



Polar Gas Project/P.O. Box 90 Commerce Court West, Toronto Canada M5L1H3 (416) 869-2600

October 24, 1977

John I. Laskin
Commission Counsel

Gaylord Watkins
Commission Counsel

Royal Commission on the
Northern Environment
Manulife Centre
55 Bloor Street West
Room 801
Toronto, Ontario
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Dear Mr. Laskin and Mr. Watkins:

I am in receipt of your letter of September 23, 1977.

The Polar Gas Project is agreeable to accept your invitation to assist and co-operate in the important work of the Royal Commission on the Northern Environment.

In order to understand the basis on which the Polar Gas Project proposes to co-operate and assist the Commission it would probably be helpful to set out what the Polar Gas Project is and the regulatory applications and public participation that must precede any approvals by regulatory authorities of government agencies to the building of a natural gas pipeline.

The research and study of the feasibility of natural gas transportation systems from the Arctic Islands began in 1972. This work, known as the Polar Gas Project is currently supported by TransCanada PipeLines Limited, Panarctic Oils Ltd., Ontario Energy Corporation, Petro-Canada, Tenneco Oil of Canada, Ltd. and Pacific Lighting Gas Development Limited. TransCanada PipeLines Limited has been appointed by the participants of the Polar Gas Project as Project Manager.



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Polar Gas intends to apply to the National Energy Board for a Certificate of Public Conveniences and Necessity authorizing it to construct and operate a natural gas pipeline from the Arctic Islands through the Districts of Franklin and Keewatin in the Northwest Territories, across the northeast portion of the Province of Manitoba and into the Province of Ontario where it will inter-connect with the existing natural gas pipeline of TransCanada PipeLines. In considering an application for a Certificate the National Energy Board must take into account "all such matters as to it appear to be relevant" including "any public interest that in the Board's opinion may be affected by the granting or the refusing of the Application" (Section 44 of the National Energy Board Act, R. S. 1970 c. N-6). Part I of the Schedule to the National Energy Board Rules of Practice and Procedure sets out "Information required to be filed by Applicant for Certificate in Respect of Gas Pipeline." Section 17 of Part I is as follows:

"(17) An assessment of the probable environmental impact of the pipeline including a description of the existing environment and a statement of the measures proposed to mitigate the impact."

In its "Reasons for Decision, Northern Pipelines," dated June 1977, Volume 3, the National Energy Board documented its review of Regional Socio-Economic Impact Issues. It is probable that the Board would find such matters to be relevant in its consideration of an application of the Polar Gas Project. The National Energy Board holds public hearings after the giving of public notice on any application for a Certificate.

The Polar Gas Project has been informed that the Department of Indian Affairs and Northern Development will provide an opportunity for public review of the socio-economic effects of the Polar Gas Project as part of its consideration of an application by the Polar Gas Project to use and occupy land in the Northwest Territories under the Territorial Lands Act, R. S. 1970 c. T-6. The federal Minister of Indian Affairs and Northern Development has referred that part of the Polar Gas Project north of the 60th parallel of north latitude to



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the Environment Assessment and Review Process of the federal government and the federal Minister of Energy, Mines and Resources referred that part of the Polar Gas Project south of the 60th parallel of north latitude to the same process. The Environmental Assessment and Review Process includes the opportunity for public participation.

Draft guidelines for the preparation of an Environmental Impact Statement for the Polar Gas Project have been prepared. These guidelines indicate that for that part of the Polar Gas Project south of the 60th parallel of north latitude the Environment Impact Statement should contain material on "social and economic environmental impacts" (Section 8.9 of Draft Guidelines to Prepare an Environmental Impact Statement for the Polar Gas Project - August 1977). A copy of these draft guidelines accompanies this letter.

The above indicates that in order to obtain the necessary federal government approvals to construct a natural gas pipeline there will be two public reviews of environmental and socio-economic matters by agencies of the federal government.

We understand that it is neither the mandate nor the intent of the Royal Commission on the Northern Environment to assess the effects on the physical or social environment of specific projects north of the 50th parallel in Ontario.

Therefore it is not the intent of the Polar Gas Project to appear as an advocate for the Project in public hearings to be conducted by the Royal Commission, nor to file a brief of submission for such a purpose with the Commission.

The Polar Gas Project will assist the Royal Commission by providing it with relevant information on the Project. It will provide data on environmental and socio-economic matters in Ontario that it has collected in the course of the study and research of the Project.

The Polar Gas Project will at the request of the Commission also provide individuals to explain information and data provided by the Polar Gas Project to the Royal Commission. The availability of such persons shall be subject to, among other



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things, their involvement in preparation for public hearings under the auspices of a federal agency.

The financial resources available to the Polar Gas Project provide for participation only in the regulatory and governmental review and the related public participation that will be conducted by federal agencies whose approval is necessary for the construction of a natural gas pipeline. This fact may limit the degree to which the Polar Gas Project is able to assist the Royal Commission.

In addition to the draft guidelines referred to above, we are providing under separate cover the following information and data:

1. A report entitled "Numbers and Distribution of Birds during migration in the District of Keewatin, Northern Manitoba and Northwestern Ontario, 1976."
2. A memorandum entitled "Environmental Studies in the Province of Ontario." The above report is the result of the study described in this memorandum. Other reports resulting from these studies will be provided to the Commission.
3. A report entitled "Archeological Overview of the Regions along the Proposed Polar Gas Pipeline Route."
4. A bibliography entitled "Socio-Economic Data Review, September 1976, Literature Review." Much of the material outlined in this bibliography is available from Ministries of the Ontario Government. However, if difficulty is encountered in obtaining such material Polar Gas is prepared to make items available from our own records.

We are also having updated reports on an hydrological evaluation of major river systems along the proposed Polar Gas pipeline route. When these reports are available they will be provided to the Commission.

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We will be forwarding additional data and information including a set of the Applications and supporting documentation to the National Energy Board and the Department of Indian Affairs and Northern Development when they are filed with those agencies.

We would appreciate receiving your views on the basis of assistance and co-operation set out in this letter.

Yours truly,

A handwritten signature in cursive script that reads "I. B. MacOdrum".

I. B. MacOdrum
General Counsel

IBM/jb
Enc.