



Federal Regulatory Framework for the Alaska Highway Gas Pipeline Project

Regulatory Workshop
Whitehorse, Yukon
November 30 & December 1, 2011



Northern Pipeline Agency
Administration du pipe-line
du Nord

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Canada

Northern Pipeline Agency (NPA) Presentation

- Part 1:
 - Explain the NPA & its Operating Environment

- Part 2:
 - Outline the Project's Federal Regulatory Framework

- Part 3:
 - Set out Next Steps



Part 1

- The Northern Pipeline Agency (NPA) & its operating environment:
 - What is the NPA?
 - How does it operate?
 - Why are we here today?



Why was the NPA created?

1976

Foothills' National Energy Board (NEB) application for Alaska Highway Gas Pipeline (AHGP) submitted

1977

Canada & US sign treaty – ***Agreement on Principles Applicable to a Northern Natural Gas Pipeline***

1978

Northern Pipeline Act (NPAct) passed:

- ❑ created Northern Pipeline Agency
- ❑ implemented Canada-US treaty
- ❑ deemed issued NEBAct Certificates of Public Convenience and Necessity, along with Terms and Conditions



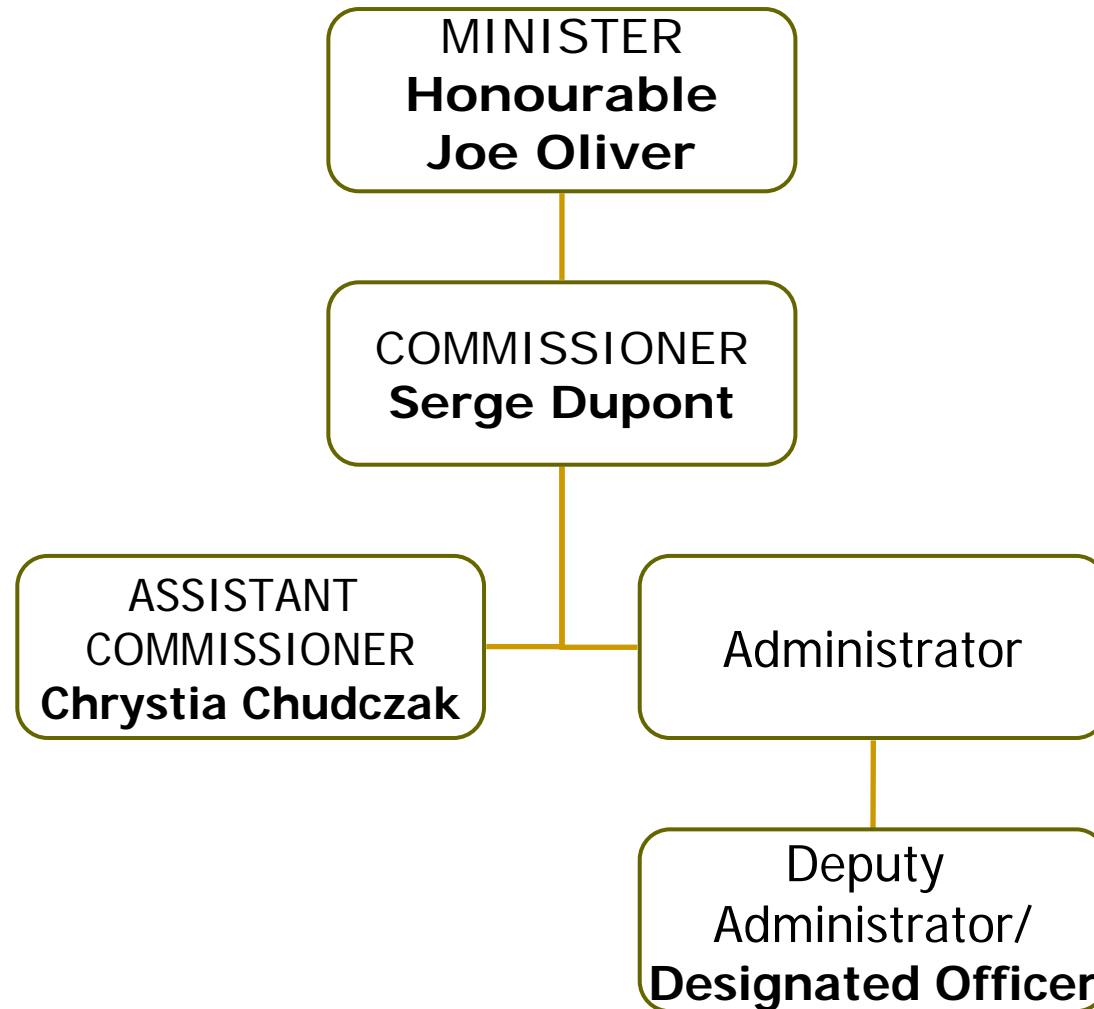
What are the NPA Responsibilities?

- On behalf of the Government of Canada, acts as a “single-window” regulator managing obligations under the Act:
 - Facilitates efficient & expeditious planning & construction of Alaska Highway Gas Pipeline Project (AHGP)
 - Takes into account local, regional & Aboriginal interests
 - Consults & coordinates with provinces, Yukon & NWT
 - Coordinates with the Government of the United States
 - Maximizes social & economic benefits from construction & operation, including employment
 - Advances national economic & energy interests & maximize industrial benefits with Canadian participation

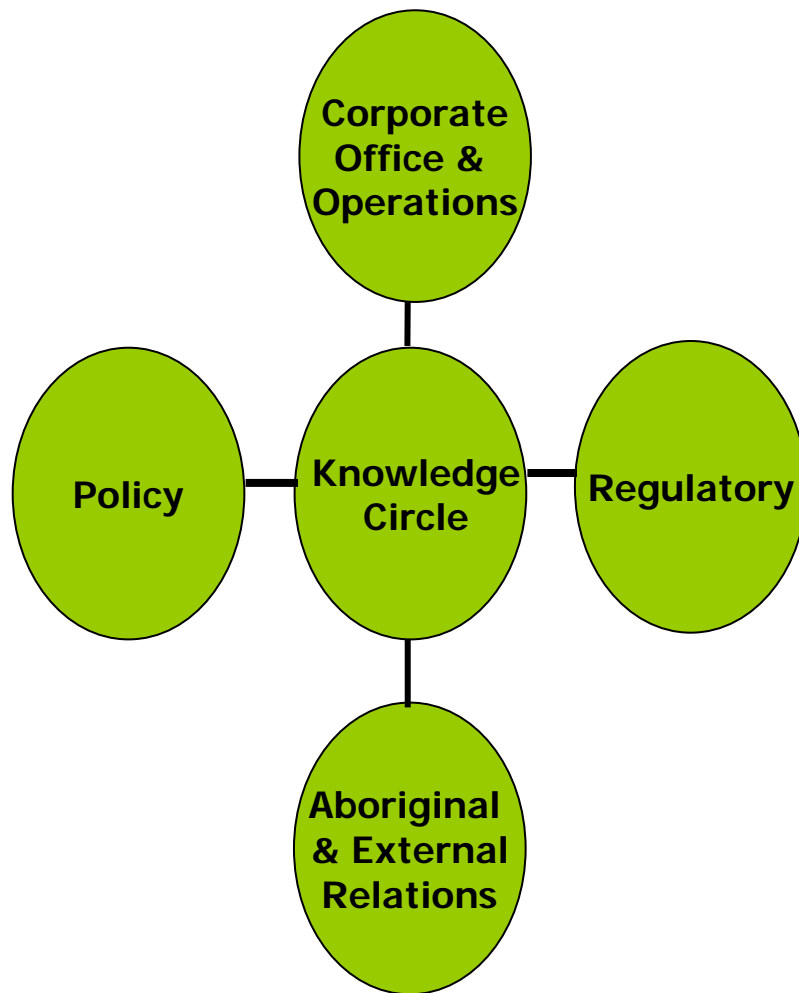
- Government of Canada lead for consultations on the AHGP



How the NPA Operates: Governance



How the NPA Operates: Business Lines



- 5 Integrated Business Lines

- **Values**

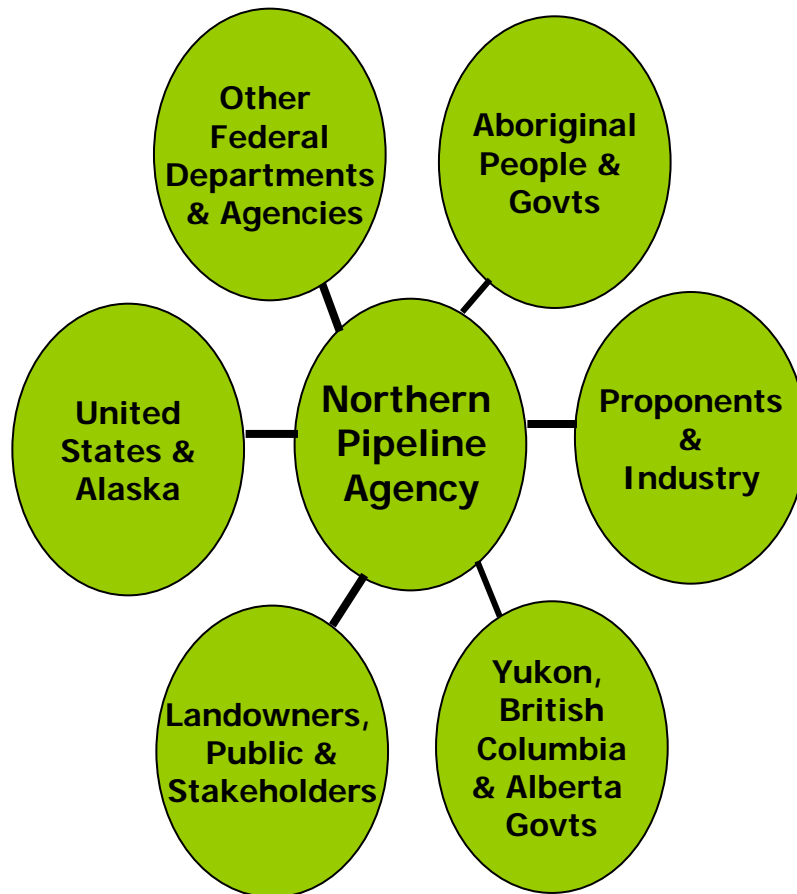
- Effectiveness
- Innovation
- Integrity
- Leadership
- Respect
- Transparency

- **Offices**

- Headquarters – Ottawa
- Regulatory – Calgary
- Regions – Whitehorse; British Columbia



How the NPA Operates: External Groups



□ Characteristics

- Variety of groups & people
- Geographically dispersed
- Culturally unique
- International dimension
- Different viewpoints, needs & goals

□ Goals

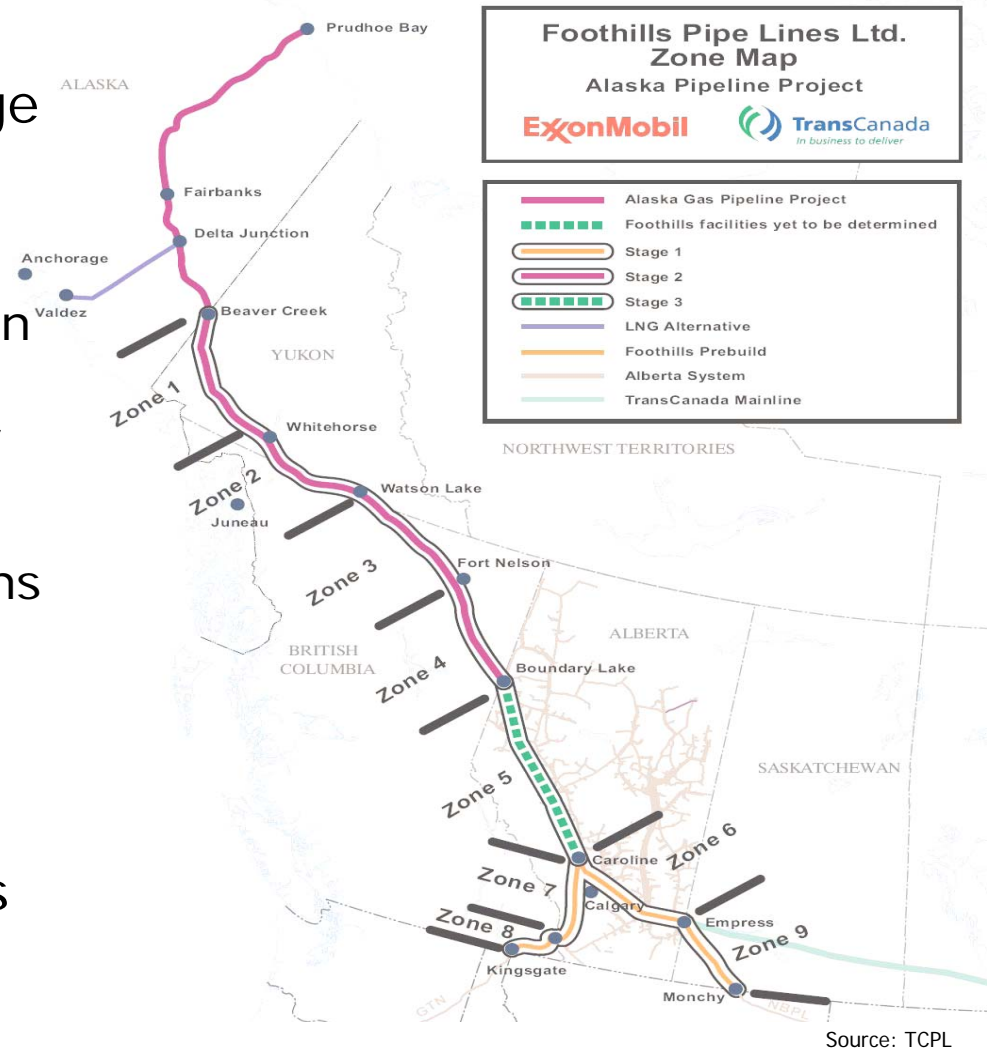
- Ensure voices & views are heard in a public, transparent & respectful way
- Ensure Government meets its duty to consult Aboriginal peoples



Why Are We Here Today?

- APP going ahead with Stage 2 planning of the AHGP under the NPAct
 - pipeline from Alaska/Yukon border to BC/Alberta border, a distance of over 1550 km
 - October 2012 filing of plans and programs

- APP to explain the AHGP project status & next steps



Part 2

- The AHGP Project's Federal Regulatory Framework:
 - What is the outcome we want to achieve?
 - What is the context?
 - How will we proceed?



What is the Outcome We Want to Achieve?

- Conduct an efficient & effective regulatory review process that:
 - Meets or exceeds modern environmental & socio-economic standards
 - Ensures safe pipeline design & construction
 - Secures maximum socio-economic benefits
 - Contributes to the Government of Canada's duty to consult Aboriginal people
 - Offers opportunities for public engagement & interaction
 - Respects existing federal approvals and commitments



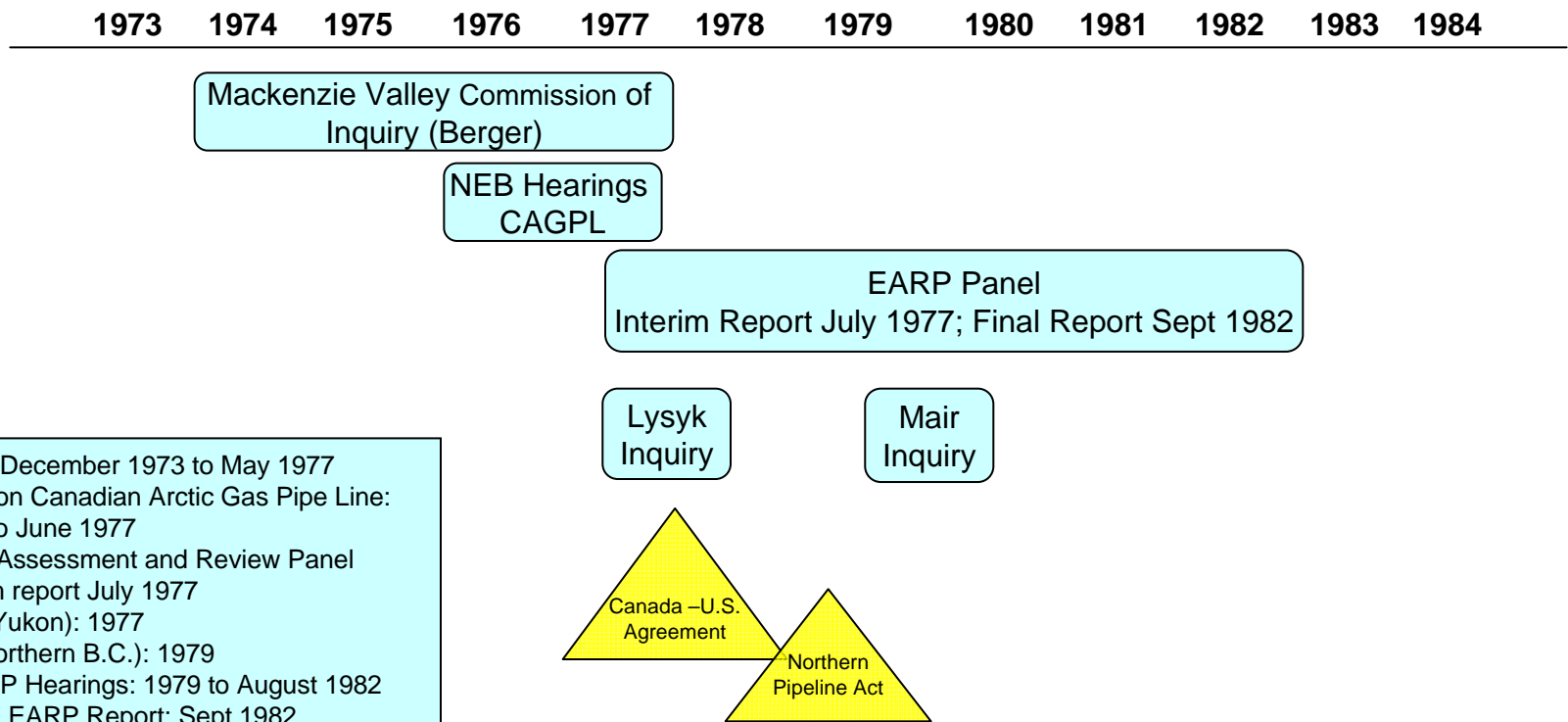
What is the Context?

- The project is the same but the context has changed:
 - Technological advancements
 - Governance (devolution and self-government)
 - Land claims agreements
 - Constitutional amendment s.35
 - Environmental and socioeconomic requirements



What is the Context?

Prior environmental & socio-economic reviews



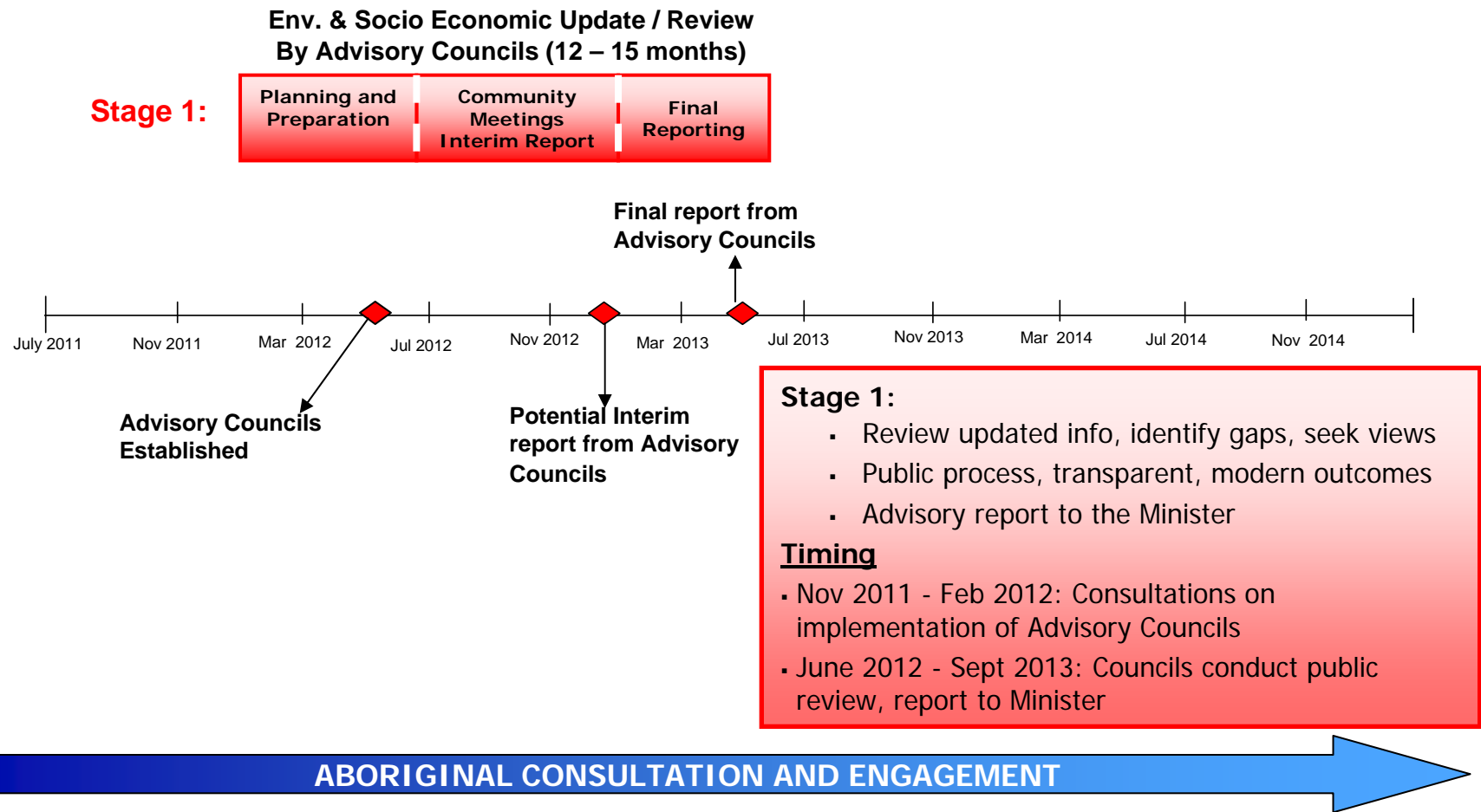
Notes

- Berger Inquiry: December 1973 to May 1977
- NEB Hearings on Canadian Arctic Gas Pipe Line: October 1975 to June 1977
- Environmental Assessment and Review Panel (EARP): Interim report July 1977
- Lysyk Inquiry (Yukon): 1977
- Mair Inquiry (Northern B.C.): 1979
- Joint NPA-EARP Hearings: 1979 to August 1982
- Release of final EARP Report: Sept 1982

- Canada-U.S. Agreement: September 1977
- Northern Pipeline Act (NPA): April 1978



How We Will Proceed: The Federal Framework – 2 Stages



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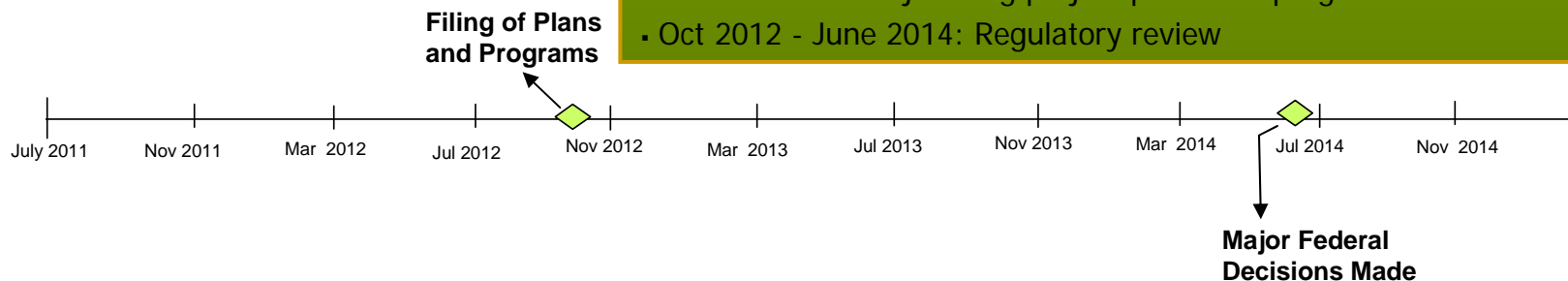
How We Will Proceed: The Federal Framework – 2 Stages

Stage 2:

- Review by DO and others of regulatory filings
- Consideration of Advisory Council reports
- Similar to regulatory phase of any post-certificate pipeline

Timing

- Nov 2011 - Sept 2012: Regulatory planning; possible appointment of DO
- October 2012: Major filing project plans and programs
- Oct 2012 - June 2014: Regulatory review



Stage 2:

- | | |
|---|---|
| <ul style="list-style-type: none"> - Planning, preparation - Pre-filed reports - Review past reports | <ul style="list-style-type: none"> - Review T&Cs - Review final filings - Issue technical Orders |
|---|---|

NPA Regulatory Review
Minister, Designated Officer, others (18-20 months)

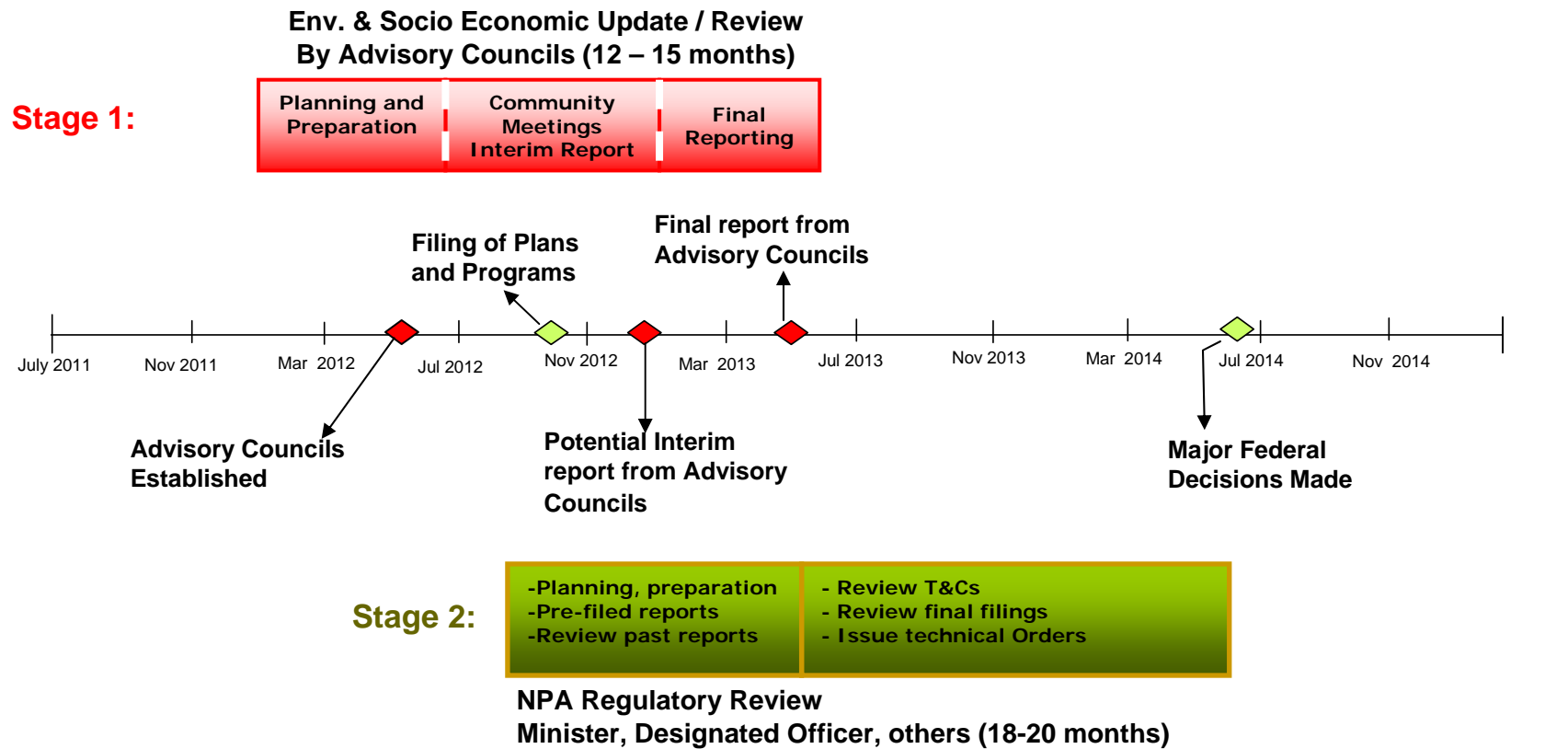
ABORIGINAL CONSULTATION AND ENGAGEMENT



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How We Will Proceed: The Federal Framework – 2 Stages



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Stage 2: Regulatory Process

- Two parts:
 - Regulatory decision making
 - Compliance monitoring



Stage 2: Regulatory Process

Regulatory decision making

- Ministerial Decisions
 - Review of Plans
 - Approval of use of Yukon Easement for pipeline construction

- Designated Officer Decisions
 - Updated Terms & Conditions
 - Review of Plans and Programs

- Authorizations under other Federal Legislation
 - Review of Applications and other submissions



Stage 2: Regulatory Process

Compliance monitoring

- Designated Officer has broad authority:
 - Request additional reports to be submitted
 - Issue Orders for non-compliance

- Staff presence in field during construction

- Setting of fines and other enforcement action deemed necessary

- Agency is responsible until one year following completion of construction



Part 3

- Next Steps:
 - What are the key decisions?
 - What are the key dates?
 - How can you get involved?

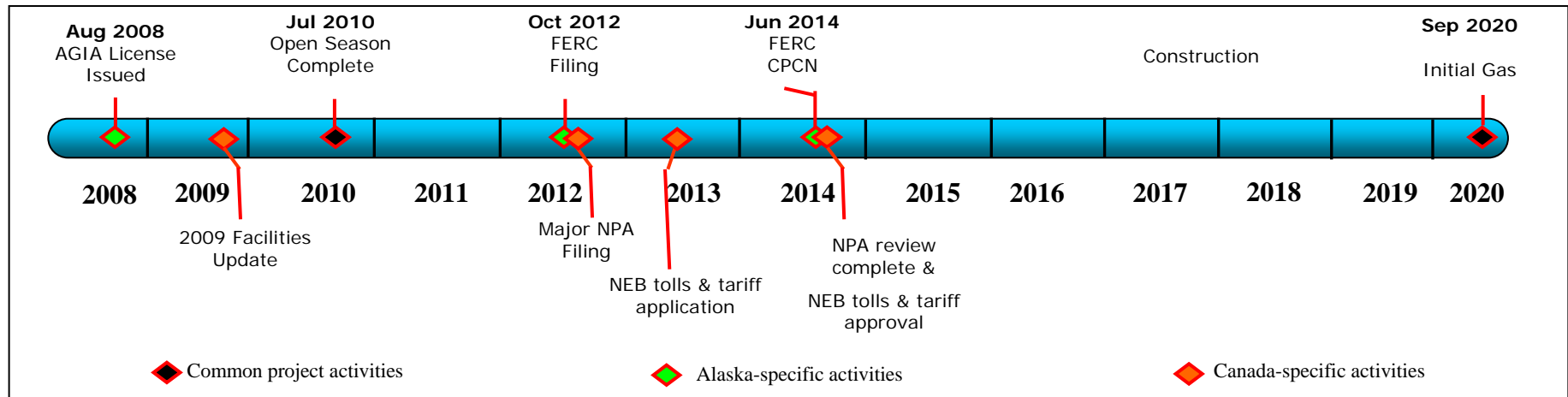


What are the key decisions?

- Yukon easement amendment
- Updated BC and new Yukon environmental and socio-economic terms and conditions
- Pipeline specifications and design
- Use of the Yukon easement for pipeline construction
- Environmental plans and programs
- Socio-economic plans and programs (incl. labour, procurement)
- Finalization of route in northern BC and any modifications to location of pipe in Yukon easement
- Major water-course crossings



What are the key dates?



Graphic from TCPL.

- Consultation on implementation of Advisory Councils (Nov 2011-Feb 2012)
- Public review process with Advisory Councils (June 2012- Sept 2013)
- Receive plans and program filings from company (October 2012)
- Undertake regulatory review process (Oct 2012 - June 2014)
- If project proceeds, pre-construction commences (2015)



How can you get involved?

Activity	Timeline
Consultation on amendment to the Easement Agreement	May 2011 – December 2011
Consultations on implementing Advisory Councils	November 2011 – February 2012
Consultations and engagement within socio-economic and environmental public review by Advisory Councils	June 2012 – September 2013
Consultations during regulatory review process	October 2012 – June 2014
Capacity funding is available to support Aboriginal consultations	



Our Contact Information:

Addresses

National Office

615 Booth Street, Ottawa Ontario K1A 0E9

Phone: 1.613.995.1150

Fax: 1.613.996.5354

Yukon Regional Office (Co-located with NRCan)

Room 225, 300 Main Street, Elijah Smith Building,
Whitehorse, Yukon

Phone / Fax: TBD

Web

www.npa.gc.ca

