



March 30, 2017

Ms. H el ene Lauzon, Co-Chair
Mr. Gary Merasty, Co-Chair
NEB Modernization Expert Panel
580 Booth Street
Ottawa, ON K1A 0E8

Dear Expert Panel:

I am writing to you on behalf of the Saskatchewan Association of Rural Municipalities (SARM.) SARM is the independent association that represents rural municipal governments in Saskatchewan and is the principal advocate in representing them before senior government. All of Saskatchewan's 296 rural municipalities are voluntary members of SARM. The Association takes direction from its members and forms its policy accordingly.

SARM appreciates the opportunity to provide feedback to the Expert Panel of the National Energy Board (NEB) Modernization Review. The SARM Board of Directors has identified several issues that we believe need to be considered in the Review.

First, SARM believes that the NEB's work should be driven by science, rather than by the policy preferences of the government of the day. The NEB's role should be to provide relevant, fact and science-based information that the Government of Canada may use to inform its policies.

Regarding the NEB's decision-making role, SARM advocates for an approach that reviews project all the way downstream and looks at the net impact on emissions. A net positive impact in the future should be considered.

SARM has previously asked that municipalities be eligible for funding under the NEB Participant Funding Program. In the past, the NEB has informed us that the rationale for excluding municipalities under the program is that municipalities generally have more resources and capacity to attend hearings and environmental assessments than landowners. This is not always the case, however. For some municipalities, particularly small or remote rural municipalities, the cost to attend hearings or environmental assessments may be prohibitive. It is our view that municipal participation in these hearings and environmental assessments is critical because municipalities provide and maintain the transportation infrastructure necessary for pipeline and powerline projects, but will not receive taxation until the pipeline is operational. Municipalities may also have underground infrastructure that will be affected by projects. Finally, municipalities can become liable for abandoned pipelines, a matter of great concern to SARM. For these reasons, it is very important that municipalities are provided funding assistance to attend hearings and environmental assessments.

Additionally, the funding provided under the program often does not cover the full costs for a participant to attend the hearings; in these cases, affected parties must pay out of pocket, which is not always possible. Therefore, SARM believes that landowners should be able to bundle their funding to send a delegation to the hearings. Smaller regional participation must occur if changes are not made to the NEB Participant Fund to make municipalities eligible and fully cover landowner costs.

SARM would like the NEB Modernization Review Expert Panel to clarify who is responsible to have the equipment necessary to deal with a leak or accident on hand. Such incidents require a lot of equipment that many municipalities may not have readily available. SARM is also looking for clarity on which party has authority at the scene of an incident.

The *National Energy Board Onshore Pipeline Regulations* (OPR) require NEB-regulated companies to develop, implement, and maintain an emergency management program. The Public Participation discussion paper states that the OPR also “requires companies to establish and maintain a close working relationship with agencies that may be involved in an emergency response on a pipeline and consult with them in developing and updating their emergency procedures manual.” Too often this is not happening. SARM would like the Expert Panel to look at who is monitoring companies to ensure they are indeed maintaining a close working relationship with other affected agencies. This needs ongoing maintenance, and may require an annual check-in. SARM also strongly believes that there should not be a limit on liability to a company in the event of a pipeline release.

There must be more consistency in how Right of Entry is determined and compensated. SARM also believes there must be evidence of how landowner compensation is determined, including consideration of what other landowners in the area accepted. The potential to review future maintenance to the area of an easement or pipeline should exist. Pipelines can cause significant disruption to land, even when buried. In an effort to make sure compensation recognizes future sagging, the NEB should consider phased in payment or review.

In regard to land use, impacts on the local community should be considered when determining whether a pipeline or power line project is in the public interest. Local municipalities should be involved in consultation processes. Allowing municipalities the opportunity to comment will provide better insight to the NEB when considering applications. This would be a positive step forward in building relationships and communication between municipalities and the NEB. Unfortunately, municipalities too often feel that their perspectives are dismissed when it comes to provincially or federally regulated uses even though it is municipalities that must deal with those projects and developments and are most affected.

Finally, SARM is asking the NEB Modernization Expert Panel to provide clarity around who receives administrative monetary penalties. The collection of these penalties should



acknowledge that a company's noncompliance may mean the landowner can not use the land. It is not appropriate to just place administrative monetary penalties into the general revenue fund. The impacted party must be recognized.

Thank you for the opportunity to provide comment. We appreciate your consideration.

Sincerely,

A handwritten signature in black ink that reads "Ray Orb". The signature is written in a cursive, slightly slanted style.

Ray Orb
President