

From: Nichols, Trudy [mailto:Trudy\_Nichols@kindermorgan.com] On Behalf Of Anderson, Ian  
Sent: Friday, August 10, 2012 3:19 PM  
To: OfficeofthePremier, Office PREM:EX  
Cc: Sweeney, Neil PREM:EX; Anderson, Ian; Nichols, Trudy; Minister, ABR ABR:EX;  
Minister, ENV ENV:EX  
Subject: Kinder Morgan Canada Reply to Heavy Oil Pipelines Report  
Importance: High

Trudy Nichols on behalf of Mr. Ian Anderson, President Kinder Morgan Canada

Please note attached letter dated August 10, 2012. Original and copies to follow by mail.

Regards,  
Trudy Nichols  
Executive Assistant to President  
Kinder Morgan Canada Inc.  
Suite 2700, 300 - 5th Avenue S.W.  
Calgary, AB T2P 5J2  
Direct Line: 403. 514.6432  
Email: trudy\_nichols@kindermorgan.com

1 | Page  
August 10, 2012  
Honourable Christy Clark  
Premier of British Columbia  
West Annex, Parliament Buildings  
Victoria, BC V8V 1X4  
VIA EMAIL: premier@gov.bc.ca  
Dear Premier Clark;

I am writing in response to the Government of British Columbia's ("BC Government") recent report on heavy oil pipelines (the "Report"). At the outset, let me commend the efforts of the BC Government in completing this review. The Report addresses many difficult issues during a critical time in Canada's and British Columbia's economic future.

After reading the Report and consulting with my staff, and others, I felt it would be helpful to pass on our initial thoughts on the five conditions and the recommendations. Of course, we have many questions and I believe that through continued discussions with your government, we can help find solutions that will meet the needs of our industry, our company and British Columbians..

It is clear that some issues raised in the Report pertain directly to the Enbridge Northern Gateway proposal, while others apply equally to our proposed Trans Mountain expansion. A key distinction between the two pipeline proposals, irrespective of geography, is that Northern Gateway is a greenfield proposal and Trans Mountain, with its 60-year operating history, is not. Because of the existing operations of the Trans Mountain pipeline in the province of BC, our company, its customers and ultimately all British Columbians have a significant interest in what happens now that the Report has been issued.

The BC Government and many British Columbians are already aware of the existing Trans Mountain pipeline, its operations and safety record. While our environmental and safety compliance efforts fall under National Energy Board (NEB) regulation, we have begun a program to engage more fully with the BC Government and other key stakeholders regarding our operations. In the reality of heightened public awareness and concerns about crude oil pipelines and tankers, I believe continued and diligent engagements are paramount to providing facts and information. I extend our support and co-operation in this regard.

Before I address the five conditions in the Report, I would like to comment briefly on the issue of 'heavy oil.' It's obvious that the characteristics of heavy oil are of concern to the BC Government and the public. The existing Trans Mountain pipeline has been transporting increasing amounts of heavy oil for the past 30 years.

Kinder Morgan Canada Inc.

Suite 2700, 300 – 5th Avenue SW

Calgary, AB Canada T2P 5J2

Tel: (403) 514-6400

Fax: (403) 514-6401

Toll Free: 1 (800) 535-7219

[www.kindermorgan.com](http://www.kindermorgan.com)

Express Pipeline

Kinder Morgan Bison ULC

Kinder Morgan Canada Terminals ULC

Kinder Morgan Heartland ULC

Platte Pipeline

Trans Mountain Pipeline L.P.

Trans Mountain Pipeline (Puget Sound) LLC

Kinder Morgan Cochin ULC

2 | Page

Today, heavy oil represents about a quarter of the volumes shipped through the pipeline.

Contrary to much of the public misinformation, regarding; corrosiveness and oil spill clean up (some of which is included in the Report), heavy oil is not significantly different than conventional oil. The Trans Mountain pipeline is not corroding nor is effective oil spill response hindered because of it. In my view, focusing on heavy oil mischaracterizes many progressive and excellent ideas advanced in the Report.

Put another way, I believe all of the five conditions outlined in the Report – and the many recommendations – should be given weight if the pipeline in question is transporting light or heavy crude or, in the case of the Trans Mountain pipeline, refined products as well.

Kinder Morgan's commitment to the safe operation of the pipeline and environmental protection both on land and water and respect for Aboriginal interests would not be diminished, if the pipeline transported only light crude.

Below is a synopsis of Kinder Morgan's response to the five conditions outlined in the Report:

#### 1. Successful Completion of the Environmental Review Process

This condition is worded to apply to the Northern Gateway project; although I expect the BC Government would view the facilities application for Trans Mountain similarly. For the current project, we expect to file a facilities application in late 2013, with the regulatory review process expected to be complete in 2015.

We have no issue with this condition. Clearly, the proposed expansion of Trans Mountain will have to successfully complete an extensive environmental review process. Furthermore, I am confident we will receive this approval, not out of a lack of respect for the process, but a knowledge based on the recent completion of a project in which we constructed 160 kilometers of new pipeline through both Jasper National Park and Mount Robson Provincial Park, and for which we had to demonstrate the highest environmental standards.

In June of this year, we filed a Toll Application with the NEB that underpins the commercial aspects of expansion of Trans Mountain. This should not be confused with the aforementioned facilities application. We welcome the opportunity to review the Toll Application with the BC Government in the context of overall regulatory process governing the proposed expansion of Trans Mountain.

I believe it's important that the BC Government be fully informed about what the Tolling Application is and what it isn't before a position is taken. As we expect direction from the NEB outlining the regulatory steps shortly, we welcome the opportunity to engage with the BC Government in the coming months on this.

## 2. World Leading Marine Oil Spill Preparedness and Response

We acknowledge the direct link between our pipeline operations on land and the marine issues associated with oil tankers on the south coast of British Columbia. In the 1970s Trans Mountain and four oil companies founded the oil spill co-operative Burrard Clean that has now grown into the Western Canada Marine Response Corporation (WCMRC). Since its inception and under the oversight of Transport Canada, WCMRC has embraced industry best practices from its equipment sourcing, including new vessels, to its operations, such as the implementation of the Incident Command System (ICS).

### 3 | Page

The Report identifies issues relating to the role of and the capability of the Canadian Coast Guard in oil spill response. In this regard, we fully agree with the BC Government that the Coast Guard issues must be addressed. I understand that discussions are already underway that could see WCMRC expanding its operational role and capacity thereby enabling the Coast Guard to provide the necessary oversight to ensure oil spill preparedness and response meets what we can all agree must be 'world class' standards. We welcome participation in a joint working group as recommended in the Report.

A 60-year record of crude oil tanker safety on the south coast doesn't just happen. This is due, in part, because the safety regime in which tankers operate has demonstrated continuous improvement and changed significantly over those 60 years in response to advances in technology, training and learning's from other jurisdictions and incidents. Of course, more can always be done and I welcome participation of the BC Government to seek and maintain world-class standards.

Petroleum and other hazardous commodities are transported in coastal waterways by varying types and standards of tankers and barges. Safety in support of environmental protection must be addressed at the highest level of regulation for oil tankers transporting crude and extend to all commodities and all vessels on the coast. In our review, and with a focus on continuous improvement, we must also recognize that a "one size fits all" approach will not work and that we must to the extent possible use fact based science and operating experience to adapt world-class standards to the local conditions. In particular, we must be mindful of building upon the strengths of the organizations already in place and the mutual aid agreements that enable rapid response and rapidly expanding response depending on the size, type and location of a spill. I

believe we can learn from BC's own Provincial Emergency Program which addresses many types of emergencies and employs similar mutual aid relationships.

Improved mapping is another recommendation identified in the Report that we support. In addition to the obvious advances in technology that can be brought to bear to improve oil spill preparedness and response, First Nations have existing and growing capabilities in this area that would enable participation in building and maintaining these databases. WCMRC and other agencies already have effective mapping but more can be done.

The chain of financial liability and the potential public exposure to financial risk in the event of a marine oil spill is a key area that should be reviewed and understood by all parties. As identified in the Report, this issue extends beyond even Canada's borders into broader international agreements and yet has the potential to have very local impacts. It is clear, from some of the recent concerns expressed about the Trans Mountain expansion, that this issue is one that requires careful consideration having regard that the existing framework appear to be largely effective although not consistent across all jurisdictions.

Ensuring tanker safety is a role shared by many companies, organizations and governments. As one of those participants and in support of our existing operations, Kinder Morgan has consistently worked to bring parties to the table to advance ongoing issues. As identified in the Report, areas of competing jurisdiction and capability can hamper these efforts. These are not easy issues to overcome but our company remains committed to working collaboratively with all stakeholders. In recent years, we have seen significant contributions from Port Metro Vancouver, the BC Pilots Association, the Chamber of Shipping, tug companies and others. The recent 'made in BC' solution of simulator development and training in conjunction with BCIT, the introduction of portable pilot unit navigation aids, new state of the art tugs in Vancouver and improved tanker escort techniques are just a few of the ongoing advances that we can all point to.

4 | Page

### 3. World Leading Land Oil Spill Preparedness and Response

The issues raised in the Report are timely in light of recent terrestrial pipeline spills, the environmental and human impacts of those spills and industry's response to them. In contrast to the marine environment, Kinder Morgan is directly responsible for Trans Mountain's pipeline spill preparedness and response. We do so under the governance of the NEB and in co-operation with provincial and municipal governments and other community and environmental stakeholders.

Three recent examples of crude oil releases have tested our response plans. I can say from first-hand experience and without reservation that the coordinated response during the 2007 Burnaby pipeline strike was 'world-class.' Representatives from multiple jurisdictions including both Federal and BC authorities co-ordinated efforts through the Incident Command System and executed an efficient and effective response effort that we all can point to when looking into the future. That's not to say the response in 2007 was perfect. Upon review of the cause of the incident, a host of new procedures and improvements have been implemented within our company. Case in point: Kinder Morgan implemented new pipeline protection measures with a larger and more highly trained workforce (across North America) as a result of the learning's from that incident.

Today, the response model that applies in the marine environment (using an agency like WCMRC) does not exist for federally regulated pipelines in BC on land. On the marine side, multiple potential sources from multiple locations are at issue thereby giving rise to the WCMRC model. The current model for land based spills and response in which the operator manages the

effort is routed in historic response to regulation and stems from management by a company of its pipeline operations. At the same time, and as part of our Emergency Response Program, Kinder Morgan actively co-ordinates training and spill exercises with the many First Responders along the pipeline system through our Community Awareness for Emergency Response (CAER) program, and in recent years has extended this participation to First Nation communities. In an environment where multiple federally-regulated oil pipelines may operate in the province, it makes sense to review the WCMRC model to see if a broader organization may be better suited to terrestrial oil spill response without compromising federal compliance regulations for the pipelines. In Alberta, the province is organized geographically into Co-operatives, with shared Emergency Response resources and training that can be mobilized to supplement a company's Emergency Response capabilities. In this regard, a coordinated review, as supported with experience from provincially regulated pipelines in BC and Alberta would be helpful. While I believe the current state of terrestrial response provided by Kinder Morgan is both compliant with regulations and world-class, I'm supportive in seeing what else can be done.

#### 4. Addressing Aboriginal Treaty Rights

This point is a matter of law which Kinder Morgan must comply with.

The existing Trans Mountain pipeline crosses fifteen Indian Reserves in BC and traverses the traditional territory of many more. Increasingly, our operations are affected by the many and complicated issues surrounding Aboriginal rights and title. This applies to our existing pipeline and the proposed expansion. Our discussions with, and the involvement of Aboriginal interests has been on-going since the pipeline was constructed in the 1950s. Of course, one of the unique challenges faced by a pipeline is the sheer number of interests along the entire length and the many and often divergent views of those affected. Liquid petroleum pipelines such as Trans Mountain, when compared to natural gas pipelines for example, have the added responsibility of addressing

5 | Page

environmental risk of oil spills. These are not easy issues to resolve and, in some cases, may not be able to be resolved. I can speak to our efforts in this regard.

We agree with the BC Government's view about building strong and enduring relationships with First Nations. I believe we will be successful in coming to agreement with many parties for our expansion but despite our best efforts it is possible that we will not have agreements with all those affected. However, we will continue to seek solutions throughout the regulatory process and, while doing so, ensure we are fulfilling our obligations to consult with and mitigate impacts to the extent possible. We welcome the contribution and the significant expertise of provincial officials to help us seek solutions so the project can proceed in an orderly fashion and with the support of those impacted.

#### 5. BC's Fair Share of Benefits

This last requirement for the BC Government to support a heavy oil pipeline is, to a large extent, outside the direct control of Kinder Morgan, although I acknowledge that we can play a role in helping to find a solution.

I welcome the opportunity to join the BC Government, other governments and key stakeholders in this dialogue to discuss economic benefits for BC associated with the proposed expanded pipeline. I am confident that with a collaborative approach we can find a solution that is acceptable to the BC Government and the citizens of BC.

In conclusion, I am generally supportive of the BC Government's position and the issues tabled in the Report. More is being done and more can be done. The history of the Trans Mountain

pipeline in British Columbia points to our commitment to open and honest dialogue with stakeholders, our pipeline design and operating practices, and support of marine oil spill preparedness and response. In 2008, Kinder Morgan was recognized for environmental leadership in successful execution of the pipeline expansion project through Jasper and Mount Robson Parks. Our company brings to the table the expertise and approach necessary to build and safely operate a crude oil pipeline in BC and support the associated tanker activities. I strongly believe we can craft a future that includes an expanded Trans Mountain that benefits everyone and respects the many unique interests of British Columbia. We welcome the opportunity to continue engagement with the BC Government and other stakeholder in the coming months.

Regards,

Ian Anderson

President, Kinder Morgan Canada

cc: Hon. Terry Lake, Minister of Environment, ENV.Minister@gov.bc.ca

Hon. Mary Polak, Minister of Aboriginal relations and Reconciliation, ABR.Minister@gov.bc.ca

Neil Sweeney, Deputy Minister, Corporate Priorities and Planning, Neil.Sweeney@gov.bc.ca



Patrick D. Daniel  
President & Chief Executive Officer

February 1, 2011

Dear Enbridge stakeholder:

Enbridge recently posted its 2010 Corporate Social Responsibility Report on [www.enbridge.com](http://www.enbridge.com), along with a separate special report created specifically for the Enbridge Northern Gateway Project. We're pleased, now, to offer you the enclosed summary of the two reports: the 2010 CSR Summary Review.

Our two online reports provide an important means by which we share information about our economic, environmental and social performance with our stakeholders. They focus primarily on data collected and events that took place in 2009, although we have also covered significant events of the first half of 2010. We prepared both reports using the Global Reporting Initiative (GRI) G3 sustainability reporting guidelines, which serve as a generally accepted framework for reporting on an organization's economic, environmental and social performance.

Please take some time to review the two online reports and read through the 2010 CSR Summary Review. We'd like to hear your thoughts. You can share them with us by visiting <http://csr.enbridge.com/csr2010/feedback.php>.

Very best regards,

Patrick D. Daniel



**ENBRIDGE**  
**NORTHERN**  
GATEWAY PIPELINES

June 13, 2011

**Re: Enbridge Northern Gateway Pipelines Project**  
**Additional Materials filed to s.52 Regulatory Application**

On 27 May 2010, Northern Gateway Pipelines Inc. (Northern Gateway) applied to the National Energy Board (Board) for approval of the Enbridge Northern Gateway Project (Project). The Joint Review Panel (Panel), established to review the Project's environmental assessment requirements under the Canadian Environmental Assessment Act (CEA Act) will, under the National Energy Board Act, decide if the Project is in the Canadian public interest. As a result, on May 5, 2011 the Panel has issued Hearing Order OH-4-2011 outlining the procedures to be followed in the joint review process.

In the Hearing Order, Northern Gateway was required to file Additional Evidence to its application. By way of this correspondence, Northern Gateway, as a courtesy, wishes to notify you of its recent filings on June 8 and 9, 2011 as follows:

1. TERMPOL Surveys and Studies including Technical Data Reports in respect of marine transportation matters, as previously provided to the TERMPOL Review Committee, comprised of:
  - (a) Maneuvering Study of Escorted Tankers to and From Kitimat (Real-time simulations of Escorted Tankers bound for a Terminal at Kitimat), Part 1 and Part 2;
  - (b) Marine Shipping Quantitative Risk Analysis, 2010;
  - (c) TERMPOL Vapour Cloud Modelling and Conditional Quantitative Risk Analysis;
2. Update to Application Volume 5A: Aboriginal Engagement and Volume 5B: Aboriginal Traditional Knowledge;
3. Technical Data Report entitled "Hydrocarbon Mass Balance Estimates: Inputs for Spill Response Planning"; and
4. Update to Application Volume 2 including a Pro Forma Precedent Agreement and a Pro Forma Transportation Service Agreement in respect of the proposed crude oil pipeline.

Copies of these filings can be retrieved from the NEB's repository by accessing the following links.

1. <http://www.neb-one.gc.ca/fetch.asp?language=E&ID=A29571>
2. <http://www.neb-one.gc.ca/fetch.asp?language=E&ID=A29573>
3. <http://www.neb-one.gc.ca/fetch.asp?language=E&ID=A29574>
4. <http://www.neb-one.gc.ca/fetch.asp?language=E&ID=A29580>

Interested parties are encouraged to utilize this electronic medium to obtain copies of this filing. However, if you require a CD copy please advise to 1-888-434-0533 or [info@northerngateway.ca](mailto:info@northerngateway.ca).

Kind regards,

Northern Gateway Pipelines Limited Partnership

Box 50, One Bentall Centre, Vancouver, BC V7X 1M4  
(t) 1-888-434-0533 (e) [info@northerngateway.ca](mailto:info@northerngateway.ca) (w) [northerngateway.ca](http://northerngateway.ca)



March 4, 2011

The Honourable Christy Clark  
Premier-designate  
Office of the Premier  
PO Box 9041 Stn Prov Govt  
Victoria, BC V8W 9E1

Dear Premier-designate Clark,

Congratulations on your election as Premier-elect of the Province of British Columbia. From my perspective, it looked to be a hard-fought but friendly campaign within your party and, on behalf of all Enbridge employees, please accept our congratulations on becoming British Columbia's next Premier.

As you may know, Enbridge is a North American leader in delivering energy. Enbridge operates the world's longest crude oil and liquids transportation system and Canada's largest natural gas distribution system. The Company also has a growing network of natural gas transmission and midstream businesses, and is expanding its interests in wind and solar energy, hybrid fuel cells and carbon dioxide sequestration. Enbridge employs approximately 6,400 people, primarily in Canada and the U.S. and is ranked as one of Canada's Greenest Employers, and one of the Top 100 Companies to Work for in Canada.

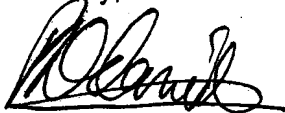
The proposed Enbridge Northern Gateway Project would involve a new twin pipeline system running from near Edmonton, Alberta, to a new marine terminal in Kitimat, British Columbia to export petroleum and import condensate. We believe that this multi-billion dollar project represents an exciting opportunity for northern B.C., Alberta and the rest of Canada.

I appreciate your focus on the emerging markets in Asia and I very much look forward to working with you and your new Cabinet to build this important project.

I would be pleased to brief you on the details of the Northern Gateway project including the economic benefits to Canada and the Aboriginal Benefits at your earliest convenience. I will have our Government Affairs department contact your office to set up an appointment.

Again, congratulations and I look forward to meeting with you.

Sincerely,



Patrick D. Daniel



May 12, 2011

Patrick D. Daniel  
President and Chief Executive Officer  
Enbridge Inc.  
3000, 425 – 1<sup>st</sup> Street SW  
Calgary, AB T2P 3L8

Dear Mr. Daniel:

Thank you for your words of congratulations regarding my role as Premier of British Columbia.

I appreciate the time that you have taken to provide me with some background information regarding Enbridge and have shared a copy of your letter with the Honourable Rich Coleman, Minister of Energy and Mines, for his review as well. My colleagues and I look forward to working with industry, stakeholders and communities in our efforts to strengthen our economy for the benefit of the residents and families who live in all areas of British Columbia.

Again, thank you for writing.

Sincerely,

Christy Clark  
Premier

pc: Honourable Rich Coleman



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August 10, 2012

Honourable Christy Clark  
Premier of British Columbia  
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Victoria, BC V8V 1X4

VIA EMAIL: [premier@gov.bc.ca](mailto:premier@gov.bc.ca)

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Today, heavy oil represents about a quarter of the volumes shipped through the pipeline. Contrary to much of the public misinformation, regarding; corrosiveness and oil spill clean up (some of which is included in the Report), heavy oil is not significantly different than conventional oil. The Trans Mountain pipeline is not corroding nor is effective oil spill response hindered because of it. In my view, focusing on heavy oil mischaracterizes many progressive and excellent ideas advanced in the Report.

Put another way, I believe all of the five conditions outlined in the Report – and the many recommendations – should be given weight if the pipeline in question is transporting light or heavy crude or, in the case of the Trans Mountain pipeline, refined products as well.

Kinder Morgan's commitment to the safe operation of the pipeline and environmental protection both on land and water and respect for Aboriginal interests would not be diminished, if the pipeline transported only light crude.

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## **2. World Leading Marine Oil Spill Preparedness and Response**

We acknowledge the direct link between our pipeline operations on land and the marine issues associated with oil tankers on the south coast of British Columbia. In the 1970s Trans Mountain and four oil companies founded the oil spill co-operative Burrard Clean that has now grown into the Western Canada Marine Response Corporation (WCMRC). Since its inception and under the oversight of Transport Canada, WCMRC has embraced industry best practices from its equipment sourcing, including new vessels, to its operations, such as the implementation of the Incident Command System (ICS).

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Improved mapping is another recommendation identified in the Report that we support. In addition to the obvious advances in technology that can be brought to bear to improve oil spill preparedness and response, First Nations have existing and growing capabilities in this area that would enable participation in building and maintaining these databases. WCMRC and other agencies already have effective mapping but more can be done.

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Ensuring tanker safety is a role shared by many companies, organizations and governments. As one of those participants and in support of our existing operations, Kinder Morgan has consistently worked to bring parties to the table to advance ongoing issues. As identified in the Report, areas of competing jurisdiction and capability can hamper these efforts. These are not easy issues to overcome but our company remains committed to working collaboratively with all stakeholders. In recent years, we have seen significant contributions from Port Metro Vancouver, the BC Pilots Association, the Chamber of Shipping, tug companies and others. The recent 'made in BC' solution of simulator development and training in conjunction with BCIT, the introduction of portable pilot unit navigation aids, new state of the art tugs in Vancouver and improved tanker escort techniques are just a few of the ongoing advances that we can all point to.

### **3. World Leading Land Oil Spill Preparedness and Response**

The issues raised in the Report are timely in light of recent terrestrial pipeline spills, the environmental and human impacts of those spills and industry's response to them. In contrast to the marine environment, Kinder Morgan is directly responsible for Trans Mountain's pipeline spill preparedness and response. We do so under the governance of the NEB and in co-operation with provincial and municipal governments and other community and environmental stakeholders. Three recent examples of crude oil releases have tested our response plans. I can say from first-hand experience and without reservation that the coordinated response during the 2007 Burnaby pipeline strike was 'world-class.' Representatives from multiple jurisdictions including both Federal and BC authorities co-ordinated efforts through the Incident Command System and executed an efficient and effective response effort that we all can point to when looking into the future. That's not to say the response in 2007 was perfect. Upon review of the cause of the incident, a host of new procedures and improvements have been implemented within our company. Case in point: Kinder Morgan implemented new pipeline protection measures with a larger and more highly trained workforce (across North America) as a result of the learning's from that incident.

Today, the response model that applies in the marine environment (using an agency like WCMRC) does not exist for federally regulated pipelines in BC on land. On the marine side, multiple potential sources from multiple locations are at issue thereby giving rise to the WCMRC model. The current model for land based spills and response in which the operator manages the effort is routed in historic response to regulation and stems from management by a company of its pipeline operations. At the same time, and as part of our Emergency Response Program, Kinder Morgan actively co-ordinates training and spill exercises with the many First Responders along the pipeline system through our Community Awareness for Emergency Response (CAER) program, and in recent years has extended this participation to First Nation communities.

In an environment where multiple federally-regulated oil pipelines may operate in the province, it makes sense to review the WCMRC model to see if a broader organization may be better suited to terrestrial oil spill response without compromising federal compliance regulations for the pipelines. In Alberta, the province is organized geographically into Co-operatives, with shared Emergency Response resources and training that can be mobilized to supplement a company's Emergency Response capabilities. In this regard, a coordinated review, as supported with experience from provincially regulated pipelines in BC and Alberta would be helpful. While I believe the current state of terrestrial response provided by Kinder Morgan is both compliant with regulations and world-class, I'm supportive in seeing what else can be done.

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This point is a matter of law which Kinder Morgan must comply with.

The existing Trans Mountain pipeline crosses fifteen Indian Reserves in BC and traverses the traditional territory of many more. Increasingly, our operations are affected by the many and complicated issues surrounding Aboriginal rights and title. This applies to our existing pipeline and the proposed expansion. Our discussions with, and the involvement of Aboriginal interests has been on-going since the pipeline was constructed in the 1950s. Of course, one of the unique challenges faced by a pipeline is the sheer number of interests along the entire length and the many and often divergent views of those affected. Liquid petroleum pipelines such as Trans Mountain, when compared to natural gas pipelines for example, have the added responsibility of addressing

environmental risk of oil spills. These are not easy issues to resolve and, in some cases, may not be able to be resolved. I can speak to our efforts in this regard.

We agree with the BC Government's view about building strong and enduring relationships with First Nations. I believe we will be successful in coming to agreement with many parties for our expansion but despite our best efforts it is possible that we will not have agreements with all those affected. However, we will continue to seek solutions throughout the regulatory process and, while doing so, ensure we are fulfilling our obligations to consult with and mitigate impacts to the extent possible. We welcome the contribution and the significant expertise of provincial officials to help us seek solutions so the project can proceed in an orderly fashion and with the support of those impacted.

#### **5. BC's Fair Share of Benefits**

This last requirement for the BC Government to support a heavy oil pipeline is, to a large extent, outside the direct control of Kinder Morgan, although I acknowledge that we can play a role in helping to find a solution.

I welcome the opportunity to join the BC Government, other governments and key stakeholders in this dialogue to discuss economic benefits for BC associated with the proposed expanded pipeline. I am confident that with a collaborative approach we can find a solution that is acceptable to the BC Government and the citizens of BC.

In conclusion, I am generally supportive of the BC Government's position and the issues tabled in the Report. More is being done and more can be done. The history of the Trans Mountain pipeline in British Columbia points to our commitment to open and honest dialogue with stakeholders, our pipeline design and operating practices, and support of marine oil spill preparedness and response. In 2008, Kinder Morgan was recognized for environmental leadership in successful execution of the pipeline expansion project through Jasper and Mount Robson Parks. Our company brings to the table the expertise and approach necessary to build and safely operate a crude oil pipeline in BC and support the associated tanker activities. I strongly believe we can craft a future that includes an expanded Trans Mountain that benefits everyone and respects the many unique interests of British Columbia. We welcome the opportunity to continue engagement with the BC Government and other stakeholder in the coming months.

Regards,



Ian Anderson  
President, Kinder Morgan Canada

cc: Hon. Terry Lake, Minister of Environment, ENV.Minister@gov.bc.ca  
Hon. Mary Polak, Minister of Aboriginal relations and Reconciliation, ABR.Minister@gov.bc.ca  
Neil Sweeney, Deputy Minister, Corporate Priorities and Planning, Neil.Sweeney@gov.bc.ca

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**Trans Mountain Expansion Project**

✉ Email: [info@transmountain.com](mailto:info@transmountain.com) | ☎ Phone: 1.866.514.6700 | 🌐 Website: [www.transmountain.com](http://www.transmountain.com)

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June 18, 2012

The Honourable Christy Clark  
Premier  
Province of British Columbia  
PO BOX 9041 STN PROV GOVT  
Victoria, British Columbia  
V8V 1X4

The Honourable Christy Clark,

**RE: Proposed Trans Mountain Expansion Project**

Kinder Morgan Canada is in the process of developing regulatory applications for our proposed expansion of the Trans Mountain Pipeline. We are committed to keeping you and your organization informed about the proposed Trans Mountain Expansion Project. I wanted to provide you with a brief update on our project and planned activities.

Over the coming weeks and months, our teams will be contacting a variety of groups and individuals to inform them about the project, and engage them in our development plans. Our hope is to build open and honest dialogue with affected landowners, Aboriginal groups, communities, and stakeholders. We plan to file a commercial tolling application with the National Energy Board (NEB) – the federal regulator for pipelines – this summer, to seek approval for the tolling principles for the project. This application will not seek approval for the proposed expansion project and will not involve technical or environmental aspects of the proposed expansion project. The full NEB facilities application to expand the system will include the technical and environmental information and will take much longer to prepare. We hope to file that application in late 2013.

As part of our efforts to develop our NEB facilities application, our environmental, engineering and lands teams will be in the field contacting landowners and conducting research to assist us in determining the proposed route. Where practical, the routing of the proposed expansion will remain along the existing Trans Mountain Pipeline right-of-way from Edmonton to Burnaby. However, we recognize that land use has changed in many areas since the Trans Mountain Pipeline was built 60 years ago. Deviation from the existing pipeline right-of-way may occur in circumstances such as in urban areas where land use has changed significantly. In these cases, we will look at alternatives through extensive routing studies and in combination with our comprehensive consultation process.

I have enclosed a copy of our Project Update as well as *Field Program Descriptions* that provide additional information on our project including project contact information. Our project team will be contacting your organization to obtain data needed to develop regulatory applications. In the meantime, additional information about the proposed project is available on our website ([www.transmountain.com](http://www.transmountain.com)). We will continue to update this website regularly and you can subscribe to receive regular electronic updates. Members of the public can also contact us by phone at 1 (866) 514-6700 or by email at [info@transmountain.com](mailto:info@transmountain.com) with questions, comments, or concerns.

1



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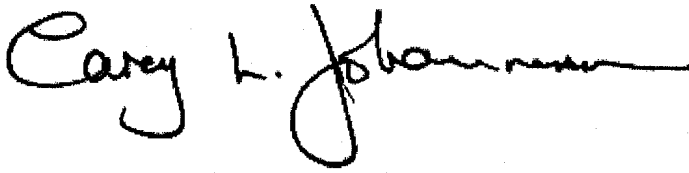
**Trans Mountain Expansion Project**

✉ Email: [info@transmountain.com](mailto:info@transmountain.com) | ☎ Phone: 1.866.514.6700 | 🌐 Website: [www.transmountain.com](http://www.transmountain.com)

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I would like to thank you in advance for your staff's assistance as we further our project proposal. If you have any questions about the project, I would be pleased to discuss them with you.

Sincerely,



Carey Johannesson  
Project Lead, Regulatory and Land  
Trans Mountain Expansion Project  
Kinder Morgan Canada Inc.  
Direct: 250-483-5523  
Cell: 250-507-0642  
[carey\\_johannesson@kindermorgan.com](mailto:carey_johannesson@kindermorgan.com)



July 11, 2012

Carey Johannesson, Project Lead  
Regulatory and Land Trans Mountain Expansion Project  
Kinder Morgan Canada Inc.  
2844 Bainbridge Avenue  
PO Box 84028  
Burnaby, BC V5A 4T9

Dear Mr. Johannesson:

Thank you for your letter, and background information, regarding Kinder Morgan's plans to expand the existing Trans Mountain pipeline.

I appreciate the time that you have taken to write and have forwarded copies of your letter to the Honourable Terry Lake, Minister of Environment, and the Honourable Rich Coleman, Minister of Energy and Mines, for their review and information as well.

Again, thank you for writing.

Sincerely,

A handwritten signature in black ink, appearing to read "Christy Clark".

Christy Clark  
Premier

pc: Honourable Terry Lake  
Honourable Rich Coleman



April 12, 2012

Honourable Christy Clark, Premier  
Government of BC  
PO BOX 9041 STN  
Victoria BC V8W9E1

Dear Premier Clark:

Today we announced that Kinder Morgan Canada had strong binding support from its customers and will take next steps in a proposal to expand our existing Trans Mountain Pipeline system – a process that could take five years to complete (2017).

As we embark on this early stage of our planning, I want to take the opportunity to provide you with an update; for your reference, today's media release and backgrounder are attached.

We understand that you and your constituents have questions about our proposed plans. We share many respectful relationships with local communities interested in our business and we will undertake open, extensive and thorough engagement on all aspects of the proposed project along the pipeline route and marine corridor with communities, First Nations and Aboriginal groups, environmental organizations and all who are interested.

We value the input and advice and regard it to be critical to our planning. We anticipate commencing the engagement this summer and will continue to meet with elected officials, staff and others interested in our plans and take the time needed to consider the input received during the 18 to 24 month dialogue.

Following extensive engagement, detailed engineering and environmental and socio-economic assessments, we will file a comprehensive facilities application with the National Energy Board, initiating a regulatory review. Our proposal must meet regulatory and permitting requirements of all levels of government in order to proceed. The submission of the application is anticipated in 2014. If our application is approved, construction is currently forecast to commence in 2016 with the proposed project in operation 2017.

The preliminary scope of the project includes:

- Projected capital cost \$5.0 billion;
- Twinning the existing pipeline, where possible, within the existing right-of-way;
- Adding new pump stations along the route;
- Increasing the number of storage tanks at existing facilities; and,
- Expanding our Westridge Marine Terminal.

*...over*

**Kinder Morgan Canada**

Suite 2700, 300 – 5th Avenue SW, Calgary, AB T2P 5J2  
Phone: (800) 535-7219 Fax: (403) 514-6401 [www.kindermorgan.com](http://www.kindermorgan.com)



We know that building and operating infrastructure like pipelines affects many along the route and we are respectful of those communities where we have facilities.

Kinder Morgan Canada and its predecessor companies have safely operated a critical piece of British Columbia's energy infrastructure for almost 60 years. The pipeline system provides the only existing west coast access for Canadian oil products, including about 90 per cent of the gasoline supplied to BC's interior and south coast.

We are proud of our long history, demonstrated commitment to safe and reliable operations, and relationships with everyone affected by our business. The pipeline industry's safety record is first class compared to any other way of moving large quantities of energy that people need to use every day.

In addition to our stipulations, the stringent regulations and requirements of Transport Canada, Port Metro Vancouver and other regulators ensure that oil tankers navigate local waters safely. All tankers in local waters are double-hulled and guided by BC Coast Pilots. Recent Port Metro Vancouver-led changes have improved the navigational safety of all local marine traffic.

We believe that thoughtful, factual and open-minded engagement at the local level is critical to the project's design and our decision making process. I want you to know that as our plans develop we will be in touch with you to openly discuss the proposed project, answer your questions and receive your advice and input.

In the meantime, we would be happy to meet with you or discuss on the phone the proposed project.

Sincerely,

A handwritten signature in black ink, appearing to read 'Ian Anderson', is written over a horizontal line.

Ian Anderson  
President

Attachments (2)

**Kinder Morgan Canada**  
Suite 2700, 300 – 5th Avenue SW, Calgary, AB T2P 5J2  
Phone: (800) 535-7219 Fax: (403) 514-6401 [www.kindermorgan.com](http://www.kindermorgan.com)



## **TRANS MOUNTAIN EXPANSION RECEIVES STRONG BINDING COMMERCIAL SUPPORT**

### **Customers Submit Binding Bids for 660,000 Barrels per Day Next Steps - Extensive Engagement and Regulatory Review**

CALGARY, April 12, 2012 – Kinder Morgan Energy Partners, L.P. (NYSE: KMP) today announced it will proceed with its proposed plans to expand the existing Trans Mountain pipeline system following the receipt of strong binding commitments through the recently concluded open season. A diverse group of existing and new shippers submitted 660,000 barrels per day (bpd) of binding commercial support for the open season. All commitments are for a 20-year term. When completed, the proposed expansion will increase capacity on Trans Mountain from the existing capacity of 300,000 bpd to 850,000 bpd.

“We are extremely pleased with the strong commercial support that we received through the open season, which reinforces the appeal of our project and our approach,” said Ian Anderson, president of Kinder Morgan Canada. “This strong commercial support shows the market’s enthusiasm for expanding market access for Canadian crude by expanding an existing system.” This support from the market better defines the project and enables Kinder Morgan Canada to fully engage the local communities.

“We are still early in the engagement process of the project,” Anderson said. “We share respectful, open relationships with many communities and organizations interested in our business. We are committed to an 18 to 24 month inclusive, extensive and thorough engagement on all aspects of the project with local communities along the proposed route and marine corridor, including First Nations and Aboriginal groups, environmental organizations and all other interested parties. We will also consider providing financial support to local communities for environmental initiatives. We have been planning for this day for many years and we are keen to start in depth engagement this summer.”

The preliminary scope of the proposed project includes:

- Projected capital cost of approximately \$5 billion.  
(more)

- Twinning the existing pipeline within the existing right-of-way, where possible.
- Adding new pump stations along the route.
- Increasing the number of storage tanks at existing facilities.
- Expanding the Westridge Marine Terminal.

Anderson added, “We anticipate filing a facilities application initiating a regulatory review with the National Energy Board in 2014. If our application is approved, construction is currently forecast to commence in 2016 with the proposed project operating by 2017.”

In addition to extensive engagement, the company will conduct traditional land use and environmental and socio-economic studies, and undertake detailed engineering and design studies.

Preceding a facilities application, the company will file a commercial tolling application to review the company’s proposed commercial structure for the expansion. This filing, which is anticipated in summer 2012, will seek National Energy Board approval on how the company will charge its customers for transporting their product through the proposed expanded pipeline.

For almost 60 years, the 1,150-km Trans Mountain pipeline system has been safely and efficiently providing the only west coast access for Canadian oil products, including about 90 percent of the gasoline supplied to the interior and south coast of British Columbia.

Kinder Morgan Energy Partners, L.P. (NYSE: KMP) is a leading pipeline transportation and energy storage company in North America. KMP owns an interest in or operates approximately 29,000 miles of pipelines and 180 terminals. Its pipelines transport natural gas, gasoline, crude oil, CO<sub>2</sub> and other products, and its terminals store petroleum products and chemicals and handle such products as ethanol, coal, petroleum coke and steel. KMP is also the leading provider of CO<sub>2</sub> for enhanced oil recovery projects in North America. One of the largest publicly traded pipeline limited partnerships in America, KMP and Kinder Morgan Management, LLC (NYSE: KMR) have an enterprise value of over \$40 billion. The general partner of KMP is owned by Kinder Morgan, Inc. (NYSE: KMI). Combined, KMI, KMP and KMR constitute the largest midstream energy entity in the United States with an enterprise value of over \$65 billion. For more information please visit [www.kindermorgan.com](http://www.kindermorgan.com).

*This news release includes forward-looking statements. Although Kinder Morgan believes that its expectations are based on reasonable assumptions, it can give no assurance that*  
(more)

*such assumptions will materialize. Important factors that could cause actual results to differ materially from those in the forward-looking statements herein are enumerated in Kinder Morgan's Forms 10-K and 10-Q as filed with the Securities and Exchange Commission.*

**CONTACTS**

Andrew Galarnyk  
Media Relations  
(403) 514-6536  
[andy\\_galarnyk@kindermorgan.com](mailto:andy_galarnyk@kindermorgan.com)

Mindy Mills Thornock  
Investor Relations  
(713) 369-9490  
[mindy\\_thornock@kindermorgan.com](mailto:mindy_thornock@kindermorgan.com)  
[www.kindermorgan.com](http://www.kindermorgan.com)

###

## BACKGROUND – APRIL 12, 2012

The Trans Mountain Pipeline System was first built in 1952. Since that time, the pipeline capacity has been increased a number of times by twinning parts of the line and adding associated facilities. On April 12, 2012 Kinder Morgan Canada announced it will proceed with its proposed plans to expand the existing Trans Mountain system following receipt of strong commitments from its commercial customers.

### PROPOSED EXPANSION PROJECT

The preliminary scope of the project includes:

- Projected capital cost \$5.0 billion
- Twinning the existing pipeline within the existing right-of-way where possible, minimizing Greenfield construction
- Expanding to result in a dual line operation:
  - Legacy (existing) line for refined products, iso-octane, synthetic crude oils, light crude oils
  - Heavy oil line
- Adding new pump stations along the route
- Additional storage capacity
- Expanding Westridge Marine Terminal
- Increasing capacity between Burnaby Terminal and Westridge Marine Terminal

### BY THE NUMBERS

- Existing Trans Mountain Pipeline was built in 1952 and is 1,150 kms
- Over 2,200 landowners
- Over 20 Municipal and Local Governments
- Over 80 First Nation and Aboriginal groups interests
- Approximately 890 km of new pipeline for the proposed expansion project
- Almost 30 per cent of system has been previously expanded through twinning the pipeline; most recent was the award winning Anchor Loop in 2008
- Current capacity of the Trans Mountain Pipeline system is 300,000 barrels per day
- Expansion will increase the capacity to 850,000 barrels per day

### KEY PIPELINE COMMUNITIES

All communities along the proposed route, the existing line and marine corridors within British Columbia and Alberta.

### NEXT STEPS

Late Spring/Early Summer 2012:	Meetings and discussions with regulators to the define process and determine federal, provincial and regulatory requirements needed for the facilities application.
June 2012 to Fall 2013/Spring 2014:	<ul style="list-style-type: none"> <li>• Commence open and transparent First Nation/Aboriginal groups, landowner and stakeholder engagement.</li> <li>• Undertake comprehensive pipeline routings, traditional knowledge studies, environmental and socio economic assessments.</li> </ul>



## BACKGROUNDER – APRIL 12, 2012

Summer 2012:	Preceding the facilities application Kinder Morgan Canada will file a tolling application that outlines the Company's proposed tolling structure for its customers. This will not be an approval for the project but is intended to have the National Energy Board endorse/approve how the Company will charge its customers for moving product through the proposed pipeline.
2014:	File a comprehensive facilities application with the National Energy Board initiating a regulatory project review.
2016:	Pending approval, construction to commence.
2017:	Proposed project to commence operating.

### WITH OUR COMMITMENT TO OPEN AND TRANSPARENT ENGAGEMENT, WE:

- Believe thoughtful, factual and open minded engagement at the community level is critical to the project's design and our decision making process.
- Value the input and advice from local interests to be critical to our planning.
- Respect the relationships we have built with communities interested in our business.
- Will undertake an 18 to 24 month open, extensive and thorough engagements on all aspects of the proposed project along the route and marine corridor with local communities, Aboriginal groups, environmental organizations and all other interested parties and citizens commencing this summer (2012).

### COMMITMENT TO SAFETY

- The pipeline industry's safety record is first class compared to any other way to move large quantities of energy that people need and use every day.
- Kinder Morgan Canada and its predecessor companies have safely and efficiently operated a critical piece of British Columbia's energy infrastructure for almost 60 years.
- The stringent regulations and requirements of Transport Canada, Port Metro Vancouver and other regulators ensure that oil tankers navigate local waters safely. Kinder Morgan Canada also has stringent requirements for vessels coming to our marine facility.
- All tankers in local waters are double hulled, guided by BC Coast Pilots, and recent Port Metro Vancouver led changes have benefited all local marine traffic by improving navigation safety.

### FOR MORE INFORMATION:

*If you would like further information please email: [tmx@kindermorgan.com](mailto:tmx@kindermorgan.com).*



May 9, 2012

Ian Anderson, President  
Kinder Morgan Canada  
Suite 2700, 300 – 5<sup>th</sup> Avenue SW  
Calgary, AB T2P 5J2

Dear Mr. Anderson:

Thank you for your letter regarding Kinder Morgan's application to expand the Trans Mountain pipeline.

I have shared copies of your letter with the Honourable Terry Lake, Minister of Environment, and the Honourable Rich Coleman, Minister of Energy and Mines, for their review and information as well.

Sincerely,

A handwritten signature in black ink, appearing to read "Christy Clark", written over a horizontal line.

Christy Clark  
Premier

pc: Honourable Terry Lake  
Honourable Rich Coleman




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**Trans Mountain Expansion Project**

✉ Email: [info@transmountain.com](mailto:info@transmountain.com) | ☎ Phone: 1.866.514.6700 | 🌐 Website: [www.transmountain.com](http://www.transmountain.com)

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13 July 2012

The Honourable Christy Clark, M.L.A.  
M.L.A. for Vancouver-Point Grey  
Legislative Assembly of British Columbia  
3615 West 4 Avenue  
Vancouver, British Columbia  
V6R 1P2

Dear Premier Clark,

**RE: Proposed Trans Mountain Expansion Project - Update**

We are committed to understanding the concerns of coastal communities that may be affected by our proposed expansion of the Trans Mountain pipeline. As a community representative, we are committed to keeping you informed about the proposed project and we would like to hear your views. This letter outlines a number of upcoming steps on the proposed project including our approach to engagement.

**Engagement and Communications**

We recognize that coastal waters that sustain our environment, economy and way of living are of unique and important value. Understanding your community's concerns and interests are critical as we begin our planning. Starting this summer and extending over the life of the proposed project, we will endeavour to have open and meaningful discussions with you, your community, and others along our southern coast, including Aboriginal groups and environmental organizations, local interest groups, municipalities and citizens. We will take the time needed to consider the input received during the coming months of dialogue. We are committed to engaging with everyone who has an interest in our project. Information received through this dialogue will be considered in the development of the proposed project and reflected in the Facilities Application; anticipated to be filed late 2013.

**Toll Application**

The regulatory application for the proposed pipeline expansion and its associated facilities (such as pump stations and terminals) is anticipated to be filed in late 2013, however on June 29, 2012 we (Trans Mountain) filed a Toll Application with the National Energy Board (NEB). This separate Toll Application details our proposed tolling structure for our customers - how we will charge our customers for moving product through the proposed expanded pipeline. This application **does not seek approval** for the proposed expansion project and does not involve technical or environmental aspects of the proposed expansion project. These aspects, along with the results of our public engagement program, are instead part of the Facilities Application to be filed late 2013.

We plan to file an application for the proposed pipeline and its associated facilities only after a period of extensive studies, assessments and engagement activities. In addition to the NEB approvals, we will be required to meet all applicable provincial and federal regulatory requirements in order to proceed with the proposed expansion project.

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**Trans Mountain Expansion Project**

✉ Email: [info@transmountain.com](mailto:info@transmountain.com) | ☎ Phone: 1.866.514.6700 | 🌐 Website: [www.transmountain.com](http://www.transmountain.com)

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**Project Information**

Additional information about the proposed project is available on our website ([www.transmountain.com](http://www.transmountain.com)). We will continue to update this website regularly and you can subscribe to receive regular electronic updates. Members of the public can also contact us toll free by phone at 1 (866) 514-6700 or by email at [info@transmountain.com](mailto:info@transmountain.com) with questions, comments, or concerns.

**Key Contact**

If you or your constituency office have any questions or concerns Stephanie Snider on our project team is available to help. Please contact her at 604-781-8389.

I hope you have a better sense of next steps in our process and we look forward to speaking with you further regarding the proposed Trans Mountain Expansion Project.

Sincerely,



Ian Anderson  
President, Kinder Morgan Canada



# TRANSMOUNTAIN EXPANSION PROJECT

## PROJECT UPDATE

June, 2012 Issue

In spring 2012, Kinder Morgan Canada announced it will move forward with its proposed plans to expand the capacity of the existing Trans Mountain Pipeline system – between Edmonton, Alberta and Burnaby, British Columbia – following strong commitments received from its customers. This first Project Update provides an overview of the proposed expansion project and next steps.

## INITIATING A FIVE-YEAR PROCESS

Kinder Morgan Canada has begun an open, extensive and thorough consultation on all aspects of the proposed expansion project. We will talk with landowners, Aboriginal groups, communities and stakeholders.

During this period of dialogue, we will identify concerns and seek input to ensure our stakeholders have a voice in the decision-making process. This discussion in the pre-application phase will last up to two years, with ongoing dialogue throughout all phases of the proposed expansion project. In order to move forward, our project proposal must meet regulatory and permitting requirements from all levels of government. Here are some key next steps and activities:

- Conduct engineering, environmental and socio-economic assessments, along with traditional knowledge studies, to help determine routing options.

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*"We are still early in the engagement process of the project. We value and respect our open relationships with many communities and organizations interested in our business. We are committed to an inclusive, extensive and thorough engagement with all stakeholders on all aspects of the proposed Trans Mountain Expansion Project."*

Ian Anderson, President of Kinder Morgan Canada

- 
- File an application to the National Energy Board (NEB) in late 2013 to initiate regulatory review of the proposed expansion project
  - If the NEB approves the application, construction could start in 2016 with the proposed expanded pipeline system in operation in 2017

Operating and building pipeline infrastructure affects many along the route, and we recognize the potential impact to our neighbours and communities where we operate.

Our objective is to treat each landowner fairly and equitably. For those who may be directly affected by the proposed expansion project, our goal is to ensure we identify and addresses landowners' concerns, answers questions and to mitigate any potential impacts.

At Kinder Morgan Canada, we are proud of the long record of the Trans Mountain Pipeline system's safe and reliable operations and positive relationships with our neighbours. We look forward to working with all stakeholders as we embark on the next chapter of this important piece of infrastructure in British Columbia and Alberta.



**TRANSMOUNTAIN**

## THE TRANS MOUNTAIN PIPELINE SYSTEM

### Providing 60 years of Safe and Efficient Service

The Trans Mountain Pipeline, in operation since 1953, ranks as one of Canada's most important industrial achievements. Spanning 1,150 kilometres between Edmonton, Alberta and Burnaby, British Columbia, the pipeline transports crude oil and refined petroleum products.

Owned by Kinder Morgan Canada (KMC), the system provides the only West Coast access for Canadian oil products including about 90 per cent of the gasoline supplied to the interior and BC's south coast.

The pipeline's capacity has increased a number of times over the last six decades by twinning parts of the line and adding associated facilities.

### Part of the Community

KMC works with some 2,200 landowners and more than 20 municipalities along the Trans Mountain Pipeline system throughout BC and Alberta. The Trans Mountain Pipeline system also crosses 15 First Nation Reserves and the traditional territories of many Aboriginal groups. The company pays more than \$24 million each year in property taxes to municipalities and First Nation governments.

At KMC, we actively seek opportunities to contract with Aboriginal businesses located within communities where we operate.

KMC has 450 employees in BC and Alberta with an annual payroll of \$49 million. Our employees work closely with all levels of government and regulators to ensure the Trans Mountain Pipeline runs safely and efficiently.

### Expanding Capacity and Creating New Opportunities

Between October 2011 and April 2012, KMC initiated a process to determine future interest from shippers for products to be transported through the Trans Mountain Pipeline system. These shippers signed binding 20-year contracts for additional capacity on the pipeline system. Based on these finalized commitments, KMC is proposing to expand the capacity of the Trans Mountain Pipeline system from the current 300,000 barrels per day (bpd) to up to 750,000 bpd at a projected cost of \$4.1 billion.

## THE PROPOSED EXPANSION

The proposed expansion of the Trans Mountain Pipeline system is a major project that will increase the capacity of the pipeline system from 300,000 barrels per day (bpd) to up to 750,000 bpd. This expansion is being proposed to meet the growing demand for oil products in the West Coast of Canada and to create new opportunities for economic growth. The expansion is being proposed in three phases: Phase 1, Phase 2, and Phase 3. Phase 1 is the most advanced and is being proposed to be completed by 2015. Phase 2 is being proposed to be completed by 2017 and Phase 3 is being proposed to be completed by 2019. The expansion is being proposed to be completed in three phases: Phase 1, Phase 2, and Phase 3. Phase 1 is the most advanced and is being proposed to be completed by 2015. Phase 2 is being proposed to be completed by 2017 and Phase 3 is being proposed to be completed by 2019. The expansion is being proposed to be completed in three phases: Phase 1, Phase 2, and Phase 3. Phase 1 is the most advanced and is being proposed to be completed by 2015. Phase 2 is being proposed to be completed by 2017 and Phase 3 is being proposed to be completed by 2019.

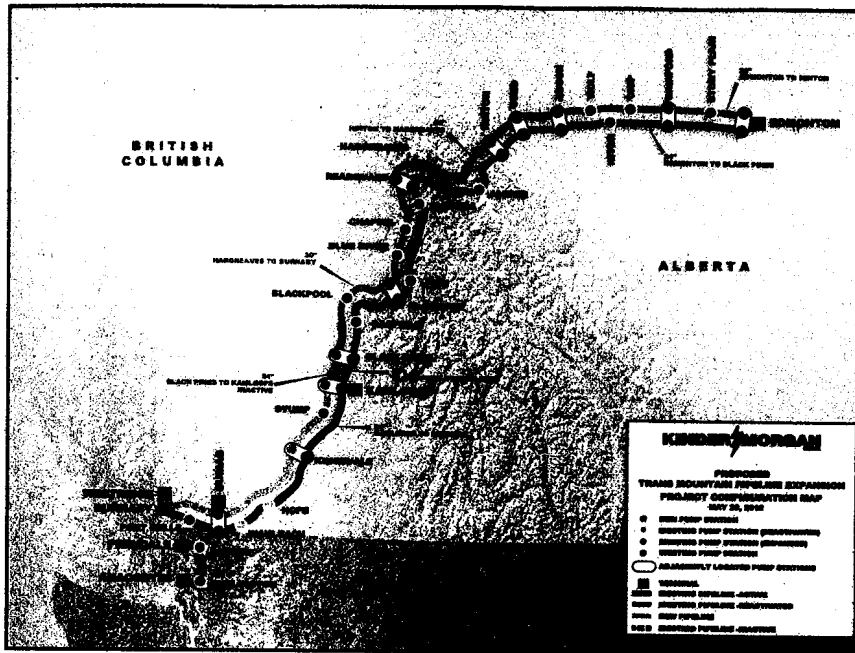


### LATE SPRING EARLY SUMMER 2012

- Meetings and discussion with regulators to define the process and determine federal and provincial regulatory requirements needed for the expansion facilities application.
- Initial meetings with landowners, Aboriginal groups, communities and stakeholders.

### JUNE 2012 TO FALL 2013/SPRING 2014

- Undertake comprehensive environmental and socio-economic assessments, including a detailed environmental impact study.
- Continue open and transparent engagement.



The proposed expanded pipeline will closely follow the existing routing of the Trans Mountain system. Detailed routing studies will determine the preferred right-of-way and focus on reducing potential environmental impacts by minimizing, where possible, crossing sensitive streams, high-quality wetlands, culturally-sensitive locations and populated areas. Extensive dialogue with landowners, Aboriginal groups, communities and stakeholders will ensure their views are included within our plans for the proposed expansion project.

### Key Facts about the Proposed Expansion

Here are some of the key facts and features about the proposed expansion project:

- Projected capital cost: \$4.1 billion
- The expansion would create a dual-line operation with approximately 900 km of new line:
  - The existing line for refined products, synthetic crude oils and light crude oils
  - The proposed new line for heavier crude oils
- New pump stations and expansion of existing stations along the route
- Additional storage capacity at existing storage terminals
- Expansion of the Westridge Marine Terminal in Burnaby

### LATE 2013

- The goal is to file a comprehensive application with the National Energy Board in late 2013 for project review. The timing will be determined by the established regulatory requirements, the application process and consultation with stakeholders.
- Continue open and transparent engagement with stakeholders.

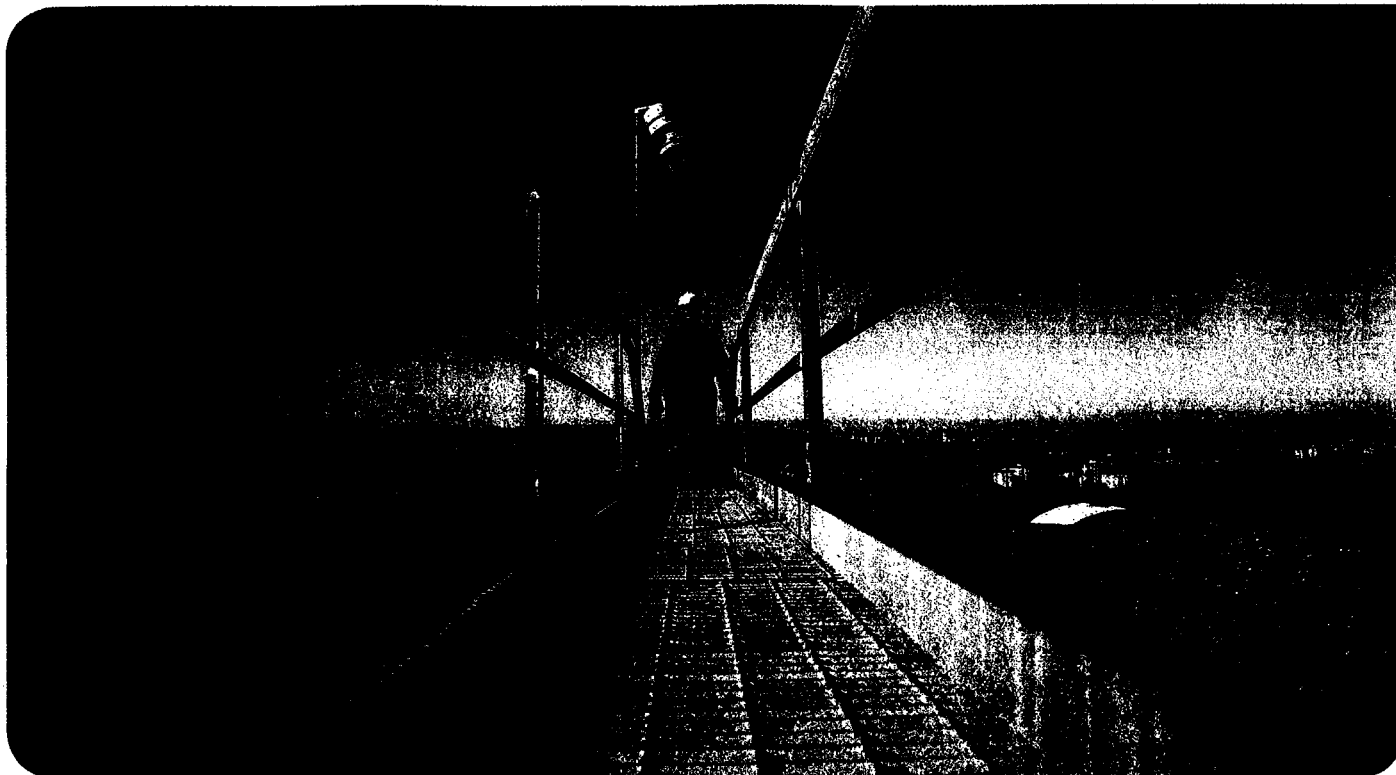


### 2014 TO 2015

- Regulatory review
- Continue open and transparent engagement with stakeholders

### 2017

- Following completion of the construction, the proposed expanded Trans Mountain Pipeline would start operating.



*Pipelines are the safest and most efficient mode for transporting large quantities of energy that people use every day. For example, it would take the equivalent of 1,400 tanker trucks per day leaving Edmonton for Burnaby, one every minute over a 24-hour period, to transport what our Trans Mountain Pipeline can safely move in a single day.*

## CONTACT US

Your input is important as we take all the necessary steps in the project expansion process. Our lands team will personally contact landowners who may be directly affected by our proposed expansion plans to discuss questions or concerns. We invite you to stay connected with us to find out more about all aspects of the Trans Mountain Pipeline proposed expansion project.

✉ E-mail: [info@transmountain.com](mailto:info@transmountain.com)

☎ Phone: **1.866.514.6700**

💻 Website: [www.transmountain.com](http://www.transmountain.com)

## ABOUT PIPELINE PROJECTS AND THE NATIONAL ENERGY BOARD

Following Kinder Morgan Canada's announcement of the proposed expansion of the Trans Mountain Pipeline system, it could be another 18 months before a regulatory application is submitted to the National Energy Board (NEB). Extensive consultation with stakeholders, socio-economic and environmental assessments and engineering will be undertaken before the application can be filed.

The results of these studies will form the basis of the application to the NEB. Filing the application will initiate a comprehensive regulatory and public review of the proposed expansion project.

The NEB has produced a guide for landowners and the public that provides details about the regulatory process that govern pipeline projects before they can proceed. This information is available at: [www.neb-one.gc.ca](http://www.neb-one.gc.ca)

## KINDER MORGAN IN CANADA

Kinder Morgan Canada operates a number of pipeline systems and terminal facilities in Canada including the Trans Mountain Pipeline, the Express and Platte pipelines, the Cochin pipeline, the Puget Sound and the Trans Mountain Jet Fuel pipelines, the Westridge Marine Terminal in Burnaby, the Vancouver Wharves Terminal in North Vancouver and the North Forty Terminal in Edmonton.

The Trans Mountain Pipeline system moves product from Edmonton to marketing terminals and refineries in the central BC region, the Greater Vancouver area and the Puget Sound area in Washington state, as well as to other markets such as California, the US Gulf Coast and overseas through the Westridge Marine Terminal.

**KINDER MORGAN**  
CANADA

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Scheduling

## Referral Slip

Thu, Sep 27, 2012 4:22 PM

Action: **Internal** Due: **2012/04/25** Log ID: **554279**

Jared Kuehl  
Director, Public and Government Affairs  
Western Access  
Enbridge Inc.  
3000 Fifth Avenue Place  
425 - 1st Street S.W.  
Calgary AB T2P 3L8

Type: Email  
Office: Scheduling  
Entered By: TAMDAVID  
Sign By:  
Batch:  
File No.: 14500

Written:  
Received: 2012/04/04  
Ack Date:  
Date Sign:  
Closed: 2012/04/18

☐ Fax☐ From Exec

Phone: (604) 694-7756 Fax: cell (604) 365-9292 Email: jared.kuehl@enbridge.com

Tone: Category: Scheduling

Ministry: Origin:

Addressed to: Constituency:

Other Info:

Status:

**Subject**

TBA - requesting a meeting between PCC and Pat Daniel, Chief Executive Officer of Enbridge Inc

**Referrals**

From: Scheduling	Sent: 2012/04/04	Rcvd:	Status: Completed
To: Kara Ross	Due: 2012/04/25	Active: 10 days	State:
Action: For Action	Cmpltd: 2012/04/18		

From Notes: 2012/04/04T14:13 lcole (Scheduling) Left v/m at 2:14 pm, April 4 to acknowledge. Sent to TD for action  
2012/04/04T16:05 TAMDAVID (Scheduling) as advised, BF to mid April and send regrets. Filed in wips for Apr 17  
2012/04/18T11:00 KLROSS (Scheduling) Left v/m for Jared at 10:58am to advise. File closed and filed in regrets for April TBA.

**ole, Linsey AVED:EX**

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**From:** OfficeofthePremier, Office PREM:EX  
**Sent:** Wednesday, April 4, 2012 12:49 PM  
**To:** Cole, Linsey AVED:EX; Davidson, Tamara PREM:EX; Ross, Kara L PREM:EX  
**Subject:** FW: Request to Meet with Pat Daniel, CEO, Enbridge

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**From:** Jared Kuehl [<mailto:Jared.Kuehl@enbridge.com>]  
**Sent:** Wednesday, April 4, 2012 11:21 AM  
**To:** OfficeofthePremier, Office PREM:EX  
**Cc:** Haakstad, Kim PREM:EX  
**Subject:** Request to Meet with Pat Daniel, CEO, Enbridge

Good morning:

We would like to request a meeting with the Premier and Pat Daniel, Chief Executive Officer, Enbridge Inc.

The purpose of the meeting would be to provide a time sensitive update on the Northern Gateway Project.

I look forward to hearing from your office.

Regards,

**Jared Kuehl**  
Director, Public and Government Affairs,  
Western Access  
Enbridge Inc.  
Direct: (604) 694-7756  
Mobile: (604) 365-9292  
E-mail: [jared.kuehl@enbridge.com](mailto:jared.kuehl@enbridge.com)