

SUMMARY OF COMMENTS/RECOMMENDATIONS

PROPONENT: Provident Energy Ltd.
PROPOSAL NAME: Provident Energy Ltd. NGL Pipeline Project
CLASS OF DEVELOPMENT: 2
TYPE OF DEVELOPMENT: Pipelines
CLIENT FILE NO.: 5526.00

OVERVIEW:

An Environment Act Proposal for the project was received on May 16, 2011. The advertisement of the Proposal read as follows:

“A Proposal has been filed by Provident Energy Ltd. to construct and operate a 9.8 km long, 219 mm diameter Natural Gas Liquid (NGL) pipeline near Cromer, Manitoba. The pipeline would connect a proposed Provident NGL truck offloading and storage facility in LSD 13-17-10-28 WPM to a proposed Enbridge pump station in LSD 06-20-09-28 WPM. Construction of the project is anticipated to begin in mid 2011. Completion is targeted for the fourth quarter of 2011.”

The Proposal was distributed to the "Transmission" TAC for review and was advertised in the Virden Empire-Advance on Thursday, June 9, 2011, and in the Melita New Era and The Reston Recorder on Friday, June 10, 2011. It was placed in the following public registries: Conservation & Environment Library, Manitoba Eco-Network, Millennium Library, and the Border Regional Library. Comments were requested by July 4, 2011.

COMMENTS FROM THE PUBLIC:

No comments were received from the public in response to the Environment Act advertisement of the Proposal.

COMMENTS FROM THE TECHNICAL ADVISORY COMMITTEE:

Manitoba Conservation

Wildlife and Ecosystem Protection Branch

- It appears that Provident Energy Ltd. only used information on the Manitoba Conservation Data Centre website based on occurrences by ecoregion. This information is not necessarily up to date and does not include some new Species at Risk occurrences for the project area. Provident Energy Ltd. should be directed to contact the Manitoba Conservation Data Center to obtain more accurate and up to date information on Species at Risk occurrences within the proposed project area to assist in directing monitoring and mitigation planning efforts.
- Provident Energy Ltd. should be directed to provide the Manitoba Conservation Data Centre with all results of vegetation and wildlife monitoring that is undertaken as a part of this project. This information will allow for an independent assessment of the significance of Species at Risk found within the project area and ensure that Manitoba Conservation experts

are directly involved in the development and implementation of mitigation plans for these Species at Risk.

- Provident Energy Ltd. should be directed to contact Mr. Tom Moran, Habitat Conservation Specialist, Manitoba Habitat Heritage Corporation, at 204-534-2363 to discuss appropriate compensation for instances where wildlife habitat destruction resulting from project construction cannot be adequately mitigated through avoidance or the reclamation process.

Disposition:

The Proponent was contacted regarding the comments in the first bullet. They indicated a project specific search was requested from the Manitoba Conservation Data Centre (MBCDC) and that the results of the search, provided in an e-mail from MBCDC dated April 20, 2011, were incorporated into the Proposal.

Reports on the vegetation and wildlife surveys will be forwarded to MBCDC by the Environmental Assessment and Licensing Branch for review prior to construction. Licence conditions will require the Proponent to contact the MBCDC regarding mitigation measures for species at risk identified during the surveys.

Referring the Proponent to the Manitoba Habitat Heritage Corporation regarding potential compensation for habitat destruction will be considered if reclamation cannot be completed to the satisfaction of Manitoba Conservation.

Parks and Natural Areas Branch

No comments.

Disposition:

No action needed.

Sustainable Resource & Policy Management Branch

No concerns.

Disposition:

No action needed.

Pollution Prevention Branch – Air Quality Section

- Minimal fugitive Volatile Organic Compounds (VOC) emissions from the NGL pipeline are expected if the proposed Leak Prevention and Detection System will be implemented.
- Dust will be generated during construction but this should be minimal.
- Noise generated during construction will be insignificant because there are no nearby residential dwellings along the pipeline.
- Though not specifically addressed by the proposal, air emissions will be generated from the operation of the compressor and/or pumps that drive the NGL product through the pipeline. At a specified threshold, Base Level Industrial Emission Requirements (BLIERS) which are part of the new Canadian Air Quality Management System currently under development may apply to the compressor/pumps unless they are electricity-driven.

Disposition:

The comments were forwarded to the Proponent for their information. The licence requires that the project is undertaken in accordance with the Environmental Assessment document therefore the Leak Prevention and Detection System must be implemented.

Manitoba Water Stewardship

- Manitoba Water Stewardship requires an Environment Act Licence to include the following:
 - The Licencee is required to obtain an authorization, from Manitoba Water Stewardship, under The Water Rights Act, for the withdrawal of water for hydrostatic testing and borehole drilling:
 - A contact person is Mr. Rob Matthews, Manager, Water Use Licensing Section, telephone: (204) 945-6118 and
 - A contact person is Ms. Lauren Janusz, Fisheries Biologist, Fisheries Branch, telephone: (204) 945-7789.
 - The Licencee is required to obtain an authorization for the discharge of hydrostatic test water into surface waters, from Manitoba Water Stewardship:
 - A contact person is Ms. Wendy Ralley, Manager, Water Quality Management Section, telephone: (204) 945-8146.
 - Any handling and/or transportation of fish and mussels during salvage operations will require the Licencee to obtain a “Live Fish Handling Permit,” prior to the commencement of this work, from Manitoba Water Stewardship:
 - A contact person is Ms. Lauren Janusz, Fisheries Biologist, Fisheries Branch, telephone: (204) 945-7789.
 - All monitoring involving fish and/or benthic invertebrates requires the Licencee to obtain a Scientific Collection Permit, prior to the commencement of this work, from Manitoba Water Stewardship
 - A contact person is Ms. Lauren Janusz, Fisheries Biologist, Fisheries Branch, telephone: (204) 945-7789.
 - The Licencee is required to comply with the Manitoba Stream Crossing Guidelines for the Protection of Fish and Fish Habitat (attached).
 - Prior to the commencement of any work to cross rivers, streams, or creeks, the Licencee is required to consult with Manitoba Water Stewardship:
 - A contact person is Mr. Bruno Bruederlin, Regional Fisheries Biologist, telephone: (204) 726-6452.
 - Manitoba Water Stewardship recommends implementing the following during water crossings:
 - Silt curtains shall be installed several metres past the riparian margin, along the right of way;
 - Biodegradable erosion control materials be used;
 - All re-vegetation should implement a seed mix native to the area to prevent the spread of invasive species; and,
 - Construction that could lead to sediment transport into waterways shall be halted during periods of heavy precipitation.
 - In order to protect riparian areas, including during trenchless drilling, the Licencee is required to establish and maintain an undisturbed native vegetation area located

upslope from the ordinary high water mark and adjacent to all waterbodies and waterways connected to the provincial surface water network:

- A 30-metre undisturbed native vegetation area is required for lands located adjacent to surface waters;
 - Permanent development is prohibited within an undisturbed vegetation area;
 - The combined alteration—including new and existing structures—within this undisturbed native vegetation area is limited to a maximum of 25 % of the shoreline length (for example: 25 metres per 100 metres of shoreline length) of each lot for a boat house, path, dock, etc.; and,
 - Alteration within this undisturbed native vegetation area—including a dock and/or the removal of near shore or stream aquatic habitat—shall not occur unless an activity conforms to a Department of Fisheries and Oceans Canada Operational Statement or an activity is reviewed by the Department of Fisheries and Oceans Canada.
- The Licencee shall comply with Manitoba Water Stewardship’s Wetland Policy:
 - The net loss of semi-permanent or permanent wetlands shall not occur. Wetlands are defined as areas that are periodically or permanently inundated by surface or ground water long enough to develop special characteristics including persistent water, low-oxygen soils, and vegetation adapted to wetland conditions. These include but are not limited to swamps, sloughs, potholes, marshes, bogs and fens.
 - The Licencee shall establish and maintain an undisturbed native vegetation area with at least a 30-metre width.
 - Prior to the commencement of construction, the Licencee is required to contact the Manitoba Habitat Heritage Corporation to ensure that the proposed development does not impact Conservation Agreement lands. It appears that the proposed development may impact Conservation Agreement lands located at the following location:
 - PT North ½ of NE Section 20, Township 9, Range 28W (map attached).
 - A contact person is Mr. Curtis Hullick, Field Manager, Manitoba Habitat Heritage Corporation, telephone: (204) 729-3501.
 - The Licencee shall conduct directional drilling according to the Department of Fisheries and Oceans Canada Operational Statement on Directional Drilling.
 - A contact person at Manitoba Water Stewardship is Mr. Bruno Bruederlin, Regional Fisheries Biologist; telephone: (204) 726-6452
 - The Licencee shall develop and implement an Emergency Response Plan, including the following:
 - In the event of a spill or leak, the Licencee will immediately notify downstream water treatment plant operators;
 - The licence requires the development is operated in accordance with appropriate standards of the Canadian Standards Association (CSA). CSA standards include recommended practices for leak detection.
 - Vehicles and other equipment shall be fueled and serviced at least 100 metres away from any water body; and,
 - Implement staff with training and equipment in the area for rapid response in the event of an accident or malfunction.
 - The Licencee is required to develop and implement an environmental protection plan, including the following:
 - A regular maintenance inspection schedule of the pipeline and

- Electronic leak detection equipment.
- Before an *Environment Act* Licence is issued, Manitoba Water Stewardship requests the following clarification from the proponent:
 - The proponent needs to improve the discussion in section 5.1.3.3 of the proposal to provide sufficient information for Manitoba Water Stewardship to conduct a review of the proposed development's possible impacts on groundwater resources.
 - This discussion needs to include the following:
 - Potential impacts on groundwater quality in the event of a spill or leak;
 - Gases or impurities being transported; and,
 - Corrections on existing information found in section 5.1.3.3 of the proposal, such as the following error:
 - The proposal notes that bedrock aquifers are not located within 150 metres of the surface. However, the proposal mentions the presence of bedrock at the surface, later in another area of the document.
 - Manitoba Water Stewardship recommends for the proponent explore air testing as an alternative to hydrostatic testing.
- Manitoba Water Stewardship submits the following comments:
 - Manitoba Water Stewardship does not object to this proposal, at this time.
 - The proposed development may impact Conservation Agreements held by the Manitoba Habitat Heritage Corporation, a provincial Crown Corporation that was established by The Manitoba Habitat Heritage Act. The Manitoba Habitat Heritage Corporation is governed by a board of directors that is responsible to the Minister of the Manitoba Department of Water Stewardship. The Manitoba Habitat Heritage Corporation's mandate includes the conservation, restoration and enhancement of fish and wildlife habitat in the province of Manitoba.
 - The Conservation Agreements Act (Manitoba) enables conservation organizations to enter into agreements with landowners to purchase or receive through donation a "conservation interest" on their property. These "conservation easements" are then registered on land title(s) as restrictive caveats in perpetuity. Conservation Agreements held by the Manitoba Habitat Heritage Corporation place restrictions on the land, protecting it from breaking, burning, draining, degrading, converting, or in any other way disrupting the ecosystem components of habitats outlined in the Conservation Agreements. The Manitoba Habitat Heritage Corporation's main concern is that all measures are conducted to avoid and minimize impacts to its conservation interests and that the land be restored to the satisfaction of the Manitoba Habitat Heritage Corporation after construction of the pipeline and that any wetlands in the area remain intact and unaffected. In the case that restoration and avoidance do not fully protect habitat, the Manitoba Habitat Heritage Corporation requires appropriate compensation, as provided in an attached Development Policy.
 - Wastewater (sewage and grey water) from work camps and other infrastructure should be collected in holding tanks and disposed of at a licensed wastewater treatment facility.
 - The Manitoba Department of Water Stewardship's recent policy direction recommending undisturbed native vegetation areas to protect water is founded, in part, on the 135 recommendations in the Lake Winnipeg Stewardship Board's (December 2006) report titled, "Reducing Nutrient Loading to Lake Winnipeg and its Watershed, Our Collective Responsibility and Commitment to Action." All 135 recommendations

were accepted in principle by the Minister of the Manitoba Department of Water Stewardship, on behalf of the Government of Manitoba.

- Maintaining an undisturbed native vegetation area immediately adjacent to the shoreline of lakes, rivers, creeks, and streams helps stabilize banks, provides aquatic and wildlife habitat and protects water quality through filtering overland runoff. The width of an undisturbed native vegetation area should be the widest width possible and practical. In conjunction with other best management practices such as eliminating fertilizer use adjacent to surface waters, and the proper management and disposal of waste water, maintaining an undisturbed native vegetation area adjacent to waterbodies is important to help prevent degradation of water quality.
- A policy should be considered of only using soaps, shampoos, detergents and other cleaning products that are phosphate-free or that have 0.5 % or less phosphorus content are used in camps or housing facilities.
- The proponent needs to be informed of the following for information purposes:
 - Erosion and sediment control measures should be implemented until all of the sites have stabilized.
 - The Water Rights Act requires a person to obtain a valid licence to control water or construct, establish or maintain any “water control works.” “Water control works” are defined as any dyke, dam, surface or subsurface drain, drainage, improved natural waterway, canal, tunnel, bridge, culvert borehole or contrivance for carrying or conducting water, that temporarily or permanently alters or may alter the flow or level of water, including but not limited to water in a water body, by any means, including drainage, OR changes or may change the location or direction of flow of water, including but not limited to water in a water body, by any means, including drainage. If a proposal advocates any of the aforementioned activities, a person is required to submit an application for a Water Rights Licence to Construct Water Control Works. A person may contact the following Water Resource Officer to obtain an application and/or obtain information.
 - A contact person is Mr. Ed MacKay, C.E.T., Senior Water Resource Officer, Water Control Works and Drainage Licensing, Manitoba Water Stewardship, 1129 Queens Avenue, Brandon, Manitoba R7A 1L9, telephone: (204) 726-6226, email: ed.mackay@gov.mb.ca.
- The Manitoba Department of Water Stewardship is mandated to ensure the sustainable development of Manitoba’s water resources. Manitoba Water Stewardship is committed to the goals of: protecting aquatic ecosystem health; ensuring drinking water is safe and clean for human health; managing water-related risks for human security; and stewarding the societal and economic values of our waterways, lakes and wetlands; for the best water for all life and lasting prosperity. Manitoba Water Stewardship achieves these goals, in part, through administering legislation, including The Water Protection Act, The Water Rights Act, and The Water Power Act.

Disposition:

The comments were forwarded to the proponent for their information. Licence conditions address recommendations regarding hydrostatic water, revegetation, sediment transport, and directional drilling procedures.

Emergency Response and Environmental Protection Plans are not required in the licence as a associated contingency plans were provided in the Proposal and licensing conditions address the required distance for refueling near a water body. The Licence also requires that the

Development is operated in accordance with appropriate CSA standards. CSA standards include recommended practices for leak detection.

The Proposal states that all watercourses and wetlands will be bored, and there will be no clearing of vegetation in riparian areas. Therefore, the comments on fish and mussel salvage, monitoring of fish and/or benthic invertebrates, the use of silt curtains and biodegradable erosion control during water crossings, compliance with Manitoba Water Stewardship's Wetland Policy, and reference to the Manitoba Stream Crossing Guidelines for the Protection of Fish and Fish Habitat do not apply in this case.

The Proposal indicates that the watercourses crossed by the pipeline have shallow gradients and are less than 5 m in width, and that there will be no clearing of vegetation in riparian areas. Therefore, riparian buffer zones were not required in the licence.

The licence does not require the Proponent to contact the Manitoba Habitat Heritage Corporation regarding NE 20-9-28W as the pipeline does not cross this quarter section.

An assessment of the potential impacts on groundwater resources is provided in Sections 6.2.3 Water Quality and Quantity and Section 6.2.17 Accidents and Malfunctions of the Proposal.

Manitoba Infrastructure and Transportation

MIT has reviewed the Environment Act Proposal for the above-mentioned project and has no concerns with the project as outlined. It appears that this project does not directly impact any Provincial Trunk Highway (PTH) or Provincial Road (PR) in the area. However, the possibility exists at the north end of the proposed pipeline, there may be a requirement to construct a new or temporary access and service road from PR 257 to the pipeline site to facilitate construction vehicles and activities. As such, we would like to include the following comment:

- If proposed project require access to Provincial Road (PR) No. 257, the proponent should be informed that, under the Highways and Transportation Protection Act, any new, modified or relocated access connection onto a PR will require a permit from Manitoba Infrastructure and Transportation (including changed use in access). A permit may also be required for any construction (above or below ground level) within 38.1 m (125 ft) or for any plantings within 15.2 m (50 ft) from the edge of the right of way of PR 257. Permit applications can be obtained by contacting Ashley Beck at the Brandon Office (204) 726-7000.

Disposition:

The comments were forwarded to the Proponent for their information.

Brandon Community Planning Services

I have reviewed the application for a new pipeline project. The proposed line is in both RM of Wallace and RM of Pipestone. Both areas have their own Development Plan and Zoning By-law.

Pipeline projects, and their accessory structures, are considered in conformity to both By-laws. Therefore, we have no concerns with this proposal.

In particular, the RM of Wallace notes:

- 1) In the Trans Canada West Planning District Development Plan By-law Part 2 “Rural Area”, Section 10 “Petroleum Resource Development Policies” states development permits will be required for petroleum installations other than oil wells.
- 2) The corresponding Zoning By-law (Wallace) includes production and delivery of gas as a public utility, which is a permitted use in the applicable “AG80” zone.

In the case of RM of Pipestone the Zoning By-law specifically notes in Part 2 policy 2.5 that “oil and gas exploration and extraction...and pipelines are deemed to be in compliance with this By-law if they are carried out, constructed and operated in accordance with federal and provincial law, except for oil field battery facilities and the Enbridge pumping station north of Cromer, which shall be subject to the provisions of this By-law.”

Disposition:

The comments were forwarded to the Proponent for their information.

Canadian Environmental Assessment Agency (CEAA)

Based on responses from federal departments, application of the *Canadian Environmental Assessment Act* with respect to the project will not be required.

PUBLIC HEARING:

A public hearing is not recommended as there were no public comments on the Proposal.

RECOMMENDATION:

The comments received on the Proposal can be addressed as conditions of licensing for the project, or have been forwarded to the Proponent for their information. Therefore, it is recommended that the Development be licensed under The Environment Act subject to the limits, terms, and conditions as described in the attached Environment Act Licence. It is further recommended that enforcement of the Licence be assigned to the Western Region prior to construction.

PREPARED BY:

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July 25, 2011

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