

1 New Brunswick Board of Commissioners of Public Utilities
2
3 In the Matter of an application dated July 19, 2006, by
4 Corridor Resources Inc., for a Permit to Construct Pipelines
5 and Related Facilities From the McCully Natural Gas Field to
6 Connect with the Maritimes and Northeast Pipeline
7
8 Fairway Inn, Sussex, N.B.
9 September 27th, 28th 2006

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VICE-CHAIRMAN: David S. Nelson

COMMISSIONERS: Jacques A. Dumont
Patricia LeBlanc-Bird
Diana Ferguson Sonier

BOARD COUNSEL: Ellen Desmond

BOARD STAFF: Doug Goss
Todd McQuinn

BOARD SECRETARY: Lorraine Légère

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VICE-CHAIRMAN: Good morning. In the matter of an application dated July 19, 2006 by Corridor Resources Inc. for a permit to construct pipelines and related facilities from the McCully Natural Gas Field to connect with the Maritimes and Northeast Pipeline.

Could I have appearances please? The applicant?

MR. NORMAN: Yes, Mr. Chairman. David M. Norman appearing for Corridor Resources. And with me is Mr. Norman Miller and Mr. Paul Hopkins.

VICE-CHAIRMAN: Enbridge Gas New Brunswick?

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2 MR. HOYT: Len Hoyt from McInnes Cooper appearing on behalf
3 of Enbridge Gas New Brunswick. And I'm joined by Andrew
4 Harrington who is the General Manager of Enbridge Gas New
5 Brunswick.

6 VICE-CHAIRMAN: Kings East Development Partnership?

7 MR. HORTON: Yes. George Horton, Kings East Development
8 Partnership.

9 VICE-CHAIRMAN: Potash Corporation of Saskatchewan --
10 McCully Pipeline Landowners Association?

11 MS. MCQUINN: Jayne McQuinn representing the McCully
12 Pipeline Landowners Association. And Donald Bustin is
13 here too.

14 VICE-CHAIRMAN: Potash Corporation of Saskatchewan?

15 MR. ZED: Peter Zed, Mr. Chair. And joined by Michael Hogan
16 and Brian Ralston of Potash Corporation.

17 VICE-CHAIRMAN: Thank you. Union of New Brunswick Indians?

18 MR. GETTY: Norville Getty and Ron Perley. And Darrell Paul
19 is here. And we also have Mr. Bill Wicken with us.

20 VICE-CHAIRMAN: Thank you. Property Owners/All Represented
21 Individually. Christine Bell? Ernest Cummings? Jayne
22 McQuinn?

23 MS. MCQUINN: Here, sir.

24 VICE-CHAIRMAN: Brenda Lee Morrell?

25 MS. MORRELL: Here.

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2 VICE-CHAIRMAN: Elizabeth McQuinn Nixon?

3 MS. MCQUINN NIXON: I'm here too.

4 VICE-CHAIRMAN: Okay. Thank you. Informal intervenors.

5 D.E.B. Consulting? Department of Energy?

6 MR. DUNCAN: Calvin Duncan is here, Mr. Chairman,

7 representing New Brunswick Department of Energy.

8 VICE-CHAIRMAN: Maritimes & Northeast Pipeline?

9 MS. SHORTT: Catherine Shortt representing Maritimes &

10 Northeast.

11 VICE-CHAIRMAN: Property Owners/All Represented

12 Individually. David & Patricia Bowes? Dale Bustin?

13 Donald Bustin?

14 MR. D. BUSTIN: Here.

15 VICE-CHAIRMAN: Thank you. Joseph Cummings?

16 NR. CUMMINGS: Here.

17 VICE-CHAIRMAN: Glen and Penny Foster? David Freeze?

18 Harley Hicks? Shirley Hunt? Cynthia MacLeod? Gerald

19 MacLeod? Nancy Secord? Robert C. Secord? Sandra Secord?

20 Troy and Dawn Thompson? Peter and Norma Van de Brand?

21 George Vanderlaan? Janet Vanderlaan? Paul and Lynn

22 Veysey? Andrew Wallace? Dorothy Wallace? John Wallace?

23 And from the Board and staff?

24 MS. DESMOND: Thank you, Mr. Chair. Ellen Desmond. And

25 with me is Doug Goss and Todd McQuinn.

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2 VICE-CHAIRMAN: Thank you. For the benefit of the
3 intervenors I would like to outline the process we will be
4 following. We will first ask the parties if there are any
5 preliminary matters that must be addressed.

6 Once we have dealt with any preliminary matters the
7 applicant will then be asked to present its evidence.

8 Each intervenor will have an opportunity to cross examine
9 the applicant's witness. And then counsel for the
10 applicant will have an opportunity to redirect.

11 Once the applicant is finished presenting their evidence,
12 then those intervenors that have filed evidence then those
13 intervenors that have filed evidence will present their
14 evidence. And again parties will have a chance to cross
15 examine. Once all the evidence has been presented each
16 party, formal and informal, will have a chance to make
17 their final submissions.

18 Are there any preliminary matters?

19 MR. NORMAN: Are you asking the applicant first, Mr. Chair?

20 VICE-CHAIRMAN: Yes.

21 MR. NORMAN: The preliminary issue that I would like to
22 raise is the status of the Union of New Brunswick Indians.
23 And I'm concerned about that for the reasons that were
24 set out in the answer to Corridor's request for answers to
25 interrogatories.

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2 And if you turn to that book, which is exhibit A-4, under
3 the New Brunswick Indians, tab 7, the first page, it sets
4 out there Corridor's concern about the jurisdiction of the
5 Union of New Brunswick Indians to raise issues relating to
6 land claims and treaty rights. We do not believe that any
7 of those issues are within the jurisdiction of this Board.

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9 Certainly those issues are beyond the scope of the
10 applicant or any participant here to deal with. Because
11 issues relating to land claims and treaty rights are
12 issues as between the aboriginal peoples and the
13 Government of Canada or Provincial Governments.

14 And there is absolutely nothing that would give this Board
15 any jurisdiction to deal with such issues beyond the
16 interest of the aboriginals that would be in common to
17 other persons on an application such as an application for
18 a permit to construct a pipeline.

19 There is one document I would like to refer the Board to
20 in addition to the position taken by Corridor at tab 7.

21 And that is in the book of documents that were filed by
22 the Union of New Brunswick Indians itself.

23 And there is a letter at tab A-9 which is an important
24 letter. This is a black book of documents filed by the
25 Union of New Brunswick Indians. At least my book is

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2 black. Maybe yours isn't. But it is tab A-9 in whatever book
3 it is.

4 And I would ask you to please turn to tab A-9. And you
5 will see that this is a letter dated September the 5th,
6 2006 from the Minister of Natural Resources, as he then
7 was I might say, to certain of the aboriginal interests.
8 And in this letter he simply confirms that he has issued a
9 licence of occupation to Corridor Resources to begin
10 clearing the proposed lateral pipeline. And of course
11 that is on Crown lands.

12 And then going down to the third paragraph, the Minister
13 states that "I am of the opinion that any short-term
14 impacts on aboriginal rights would be minimal and would
15 not require mitigation or accommodation. A case for
16 aboriginal title to this area has not been made. The
17 certificate of determination" -- and you will recall that
18 is a document that is before the Board and was referred to
19 at the prehearing conference.

20 "The certificate of determination provides sufficient
21 protocols to protect First Nations' interests should any
22 aboriginal objects or burial sites be discovered."

23 So we feel that those issues are addressed by the
24 Minister. And if this Board is to exercise any

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2 jurisdiction, it has to be in the context of the certificate
3 of determination, not in the context of any land claims or
4 treaty rights.

5 So those are the few remarks I wish to make in that
6 regard. Thank you.

7 VICE-CHAIRMAN: Thank you. I will start with Mr. Perley, if
8 you have a rebuttal on this.

9 MR. PERLEY: I will refer to Norville Getty.

10 MR. GETTY: Mr. Chairman, members of the Board, there are
11 two preliminary issues that we wish to raise. And Mr.
12 Norman has referred -- his reference to that letter, item
13 9 of tab A, as part of one of our preliminary issues.
14 Now I will leave that aside and address the issue of
15 jurisdiction of the Board. The question of whether the
16 government of the day has determined that they don't think
17 it is an aboriginal issue or they don't think there is
18 aboriginal title is really a question of law that has to
19 be decided by a court of law.

20 Our understanding of a Board such as this, when they are
21 dealing with aboriginal rights, aboriginal title, treaty
22 rights, they -- we merely have to show to the Board that
23 there is prima facie case made out for aboriginal title in
24 order for the Board to deal with the matter. And that is
25 what we intend to do with the evidence that we are

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2 going to bring.

3 For Mr. Norman at this stage to just say well, he doesn't
4 think that there is any issues here because the government
5 says so, there is other correspondence in here where the
6 government has offered to sit down with the aboriginal
7 people and talk about aboriginal rights issues.

8 There is correspondence which shows that the Government of
9 Canada and the Provincial Government are prepared to sit
10 down and discuss the establishing of a tripartite
11 negotiation system to deal with the issue of aboriginal
12 rights and aboriginal title in New Brunswick.

13 That in itself, according to the courts, is enough to
14 indicate that there is a prima facie case. If the
15 governments are willing to sit down and talk about it,
16 that in itself is enough just to indicate that there is a
17 prima facie case. And therefore this Board has a duty to
18 consider, to hear evidence on the matter and consider it
19 when making any determination that it may make.

20 It is our contention that the Board -- the PUB is either a
21 quasijudicial body which when making decisions must apply
22 the law, including Canada's highest law, which is section
23 35 of the Constitution Act. Or the Public Utilities Board
24 is a Crown actor or agent of the Crown under a lawful
25 obligation to consult itself with First

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2 Nations about action which may adversely affect aboriginal

3 treaty rights and claims.

4 Is it up to Mr. Norman to decide whether there is any

5 infringement on aboriginal rights or claims? Is it up to

6 Mr. Ashfield to determine this? We say no. It is up to

7 this Board, the Public Utilities Board to determine it.

8 If the Public Utilities Board is a quasijudicial body like

9 the National Energy Board, then what is its

10 responsibility?

11 Your responsibility is to apply the law. Administrative

12 tribunals are able to make determinations and refuse to

13 apply challenge provisions found to violate the

14 Constitution. If a tribunal is endowed with the power to

15 consider questions of law relating to a provision then

16 that power will normally extend to assessing the

17 constitutional validity of that provision.

18 The grant of the power to consider questions of law may be

19 broad or specific, express or implied, provided the power

20 to determine the particular issue has not been withdrawn

21 from the tribunal.

22 Well before the Crown's duty to consult and accommodate

23 was revisited and refined in the Haida Nation and Taku

24 River cases, the Supreme Court of Canada indicated that

25 while quasijudicial bodies like the

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2 National Energy Board may itself owe no fiduciary duty to
3 aboriginal parties, it should take into account the
4 existence of the fiduciary relationship between the Crown
5 and aboriginal appellants.

6 It is obvious that the Board must exercise its decision-
7 making function, including the interpretation and
8 application of its governing legislation in accordance
9 with the dictates of the Constitution, including section
10 35 (1) of the Constitution Act 1982.

11 Therefore it must first be determined whether this
12 particular decision of the Board could have the effect of
13 interfering with the existing aboriginal rights of the
14 appellant so as to amount to a prima facie infringement of
15 section 35 (1).

16 The PUB has for the purposes of the Public Utilities Act
17 of New Brunswick, section 8.3 (1) full jurisdiction to
18 hear and determine all matters whether or law or fact.

19 Consistent with the ruling in Martin versus Nova Scotia,
20 Workmen's Compensation Board, the Board exercises powers
21 of inquiry and investigation in the nature of those
22 exercised by the NEB, the National Energy Board.

23 Under the Pipeline Act of New Brunswick the PUB conducts
24 hearings to award pipeline permits required by that Act.
25 Section 42 (1) of the Act specifies that in all
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2 hearings before the Board pursuant to the provisions of this
3 Act, the Board shall be governed by the provisions of the
4 Public Utilities Act.

5 In awarding permits under the Pipeline Act, the PUB must
6 receive representations from persons affected by pipeline
7 construction, section 7. And under section 9, the Board
8 must consider several aspects, including the proposed
9 pipeline's effect on the environment and (b) such as
10 matters as the Board considers relevant in the public
11 interest.

12 Consultation and accommodation of aboriginal and treaty
13 rights leading to a reconciliation of aboriginal and
14 nonaboriginal interests are in the public interest. And
15 section 9 of the Act must be interpreted in light of the
16 tribunal's duty to apply the lawful obligations inherent
17 in section 35 of the Constitution Act.

18 The PUB has either the express power to determine
19 constitutional issues by virtue of section 9 of the Act or
20 an implied power based on its ability to decide questions
21 of law, which is a power not overtly restricted by the PUB
22 or related legislation.

23 Determinations of public interest involve issues relating
24 to consultations and accommodation, the accommodation
25 duty. And there are three cases that I can
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2 refer to that deal with this matter of public interest and

3 public boards accommodating consultations and mitigating
4 factors.

5 One is the Hupacasath First Nation versus British Columbia

6 (Minister of Forests) 2006 1 CNLR 22 (BC Supreme Court) at

7 paragraph 294; the Betseamites First Nation versus Canada

8 (Attorney General) 2005 4 CNLR 1 (Quebec Superior Court)

9 paragraphs 219-221; Mikisew Cree First nation versus

10 Canada (Minister of Canadian Heritage) 2006 1 CNLR 78

11 (Supreme Court of Canada) at paragraph 3.

12 What is the PUB is actually a Crown actor or agent? What

13 is its responsibility? If the PUB is acting in place of

14 the Crown and overseeing pipeline projects then its duty

15 is to actually consult and if necessary accommodate .

16 It is worth noting that pursuant to the Pipeline Act the

17 PUB is under a high degree of direction and control by the

18 Minister. It is the Minister who has the administration

19 of the Act and ultimately grants licence for pipeline

20 operations and ensures ongoing compliance.

21 There is a case to be made that in terms of provincial

22 pipelines the PUB does not exercise a quasijudicial

23 function but in fact is a decision-maker who actually owes

24 the Crown's duty of consultation and accommodation to

25 impacted First Nations.

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2 The statutory framework of the Commission is significantly
3 different from that of the National Energy Board. The
4 Commission has none of the independence of the National
5 Energy Board since it is a Crown agent exercising
6 ministerial or executive statutory policies.

7 The decision-maker, the Commission, is not a quasijudicial
8 decision-maker but is instead an administrative decision-
9 maker such as those dealt with in cases including Haida,
10 number one, Taku and Halfway River.

11 I'm satisfied that throughout the decision-making process
12 the Commission, including its decision-maker, has
13 fiduciary and constitutional obligations to engage in good
14 faith consultation with the Salto First Nation.

15 That is a quote from the Salto First Nation versus British
16 Columbia Oil and Gas Commission 2004 4 CNLR 284 (BC
17 Supreme Court) at paragraphs 137-138.

18 I would also refer you to the Musqueam Indian Band versus
19 Richmond City 2005 4 CNLR 228 (BC Supreme Court) at
20 paragraph 114.

21 The duty to consult arises when a Crown actor has
22 knowledge, real or constructive, of the potential
23 existence of aboriginal rights or title and contemplates
24 conduct that might adversely affect them. This in turn
25 may lead to a duty to change government plans or policy to
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2 accommodate aboriginal concerns. Responsiveness is a key

3 requirement of both consultation and accommodation.

4 And that is taken from the Taku River Tlingit First Nation

5 versus British Columbia 2005 1 CNLR 366 (Supreme Court of

6 Canada).

7 In summation, Mr. Chairman, we would argue that the Union

8 of New Brunswick Indians has every right to be here to

9 raise these issues. And you as a Board have a duty to

10 hear us and to make a decision.

11 Thank you.

12 VICE-CHAIRMAN: Enbridge Gas, do you have any comments?

13 MR. HOYT: No comments.

14 VICE-CHAIRMAN: Kings East Development Partnership?

15 MR. HORTON: No comments.

16 VICE-CHAIRMAN: McCully Pipeline Landowners Association?

17 MS. MCQUINN: No comment.

18 VICE-CHAIRMAN: Potash Corporation of Saskatchewan?

19 MR. ZED: Sir, we would support the position taken by the

20 applicant. We agree wholeheartedly.

21 VICE-CHAIRMAN: The Property Owners. Christine Bell?

22 Ernest Cummings?

23 MR. E. CUMMINGS: No comment.

24 VICE-CHAIRMAN: Jayne McQuinn?

25 MS. MCQUINN: No comment.

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2 VICE-CHAIRMAN: Brenda Lee Morrell?

3 MS. MORRELL: No comment.

4 VICE-CHAIRMAN: Elizabeth McQuinn Nixon?

5 MS. MCQUINN NIXON: No comment.

6 VICE-CHAIRMAN: Does the applicant have a rebuttal,

7 Mr. Norman?

8 MR. NORMAN: The only thing I can say in rebuttal,

9 Mr. Chairman and members of the Board, is that notwithstanding

10 that this Board has the jurisdiction to deal with

11 questions of fact and law, those questions of fact and law

12 must be within the context of the application that is

13 before the Board.

14 There is no issue before this Board nor would the Board

15 have any jurisdiction to deal with issues relating to

16 aboriginal title or the interpretation of treaties.

17 And that being the case, the right of the Union of New

18 Brunswick Indians to make any presentation here should be

19 restricted to that which is directly germane to the

20 construction of a pipeline.

21 And if you look at the Minister's determination, the

22 conditions of approval, you will see there in paragraph

23 number 6, subparagraph (b) the requirement with respect to

24 archeological assessments and consultation with the First

25 Nations.

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2 That is the extent of any obligation on behalf of the
3 applicant in our submission. And you will recall
4 references in the applicant's application with respect to
5 the consultations it has had with the aboriginal persons
6 with respect to various aspects of the matter.

7 So certainly consultations have taken place, but in the
8 context of the construction of the pipeline, not in the
9 context of aboriginal title and treaty rights.

10 So I think that the Board must recognize the distinction
11 therein. And as I said, that distinction is certainly
12 drawn in the Minister's determination. And it is the
13 Province of New Brunswick, not this Board or not Corridor
14 or any intervenor here who has the right to deal with the
15 aboriginal issues.

16 And the Minister has recognized the right in the
17 certificate of determination. And that should delineate
18 the extent of what this Board should be concerned with.

19 Thank you.

20 VICE-CHAIRMAN: Thank you, Mr. Norman. Do you have any
21 other preliminary matters?

22 MR. NORMAN: I don't believe so, Mr. Chairman. That was the
23 primary concern. Other than that, it is simply a matter
24 of trying to I guess get some idea of who is going to be
25 participating and in what context. And I think the Board

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2 has already set about to try to determine that.

3 Thank you.

4 VICE-CHAIRMAN: Thank you. Enbridge New Brunswick. Do you
5 have any preliminary matters?

6 MR. HOYT: Thank you, Mr. Chairman. We actually have two.

7 The first one that we would like to deal with was set out
8 in a letter that we sent to the Board and copied to
9 intervenors, it is dated September 21st, in which we
10 indicated that Corridor and Enbridge have agreed on
11 conditions to be included in Corridor's permit to
12 construct.

13 I have the original of that letter and would ask that it
14 be marked as an exhibit.

15 VICE-CHAIRMAN: That will be marked as EGNB-2.

16 MR. HOYT: Thank you, Mr. Chairman. And on behalf of EGNB

17 I'm confirming that the conditions attached to that letter
18 are acceptable to EGNB.

19 And I understand that Corridor will confirm its agreement
20 with those conditions either now or during its evidence.

21 I might suggest you could check with Mr. Norman now.

22 VICE-CHAIRMAN: Mr. Norman, do you agree with the conditions
23 in the EGNB-2?

24 MR. NORMAN: Yes. Corridor agrees with and accepts the

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2 conditions as set out in what is now exhibit EGNB-2.

3 VICE-CHAIRMAN: Thank you.

4 MR. HOYT: Just prior to the hearing commencing, we had the
5 opportunity for EGNB to informally explain the conditions
6 and the rationale for them to intervenors who then had the
7 chance to ask questions.

8 What we are requesting though now is that the Board accept
9 the agreed conditions in the event that a permit to
10 construct is granted to Corridor. And the reason we are
11 asking for that now is that otherwise we are in a bit of a
12 complicated situation.

13 As set out in our September 21st letter, provided that the
14 Board is prepared to include those conditions in any
15 permit to construct, Enbridge would ask that its evidence
16 be converted to a letter of comment and will forego its
17 right to testify or to cross examine Corridor's witnesses.
18 So that if the Board though isn't prepared to accept those
19 now as terms and conditions, we are in a bit of a chicken
20 and egg situation.

21 So our request is that the Board, now that the intervenors
22 have had an opportunity to hear Enbridge's explanation and
23 to ask questions, would agree to the inclusion of those
24 conditions.

25 VICE-CHAIRMAN: Thank you. Kings East Development

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2 Partnership?

3 MR. HOYT: Sorry, Mr. Chair. We have got one other one.

4 VICE-CHAIRMAN: Oh, you have got -- okay. Do you want to
5 just deal with this one first? And we will move on to the
6 other one?

7 MR. HOYT: Okay.

8 VICE-CHAIRMAN: Deal one at a time. Kings East Development
9 Partnership, do you have any concerns with the agreement
10 between EGNB and Corridor Gas?

11 MR. HORTON: No, Mr. Chairman. It is not -- we don't have
12 concerns about that. We are pleased to have Enbridge take
13 an active interest in the local delivery of gas.

14 VICE-CHAIRMAN: Thank you. McCully Pipeline Landowners
15 Association?

16 MS. MCQUINN: No. We have no disagreements.

17 VICE-CHAIRMAN: Potash Corporation of Saskatchewan?

18 MR. ZED: Thank you. We don't have a concern with the
19 conditions. But we want the Board to understand the
20 existing situation. And perhaps if I could just explain
21 briefly.

22 We have a number of agreements with Corridor for gas
23 supply. And we have jointly developed some of the
24 production with them over the years. We were before this
25 Board for a local gas producer franchise some three or

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2 four years ago.

3 And I think really our only concern is simply that we want
4 it understood that our agreement with these conditions is
5 not a waiver of our rights under any of our existing
6 agreements. We are assuming that Corridor has the
7 capacity to honor the gas supply provision in the
8 conditions outside of their obligations to us.

9 So really I just want to raise that as an issue. Because
10 I don't want should there be a situation, in the very
11 unlikely event there is not enough gas to service both
12 parties, I don't want our consent to be taken as a waiver
13 of our rights under our existing agreements.

14 VICE-CHAIRMAN: Thank you, Mr. Zed. Union of New Brunswick
15 Indians?

16 MR. GETTY: Mr. Chairman, we don't wish to either endorse or
17 go against the agreement. But we don't think that the
18 Public Utilities Board should make a decision now before
19 they have held this hearing to incorporate these
20 conditions and make it part of any permit that they may
21 issue. If the Board were to make that decision now at
22 this stage of the hearing and say -- then you are
23 predetermining. That is partially predetermining the
24 issue. And we don't think that you should do that.

25 VICE-CHAIRMAN: Thank you. The Property Owners. Christine

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2 Bell? Ernest Cummings?

3 MR. E. CUMMINGS: No comment.

4 VICE-CHAIRMAN: Jayne McQuinn?

5 MS. MCQUINN: No comment.

6 VICE-CHAIRMAN: Brenda Lee Morrell?

7 MS. MORRELL: No comment.

8 VICE-CHAIRMAN: Elizabeth McQuinn Nixon?

9 MS. MCQUINN NIXON: I have a few comments. I'm concerned

10 about this in the potential backhaul of the gas could lead
11 to a longer life for this pipeline. And from a
12 landowner's perspective, I think there are safety concerns
13 with that.

14 We haven't received the manuals for safety concerns or for
15 operating and maintenance or emergency procedures or for
16 continuing education. And I think that those manuals,
17 particularly with regards to safety, the longevity of the
18 pipeline, the safety in the future, I think it needs to be
19 prepared for in advance. And I don't know that
20 information now.

21 This could be the only forum for landowners that have
22 already signed to take into account -- they thought that
23 they were signing perhaps pipeline agreements -- easement
24 agreements for a 30-year span or just for the span of the
25 natural gas production. And potentially it could be for a

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2 much longer term. So I have concerns about that. Safety, you
3 know, again if there is going to be backhaul, is the
4 diameter of the pipe and so forth going to -- it sort of
5 puts it into a different frame of reference.

6 And whether landowners in the future, 30 years out granted
7 perhaps when the natural gas is no longer being produced
8 there, the pipeline might be fatigued. And it might limit
9 landowners' potential to use their land as they desire.

10 And it might affect their livelihood of woodlot owners and
11 farmers.

12 So without the safety manuals, it is difficult to put this
13 in the right context for me, that you would accept this.

14 Thank you.

15 VICE-CHAIRMAN: Thank you. Mr. Hoyt, do you want to do a
16 rebuttal?

17 MR. HOYT: Sure. Just on the last point that was raised and
18 the concern about backhauling extending the life of the
19 pipeline.

20 And I believe that the concerns that were being expressed
21 were really matters that the intervenor can pose to
22 Corridor as part of the cross-examination.

23 In terms of safety manuals and so on, I don't think really
24 should impact on whether or not this set of terms

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2 and conditions are approved at this point.

3 VICE-CHAIRMAN: Thank you. The Board will take it into
4 consideration and rule on it after we go through all the
5 preliminary matters. Thank you.

6 You have another preliminary matter?

7 MR. HOYT: Yes, Mr. Chairman. The second matter that we
8 want to raise, we set out in a letter to the Board dated
9 September 15th in which we asked the Board to strike the
10 evidence of the Kings East Development Partnership on the
11 basis that it improperly attempts to include an
12 application for either a local gas producer franchise or a
13 single end use franchise within this application for a
14 permit to construct.

15 And so again I have an original of that letter which I
16 would ask that it be marked as an exhibit.

17 VICE-CHAIRMAN: That will be EGNB-3.

18 MR. HOYT: So, Mr. Chairman and Board members, the basis of
19 our request is set out in that letter. And what it
20 indicates is at the end of Kings East Development
21 Partnership's evidence, they clearly indicate that what
22 they are requesting is that the Fundy Energy part be
23 granted a local gas producer franchise or a single end use
24 franchise so they can obtain gas directly from the
25 Corridor Resources gas production plant in Penobscuis.

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The Gas Distribution Act 1999 provides for the issuance of local gas producer franchises and/or single end use franchises following the submission of an application to the Board.

As the holder of the general franchise to distribute natural gas in New Brunswick, EGNB would clearly be adversely affected by the grant of either of those types of franchises.

What we are submitting is that any request for such a franchise requires a separate application and a separate proceeding. So for those reasons EGNB is asking the Board to order that the evidence of Kings East Development Partnership is inadmissible in this proceeding.

Thank you.

VICE-CHAIRMAN: Mr. Horton, do you have any comments?

MR. HORTON: I hardly know where to start, Mr. Chair. It is true that our evidence is framed as a motion, with clearly there are whereases in there. And our motion at the end to -- not either-or -- it is actually both.

We plan on creating an energy park that truly embraces alternative energies. And we expect to be able to produce a product, perhaps for example methane, that is part of the gas-producing process, and be able to distribute our product back into the processing plant.

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I hardly know where to start on this. I take it I'm specifically supposed to talk about the motion. And I realize that -- and we do realize that it has -- that we bundled it in somebody else's proposal, specifically Corridor's request to connect to the lateral.

We felt that this was the appropriate time to include this. Because this is a public house. And we need transparency. And this is where we are going with this. This is our intention.

Please remember that for a long time Enbridge was not included in this process. Enbridge had no intention of coming here. It is only when I believe they felt that there was an opportunity business wise that they have included themselves in this. And they would like to create a distribution network locally.

A few years ago when I was on Town Council, as part of the economic development portfolio, Enbridge informed us that they had no plans at all of being involved in this.

So this is a process that has taken us many years to develop to be able to determine what it is that we wanted to do with this gas. I believe we need to keep in mind that what we are talking about is a short piece of pipe between Corridor's processing plant and the energy park. This seems to be where the difficulty is, how long

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2 that pipe is or where exactly that is going to be located. We

3 have kept this information close to the vest. Because

4 this is a business proposal from our end.

5 That is how it started 10 years ago. I think it has gone

6 from being economic development to economic survival and

7 perhaps lifestyle survival where we are looking at

8 alternative fuels and being part of this world economy.

9 And the world is running out of oil.

10 So we are looking for alternative ways of survival here,

11 especially as the breadbasket of New Brunswick and we are

12 still the dairy center of the Maritimes. We have a lot of

13 agricultural and forestry industries here. This is how we

14 survive. We feel that this is not only an opportunity for

15 us, but this is something that is a natural growth to our

16 area.

17 We would like to -- it stands as it stands, Mr. Chair and

18 Board. With all due respect to Enbridge, we feel that

19 this is the right direction for us to go. It was

20 serendipitous that the gas was found locally. We feel

21 that in order to really make a difference here we need to

22 eliminate as many players as possible.

23 So having yet another company intercede on this stretch of

24 pipe between Corridor's processing plant and the energy

25 park, we don't really see a need for that,

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2 especially as they run this as an integrated policy for

3 infrastructure. And we would be paying whatever their

4 costs are for their distribution system for the whole

5 province. We are trying to keep this fairly local. And

6 we are talking about a few kilometers of pipe.

7 I guess I will save my other comments. I understand I get

8 a chance a little later on perhaps to make an overall

9 comment. However, is it my understanding that if my

10 evidence is thrown out, my chance to speak later is also

11 diminished in some way?

12 VICE-CHAIRMAN: If your evidence is thrown out and it would

13 be pertaining to what Mr. Hoyt is specifically asking. Do

14 you want all the Kings East evidence thrown out, Mr. Hoyt?

15 MR. HOYT: Yes. We are asking that it be thrown out as

16 evidence. Because it is asking for something that really

17 doesn't fit within the process that is ongoing.

18 We don't take issue with the fact that it is open to the

19 Kings East Development Partnership to make an application

20 to the Board for either the single end use franchise or

21 the local gas producer franchise. It won't come as any

22 surprise that we would intend to oppose that.

23 But there is -- Mr. Horton indicated it was important to

24 be before the Board in an open process. Well, that is

25 available under the Act. But it is through a separate

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2 process.

3 In terms of today and the evidence, I mean, what we are
4 asking to do with respect to the terms and conditions is
5 that if our agreed conditions are accepted, that we would
6 like to convert our evidence to a letter of comment.

7 And you know, just as a suggestion to the Board, perhaps
8 if the Kings East Development evidence is gone, it could
9 be treated as a letter of comment and Mr. Horton given an
10 opportunity to put some remarks on the record, but not
11 making a request for a type of franchise that really just
12 doesn't fit in this proceeding.

13 VICE-CHAIRMAN: Thank you.

14 MR. HORTON: Well, let's see. So far most things that we
15 have requested have come in -- we have received, the
16 agreement with Corridor. Things seem to be lining up. In
17 fact when I saw the agreement with Corridor and Enbridge,
18 I felt that they were lining up in the same direction that
19 we were.

20 I have to stick to this, Mr. Chair. Because this is our
21 play. This is what we are asking for is to be able to
22 have the right to create an entity for our region, in fact
23 for New Brunswick. It could be for the Maritimes if we
24 pull this off.

25 I think there is no better opportunity than to get it

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2 established now whether we are going to be able to -- till we
3 know what direction to go in. We would definitely like to
4 have the single end user licence.

5 We are obviously at some point in the future going to be
6 asking for the gas producer's licence and be the fourth
7 gas producer in the province. I'm sure, if you haven't so
8 far, you are going to be coming across this exact same
9 request in other places in the province.

10 In '99 things looked different than they do today. '99 it
11 seemed like a benefit to have one company controlling
12 everything, and we were going to boom and expand and gas
13 was going to be everywhere for everybody's advantage. And
14 the postage stamp rates is definitely something that we
15 supported at that time.

16 We believe things have changed. And we are asking for a
17 variance to the '99 Gas Distribution Act to allow us at
18 least to run this short piece of pipe from the Corridor's
19 plant to our energy park.

20 And you will see why we want to do that. We don't feel
21 that anything has changed to this point other than there
22 is an opportunity maybe lost if we don't have the chance
23 to own our own pipe going into the plant. So I feel that
24 we are going to stick to our guns on this. This is where
25 we want to go to.

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2 If it is recommended by the Board that we make another --
3 a separate proposal after this, we are okay with that as
4 well. But we do feel that if Enbridge is able to make
5 their deals then we should have that opportunity as well.

6 VICE-CHAIRMAN: Thank you. McCully Pipeline Landowners
7 Association, do you have any comments on this?

8 MS. MCQUINN: No comments at the moment, sir.

9 VICE-CHAIRMAN: Potash Corporation of Saskatchewan?

10 MR. ZED: None, sir.

11 VICE-CHAIRMAN: Union of New Brunswick Indians?

12 MR. GETTY: No comments.

13 VICE-CHAIRMAN: Property Owners. Ernest Cummings?

14 MR. E. CUMMINGS: No comment.

15 VICE-CHAIRMAN: Jayne McQuinn?

16 MS. MCQUINN: No comment.

17 VICE-CHAIRMAN: Brenda Lee Morrell?

18 MS. MORRELL: No comment.

19 VICE-CHAIRMAN: Elizabeth McQuinn Nixon?

20 MS. MCQUINN NIXON: I just had a few comments again. During
21 the exploration for natural gas and the well sites and the
22 pipeline, residents and landowners in the Penobscuis area
23 have suffered problems with light and noise and extra
24 traffic and things like this.

25 The energy park has the potential to actually bring

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2 some positive impact to the community. We can't make the

3 natural gas go away, nor do we want to. But there is the

4 real potential with the energy park to bring more jobs to

5 the community and more potential for agricultural

6 producers and work for woodlot owners.

7 And we don't want to -- if there is physical aspects of

8 the pipeline that have to be in place, we want to ensure

9 that they are in place, that gas would be available for an

10 energy park. So we would support the Kings East

11 Development Partnership and including this. I would.

12 VICE-CHAIRMAN: Does the applicant have any comments on

13 this?

14 MR. NORMAN: The applicant is not taking any position on

15 this. Certainly you know the position the applicant has

16 taken with Kings East in agreeing to cooperate with

17 respect to future development.

18 And you also are aware now of the agreement reached with

19 Enbridge which would facilitate providing gas to Kings

20 East if in the future that becomes a practical reality.

21 So we do not wish to take any position beyond that.

22 From a strictly procedural point of view I have to agree

23 with Mr. Hoyt that this is really not the forum for a

24 separate application. And the fact that the Board might

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2 tend to decline its right to make a separate application at
3 this time does not in any way preclude Kings East from
4 making a separate application down the road in order to
5 deal with such issues.

6 Those are all I wish -- all the comments I wish to make.

7 VICE-CHAIRMAN: Mr. Hoyt, back to you.

8 MR. HOYT: Just very briefly, to address one of the last
9 things that Mr. Horton mentioned, and that was that they
10 would require a variance of the legislation, I think that
11 is telling.

12 Because I don't think it is a variance that would actually
13 require an amendment to the legislation. Because the
14 current Gas Distribution Act does not allow for what they
15 are proposing to do.

16 VICE-CHAIRMAN: Thank you. Do you have any other
17 preliminary matters, Mr. Hoyt?

18 MR. HOYT: No, Mr. Chair.

19 VICE-CHAIRMAN: Kings East Development, do you have any
20 preliminary matters that you want to raise?

21 MR. HORTON: No, Mr. Chair.

22 VICE-CHAIRMAN: McCully Pipeline Landowners Association, do
23 you have any preliminary matters?

24 MS. MCQUINN: I really do have a problem believing some of

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2 the things that we have been told relating to the pipelines
3 that Corridor Resources wishes to construct. We have
4 heard verbally of many various things that so far have not
5 occurred or are likely to do so.

6 Further to believing what we are told --

7 VICE-CHAIRMAN: Ms. McQuinn, maybe you would like to save
8 that for when you cross-examine the witnesses for the
9 applicant.

10 MS. MCQUINN: All right. Thanks.

11 VICE-CHAIRMAN: Okay. Maybe that is better for that part of
12 it.

13 MS. MCQUINN: Thank you, sir.

14 VICE-CHAIRMAN: Okay. These are more procedural and all.
15 Potash Corporation of Saskatchewan?

16 MR. ZED: Yes. We have a matter. The matter is as outlined
17 in our evidence and in our cover letter to the Board
18 enclosing our evidence on September 11th.

19 And with your permission I will just briefly canvass the
20 issues. It is really a preliminary motion that seeks
21 clarification or confirmation if you will that our
22 interpretation of the Pipeline Act is indeed the
23 interpretation that the Board is using in this proceeding.
24 And based on the assumption that the Board's
25 interpretation is the same as ours, we have tendered

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2 certain evidence.

3 Section 28 in particular of the Pipeline Act says "Unless
4 authorized by the Board no person shall construct a
5 pipeline or part of a pipeline so as to interfere with the
6 existing workings or extensions of a mine or quarry or
7 obstruct any opening to them."

8 Now our submission is clearly, given that we have an
9 existing mining operation, the onus is on the applicant to
10 convince the Board that their construction does not
11 interfere with our existing workings or extension of our
12 mining operation.

13 Now in order -- we all understand mining to a certain
14 degree. Mining is not a static activity. There isn't
15 just a hole in the ground that remains in one place, that
16 remains the same size forever. Mining entails continual
17 digging, excavating, in our case subsurface.

18 And the mine in our mind and in our planning, our business
19 planning, is constituted by the entirety of our mineral
20 lease. And the mineral lease is before the Board in
21 evidence. It is a mineral lease which covers a very large
22 area.

23 It covers a very large area for a reason. Mining is a
24 very expensive proposition. Tens if not hundreds of
25 millions of dollars have been invested in this site and

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2 will continue to be invested in this site for many, many years
3 to come.

4 So the Act contemplates and recognizes that in our view
5 when it talks about a mine as being existing workings and
6 the extension of those workings.

7 The situation we have before us today is the applicant has
8 applied to construct a pipeline. That pipeline is by its
9 very nature not just one straight line that is going to be
10 built. But it is a pipeline. There are certain gathering
11 lines that will -- and there are certain flow lines.

12 There is apparatus.

13 Under all of this apparatus there is right now in some
14 places active mine workings. With respect to some of the
15 other locations, there is not presently active digging, to
16 put it in the vernacular. But there will be so long
17 before the pipeline ever goes out of commission.

18 So what we have to do, when we come before this Board, we
19 have to ask ourselves a question. Will this pipeline and
20 all of its attendant apparati and all of its attendant
21 flow lines and gathering lines and everything else, will
22 that interfere with our operation today?

23 Will it interfere with our operation tomorrow? Will it
24 interfere with our operation several years down the road,
25 when in the normal course we will be actively mining

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2 under a portion of that pipeline.

3 So what we are asking the Board to do is recognize the
4 nature of our mining activities and recognize that section
5 28 of the Pipeline Act and the wording of that section 28
6 is broad enough to capture all of our mining activities in
7 all of our mining lease.

8 Now we suggest that there is another part to that. And
9 the other part to that is, if you look at section 28,
10 section 28 is clearly designed to be effective to make a
11 pipeline applicant such as Corridor come to this Board and
12 say, we won't interfere with an existing line or
13 extensions thereof.

14 If you drop down to section 30 of the Act, section 30 of
15 the Act is the flip side of that. That -- section 30
16 deals with a situation where you have an existing pipeline
17 and somebody wishes to mine under the pipeline.

18 And in that situation it requires the reverse onus. It
19 requires the entity that intends to do the mining to come
20 before the Board and say, we want to mine underneath that
21 pipeline, and we won't interfere with, and there will be
22 no safety issue with respect to the pipeline. So the onus
23 is then on the mining company.

24 That is a situation that really is untenable for us.

25 Because we now have the right to mine an extensive area as
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2 designated in our mining lease. If the Board were to confirm
3 our understanding of section 28 and confirm that section
4 28 does indeed apply to all of our mineral lease, then
5 really with respect to our future mining operations within
6 that mineral lease, section 30 never really comes into
7 play. And that is what we would be asking the Board to
8 recognize.

9 Now there is a practical consideration that I think we
10 have talked to staff about and we have recognized
11 ourselves. Sections 28 and 29 -- or sorry, 30 -- in
12 addition to providing comfort to operators of mines and
13 operators and constructors of pipelines, there is also a
14 public safety component.

15 And that public safety component is simply addressed, we
16 would suggest, in our expert evidence. And what our
17 expert evidence suggests is that so long as we maintain
18 our current mining operations -- and our evidence suggests
19 that there are really no mineable minerals at a depth more
20 shallow than 200 meters -- and provided we mine at 200
21 meters below the surface or at greater depths, then there
22 is no danger to the pipeline.

23 So what we are asking then is for the Board to clarify in
24 its reasoning and in its decision that section 28 of the
25 Pipeline Act recognizes that the mining and extension
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2 of mining activities is broad enough to protect our entire
3 mineral lease, and that so long as we continue to mine our
4 mineral lease at depths of 200 meters or greater, there is
5 no need for us to come back to the Board to seek
6 permission under section 30.

7 Now we recognize that in the future, if 2, 3, 5, 20 years
8 from now minerals in economically viable quantities are
9 discovered at more shallow depths then we would have to
10 come back to the Board and at that time convince the staff
11 and Board that it was safe to do so.

12 But really what we are trying to do is come to this Board
13 with a practical solution. Because absent this
14 interpretation of the Act, then we have no choice but to
15 seek the Board's indulgence and extend the hearing by
16 bringing in expert testimony to really describe the nature
17 of our mining activities, to show why it is necessary for
18 us to have essentially a green light to continue doing
19 what we are already lawfully entitled to do, and how it is
20 not an economically -- it is an economically -- it is
21 rather an economic burden for us to have to do otherwise.
22 So what we are trying to do is sort of come to this Board
23 and say we have no objection to Corridor's application,
24 indeed we support it, provided the rules of the game are
25 as we think they are.

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2 And added to that we are prepared to undertake to not mine
3 at any depths more shallow than 200 meters without coming
4 back to the Board or staff under section 30 and making the
5 proper application. And we understand that the applicant,
6 although they can speak for themselves, are in support of
7 this position.

8 Thank you.

9 VICE-CHAIRMAN: Thank you. Union of New Brunswick Indians,
10 do you have any comments on this preliminary matter?

11 MR. GETTY: No. We don't have any comments.

12 VICE-CHAIRMAN: Property Owners. Ernest Cummings? Jayne
13 McQuinn?

14 MS. MCQUINN: No comments.

15 VICE-CHAIRMAN: Brenda Lee Morrell?

16 MS. MORRELL: No comment.

17 VICE-CHAIRMAN: Elizabeth McQuinn Nixon?

18 MS. MCQUINN NIXON: No comment.

19 VICE-CHAIRMAN: Does the applicant have any comments on
20 this?

21 MR. NORMAN: The only comment the applicant has, Mr.

22 Chairman and members of the Board, is that the applicant
23 appreciates the importance of the issue raised by PCS and
24 fully supports that approach as suggested by Mr. Zed.

25 Thank you.

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2 VICE-CHAIRMAN: Enbridge Gas New Brunswick?

3 MR. HOYT: No comment, Mr. Chair.

4 VICE-CHAIRMAN: Kings East Development Partnership?

5 MR. HORTON: No comment, Mr. Chair.

6 VICE-CHAIRMAN: McCully Pipeline Landowners Association?

7 MS. MCQUINN: No comments, sir.

8 VICE-CHAIRMAN: Is there any other preliminary matters?

9 Union of New Brunswick Indians?

10 MR. GETTY: Yes, Mr. Chairman. We have matters we wish to
11 raise. The first one is the fact that the Board's mandate
12 and members of the Board's mandate runs out on September
13 30th. I think that is what, three days away?
14 In our mind that hardly leaves the Board enough time to
15 deal with this matter in good faith and to give it proper
16 consideration. Unless you are going to rush it.
17 So we would suggest as a preliminary issue that the Board
18 confirm that in fact their mandate does run out on the
19 30th. And if for some reason it doesn't, then is there
20 some kind of paper trail that can show us that your
21 mandate does not run out?
22 And secondly, if it does run out and you can't deal with
23 the matter beyond the 30th, then the matter should be
24 adjourned until there is a new Board in place who can deal
25 with it in a reasoned and considered manner.

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2 That is our first preliminary issue.

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3 VICE-CHAIRMAN: I guess what I will do is go through and --

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4 with the Property Owners I'm just going to do things in

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5 reverse here. Ernest Cummings, do you have comments on

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6 this?

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7 MR. E. CUMMINGS: No comment.

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8 VICE-CHAIRMAN: Jayne McQuinn?

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9 MS. MCQUINN: Yes. I agree with the Union of Indians on

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10 this point.

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11 VICE-CHAIRMAN: Brenda Lee Morrell?

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12 MS. MORRELL: No comment.

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13 VICE-CHAIRMAN: Elizabeth McQuinn Nixon?

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14 MS. MCQUINN NIXON: I have to say that I too agree. I'm

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15 concerned that all the matters get addressed. I alluded

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16 to the issue of the missing manuals. If we don't have

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17 manuals now, how could they possibly be reviewed by the

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18 30th to determine? So I would agree and support the Union

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19 of Indians.

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20 VICE-CHAIRMAN: Corridor Resources, the applicant?

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21 MR. NORMAN: Well, I think that it is quite clear from the

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22 new legislation, Mr. Chairman, that this Board does have

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23 the jurisdiction to continue with any hearing commenced

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24 prior to September the 30th and has full jurisdiction to

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25 deal with matters raised here and to dispose of those

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2 matters. I don't think there should be any issue in that
3 regard at all.

4 The only other comment that I wish to make, and I
5 neglected to make it before, in response to Mr. Zed's
6 comments about the possibility of extending the hearing.

7 I want to say that I feel that the request made by PCS is
8 one that can be dealt with without the need to extend the
9 hearing. And we would certainly not favor any extension
10 of the hearing for that purpose.

11 VICE-CHAIRMAN: Thank you. Enbridge Gas New Brunswick?

12 MR. HOYT: No comment, Mr. Chair.

13 VICE-CHAIRMAN: Kings East Development Partnership?

14 MR. HORTON: No comment, Mr. Chair.

15 VICE-CHAIRMAN: McCully Pipeline Owners Association?

16 MS. MCQUINN: We would agree with the Union of Indians on
17 this point.

18 VICE-CHAIRMAN: Potash Corporation of Saskatchewan?

19 MR. ZED: Sir, I will leave it to you to determine your own
20 jurisdiction. But my reading of the legislation is in
21 agreement with Mr. Norman's, that you have the power to
22 deal with any matters before you until concluded.

23 VICE-CHAIRMAN: Yes. Do you have another preliminary
24 matter, sir, that you want to raise?

25 MR. GETTY: Yes, we do. Mr. Norman alluded to this in tab

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2 A, section 9, this letter issued by the Minister Keith

3 Ashfield where he says that he has decided to issue a

4 licence of occupation to Corridor Resources to begin

5 clearing the proposed lateral pipeline route.

6 That was sent out on September the 5th, 2006. and since

7 then we have received a further document.

8 Mr. Chairman, I suppose this should be marked as an exhibit.

9 VICE-CHAIRMAN: That will be marked as UNBI-2.

10 MR. GETTY: Mr. Chairman, this is a permit issued by

11 Mr. Peter MacNutt as a Designate of the Minister. This

12 allows Corridor to go ahead and start cutting their right-

13 of-way. This was issued on supposedly September the 15th.

14 And we received a copy on the 20th.

15 And in the very first paragraph it says "It is my

16 understanding" -- this is the second sentence -- "that you

17 require permission to clear an approximate 18 meter width

18 of the 30 meter wide pipeline corridor in advance of the

19 easement. I also understand that the Public Utilities

20 Board has given consent to the clearing in advance of its

21 approval."

22 Now that surprised us, in our opinion, for the Public

23 Utilities Board to make a decision on a matter that is

24 coming up for a public hearing means that you are

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2 fettering your powers to make an unbiased, fair and equitable
3 decision.

4 You have already made a commitment to go ahead and approve
5 this project. You say that the Minister can go ahead and
6 issue this clearance. And we would argue that by the
7 Public Utilities Board telling the Minister that he can go
8 ahead, that you are in fact committing yourselves to
9 approving this without any hearing.

10 We think that by doing this you are subverting the powers
11 that you have under the Act to hold a fair public hearing,
12 taking into account all the evidence that may be
13 presented, and then make a decision.

14 As it is right now, you have already decided the issue.
15 And as a result we think you should terminate this hearing
16 and get a Board in place that is not biased, that has not
17 already predetermined the issue and that can give us all a
18 fair and equitable hearing.

19 Thank you.

20 VICE-CHAIRMAN: Thank you. Does the applicant have any
21 comments on this?

22 MR. NORMAN: I guess --

23 VICE-CHAIRMAN: Can I go ahead? I would like to answer this
24 because I -- you know. Sir, there was a letter, and I
25 don't know if you are in possession of it, dated September

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2 5th, from the Board to Mr. Paul Hopkins, Corridor Resources,
3 in the matter of an application for a permit to construct
4 -- and it is file numbers and all. I'm going to
5 paraphrase it.

6 But thank you for your correspondence dated August 28th
7 2006 in connection with the above-noted matter. We draw
8 your attention to section 4 of the Pipeline Act 2005 which
9 provides as follows: Permit to construct.

10 And it goes on and it lists sections 4 (1), 4 (2) and the
11 subsections (a) and (b) which -- "No person shall
12 construct a pipeline or any part of a pipeline or
13 undertake any operations preparatory to constructing a
14 pipeline unless that person holds a permit."

15 That is, you know, following the Act. "In this instance
16 we remind you that Corridor Resources does not have any
17 authority from the Board of Commissioners of Public
18 Utilities to undertake any construction or to begin
19 operations preparatory to constructing a pipeline. We
20 cannot authorize or approve any such work. In addition we
21 must highlight that any land-clearing is done strictly at
22 your own risk. Obviously consent of the landowners must
23 be required in all instances. And any clearing of lands
24 by Corridor does not guarantee the outcome of your current
25 application before the Board."

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2 This is signed by Todd McQuinn, our Director of Pipeline
3 Safety.

4 MR. GETTY: We have not seen that particular letter. Just
5 off the top of my head, I would say it doesn't change our
6 argument any.

7 According to Peter MacNutt, the Public Utilities Board has
8 given consent to the clearing in advance of its approval.

9 That is what it says in this letter issued by Peter
10 MacNutt.

11 VICE-CHAIRMAN: Well, in our letter it doesn't say that.

12 Would the applicant like to make comments?

13 MR. GETTY: Well, you better get it sorted out sometime.

14 Because this clearly says that you have given your
15 consent. And that is the issue. You have predetermined
16 the issue.

17 VICE-CHAIRMAN: Would the applicant like --

18 MR. NORMAN: Mr. Chairman and members of the Board, it is
19 clear that Mr. MacNutt wrote his letter without complete
20 information. The letter that you have just referred to
21 from the Board to Corridor is in answer to the complete
22 issue. And if Corridor wished to proceed to clear on
23 Crown land where it had permission to do so, clearly was
24 doing so at its own risk, and in my submission does not in
25 any way compromise the ability of this Board to reach a

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2 fair, reasonable and objective decision. And as I said, the
3 letter from the Board to Corridor surely clarifies that in
4 the most clear of language.

5 MS. DESMOND: Mr. Chair, could I ask that the letter
6 prepared by Todd McQuinn be entered as an exhibit?

7 VICE-CHAIRMAN: Yes.

8 MS. DESMOND: I don't believe, Mr. Chair, that there are
9 additional copies ready at this stage of circulation. But
10 possibly at lunch hour break we could have copies
11 available for all of the parties for review.

12 VICE-CHAIRMAN: That will be marked as exhibit PUB-1.
13 Enbridge Gas New Brunswick, do you have any comments?

14 MR. HOYT: From your comments, Mr. Chair, it sounds to me
15 like the Board dealt with this in quite an appropriate
16 manner.

17 VICE-CHAIRMAN: Kings East Development Partnership?

18 MR. HORTON: No comment, Mr. Chair.

19 VICE-CHAIRMAN: McCully Pipeline Owners Association?

20 MS. MCQUINN: The Landowners have some experience of
21 Corridor misrepresenting things and evidently Corridor may
22 have misrepresented facts to Mr. MacNutt. Thank you.

23 VICE-CHAIRMAN: Potash Corporation of Saskatchewan?

24 MR. ZED: In our view the letter is a full answer to the
25 preliminary matter, sir.

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2 VICE-CHAIRMAN: Property Owners, Ernest Cummings?

3 MR. CUMMINGS: No comment.

4 VICE-CHAIRMAN: Jayne McQuinn?

5 MS. MCQUINN: No comment, other than what the Maritime

6 Pipeline Landowners --

7 VICE-CHAIRMAN: Brenda Lee Morrell?

8 MS. MORRELL: No comment.

9 VICE-CHAIRMAN: Elizabeth McQuinn Nixon?

10 MS. MCQUINN NIXON: I would just have to say that it has

11 been my experience that Corridor has misrepresented other

12 things. I have stuff in the binders here where I feel

13 that they have misrepresented Landowners as being

14 progressing favourably and signing contracts when

15 Landowners were in fact not even aware that there was

16 going to be a pipeline crossing their property.

17 There is also -- it's part of their environmental impact

18 assessment meetings, the binders and the different

19 appendices, I think it's appendix I and J of binder 3,

20 indicate that surveys were done at the end of meetings

21 that could be interpreted as to public opinion on the

22 project.

23 Those surveys were indicated as meetings as public opinion

24 on the job AMEC did in presenting it. So I just use those

25 as examples that I personally experienced them

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2 misrepresenting me. So I sympathize with the Board.

3 VICE-CHAIRMAN: Does the Union of New Brunswick Indians have
4 any -- want to make any comments after hearing from the
5 other intervenors?

6 MR. GETTY: We stand by our preliminary request.

7 VICE-CHAIRMAN: Thank you. Is there any other preliminary
8 matters? It's now 12:00 o'clock. I guess we will adjourn
9 for lunch break until 1:15. We will change that to 1:30.
10 We have quite a few things here to look at. Thank you.

11 (Recess - 12:00 p.m. - 1:30 p.m.)

12 VICE-CHAIRMAN: Good afternoon. I think we are going to
13 address the preliminary matters from this morning.
14 The Board has listened carefully to all the submissions
15 made this morning. The Board has taken all of your
16 comments and concerns into consideration and have decided
17 as follows in relation to the preliminary matters raised
18 this morning.

19 In the first matter that was raised by the applicant, the
20 Board does have the ability to determine questions of fact
21 and of law. However, the ability can only be exercised
22 within the context of the relevant legislation in this
23 application.

24 Further, any request that this Board consider questions
25 relating to aboriginal rights must be presented

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2 in a proper fashion. This includes giving notice to the
3 Attorney Generals of Canada and New Brunswick, so that
4 they can make their submissions as to the existence of any
5 such rights.

6 The Board considers that this has not occurred in this
7 particular situation. Therefore, the Board cannot
8 consider any evidence related to aboriginal rights in
9 making its determination on the application for a permit
10 to construct.

11 The second preliminary matter raised by EGNB, conditions.

12 The Panel has decided that if the permit is issued the
13 conditions as contained in exhibit EGNB-2 as proposed by
14 Corridor and EGNB will be included in the said permit.

15 The third preliminary matter with EGNB. The Board wishes
16 to comment that it is not appropriate form for Kings East
17 Development Partnership to request a single end use
18 franchise or local gas producer franchise in the midst of
19 another application before the Board.

20 The Gas Distribution Act sets out the process for how such
21 an application may be made before the Board. While the
22 evidence of the Kings East Development Partnership is
23 inadmissible, the Board will convert the proposed evidence
24 of Kings East Development Partnership to a letter of

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2 comment.

3 In regards to the Potash Corporation of Saskatchewan's
4 preliminary matter, the Board will, unless any issues
5 arise as a result of an examination and cross-examination
6 of the witness of Potash Corporation of Saskatchewan on
7 this subject, accept that PCS can conduct its mining
8 operations without the necessity of applying to the Board
9 so long as the operations come no closer than 200 meters
10 to the surface.

11 As to the preliminary matters for the Union of New
12 Brunswick Indians, this Board is seized with the
13 jurisdiction to hear this matter. The Panel has been set
14 and the Board intends to continue this hearing in good
15 faith as we are currently mandated to do. The sixth
16 preliminary matter, again the Union of New Brunswick
17 Indians.

18 Finally, the Board does not consider the letter dated
19 September 15th 2006, executed by Peter M. MacNutt, to have
20 in any fashion fettered the Board's decision making.

21 I guess that's all the preliminary matters from this
22 morning that has been taken care of. Would the applicant
23 like to start giving his evidence?

24 MR. NORMAN: Mr. Chairman, the applicant has already filed
25 with the Board volumes 1, 2 and 3 of its application which

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2 are marked as exhibits A-1, A-2 and A-3. And the applicant
3 has also given extensive responses to those intervenors
4 who asked questions by way of interrogatories. And the
5 document containing all of that information is exhibit A-
6 4.

7 There are also other documents filed with the Board such
8 as the Certificate of Determination by the Minister of
9 Natural Resources which have direct application to the
10 issuance of a permit.

11 All of that documentation which has been available for a
12 substantial time, contains very comprehensive information
13 and material with respect to Corridor's compliance with
14 the Pipeline Act and the regulations under the Pipeline
15 Act.

16 The reason I summarize reference to those documents is
17 because there is little if anything remaining for Corridor
18 to do or to say with respect to its application. And
19 there is really no purpose to be served in having a
20 witness called who is simply going to reiterate a lot of
21 what is already in the material.

22 So what Corridor is proposing to do is to make its
23 witnesses available for cross-examination by intervenors,
24 so that intervenors can satisfy themselves with respect to
25 whatever further inquiries they have.

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And I know I am repeating myself, but I want to emphasize that to simply call a witness for the purpose of going through material that is already in existence seems to be somewhat redundant and unnecessary and would unnecessarily prolong the process.

So what we propose to do is to call Norman Miller as a witness, have him introduced as a witness in accordance with the Board's practice, and then he will be open to any questions or cross-examination from the intervenors.

Having said that, there is one document that Corridor wishes to introduce as an exhibit, and we can do this either at this point in time or when Mr. Miller takes the witness stand.

VICE-CHAIRMAN: Why don't we introduce it at this point?

MR. NORMAN: This is a letter dated September 14th 2006, from the Sussex and District Chamber of Commerce in support of the application. There is a copy there for each of you.

VICE-CHAIRMAN: The letter from Sussex and District Chamber of Commerce dated September 14th 2006, will be entered in as exhibit A-5.

MR. NORMAN: Mr. Chairman, I'm just being reminded that there is another letter of support from Maritimes and Northeast Pipeline dated the 21st of September, 2006,

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2 which has already been provided to the Board and I believe

3 distributed. Perhaps that should be marked as an exhibit?

4 MR. ZED: Mr. Chairman, I don't mean to prolong the

5 proceedings but it would be helpful if we had copies of

6 the letters because I haven't seen either one of them.

7 MR. NORMAN: Yes. We are going to get the copies and mark

8 them later. I didn't realize -- I thought this had been

9 distributed.

10 MS. DESMOND: Mr. Chairman, if I could just add. I'm

11 wondering if it might be appropriate for the Panel just to

12 mark the document but not enter it as an exhibit, just

13 give the document a number, and then if people have

14 questions or want to cross examine, the Panel can decide

15 if they choose to mark it as an exhibit. But perhaps just

16 marking the document for identification purposes.

17 MR. NORMAN: Sorry, Chair, I understand it was -- had been

18 distributed.

19 VICE-CHAIRMAN: We will call it I-1, the information. Is

20 this the only copy? You need it back to make some copies.

21 Mr. Norman, have you got other copies of this?

22 MR. NORMAN: Yes, we are getting them.

23 VICE-CHAIRMAN: A-5. Thank you.

24 MR. NORMAN: Those were the only additional documents, Mr.

25 Chairman.

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2 VICE-CHAIRMAN: Would you like to swear your witness in?

3 MR. NORMAN: Yes.

4 NORMAN MILLER, having been duly sworn, testified as follows:

5 DIRECT EXAMINATION BY MR. NORMAN:

6 Q.1 - Your name is Norman Miller?

7 A. Yes.

8 Q.2 - And you are the President of Corridor Resources?

9 A. Yes.

10 Q.3 - And you, sir, are generally familiar with the issues
11 relating to this application?

12 A. Yes.

13 Q.4 - And are you prepared, sir, to answer questions with
14 respect to that application?

15 A. I am.

16 VICE-CHAIRMAN: So that's all the evidence. I would like to
17 start with the formal intervenors. Enbridge Gas New
18 Brunswick?

19 MR. HOYT: As set out in Enbridge's letter of September 21st
20 which was marked this morning as EGNB-2, EGNB does not
21 plan to cross examine Corridor's witnesses.

22 VICE-CHAIRMAN: Thank you. Mr. Horton, Kings East
23 Development Partnership?

24 MR. HORTON: Mr. Chairman, we believe our questions have
25 been answered by Corridor Resources. No questions.

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2 VICE-CHAIRMAN: McCully Pipeline Landowners Association?

3 MS. MCQUINN: No questions.

4 VICE-CHAIRMAN: Potash Corporation of Saskatchewan.

5 MR. ZED: We don't have any questions for Mr. Miller.

6 VICE-CHAIRMAN: Union of New Brunswick Indians? Property
7 Owners, individually. Christine Bell? Ernest Cummings?

8 MR. CUMMINGS: No questions this time.

9 VICE-CHAIRMAN: Jayne McQuinn? Would you like to come up
10 front here.

11 MS. MCQUINN: You want me to come up?

12 VICE-CHAIRMAN: Yes. If you have any questions, if you want
13 to come up front here. It might be easier.

14 MS. DESMOND: Excuse me, Mr. Chair. I don't mean to
15 interrupt Ms. McQuinn, but I did want to perhaps ask this
16 witness if he could swear to the truth of his application
17 and the evidence contained therein, and if it was prepared
18 at his direction?

19 VICE-CHAIRMAN: Do you want to swear the -- well we have
20 already --

21 MS. DESMOND: The evidence has not yet been affirmed. I
22 know he swore the witness in but he hasn't sworn to the
23 truth of the contents of the application and that the
24 material was actually prepared at his direction.

25 VICE-CHAIRMAN: Secretary, do you want to swear the --

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2 MS. LEGERE: He has been sworn.

3 VICE-CHAIRMAN: He has been sworn in to give his evidence.

4 MS. DESMOND: Perhaps -- could I maybe put the question

5 directly to Mr. Miller and ask him if he can swear that

6 the evidence is true that has been filed before the Board?

7 A. I do so swear.

8 MR. DESMOND: Okay. And, Mr. Miller, could you please

9 affirm for the Board that the evidence as filed was

10 prepared at your direction and authority?

11 A. I confirm that.

12 MS. DESMOND: Thank you.

13 VICE-CHAIRMAN: Do you want to continue?

14 MR. NORMAN: The only thing I would call attention to the

15 committee with respect to that is that is given the nature

16 of the documentation much of it is opinion in the sense of

17 making judgments and assessments. It's not a matter of

18 necessarily being true and false. It's not that

19 simplistic.

20 So I just mention that at this stage. If the witness

21 thinks that it's as simplistic as being true and false,

22 then perhaps that could be misleading.

23 VICE-CHAIRMAN: Do you want to continue?

24 CROSS-EXAMINATION BY MS. MCQUINN:

25 Q.5 - You made me stop. I really have a problem believing

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2 some of the things that we have been told relating to these

3 power plants that Corridor Resources wish to construct.

4 We have heard verbally of many various things that so far

5 have not occurred or likely to do so. Further to

6 believing what we are told, I would like to say that we

7 have not received any revised option and easement

8 agreements which were promised to us on the 28th of

9 August, or verbally on the 22nd of September. We are

10 aware that the pre-hearing may have had a bearing on the

11 August date but you will also note that we have been

12 informed that Corridor has initiated proceedings under the

13 Expropriation Act, and we would like to know if this is

14 correct or not?

15 A. With respect to --

16 Q.6 - Expropriation proceedings.

17 A. With respect to the Expropriation Act we have initiated

18 the beginning of that process. Now we haven't been able

19 to advance that a great deal at this time, but it's just

20 good business practice to -- in the event that we are

21 unsuccessful in negotiating a fair and reasonable

22 agreement with the Landowners that we have an option or an

23 opportunity to proceed under alternate means.

24 Q.7 - Thank you. I would also like to refer you to the

25 responses to my questions in exhibit A-4 which was the

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2 responses to -- the answers to the -- and in question 1-A, I

3 wish to request information as to the actual route that

4 the pipeline will be going from the gas station to

5 Maritime Northeast Pipeline.

6 According to the maps, there is map 10 in exhibit A, and

7 it shows where the line is expected to be on our property.

8 Now Corridor Resources in their response were unable to

9 confirm the direct paths of their proposed pipeline. But

10 according to the plan submitted in their application, both

11 the pipeline to the Maritime Northeast Pipeline and the

12 gathering pipelines will be on various parts of our

13 property.

14 We have been told verbally of different routes these lines

15 will take from -- and we would like to know if a decision

16 has been made as to where the pipelines are actually going

17 to be constructed?

18 A. There have been some adjustments to some of the routing

19 for various reasons. In the environmental approval there

20 were certain conditions attached to that approval where we

21 have to stay a certain distance away from certain

22 features, that we have to follow those instructions. And

23 so that's one condition.

24 Secondly, there have been some requests by some of the

25 Landowners to facilitate their wishes in terms of where

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2 specific lines might be located that would be more

3 accommodating to their interests, and where we can do that

4 we are attempting to do that. And some of those changes

5 we weren't aware of at the time of the initial routing.

6 So we are attempting to adjust that.

7 And then thirdly, we will have to of course have

8 environmental approval for any of those adjustments before

9 we could proceed with any changes from the initial routing

10 that was in the application.

11 Q.8 - So therefore you have not received permission from the

12 Department of Environment as to where you have proposed to

13 construct the pipeline at the moment?

14 A. We have -- in terms of those changes, we have not.

15 Q.9 - And the question 4, I asked when is the pipeline to be

16 constructed on the flood plain and how will soil erosion

17 be prevented?

18 Now I have a photograph here which shows what the flood

19 plain is like in the spring of the year. AND I just

20 wonder how, if you start constructing the pipeline now on

21 the flood plain, how our topsoil is going to be protected

22 when the flood starts next spring, because the topsoil

23 will all be sent down to the Sussex area or beyond?

24 A. I guess the topsoil can be left off-site until spring,

25 until the run-off is over in the spring, and then placed

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2 at that time.

3 Q.10 - Well I don't know that that would be very feasible when

4 you consider the distance that -- where you are planning

5 to construct the pipeline at the moment it's being the

6 best part of a kilometre. How are you going to remove all

7 that topsoil and where are you going to put it in the

8 meantime to protect it from the erosion?

9 There was mention that you would put a mat over it, but to

10 put a mat to -- on stable ground would be pretty well

11 impossible because I don't think you would get a mat big

12 enough to hold the topsoil in place.

13 Another question was -- Mr. Hopkins suggested that maybe

14 you dig a horizontal direction of the drain, but then you

15 can only go so far and then you have to come up again, and

16 where you come up again that would be an area where we

17 would lose our topsoil.

18 A. Well these have been addressed in our plan. Our people

19 have looked at these issues. Of course if we are storing

20 topsoil off-site it won't be spread over a great area, so

21 we wouldn't have that. You would have a much more

22 concentrated topsoil accumulation to protect from erosion

23 until it can be placed back in the spring time after the

24 run-off.

25 As far as the drilling for -- directional drilling

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2 under the areas that we plan to undertake that, those will be
3 limited -- very limited intrusions in terms of topsoil
4 displacement and will be protected.

5 Q.11 - So this idea of removing the topsoil off the flood
6 plain is something new which has come about since the
7 beginning of this month then?

8 A. It's an option that we have been considering for some
9 time.

10 Q.12 - Another question I ask, will oil spills be sent to an
11 accredited facility? There was a spill on one pipe site
12 recently and the material was very carefully cleaned up
13 and put in containers and then it was placed in an open
14 pit on another pipe site, which is all just up behind our
15 house and it's still there in an open pit. And it was
16 supposed to have a half-life of radioactivity.

17 The gates to the pipe area are seldom closed. There is
18 wildlife up there. And I am just a little concerned about
19 that. And I did send you a registered letter, Mr. Miller,
20 about that, and had a reply from Mr. Hopkins.

21 And the day that you received my registered letter the
22 people on the back road were -- had notices put in their
23 mailbox notifying them of the spill.

24 Now the spill had occurred on the 23rd of August and we
25 had this notice put in on the 30th of August, in our

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2 mailboxes, which was the day you received my registered
3 letter.

4 I would also just like to just ask how does a private
5 woodlot become an accredited facility for disposal of
6 waste products?

7 A. I don't think that we are asserting that it does. The --
8 that -- what I can say to that issue at this point -- and
9 we can address -- we can have our people forward to speak
10 to that -- is that we followed all of the requirements of
11 the regulatory authorities and met all of their concerns
12 with respect to our response to that event, and it has all
13 been adequately handled. So I think that -- I believe you
14 are referring to what we call the B58 well site location?

15 Q.13 - Well there was a spill --

16 A. I'm referring to where the materials are stored.

17 Q.14 - Yes. Where it is stored, yes.

18 A. Yes. That has been approved by the Canadian Nuclear
19 Safety Commission. And it also --

20 Q.15 - Was it -- it was approved without the Landowner?

21 A. No. The Landowner has also approved.

22 Q.16 - But he didn't know it had been put there until after it
23 had been put there?

24 A. He has subsequently though provided his approval.

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2 Q.17 - But it wasn't until subsequently that he provided his
3 approval?

4 A. That is correct.

5 Q.18 - We also have it in writing that if there was any spill
6 on the pads on our property that the spills would be
7 contained and would be taken to an accredited facility for
8 disposal.

9 We have had -- there is an oil spill on our property. We
10 have not been notified of it. And I don't think it has
11 been cleaned up. And I just wondered whether the
12 Department of Environment are aware of it? But we have
13 also received a letter from Mr. Miller saying that there
14 had been no spills on that particular pad.

15 VICE-CHAIRMAN: Could I interject here?

16 MS. MCQUINN: Yes. Sure.

17 VICE-CHAIRMAN: These spills, these are taking place at well
18 sites?

19 MS. MCQUINN: Yes.

20 VICE-CHAIRMAN: Drilling sites?

21 MS. MCQUINN: Yes.

22 VICE-CHAIRMAN: Okay. And you are just --

23 MS. MCQUINN: I'm just --

24 VICE-CHAIRMAN: -- using them as examples of --

25 MS. MCQUINN: I'm using them as examples that environment --

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2 we are concerned about the environment and the way that

3 Corridor have been handling some of the conditions which

4 have been in writing for our property and they have not

5 been looking after the property in an environmentally

6 friendly way.

7 VICE-CHAIRMAN: They are strictly examples because -- as

8 this Board has no jurisdiction of well sites. We are just

9 -- we are talking about a permit to construct a pipeline.

10 MS. MCQUINN: I understand that, sir. But I'm trying to

11 make a point.

12 VICE-CHAIRMAN: I know. And that's what I gathered. I

13 started to join the dots here, and so I figured that

14 that's what you were using as examples.

15 MS. MCQUINN: As an example. And how can we believe what we

16 are being told now is going to happen in the future?

17 VICE-CHAIRMAN: Okay. It's just if you could just clarify

18 things as you go along, okay, so that we don't --

19 MS. MCQUINN: Yes. I'm sorry.

20 A. So if I may respond to that question?

21 Q.19 - Yes.

22 A. These oil spills have been less than 20 meters, so they

23 are relatively small. The environmental inspector for the

24 Department of Environment has been informed in all cases

25 in a timely manner and there have been appropriate

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2 on-site inspections of all spills.

3 Q.20 - Thank you. And then in reply to my question 11(b),

4 living in close proximity as to where this gas station is

5 proposed to be constructed, in the volume per manual,

6 which is volume 2 in the application, the emergency and

7 safety manuals were supposed to be issued on the 31st of

8 August. We were -- the manuals were delivered to us -- or

9 the application binders were delivered to us on the 1st of

10 September and the safety and emergency manuals were not in

11 these binders, and we are really concerned.

12 We would like to see what -- the safety measures and

13 emergency measures Corridor are going to take for the

14 pipeline, the gas station should any emergency or -- come

15 up?

16 A. Yes. Emergency and safety manuals of course have to be in

17 place before -- well before we would have permission to

18 operate these facilities. I think that August 31st date

19 was a target date at one time. But the instructions for

20 us in terms of time frame that they have to be six to

21 eight weeks in advance of a permit to operate the

22 facility.

23 So we are well aware -- in fact they are mostly prepared.

24 So that was a target date at the time.

25 MS. MCQUINN: Thank you very much.

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2 A. If I could clarify something for you?

3 Q.21 - Yes.

4 A. There are two steps to this. There is the permit to
5 construct and also then there is the licencing, okay. So
6 it is a two step situation.

7 MS. MCQUINN: Yes. Thanks very much.

8 VICE-CHAIRMAN: Brenda Lee Morrell, please?

9 MS. MORRELL: I have no questions at this time.

10 VICE-CHAIRMAN: Elizabeth McQuinn Nixon?

11 CROSS-EXAMINATION BY MS. MCQUINN NIXON:

12 Q.22 - Some of my questions have been addressed by Mrs.

13 McQuinn, so please bear with me. When would the manuals
14 for the safety and so forth be coming out then?

15 A. I don't have a specific date. I know that some of them
16 are prepared now. I will try to answer that for you
17 shortly.

18 Q.23 - Certainly you can appreciate as residents like that is
19 one of our primary concerns in coming here is to ensure
20 that the safety and environmental concerns are addressed.
21 And it is troubling not to have the information about how
22 those things have been addressed.

23 But we will learn more about this process and maybe we
24 will find out more going forward.

25 As part of the emergency preparedness manual that is

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2 being -- has there been any discussions with the local

3 firefighters or other emergency response personnel in what

4 would be required?

5 A. Yes, there have been.

6 Q.24 - Okay. Is there any expected training for those folks

7 and who has been contacted?

8 A. I can't give you the names of the individuals but we can

9 probably have those for you shortly.

10 Q.25 - Or the organizations, that would --

11 A. Yes.

12 Q.26 - When will the exact mapping or the exact location of

13 the pipeline be available to Landowners that are being

14 affected?

15 A. As soon as we have the environmental approvals for the

16 slight changes that we have had to make in certain

17 circumstances, the three circumstances that I described

18 previously.

19 Q.27 - So you would go get environmental approval, so then if

20 a Landowner had a concern as it related to the environment

21 about that and the environmental approval was already in

22 place, they wouldn't have the opportunity to address that

23 with the environmental unapproved?

24 A. We have had a lot of discussions with the Landowners, so

25 hopefully we have heard from them already in terms of

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2 what their concerns are in terms of location, and where we can
3 accommodate that we are trying to do that.

4 Q.28 - Okay. When you discussed the spills, you stated that
5 the radioactive -- I think it was a drilling fluid that
6 was stored up on the Fred Wadding property, you felt that
7 that was adequately handled. Who do you think determines
8 whether it is adequately handled or not?

9 A. Well these are -- first of all it wasn't drilling fluid.
10 These were radioactive beads, they are very, very, very
11 low levels of radioactivity, that just allow us to monitor
12 the shape of the frac that we induce into the formation.
13 And so those were very, very tiny levels of radiation. I
14 just wanted to clarify that. So it wasn't a drilling
15 fluid.

16 Q.29 - Okay.

17 A. We have no radioactivity in our radioactive materials in
18 our drilling fluids.

19 Q.30 - What was mixed with those particles? I actually had --
20 a neighbour had told me that they have perceived it to be
21 a fuel spill up on the site, so we had to contact the
22 Department of Environment about it and I actually had
23 occasion to visit that site and see that. And it had a
24 strong petrochemical odour.

25 A. Well there are two separate things, whether you have a

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2 small fuel spill or these radioactive beads where we had that
3 instance that Ms. McQuinn mentioned on the 23rd of August.

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5 They are very -- they are separate events, they are not
6 combined events. And in each case we had the appropriate
7 authorities notified very promptly and their inspections
8 followed immediately.

9 Q.31 - You see I would disagree with that, because on my

10 parents' property I went on a tour on I believe it was
11 Friday, September 15th, with the inspector, Heather
12 Urquhart, and we discovered one of those spills.

13 On that day we went and talked to a Brian Jackson I
14 believe his name is, who is an employee of Corridor, and
15 his response to Heather and I asking about it was, what
16 spill? And he said what, you mean the spill a couple of
17 days ago? And this is the first that we had heard as
18 Landowners about the spill a couple of days ago which had
19 been a relatively small amount I understand. And we said,
20 no, it's a much -- looks like a much larger area.

21 So having discovered it on that site that afternoon with
22 Heather, I don't believe it was reported. I think she and
23 I discovered it.

24 A. I can't comment on that.

25 Q.32 - Okay. Has there been leaks or spills on well pad sites

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2 previously?

3 A. Nothing of any substance that we have had to report that -
4 - and it's something that we do diligently if we do have
5 spills.

6 Q.33 - What are the requirements that you have to report, do
7 you know?

8 A. What kind of --

9 Q.34 - What type of requirements? I am assuming that if it's
10 a liquid it's so many litres or it perhaps depends on --

11 A. It depends on the material -- you know, the type of
12 material that is spilled, whether it is considered to be
13 harmful to the environment. Of course we report on all
14 safety issues as well, safety events that may occur.

15 Q.35 - Do you know that if the two diesel leaks that were on
16 my parents', whether they have been cleaned up?

17 A. I don't know. I can't tell you without asking the
18 appropriate people.

19 Q.36 - Yes. Okay. It has been implied to us by various
20 Corridor personnel or drilling rig personnel that there
21 have been other spills in the past, especially of the
22 fracturing fluid that has radioactive content. And that
23 previously this has been buried on well sites in the
24 Penobscuis area. Do you have any knowledge of any
25 previous spills?

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2 A. I don't think we have been spilling any of the radioactive
3 materials other than the event we are talking about. So -
4 - or burying those materials on site. That was a result
5 of a rupture, specific rupture of a line.

6 Q.37 - Okay. Why was there a three week space of time between
7 this particular spill and the Department of Environment
8 knowing what the contents of the spill was?

9 A. I'm sorry. Could you repeat that please?

10 Q.38 - Yes. Sure. Why was there a three week space of time
11 between the spill, meaning the fracing with the
12 radioactive, and the Department of Environment knowing the
13 contents of what was in that? I understood it took them a
14 long time to find out what the contents of that was.

15 A. I don't believe that could be the case, because we had an
16 inspector up immediately for that and -- from the
17 Department of Environment, and that person would have
18 known the nature and the content of the material.

19 Q.39 - My understanding was that was not the case and that it
20 took three weeks for her to get the information. I know
21 she is not here, you can't speak to --

22 A. I would be surprised at that quite frankly.

23 Q.40 - Okay. At a recent meeting in Elgin with regards to
24 seismic, I understand that folks were told there that
25 Corridor had never had a spill. Are you aware of people

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2 being told that you have never had a spill?

3 A. No, I can't -- I'm not aware of that.

4 Q.41 - Would it be something you would be concerned about if

5 someone -- or, you know, a subcontractor or whether it was

6 an employee of Corridor was telling people you had never

7 had a spill when in fact you had?

8 A. Absolutely. We want to be very straightforward in our

9 communications with all our communities.

10 Q.42 - Okay. As part of the environmental impact assessment

11 process public meetings were held by AMEC and Corridor and

12 reports were submitted that I believe were a binder, the

13 binder 3 in this process. Is that the same document that

14 would have been submitted to government or similar

15 materials before the environmental impact assessment, or

16 is it the exact same document? This is just a general

17 question.

18 A. I think that was part of the environmental impact.

19 Q.43 - Sure. I just note that in appendix I and J of that

20 document, they use the content of exit surveys and not

21 what was discussed in the meetings to determine how

22 successful the meeting was or whether folks had concerns

23 at the meeting.

24 So in that binder, appendix I and J, they are basing it on

25 the exit survey. Now I myself I don't know that I

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2 ever filled out an exit survey and certainly I had concerns

3 that I brought up at those meetings, concerns I brought up
4 with you yourself and Paul.

5 And I think the perception was that those surveys were to
6 determine whether AMEC was doing a good job in presenting
7 the material rather than satisfaction with the material or
8 with the content.

9 Would you say that the surveys completed were supposed to
10 -- what were the surveys supposed to do?

11 A. Well I think it was both, that it was -- we were trying to
12 present an opportunity for feedback, so that people had an
13 explicit, defined opportunity to say look, I can fill this
14 form out and I can provide feedback that can be taken into
15 account. So it was really an opportunity for people to --
16 and so we were trying to be explicit about it and not
17 casual or not letting -- putting them in a position where
18 they had to take an initiative on their own. So we were
19 trying to guide that by saying, here is a form for
20 feedback, whether it be how well we communicated and
21 substance as well.

22 Q.44 - There was another public meeting in Penobsquis that was
23 a different style of meeting. It wasn't an open house, it
24 was a sit down meeting. Was any information from that
25 used in any of the EIA assessments?

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2 A. Which meeting was this?

3 Q.45 - Yes.

4 A. And you are asking what --

5 Q.46 - Was any information -- because certainly there was an

6 abundance of questions that night about the gas plant and

7 about how the pipeline was going to go in and general

8 resident concerns. and that has led to a lot of residents

9 requesting to intervenors, some of which cannot be here

10 because of work commitments and other commitments. and

11 they are frustrated that they can't take part in the

12 process because they -- but anyway, I digress.

13 I'm just wondering if comments that folks made that night

14 have been used in -- because it feels to me that the

15 concerns of the residents really haven't been addressed in

16 the documents that I have written -- or I have read,

17 rather. And I was at different meetings.

18 A. Well a great deal of effort has gone into trying to elicit

19 the concerns by having these meetings and through general

20 communications with people all along through our other

21 operations. So we -- you know, it is a priority for us to

22 get that feedback. We are hopefully here for the long

23 time and we know how important it is that we work, you

24 know, in a very co-operative and effective way with the

25 local communities. And we are determined to do that.

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2 So it concerns us that we do reflect those issues.

3 Q.47 - One of the issues that was brought up at that meeting

4 was concerns regarding the sounds at the gas plant. Has

5 there ever been a maximum decibel level that would be

6 included in a permit for the gas plant? Because we just

7 want some criteria in place that it's going to be, you

8 know, on site -- and I don't know decibels, so forgive me

9 if the number is wrong -- but that if you were right at

10 the gas plant it was going to be 30 decibels and if you

11 are a kilometre away it was -- you know, I want set down

12 criteria for the noise level would be preferable than --

13 A. Yes. And there have been those determinations made. And

14 I believe, you know, very short distances now from the gas

15 plant we are going to be at levels 45, which is close to

16 ambient, 40 to 45, background noise levels, and as we get

17 further away they are going to diminished less than that.

18 So very concerned about that. I think the steps have

19 taken.

20 I'm very satisfied from what I have learned from people

21 working with us that those have been very adequately

22 handled and that will not cause a noise problem. We have

23 the additional capacity to add further insulation to the

24 facility if that turns out not to be the case. But we

25 will ensure that this is a facility that

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2 does not cause undue noise levels for the residents

3 surrounding the plant.

4 Q.48 - Will there be baseline ambient noise measurements some

5 time when there is no drilling rigs near?

6 A. Oh, yes. I think that's -- we won't have any -- we will

7 make sure that our measurements of sound levels are

8 independent of drilling noises.

9 Q.49 - Because there are -- just for the Board's benefit there

10 is I think four big diesel engines on each drilling site.

11 And then there is flaring that takes place on top of

12 equipment and banging and clanging. So if you took an

13 ambient noise measurement at that time and it was affected

14 by those, then I don't think it would be a true

15 measurement.

16 A. Those measurements will be independent of other drilling

17 related noises.

18 Q.50 - Okay. Because I know of one incident where they

19 measured at my parents' where there was both the rig on

20 the hill behind and the rig on their property further down

21 were both being worked on. So I don't think that that

22 would be a correct ambient noise level because I know what

23 it's like at my house and I'm father away.

24 As part of the EIA component of this assessment, residents

25 were told that they needed to take part in the

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2 PUB process to have their issues addressed. I'm just -- do

3 you think that there would have been -- should have been

4 other recourse through like the EIA process? I just -- I

5 know that there is lots of folks that know that they

6 didn't -- or feel that they didn't have a chance to

7 discuss their concerns.

8 A. Well we tried to -- you know, we advertised our open house

9 processes. We tried -- it's very much in our interest too

10 to get the local people out. I mean, we hate it when we

11 set up a meeting and only a few people turn out, because

12 it's important that we do collaborate on these at an early

13 stage and that we can reflect those concerns as we go

14 forward.

15 So we hopefully have done that in a fair manner and will

16 continue to do that.

17 This is only the beginning of our collaboration through

18 open house mechanisms and other mechanisms that we plan to

19 establish that will help bridge the concerns of local

20 residents and our operations, so that we can harmonize to

21 the maximum degree possible in ensuring that these

22 concerns are met.

23 Q.51 - I know Norma Van de Brand called me this morning and

24 she was one of the intervenors who can't be here today and

25 she wanted to make sure that I asked this question.

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2 Why would you AMEC people not go door to door on Canada
3 Packers Road and let people know that the gas plant was
4 going to be down at the end of their road? They feel that
5 the people saw the ad in the paper, said oh, that's for
6 the folks over near the well sites, that's not got
7 anything to do with me. And felt that they found out
8 after I believe it was the second public meeting that it
9 really had a lot to do with them, and they felt that
10 someone should have contacted them directly about that
11 meeting and let them know.

12 A. Okay. Appreciate that. We are hopefully going to
13 alleviate their concerns in terms of their worry about
14 traffic on their road.

15 Q.52 - The traffic, the noise, the emissions. Some are
16 concerned that there might be an odorant added, some are
17 concerned that there wouldn't be an odorant added because
18 of safety reasons?

19 A. Well with respect to the traffic issue we are well down
20 the road now I think on establishing a bridge connection
21 from the south to cross the Kennebecasis, so we will have
22 direct access from 114 without having to come in around
23 the Canada Packers Road. So that should be helpful to
24 people in terms of traffic and concerns from that aspect.

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2 Q.53 - Will there be an odorant added to the gas at the gas
3 plant?

4 A. No.

5 Q.54 - Okay. So there is no odorant throughout the process.

6 I want to make sure I understand it too. There is no
7 odorant added at the well site and there is no odorant
8 added at the gas plant. So -- okay.

9 A. Just some supplementaries to your earlier questions.

10 There have been a number of manuals that have gone in
11 already and others that are in various stages of being
12 finished here, which we can communicate to you if you
13 wish?

14 Q.55 - Okay. Sure.

15 A. That's not part of this process directly, but --

16 Q.56 - Okay.

17 A. -- if it helps you.

18 Q.57 - So maybe -- and I don't know whether this is for you,
19 Norm, or whether it's for the Board. You indicated that
20 there is a second part to this process that is not in a
21 public forum, is it, for the licencing?

22 A. This right here is permit to construct, then we have a
23 licence, which could be in an open forum.

24 Q.58 - I am just really -- our community is so concerned about
25 the safety and the environment. So if there is the

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2 opportunity there for some input, whether it's an open forum
3 or write in or something like that -- actually a write in
4 might be better, just as a comment. Then folks don't have
5 to take time off work.

6 How deep will the pipeline be under the railway tracks?

7 A. I believe it's two meters. Two meters at the ditch line.

8

9 Q.59 - What kind of -- as you may know, there was a derailment
10 actually last September on the rail line along the back
11 road very near where the pipeline would cross under it in
12 one location. What type of things were looked into in the
13 event of a derailment, if there were cars with heavy --

14 A. The CFA standards for these kind of facilities, so this is
15 a national standard. So it has worked elsewhere in Canada
16 and these are the guidelines and rules under which we
17 operate.

18 Q.60 - Okay. And again like it would be interesting if
19 something like that was addressed in the safety manual or
20 our emergency response?

21 A. I believe it is spelled out in our application though.

22 Q.61 - It could be and I missed it or no connected a dot.

23 There has been some discussion about whether the
24 Kennebecasis River would need to be dammed in order to get

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2 the pipeline underneath it. I understand that your first

3 course of course would be directional drilling. If one

4 try at directional drilling didn't get the pipeline under

5 the river successfully would you try other locations

6 before damming the river?

7 A. Well I think it's in our interest to drill directionally,

8 so it would depend on the reasons for a failure. If you

9 didn't have an expectation of correcting the problem with

10 a second attempt then you may have to look at damming.

11 But if you felt that a second or third attempt and perhaps

12 in a different location, then that would be looked at as

13 well.

14 Q.62 - When you have been considering where the pipeline

15 crosses the river, I know that fairly shallow beneath the

16 surface there is pea gravel. Did you take into account

17 where that pea gravel might be or might not be with the

18 assistance of geologists that might know more about that

19 when deciding where to cross the river?

20 A. Yes. The geo-technical information is a very important

21 part of determining those crossings.

22 Q.63 - One of the things that is listed at the gas plant is

23 that there will be methanol injectors, and I believe

24 actually also on the well sites. And that's stored on

25 site. Is it a special type of methanol or is it just pure

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2 methanol?

3 A. It's methanol.

4 Q.64 - Okay. And I have another note here. Again, I spoke to

5 both Norma Van de Brand and Chris Bell this morning and

6 they helped me come up with some questions, and here is

7 another one from Norma, that we want it in writing about

8 the noise, that once it exceeds a certain level it will be

9 addressed. Would it be possible to get it in writing to

10 residents what exactly the sound level tolerances are?

11 A. We just reassessed the sound implications and we can make

12 that information available. So that would address your

13 issue in terms of the rig -- that drilling noise?

14 Q.65 - Yes. And I think with Norma, she is farther away from

15 the rig, so that might not be -- what the concern is and

16 other folks along Canada Packers Road, that there is a set

17 figure and they want to know what that figure is, and --

18 you know, so that they can go on the Internet or whatever

19 and say, okay, this figure is going to sound like this,

20 whether it be a diesel truck running in their yard or a

21 cat purring or whatever.

22 A. Yes. We will make that information available to you.

23 Q.66 - Okay. Here is another one from Norma. Has any thought

24 been given to forming a team, including community members,

25 to constantly monitor emergency readiness and to prepare

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2 emergency responses?

3 Norma notes she would be willing to take part. She is
4 head of our Neighbourhood Watch.

5 A. That's great. Yes. Two efforts in that regard, one a
6 community liaison committee that we want to set up
7 partially funded by Corridor that would -- for general
8 matters. And then we have the educational program that we
9 want to set up which will deal directly with people
10 engaged in responses to emergencies and so that we have a
11 good connection and dialogue between our people involved
12 in those activities and the people in the community that
13 would respond to those should they occur.

14 Q.67 - And again we would suggest that Norma and I -- I know
15 she is not here and I don't have it in writing to talk on
16 her behalf -- but this was in fact something I discussed
17 with her, that there needs to be a policy for emergency
18 responses and that we felt it should be included as part
19 of this permit.

20 Now we are not experts on this area of the law. Has any
21 consideration been taken into account when positioning the
22 pipelines about how close a new water system might be? I
23 know in the news yesterday the Saint John Fire Chief was
24 quoted as being concerned that their natural gas pipeline
25 for the LNG was going to be in one spot close to the only
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2 source of water.

3 So my understanding was that if there was a rupture in the
4 pipeline that led to an explosion it would also take out
5 the water, therefore they wouldn't have the water to fight
6 any ensuing fire.

7 And as you know we are doing -- we are going hopefully --
8 getting a new water system due to our lack of water out
9 there.

10 Was any -- was that taken into account when considering
11 where the pipeline would go?

12 A. Yes, it was. This is a rural setting as well, and so we
13 have more options in that regard than perhaps they would
14 in Saint John.

15 Q.68 - Have there been discussions with the Department of
16 Environment folks in the project group?

17 A. With respect to?

18 Q.69 - With respect to where they were planning on putting the
19 pipeline to the water?

20 A. Yes.

21 VICE-CHAIRMAN: I was wondering, Mrs. Nixon, have you got
22 many more questions?

23 MS. MCQUINN NIXON: I don't think so. I will try to keep --

24 VICE-CHAIRMAN: No, I'm not trying to constrict you. It's
25 just that it's kind of warm in here, it's kind of tight.

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2 I just thought about taking a ten minute break, so everybody
3 could sort of come up for air.

4 MS. MCQUINN NIXON: Sure. If you are ready to take a break.

5 MR. GETTY: Mr. Chairman, before you take a break, the Union
6 of New Brunswick Indians, because of the decision that you
7 have made, will not be able to participate in this
8 hearing.

9 We would like to request a copy of the transcript of the
10 proceedings to date as quickly as possible.

11 VICE-CHAIRMAN: I think as soon as they become available we
12 will make a copy available for you.

13 MR. GETTY: That's it.

14 VICE-CHAIRMAN: We will take a ten minute break.

15 (Recess)

16 MS. MCQUINN NIXON: Go ahead?

17 VICE-CHAIRMAN: Yes, go ahead.

18 MS. MCQUINN NIXON: This is sort of an administrative issue
19 I guess because we don't understand the format and I have
20 been asked by other landowners that will there be more
21 witnesses for Corridor to respond to questions or is it
22 just Mr. Miller?

23 A. If you wish, but if I can answer the question through some
24 collaboration with my colleagues, then I am happy to

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2 do it that way as well.

3 MS. MCQUINN NIXON: Would it be appropriate to swear others
4 in and act as a panel or -- I am just going on someone
5 else's suggestion. I don't know what I am doing.

6 MR. NORMAN: I have made a record of two questions that Mr.
7 Miller hasn't been able to respond to because of his lack
8 of direct knowledge. And two witnesses can be called in
9 order to respond to those two issues that's all.

10 VICE-CHAIRMAN: Would you want to call those two witnesses?

11 MR. NORMAN: Yes.

12 VICE-CHAIRMAN: Are they here?

13 MR. NORMAN: That's what I am saying, they are here and they
14 can be called to respond to those two questions.

15 VICE-CHAIRMAN: Do you want to do that right now?

16 MR. NORMAN: Well, it might be better to finish with Mr.
17 Miller and then we will call them, because there may be a
18 couple of other questions that he can't answer and those
19 same witnesses may be able to address all at the same
20 time.

21 VICE-CHAIRMAN: Okay. No, we will do it that way.

22 MR. NORMAN: Otherwise it's confusing.

23 VICE-CHAIRMAN: Do you want to carry on?

24 MS. MCQUINN NIXON: Okay. And sort of another procedural
25 issue, was the concern that there is a couple of folks

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2 that were planning on attending tomorrow and asking questions

3 and whether there would still be a session tomorrow? That

4 depends how long I take?

5 VICE-CHAIRMAN: That's right. But I would --

6 MS. MCQUINN NIXON: I do have -- I had other questions.

7 VICE-CHAIRMAN: Yes. No, I mean -- carry on. I mean, you

8 know, ask the questions you want. There is no question we

9 are not going to confine you to any time frame.

10 Tomorrow, I hope that yourself and the other individual

11 property owners be here for final submissions.

12 MS. MCQUINN NIXON: Okay. So they would still have the

13 opportunity to say something?

14 VICE-CHAIRMAN: They would have the opportunity to say

15 something, but they may not -- at that point you cannot

16 examine or cross-examine a witness.

17 MS. MCQUINN NIXON; And I mean I can't speak for them, but I

18 think it's more of a concern for them. Okay.

19 Q.70 - Also there was some question -- you mentioned that

20 there would be a road from Route 114 to the gas plant. Do

21 we know exactly where that's going to be?

22 A. Yes.

23 Q.71 - And the property owner is aware of that?

24 A. Yes.

25 Q.72 - Okay. Has there been environmental approval for that

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2 road, has that been --

3 A. The road exists now. The main new component is a bridge

4 across the Kennebecasis --

5 Q.73 - Okay.

6 A. -- which will be approved by the Environment.

7 Q.74 - There is no flood issues with the road that you are

8 aware of? Okay. When I look at question 10, my question

9 10 in the binder, it was will there be staff at the gas

10 plant? As part of the response, Corridor says that there

11 will be residents -- that there will be folks on call

12 essentially in the evenings, a resident within the local

13 area. How would you define the local area and how close

14 would they be to the plant in case of --

15 A. Well, they haven't taken up residence yet. So I can't

16 tell you exactly where they are going to be, but there

17 will be folks -- some folks in the immediate area. Some

18 in the general area and I won't define, general. It's in

19 New Brunswick.

20 Q.75 - Okay. In discussions with both you and Paul before on

21 one occasion, you stated that the folks that would work at

22 the gas plant would either buy homes or build homes in

23 Penobsquis. Would that mean that you wouldn't consider

24 local area residents to run the plant if they had the

25 qualifications to do so?

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2 A. It does not mean that we would -- we would not exclude
3 local people that already live here from that process at
4 all. It would be an open process for all qualified
5 people.

6 Q.76 - Okay. Did you ever consider or ponder having someone
7 else contract to build the pipeline? Certainly there is
8 companies out there that just specifically deal in
9 pipelines?

10 A. Yes, we did look at that possibility.

11 Q.77 - Could you give us some of the reasons why you chose to
12 do this yourself? I mean it's a big project. You guys --
13 Corridor has grown substantially in the past few years
14 very rapidly. It must be very challenging?

15 A. Well a couple of general reasons in that -- all these
16 companies are very busy in their existing worlds of where
17 they are working. So would be stretched to accommodate
18 this.

19 Secondly, the cost. It puts another layer of cost in
20 there, another ownership, another management, because it
21 could come with ownership of the line as well. So it
22 would complicate our lives potentially. So they are all
23 considerations that we took into account.

24 Q.78 - Do you have folks on staff who have pipeline experience
25 or in both -- in constructions of pipeline and in the
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2 maintenance or running the pipeline or a gas plant?

3 A. Yes. We have people on staff that have had lengthy career
4 experiences with pipelines on the construction end,
5 operation side, but also through our contractors. And
6 this is the way that a lot of these other companies that
7 you referred to earlier would operate as well. They would
8 contract many of the same people that we are contracting
9 to get the job done.

10 Q.79 - Who would be looking out for area residents and
11 landowners' interests during the construction of this
12 pipeline? And would Corridor consider funding someone to
13 look after the landowner issues? We have heard of this
14 being done elsewhere where the pipeline construction
15 company would provide funds and then a landowners' group
16 or a group of residents would hire someone with the
17 appropriate background and so forth on your own accord
18 with those funds to monitor for environmental and safety
19 concerns. And we talked about separating out of the top
20 soil and the subsoil and not working on wet days because
21 of the damage that does to the land to monitor for those
22 types of things?

23 A. Well, we have a very stringent monitoring process during
24 our construction to ensure that the considerations that
25 need to be taken into account are properly handled.

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2 So there is a very well defined process. Environmental
3 monitoring, operational monitoring, safety monitoring. So
4 all of that is already built in as part and parcel of the
5 construction approach.

6 Q.80 - So who are the folks that monitor it? And I am

7 assuming their allegiance would be to you if you hired
8 them?

9 A. Yes. We have contractors and in fact we have -- we will
10 have brought in First Nations people as well, as part of
11 that process. So it's our intent to be comprehensive and
12 also to engage others that can I guess work alongside of
13 our people to ensure that their respective interests are -
14 - and in the interests of the landowners and in the
15 environmental interests, et cetera, are all taken into
16 account.

17 Q.81 - Now there is some instances where landowners have gone

18 on and tried to check their well sites out themselves and
19 they have been asked to leave and certainly there is
20 sometimes I am sure when there is blasting or something
21 going on, that that's a suitable thing to ask.

22 Are landowners going to be able to access the working area
23 of where the pipeline is going into the ground to see
24 what's going on and --

25 A. Well, I will speak in terms of the tradition in the

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2 industry is that it's really not -- these would be -- are the
3 work areas, where trained people are allowed. And it's
4 really not appropriate, we don't think for surprise visits
5 or just informal types of visits to occur unless they be
6 pre-approved either by the local supervisor or by someone
7 else in Corridor's operation. And that's a great deal to
8 do with the safety aspects of the operation.

9 Q.82 - I know in some cases with well site visits, there has
10 certainly been a perception that a visit would be
11 discouraged for other reasons rather than safety and it
12 meant that folks would rather have noticed that you are
13 going to be on site so that they can clean things up?

14 A. I don't think that's an issue for us.

15 Q.83 - I know I certainly had -- pardon?

16 A. That's not a concern. That's not the reason for
17 restriction of people on a very active industrial site.

18 Q.84 - Then I go back to would you consider finding someone
19 who would work landowners and then you wouldn't have to
20 have landowners to visit there to reassure themselves that
21 things were being done properly?

22 A. Well, we are very we think adequately regulated now. Plus
23 we have our own diligent supervision for these activities.
24 So if there are concerns I think -- you know, bring them
25 to our attention. And if you want to visit a

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2 site let us know and we will make arrangements to do that. I

3 think those are all processes we are prepared to follow.

4 Q.85 - I guess the question doesn't come not in terms of the

5 regulation, but rather in terms of the monitoring. I know

6 the perception has been that the Department of

7 Environment, for instance, has been on well sites multiple

8 times a week, when in fact Department of Environment has

9 probably been lucky if they get once a month. Although I

10 understand that that has changed recently.

11 So it's not a matter of the regulation, although I do have

12 concerns when it comes to regulation with regards to sound

13 and things like that, which I guess is outside laying the

14 pipeline. It's more -- it's more of a monitoring thing.

15 I don't know -- I guess that's more of a comment than a

16 question, but do you have anything to add to that or --

17 A. No.

18 Q.86 - So who would decide if the ground was too wet and it

19 shouldn't be worked?

20 A. Well, we have experts on that construction staff that will

21 be taking those factors into consideration. It has more

22 than environmental impacts when you have wet ground. It's

23 also a cost factor. So it's something that's extremely

24 important to us and will be monitored daily.

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2 Q.87 - So do you have farmers and crop science specialists on
3 staff?

4 A. No, but we have people that are very familiar with
5 operating in those conditions and consequences if we cause
6 damage, et cetera, as a result of those activities. So
7 it's a very experienced crew.

8 Q.88 - Yet, you know, we have heard of folks from other
9 provinces, who have had problems when conditions have been
10 done too wet and the soil gets compacted and they can't
11 have crops for years and years afterwards. And yet they
12 were assured by pipeline companies -- and actually folks -
13 - you know, this will be your first pipeline, but folks
14 that have put in pipelines all over the place have done
15 substantial damage. The crops haven't grown in years and
16 years and years. So -- and knowing that would that give
17 you and cause to reflect on hiring someone with, you know,
18 an agricultural science degree or crop science specialty?

19 A. Well, we will have people on staff that are very familiar
20 with the appropriate standards to follow and they
21 appropriate procedures, et cetera. And we will be very
22 diligent about following up on that to ensure that a
23 proper job has been done. When I say on staff, it may not
24 be a direct Corridor person always, but someone on
25 contract or staff.

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2 Q.89 - Who will be monitoring like the welds and so forth on

3 the pipeline for potential leaks?

4 A. The welding?

5 Q.90 - Mmmm.

6 A. That all has -- I mean very stringent standards that have

7 to be met and those are inspected at the time. So that's

8 a very, very important part of -- the last thing we want

9 is a leaking pipeline.

10 Q.91 - Is there government inspections of the welds, either

11 sort of an audit basis or basis at random or is --

12 A. Yes.

13 Q.92 - Yes?

14 A. Yes.

15 Q.93 - And is there government inspection of the pipes and the

16 depths that they are going in?

17 A. Yes, in terms of monitoring the construction procedures

18 and how they are being followed.

19 Q.94 - What department would those folks be from, do you know?

20 A. Those are from --

21 MR. HOPKINS: Todd McQuinn with Safety, PUB.

22 VICE-CHAIRMAN: PUB.

23 A. PUB.

24 VICE-CHAIRMAN: That's us.

25 MS. MCQUINN NIXON: With you. Okay.

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2 MR. HOPKINS: And Environment, yes.

3 Q.95 - And Environment?

4 A. Yes.

5 Q.96 - Okay. Is there any expectation that constructing the
6 pipeline could potentially affect any water wells or sewer
7 fields? I know of one instance where you are very close
8 to a sewage field or a septic system?

9 A. It's my understanding those would be taken into account in
10 routing the pipeline.

11 Q.97 - What steps are going to be taken to minimize gas
12 tourists? I know after finding out about the radioactive
13 spill and where it was contained and knowing how open that
14 site is, the weekend before that spill, was on that site,
15 I met -- the site in question is up a woodlot road that is
16 shared between my family and another family. And in the
17 course of getting my winter's wood, I met gas tourists, I
18 will call them, up that road, up to see what's going on on
19 the well site, and the gate was unlocked and there was no
20 equipment or no employees on site or anything. There is
21 radioactive material in a pit. Like what's being done to
22 minimize and to make sure that folks don't get where they
23 are not supposed to be?

24 A. I think at the time that well is a -- was a cased -- that
25 is a cased well. I think you are referring to the

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2 B-58 location.

3 Q.98 - Fred Waddey's. I don't know what it is.

4 A. Yes, a cased well. So it was not a life well. There was
5 no gas at the surface at that time. Yes, it was chained.

6 So now that well is being completed now and will be a
7 live production well. So that production area on the pad
8 will be secured and off limits to gas tourists.

9 Now as far as going up and down the road is concerned and
10 peeking over the fence, we can't really stop that. Maybe
11 you can stop it if it's your woodlot road. But it will be
12 the pad area itself that will be secured and off limits as
13 a producing well area.

14 Q.99 - Now it's doing the wells on the pad site that will be
15 adjacent to the gas plant and folks go over there all the
16 time, too. Are those wells locked down? I just noticed -
17 - this summer haying up on a hill, you can see down over
18 there and there has been so many times I have seen either
19 a car there or I saw three people walking a dog once and
20 they were right up next to the well head?

21 A. Yes. And that well head is chain locked and secured so no
22 one can crank open any of those valves, et cetera. But
23 once that is a producing well, they will be restricted
24 from that area.

25 Q.100 - Will -- given that there will be another road going

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2 into the gas plant, will the end of Canada Packers Road be cut
3 off in some way so that folks can't get through that way?

4 A. I don't know. We will have to look at that in terms of is
5 it valuable to have a second access or not. Yes. There
6 is a gate there.

7 Q.101 - And we have spoken a little bit about a community
8 liaison group or something. Is Corridor committed to
9 setting up a group with members from the community to deal
10 with anything related to pipeline safety or emergency
11 procedure measures?

12 A. We are. As I mentioned the community liaison group in
13 general and all matters that the community may be
14 concerned about, plus the educational program particularly
15 aimed at inter-relationships with emergency response
16 people, et cetera, in the event of an upset or an accident
17 of any kind.

18 Q.102 - And sorry if I am going over everything. I like to
19 have stuff on the record with you guys. Have it in
20 writing.

21 When a flood plane is excavated for construction of the
22 pipeline, you talked about having the top soil removed
23 from the site so that the top soil couldn't be washed away
24 in the flooding. Would not the subsoil be washed away in

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2 the flooding?

3 A. Well if it's preservation of the top soil because of the
4 nutrients and the value of it, et cetera, that would be
5 the objective of preserving that.

6 Q.103 - Certainly that would be the issue. But if I mean if
7 they have taken -- I am just picturing that almost ditch-
8 like thing in the middle of a meadow and if a -- well if
9 six inches of subsoil washed away, even if you put top
10 soil back on top of it, it's still not going to make it
11 level. You are still --

12 A. I don't think that the -- you know, in a broad flood plane
13 that that issue will be significant in terms of erosion
14 and current erosion. In fact we will level that as best
15 we can so that there will be no channelling or reduce the
16 channelling effects that might occur that would create a
17 flow pattern I guess in a ditch kind of situation, we will
18 level that off.

19 Q.104 - Have you seen how bad the meadows flood?

20 A. Well, I have -- I grew up next to an interval that flooded
21 all the time. So I am very familiar with when you say --
22 and I understand you have some pictures. I would love to
23 see them. But I totally understand that there are major
24 floods from time to time and certain times of the year.

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2 Q.105 - Were you aware that McCully Station Road has flooded?

3 A. Yes.

4 Q.106 - So that is an issue with that well -- well site down

5 there. That I guess it's a little bit higher than the

6 road, but I have seen the water higher. That's a concern

7 for me.

8 After construction of the pipeline has taken place, what

9 size rock are you prepared to come back and pick and for

10 how long would you be prepared to come back and pick rocks

11 off farmlands, not off the lot?

12 A. Well, we understand that we need to restore that to usable

13 farmland and that's our commitment.

14 Q.107 - In the past you know of some damage that has been done

15 to farmers' meadows where they have rock that make -- in

16 the middle of the meadows that make -- make their meadows

17 unfarmable basically. Would you consider going back and

18 rectifying that situation --

19 A. Yes.

20 Q.108 - -- for those folks?

21 A. Yes. If we have caused that problem and it's not usable

22 in the way that it was and absolutely.

23 Q.109 - Then, you know, someone should talk to Brenda Lee

24 about that probably and get that rectified for them?

25 A. Be happy to do that.

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2 Q.110 - Okay. I know you have heard that one a lot and I

3 haven't seen any action on it yet. And I am not sure why

4 there hasn't been any action. And you know what, it's

5 between you and them, not me. All I know is that it

6 hasn't been rectified?

7 A. So we will make sure there is some action on that.

8 Q.111 - Okay. And also in construction of the first well site

9 sort of in the same location, I understand as part of the

10 deal where my parents had sold you land, they were

11 supposed to be allowed to have access to another meadow

12 beyond that and that access has been cut off. Would you

13 be prepared to look and find out more information about

14 that and rectify it?

15 A. Yes. If that's the case that there is -- that you have

16 lost access to some of your land, then that would concern

17 us, yes.

18 Q.112 - What can landowners expect at the time of abandonment

19 of the pipeline? Broad question?

20 A. Well they can expect a process, I mean we are regulated by

21 the PUB. There would be different options at that time

22 and we would be in process with the Public Utilities Board

23 on what is the appropriate step forward. And as we heard

24 from Enbridge this morning, those discussions would take

25 place at that time. We hope that's

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2 decades away. But we are -- we would be regulated with

3 respect to that issue.

4 Q.113 - Do you feel that landowners that have already signed

5 contracts given the issue with Enbridge potentially having

6 gas come back down the line? Folks that have already

7 signed contracts could have signed for something that they

8 weren't aware that was going to happen. I am saying this

9 a little bit wrong perhaps, but folks have signed on

10 basically thinking that, okay, for the term that there is

11 gas available in McCully field, there is going to be gas

12 coming up this pipeline and now potentially it could be

13 longer than that?

14 A. There were no terms -- in terms of timing discussed with -

15 - and they are normally not discussed in terms of these

16 easements. I mean they are not time-related easements.

17 They are perpetual.

18 Q.114 - In writing they are perpetual, but what your land

19 agents are verbally telling landowners is 30 years.

20 A. There is --

21 Q.115 - So folks that don't read their contracts are having

22 problems?

23 A. -- there is no particular limit. We are dealing with a

24 gas accumulation that could produce for many decades, you

25 know. So there is no set or pre-determined time frame

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2 when we foresee at this time. It depends on the performance
3 of the field as to when operations in any pipeline might
4 cease. But whether it's a gas source coming from
5 Corridor's wells or coming from some other source on that
6 line, it's the same issue in terms of an easement.

7 Q.116 - Would you be concerned if landowners had been misled?

8 A. I don't think there is any -- any misleading in that.

9 They are set out as perpetual agreements. If it's not
10 that way when you are signing an agreement, then we should
11 clarify that, but I think it is clear.

12 Q.117 - I would certainly say that it's been said 30 years

13 quite substantially, rather -- and it's had to have been
14 pointed out to landowners and myself and George and some
15 other folks have pointed it out to landowners, no go back
16 and read your agreements, because it says in perpetuity.

17 And they don't realize that until it's pointed out to them
18 from somebody else, because the land agent has not told
19 them that?

20 A. That may have been an estimate on their part as a guess as
21 to what some gas fields have produced in the past. So I
22 can't really comment on that.

23 Q.118 - If you are renting a house would you say that there is

24 a difference between renting a house to someone to someone

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2 for 30 years -- a long lease I know -- and then in perpetuity?

3 A. Well this is classic -- the way that easements are

4 developed. There is no pre-determined term. Whereas in

5 renting houses, there usually is a term.

6 Q.119 - Okay. In the future at the time of abandonment, you

7 have indicated that the Board will be responsible to -- in

8 setting out regulations as to what can happen.

9 I can tell you that making a case to the Board as an

10 individual is challenging. And I can tell you there is

11 folks that have found it much more challenging than I do.

12 There is folks that don't like public speaking. And

13 there is folks that you know just -- anyway would Corridor

14 be prepared to set aside some funding for folks in the

15 future at the time of abandonment to get assistance so

16 their rights at abandonment --

17 MR. NORMAN: I have been very patient in listening to

18 question after question that is all contained in the

19 material that has been filed if anyone had read it. Now

20 we are getting into -- and that's not saying anything --

21 but I must object to questions that are so futuristic and

22 speculative and really have no relevance before this

23 Board.

24 MS. MCQUINN NIXON: I would say that if it was your land and

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2 you were concerned about the safety issues and your liability
3 at abandonment, that it would be a big concern to you.

4 VICE-CHAIRMAN: Under the Act there is a process for with --
5 you know, to the close up of an abandonment of a pipeline
6 or whatever, and at that time there is another hearing
7 where it is dealt with. But, you know, it is specified in
8 the Act. Also in the Act, there is a damage -- under
9 Section 38, damage deposit. Have you got a copy of the
10 Act?

11 MS. MCQUINN NIXON: I have accessed it on the Internet
12 before. I haven't had a physical copy of it.

13 VICE-CHAIRMAN: No.

14 MS. MCQUINN NIXON: I guess I have concerns from the
15 landowners' perspective just to give you some background.

16 For sometime with well sites, we have felt that the
17 government should have been there or was there watching,
18 whether it would be through the Department of Natural
19 Resources, whether it would be through the Department of
20 Environment or Workplace Health and Safety. And we feel
21 that our expectations are not been met and we have
22 actually been quite surprised at what has occurred.
23 So forgive us if we are not trusting what is going to
24 happen at abandonment. Just because it is regulated,

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2 doesn't mean it's so. And that --

3 VICE-CHAIRMAN: And you know -- and getting into the
4 agreements and acquisition of lands and all easements,
5 this Board cannot touch that area as you aware.

6 MS. MCQUINN NIXON: And that's difficult, because there is
7 no government area that touches on that.

8 VICE-CHAIRMAN: No. I mean it's -- you know, that's out of
9 our hands. We can't deal with land acquisition at all.
10 So it's kind of difficult for us when -- you know, when
11 you bring up those -- that side of it.

12 MS. MCQUINN NIXON: In terms of safety or environmental
13 concerns, because certainly if you have land that is crop
14 land, if you continue to be able -- you know, the damage
15 to the environment should not be so great that you can no
16 longer farm that land?

17 VICE-CHAIRMAN: That's -- and which is legitimate. I think
18 that's legitimate. I think we agree on under that. It's
19 just there is some areas that you did -- brought up and I
20 did give you some latitude. Okay.

21 MS. MCQUINN NIXON: Okay. Sure. Yes, I will try to limit
22 those areas.

23 VICE-CHAIRMAN: Okay. I guess if we could of just sort of
24 keep it more confined to the permit to the construction.
25 If you have environmental concerns or safety concerns and

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2 like it before from the safety factor, the PUB has -- you
3 know, when a permit is issued and then a license granted,
4 then the Board looks after the safety. We look after all
5 the safety inspections for all the pipelines in this
6 province.

7 MS. MCQUINN NIXON: Okay. And is that -- is safety
8 inspections available for public -- okay.

9 VICE-CHAIRMAN: So if you can just sort of, you know, keep
10 it to -- I did -- and I have to --

11 MS. MCQUINN NIXON: I know. And I am faced with -- as I
12 said before that I feel like I am speaking not just for
13 myself. So I want to make sure that I ask everything that
14 folks have asked me.

15 VICE-CHAIRMAN: You brought up the fact that these hearings
16 are quite, you know, extensive and it's awful difficult
17 to, you know -- but and as I say, so I want to make sure
18 that you feel like you --

19 MS. MCQUINN NIXON: And it's very intimidating.

20 VICE-CHAIRMAN: Well, we try not to keep it that way.

21 MS. MCQUINN NIXON: I know.

22 Q.120 - We have heard of other pipelines in the country where
23 landowners have 20 or 30 years out been asked not to drive
24 their agricultural equipment over the pipeline or not to
25 drive their skidders or heavy equipment over the pipeline

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2 due to safety issues. Is there some assurance that we could
3 have from Corridor that that wouldn't be in our future?

4 A. Well these are going to be heavy-wall pipelines. And
5 buried to specification in terms of depth. We don't
6 anticipate there will be restrictions, do we, in any
7 particular cases. So that shouldn't be an issue.

8 Q.121 - Okay. Have you discussed this issue with other
9 pipeline owners and operators? I am assuming you have
10 consulted them different times during the construction
11 plans for this pipeline?

12 A. I haven't personally.

13 Q.122 - Does Corridor plan to sell the pipeline in the
14 immediate future?

15 MR. NORMAN: I know that's really not at all not remotely
16 relevant to this --

17 Q.123 - I guess the thought is that it is relevant in terms of
18 maintenance of the pipeline, because if Corridor, as a
19 company I guess, rather than the people, because I don't -
20 - where of the people have limited experience maintaining
21 the pipe? No?

22 Now, I hope I am not overstepping myself, but I think this
23 is my last question. As part of the binder landowners
24 were indicated as being progressing favourably

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2 and things like this. Landowners -- if the Board is concerned
3 about whether you are progressing favorably with
4 landowners, when could landowners see negotiations or a
5 contract?

6 A. Well, I think we have been progressing favorably. And we
7 hope that will continue. We are going to be trying to
8 conclude those, provided we get a permit, very, very soon.

9 So we will be around visiting with landowners that --
10 with which we don't presently yet have agreements with
11 proposals seeking -- seeking an agreement that hopefully
12 is fair to everybody. So that's an activity that we
13 cannot go on the lands until we have an agreement. We
14 know that.

15 Q.124 - It's just -- considering that the last letter
16 contained expropriation -- and certainly there is --
17 that's a bit intimidating for folks, I would suggest that
18 we would like to see a new contract. We were promised a
19 new contract?

20 A. Absolutely. Expropriation is --

21 Q.125 - And we are concerned about the safety and environment.

22 A. Yes.

23 Q.126 - I don't want somebody to think that we are concerned
24 about compensation, because I can tell you that as a
25 group, whether in the association or just folks in

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2 general, they are concerned about their contract in terms of
3 the safety, the environment issues at abandonment and
4 those types of issues. Those are what need to be
5 addressed. This in perpetuity thing. And then the land
6 agents telling 30 years and not saying -- not stating what
7 goods are going to go in the pipeline. If this Board is
8 going to put a -- allow a permit for this pipeline, then
9 it's for natural gas. I mean, you know, it's not for
10 something else?

11 A. No. But any -- any contaminant that might come with that
12 --

13 Q.127 - Sure.

14 A. -- formation water, for example, comes with the natural
15 gas, then there might be some of that that would -- could
16 pass through the pipeline. There could be some
17 condensate, liquid hydrocarbons that could pass through
18 the pipeline coming in association with the natural gas,
19 but those would be the gamut of the fluids that we would
20 perceive using those pipelines.

21 Q.128 - From a safety aspect, I am sure you can appreciate
22 concerns when the substance that's going to be in the
23 pipeline is not defined in a contract?

24 A. The only additional would be any chemicals that we use to
25 prevent hydrates, freezing of the gas that may not be

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2 recovered until it gets to the gas plant. Those could also be
3 present in the -- but in small amounts -- with the natural
4 gas. But that's a normal part of a gathering system in a
5 natural gas field such as McCully.

6 MS. MCQUINN NIXON: Okay. Thank you for the time.

7 VICE-CHAIRMAN: Do you just want to sit there for a second,
8 please?

9 MS. MCQUINN NIXON: Sure.

10 VICE-CHAIRMAN: You said you were going to call a couple
11 more witnesses, Mr. Norman?

12 MR. NORMAN: Yes. There were two questions that were asked
13 that Mr. Miller was unable to adequately address. And I
14 can -- they can be addressed by two other witnesses.

15 VICE-CHAIRMAN: Do you want to swear them in?

16 MR. NORMAN: Yes.

17 IAN RICHARDSON, having been duly sworn testified as follows:

18 DIRECT EXAMINATION BY MR. NORMAN:

19 Q.1 - Your name is Ian Richardson?

20 A. My name is Ian Richardson.

21 Q.2 - And are you employed with Corridor Resources?

22 A. As a contract individual, yes.

23 Q.3 - Yes. And what is your experience in the gas line
24 industry?

25 A. I have 35 years of experience in the oil and gas

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2 industry. My most recent experience was with Alliance

3 Pipeline in developing that project. The Alliance

4 pipeline project is a 30-inch natural gas pipeline 1,800

5 miles in length with 650 miles of gathering system, going

6 from north of Fort St. John, British Columbia right into

7 the Chicago marketplace.

8 Q.4 - Now you have been involved with respect to Corridor's

9 activities leading up to the application for a permit?

10 A. That's correct.

11 Q.5 - One of the questions that Mr. Miller was asked concerned

12 discussions with fire departments and others as part of an

13 emergency alert process. Are you able to -- were you

14 involved in that process?

15 A. I was.

16 Q.6 - Yes. Can you relate please to the Board what was done

17 in that regard?

18 A. As you are aware as part of the overall process in getting

19 ready for a license to operate, a series of manuals is

20 required. The Emergency Procedures Manual being one of

21 those.

22 The Pipeline Coordinating Committee was very kind to

23 review a preliminary draft of a manual in that regard for

24 us in the spring. And one of the members on that

25 committee was Andrew Morten, who is the Deputy Director of

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2 the Emergency Measures Organization. We then took those
3 comments, revised the draft and resubmitted that draft and
4 passed that draft along to several parties, most of whom
5 we had the opportunity to have discussion with looking for
6 feedback so that we could further enhance that particular
7 manual in preparation for the startup of this pipeline
8 given that we get approval to construct it.

9 So we met with Andrew Morten in early May. In mid-June,
10 around June 20th, 21st and 22nd, met with -- if you don't
11 mind I need to refer to a few names. Sandy Stanley, who
12 is with the Sussex Health Centre. Bob Candy, who is with
13 PCS and also a volunteer firefighter with the Sussex Fire
14 Department. Mike Whalen who is the operations manager
15 with Maritimes & Northeast Pipeline. We were not able to
16 meet with the R.C.M.P. in Sussex, but did leave a copy
17 with the R.C.M.P. I believe that has ended up in the
18 hands of Sergeant Brown. We met with DNR, Jim Greer and
19 Sandy MacKinnon in the forestry section. Have had
20 discussions with Ralph Cunningham, who is a contractor in
21 the area and who can supply equipment should an emergency
22 situation arise in the future. We made sure the Havelock
23 Fire Department had a copy of the manual and the same with
24 both the Sussex and Penobscuis Volunteer Fire Departments.

25 MR. NORMAN: Thank you. Thank you, Mr. Richardson. I have

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2 no further questions.

3 MS. MCQUINN NIXON: Could I just ask a follow-up?

4 CROSS-EXAMINATION BY MS. MCQUINN NIXON:

5 Q.7 - So am I to take it that you haven't met with either the

6 Penobscquis or Havelock Fire Departments? You have just

7 provided them with documentation?

8 A. That's right. And as part of our continuing education

9 program, which is again a requirement for the license to

10 operate, there will be a series of meetings with the

11 various fire departments to get feedback and further

12 enhance the emergency procedures. And I am sure as time

13 goes on an opportunity as part of the overall

14 communication process with the local community that will

15 be part of our continuing education program as well.

16 Q.8 - Now will they be provided with additional training? And

17 I am assuming that a natural gas event would be different

18 than a normal house fire, and if so, for what level of

19 training would that be and would it be at Corridor's

20 expense?

21 A. We are in -- we are not the first player in this area.

22 And there is an existing gas plant. And both the Sussex

23 and Penobscquis Volunteer Fire Departments are involved in

24 with reviews with PCS in regard to emergency procedures.

25 So there is considerable training that is currently

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2 undertaken.

3 Q.9 - Yes.

4 A. And our intent is certainly to work very closely with PCS.

5 There is no sense in duplicating effort. But both
6 parties need to be out there in front of the community, as
7 well as with the fire departments in question.

8 MR. NORMAN; Thank you, Mr. Richardson.

9 MS. DESMOND: Can I perhaps ask if the Panel might canvass
10 other intervenors to see if they had questions of the
11 second witness?

12 VICE-CHAIRMAN: Yes. Is there anybody else who had
13 questions for the second witness? And any answer to the
14 second question, Mr. Norman?

15 MR. NORMAN: No. The second question requires a third
16 witness.

17 VICE-CHAIRMAN: Third witness.

18 MR. NORMAN; Very brief.

19 VICE-CHAIRMAN: Very brief. Because I know the Board Staff
20 have some questions, too, for Mr. Miller, so --

21 MR. NORMAN: Well do you wish me to call -- Mr. Hopkins is
22 the next witness on a very -- very isolated matter.

23 PAUL HOPKINS, having been duly sworn, testified as follows:

24 DIRECT EXAMINATION BY MR. NORMAN:

25 Q.1 - Your name is Paul Hopkins?

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2 A. That's correct.

3 Q.2 - And what is your position with Corridor?

4 A. Vice-President, Corridor Resources.

5 Q.3 - Yes. And are you familiar with events leading up to the

6 application for a permit?

7 A. Yes, I am.

8 Q.4 - Yes. You were involved in that process?

9 A. Yes, I was.

10 Q.5 - Now, Mrs. McQuinn Nixon asked a question, which Mr.

11 Miller was unable to respond to and it had to do with

12 leaks on her parents' property that appear not to have

13 been cleaned up. Are you familiar with that problem?

14 A. I am familiar to the extent that I visited the site

15 yesterday around 6:00 o'clock and discussed with the

16 drilling supervisor, Doug Miller, as to the extent of some

17 spill that supposedly had taken place over there yesterday

18 afternoon when your mother showed up at the site

19 unannounced. And there was no spill. So I don't know if

20 people are starting to fabricate spills or --

21 MS. MCQUINN NIXON: That would be a third spill, because

22 there certainly hasn't been a spill that we know of in

23 awhile.

24 A. Anyway there isn't a spill that were -- that has been

25 detected by our staff that we are reporting against. So

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2 it must be so minor that it's -- we haven't detected it or at
3 least the people on site have not detected it. And then
4 the spill --

5 MS. MCQUINN NIXON: I am --

6 A. -- do you know what substance was spilled perhaps?

7 MS. MCQUINN NIXON: We presumed that it was diesel. And
8 this was the time that I was on site with Heather
9 Urquhart, who is the Department of Environment inspector.

10 A. Well, I am just referring to yesterday at 6:00 o'clock.

11 MS. MCQUINN NIXON: I have no -- I think the spill in
12 question was the diesel spill that was discovered on
13 September 15th. But I am --

14 A. Again that's our health safety and environmental team of --
15 - reported on that spill since -- since that day.

16 MS. MCQUINN NIXON: It could be.

17 A. And filed with the spill report sheet with Heather's
18 department and also with another group.

19 MS. MCQUINN NIXON: Now landowners have requested in writing
20 -- I know my mother has to be made aware of spills. And
21 she hasn't been made aware from Corridor of that spill.
22 So I know that she sees that as a breaking of a contract.

23 A. Well we will certainly provide copies of our standard
24 spill report sheets and if we are lagging in providing

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2 those to your parents or any other pad owners, we will

3 certainly get caught up and provide those. It's a one

4 sheet summary, the quantity, the type of material, what's

5 been done about it and whatnot. Those are filed on a

6 regular basis as is needed with a spill with Environment

7 as a natural. But we can also provide those to

8 landowners.

9 MS. MCQUINN NIXON: So there is --

10 VICE-CHAIRMAN: Excuse me.

11 MS. MCQUINN NIXON: I know.

12 VICE-CHAIRMAN: Again, we are not responsible for pad site

13 drilling sites. We can only deal with what's in front of

14 us.

15 MS. MCQUINN NIXON: Have it be said that environmental

16 issues, even when in writing, we felt that they haven't

17 been addressed. Enough said.

18 VICE-CHAIRMAN: Okay. Does anybody else have -- any other

19 intervenors have any questions of this witness? Ms.

20 Desmond, do you have questions?

21 MS. DESMOND: Just a couple of short questions, Mr. Chair.

22 VICE-CHAIRMAN: Yes. For Mr. Miller?

23 MR. DESMOND: Either Mr. Miller or Mr. Hopkins.

24 CROSS-EXAMINATION BY MS. DESMOND:

25 Q.6 - Mr. Miller, my first question relates to insurance. As

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2 you are aware there has been an exchange of correspondence

3 between Dennis Marsh of Marsh Insurance and Chris Daniels

4 of Intec Insurance on the terms of the proposed insurance

5 policy for this proposed project. Could you confirm or

6 will you confirm that Corridor is willing to obtain and

7 file with the Board an insurance policy consistent with

8 the agreement reached between Mr. Marsh and Mr. Daniels

9 prior to the permit to construct being issued if it's

10 issued?

11 A. Yes, I confirm that.

12 Q.7 - And Mr. Miller, my second question relates to financing.

13 As you are aware, there has been correspondence forwarded

14 by RBC to Corridor Resources Inc. with respect to proposed

15 financing. And part of that proposal relates to condition

16 precedents that must be fulfilled prior to September 29th

17 of this year. Could you advise on the status of those

18 conditions precedent?

19 A. One of the -- well the major condition precedent is that

20 we get a permit to go ahead. Obviously the financing

21 falls away if we don't. So we are in discussions with the

22 bank to extend that time frame.

23 Q.8 - Is that the only condition precedent of that financing

24 arrangement?

25 A. That is the principle condition precedent. I think

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2 that's it.

3 Q.9 - And if the Board were to grant a permit to construct,
4 will Corridor be filing with the Board prior to the start
5 of construction a letter from Royal Bank confirming that
6 the bank has agreed to provide a 30 million nonrevolving
7 term loan?

8 A. Yes.

9 MS. DESMOND: Thank you.

10 VICE-CHAIRMAN: It's now twenty-five after 4:00. But I
11 think we will -- we have a couple of housekeeping matters
12 here. We have an exhibit to enter. The Maritimes
13 Northeast Pipeline will be -- a letter to us I guess
14 entered in as an exhibit. It will be A-6. So that would
15 be A-6. That would be September 21st, Maritimes Northeast
16 Pipeline letter.

17 MS. DESMOND: Mr. Chairman, I am not sure that
18 correspondence has been shared with all the intervenors?

19 VICE-CHAIRMAN: All right.

20 MS. DESMOND: Perhaps I could suggest that we make copies of
21 that correspondence.

22 MR. NORMAN: We had made a bunch of different extra copies
23 of that and I have not distributed any to the intervenors,
24 personally, but we can.

25 VICE-CHAIRMAN: Okay.

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2 MR. NORMAN: Look I have that -- I have them here. I don't
3 know whether I have enough to go around or not.

4 MR. HOPKINS: Get some more made.

5 MR. MILLER: Yes.

6 MR. NORMAN: Do you to hand those around Paul (Mr. Hopkins)
7 and then we will get some more.

8 MR. HOPKINS: Yes. Do you have the original?

9 MR. NORMAN: No, the original is with -- is the exhibit.
10 That's -- and will be done, Mr. Chairman.

11 VICE-CHAIRMAN: If everybody could have it for the morning.

12 MR. NORMAN: Yes. No, we as I say -- I thought we had
13 understood that that had already been distributed by
14 Northeast and that's why I didn't come armed with copies.

15 VICE-CHAIRMAN: You can -- you will do your redirect in the
16 morning?

17 MR. NORMAN: Of our witnesses?

18 VICE-CHAIRMAN: Yes.

19 MR. NORMAN: There won't be any. I don't think it's
20 necessary, Mr. Chairman.

21 VICE-CHAIRMAN: Will you have your expert in the morning?

22 MR. ZED: Yes, he is scheduled to fly in later this evening
23 in Saint John.

24 VICE-CHAIRMAN: So I guess we will adjourn until 10:00
25 o'clock tomorrow morning.

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2 MR. ZED: Was there another piece of correspondence that we
3 were going to receive copies of? I think there were two
4 weren't there? Sussex Chamber of Commerce?

5 MR. NORMAN: Yes, there was.

6 VICE-CHAIRMAN: Sussex Chamber of Commerce.

7 MR. NORMAN: Yes.

8 MR. HOYT: Mr. Chairman, just before you adjourn, just to
9 get a sense of the plan for tomorrow. So given that there
10 is no redirect is Mr. Zed's witness the only thing other
11 than final submissions?

12 VICE-CHAIRMAN: That's from what I gather.

13 MR. HOYT: With that and given the disposition of our
14 preliminary matters, Enbridge doesn't plan to participate
15 tomorrow. We feel that our issues have been adequately
16 addressed.

17 VICE-CHAIRMAN: Thank you. And I would like to mention to
18 the property owners and all the represented individually,
19 you know, you have final submissions, you give a
20 submission tomorrow for this hearing.

21 So we will rise till tomorrow morning at 10:00.

22 (Adjourned)

23 (Hearing adjourned to September 28th 2006 at 10:00 a.m.)

24 VICE-CHAIRMAN: Good morning. In the matter of an
25 application dated July 19, 2006, by Corridor Resources

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2 Inc. for a Permit to Construct Pipelines and Related

3 Facilities From McCully Natural Gas Field to Connect with
4 the Maritimes and Northeast Pipeline.

5 Could I have appearances for the applicant?

6 MR. NORMAN: Yes. David Norman for the applicant, together
7 with Mr. Miller and Mr. Hopkins.

8 VICE-CHAIRMAN: Enbridge? Enbridge is not on today. Kings
9 East Development Partnership?

10 MR. HORTON: Yes, Sir. George Horton from Kings East
11 Development Partnership.

12 VICE-CHAIRMAN: McCully Pipeline Landowners Association?

13 MS. MCQUINN: Jayne McQuinn.

14 VICE-CHAIRMAN: Potash Corporation of Saskatchewan?

15 MR. ZED: Peter Zed appearing with Michael Hogan, Brian
16 Ralston and Richard Beddoes.

17 VICE-CHAIRMAN: Union of New Brunswick Indians? Property
18 Owners. Christine Bell? Ernest Cummings? Jayne McQuinn?

19 MS. MCQUINN: Present, sir.

20 VICE-CHAIRMAN: Brenda Lee Morrell?

21 MS. MORRELL: Here.

22 VICE-CHAIRMAN: Elizabeth McQuinn Nixon?

23 MS. MCQUINN NIXON: Present.

24 VICE-CHAIRMAN: Informal intervenors. D.E.B. Consulting?
25 Department of Energy?

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MR. DUNCAN: Calvin Duncan is here from the Department of Energy.

VICE-CHAIRMAN: Maritimes Northeast Pipeline?

MS. SHORTT: Katherine Shortt from Maritimes & Northeast.

VICE-CHAIRMAN: Property Owners/ All Represented

Individually. David and Patricia Bowes. Dale Bustin?

MS. MCQUINN: I think Donald Bustin will represent his father who is deceased. Donald Bustin is here. Yes.

Joseph Cummings? Glen and Penny Foster? David Freeze?

Harley Hicks? Shirley Hunt? Cynthia MacLeod? Gerald

MacLeod? Nancy Secord? Robert C. Secord? Sandra Secord?

Troy and Dawn Thompson? Peter and Norma Van de Brand?

George Vanderlaan? Janet Vanderlaan? Paul and Lynn

Veysey? Andrew Wallace? Dorothy Wallace? John W.

Wallace?

And from the Board?

MS. DESMOND: Ellen Desmond, Mr. Chair. And with me is Doug Goss and Todd McQuinn.

VICE-CHAIRMAN: Thank you. Are there any preliminary matters?

MR. NORMAN: Not from the applicant at this point, Mr. Chairman.

VICE-CHAIRMAN: Is there any preliminary matters from any of the intervenors? Since Mr. Norman doesn't want to

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2 redirect, I guess we go right into PCS. Do you want to bring
3 your witness?

4 MR. ZED: We have -- who is present with me, as I indicated,
5 Mr. Hogan, Mr. Ralston and Mr. Beddoes. And I am quite
6 willing to put them all forward on a witness panel. But
7 it strikes us that Mr. Beddoes' expert report really
8 encapsulates all of the evidence that PCS is putting
9 forth. So in the interest of time, I would suggest that
10 if we put him -- swore him in and dealt with him and if
11 there are any other questions, Mr. Hogan could probably
12 answer them or if the Board wishes, we could swear all
13 three of them in. It's entirely at your --

14 VICE-CHAIRMAN: Do you want to put Mr. Beddoes on and if
15 there is a situation where we have to call the other
16 witnesses, we will.

17 MR. ZED: Thank you. Mr. Beddoes.

18 RICHARD BEDDOES, having been duly sworn, testified as
19 follows:

20 DIRECT EXAMINATION BY MR. ZED:

21 Q.1 - Could you please state your name for the record?

22 A. Richard Beddoes.

23 Q.2 - And what is your relationship to Golder Associates?

24 A. I am a principal engineer at Golder Associates.

25 Q.3 - And Mr. Beddoes, you have -- you are familiar with the

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2 report that was tendered as evidence on behalf of the Potash
3 Corporation of Saskatchewan?

4 A. Yes, I am.

5 Q.4 - And was that report prepared by you?

6 A. It was prepared under my guidance and it's signed by me.

7 Q.5 - And it is signed by you?

8 A. Yes.

9 Q.6 - And you testified just for the record that the contents
10 of the report are true?

11 A. They are true to the best of my belief, yes.

12 Q.7 - All right. Now just if I may lead the witness just to
13 deal with some -- what I would suggest are routine
14 matters. What question were you -- or why were you asked
15 to prepare the report? What question were you asked to
16 answer?

17 A. I was asked to provide an opinion on whether the current
18 and possible future mining operations of PCS were likely
19 to have any impact on pipelines that might be constructed
20 over the top of their property during and possibly before
21 future mining operations.

22 Q.8 - And what conclusion did you come to?

23 A. I came to the conclusion that based on our historic
24 observations of the PCS mining operations and the likely

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2 future mining methods and results of those mining records that
3 it is highly unlikely that any impact of that mining would
4 be of significance to a pipeline constructed over the
5 mine.

6 Q.9 - And what methodology did you employ to come to that
7 conclusion?

8 A. We reviewed historic mining records and measurements made
9 over the mine of surface movements, the result from
10 mining. And we used some common -- some commonly applied
11 methods for fitting the historic data to curve -- the
12 prediction of future deformations. And then applied the -
13 - applied the curves that we fitted to historic data to
14 probable future mining scenarios. And then calculated
15 some future deformations, future -- future strains on the
16 pipelines using those predictive -- you know, predictive,
17 you know, fitted predictive curves. And from the
18 deformations predicted from those predicted curves, then
19 we concluded that the strain tolerance of pipelines would
20 be well in excedence of the -- for the actual strains that
21 would occur.

22 Q.10 - And just for the record, the calculations you did
23 assumed that the mining would be done at a depth no
24 shallower than 200 meters?

25 A. That's correct, yes. The existing mining is somewhat

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2 deeper than that. And future mining at a shallower depth has
3 the potential to cause slightly greater local
4 deformations. And so we used the fitted historic data to
5 predict the potentially slightly greater deformations that
6 might be caused by shallower mining. And those were the
7 deformations that we concluded would be well within the
8 tolerance of the pipelines.

9 Q.11 - And so it's fair to say that the -- your conclusion is
10 even stronger given the depths at which Potash Corporation
11 currently mines?

12 A. That's correct, yes. We concluded that the existing and
13 future mining at greater depths than 200 meters, which is
14 the most probable situation, would have considerably
15 lesser impacts. But that mining as shallow as 200 meters
16 would still have quite tolerable impacts.

17 MR. ZED: I have no further questions. Thank you.

18 VICE-CHAIRMAN: Does the applicant?

19 MR. NORMAN: No, it does not. Thank you.

20 VICE-CHAIRMAN: The applicant has no questions. Kings East
21 Development Partnership? Do you have questions of the
22 witness?

23 MR. HORTON: No, sir. We have no questions for the witness.

24 VICE-CHAIRMAN: McCully Pipeline Landowners Association?

25 MS. MCQUINN: No questions, sir.

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2 VICE-CHAIRMAN: Christine Bell? No, she is not here.

3 Ernest Cummings? Jayne McQuinn?

4 MS. MCQUINN: No questions, sir.

5 VICE-CHAIRMAN: Brenda Lee Morrell?

6 MS. MORRELL: No questions, sir.

7 VICE-CHAIRMAN: Elizabeth McQuinn Nixon?

8 MS. MCQUINN NIXON: No questions.

9 VICE-CHAIRMAN: No questions. I guess that's it. So there
10 is no questions. Do you have any questions? The Board
11 have any questions? Staff?

12 MS. DESMOND: No, thank you, sir.

13 VICE-CHAIRMAN: No, thank you, sir.

14 MR. ZED: Thank you, Mr. Beddoes. It's just occurred to me
15 that Mr. Beddoes wouldn't be familiar with the rest of our
16 evidence. And if I might have Mr. Hogan sworn just to
17 affirm the evidence so that the mining lease is properly
18 before the Board.

19 MICHAEL HOGAN, having been duly sworn, testified as follows:

20 DIRECT EXAMINATION BY MR. ZED:

21 Q.1 - Could you please state your name for the record?

22 A. My name is Michael Hogan.

23 Q.2 - And what is your relationship to the intervenor, Potash
24 Corporation of Saskatchewan?

25 A. I am the general manager for PCS New Brunswick

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2 divisions.

3 Q.3 - And Mr. Hogan, you have read the evidence that is

4 tendered on behalf of the Potash Corporation?

5 A. Yes, I have.

6 Q.4 - And was that prepared at your direction?

7 A. Yes, it was.

8 Q.5 - And is the information filed with the Board true to the

9 best of your knowledge?

10 A. Yes, it is.

11 MR. ZED: I have no further questions.

12 VICE-CHAIRMAN: You have no further. Does the applicant

13 have any further questions?

14 MR. NORMAN: No.

15 VICE-CHAIRMAN: Kings East Development?

16 MR. HORTON: No, Mr. Chair.

17 VICE-CHAIRMAN: McCully Pipeline Landowners Association?

18 MS. MCQUINN: No questions, sir.

19 VICE-CHAIRMAN: Christine Bell? Ernest Cummings? Jayne

20 McQuinn?

21 MS. MCQUINN: No questions, sir.

22 VICE-CHAIRMAN: Brenda Lee Morrell?

23 MS. MORRELL: No questions.

24 VICE-CHAIRMAN: Elizabeth McQuinn Nixon?

25 MR. NIXON: No questions.

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2 VICE-CHAIRMAN: Ms. Desmond, do you have any questions of
3 this witness from the Board?

4 MS. DESMOND: No, thank you, sir.

5 VICE-CHAIRMAN: You may leave. Thank you very much.

6 MR. ZED: Thank you, sir. We have nothing further.

7 VICE-CHAIRMAN: Nothing further. We will take a 10-minute
8 break and we will come back and hear final summations. So
9 thank you.

10 (Recess - 10:35 a.m. to 10:50 a.m.)

11 VICE-CHAIRMAN: Could we have final submissions, please from
12 the applicant.

13 MR. NORMAN: Thank you, Mr. Chairman. Mr. Chairman and
14 Members of the Board, the submission on behalf of Corridor
15 will be short and to the point.

16 And there are simply five points that I wish to make and
17 these as I say will be very brief.

18 The first point is that Corridor has complied with all of
19 the necessary regulatory requirements that are
20 prerequisite to the granting of a permit. These include
21 all of the safety and environmental factors that are
22 prescribed by regulation and the various standards that
23 are provided for in the regulations. And as a footnote I
24 might add that I am certain the Board is familiar with the
25 fact that the natural gas industry is probably one of the

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2 most heavily regulated industries in Canada. Regulated on the
3 basis of long experience over the years in other
4 jurisdictions. And this is not a novel experience or an
5 experiment in any way whatsoever. Regulations and
6 standards all being based upon true and proven conditions
7 experienced throughout this country.

8 So that any persons who have apprehensions about the
9 construction of a pipeline should be comforted by those
10 very real facts and the facts also that the ongoing
11 construction and operation of the pipeline is going to be
12 monitored by the appropriate governmental authorities,
13 including this Board.

14 The second point is that Corridor has clearly indicated
15 its intent to comply with all of the conditions to the
16 permit of which it is aware. And when I say of which it
17 is aware, Corridor is not aware of any conditions other
18 than those that have been already discussed and presented.

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20 For example, the certificate of determination being one,
21 as well as a financial and insurance matters. And those
22 conditions that have been agreed with other intervenors in
23 the process.

24 The third point is that -- and this I think is
25 significant. That none of the intervenors have raised any
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2 issues that should stand in the way of issuing a permit.

3 There has been a good deal of emotion associated with this
4 matter. And there has been a good deal of questioning and
5 I am certain that there will be comments yet to come that
6 will be perhaps of the same nature. All with which, of
7 course, is possibly quite understandable given the fact
8 that this is a new experience in the lives of some
9 individuals.

10 In order for the Board to comply with the wishes of
11 intervenors in such a way as to refuse to issue a permit
12 means that there has to be something of substance raised,
13 such as, for example, Corridor failing to comply with
14 certain regulations and standards. And we are not aware
15 of any evidence whatsoever in that regard.

16 The fourth point is that the project is a definite benefit
17 to the economy of New Brunswick, a province that requires
18 the advancement of industry and technology in order to
19 preserve its very livelihood. And if that is not in the
20 public interest, it is hard to imagine what is.

21 The fifth and final point is that Corridor is requesting
22 that a permit issue as expeditiously as possible, given
23 the fact that the construction season is well advanced.
24 And importantly that it is in the interest of all parties
25 that any construction be carried out during

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2 the most favorable conditions.

3 So those are the comments on behalf of Corridor. And if
4 there are any other comments, they will simply be in
5 rebuttal to what intervenors may have to say. Thank you.

6 VICE-CHAIRMAN: Thank you. Kings East Development
7 Partnership?

8 MR. HORTON: Yes, Mr. Chair.

9 VICE-CHAIRMAN: Would you like to come up front, Mr. Horton?

10 MR. HORTON: Okay.

11 VICE-CHAIRMAN: Or do you feel more comfortable? Where do
12 you feel more comfortable at?

13 MR. HORTON: I am okay here, sir. If you can see me, I am
14 sort of adjusted to make sure that I am visible. I am
15 comfortable here --

16 VICE-CHAIRMAN: Okay.

17 MR. HORTON: -- if that's okay with you.

18 Mr. Chairman and Board, I would submit to you that
19 Enbridge Gas New Brunswick doesn't have any customers
20 here. Yet since 2001, they have been able to connect to
21 the PCS plant. Or at any time they could have asked to
22 have a connection to the wells that are proven up, and
23 this hasn't happened.

24 I would also like to say that I have read the Act. And
25 under sections 5, 6, 7, 8 and 10, it's fairly clear

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2 that the Board has the right to grant a gas producer franchise
3 or single end user license. That's very clear in how
4 things have been laid out.

5 Also that in section 10(2), they are able to recommend an
6 amendment to any of the franchise agreements entered into
7 under section 7 to the province and the gas distributor.

8 On the Public Utilities' ruling in July 31st 2001, in the
9 matter of application local gas producer franchise by the
10 Potash Corporation of Saskatchewan -- and I would like to
11 quote from that if I may have some leeway.

12 It says the PCS application is similar in nature to a
13 single end user franchise. And that the request to allow
14 for the provision of gas, which is to be used solely by
15 the single customer. However, as the PCS facility at
16 Penobsquis will not be receiving gas directly from a
17 transmission line, it is as required by the Gas
18 Distribution Act '99, therefore PCS was unable to comply
19 for the single end user franchise. The PCS application is
20 unique and does not fit the normal application for a
21 public utility franchise. Traditionally, an exclusive
22 franchise are is granted to the public utility. And the
23 utility in exchange has an obligation to provide service
24 to all customers within that franchise area.

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2 Q.6 - In this particular situation, neither PCS, nor the
3 intervenors, want PCS to distribute gas to any customer,
4 other than the PCS facility at Penobsquis.

5 All parties do, however, want PCS to be able to use
6 McCully gas at their Penobsquis facility.

7 Likewise none of the intervenors in this case has stated
8 that distribution to the customers is a problem.

9 The Board goes on to say the Board believes that the
10 Legislature did not foresee an application such as this
11 when it passed the Act. The Board believes that the Act
12 should be amended to provide for a new type of franchise
13 to cover the situation where the producer wishes only to
14 transport gas for the consumption of its own facilities,
15 which in this case was PCS.

16 This Act -- '99, has been amended. Minister Volpe made a
17 number of amendments, but did not cover this in the
18 amendment.

19 I would respectfully submit that it does leave the Board
20 room to grant -- I called it a variance before, but it is
21 a unique situation and the Board does have latitude to
22 make this happen for us.

23 The ruling goes on to say that the Board considers that in
24 the absence of an agreement with Enbridge Gas and with the
25 local gas producer franchise, the PCS will be

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2 unable to use the McCully gas in the Penobsquis facility.

3 This would prevent PCS from realizing the reduction in
4 operating costs that expects to receive from the
5 utilization of natural gas. Such a development could have
6 serious negative impact on the exploration and production
7 of New Brunswick indigenous gas.

8 I think this relates directly to what we have suggested in
9 our proposal that we want to do.

10 The natural gas market in New Brunswick, as it goes on to
11 say, is in the early years of development. I think that's
12 obvious. It's been available for a number of years and
13 hasn't been capitalized on. The parties involved must be
14 able to adapt as circumstances require. This means that
15 there should be flexibility necessary to provide solutions
16 that are in the public interest. We feel that we are
17 definitely in the public interest.

18 The Act gives the Board the authority to grant local gas
19 producer franchise where it is satisfied that to do so
20 would not materially prejudice the customers of Enbridge
21 Gas New Brunswick. The Act also gives the Board the power
22 to grant local gas producer franchise on such terms and
23 conditions as the Board finds necessary in the public
24 interest.

25 The Board believes -- and let me reiterate -- there is
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2 -- Enbridge Gas New Brunswick doesn't have any customers here.

3 The Board -- it goes on to say, the Board believes that
4 there are to be no prejudice to the customers of Enbridge
5 Gas New Brunswick, if the proper conditions are attached
6 to the grant.

7 The Board, therefore, finds it to be in the public
8 interest to grant a local gas producer franchise to PCS
9 with specific conditions to reflect special circumstances.

10 The Board believes that the conditions will provide
11 appropriate protection to Enbridge Gas New Brunswick,
12 while at the time encouraging the development and use of
13 indigenous natural gas.

14 Mr. Chairman, this is where we are coming from. We don't
15 want to enter into another process to amend the Gas Act.
16 We realize that this is political in nature and would take
17 many dollars and many years. We want to fit in with this
18 application for Corridor, while they are developing their
19 business. We felt that this is the time to introduce our
20 needs and our requirements, so that as they are growing
21 their business, they can fit us into this.

22 Is it available at another time? Of course. We have
23 already seen yesterday by your granting Enbridge the right
24 to connect to this gas line, once again, it was already

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2 included in the last one. So we don't see any change in this.

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4 In our studies and in our analysis of the gas price, how
5 it would affect our energy park and our ideas, we feel
6 that the only way that we can develop local industries to
7 take advantage of this gas, is to get a direct line, to be
8 able to get the commodity directly from Corridor into the
9 park.

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10 From there, of course, as a local franchise holder for New
11 Brunswick, Enbridge Gas can distribute gas within the
12 park. We see no reason why we wouldn't want them. They
13 are the experts in this. We want to make sure everything
14 works right. But we do feel that it is within the Board's
15 ability to grant us a special circumstance. And I will
16 leave it at that.

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17 I think we have had our questions answered. Corridor is
18 more than willing to provide us with the gas. We are in
19 the right area. We -- our park is within the distance of
20 the gas from Corridor. And I would like to leave it at
21 that. We leave it to your discretion.

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22 VICE-CHAIRMAN: Thank you. McCully Pipeline Landowners
23 Association?

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24 MR. FREEZE: Yes. Good afternoon. Good morning, I mean.

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25 We would like -- this is David Freeze speaking, as Vice-
26 Chair of the Association.

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2 VICE-CHAIRMAN: Yes. And you are way back there.

3 MR. FREEZE: Yes.

4 VICE-CHAIRMAN: Do you want to move up front? Would it be

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6 MR. FREEZE: Again, that's up -- that's up to the Board.

7 VICE-CHAIRMAN: Why don't you move up front, so you are not
8 way back in the corner.

9 MR. FREEZE: We would like to give our thanks to the Board
10 for their accommodation in these hearings for our group.

11 And as I look around, I am struck with the point that
12 outside of the landowners, everyone else is paid to be
13 here.

14 This group had put their jobs and responsibilities on hold
15 at their own cost.

16 Our group has never had the objective of stopping this
17 project unconditionally. It's obvious at this point that
18 many of our concerns would not have been addressed if it
19 wasn't for this process.

20 In many statements, Corridor has stated that they will
21 follow all legislation in the construction and the
22 operation of the pipeline. We still feel that an
23 increased presence by an independent auditor for constant
24 monitoring is necessary for adherence to legislation
25 that's now in place.

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Mr. Norman has on more than one opportunity dismissed our concerns as emotionalism. And we feel that this attitude reflects Corridor's view of landowners as an obstacle to them and not as stakeholders in the process.

Corridor has also upped the ante in this emotion, by e-mailing us that they have initiated proceedings in expropriation, even though we feel that this wasn't truthful, but a pressure tactic.

We would ask the Board to take all these matters into consideration in their decision.

VICE-CHAIRMAN: Thank you. Potash Corporation of Saskatchewan?

MR. ZED: My remarks will be brief. Basically our concern was raised by way of a preliminary motion, which was kindly resolved in our favour. But our concern is that it will be lost in the translation unless the preliminary motion and the Board's disposition of it is articulated in the decision that you will eventually render.

It's very important to us that this serve as a precedent for any future applications that might occur. It's very important to us that in future the Board will have a precedent and the staff will have a precedent should somebody raise an issue with us so we don't have to go through this each and every time.

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So I would just respectfully ask that the Board in rendering its decision articulate the basis upon which we moved our motion and the basis on which it was resolved. Thank you.

VICE-CHAIRMAN: Now I will go to Property Owners.

Christine Bell? Ernest Cummings? Jayne McQuinn? Jayne McQuinn?

MS. MCQUINN: Yes. May I stay here?

VICE-CHAIRMAN: Do you feel more -- you feel more comfortable back there?

MS. MCQUINN: Well, I do really.

VICE-CHAIRMAN: Whatever fits.

MS. MCQUINN: Corridor Resources are in the business of exploring and drilling for natural gas. And we acknowledge that this gas is going to be a great benefit to our community and hopefully it will reverse the way people have been moving out west and they will come back and settle in New Brunswick again.

Now the Penobsquis landowners are as qualified, but their qualifications are for farming. And farmers can no longer be bought with a sum of money, as they may have -- that as may have been the case a few decades ago.

Today farmers are more interested in the environment and the protection of their land for the future. Don't we all

1 require food to exist? And I think we would all say

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2 that life would be pretty dull if all we did was to live on
3 pills.

4 The reason that we are here today is to inform the Board
5 that we wish to protect our property and inform them our
6 first contract, my particular case, with Corridor was
7 broken in the first week whilst we were away from home.

8 So we now have a bit of difficulty in believing that
9 Corridor will carry through with what they have again put
10 in writing for their application.

11 We are very concerned about the gathering pipeline being
12 constructed on the flood plane at this time of year. Even
13 with the top soil being removed to higher ground, which
14 appears to be Corridor's latest idea. This will have an
15 effect on wherever it is placed and cause more damage,
16 especially with all the transportation to and from where
17 the pipeline will be. A ditch will be erect over the
18 pipe, which will fill with water and the ground around it,
19 what is left will likely erode. We do not consider that
20 this is a suitable solution of moving the top soil.

21 The construction area -- this construction area should be
22 left until next spring when the ground had time to dry out
23 after the spring freshet. There are some areas on higher
24 ground where the pipeline may be constructed at this time
25 of year and before the frost comes.

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2 Unfortunately, some of our neighbours have already
3 suffered from the results of the construction of the
4 pipeline on their property with the land not being
5 returned, even after three years, to what it was before
6 the pipeline was constructed.

7 It is hoped that we will not have to wait as long to have
8 our farmland put back to its original condition, so that
9 expensive farm machinery can be used without it being
10 damaged, causing downtime when the weather is co-operating
11 and requiring to be repaired all the time.

12 Yes, we are very dependent on weather conditions for our
13 farming operations. And that's why some of our members
14 are not here today.

15 A small payment for their -- annual payment for the
16 easement would certainly help to offset some of these
17 unnecessary expenses.

18 A one time payment for the nuisance of having the pipeline
19 on property is really not appropriate, especially for
20 those involved with woodlots. There has not been much
21 mention of people with woodlots in the last couple of
22 days. Many woodlot owners have gone to the expense of
23 having their woodlot thinned so that when it matures, they
24 will get a better crop. But now they will have to settle
25 for what they can get at this time of low -- low prices
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2 for lumber.

3 Woodlot owners are also limited in what they can do with
4 their property. No trees can be grown near the pipeline.

5 So in the future should they wish to sell, there will be
6 certain acreage of their property out of production and
7 that will decrease the value of the property. Yes, they
8 will have received a payment from Corridor, but that will
9 likely only cover the amount lost in the harvesting of
10 immature trees at the present time and the new owners will
11 receive nothing but acreage that is -- will be idle.

12 Also woodlot owners should not be asked or told where they
13 can cross the pipeline on their property. This will make
14 their operations more time consuming and expensive. The
15 gauge of the pipe should be the same as that used on
16 farmland. And this heavy gauge pipe certainly has to be
17 used where there is a hydro line, heavy equipment goes on
18 the hydro line quite frequently. The landowner of a
19 woodlot will still be responsible for taxes even though
20 that portion of their land over the pipeline lies idle.
21 From what we heard yesterday, it is obvious that Corridor
22 do not want any interference from the landowners during
23 the construction process. We would not be permitted on
24 our own property on account of safety

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2 reasons.

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Therefore, the landowners should be permitted to hire a

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safety and environmental person to protect their

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properties during the construction of this pipeline. And

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this person should be paid by Corridor and have the

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authority to tell the construction personnel when they can

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safely work on a daily or maybe even an hourly basis.

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We have been verbally informed that we may receive our

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agreements at the end of next week when the Department of

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Environment have given their approval to the minor

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alterations. If the landowners cannot be told where these

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pipelines are going to be constructed, we wonder how the

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Public Utilities Board can accept and approve this

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application as maybe they don't know the exact location of

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the pipeline either. Thank you.

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VICE-CHAIRMAN: Thank you. Brenda Lee Morrell?

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MS. MORRELL: My concern as a landowner -- first I want to

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say that I agreed with what Beth had to say yesterday.

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And I am also concerned in how we get the assurance that

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when the contract, when all is said and finalized that we

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are confident that the contract will not be broken,

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keeping in mind safety and the upkeep of the land as a

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priority.

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Just to note what happened last night. We had

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2 visitors and the young fellow, which was a teenager wanted to
3 take the dogs to the meadow for a run. And they went down
4 by the pad and they stepped in this black stuff. We don't
5 know what it is. Being a young fellow, he brought it home
6 with him and of course they put a match to it to see what
7 would happen and it just melted. So I don't know what it
8 is. We don't want the animals, you know, running on this
9 stuff.

10 I am not an expert in science. I am a farmer's daughter.

11 I am a mother, a wife and a landowner. So I do have my
12 expertise. Here in the room we have a lot of experts,
13 engineers and geologists, whatever. And a farmer also is
14 an expert in his field and he knows the land. And I feel
15 a farmer is kind of like he is married to the land. He
16 takes it very seriously. We need each other. I am
17 speaking as a mother right now and we have to get along.
18 We need to feed off each other's strengths. I have to --
19 it's like a marriage. I lean on my husband, he leans on
20 me.

21 We have to do this in order to make this part of the
22 Earth a little bit better place. And I feel that the
23 priority of keeping the land top notch is basically comes
24 up right up front centre. Thank you.

25 VICE-CHAIRMAN: Thank you. Elizabeth McQuinn Nixon?

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MS. MCQUINN NIXON: I would like to take the opportunity to thank the Board for allowing us landowners and residents to present to you. And probably we do not -- since we don't know the process, we just -- just thank you for putting up with us.

I know that there is going to a natural gas pipeline to take the gas from the McCully field away from our community. I don't -- you know, I am not opposed to that. Sometimes I wish natural gas was never discovered in our community. But it's there and we have to deal with it. And it's like everything else, there is things in life you can change and things that you don't have the opportunity to change. So you effect change where you can.

There is no question the pipeline is required. The question is who will put it in? Who will maintain it? And what conditions, including environmental and safety concerns are put onto it? Are we to suffer from the natural gas exploration, which you don't have authority over and for the pipeline? Or can we protect ourselves. Lost land on a pipeline easement equals lost livelihoods.

The natural gas and the pipeline needs to benefit our community. It doesn't -- we should not only suffer

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2 negative impacts from this.

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I do have grave concerns about Corridor putting in this

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pipeline. On press releases this is how Corridor

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describes themselves. Corridor is a junior oil and gas

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exploration and production company headquartered in

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Halifax, Nova Scotia, with interest onshore in New

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Brunswick, Prince Edward Island and Quebec and offshore in

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the Gulf in St. Lawrence. They do not mention developing,

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constructing and managing pipelines.

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I feel that they don't even know the process to even to

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deal with the Board, because they expected to be permitted

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to construct the pipeline at the pre-hearing. And in fact

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had all their contractors lined up and I am understanding

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that they are having to pay for fees, because they had to

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delay construction.

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On my way to the hearing this morning, I saw pipe being

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delivered to a location. So they obviously are already

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getting ready to construct. Maybe they will want to start

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tomorrow. I don't know.

21

Corridor has broken contracts with well site owners at

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least one time on the day they entered the site. They

23

seem to have limited control over subcontractors as it

24

relates to environmental concerns and in what contractors

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and employees have told landowners. I kind of question

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2 whether they know what their employees or subcontractors are
3 doing in some cases.

4 We, the residents and landowners, have counted on the
5 Department of Environment and Department of Natural
6 Resources to protect us. We just assumed that we were
7 being protected and we are just getting to know this
8 system and the authorities involved in it.

9 We also didn't know of the limited authority of different
10 departments. It's a maze of people to get through. They
11 point to each other and say someone else is responsible.
12 Some other department is responsible.

13 As landowners, we don't know who does what. For example,
14 during the seismic testing done three years ago, residents
15 called Department of Environment about the charges being
16 too loud, houses shaking, windows cracking -- for those of
17 you that don't know, it's locally speculated that this
18 blasting is what led to the water shortage in Penobscus
19 with approximately 30 households having lost their wells.

20 This isn't relevant to the pipeline issue, but it turns
21 out that even though these folks were calling the
22 Department of Environment, the folks they should have been
23 calling were Workplace Health and Safety and the

24 Department of Natural Resources. And these folks today,

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2 as of this spring, said that they didn't realize there were

3 concerns when this blasting was going on.

4 We need someone here to represent us. We need someone to

5 help us get through this maze of people.

6 If Corridor is to proceed, we need a watchdog that looks

7 after residents and landowner concerns. And we are hoping

8 that you can help us. This person would be funded -- or

9 people would be funded hopefully by Corridor or someone

10 else. Residents and landowners cannot afford this by

11 themselves.

12 The McCully Pipeline Landowners Association and residents

13 could potentially hire someone of their own choosing with

14 appropriate background to track what happens during the

15 development construction and the follow-up and

16 maintenance, the noise and the emissions issues. Having a

17 person that works for Corridor, has allegiance to Corridor

18 and depends upon Corridor for their pay cheque, is not

19 going to work for us. We have had those folks in the past

20 and it has not worked for us. And I think we have

21 demonstrated that. We need someone directly accountable

22 to landowners and residents and the community at large.

23 Our experience is that Corridor misrepresents things,

24 whether it is how big a spill is, what the contents are,

25 how many wells are going on a well site. They will sign

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2 up a landowner for one well and then there is four on it. How

3 loud the flaring is going to be. Whether the -- land

4 agents have tried to pit one neighbour against another in

5 negotiating the contracts for these easements.

6 So they will go in Joe's yard and say, oh, Bob next door

7 is close to signing. And then they go in Bob's yard and

8 say, oh, well, Joe is close to signing. And he is happy

9 with the environmental concerns or he is happy with the

10 safety concerns. And they have been in our yards more

11 than our neighbours have been for awhile.

12 They write in their contracts and sign their names that

13 they will not bury materials on site. Yet we hear stories

14 from the folks that work for them and their subcontractors

15 that stuff is buried on site. They tell the Department of

16 Environment, they are burying the contents of the

17 radioactive spill -- or rather -- yes, that they are

18 burying it there and they tell residents they are hauling

19 it away.

20 We need as many safeguards in place in writing as we can

21 get. I am sure that we have not thought of or mentioned

22 all the concerns that are possible. And perhaps in your

23 experience you are aware of those and I hope that you can

24 take things into account that we have not thought of. We

25 have never had a pipeline cross our fields or

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2 woodlots before.

3 We do need to ensure things like whether topsoil is
4 separated from subsoil and farmland. We need to ensure
5 that that is dealt with correctly. We need to know what
6 is going to be done on flood planes. We need -- we need
7 that soil protected.

8 For our particular farms in the Penobscuis area, a lot of
9 our meadowland is on flood planes and we cannot risk
10 losing that soil.

11 We need to know that folks that shouldn't be accessing the
12 gas plant, the well sites or pipeline easements are not
13 accessing these. Even access to the easement should be
14 controlled, so that only people the landowner wants to
15 access the easement have the potential to get on it. We
16 never asked them to come. And it is a potential safety
17 issue to have this new transportation corridor opened up
18 for ATV's, snowmobiles and people with 4-wheel drive
19 trucks.

20 It needs to be landowners and Corridor as they have the
21 easement or whoever would have the easement to decide who
22 gets on the land. And if they choose not to allow access
23 for the people, that there is a way to stop them.

24 How close unauthorized people can get to the
25 infrastructure is a safety issue. And it's environmental

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2 issue if they cause some damage to material that was there or
3 stored there. And as Brenda Lee mentioned, the material
4 in their field.

5 We think terrorism doesn't happen here, too. But it's
6 happened in Alberta, where Wiebo Ludwig and others
7 attempted to blow up well sites. One of our intervenors
8 that could not be here today has constantly brought that
9 up, as she is the Chair of our Local Service District
10 Advisory Committee and has that concern.

11 This pipeline crosses Crown land and it crosses commercial
12 forestry lands owned by a Saint John-based family. It
13 also crosses land both agricultural and woodlot that have
14 been in families for generations. And it crosses farms
15 that have been reclaimed by those new to the community.
16 Farmers know their farms intimately. They know where
17 there is a wet spot. They know where there is a dip in
18 the meadow. They know where there is always groundhog
19 holes. And they know where to raise the mower so the
20 mower doesn't get hurt when going over them. They don't
21 need something else, because the ground wasn't treated
22 properly, they don't need something else to hit and break
23 their mower on a hay day.

24 Woodlot owners know their woodlots as well. They have

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2 hunted and trapped. And other residents have hunted and
3 trapped in that area for years. In fact three intervenors
4 aren't here today because they are moose hunting. They
5 know where there is a deep hollow in the woods. They know
6 where there is swamp and where there is heavy rock. And
7 they have tried to help Corridor go around those features
8 with some resistance sometimes.

9 Other area residents are employed by PCS Mine and
10 contractors, are reluctant to comment on the pipeline and
11 are reluctant to take part in this process, as PCS owns
12 half of several of the wells.

13 I, personally, think a lot of PCS and Mike Hogan. So I
14 don't think that that would be relevant to them, but they
15 are concerned about talking about this issue and I have to
16 respect that.

17 Folks that own land the folks that are dependent on the
18 land for their livelihoods, if the land is negatively
19 impacted, this is lost and it is lost for future -- for
20 the future for our children. And we are the picturesque
21 community where hot air balloons land during the balloon
22 fiesta. We just want to keep it that way where it is nice
23 and lush. We love it.

24 During this process, I have heard numerous stories about
25 the land from people and neighbours. Ironically,

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2 this whole process may have brought us closer together. I

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think the acts of pitting

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neighbours against

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neighbours potentially has

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made us talk, so that

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neighbours are in each

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others' yards more often.

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10 Landowners have attempted to negotiate with Corridor on

11 their contracts and this is regarding safety and

12 environmental factors. Corridor seemed to believe it's

13 all about money and keep turning it back to the money.

14 It's not.

15 Yes, landowners need fair compensation. If the land -- if

16 they are not able to use it, for those with woodlots, they

17 need compensation for the trees that aren't going to be

18 grown there for generations to come. But they also need

19 to know that they can use their land as they want when

20 it's appropriate and is not going to impact. They need

21 assurances in writing about how many pipelines are going

22 on their easement. They need assurances on how they

23 pipeline will be laid, separating out the soils, the

24 depths. They need assurances on how long the pipeline

25 will be there and what will occur at abandonment.

1 To date, Corridor will not even put in contracts and
2 writing with people what product is going to be in the
3 pipeline.

4 When landowners look at environmental and safety

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2 concerns, it seems very relevant what the product in the

3 pipeline is going to be. The example that was suggested

4 to me by one resident is that the end of the lifespan of

5 the natural gas production in the McCully field, they may

6 choose to start sending up sewage from New York. And

7 really we don't want that on our land.

8 We did not ask Corridor to come here. And we did not put

9 our land up for sale. And we -- one way or another, we

10 know we have to give them the use of the land. We just

11 don't want it -- to affect us the least possible. And to

12 have no environment damage. And we don't want to have

13 risk of the pipeline blowing up. We want to be able to

14 cross the pipeline. And if the pipeline becomes too

15 fatigued in the future, we don't want it to be continued

16 to be used as others out in Ontario and out west have

17 become. We want to still have the ability to cross that

18 land, to farm it, to run a skidder across it. If it

19 becomes too fatigued that we can't run a skidder across it

20 or a 4-wheel drive tractor, then the pipeline needs to be

21 replaced. You don't need to -- you know, we can't have

22 our rights limited.

23 During negotiations with Corridor -- and I was a

24 representative for the McCully Pipeline Landowners

25 Association in the negotiation -- Corridor's agents agreed

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2 that the landowners needed a lawyer. No surprise. We knew we
3 needed one.

4 And given that we were never asked for the pipeline to
5 come here and that we never put up our land for sale or
6 for an easement and that there is precedent in other
7 jurisdictions at this meeting, it was agreed that Corridor
8 would put up 15,000 to hire a lawyer, for use by all
9 landowners, to review the contract deal and to deal with
10 negotiations. Not much dollars really, but a thousand
11 dollars per landowner, which doesn't go far.

12 The Corridor representatives exchanged information with us
13 and what they would require to wire the money to our
14 lawyer the next day and discussed when it would be
15 practical to meet for negotiations with our lawyer and us.
16 They agreed on the 15,000 and they shook our hands saying
17 that they would have it done the next day. The money
18 never arrived. When we called looking for it, they told
19 one of the other representatives that they were planning
20 on calling next week to let us know that they weren't
21 going to provide us with it any more.

22 We as farmers and woodlot owners saw this as a done deal.

23 A contract broken. They had agreed to something and not
24 abided by it. From our point of view, when you shake
25 hands that seals the deal.

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It is widely speculated that we never received the 15,000 to ensure we would not have a lawyer present here to represent us at this hearing. If it is relevant, landowners are interested in settling this and their contracts with Corridor. We recognize that Corridor or another company -- we recognize the pipeline has got to go in, but negotiations have to be handled fairly. And whether that's relevant to this proceeding or not, I don't know.

I have a couple of things here in sort of in summing things up. I don't want to get too long-winded. My first thing is should Corridor really conduct this pipeline or should someone else? I have concerns about them doing it.

They have gotten fairly large fairly quickly. I just -- I am not sure that this is something that they can manage. Mr. Norman in his closing comments discussed regulations.

There is unquestionably regulations in place. But regulations in place, do not mean that regulations are followed. And we have that experience with Corridor. Monitoring by government authorities in our past dealings with Corridor have not been enough. We need more. I don't know what mechanism can be put in place, rather than a watchdog group. They need to be held accountable to the regulations. They need to be held

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2 accountable to any conditions put on them by the EIA. They

3 need to be accountable to anything that is put on them by

4 the permitting process or through licensing eventually.

5 I see the potential for a group to be funded by Corridor,

6 a way that residents or landowners can hire someone to

7 represent them not Corridor. It is not sufficient that

8 Corridor hire someone to have these concerns looked after.

9 We need the support of the Board to ensure that any

10 conditions, whether it's permit, are followed. This

11 person needs the authority to stop construction when it is

12 too wet on farmland. And the authority to stop things.

13 Not that they should be undertaking lightly, but that they

14 should have -- they just can't be there to watch and not

15 have the authority to make sure that things are done

16 right.

17 We need everything you, the Public Utilities Board, can

18 give us to ensure many of our concerns that you can think

19 of are addressed in this permit. Just think what you

20 would like in your backyard. What type of pipeline would

21 you want underneath where your children play or your

22 family grows tomatoes or where you dig in the soil to

23 plant your flowers. We want no more or less for our

24 backyard.

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Ideally -- I mean we would like to see another company build the pipeline. But -- and we have -- the folks in Corridor, they have sat in our kitchens and drunk tea and coffee with us when they have been around trying to get us to sign contracts. We have shared stories with them. We know them.. We are concerned. We are concerned.

The last thing I really have is the energy park. And I would like to speak in support of the Kings East Development partnerships idea.

We suffer all the negative consequences from having the natural gas, whether it's the seismic testing, which might be partially the blame for our water situation. Whether it's the flaring, which is loud, when they flare the well sites, the noise. The increased traffic. The potholes, the radioactive spill.

We need to reap some of the rewards. This could be a real potential boom for our community. I, myself, have four children. I would love to see them be able to live in Sussex. I have been out west before, too. It's nice. I lived there for seven years, but Sussex is where I come back to. It's my community. It's my home and Penobsquis. We have petitioned the government to have some of the funds from the royalties returned to the community, both to protect the environment and to provide for some much

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2 needed economic growth in the energy park. If we could get an
3 energy park here and have good decent paying jobs with
4 decent benefits, it would be a big boom for our community.

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6 Enbridge has never thought about developing gas before for
7 the community. Penobscis is a small community. It would
8 -- it just wouldn't be practical for them.

9 The government and the Opposition for that matter have
10 offered their support for this exciting project. It's a
11 project being undertaken by the community. So the folks
12 that are doing this are concerned about our community, our
13 environment, our livelihoods and they respect that.
14 And that pretty much sums it up I think. Thank you very
15 much.

16 VICE-CHAIRMAN: Thank you. I will now go through the
17 informal intervenors. D.E.B. Consulting? Department of
18 Energy?

19 MR. DUNCAN: No comment, Mr. Chairman.

20 VICE-CHAIRMAN: Maritimes Northeast Pipeline?

21 MS. SHORTT: No comment, sir.

22 VICE-CHAIRMAN: Now, I will go through the Property Owners.
23 David and Patricia Bowes? Donald Bustin?

24 MR. BUSTIN: I would just like to say that we support the
25 landowners and the McCully Landowners Association. Thank
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2 you.

3 VICE-CHAIRMAN: Thank you. Joseph Cummings? Glen and Penny

4 Foster? David Freeze? Harley Hicks? Shirley Hunt?

5 Cynthia MacLeod? Gerald MacLeod? Nancy Secord? Robert

6 C. Secord? Sandra Secord? Troy and Dawn Thompson? Peter

7 and Norma Van de Brand? George Vanderlaan? Janet

8 Vanderlaan? Paul and Lynn Veysey? Andrew Wallace?

9 Dorothy Wallace? John W. Wallace? And that's the

10 complete list of informal and formal intervenors.

11 Would the applicant like to address some comments from the

12 intervenors?

13 MR. NORMAN: Mr. Chairman, it might be appropriate to take a

14 short break at this point and I will inform you of that

15 following the break if that's possible?

16 VICE-CHAIRMAN: Okay. We will take a 10-minute break.

17 MR. NORMAN: Thank you.

18 (Recess - 11:40 a.m. to 12:00 p.m.)

19 VICE-CHAIRMAN: Would you like to continue, Mr. Norman, with

20 your reply?

21 MR. NORMAN: Yes. Thank you, Mr. Chairman and Members of

22 the Board. There are a few comments that Corridor feels

23 necessary to address.

24 The first is -- and I wish to emphasize that it's simply

25 not possible to address many of the accusations

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2 that have been made in particular by Elizabeth McQuinn Nixon.

3 There is simply no evidence before this Board with
4 respect to the things that she is accusing Corridor of.
5 Much of which is simply innuendo and totally
6 unsubstantiated. And quite frankly, Corridor is unable to
7 identify with much of that.

8 She talks about the \$15,000 that was never provided.

9 There is an explanation and a very legitimate explanation
10 story behind that that would require evidence. That is
11 not an issue that was ever brought up in the evidence.

12 And Corridor had no opportunity whatsoever to give its
13 explanation. And it's terribly unfair and I suggest
14 almost inappropriate that that sort of accusation should
15 be made in the context of a submission when there is no
16 evidence whatsoever to substantiate it. I will say no
17 more with respect to those aspects.

18 The second point I wish to make is that there has been
19 some criticism of Corridor's ability to carry out this
20 project. Corridor has drilled 24 wells to this point in
21 the development. All done without any significant safety
22 or environmental problems whatsoever. 24 wells. That's
23 not a small undertaking. That represents a substantial
24 amount of work over a substantial period of time.

25 There has been the suggestion that Corridor is not the
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2 company that should be allowed to construct the pipeline.

3 Corridor has hired highly reputable, experienced
4 contractors and persons to assist in this project. AMEC
5 Americas, the engineering firm engaged by Corridor is an
6 international firm doing work around the world on projects
7 such as this. AMEC provides procurement, construction and
8 management services on projects, as well as, engineering
9 services. And those are the services that it is providing
10 for Corridor. It's hard to imagine where you could -- or
11 how you could retain a firm with better credentials. They
12 simply don't exist.

13 Corridor has contracted with Somerville to actually do the
14 construction of the pipeline. Somerville is a company
15 that has had experience in substantial pipeline
16 construction across Canada and probably elsewhere. Its
17 parent company is a company that I know you have all heard
18 of. A construction company based in England that does
19 work on an international level, Sir Robert McAppline.

20 Somerville is no fly by night operation that is going to
21 come in here and bungle a pipeline project. It's in the
22 business. Its reputation is on the line. The same with
23 AMEC. It does projects on international basis. Its
24 reputation is on the line. And some of innuendo that has
25 been suggested in submission here today is a slight to
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2 those companies. These companies are not in the business of
3 doing sloppy work.

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5 The other point that was raised, which gave me some
6 concern I might say, is the fact that landowners cannot
7 rely upon governmental agencies to monitor and supervise
8 the construction and operation of the gas industry. That
9 is a direct slight on this Board. A Board that has the
10 responsibility for the regulation of such an industry in
11 combination, of course, with other responsible
12 governmental agencies, both federal and provincial.

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13 As I said in my opening comments, there is probably no
14 greater or more regulated industry in Canada than the gas
15 industry. Outside of possibly the nuclear industry
16 itself. And I don't believe for a moment that this Board
17 or any of the provincial agencies who have responsibility
18 for supervision and management are going to take their
19 responsibilities lightly. And I think the time has long
20 passed when landowners, who raise many of the issues, have
21 got to reconcile themselves to the fact that governments
22 act on their behalf. And if there are problems or
23 complaints, then those complaints should be made to
24 government and not taken out by comments, very harsh
25 comments against a company like Corridor that has come
26 into this province and spent millions of dollars in order

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2 to develop a resource owned by the province for the benefit of
3 the province.

4 The final comment I wish to make is that despite the
5 rather severe accusations mostly based on innuendo and
6 coming primarily from Elizabeth McQuinn Nixon, there has
7 not been a single intervenor, including her, who disagrees
8 with the development of the gas resources. They qualify
9 every comment they make by saying, oh, but we are not
10 against the development. We think it's going to have
11 economic benefit in the community and overall believe it
12 is for the long term economic good. Well, you can't have
13 it both ways. You can't have your cake and eat it too.
14 And at some point one has got to reconcile oneself to the
15 fact that there is a regulatory process. A strict and
16 onerous regulatory process that is going to influence this
17 project or any other similar project that takes place in
18 this province.

19 So I would ask that the concerns which I have addressed be
20 taken into account. And that as I said in my opening
21 remarks, there is nothing -- that is, no issue raised by
22 the intervenors that should stand in the way of issuing
23 the permit as requested, subject to the conditions that we
24 know and accept should apply. Thank you.

25 VICE-CHAIRMAN: Thank you, Mr. Norman. At this point, I

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would like to thank everybody for their involvement and participation in this hearing. The Board will rise and adjourn. And we will reserve our decision for a later time. Thank you very much.

(Adjourned)

Certified to be a true transcript of this hearing, as recorded by me, the best of my ability.

Reporter

