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## Energy

### News - 4 Results



#### NEB Asked To Approve Segment Replacement For Enbridge Line 21 Near Fort Simpson, N.W.T.

Daily Oil Bulletin - Fri Apr 7 2017

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The Chatham Daily News - Thu Apr 6 2017

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Stratford Beacon-Herald - Wed Apr 5 2017

**Byline:**Galen Simmons

fielding that same question, only now there is renewed hope Union Gas will break ground on its proposed natural gas line extension into Milverton, Rostock and Wartburg as early as July. At the end of March, Union Gas filed an amended proposal with the

## **Energy**

### **Full Articles**

NICKLES  
DAILY OIL BULLETIN

### **NEB Asked To Approve Segment Replacement For Enbridge Line 21 Near Fort Simpson, N.W.T.**

Daily Oil Bulletin - Fri Apr 7 2017

Enbridge Inc. has applied to the National Energy Board (NEB) for approval to replace a segment of its Line 21 in the Northwest Territories, approximately 10 kilometres east of Fort Simpson and to permanently decommission the existing segment in place.

In a filing with the board, the company says it has identified a geohazard (slope instability) on the south slope of the Mackenzie River which has the potential to affect the safe

operation of the line. Line 21 was shut down in November 2016 as a precautionary measure, it says.

The only shipper affected by the shutdown of the 50,000 bbl-per-day pipeline is Imperial Oil Limited which has operations at Norman Wells. In an email, Killeen Kelly, a company spokesperson, said the company has temporarily stopped production due to the closure of the pipeline which is the only means of transportation for oil produced at the site. Line 21 runs 869 kilometres from Norman Wells, N.W.T. to Zama, Alberta.

Enbridge proposes to replace the segment of Line 21 that crosses through the geohazard by constructing a new segment below the slip plane of the slope within the existing right-of-way. The \$53 million project includes installation of up to 2,500 metres of new 12-inch pipeline under the Mackenzie River. The new pipe will be installed using a horizontal directional drilling (HDD) method.

"Simply stated, this is a replacement of a small segment of the existing Line 21, which has been in place since 1985," says the company in a letter to the NEB.

Enbridge says the successful execution of the proposed project is highly dependent on project schedule and timely regulatory decisions. Its ability to complete construction requires that site preparation and mobilization of equipment begin in May 2017 so that drilling can begin as soon as practicable, it says.

The estimated construction start for the new segment is June 15, 2017 with an estimated in-service date of November 2017 although the return to service of Line 21 will be dependent on the requirements of the pipeline's primary shipper, Imperial, Enbridge says in its application. Equipment and materials must be barged on the Mackenzie River from Hay River and then trucked along the Mackenzie Highway and along the existing Enbridge right-of-way for approximately 11 kilometres to the south slope of the river.

Pending receipt of required regulatory approvals, the decommissioning activities are anticipated to begin in June 2017 with completion anticipated this fall at an estimated cost of \$500,000.

The NEB will hold a hearing on the application and is considering holding a technical workshop to hear from persons or groups who are directly affected or have relevant information or expertise.

In addition to Imperial, the board has received letters of support for the project from the town of Norman Wells, the Norman Wells Chamber of Commerce, Norman Wells Land Corporation, the village of Fort Simpson and the Fort Simpson Chamber of Commerce. The Dehcho and Sambaa K'e First Nations as well as the government of the Northwest Territories have indicated simply that they want to participate in the hearing process.

At the time it filed its application to the NEB and the Mackenzie Valley Land and Water Board, Enbridge indicated "there were no outstanding concerns relating to the project."

However, in seeking intervener status in the hearing, the Fort Simpson-area Liidlii Kue First Nation (LKFN) in a letter to the NEB has raised a number of preliminary concerns with what it considers to be a "new project not merely a replacement" due to the changes in construction methods, pipeline structure and method of crossing.

LKFN also considers Enbridge's proposed timeline for the project to be "unnecessary and unacceptably rushed" and is concerned there has been insufficient study with respect to the impact of the project on fish health and habitat, hydrogeology and its impact on aquifers, says the letter. "Similarly, the proponent's plan for water quality monitoring and leak management may not be sufficient," it adds.

In addition to its proximity to Fort Simpson, Line 21, including the segment which is the subject of the replacement, crosses its traditional territory, says LKFN. Further, LKFN contends that at no point has it given its consent to Enbridge or its suppliers for intrusion on its unceded territory nor has it been "properly consulted on a nation-to-nation basis as required by our Treaty."

In its letter to the NEB, Imperial says that the restart of its operation is dependent upon a pipeline repair being approved and successfully executed.

In a filing on behalf of Imperial, Rich Kruger, chairman, president and chief executive officer notes that due to the limited construction season in the North, timely approval of the application is required to minimize impact to Imperial's operations, contractors and the community of Norman Wells.

"The Norman Wells operation is a significant economic contributor to the local community, providing both direct and

indirect benefits," he says. "For example, about 60 Imperial employees and 50 contractors are involved in normal day-to-day operations."

In addition, the Imperial operation generates electricity for its own use with excess generation sold to the Northwest Territories Power Corporation which supplies the town of Norman Wells.

In its filing, Norman Wells agrees that the operations of the Imperial oil field are integral to the economic health and viability of the community. As such, "any unexpected, prolonged interruption to this will have drastic consequences for the town," says Mayor Nathan Watson.

The NEB is requesting comments from Enbridge and any other interested persons on the concerns raised by LKFN with a filing deadline of noon April 12, 2017. LKFN has until noon April 20, 2017 to file reply comments.

[Back to Top](#)



## **Manitoba Hydro aims to cut workforce with buyout program**

The Leader-Post (Regina) - Fri Apr 7 2017

Effective Monday, Manitoba Hydro will offer buyouts to its employees as a first step toward cutting 15 per cent of its workforce to help reduce debt.

A statement released today by the Crown utility says most of the company's employees will be eligible for what it calls a voluntary departure program, which will be available for six weeks.

The company slashed the ranks of its vice-presidents by 30 per cent in February and is making another 15 per cent cut after a further review of its senior management structure.

The statement says hydro is committed to reducing its workforce by around 900 positions, as well as pursuing other means to strengthen its financial performance.

Hydro expects to file an application early next month with the province's Public Utilities Board for a rate increase after a warning in recent months that consumers could see double-digit hikes on their bills.

The Crown is facing billions of dollars worth of debt flowing, in part, from its Bipole III power line project and construction of the Keeyask Generating Station.

[Back to Top](#)

**Chatham Daily News**

## **Moraviantown part of natural gas expansion plans; Union Gas plans to extend services to indigenous and northern communities**

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The Delaware Nation of Moraviantown is among the indigenous and Northern Ontario communities that Union Gas is seeking approval to install new natural gas service.

It is one of the projects included in an amended proposal filed last Friday with the Ontario Energy Board, which will have a total value of \$11.7 million and serve 1,400 new customers.

The other communities hoping to get natural gas includes Ipperwash Beach in Lambton Shores to serve the Chippewa of Kettle and Stony Point First Nation, as well as Milverton and Prince Township.

"Bringing much-needed natural gas to rural, Northern Ontario and Indigenous communities is a priority," said Mark Isherwood, vicepresident, infranchise sales, marketing in customer care for Union Gas, in a written statement.

Company spokesperson Andrea Stass told Postmedia Network has been working for several years on plans to extend natural gas to these markets, adding the amended project filed for the four projects would include a system expansion surcharge of 23 cents per cubic metre for the new customers.

In the case of the Moraviantown project, this surcharge would last 40 years and one month from the forecast in-service date of Dec. 1 of this year.

The First Nation council has also agreed to pay \$5,000 per year for 10 years.

The nearly \$564,000 estimated cost for the project is anticipated to provide natural gas service to 38 customers in the project area, including 20 residential and 18 commercial, according to the project summary submitted to the OEB.

However, the project can only proceed if the provincial government agrees to provide a grant of between \$325,000-\$350,000 as part of an aid to construct requirement.

[Back to Top](#)

The Stratford Herald

## Perth East supports pipeline project; Union Gas submits updated application to OEB for proposed Milverton natural gas pipeline extension

Stratford Beacon-Herald - Wed Apr 5 2017

**Byline:**Galen Simmons

When first elected to council in 2003, one of the most prevalent questions for Perth East Mayor Bob McMillan was when natural gas would be available to residents of Milverton and the surrounding area.

Nearly 14 years later, McMillan is still fielding that same question, only now there is renewed hope Union Gas will break ground on its proposed natural gas line extension into Milverton, Rostock and Wartburg as early as July.

At the end of March, Union Gas filed an amended proposal with the Ontario Energy Board (OEB) seeking approval to bring natural gas to four communities - Kettle and Stony Point First Nation and Lambton Shores, Moraviantown, Prince Township, and Milverton, including Rostock and Wartburg.

"Union Gas applied to the Ontario Energy Board last year for a number of projects to serve northern and rural communities in Ontario, which under the then-OEB regulations and guidelines were really cost prohibitive to serve. The OEB had a review and came up with a new framework to serve communities where the cost of the pipeline is more expensive than the revenue it would generate," said Andrea Stass, Union Gas's manager of external communications.

"So, we have a new structure now and it's very close to Union Gas's original proposal, with one key difference."

In its original application to the OEB, Union Gas had requested approval to cross-subsidize these projects with contributions from existing customers. The OEB decided it would not allow Union Gas to charge its existing customers for the new infrastructure, forcing the company to re-evaluate how the proposed projects would be funded.

In the amended application, Union Gas requested approval from the OEB to bring natural gas to the four communities listed above. The company proposed that funding for these projects would come from a combination of voluntary municipal contributions and a 15-year surcharge of 23 cents for every cubic metre of gas used by new customers in these service areas, roughly \$500 per year on average for each customer.

The total cost of all four proposed projects is estimated at more than \$11 million, with the cost of the expansion into Milverton and area taking up the biggest chunk of that estimate at nearly \$6 million.

In support of this natural gas expansion, Perth East council pledged at its March 7 meeting to contribute \$41,000 annually to the project for the next 10 years if it gets approval from the OEB. In all, Union Gas would be paying approximately \$83,000 in annual property taxes, \$25,000 of which would go to the municipality and \$58,000 would go to Perth County and the school boards.

Since Perth East will be making about 60 per cent of its annual \$41,000 contribution to the expansion project in Union Gas property taxes, the municipality will only have to fund the remaining \$16,000 yearly. According to CAO Glenn Schwendinger's March 7 report to Perth East council, the remaining municipal contribution will be more than covered by the potential savings in energy costs this natural gas expansion should bring.

"Of the two numbers there (\$25,000 and \$16,000), one is the taxation on the pipeline itself, which if it's not there we don't get, and if we give it back to them and it allows this project to move forward, it makes good sense," McMillan said. "As far as the municipal contribution, we're obviously going to save on our own arena, library, public works buildings, admin building, so on and so forth, plus the potential for new construction when developers can say, 'Hey, now I can build a home with access to natural gas,' let alone the businesses and companies that might start to locate or expand in the community."

Over council's 10-year pledge period, Schwendinger estimated a switchover to natural gas could save owners of residential, commercial and industrial properties in Milverton, Rostock and Wartburg nearly \$5 million. Additional savings of an estimated \$850,000 for Knollcrest Lodge and the two local schools, significant savings for the agricultural community, and savings in energy costs for both county buildings located in Milverton

could also be observed.

At its March 7 meeting, Perth East council also voted to send a letter of support for the project to Union Gas for submission as part of the company's application to the OEB. Alongside Perth East, letters of support from the Avon Maitland District School and the Milverton Business Association (MBA) were submitted as part of the Union Gas application.

"We believe that the public benefits of extending natural gas infrastructure to additional communities in Ontario should be a key consideration in addressing Union's proposal.

These benefits include the annual energy savings our members would experience, reduced costs for our existing businesses, and removing a local economic barrier for our community.

For these reasons, we fully support the concepts that Union Gas will propose in their application," MBA president Jeremy Matheson wrote.

Although Union Gas has not been offered a hearing date yet, work on the pipeline expansion would likely begin in July if the company's amended application is approved by the OEB, with completion of the project slated for December and cleanup stretching into the spring of 2018.

The project includes the installation of 21 kilometres of four-inch diameter steel pipeline within the road allowance. The pipeline would begin at the existing Union Gas Goderich pipeline in Sebringville and travel north along Road 130 for 17 kilometres. The pipe would then veer northwest for four kilometres along Road 119 and Road 131 until it reaches Milverton.

Sections of the pipe would be buried along the proposed route using a combination of trench and trenchless methods - an alternate way to install pipelines under railways, roads, sidewalks, trees and lawns. The sections would then be joined together and the entire pipeline would be cleaned and tested. A network of smaller pipes branching off the main pipeline feeding into buildings in Milverton, Rostock and Wartburg would also be installed. A Union Gas cleanup crew would then restore the area to as close to pre-construction conditions as possible.

"It's been a long time coming and there's been a lot of work put into this," McMillan said. "I'm cautiously optimistic - I'm going to

keep my fingers crossed. It's something that would be extremely valuable to the area along the route that has access - the communities of Wartburg and Rostock and farmers along the way - and then the people and businesses of Milverton.

"It's certainly been an endeavour, a learning opportunity, and we're hopefully nearing the point where we're going to have some positive news with whatever the OEB decides."

[Back to Top](#)