



BC Expropriation Association Annual Conference

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October 23, 2015

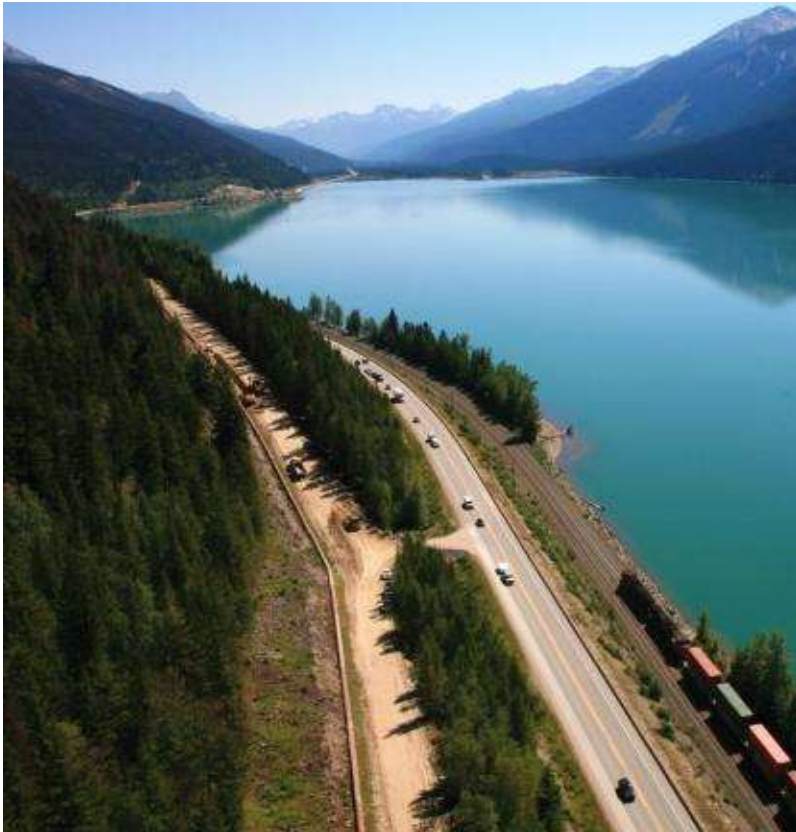
Vancouver, BC



TRANSMOUNTAIN



Trans Mountain Pipeline

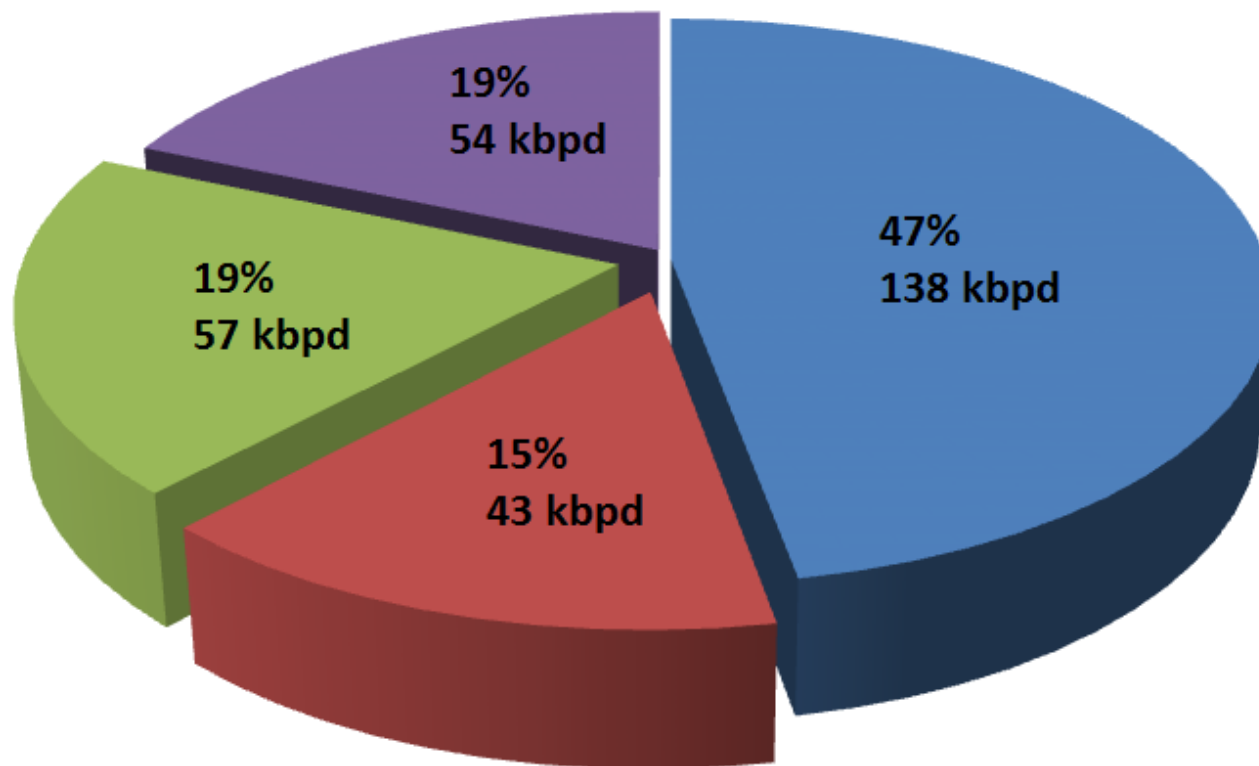


- In operation since 1953, last expansion was completed 2008
- Transports refined products, synthetic crude oils, light crude oils
- Provides for the majority of fuels used in BC lower mainland
 - Refined products
 - Crude oil to Chevron Burnaby Refinery

TMPL Throughput 2014

2014 Trans Mountain Pipeline Throughput by Product Type

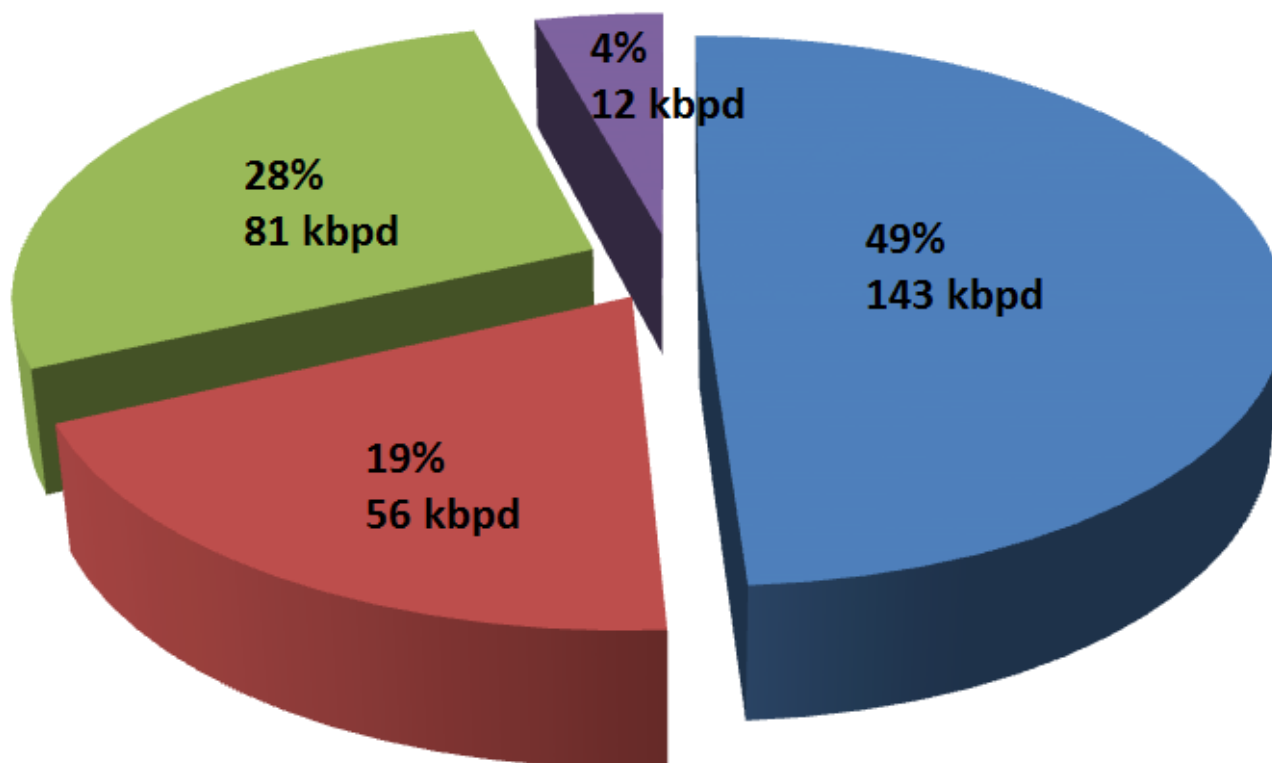
■ Light Crude ■ Synthetic Crude ■ Heavy Crude ■ Refined Products



TMPL Throughput 2014

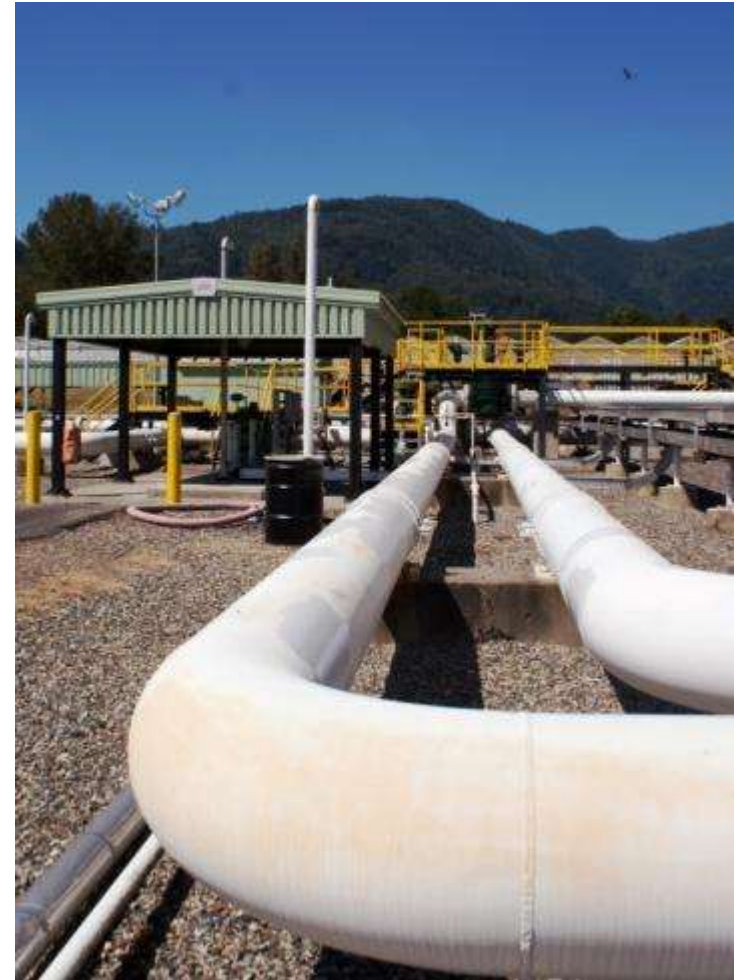
2014 Trans Mountain Pipeline Throughput by Destination

■ Puget Sound ■ Westridge ■ Burnaby ■ Kamloops



Proposed Expansion Project

- Facilities Application filed with NEB in December 2013
 - To expand the existing 1,150-kilometre pipeline from Strathcona County (near Edmonton) to Burnaby
- Based on 15- and 20-year commitments from shippers to use the line
- The proposed expansion to increase capacity to 890,000 barrels per day
- Projected capital cost is approximately \$5.5 billion



Proposed Scope of Expansion Project



- Result: a dual-line operation – twinned pipeline (approximately 994 km of new pipeline) with:
 - Existing line for lighter products
 - The proposed new line for heavier oils
- 36-inch and 42-inch pipeline diameter
- 12 new pump stations at 11 locations



Proposed Scope of Expansion Project



- Estimated 20 new storage tanks at existing facilities in Edmonton, Sumas and Burnaby
- New dock complex with three berths each capable of loading Aframax-size tankers at the Westridge Marine Terminal



Proposed Expanded Pipeline

- Facilities Application includes the results of routing, environment and engineering studies and engagement activities
- 73 per cent of the proposed expanded pipeline will follow the existing right-of way, 17 per cent to follow other existing utility corridors or other infrastructure



Routing Principles



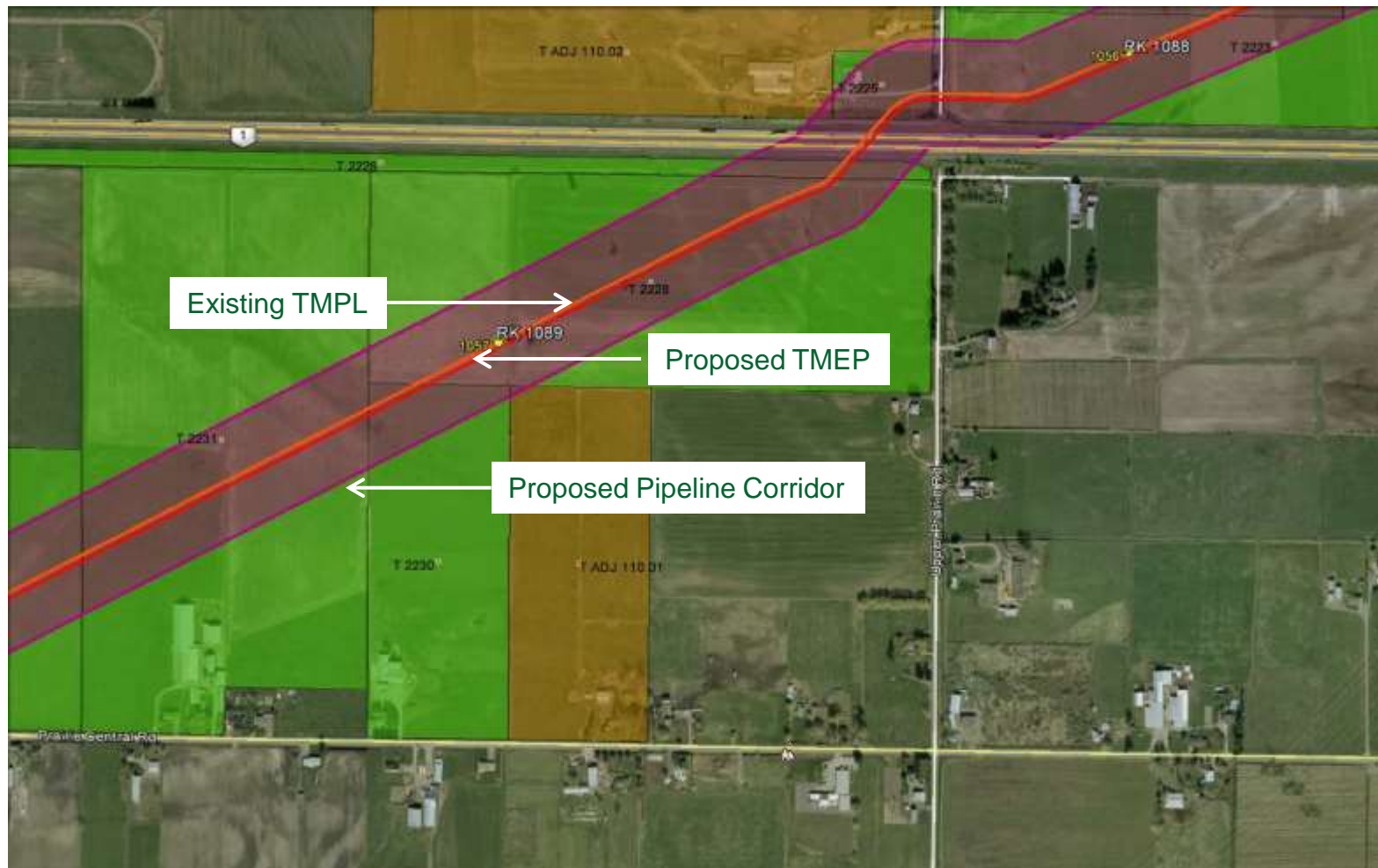
- Routing of the proposed expansion along the existing TMPL right-of-way where practical
- Minimize impacts to environment, communities and landowners through routing, design and construction
- Deviation from the existing right-of-way in areas where land use has changed significantly
 - In these cases, we have examined alternatives through routing studies in combination with our consultation process
- Work with municipalities, utility companies and other stakeholders to route the expansion on previously-developed land and in transportation corridors

Routing Studies

- Human Environment:
 - Land use: residences, commercial, recreation, parks
- Natural Environment:
 - Sensitive areas
 - Water crossings
 - Wetlands and wildlife
- Engineering:
 - Technical constraints/possible construction techniques
 - Geotechnical conditions
 - Pipeline length
 - Number and difficulty of crossings (highways, roads and other line crossings)

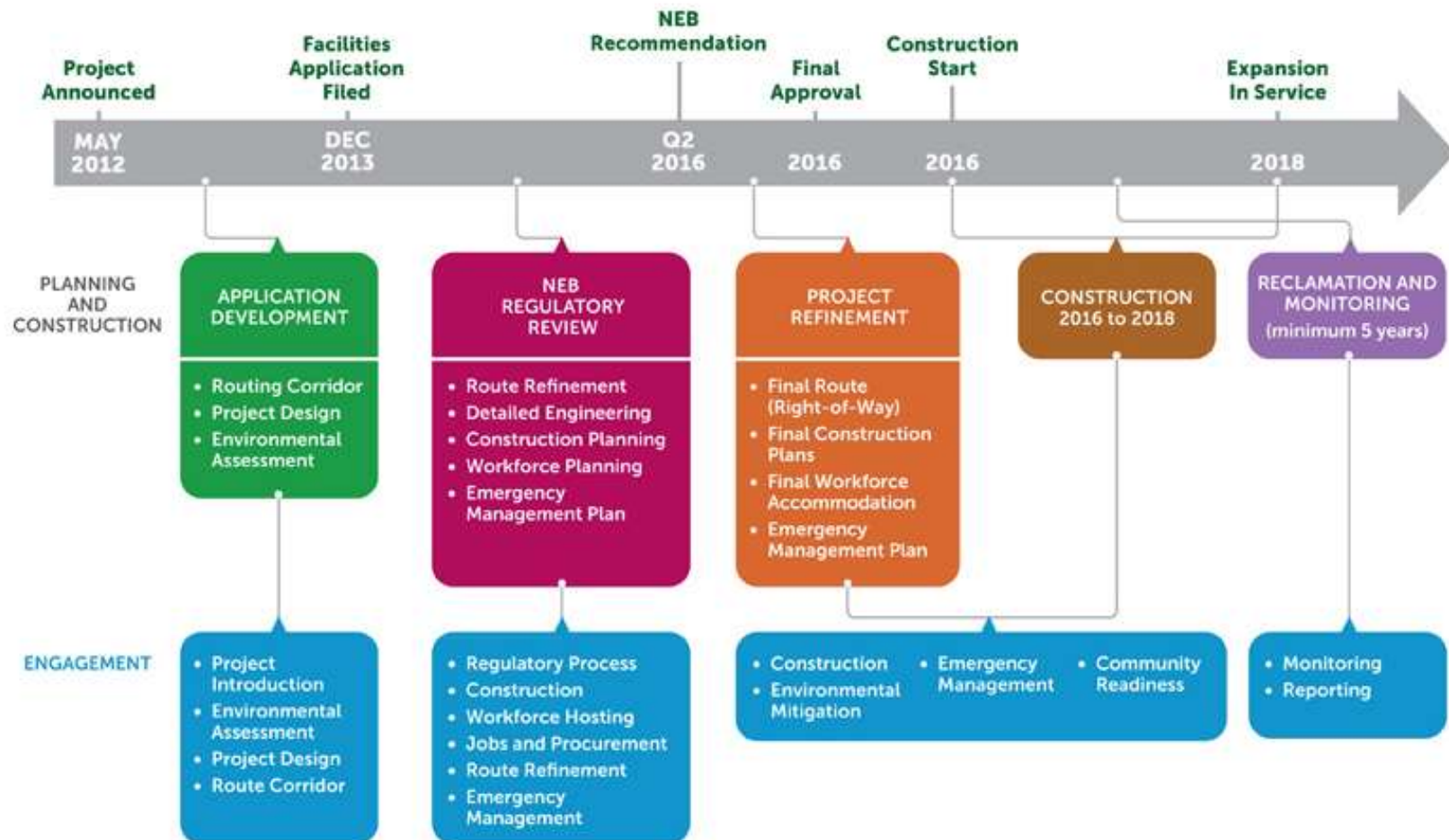


Study Corridor and Right-of-Way





Project Schedule



Project schedule and activities are subject to change

This schedule is subject to change based on detailed construction planning and regulatory timelines.

Landowners



- Our objective is to create and enhance good relations with landowners and to minimize the impact due to the pipeline expansion
- Approach:
 - Treat each landowner fairly and equitably
 - Identify and address landowner concerns
 - Mitigate impacts
- NEB process to resolve disagreements is available
- Long record of safe operations and positive relationships

Directly Affected Land Parcels

| Landowner Category | AB | BC | Total |
|-----------------------------|------------|-------------|--------------|
| Private | 440 | 1085 | 1525 |
| Crown | 163 | 567 | 730 |
| Aboriginal | 0 | 28 | 28 |
| Rail | 10 | 66 | 76 |
| Municipal | 37 | 96 | 133 |
| Transportation/Hydro | 122 | 58 | 180 |
| Total | 772 | 1900 | 2672 |

Landowner Questions and Concerns



- Compensation and Financial: for the Project activities on the land and impacts to their business or financial affairs.
- Environmental and Land Impacts: regarding impacts due to the Project or land impacts such as access.
- Land Value: potential Project impact on the land value.
- Legacy Concerns: outstanding issues related to previous interactions or TMPL activities.
- Opposition to the Project: landowner is generally opposed to the Project.
- Routing: where the pipeline will be located and what lands are needed for construction.

Land Acquisition Process



- The legal process required to obtain the necessary land rights for an NEB regulated pipeline include:
 - **early landowner consultation** on the project and route; survey consent is not legally required but does provide early identification of issues, opposition and input into routing and is part of the record of consultation
 - **landowner notification** of legal rights and land value (NEB Section 86 and 87)(1) prior to signed agreement
 - **landowner notification of detailed route** and detailed route appeal process (NEB Sections 34 -39) following CPCN
 - **right-of-entry process** to obtain land access where the company is unable to reach a negotiated settlement (NEB Section 104); a minimum of six months

NEB Land Rights Framework



- NEB Act addresses landowner engagement, notice and rights under a variety of sections
 - Sections dealing with Procedures:
 - Section 87: notice of proposed acquisition of land
 - Section 73: right to survey
 - Sections 34 – 40: notice of a procedure for detailed route approval
 - Section 104: right-of-entry procedure
 - Section 105: landowner's right to advance of compensation
 - Section 106: once order is made, registration of order on title
 - Sections dealing with Compensation:
 - Section 88 – 90: negotiation and arbitration procedures
 - Section 97: factors considered in assessing compensation
 - Section 99: cost reimbursement for landowners (automatic if award is 85% or more of company offer)

NEB Landowner Notification

- NEB Section 87(1) – Requirement to Provide Notice of Proposed Acquisition of Lands:
 - (a) a **description of the lands** of the owner that are required by the company for that section or part;
 - (b) **details of the compensation offered** by the company for the lands required;
 - (c) a detailed statement made by the company of the **value of the lands required** in respect of which compensation is offered;
 - (d) a description of the **procedure for approval of the detailed route of the pipeline**; and
 - (e) a description of the **procedure available for negotiation and arbitration** in the event that the owner of the lands and the company are unable to agree on any matter respecting the compensation payable
- NEB Section 73 – Right to enter any land to complete surveys required to fix the site of the pipeline and determine the lands necessary for the pipeline.

NEB Detailed Route Notification



- NEB Section 34 – Requirement to Provide Notice of Detailed Route to Landowners:
 - Following receipt of Certificate of Public Convenience and Necessity (CPCN), Company prepares and files Plan, Profile and Book of Reference (PPBoR) for pipeline
 - Company serves notice on all owners of lands proposed to be acquired, and publishes notice of detailed route in local papers;
 - Description of the detailed route (Individual Ownership Sketch)
 - Location of the NEB office
 - Right of landowner to object within 30 days of notice
 - Should there be objections to the Detailed Route, the NEB arranges, provides notice for, and holds a public hearing to hear arguments regarding detailed route
 - For those properties where no objection is received, NEB approves PPBoR and releases those lands for construction.

NEB Right-of-Entry



- NEB Section 104 – Requirements to Obtain Right-of-Entry:
 - Following receipt of Plan, Profile and Book of Reference for pipeline, Company may apply for Right-of-Entry (RoE)
 - Company serves notice on all owners of lands where RoE is being applied for;
 - Date of Application to the NEB
 - Date Company wished to enter the lands
 - Address of the NEB office to file objections
 - Description of the right of the landowner to advance compensation
 - Right of landowner to object within 30 to 60 days of Date of Application
 - Should there be objections to the Detailed Route, the NEB arranges, provides notice for, and holds a public hearing to hear arguments regarding detailed route
 - For those properties where no objection is received, NEB approves PPBoR and releases those lands for construction.
 - Section 105 provides for advance payment prior to entry on lands.
 - Section 106 provides immediate right-of-entry upon registration of the order with Land Titles

Negotiation and Arbitration

- NEB Sections 88-90 – Right to Negotiation and Arbitration:
 - Either Landowner or Company may serve notice on the other party and Minister of Natural Resources Canada for negotiation or arbitration;
 - For negotiation, Minister appoints a negotiator
 - Negotiator has 60 days to following commencement of negotiations to file a report with the Minister
 - For Arbitration, Minister appoints an Arbitration Panel of 3 or more members with the powers of a superior court
 - Arbitration Panel arranges and holds hearings into compensation, and determines compensation to be paid based upon Section 97
 - Decision of the Arbitration Panel is appealable to the Federal Court of Canada.

NEB Compensation Framework

- **NEB Section 97(1) - Arbitration Committee considers the following factors where applicable in assessing compensation:**
 - (a) **market value** of the lands taken by the company
 - (b) where **annual or periodic payments** are being made pursuant to an agreement or an arbitration decision, changes in the market value referred to in paragraph (a) since the agreement or decision or since the last review and adjustment of those payments, as the case may be
 - (c) **loss of use** to the owner of the lands taken by the company
 - (d) **adverse effect** of the taking of the lands by the company on the remaining lands of an owner
 - (e) **nuisance, inconvenience and noise** that may reasonably be expected to be caused by or arise from or in connection with the operations of the company
 - (f) **damage to lands** in the area of the lands taken by the company that might reasonably be expected to be caused by the company
 - (g) **loss of or damage to livestock or other personal property** or movable affected by the operations of the company
 - (h) **any special difficulties in relocation** of an owner or his property
 - (i) **such other factors** as the [Arbitration] Committee considers proper in the circumstances

NEB vs. BC Expropriation Act



| | BC | NEB |
|------------------------------------|------------|--|
| Notice of Expropriation | Section 6 | Section 104 |
| Right to Survey | Section 9 | Section 73 |
| Right to Have Objection Considered | Section 10 | Sections 34 (Route), 104 (Compensation) |
| Advance Payment | Section 20 | Section 105 |
| Vesting and Possession | Section 23 | Section 106 |
| Objection of Compensation | Section 25 | Section 88-90 |

Public Information Sessions



- To date, we've engaged with thousands of individuals
- 159 open houses and workshops and hundreds of meetings



Stakeholder Questions and Concerns



- Marine transportation and spill history, risk and management
- On-land spills, risks, management and implications for property values
- Economic benefits – jobs and procurement
- Routing and environmental impacts
- Policy issues including production and transportation of non-renewable resources and associated environmental impacts
- Opportunities for involvement and providing input

Aboriginal Engagement Principles

- Build Trust and Respect
- Ensure Meaningful Consultation
- Address Legal Requirements
- Provide Capacity Funding
- Gather Aboriginal Perspectives
- Assess Project Impacts
- Reach Impact Understandings
- Provide Benefits for Aboriginal Groups
 - Provide training and employment to Aboriginal Groups
 - Mutual benefit agreements (MBAs)
 - Share Prosperity Created
 - Build Capacity and Opportunity

Next Steps

- Ongoing detailed design and studies
- NEB Process
 - Oct 20 last round of information requests from NEB and intervenors
 - Dec 17 present Oral argument
 - May 20 NEB provides decision on Project
- Landowner acquisition continues
- Ongoing engagement with stakeholders and Aboriginal groups

We want to hear from you

CONTACT US:

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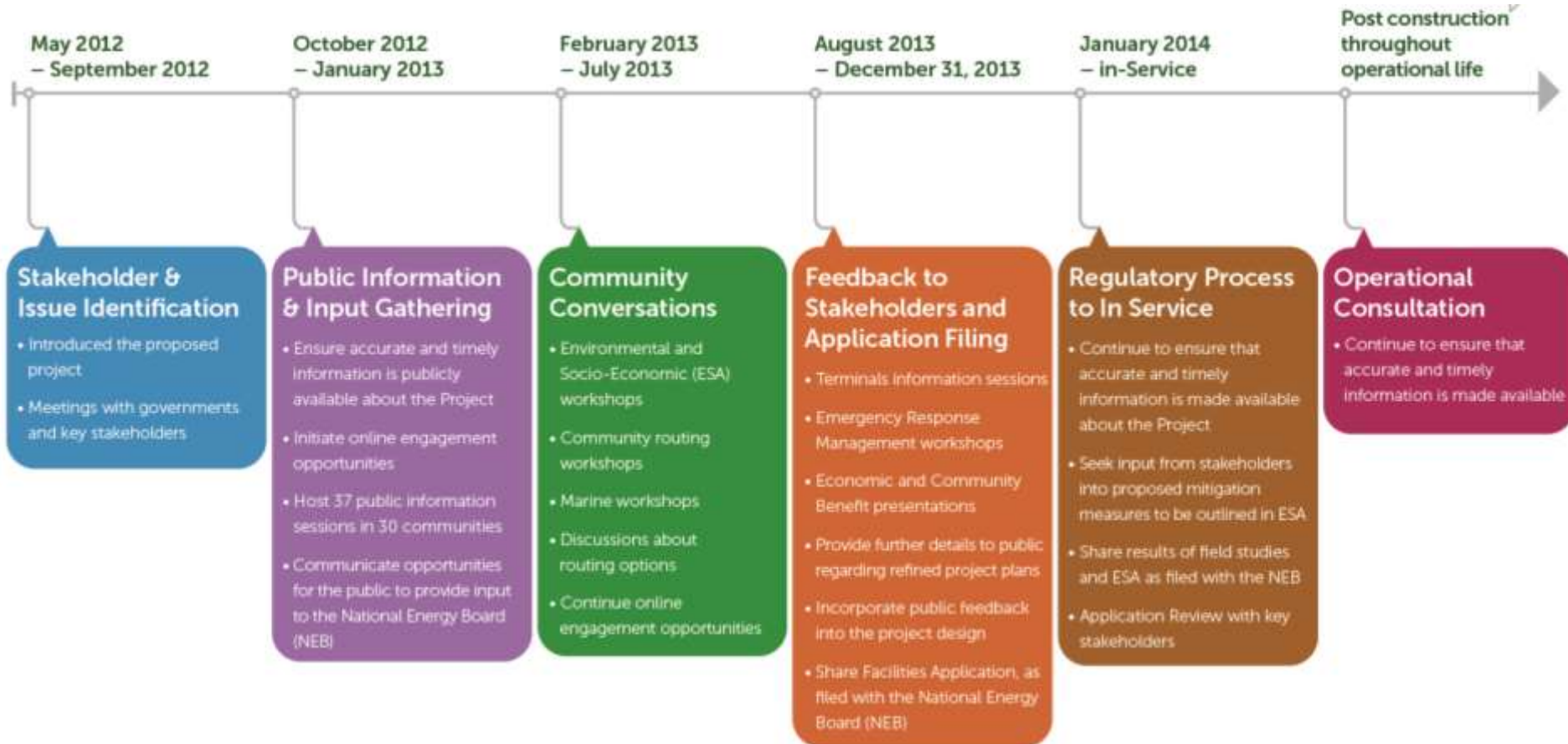


@TransMtn



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Stakeholder Engagement

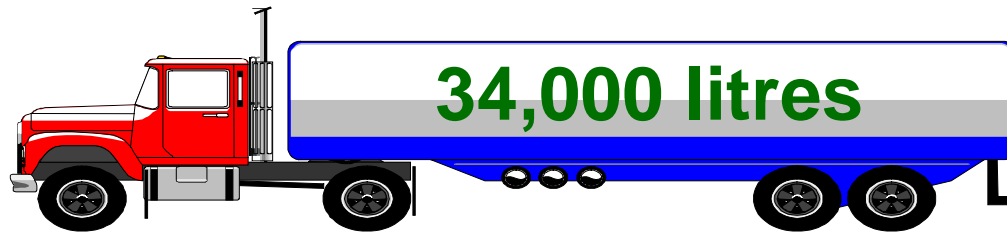


Communities Visited



Supply

- Current capacity 47.7 million litres or 300,000 barrels capacity per day



X 1,400

- Equivalent to a tanker truck leaving Edmonton for Vancouver every minute
- Ability to transport multiple products in batches up to 350 km long travelling at 5 km/hr:



Routing Considerations

- Factors that have been considered in selecting the **most practical** route include:
 - Follow established transportation and utility corridors
 - Minimize impact on landowners
 - Minimize impact on environment
 - Minimize constraints on municipal infrastructure
 - Minimize impact on public
 - Minimize impact on Aboriginal communities



Routing Timeline

2012- Ongoing

- Routing studies
- Engagement activities
- Survey work

2013

- Communicate 40-metre to 150-metre pipeline corridors
- Seek input
- File study corridors in Facilities Application

2014-2016

- Continue to refine right-of-way and construction footprint
- Finalize location of pipeline for construction