

Increasing Pipeline Safety Through Shared Planning

November 15 & 16, 2007

New Orleans, Louisiana



David Core, President
Canadian Alliance of Pipeline
Landowner Associations
(CAPLA)

January 23, 2007

Senior Regulatory Counsel
Enbridge Pipelines Inc.
3000 5th Avenue Place
425-1st Street S.W.
Calgary, AB T2P 3L8

Attention: Ms. Jennifer Strain
Attention: Ms. Helene Long

Dear Ms. Strain and Ms. Long:

Re: Proposed Enbridge Projects – Alberta Clipper/Southern Lights

We represent the Manitoba Pipeline Landowners Association (MPLA) with respect to Enbridge's proposed Alberta Clipper and Southern Lights pipeline projects. MPLA is a member of the Canadian Alliance of Pipeline Landowners' Associations (CAPLA) and currently represents the interests of approximately 168 Manitoba agricultural landowners who will be affected by Enbridge's proposed pipeline construction.

We are advised by MPLA that member landowners have been provided with only very limited information to date with respect to these projects. As you will be aware, the lands of most of these landowners are already subject to an Enbridge pipeline easement containing multiple pipelines. These landowners are very concerned about Enbridge's expansion of the current easement to accommodate these new pipelines establishing a utility corridor through their properties. Landowner concerns include:

- **Abandonment** – In view of current minimum regulatory requirements with respect to future pipeline abandonment and the NEB's loss of jurisdiction over abandoned pipelines, landowners require that provision for abandonment be included in project planning and that landowners have the option upon future abandonment to require removal of both future and existing lines. Enbridge should also establish a fund to secure the costs of reclamation and other costs and damages associated with abandonment;
- **Depth of Cover** – Landowners are concerned that depth of cover over both existing and new pipelines be sufficient to accommodate modern agricultural cultivation practices and farm machinery and to reduce potential for third party impact and damages which may result therefrom. Enbridge's proposed pipelines should be installed at a depth of no less than 5 feet;
- **Risk Assessment/Pipe Thickness** – Landowners need to be satisfied that appropriate risk assessment has been completed identifying and quantifying potential risks and outcomes so that appropriate design specifications are incorporated into the planning process to minimize risks to landowners, their families and communities. This issue is of particular concern because of the age, proximity and condition of existing pipelines;
- **Indemnity-** Landowners require provision in their easement agreements that Enbridge indemnify them with respect to any claims arising from Enbridge's pipeline operations. Landowners also want Enbridge to provide assurances with respect to adequate liability insurance coverage covering construction and operation of the pipeline, both for Enbridge and its contractors, as well as detailed analytical information on the products being transported in the pipelines through their properties;
- **Future use** – Landowners require that these pipelines be constructed to minimize interference with the future use of their lands and that Enbridge be responsible for any costs incurred in relation to changes in use attributable to the existence of this pipeline corridor;

- **Soil Management** – As a result of soil and drainage disturbance and damage during previous construction and the resulting continuing production losses, landowners are very concerned that appropriate construction methodology and restoration measures are implemented to minimize further damage to both virgin and previously damaged, vulnerable soils. Landowners require an effective dispute resolution system for the resolution of construction issues. To that effect, they require that an independent construction monitor be appointed to ensure that Enbridge's commitments to landowners are fulfilled and to assist a joint committee consisting of Enbridge and landowner representatives to resolve issues which arise during construction;
- **Protection against soil contamination** – Landowners require Enbridge to ensure that their lands will be protected against the importation of and contamination by disease, weeds and other contaminants as a result of the construction and operation of the pipelines. Enbridge must develop and employ an effective prevention and protection protocol where the potential for contamination exists;
- **Watersource protection** – Enbridge must ensure that groundwater sources for human and livestock consumption and for irrigation are protected during construction and operation of the pipeline. Where it is possible that such sources may be affected by construction or operational practices, quantitative and qualitative testing must be performed before and after, and where the watersource is affected, Enbridge must establish an alternative source to the satisfaction of the landowner;
- **Wet Soil Shutdown** – Should Enbridge be intending to work in wet soil conditions, landowners require that they be consulted with respect to the nature and extent of the work to be undertaken (with access to independent consultant advice) and that project planning include provision for all technically feasible construction methods to minimize soil damage. In addition, landowners require that proposed compensation include provision for increased losses which landowners will inevitably suffer if work proceeds in wet soil conditions;
- **Construction Access** – Landowners require that the length of open trench be restricted during construction and that reasonable provision be made to limit interference with their access to agricultural lands;

- **Land Rights Compensation** – With the creation of this utility corridor, landowners require that compensation paid in advance of construction reflect not only the agricultural market value of this land but the intensification of its use and diminishment of the value of remaining lands both for more intensive agricultural use and other development;
- **Wood Lot Restoration and Compensation** – Landowners are similarly concerned that compensation paid in advance of construction include provision for trees which will be damaged or destroyed reflecting aesthetic and commercial value and that satisfactory provision be made for replacement and maintenance of equivalent trees;
- **Site Specific Construction Issues** – Enbridge must arrange with individual landowners in advance of construction, to the extent it is possible to do so, to address site specific works and damages and compensation issues.

Where these issues cannot be dealt with adequately in advance, Enbridge must ensure that landowners can have these issues addressed during the construction process.

- **Disturbance Damages** – Landowners are concerned that the utility corridor to be created by Enbridge's proposed pipeline construction will result in increased, ongoing interference in the conduct of their agricultural operations and diminishment in the quality of life for them and their families (including anxiety, stress, inconvenience and the cost of time for landowners during construction and operation of the pipelines). They require that compensation paid in advance of construction recognize these impacts both during construction and forever thereafter during the operation of the pipeline;
- **Crop Loss Compensation** – Landowners require compensation in advance of construction which recognizes the production losses they will suffer on both easement and temporary use lands during construction and permanently. This compensation must include provision for anticipated future increases in prices and productivity;

- **Control zone** – Landowners are concerned about the impacts of 60 metres of control zone adjacent to easement lands on their agricultural operations and farm management. They require that the planning process include development of measures to reduce these impacts and compensation for residual impacts. Landowners also want clear written direction from Enbridge as to notice and consent requirements for activities both in the control zone and on the pipeline easement;
- **Future loss** – Following construction and during the operation of the pipeline, landowners require annual compensation subject to periodic review to address future land value, disturbance and production impacts;
- **Maintenance/Repairs** – Landowners are concerned about increasing maintenance and repair operations conducted by Enbridge on their lands with respect to both existing and new pipelines and require that an ancillary agreement be developed to cover such operations which includes provision for scheduling of such activities; construction methods and restoration be paid in advance; and, provision for increased compensation where these operations are carried out in wet soil conditions.

- **Abandonment**

- No surrender of easement without landowner consent;
- Obligation to remove pipeline on abandonment or maintain (including cathodic protection) for duration of easement;
- Obligation to ensure a assignee has equivalent credit rating or continuing obligation for abandonment obligations despite assignment;
- Applicable to all Enbridge pipelines (new and existing).

- **Pipeline crossing**

- Depth of cover survey of existing pipelines with obligation to restore cover, mitigate or, with landowner consent, compensate;
- New pipelines at 0.9 metres to construction grade plus topsoil (approximately 1.1 metres);
- Blanket crossing approval for all agricultural equipment (except as per Appendix “B”) with any future restrictions to be specified, mitigated or, with landowner consent, compensated;
- Applicable to all Enbridge pipelines (new and existing).

- **Off Easement Access**

- Limited to emergencies or subject to integrity dig agreement.

- **Surface Facilities**

- All reasonable efforts to locate lot lines and road allowances.

- **Integrity Dig Agreement**

- Within defined period (May to December) and 45 days;
- Access/dig site identification;
- Advance Compensation with “Top Up” (based on minimum 0.5 acres);
- Compensation Premium 150% if outside construction period, more than 45 days or in wet soil conditions;
- Applicable to all Enbridge pipelines (new and existing).

- **Construction Disputes**

- Independent construction monitors, joint committee, complaint tracking.

- **Construction**

- Full unfrozen top soil stripping;
- Restoration to preconstruction grade/density;
- Responsibility for any drainage problems and increased drainage costs;
- Land access/maximum 2 weeks open trench;
- Future stone picking;
- Independent consultant for productivity impacts/possibility of topsoil replacement;
- Weed survey/control;
- Monitoring/replacement well quantity/quality;
- Identification of site specific issues.

- **Compensation**

- Land rights at 156% of market value (minimum \$800.00 per acre);
- Six or seven year crop loss payable in advance;
- Linear disturbance bonus;
- Wet soil premium 150%;
- Trapped land 100% crop loss;
- Horizontal drills 150% disturbance.