hythe processing plant.

[8] On October 25, 2018, the AER received notice of the corporate name change of Enbridge G and P Canada Inc., as general partner of Enbridge G and P Canada LP, to NorthRiver Midstream G and P Canada Inc., as general partner of NorthRiver Midstream G and P Canada LP.

Discussion

[9] A prehearing meeting was held on August 14, 2018, and the hearing panel released its prehearing meeting decision on August 23, 2018. The panel determined the issues for the hearing to be the need for a common processor and common carrier order, whether two compressor stations should be included in the common carrier order, and the terms of a common carrier order, if an order is granted. At the prehearing meeting, the panel was informed that the pipeline that is the subject of the common carrier application had been relicensed to accept sour gas with a higher H₂S concentration. The panel therefore determined that the supply of sweet dry gas for blending purposes and relicensing of the main pipeline were no longer relevant to the proceeding.

[10] Commercial arrangements on tariffs, price, costs, charges, or deductions for processing were also determined to be outside of the panel's jurisdiction.

[11] In its prehearing decision the panel invited written submissions from the parties on three questions of jurisdiction: (1) whether the AER has jurisdiction to order a gas processor to provide firm service, (2) whether it has jurisdiction to order a common carrier to provide firm uninterruptible service, and (3) whether it has authority to order that an ancillary blending facility, owned by the applicant, and related equipment such as sweet gas supply pipeline, flare stack, power supply, and appurtenances should remain at their existing location.

[12] The panel also directed the parties to attend mediation for the purpose of developing an agreed statement of facts to narrow the issues for the hearing.

[13] On September 10, 2018, the applicant filed a request for reconsideration of the panel's prehearing decision, specifically objecting to the panel's determination that the issue of fuel/sweet blend gas is outside of the scope of the hearing. Therefore, the panel reserved its decision on jurisdictional question #3 until it had decided the reconsideration request.

[14] On September 16, 2018, the applicant requested its applications be amended to clarify that it is no longer seeking "firm, interruptible service." The panel accepted these amendments. On October 22, 2018, the applicant filed a submission further clarifying its definition of "service."

[15] On October 26, 2018, the panel released its decision on jurisdictional issues. The panel determined that should a common processor order be granted, it may include terms regarding the proportion of production to be processed and the total amount of gas to be processed from the pool that is subject of the order. With regard to a common carrier order, the panel found that its jurisdiction is restricted to ordering the point of delivery of any production, and also the proportion of production to be taken from a producer.

[16] On November 2, 2018, the panel issued its decision denying Tykewest's request for reconsideration. In its decision, the panel determined that the matters referred to in jurisdictional question #3 are outside of the scope of the hearing.

[17] During the proceeding, Tykewest submitted four separate requests to amend its applications. The panel accepted amendment requests 1, 2, and 4. Amendment request #3 was outstanding at the time the applications were withdrawn.

[18] On December 6, 2018, Tykewest notified the AER that it was withdrawing applications 1869537 and 1869547, pursuant to section 4(2) of the *Alberta Energy Regulator Rules of Practice*. The AER accepted the withdrawal of the applications.

[19] Accordingly, a public hearing will not be held.

Dated in Calgary, Alberta, on December 17, 2018.

Alberta Energy Regulator

C. Macken,
Presiding Hearing Commissioner