

National Energy Board Approves Mackenzie Gas Project

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CALGARY - The National Energy Board (NEB) today approved the applications for the construction and operation of the Mackenzie Gas Project through Canada's North.

The Mackenzie Gas Project includes the 1,196-kilometre long Mackenzie Valley Pipeline, three onshore natural gas fields, a 457-kilometre pipeline to carry natural gas liquids from Inuvik, NWT to an existing oil pipeline at Norman Wells, NWT and other related facilities. The Mackenzie Valley Pipeline would run from the Beaufort Sea to northwestern Alberta, and is designed to carry up to 34.3 million cubic metres (1.2 billion cubic feet) of natural gas per day. This is enough to supply about two-thirds of the six million Canadian households that used natural gas to heat their homes in 2009.

Imperial's latest estimate, released in 2007, pegged costs for the project at \$16 billion.

The NEB attached 264 conditions to the project's approval in areas such as engineering, safety and environmental protection. Conditions are requirements which must be met. If the project is built, the National Energy Board will monitor the project throughout its lifespan to see to it that the operators meet these conditions.

"Our goal was to encourage public participation and listen to the people so they could help us determine the public interest of the project," the panel said in their Reasons for Decision.

"We looked at how the project would contribute to sustainability in the way it would affect the people, the land where they live, and the economy, now and in the future. We recognize that the Mackenzie Gas Project would have much larger and more far-reaching effects than previous developments in the North."

The NEB began hearing evidence in January 2006 on five applications filed by Imperial Oil Resources Ventures Limited, the Mackenzie Valley Aboriginal Pipeline Limited Partnership, Imperial Oil Resources Limited, ConocoPhillips Canada (North) Limited, Shell Canada

Limited and ExxonMobil Canada Properties. Final argument was completed in April, 2010. In total, the Board held hearing sessions over 58 days in 15 communities throughout the Northwest Territories and Northern Alberta. More than 200 individuals and organizations participated in the NEB's hearing.

If this decision is approved by Governor in Council (Federal Cabinet), the NEB will then issue the appropriate approvals, including a Certificate of Public Convenience and Necessity.

If the proponents decide to build the Mackenzie Gas Project, they would also be required to obtain various permits and authorizations from other boards and government agencies before construction could commence.

The NEB is an independent federal agency that regulates several parts of Canada's energy industry. Its purpose is to regulate pipelines, energy development and trade in the Canadian public interest.

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