

NOVA GAS TRANSMISSION LTD. (NGTL) TOWERBIRCH EXPANSION PROJECT -REPORT-

**PREPARED FOR: NATURAL RESOURCES CANADA
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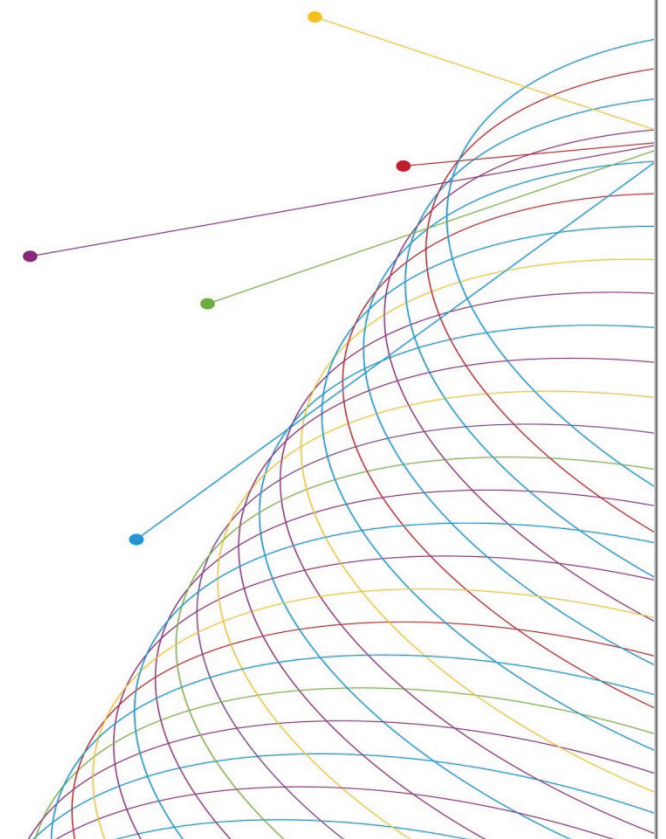


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EXECUTIVE SUMMARY

Background

On September 2, 2015, the National Energy Board (NEB) received NOVA Gas Transmission Ltd.'s (NGTL) Application for approvals to construct and operate pipeline facilities that will be part of the existing NGTL System. The proposed Towerbirch Expansion Project (Project) includes:

- Construction of 87 km of new gas pipelines and associated facilities in northwest Alberta and northeast British Columbia,
 - Tower Lake Section (32 km of 762 mm OD pipe)
 - Groundbirch Mainline Loop (55 km of 914 mm OD pipe)
- Additional associated facilities, including meter stations, valve sites and pipeline tie-ins.¹

On October 6, 2016 the NEB issued a report recommending that the Governor General in Council (GIC) approve the Towerbirch Expansion Project, subject to conditions. Should the GIC approve the Project, it will order the NEB to issue a Certificate of Public Convenience and Necessity.

The following details the NEB's review of the Project²:

- May 29, 2015: NGTL submitted a project description which triggered the NEB's engagement and outreach activities.
- September 2, 2015: NGTL submitted the project application.
- October 20, 2015: NEB issues Notice of Hearing.
- November 2-27, 2015: Application to Participate process.
- December 22, 2015: Hearing Order GH-003-2015 and List of Participants were issued.
- May 30 to June 3, 2016: Aboriginal oral traditional evidence (OTE) and oral cross-examination for matters related to Part III of the NEB Act took place in Dawson Creek, BC.
- July 8, 2016: NEB hearing process closed.
- October 6, 2016: The NEB found that the Towerbirch Expansion Project is in Canada's public interest and recommends GIC approval of the Project, subject to conditions.

In line with the interim measures announced in January 2016 on pipelines and as a complement to the NEB review process, an online questionnaire was posted on Natural Resource Canada's (NRCan's) website from October 6 to November 26, 2016 to allow Canadians, including Indigenous peoples and those possibly impacted by the proposed project, to provide their views.

1 <http://www.nrcan.gc.ca/questionnaire/19056>

2 <http://www.neb-one.gc.ca/pplctnflng/mjrpp/twrbrch/index-eng.html>

Methodology

OVERVIEW AND SAMPLING

The research covered in this report consists of a national questionnaire inquiring about the NOVA Gas Transmission Ltd. Towerbirch Expansion Project. The questionnaire was made available in both official languages to the Canadian general public from October 6 to November 26, 2016.

Findings are not statistically projectable to a broader population and no estimates of sampling error can be calculated. The questionnaire included questions for classification, such as demographic questions with yes/no answers, and open-ended responses. Questionnaire participants were self-selected, inviting any Canadians with any interest to choose to take part on their own accord.

In total, 61 people participated in this public consultation questionnaire, 31 of which completed all questions. The questionnaire took an average of 3 minutes 48 seconds to complete.

Key Findings

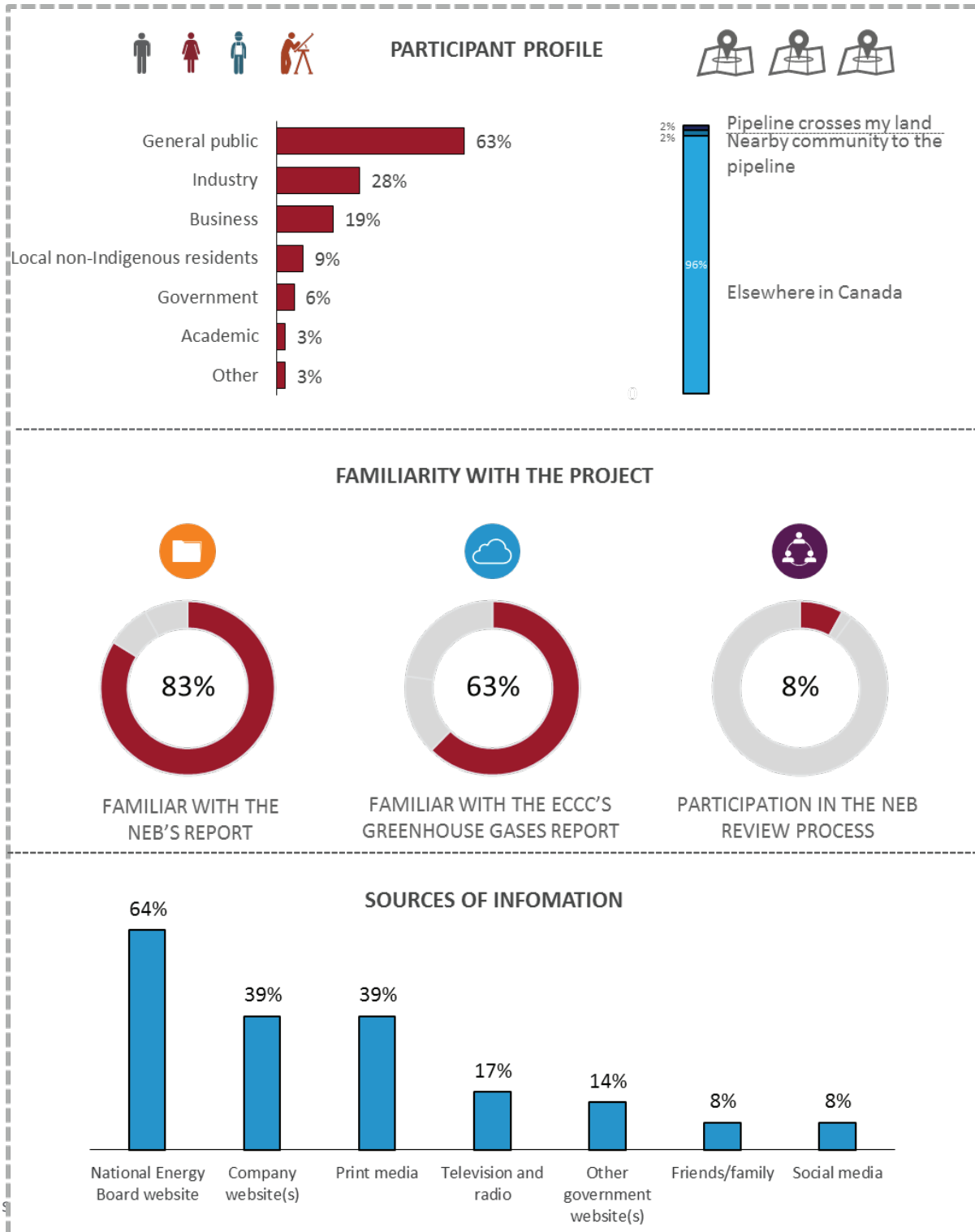
The majority of participants were familiar with the NEB report, with a majority believing that the NEB report was thorough and covered all items.

While the majority of participants are familiar with the report by the NEB, few participated in the assessment. Those who identified themselves as having participated in the NEB process indicated that they live elsewhere in Canada. Familiarity on the other hand is high among participants regardless of residency. There is less familiarity with Environment and Climate Change Canada's (ECCC's) assessment of upstream greenhouse gases.

Participants are primarily the general public, followed by industry members, business members, local non-Indigenous residents, government and academia. None of the participants identified as a local Indigenous resident or a member of a non-governmental organization.

Participants in this public consultation obtained information about the Project through a variety of sources. The NEB website was the source most used, followed by company website(s), print media, TV and radio.

SNAPSHOT OF PARTICIPANTS



* Please note that participants were allowed to select more than one identifying category (for example: General Public, Industry and Academic), which resulted in the category total adding to more than 100%.

GENERAL OVERVIEW

Background

On September 2, 2015, the NEB received NOVA Gas Transmission Ltd.'s (NGTL's) Application for approvals to construct and operate pipeline facilities that will be part of the existing NGTL System. The proposed Project () includes:

- Construction of 87 km of new gas pipelines and associated facilities in northwest Alberta and northeast British Columbia,
 - Tower Lake Section (32 km of 762 mm OD pipe)
 - Groundbirch Mainline Loop (55 km of 914 mm OD pipe)
- Additional associated facilities, including meter stations, valve sites and pipeline tie-ins.³

On October 6, 2016 the NEB issued a report recommending that the GIC approve the Project, subject to conditions. Should GIC approve the Project, it will order the NEB to issue a Certificate of Public Convenience and Necessity. The following details a review of the Project⁴:

- May 29, 2015: NGTL submitted a project description which triggered the NEB's engagement and outreach activities.
- September 2, 2015: NGTL submitted the project application.
- October 20, 2015: NEB issues Notice of Hearing.
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In line with the interim measures announced in January 2016 on pipelines and as a complement to the NEB review process, an online questionnaire was posted on NRCan's website from October 6 to November 26, 2016 to allow Canadians, including Indigenous peoples and those possibly impacted by the proposed Project, to provide their views.

³ <http://www.nrcan.gc.ca/questionnaire/19056>

⁴ <http://www.neb-one.gc.ca/pplctnflng/mjrpp/twrbrch/index-eng.html>

Methodology

OVERVIEW

This research consisted of a national questionnaire for the NOVA Gas Transmission Ltd. Towerbirch Expansion Project, which was made available to the general public for completion from October 6 to November 26, 2016. Participants were asked their familiarity of the NEB report and the ECCC assessment, as well as if they participated in the NEB review process for the Project. In addition, participants were asked where they lived in proximity to the pipeline, their primary source of information for the Project, which identifying category they belonged to and if there were any other issues related to potential impacts not contained in the NEB report. This report analyses the responses received from the questionnaire.

SAMPLE DESIGN AND SELECTION

Given that participants in this consultation opted voluntarily to provide their feedback and were not randomly selected from a target population, findings are not statistically projectable to the Canadian population and no estimates of sampling error can be calculated. The sample of questionnaire responses included questions for classification, such as demographic questions with yes/no answers, and open-ended responses. Questionnaire participants were self-selected, inviting any Canadians with any interest to choose to take part on their own accord.

In total, 61 people participated in this public consultation questionnaire regarding the Towerbirch Expansion Project, 31 of which completed all questions. The questionnaire took an average of 3 minutes 48 seconds to complete.

QUESTIONNAIRE DESIGN

NRCan designed the questionnaire in both official languages.

QUESTIONNAIRE ADMINISTRATION

The questionnaire was available for completion between October 6 and November 26, 2016 and took an average of 3 minutes and 48 seconds to complete. The questionnaire was administered online and it included information presented on an introductory page.

NRCan informed Canadians participating in the questionnaire of the purpose of the questionnaire, how their information would be used, and their identity protected under the *Privacy Act*.

DATA ANALYSIS

Upon completion of data collection, Natural Resources Canada provided Nielsen with a final CSV file for the Project questionnaire. Nielsen prepared the data file to facilitate analysis through Nielsen's data analysis procedures as outlined below:

Data Validity and Integrity Checks: Nielsen’s custom system immediately identifies cases where the response length is unrealistically short. As a result, Nielsen can determine whether a case should be excluded from the final qualitative analysis if necessary. All of these checks are performed manually and cleaned out of the data in the back end of the project. Nielsen uses a checklist to ensure all data that is delivered to the client has gone through a rigorous quality control process.

Data Analysis: Nielsen prepared an analysis plan that included key banner breaks as required. Once the questionnaire data was collected and cleaned, Nielsen ran a series of data tables that provided results for all questions in the questionnaire, both overall and broken down by selected “banners.” This permitted the comparison of qualitative results from various sub-group segments of interest based on demographic questions. The analysis plan included banners for the key demographic segments asked in the questionnaire, such as region, rural/urban divisions, etc.

DETAILED FINDINGS

Profile of Participants

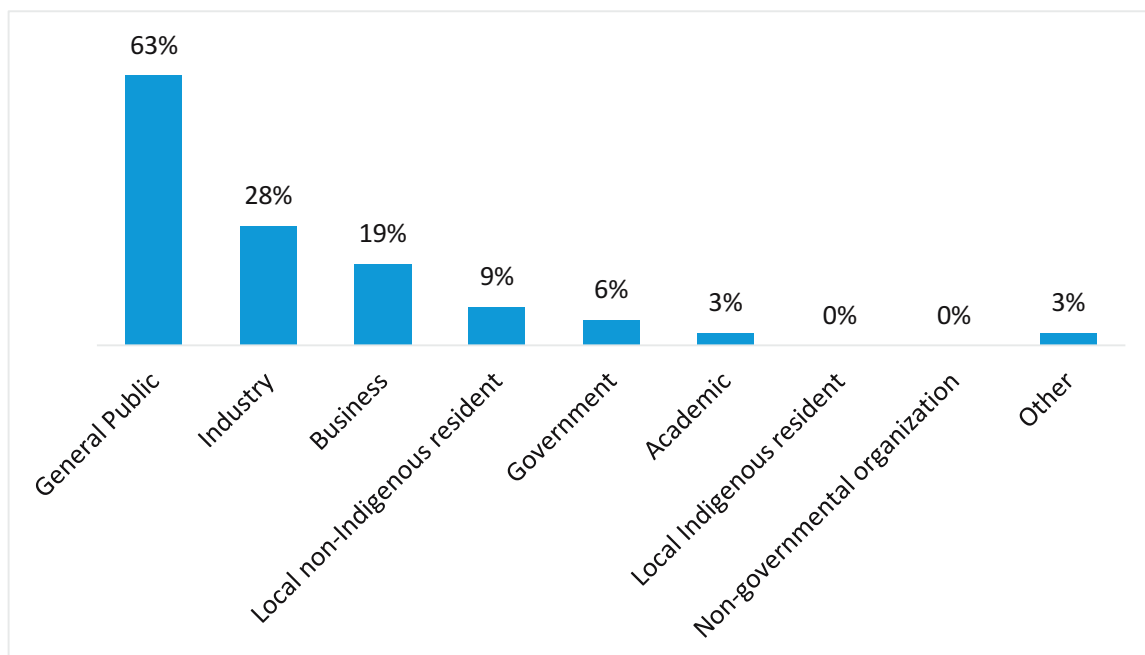
This section reports the profile composition of participants. Please note that as answering all questions within the questionnaire was not mandatory, response numbers vary by question.

PARTICIPANT CATEGORY

Participants were asked to identify the category which describes them, namely: local Indigenous resident; local non-Indigenous resident; business person; non-governmental organization; industry; government member; general public; academic or other. Participants were allowed to choose multiple categories or none of them.

Of those who replied to this question, the largest group of participants was the general public (63%), followed by industry members (28%), business persons (19%), local non-Indigenous residents (9%), government members (6%) and academics (3%). No participants self-identified as a local Indigenous resident or a member of a non-governmental organization. Twenty-nine participants (48%) did not provide an answer to this question.

The chart below shows the distribution of the participants according to the category best describing them.



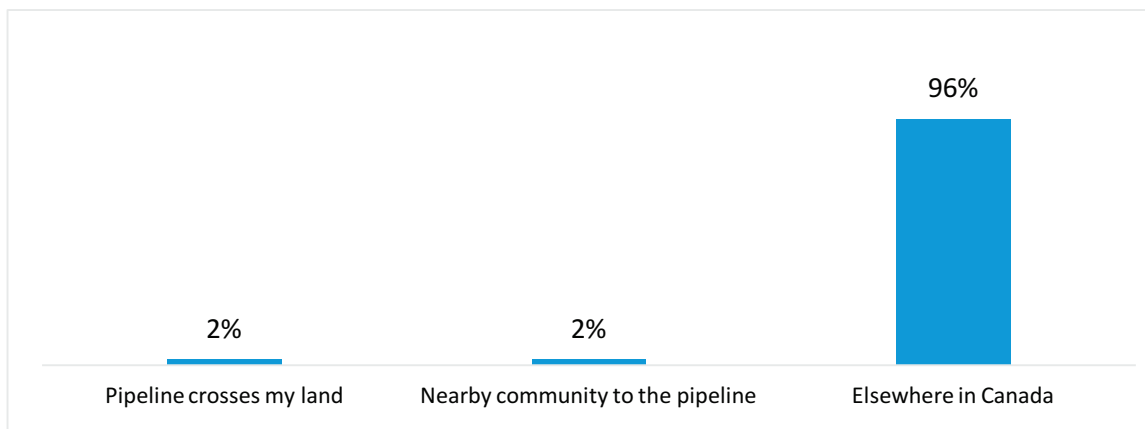
Q10. Which category describes you and why you are interested in the proposed Towerbirch expansion project?

Base: All Responses (n=32).

PARTICIPANT RESIDENCY RELATIVE TO THE PIPELINE

Participants were asked to indicate where they live relative to the pipeline. Of those who replied to this question, the vast majority of participants live elsewhere in Canada (96%), while only 4% of participants live in areas directly affected by the pipeline, including 2% living in a land crossed by the pipeline and 2% in nearby communities.

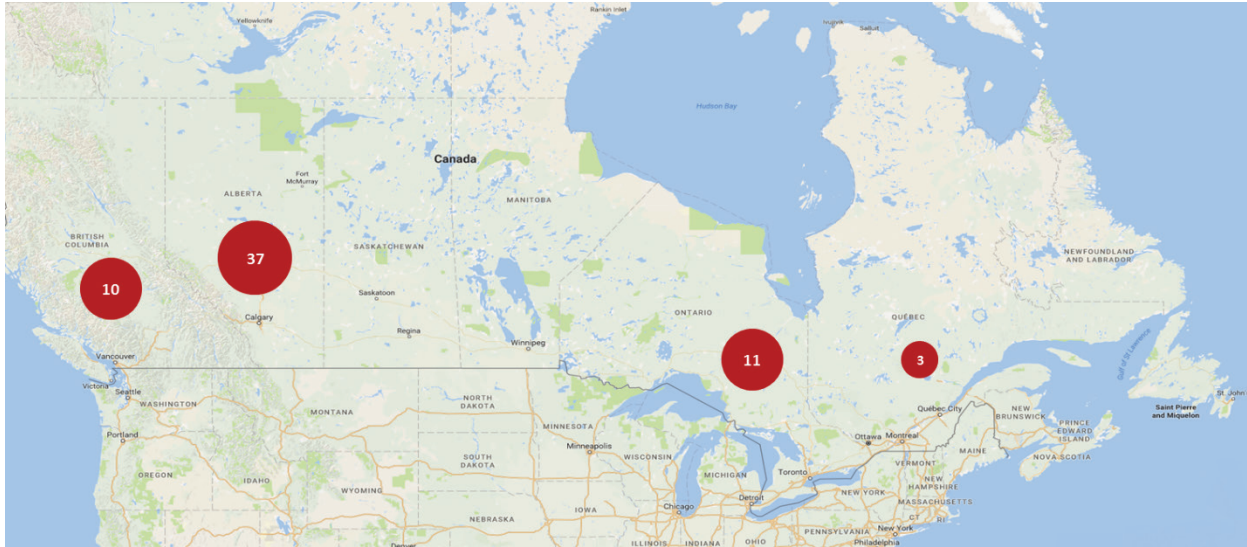
Of those who replied to this question, one participant indicated that the pipeline crosses their land, and one participant indicated living in a nearby community to the pipeline. The remainder of participants who completed this question indicate living elsewhere in Canada. The participant living in an area crossed by the pipeline and the participant living in a nearby community completed all questions in the questionnaire. In contrast, only 63% of the participants who answered this question indicated living elsewhere in Canada completed all questions.



Q2. Please identify where you live in relation to the proposed project?
Base: All Responses (n=48).

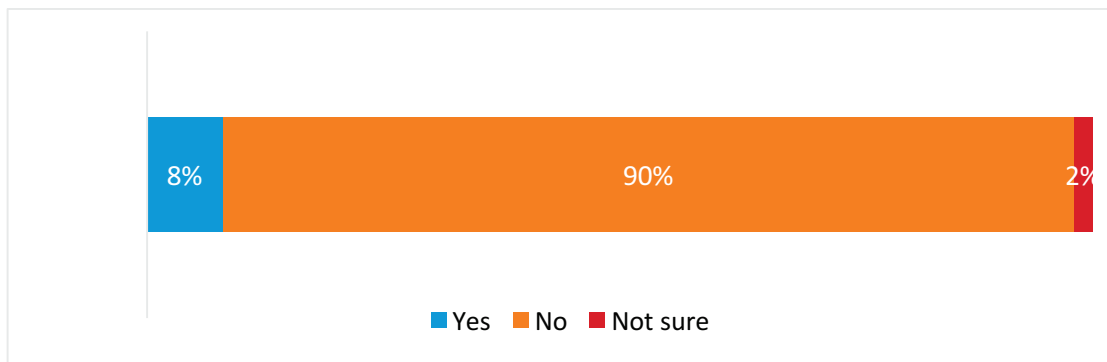
REGION OF PARTICIPANT

Primarily, participants derive from Alberta, with others located in Ontario, British Columbia and Quebec⁵.



PARTICIPATION IN THE NATIONAL ENERGY BOARD REVIEW PROCESS

Of those who replied to this question, only 8% participated in the National Energy Board review process. The majority (90%) did not participate and 2% were unsure. Thirteen participants (21%) did not answer this question.

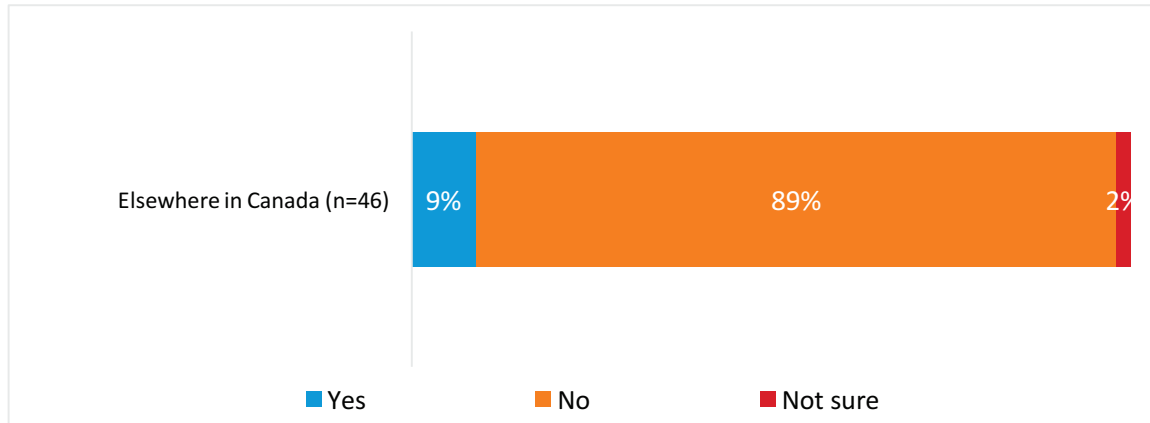


Q5. Did you participate in the National Energy Board review process for the Towerbirch Pipeline Expansion?
Base: All Responses (n=48).

⁵ The participants' location was based on their IP address or postal code. Each participant was asked for the first three letters of their postal code, but not every participant provided an answer. The IP address locations were cross-referenced with the provided postal codes where available. In the case that a postal code was not provided, the IP address was used. Six participants did not provide their postal code and were located based on their IP address.

PARTICIPATION IN THE NATIONAL ENERGY BOARD REVIEW PROCESS BY RESIDENCY RELATIVE TO THE PIPELINE

Of those who replied to this question, approximately one in ten participants living elsewhere in Canada participated in the NEB review process for the Project. Thirteen participants (21%) did not answer this question.



*Due to the very small sample size and in the interest of confidentiality, results for participants living on land crossed by the pipeline or living in nearby communities to the pipeline are not shown.

**Small sample size. Results should be interpreted with caution.

Q5. Did you participate in the National Energy Board review process for the Towerbirch Pipeline Expansion? Base: All Responses (n=48).

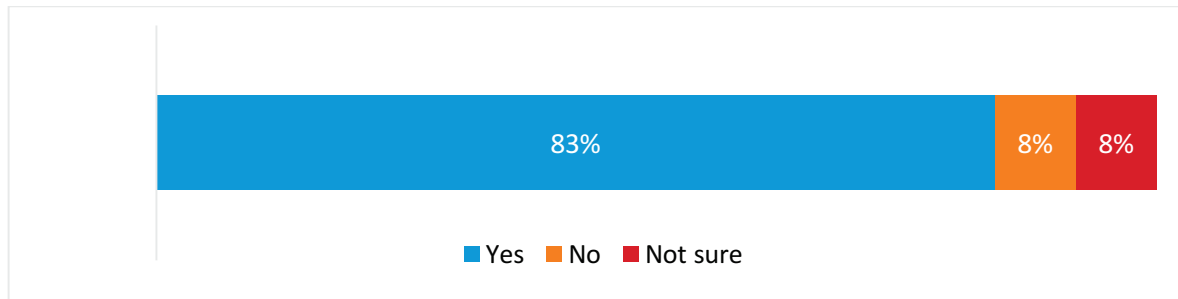
Q2. Please identify where you live in relation to the proposed project?

Familiarity with the National Energy Board Reports

This section summarizes the levels of familiarity and engagement with the project. Please note that as answering all questions within the questionnaire was not mandatory, response numbers vary by question. Please note that the percentages included in this report are rounded to the nearest whole number, therefore totals will not necessarily add up to 100%.

FAMILIARITY WITH THE REPORT BY THE NATIONAL ENERGY BOARD

Of those who replied to this question, the majority of participants (83%) are familiar with the report by the National Energy Board related to the pipeline. Only 8% are not familiar with the report and 8% are unsure. Thirteen participants (21%) did not answer this question.

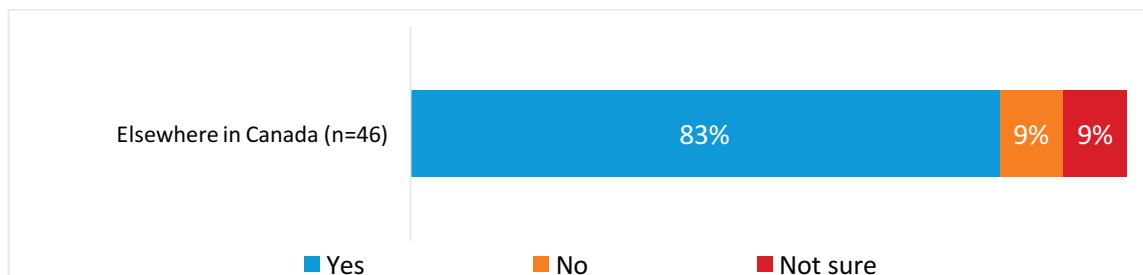


Q3. Are you familiar with the report by the National Energy Board related to this project?

Base: All Responses (n=48).

FAMILIARITY BY RESIDENCY RELATIVE TO THE PIPELINE

Of those who replied to this question, a lower proportion of the participants who self-identified as living elsewhere in Canada were familiar with the report (83%). Thirteen participants (21%) did not answer this question.



*Due to a very small sample size of less than three and to protect their privacy, results for participants living on land crossed by the pipeline or living in nearby communities to the pipeline are not shown.

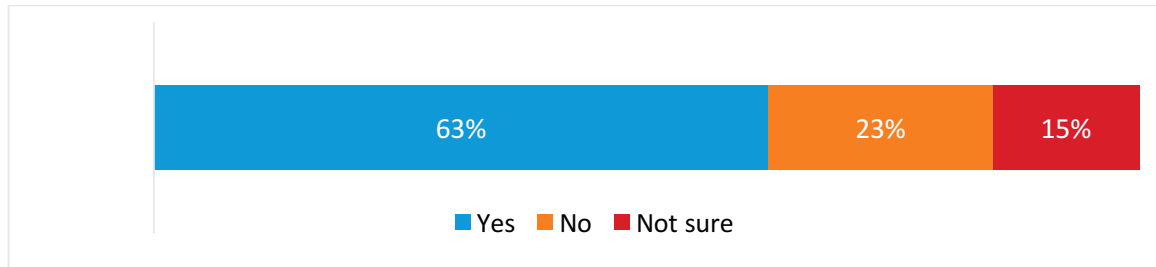
**Small sample size. Results should be interpreted with caution.

Q3. Are you familiar with the report by the National Energy Board related to this project? Base: All Responses (n=48).

Q2. Please identify where you live in relation to the proposed project?

FAMILIARITY WITH ENVIRONMENT AND CLIMATE CHANGE CANADA'S ASSESSMENT

Of those who replied to this question, two thirds of participants were familiar with the Environment and Climate Change Canada's assessment of upstream greenhouse gases related to the Project, while one quarter were not familiar and 15% were unsure. Familiarity with this report (63%) is lower compared to familiarity with the report by the NEB (83%). Thirteen participants (21%) did not provide an answer to this question.

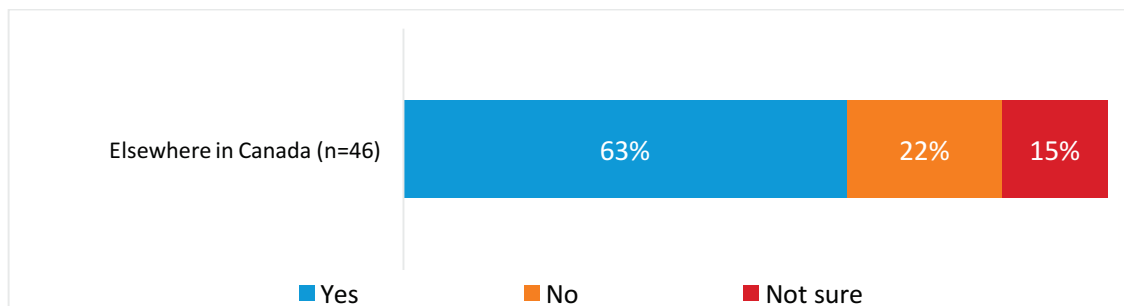


Q4. Are you familiar with Environment and Climate Change Canada's assessment of upstream greenhouse gases related to this project?

Base: All Responses (n=48).

FAMILIARITY WITH ENVIRONMENT AND CLIMATE CHANGE CANADA'S ASSESSMENT BY RESIDENCY RELATIVE TO THE PIPELINE

Of those who replied to this question, two thirds of the participants living elsewhere in Canada (63%) are familiar with the ECCC's assessment of upstream greenhouse gases related to this Project. Among the participants who self-identified as living elsewhere in Canada, about one third (63%) are familiar with this report, similar to the proportion familiar with the NEB report (83%). Thirteen participants (21%) did not provide an answer to this question.



* Due to a very small sample size of less than three and to protect their privacy, results for participants living on land crossed by the pipeline or living in nearby communities to the pipeline are not shown.

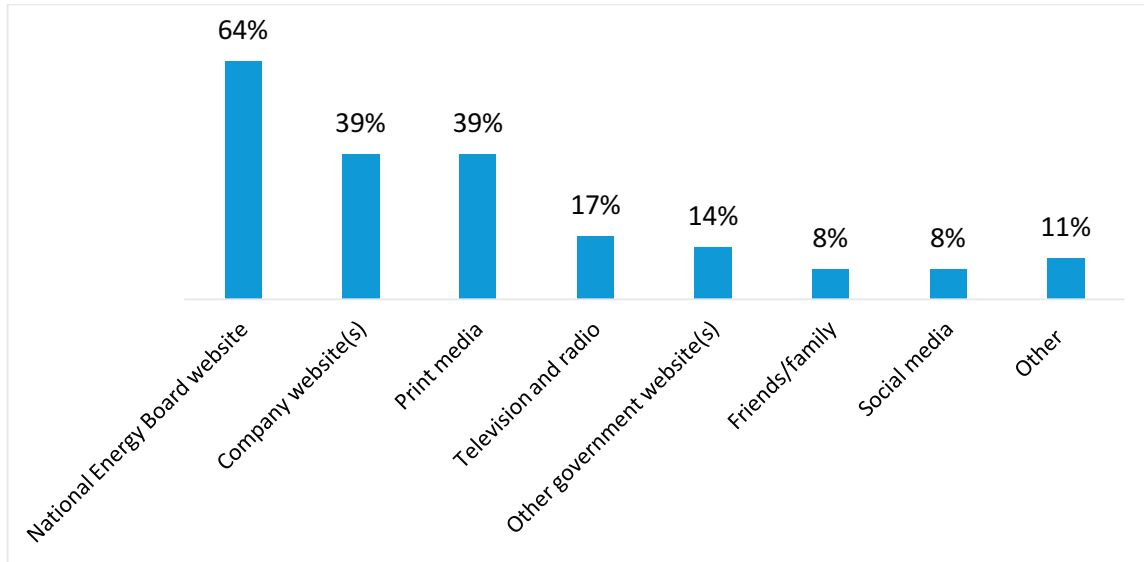
**Small sample size. Results should be interpreted with caution.

Q4. Are you familiar with Environment and Climate Change Canada's assessment of upstream greenhouse gases related to this project? Base: All Responses (n=48).

Q2. Please identify where you live in relation to the proposed project?.

SOURCE OF INFORMATION

Participants were asked for their primary source of information about the Project and were provided with a list of potential sources. Respondents were allowed to choose more than one source. Of those who replied to this question, the majority of participants indicated the National Energy Board website as their primary source of information about the project (64%). Other important sources of information included the company websites and print media (each 39%), television and radio (17%) and other government websites (14%). Friends and family (8%) and social media (8%) were mentioned by fewer participants. Twenty-five participants (41%) did not provide an answer to this question.

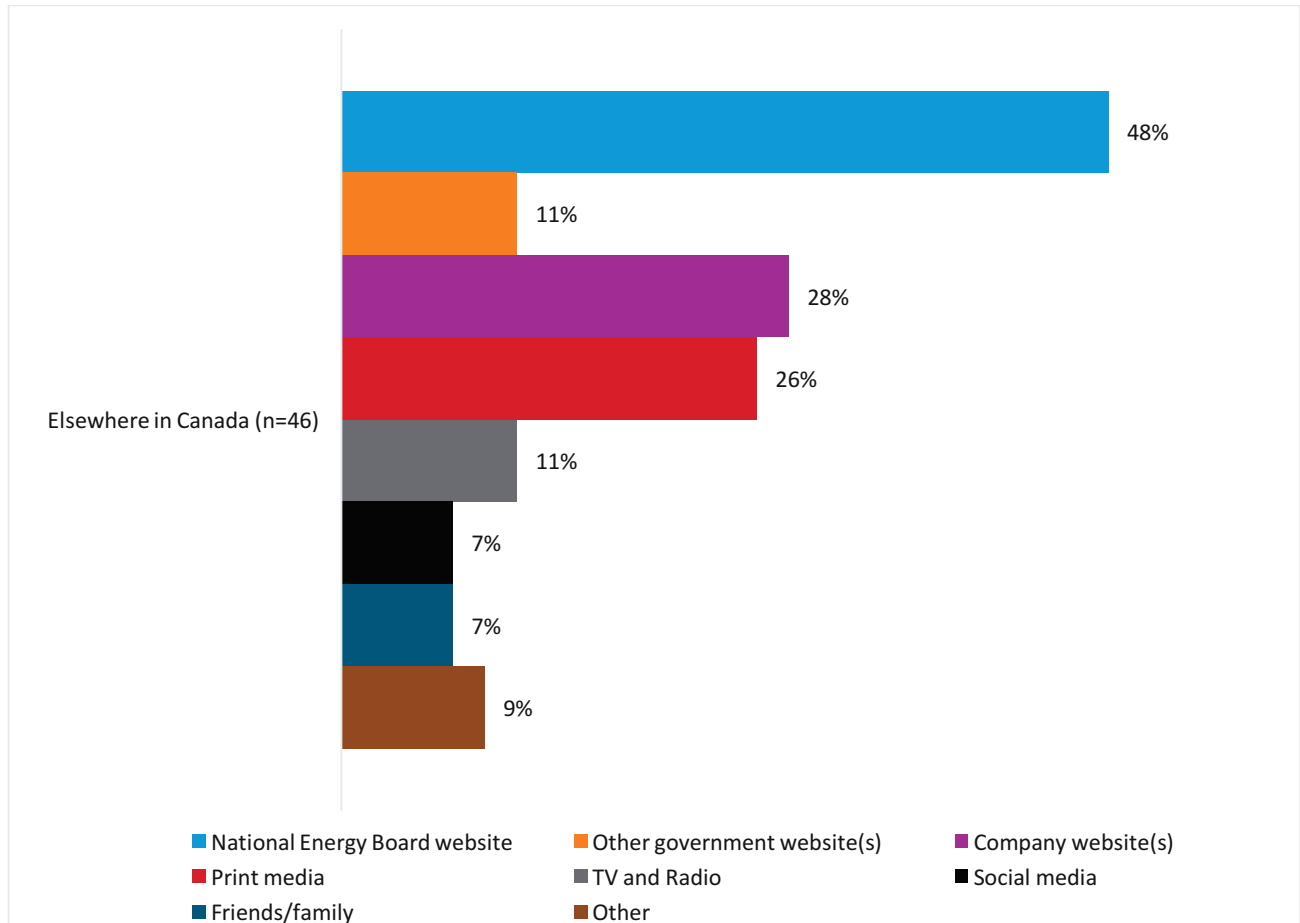


Q9. What is your primary source of information about the project?

Base: All Responses (n=36).

SOURCE OF INFORMATION BY RESIDENCY RELATIVE TO THE PIPELINE

Of those who replied to this question, participants living elsewhere in Canada had a broad range of mentions with the National Energy Board website receiving the most mentions (at 48%), followed by company websites (28%), print media (26%), other government websites and TV and radio (11% each). Family and friends and social media were mentioned by fewer participants (7% each). Twenty-five participants (41%) did not provide an answer to this question.



**Small sample size. Results should be interpreted with caution.

* Due to a very small sample size of less than three and to protect their privacy, results for participants living on land crossed by the pipeline or living in nearby communities to the pipeline are not shown.

Q9. What is your primary source of information about the project? Base: All Responses (n=36).

Q2. Please identify where you live in relation to the proposed project?

Views about Issues Surrounding the National Energy Board Report

This section reports the common themes regarding the views about the issues surrounding the National Energy Board report. Based on the limited number of participants in this consultation, we have included all verbatim responses below, allowing for a transparent view of all opinions presented.

ISSUES RELATED TO POTENTIAL IMPACTS NOT CONTAINED IN THE NATIONAL ENERGY BOARD REPORT

The public consultation asked participants whether there were other specific issues related to potential impacts that were not contained in the NEB report. Fifteen participants provided a response, with the majority of responses indicating that the report was thorough and covered all items. Fourteen participants live elsewhere in Canada. All were familiar with the report by the NEB, while ten were familiar and five were unsure or not familiar with ECCC's assessment of upstream greenhouse gases. Furthermore, only three participated in the NEB review process for the Project.

Most of the responses provided were one-word answers including "no" or "none". Some participants elaborated more on their views. Responses are presented below in no particular order.

"No, the NEB process was robust and thorough. It provided substantial opportunity for interested parties."

"This expansion is required to ensure Canada's natural resources flow efficiently to the markets."

"I believe more emphasis and explanation of the benefits and economic upside of this project should have been brought forward. I understand some people affected by physical proximity to this project are concerned, but there are many more people locally that support these projects purely because of the jobs created and spin-off effect benefits. Oil and natural gas development is not new in this area, yet Canadians elsewhere continue to appose and reject these projects that have very little to no effect on them. If the Federal Government wants true, honest "feedback" from people, then please educate and look at both sides of the economic story. The West has far been the economic engine of this country for many years, and potentially allowing unaffected people to sway opinions is very dangerous. Thanks."

"My opinion is very simple: "Because it's 2016"! And since Canada has just ratified the Paris Accord, why continue to develop an outdated industry when it is necessary to turn quickly to green technologies, to follow the path towards sustainable development. We do not need new pipelines, what we need are the means to exploit the new large-scale energy sources."

"There needs to be a review of the impact if we do not approve this project or any other proposed pipeline expansion project. The Government needs to consider lost jobs; not only specific to the pipeline but ongoing lost jobs if the gas industry cannot egress the gas out of the Province. Plus there should be a review of what will happen if Canadian's cannot find an inexpensive supply of gas to heat their homes or oil to drive their cars."

Q6. Are there other specific issues related to potential impacts that you feel were not contained in the NEB report?
Base: All Responses (n=15).

