



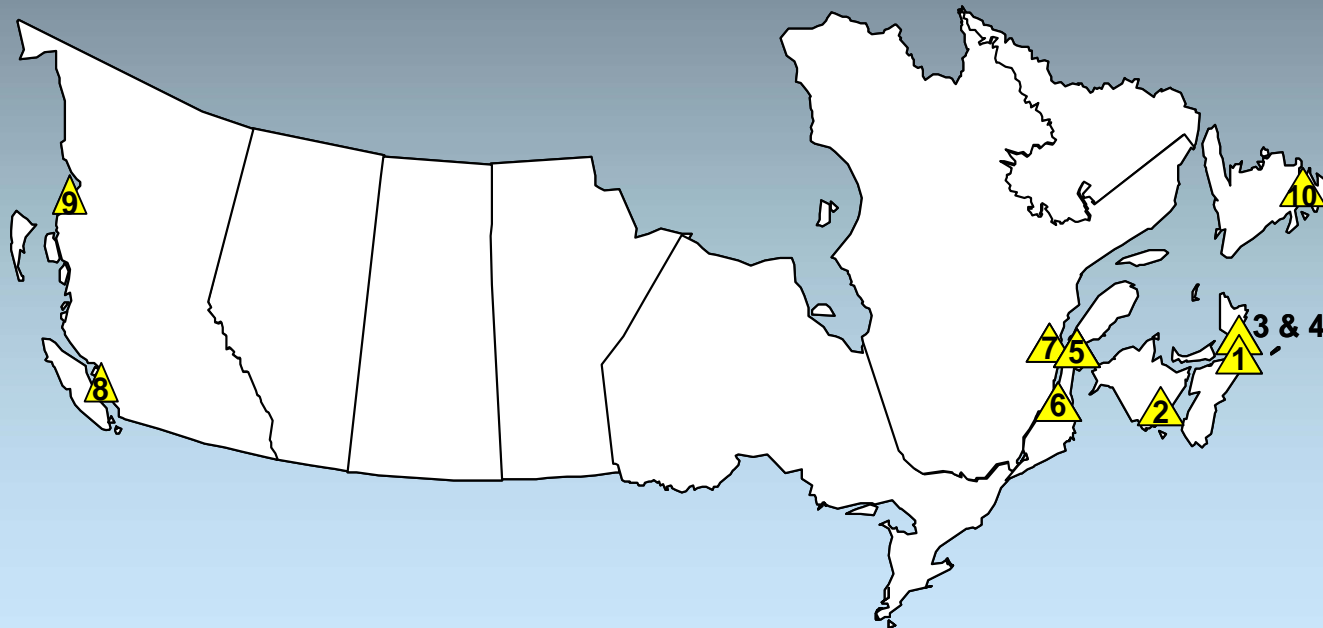
LNG: Canadian Experience and Regulatory Practice

**Rowland J. Harrison, Q.C.
Board Member
National Energy Board**

**Background Notes for participation in
APGAS Forum 2007
San Diego, CA
September 16-18, 2004**



Proposed Canadian LNG Terminals





Proposed Canadian LNG Projects

Location	Terminal	Company	Capacity (Bcf/d)	Proposed In-Service Date	Status
1. Goldboro, Nova Scotia	Maple LNG	4 Gas BV & Suntera Canada Ltd.	1	2009	LNG terminal facilities approved by province, federal environmental assessment (EA) ongoing
2. Saint John, New Brunswick	Canaport LNG	Repsol YPF and Irving Oil	0.8	2008	LNG terminal facilities fully permitted and under construction, connecting Brunswick Pipeline approved. LNG supply to come from Repsol portfolio
3. Point Tupper, Nova Scotia	Statia LNG	Statia Terminals Canada Partnership	0.5	n/a	Proposal development stage. No EA filings.
4. Strait of Canso, Nova Scotia	Bear Head LNG	Anadarko Petroleum Corp.	1	n/a	LNG terminal facilities fully permitted. Mothballed
5. Rivière-du-Loup, Québec	Gros Cacouna LNG	Petro-Canada and TransCanada Pipelines Ltd.	0.5	2009	LNG terminal facilities approved by province, federal permits being issued. Connecting AccésEst Pipeline receipt point and tolling methodology approved and intends to file facilities application.
6. Québec City, Quebec	Rabaska	Gaz Métro, Enbridge and Gaz de France	0.5	2009	Favorable provincial EA, awaiting final provincial approval.
7. Saguenay, Quebec	Énergie Grande-Anse	Saguenay Port Authority and Énergie Grande-Anse Inc.	1	n/a	Preliminary project description submitted to commence the EA process
8. Texada Island, British Columbia	WestPac LNG	WestPac Terminals Inc.		2013	Revising proposed project from transshipment facility to import terminal. No EAs filed
9. Emsley Cove, British Columbia	Kitimat LNG	Galveston Energy	0.6	2010/11	LNG terminal facilities fully permitted. Connecting Pacific Trail Pipeline announced. No LNG supply commitment announced.
10. Grassy Point, Placentia Bay Newfoundland	Newfoundland LNG Ltd. (Transshipment facility)	North Atlantic Pipeline Partners, LP and LNG Partners, LLC	0.8 (est.)	2010	Project description filed to commence regulatory and EA process



LNG Regulatory Framework

- **No regulatory framework specific to LNG terminals**
- **Generic environmental assessment applies:**
 - ◆ **Generally provincial, as “local works”**
 - ◆ **Federal aspects (e.g., fisheries, navigation)**
 - ◆ **Joint federal-provincial assessments encouraged**



National Energy Board Jurisdiction

- Gas imports and exports
- Connecting facilities (federal pipelines)
- Pipeline tolling and tariff matters (access)



NEB Regulatory Approach

- **Strategic Plan 2007-2010:**

 - ...active, effective and knowledgeable partner in the responsible development of Canada's energy "sector..."

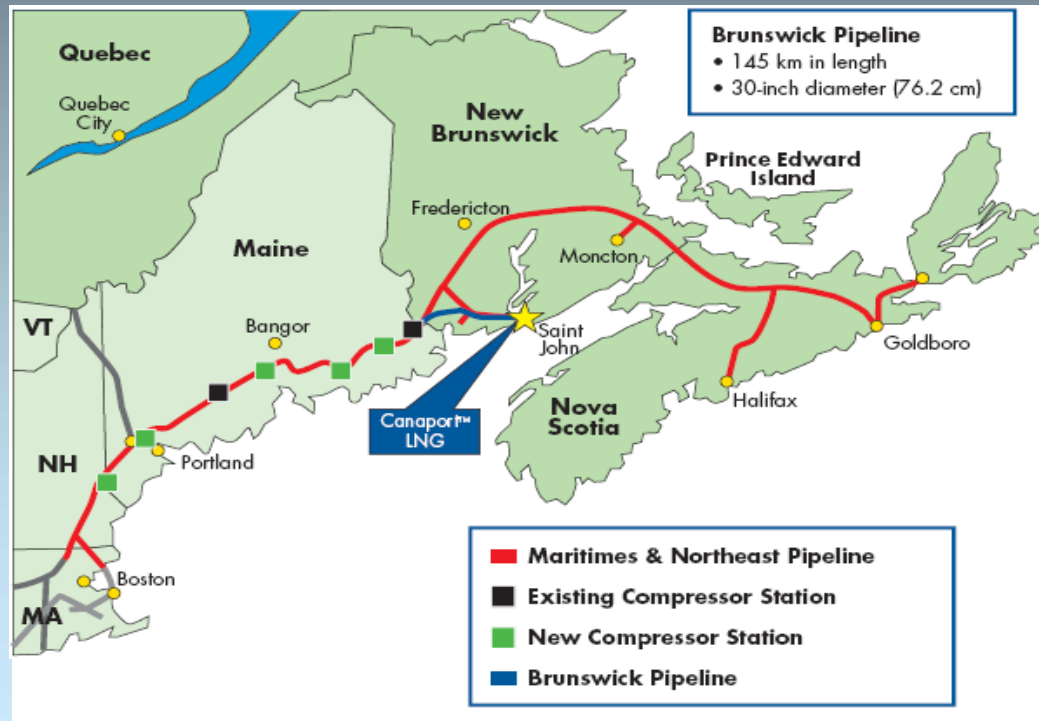
 - "Canadians benefit from efficient energy infrastructure and markets"

- **Role "to enable...responsible development"**

- **"Partnering" and efficiency imply regulating cooperatively**



Brunswick & Maritimes & Northeast Pipelines



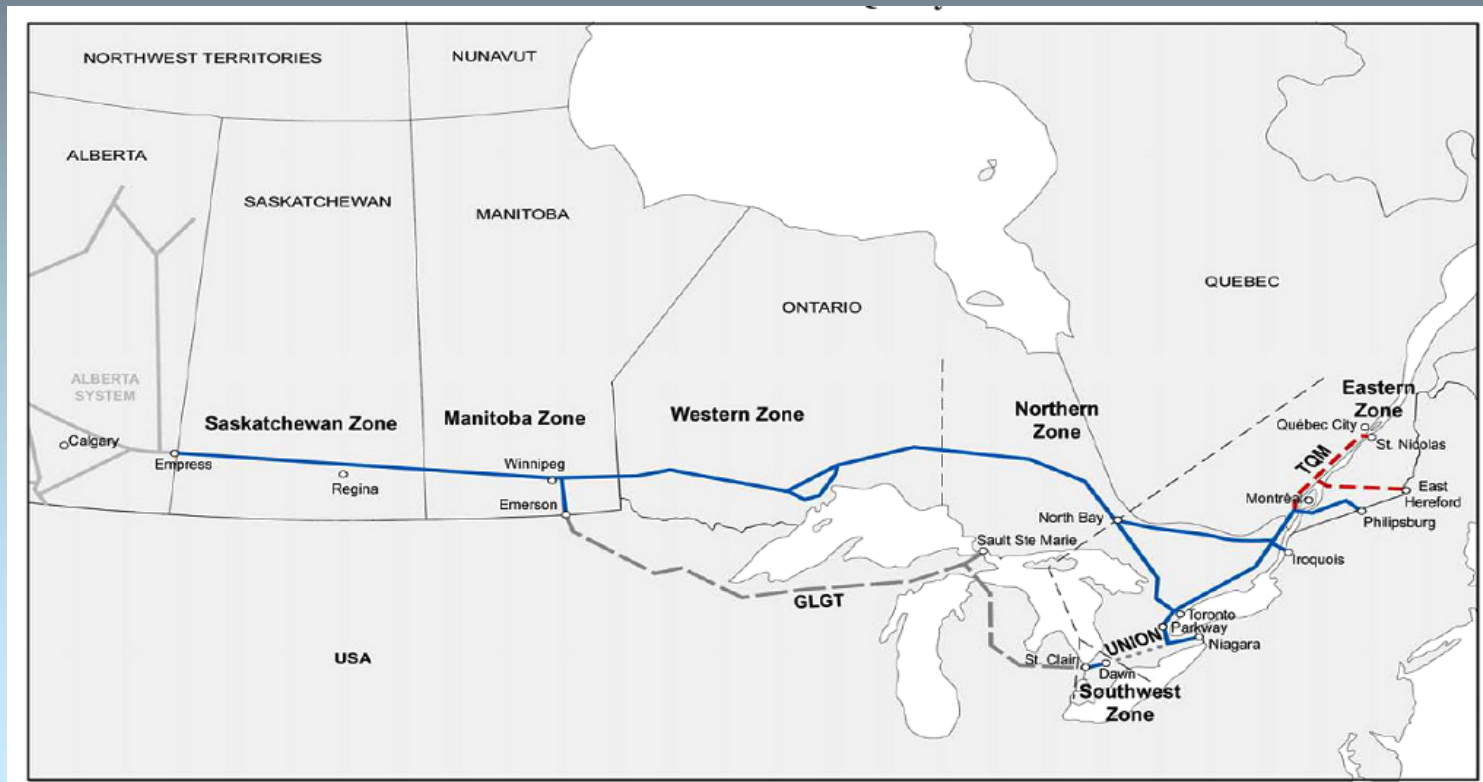


Brunswick Pipeline

- **Connecting facilities**
- **Controversial in local community**
- **Substitution process for EA under federal EA Act**



Gros Cacouna Project





Gros Cacouna

- **Application for new receipt point in advance of facilities**
 - ◆ **Key role of toll design in determining economic viability of LNG terminal**
 - ◆ **Therefore, “appropriate, timely and prudent...to seek assurance...prior to incurring significant expenditures or entering into long-term commitments.”**



Regulating Cooperatively

- **Joint federal-provincial EA**
 - ◆ **Joint review panels**
 - ◆ **Substitution (Brunswick)**



NEB-FERC-CREE Cooperation

- Regular senior staff meetings
- NEB-FERC-CRE Cooperation Agreement 2006
- FERC-NEB MOU 2004
 - ◆ Notification of proceedings of mutual interest
 - ◆ Consider coordinated reviews
 - ◆ Staff interchange