

National Energy  
Board



Office national  
de l'énergie

File OF-EI-Gas-GL-K083-2010-01 01  
8 July 2011

To: All Parties to Hearing Order GH-1-2011

**Hearing Order GH-1-2011**  
**KM LNG Operating General Partnership**  
**Application for a Liquefied Natural Gas Export Licence**  
**Possible Export Licence Conditions – Environmental and Socio-Economic Matters**

The National Energy Board will continue with its examination of KM LNG's application for a liquefied natural gas export licence in Phase 2 of the hearing that will begin in Calgary on Wednesday, 13 July 2011. Should the Board decide to issue a licence to KM LNG for the exportation of liquefied natural gas pursuant to Section 117 of the *National Energy Board Act*, the licence may be subject to terms and conditions and will be subject to the approval of the Governor in Council.

As noted in Board letter to all parties dated 6 July 2011, possible terms and conditions for environmental and socio-economic matters were forthcoming. These possible conditions are attached to this letter. KM LNG and other parties may comment on these possible conditions during the course of argument in Phase 2 of the hearing.

The Board advises parties that these possible conditions do not imply that a decision has been made by the Board on the Application, or that the Board has decided whether these or any other conditions would or would not be included with an export licence, if issued.

If you have any questions, please contact Parvez Khan, Legal Counsel at [parvez.khan@neb-one.gc.ca](mailto:parvez.khan@neb-one.gc.ca), or by phone at 403-299-3933 or toll free at 1-800-899-1265.

Yours truly,

A handwritten signature in blue ink, appearing to read 'A. Erickson'.

 Anne-Marie Erickson  
Secretary of the Board

Attachment

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These possible terms and conditions may be revised and other terms and conditions may be considered after additional evidence is adduced and comments are received. Allowed terms and conditions for the export licence, if the Board should decide to issue the licence, would be determined as the result of the GH-1-2011 proceeding.

The possible terms and conditions listed below continue from the list of possible conditions attached to Board letter to all parties dated 6 July 2011.

**Environmental and Socio-Economic**

10. Within two weeks of completion of the final report of the TERMPOL Review Committee, KM LNG shall file a copy of the report with the Board.
11. Within three months of completion of the final report of the TERMPOL Review Committee, KM LNG shall file with the Board a Marine Mammal Protection Plan based on its assessment of potential effects of shipping on marine mammals, the results of the Joint Environmental Assessment Report for the KM LNG Terminal, and the results of the TERMPOL Review Process. This Plan shall clearly state:
  - (a) how KM LNG addressed any of the concerns or recommendations related to potential effects and mitigation regarding marine mammals raised by the members of the TERMPOL Review Committee including, but not limited to, Environment Canada, including the Canadian Wildlife Service, the Department of Fisheries and Oceans, and the Haisla Nation; and
  - (b) how KM LNG's proposed mitigation would be implemented, monitored, and enforced including, but not limited to, how the Marine Mammal Protection Plan would be communicated and distributed to parties responsible for shipping of product associated with the KM LNG project.
12. Within three months of completion of the final report of the TERMPOL Review Committee, KM LNG shall file with the Board, a summary report of any environment and socio-economic-related recommendations and commitments contained within documentation submitted as part of the TERMPOL Review Process and the TERMPOL Review Committee's final report. This summary report shall include, but not be limited to:
  - (a) a discussion of potential project effects and proposed mitigation regarding:
    - i. marine mammals;
    - ii. marine birds;

- iii. marine fish and fish habitat;
- iv. listed fish and wildlife species;
- v. vessel wake;
- vi. ballast and bilge water management;
- vii. fisheries; and
- viii. First Nations traditional use activities.

- (b) how any concerns or recommendations related to potential effects and mitigation raised by the members of the TERMPOL Review Committee were addressed by KM LNG; and
- (c) clear statements as to how KM LNG's proposed mitigation would be implemented, monitored, and enforced.