



## PACIFIC NORTHERN GAS FACT SHEET

### REACTIVATE CAPACITY PROJECT

#### INTRODUCTION

Pacific Northern Gas Ltd. (PNG) owns and operates the Western Transmission Gas Line in northern British Columbia. Built in the 1960s, the line transports natural gas from Summit Lake near Prince George along a 361.5 km route to Kitimat and Prince Rupert on the coast, providing service to about 42,000 residential, commercial and industrial customers in communities along the way. As a regulated utility, PNG is obligated to meet customer needs in our service area. To meet growing demand, PNG will restore capacity to previous levels over the next few years. The project is in initial phases with construction scheduled to start in winter 2021 and end in spring 2024.



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### REACTIVATE CAPACITY PROJECT PURPOSE

PNG's Reactivate Capacity (RECAP) project is designed to uphold our commitment to provide safe, reliable service and help keep rates stable for our valued customers in northern communities. The project involves reactivating four existing compressor stations along the route and adding two new compressor stations at existing industrial sites. As well, the pipe will be repaired and replaced where needed to accommodate a higher flow and keep people and the environment safe.

RECAP will:

- Ensure continued safe, reliable energy supply for PNG customers.
- Meet regulatory requirements to serve customers in our service area.
- Provide rate stability for residential customers by off-setting project costs with commercial agreements.
- Support PNG's ability to continue to sustain jobs and economic activity in the region.



### RECAP PROJECT DESCRIPTION

As a regulated utility, PNG is required to provide service to a variety of customers, including both residential and commercial energy users. Through RECAP, we'll meet our obligation to serve commercial customers by updating our system to return capacity to previous levels. The \$88 million project will see peak system capacity rise by 65 million standard cubic feet per day (MMSCFD) from 30 MMSCFD and is expected to generate significant economic benefits in communities PNG serves.

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Almost all RECAP work will be completed within our existing right-of-way as well as in areas already zoned for industrial use, on leased sites, and in nearby permitted temporary workspaces. As well, we expect system upgrade costs to be offset in part by new commercial agreements, helping keep rates stable for our customers who live and work in northern BC.

RECAP includes:

- Upgrading and reactivating four existing compressor stations.
- Upgrading the pipeline between Terrace and Salvus – known as the T2S project.
- Adding two new compressor stations – one at an existing PNG location on an industrial site south of the Terrace Northwest Regional Airport and the other near the Salvus maintenance yard on Highway 16 at Kasiks Lodge.
- Installing a new 5 km pipe from a compressor station to avoid populated areas and installing short extensions from the existing main line to commercial sites. This may require additional right-of way.

Right now, PNG is completing early planning and system assessments to ensure work is carried out safely and service is delivered in a safe, reliable manner. In March 2021, PNG filed a Certificate of Public Convenience and Necessity to the regulator, the B.C. Utilities Commission (BCUC). A decision is expected in late November or early December 2021.

### *PNG Compressor Station in Telkwa*





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### What's A Compressor Station?

Compressors maintain the flow and pressure of natural gas by receiving gas from the pipeline, re-pressurizing it, and sending it back into the system. Compressors are safe because they are engineered, built, operated and maintained in accordance with strict regulatory standards. Today's compressors are quiet - with about the same noise level as an air conditioner.

### Will there be Service Disruptions?

At some points in the project, segments of the system will need to be shut down for short periods of time. Our goal is to minimize customer inconvenience during these brief service interruptions, and we'll be sure to provide advance notice.

### Why Does PNG Need to Increase Capacity?

PNG is a regulated utility and is obligated to provide service to customers in our service area. With new commercial customers coming on stream, PNG is required to develop sufficient capacity to provide safe, reliable service. Our valued customers include:

- People and families who live and work in northern BC.
- Local businesses.
- Commercial and industrial operators.

### What's the Regulatory Process?

PNG is committed to providing safe, reliable service and protecting the environment in northern communities where our customers and employees live and work. RECAP must receive BCUC approval to proceed as well as BC Oil and Gas Commission approval for temporary use of workspace, access areas and stream crossings, ensuring all work complies with regulation to protect people and the environment. As well, PNG will inform and engage rightsholders throughout the process.

## SAFETY IS OUR TOP PRIORITY

At PNG, we put the safety of our customers and employees first – and our excellent safety record shows it. RECAP is designed with your safety in mind. All work on the RECAP project is subject to a comprehensive safety and emergency response plan designed to protect the health and safety of workers, Indigenous communities, local communities, and the environment. In addition, PNG conducts regular inspections of 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 leading edge technology operating in real time. Automatic shut-off valves located at regular intervals along the route ensure interruptions or concerns with the line are identified immediately.

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### OUR COMMITMENT TO YOU

PNG is committed to working with First Nations and local communities to understand and address community interests and concerns. Our aim is to incorporate community feedback into project planning where practicable. PNG is conducting environmental studies and direct engagement with both stakeholders and Indigenous communities in our service areas. PNG intends to invite dialogue throughout the process with a focus on exploring project-related employment and business opportunities for local and Indigenous businesses in PNG's service areas.

### PNG Service Areas



### CONTACT US

Find out more about RECAP. Visit: [png.ca/projects/recap/](https://png.ca/projects/recap/) Email: [ReCapProject@png.ca](mailto:ReCapProject@png.ca)  
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### ABOUT PNG

PNG provides reliable gas service to approximately 42,000 residential, commercial and industrial customers in more than 16 communities across northern B.C. In operation since the 1960s, PNG owns and operates a transmission and distribution system in west-central B.C. and a distribution system and processing plant in the province's northeast. For more information about PNG, visit [www.png.ca](https://www.png.ca).