

SALVUS TO GALLOWAY PROJECT (S2G) PROJECT FACT SHEET

INTRODUCTION

Pacific Northern Gas Ltd. (PNG) owns and operates the Western Transmission Gas Line. The line was built in the 1960s and transports natural gas from Summit Lake to Kitimat and Prince Rupert, providing natural gas service to commercial and residential customers in communities along the way.

S2G PROJECT

PNG is conducting infrastructure maintenance to repair and replace sections along an 80 km segment of the eight-inch (219.1 mm) diameter West Transmission Prince Rupert Mainline. The work is taking place from the Salvus maintenance yard to the Galloway pressure regulating station. This project is expected to cost approximately \$84.8 million.

PROJECT APPLICATION AND APPROVAL

On October 9, 2020, PNG submitted an application to the British Columbia Utilities Commission (BCUC) seeking approval for a Certificate of Public Convenience and Necessity (CPCN) for the Salvus to Galloway Gas Line Maintenance Project.

On July 8, 2021, the BCUC approved PNG's application and issued a Certificate of Public Convenience and Necessity.



PROJECT NEED

This work is required to maintain the integrity of the pipeline and repair or replace segments of the pipe that have been in service for approximately 50 years. This is a regulatory requirement of PNG's licence to operate, as governed by the B.C. Oil and Gas Commission. This project will:

Ensure the continued safety of the pipeline and reliability of natural gas service; Enhance pipeline stability by addressing geotechnical risks from landslide, rockfall, avalanche, and washout; and

Ensure long-term reliable energy supply to thousands of residential, commercial, and industrial customers throughout the communities we serve in the Prince Rupert and Port Edward region.

Maintaining the integrity of the line is essential to supporting the well-being of the communities in which PNG operates, preserving associated economic activities and sustaining jobs in the region. Prince Rupert is home to the third largest Port in Canada and depends on a reliable supply of natural gas to provide exports to countries around the world.

All work will comply with applicable codes and standards governing the safe design, construction, operation and maintenance of natural gas pipelines).

LOCATION AND TERRAIN

The Salvus to Galloway segment of the West Transmission Prince Rupert Mainline runs through a remote mountainous region north of Highway 16 West and south of Work Channel, starting at Salvus approximately 50 km southwest of Terrace, up to Galloway Rapids approximately 9 km southeast of Prince Rupert.

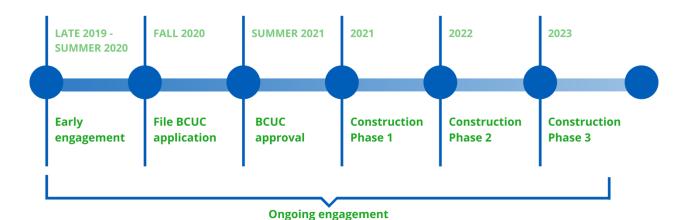
The gas line traverses very challenging mountainous terrain and straddles several prominent geological features such as the Huckleberry Creek Valley and Prudhomme Mountain, and hydrological features including Arden Creek, Kasiks River and Khyex River.



Salvus to Galloway Route



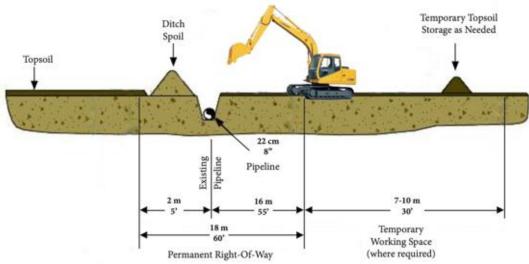
PROJECT SCHEDULE



DESCRIPTION OF WORK ACTIVITIES

Project work is conducted within the existing PNG pipeline corridor referred to as a right-of-way (ROW) and adjacent permitted temporary workspace. PNG's respect for the environment guides our decisions and is why careful consideration is taken when planning our projects. Work has adhered, and will continue to adhere, to all federal and provincial environmental guidelines as well as PNG's project specific and corporate Environmental Management Plans, as well as archaeological mitigation plans.

Typical Right-of-Way



Following regulatory approvals on July 8, 2021, work began in summer 2021 and will continue through 2023. Project work includes the following activities:

Access Management

Development of both temporary and permanent access to specific locations.

Activities may include:

- Equipment mobilization/demobilization;
- Clearing along the existing ROW and new temporary workspace;
- Installation of temporary and permanent watercourse crossings using environmental specialists for equipment ingress/egress;
- Building access paths including quarrying, material hauling, placing, compaction and ditching, and
- Development of equipment/materials staging and laydown areas



Integrity Digs

Ground excavation to uncover the pipeline anomalies and assess condition.



Activities include:

- Clearing and site preparation;
- Material excavation and storage;
- Management of surface and groundwater during open trench condition, and
- Site remediation

Gas Line Repairs

Pipe remediation work to restore safe pipeline condition.

Activities include:

- Repairing, removing and replacing sections of pipe, safety testing and site restoration including safely exposing and excavating the existing pipeline; and
- Site remediation.

Geohazard Mitigation

Construction of mitigation measures to protect the pipeline from geohazards.

Activities may include:

- Increase depth of cover through pipeline lowering, increasing fill thickness over top of the line, or increasing pipe wall thickness;
- Re-routing the pipeline within the ROW; and
- Site remediation.

Required Permits and Approvals

- British Columbia Utilities Commission: Certificate of Public Convenience and Necessity
- British Columbia Oil and Gas Commission: Notice of Intent (Replacement in Kind)
- Section 11 Approval for Changes in and About a Stream; License of Occupation;
 Master License to Cut
- Department of Fisheries and Oceans: FFA Authorization
- Heritage Conservation Act: 12.2 Heritage investigation Permit Site Alteration Permit
- B.C. Parks: B.C. Parks Use Permit for Works within Khyex Conservancy



Natural Gas Service During Construction

During PNG's construction phase, some segments of the gas line will need to be shut down for short periods of time. PNG will endeavour to minimize interruption of gas flow to customers during these service outages.

Health and Safety

Safety is PNG's top priority and the company has an excellent safety record. All work on the project will be subject to a comprehensive safety and emergency response plan to protect the health and safety of its workers, the public, Indigenous communities, and the environment. PNG will develop a comprehensive health and safety plan for the project.

PNG conducts regular inspections of all its gas lines including aerial patrols, in-line inspections, cathodic monitoring, and periodic brush clearing. PNG's entire pipeline infrastructure is monitored 24-hours a day using a sophisticated computer-based system operating in real time. The pipeline has shutoff valves at regular intervals along the route, which ensure that interruptions or concerns with the line can be identified immediately.

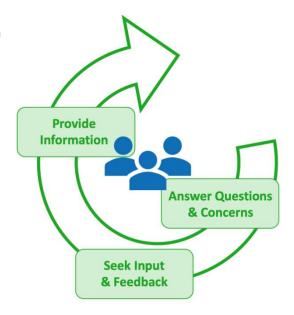
INDIGENOUS AND COMMUNITY ENGAGEMENT

PNG involved Indigenous communities and stakeholders early in the process, prior to submitting the project application to the BCUC.

PNG provided information to Indigenous communities, the public, and all interested parties in the region, in order to seek input and feedback and answer any questions or concerns.

All input and feedback was captured and tracked, and formed part of PNG's engagement record in its regulatory filings.

Indigenous communities affected by the project were engaged directly by PNG representatives to discuss the project and its potential impacts on Indigenous interests. PNG organized opportunities for public input through written and on-line submissions, as well as virtual online information sharing opportunities.



With approval for the project to proceed now in place, PNG will continue consultation and engagement with Indigenous communities and stakeholders throughout all project phases.



Information will continue to be made publicly available throughout the project.

A dedicated phone line and email address have been established to receive questions and comments.

ABOUT PNG

Pacific Northern Gas Ltd., a wholly owned subsidiary of TriSummit Utilities Inc., owns and operates a natural gas transmission and distribution system in west-central British Columbia, and through its subsidiary Pacific Northern Gas (N.E.) Ltd. PNG also owns and operates natural gas distribution systems and a gas processing plant in the province's northeast. This includes approximately 3,000 km of distribution mains and services pipelines and 1,200 km of transmission pipelines.

PNG has been operating in B.C. for over 50 years, and provides gas service to approximately 42,000 residential, commercial, and industrial customers in more than 16 communities across Western and Northeastern British Columbia.

PNG Service Areas





CONTACT FOR FURTHER INFORMATION OR QUESTIONS

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