



**Corporation of the City of North Bay
Ontario Energy Board – Energy East
Public Consultation
Minister of Energy**

April 2, 2014

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On behalf of the City of North Bay, I extend our thanks and appreciation to Minister Chiarelli and the Ontario Energy Board for taking the initiative to hold consultation sessions in North Bay and throughout the Province.

The proactive role that the Ontario Energy Board has taken by holding these consultations and participating in the National Energy Board's application and hearing process is key to ensuring all implications of this project are considered. With this project having potential implications across all of Northern Ontario, as well as parts of Central and Eastern Ontario, it is vital that the Province accepts the responsibility to ensure the interests of the Province, as well as, all municipalities, townships, districts etc., are addressed.

Today we are here to:

- 1) Outline the concerns of the City of North Bay.
- 2) Ask the Province to provide and ensure appropriate technical and specialty resources are made available to municipalities to assess the full potential of this project and to develop appropriate action plans, including submissions to the National Energy Board.
- 3) Request that Environmental Commissioner of Ontario, Gord Miller, be engaged, consulted, and asked to provide recommendations to our municipality, the OEB, and the NEB.
- 4) Request the Province to apply for intervener status at the National Energy Board hearings and support North Bay's application for the purpose of protecting the interests of not only the province, but also those of the many municipalities potentially impacted by this project.

The introduction of the Energy East project has raised issues surrounding greenhouse gas emissions, the oil sands, and the merits of our national environment policies. The submission of the City of North Bay is specifically about the transportation of oil through our community.

North Bay's Concerns:

1. Source Water Protection: It is our understanding; this proposed project crosses a number of sources of municipal water. In the case of North Bay, the proposed conversion pipeline route goes through the watershed (Trout Lake) that provides North Bay's sole source of drinking water. The primary concern of the municipality is ensuring Trout Lake and the associated watershed is fully protected from a potential pipeline spill or leak.

North Bay draws its municipal drinking water for our 54,000 residents and seasonal visitors from one source: Trout Lake. The pipeline route not only

crosses Trout Lake, it also crosses a number of streams and tributaries that flow into Trout Lake. The primary concern of the Municipality is ensuring that Trout Lake and the associated watershed are fully protected from a potential pipeline spill or leak. Protecting this drinking water source is a responsibility shared by the Municipality, the North Bay-Mattawa Conservation Authority, as well as the Province, which is why the OEB consultations are important and it is vital that the Province provide leadership in this process.

Under both the Province's Safe Drinking Water Act and Clean Water Act, municipalities have legislated responsibilities to protect sources of Municipal Drinking Water, as well as, water treatment and distribution systems. The City of North Bay submits, this responsibility is shared with the Province and in the case of the Energy East Project the Province needs to play the lead role in protecting not only North Bay's, but also all Municipal sources of drinking water, as well as private sources.

In 2010, North Bay commissioned its new water filtration plant. In the event of any potential contamination entering Trout Lake or its associated watershed, the City would implement its Emergency Response Procedures that would include additional water quality sampling in Trout Lake and shutting down the plant before the contaminant has reached the intake. During the peak water demand periods, North Bay could run out of water within 6 hours if the plant is shut down. Even if a decision was made to continue operation of the plant under a "do not drink water advisory", in order to provide fire protection, it is expected that oil in the water will cause the membranes to foil very quickly which leads to drastically reduced water production capacity. Depending on the amount of oil which has come in contact with the membrane filters, the fouling damage may be irreversible. The values of the membranes alone are some \$3 million. A situation like this could leave North Bay without water for an extended period of time in addition to potential significant damage to the City's water intake and distribution system.

The Minister's letter dated November 12, 2013, indicates six principles have been adopted by the Government of Ontario when assessing the proposed pipeline project; none of which specifically refers to the protection of source water. With significant changes to legislation and the investment of millions on the part of the Province and municipalities to protect water supply systems, the City of North Bay is requesting the following seventh principle be added:

"Pipelines must meet the highest available technical standards for the protection of municipal and private sources of drinking water."

2. Lake Nipissing Watershed: Lake Nipissing and its attributing water shed is extremely important, not only to North Bay, but also to many other municipalities throughout the district. Lake Nipissing is a source of drinking water for other municipalities, and is an extremely important economic engine to the region, including First Nations. The Lake and contributing watershed also has key environmental and heritage roles within the district. The Energy East Project has the potential of impacting Lake Nipissing from a number of sources along the proposed route and needs serious consideration.

3. Environmental Impact: Past experience has demonstrated any oil spill will have a significant long-term impact on the affected environment. We agree with the Province's principle that pipelines must meet the highest available technical standards for public safety and environmental protection.

And we have more questions than answers:

- a) What are the chemicals in bitumen and how will they impact our water and environment?
- b) If there is a spill, how would it be contained?
- c) How will the upper reaches of the sub-watersheds be impacted and how will that impact affect Trout Lake?

4. Heritage Protection: In our regions, the current pipeline being considered for conversion goes through areas that have significant heritage meaning. Trout Lake and the Mattawa River basin are designated as Waterway Park with significant historical, environmental and economic value.

The LaVase Portages-Mattawa River system, which Trout Lake is a part of, are designated as a Canadian Heritage River, endorsed by the Province and supported by area stakeholders. It is essential that government and non-government agencies and stakeholders ensure that the river and its key features and values are managed in a manner consistent with heritage values. At the same time, Lake Nipissing has its own significant historic, environmental and economic value which is essential to protect. It is extremely important these lands and waterways are protected from any impact from an oil pipeline.

5. Economic Impact – The economic impact must be measured should there be a spill. Consideration must be taken into account for long-term damage to economic lost opportunities, property values, business confidence, tourism, and a tainted Provincial / National / International view of our city. How will our city and its citizens be compensated?

Technical & Specialty Resources:

Locally, municipalities, like North Bay, rely on Conservation Authorities for leading source water protection measures, as well as, protection of the environmental and heritage features. Unfortunately, Conservation Authorities and municipalities do not have the technical or specific expertise or resources to adequately be engaged to provide advice on a project such as the Energy East Project. Therefore, it is our request that the Province, ensures the appropriate technical and special resources are available to assess the impact of this pipeline conversion and to represent the interests of our municipality during this entire process including NEB hearings.

TransCanada is responsible for providing the technical and scientific data for an environmental assessment of the Energy East Pipeline proposal. We need the technical and financial resources to review TransCanada's proposal to ensure our concerns, and our water's safety, are adequately addressed.

We need Trans Canada to answer these questions and the OEB to convey these questions to the NEB so that their technical experts can assess and ensure the safeguards are in place.

Provincial Engagement:

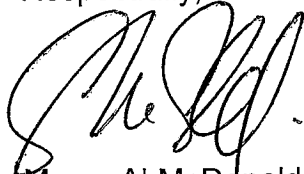
It is North Bay submission, that although the regulatory authority rests with the National Energy Board, the Province has the influence, expertise, and technical resources to best coordinate and protect the collective interest of the province and municipalities.

As the Energy East Pipeline has an impact across Northern, Central and Eastern Ontario, North Bay requests that the Province seek intervener status at the National Energy Board to protect the interests of the Province, as well as, the interest of municipalities, individually and collectively. Inclusive of this, North Bay requests the Province allocate the appropriate technical and specialty expertise needed to assess the potential implications of this pipeline conversion and make such resources available to municipalities. It is our further request that municipalities be included in the Provincial intervener status and associated process so that issues specific to municipalities, such as the protection of source waters, is adequately addressed.

Once again, the City of North Bay wishes to thank the OEB for conducting these consultation sessions and in summary we are asking for:

- 1) The OEB to introduce a seventh principle to protect source water supplies and systems of municipalities as well as private water supplies.
- 2) Seek intervener status and support from the NEB, while allocating the appropriate technical and specialty resources needed to function as intervener and to include and involve the City of North Bay in the protection of North Bay's source water.
- 3) Allocate resources to Conservation Authorities and Municipalities to ensure local issues associated to source water, environmental and heritage can be addressed.
- 4) The Environmental Commissioner of Ontario, Gord Miller, be engaged, consulted, and asked to provide recommendations to our municipality, the OEB, and the NEB.

Respectfully,



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