

Canaport LNG Project

Canaport Community Environmental Liaison Committee (CCELC)

Minutes of Meeting CCELC # 64
Monday, 13 September 2010
Red Head United Church Hall, Saint John, NB
Meeting 6:05 pm – 9:00 pm

APPROVED AS AMMENDED

Committee Present:

- Armstrong, Carol Resident
- Brown, Alice Resident
- Dalzell, Gordon SJ Citizens Coalition for Clean Air
- Debly, Teresa Resident
- Forsythe, Fraser Co-Chair (Canaport LNG)
- Garnett, Vern SJ Citizens Coalition for Clean Air
- Hunter, Roger Resident
- Johnston, Jan Resident
- Kumar , Hemant Enterprise Saint John
- MacKinnon, Claude ACAP Representative
- McNeill, Pam Resident
- Thompson, David H. Fundy Baykeeper

Committee Absent:

- Court, Ivan Mayor of Saint John
- Griffin, Glenn Resident
- Perry, Yvonne Member
- Rogers, Kathy Member
- Smith, Elsie Resident
- Thompson, David Member
- Turner, Rick Saint John Board of Trade

Resources:

- Belliveau, Robert Brunswick Pipeline
- Caines, Crystal Fundy Engineering
- Harris, Susan Brunswick Pipeline
- More, Stephanie Spectra Energy
- Norton, Erin Fundy Engineering
- O'Brien, Kevin City of Saint John
- Peterson, David NBDEV

Observers:

- 1 person

(1) OPENING REMARKS:

The meeting commenced at 6:05 pm with Fraser Forsythe welcoming everyone. The agenda was approved. Fraser introduced Susan Harris (Brunswick Pipeline) and Stephanie More (Spectra Energy).

Review & Approval of Minutes from Meeting #63 (14 June 2010):

The minutes of meeting #63 on 14 June 2010 were approved, motioned by Vern Garnett and seconded by David Thompson with no amendments. The approved minutes will be posted to the Canaport LNG website :<<http://www.canaportlng.com/>>

(2) BUSINESS ARISING FROM PREVIOUS MEETING

Action Items from 14 June 2010 Meeting:

- 63-1 David Peterson's (DENV representative) absence was noted.
- 63-2 A representative from Brunswick Pipeline attended this meeting and provided a presentation on emergency shut-down procedures for the pipeline.
- 63-3 A letter was sent to the DENV on 5 August, with Fraser Forsythe's signature.
- 63-4 Monthly average send-out was provided to the committee, and is as follows:
 - June: 147 mmscf
 - July: 146 mmscf
 - Aug: 120 mmscf

Action 64-1: Provide monthly average send-outs from June 2009.

- 63-5 Residents can use Canaport LNG's main line at 506.638.1300. This line will be answered by Security at anytime and they will direct calls. During regular business hours Security will answer and refer to staff in the Administrative building if required.

Action 64-2: Publish the Canaport LNG's number within Canaport Connections

Action 64-3: Ensure all committee members, including the DENV, are on the Canaport Connections newsletter distribution list.

- 63-6 Site tour was scheduled and held on 29 of September 2010.

(3) PRESENTATIONS

Stephanie More of Spectra Energy provided a presentation on the emergency shut down procedures. The presentation is attached. The website for Spectra Energy is <http://www.spectraenergy.com/>

(Gordon Dalzell) How do you keep the gate valves lubricated?

Q1: (Gordon Dalzell) How do you keep the gate valves lubricated?

A1: (Stephanie More) The bolts are greased as part of annual maintenance.

Q2: (Jan Johnston) How many people does it take to shutdown a valve?

A2: (Stephanie More) 1 person.

Q3: (Teresa Debly) Can a teenager close a valve?

A3: (Stephanie More) Yes; however, precautions are taken to minimize this from happening (i.e., valve is enclosed in a cabinet, which is enclosed within a barbed-wire, locked compound).

Q4: (David Thompson) Is the valve locked in the cabinet?

A4: (Stephanie More) The cabinet is within the fenced-in compound, and the compound is locked. The cabinet itself is not locked.

Q5: (Gordon Dalzell) What would be the worst case scenario if someone interfered?

A5: (Stephanie More) The gas control would take over.

Q6: (David Thompson) Have there been any animal intrusions to the compound, and have they set off motion detectors?

A6: (Stephanie More) Just mice. Animals would have to be small enough to get within the compound. Motion detectors are inside the fence, so outside animals would not trip the alarm.

Q7: (David Thompson) How often is the pipeline route and the stations examined?

A7: (Stephanie More) Valve stations are inspected daily by a human visit. Inspection consists of approaching the station, and walking around the fenced-in enclosure to observe any abnormalities.

Q8: (David Thompson) Do the personnel who perform the inspections have training?

A8: (Stephanie More) Trained technicians inspect the site daily during weekdays, and security guard professionals inspect during weekends. They do not go inside the compound.

Q9: (David Thompson) Are the personnel equipped to examine anything else during the inspection (i.e., gas detection)?

A9: (Stephanie More) Gas detection would be detectable with normal sense of smell.

She called Andrew Langille from Brunswick Pipeline, and he sent a technician out to look into the problem. Mr. Langille phoned Carol back 2 hours later and advised her of the problem.

Stephanie More commented that the situation was stable following the inspection, and if it were a significant incident, a number of people would have called. In this case, the odourant pump leaked a couple drops of mercaptin. Carol Armstrong commented that there are only a few houses are in the immediate vicinity of the Terminal, and most were not home at the time of the incident.

Q10: (David Thompson) How often is there an inspection along the pipeline track?

A10: (Stephanie More) It is inspected at an NEB approved frequency, which consists of two comprehensive surveys of the urban portion each week. Surveys are done either on foot, or through the use of ATV and snowmobiles. A 30 km section of the RoW takes about 8 – 9 hours to complete.

Q11: (Teresa Debly) Is the inspection performed on the pipeline route through the refinery, or do the refinery employees perform their own inspection?

A11: (Stephanie More) Spectra Energy would monitor the pipeline route within the refinery.

Q12: (David Thompson) What is done twice a week?

A12: (Stephanie More) In addition to conducting comprehensive surveys twice a week, aerial patrol is performed once a week, with a fixed wing craft. The pilot and crew are trained to know what to look for. Spectra confirms the training is to their standards. The aircraft fly higher in urban sections & populated areas.

<End of Presentation>

Fraser Forsythe introduced Rob Belliveau from Brunswick Pipeline.

Brunswick Pipeline owns the pipeline that extends from Canaport LNG to the US border where it joins the Maritimes and Northeast (MNE) Pipeline (see figure below). Brunswick Pipeline is owned by Emera.

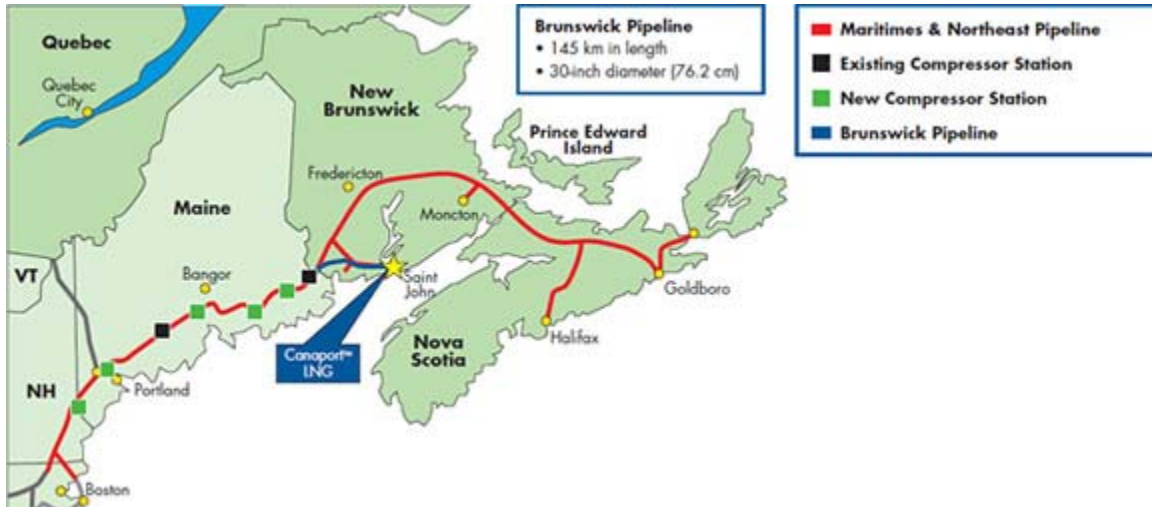


Diagram of the pipeline from: <http://brunswickpipeline.com/en/home/ourbusiness/aboutthepipeline/default.aspx>

Spectra Energy is contracted by Brunswick Pipeline to manage controls (including conducting patrols). Spectra is also hired by MN&E. Spectra Energy was previously called Duke Energy. As background information, in 2007 Spectra Energy separated from Duke Energy to become an independent publicly traded, natural gas business.

The aerial patrols are contracted out of Fredericton.

Gordon Dalzell commented on rusty pipeline infrastructure along Grandview Avenue, which has no barrier surrounding it. Stephanie More commented that those components would not be important to the overall process. Although the rust on the structure does not affect its integrity, Mr. Dalzell suggested that perhaps painting it would improve perception that it is well maintained and make it more aesthetically pleasing.

Q13: (Gordon Dalzell) Where there is no concrete barrier in front of the infrastructure, what would the impact be if a vehicle collided into the structure?

A13: (Stephanie More) It would not cause a catastrophic event.

Gordon Dalzell commented that prevention (*i.e.*, curbs) should be considered where it is a high traffic area.

Q14: (Teresa Deby) Is the pipeline equal to the structural integrity to the LNG tanks? What force can the pipe withstand?

A14: (Rob Belliveau) I would suspect it would be greater than 3000 lbs/ square inch.

Action 64-4: Determine the force the pipeline can withstand

Q15: (Fraser Forsythe) Are incidents relating to the pipeline posted on the Chemical Safety Board?

A15: (Rob Belliveau) The National Transportation Board captures incidents relating to pipelines.

For further information on incidents relating to pipelines, refer to the National Transportation Board Website at <http://www.nts.gov/>, as well as the Chemical Safety Board at <http://www.csb.gov/> and the US DOT at <http://phmsa.dot.gov/pipeline>.

Q16: (Carol Armstrong) Where does the 1-888-410-2220 direct calls to?

A16: (Stephanie More) The 1-888-410-2220 is an outside firm. They refer the call to us, and we will return the call. If there are any emergencies, call the 1-888-410-2220 or dial 911 to get immediate response. There are three different calls this number is set up to take:

1. Emergency calls, which go immediately to the on call technician to respond
2. Dig Line, to locate any underground pipes / wires
3. Information & requests, which are not with the same urgency as an emergency call.

Q17: (Gordon Dalzell) How long would it take for a product to be contained if there was an incident to the pipeline?

A17: (Stephanie More) There would be millions of scenarios, and would depend on a variety of different factors such as size of the hole, location, etc.

Gordon Dalzell, on behalf of Bruce Ingersoll, notified the committee that the Red Head Church has become recognized as a reception centre or an emergency shelter in the case of an emergency by the City's Emergency Preparedness department. Gordon Dalzell highlighted the importance of maintaining the Red Head Church. On behalf of Bruce, Gordon referenced a meeting with Canaport LNG to clean up the church's water. In the event Canaport LNG could not assist in the clean up of water, there was talk of other items that required attention. These items included:

- having ceiling lowered;
- black double doors and casing replaced;
- proper handicap ramp installed;
- proper lighting installed in ceiling; and
- upgrade of heating in hall.

Gordon also highlighted some of the upgrades Canaport LNG has already been involved with, in which the church is grateful for. These upgrades include:

- improved kitchen area with new counter top, sink and taps;
- both washrooms were upgraded;
- new doors were installed on inside of church; and
- plywood placed on inside and outside of side windows.

Action 64-5: Fraser to report the Red Head Church's request to assist in upgrades

Q18: (Gordon Dalzell) What is the status of well on site at the church?

A18: (David Peterson) There are three types of files: contaminated sites under remediation; remediated sites; and historical contamination which may or may not be on the Department's radar. There is no active remediation file for the Red Head Church.

NBDEV Site Update

David Peterson provided a brief update in regards to environmental concerns relating to the Terminal. Mr. Peterson indicated that there has been very little activity with oil spills or water quality concerns. The Department does a monthly review of operation reports, and the levels appear to be significantly under approval limits.

Mr. Peterson indicated there is a request to withdraw more than 50 m³ / day on a periodic basis to supply water to Canaport LNG's fire water cushion tank. The technical review committee will review the request, and a decision will be made whether or not further assessment is required.

Q19: (Gordon Dalzell) What is the status with the Department's Environmental Emergency number?

A19: (David Peterson) The system is under review. Currently 90% of emergency calls are related to air quality calls.

Gordon Dalzell brought it to the committee's attention that an Interim Summary on the Wallboard Plant and Operating Certificate is available for those wanting to learn more. <http://www.gnb.ca/0009/0355/0005/D-6980_IntSum.pdf>

CLNG Site Update

Fraser Forsythe provided an overview of the site activities. As of June 11, the Canaport LNG Terminal has been running at about 11-14% capacity, which is a result of the market and warmer weather. Canaport LNG expects it to ramp up in the cooler months.

Q20: (Teresa Debly) Is the gas not used for air conditioning?

A20: (Fraser Forsythe) The New England states have enough gas to meet their summer needs.

Gordon Dalzell referenced an article titled "*Canaport LNG plays a 'critical' regional role*" posted in the Business Section of the Telegraph Journal on 26 August 2010. A copy of the article has been included within these minutes.

Fraser Forsythe continued the site update, and the work conducted. Work ongoing at the Terminal includes:

- coating tops of tanks with a special weatherproofing coating sealant which will be white in colour (note: the vertical tank walls will not be coated)
- warranty work on high pressure pump skirts fire-proofing cover; and
- ongoing touch-ups on tank and jetty steel support structures.

Q21: (Gordon Dalzell) Where there measures taken to prepare for the storm?

A21: (Fraser Forsythe) There were numerous measures taken to ensure minimal site impact. These measures included:

- tying down the portable washrooms;
- removing anything loose on top of tanks (scaffolding, material, etc)
- ensuring emergency diesel generators were operational and fuel tanks filled
- ensuring on call personnel were available
- restricted access to jetty + / - two hours on each side of the time of high-water.

There was a shipment due to come in; however, Canaport LNG contacted the ship master and advised him of the conditions expected at the Terminal.

Q22: (Gordon Dalzell) Would the ship master have taken the same action if Canaport LNG hadn't of advised him?

A22: (Fraser Forsythe) Yes; however, Canaport LNG optionally provided advice on forecast conditions for the Terminal..

Carol Armstrong inquired on an incident last week at the site which involved an ambulance. The incident was a non-work related incident.

(4) NEW BUSINESS

Gordon Dalzell commented that Environment Canada's new biodiesel fuel regulation was just released.

ADJOURNED:

9:00 pm

Submitted by: Fundy Engineering

NEXT MEETING DATE:

Monday, 13 December 2010 at 6:00 pm

Red Head United Church

ATTACHMENTS:

- Table of Action Items
- Canaport LNG plays a 'critical' regional role article
- Presentation on Pipeline Emergency Shut-Down

Table of Actions/Responsibilities – 13 September 2010

| Action # | Action Item | Responsible Party | Due Date |
|-----------------|---|--------------------------|-----------------|
| 64-1 | Provide monthly average send-outs from June 2009. | Fundy Eng | 13 Dec 2010 |
| 64-2 | Publish the Canaport LNG's number within Canaport Connections | CLNG | 13 Dec 2010 |
| 64-3 | Ensure all committee members, including the DENV, are on the Canaport Connections newsletter distribution list. | CLNG | 13 Dec 2010 |
| 64-4 | Determine the force the pipeline can withstand | Fundy Eng | 13 Dec 2010 |
| 64-5 | Fraser to report the Red Head Church's request to assist in upgrades | CLNG | 13 Dec 2010 |