



February 6, 2009

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Dear Landowner,

Recently you may have received a letter or heard a radio ad regarding an application by TransCanada PipeLines Limited (TransCanada) to have its NOVA Gas Transmission Ltd. (NGTL) pipeline system federally regulated by the National Energy Board (NEB). You may be concerned by or have questions about what you have read or heard, so we felt it was important to send this letter to give you additional information about how this possible jurisdictional change might affect you.

To begin with, it is important to note that the NEB regulates approximately 45,000 km of pipeline across Canada. This includes the following pipelines in Alberta: Foothills Pipeline, Keystone Pipeline, Alliance Pipeline, TransMountain Pipeline, Cochin Pipeline and the Enbridge Mainline.

Many Alberta landowners have had NEB-regulated pipelines on their land for many years (TransMountain Pipeline is over 50 years old). These landowners manage their lands in much the same way as other landowners do. TransCanada owns and operates pipelines in Alberta regulated by both the NEB and the Alberta Utilities Commission (AUC). We manage our relationships with landowners consistently regardless of which regulator has jurisdiction.

#### **Existing Agreements**

Existing agreements between NGTL and landowners will not be altered as a result of a change in jurisdiction. NGTL is committed to, bound by, and will honour existing landowner agreements.

#### **Ongoing Annual Payments**

If you are receiving annual payments under existing agreements with NGTL, you will continue to receive them. TransCanada is bound by the terms of your NGTL agreement, and contractually bound to the payment terms of the easement contract. A change in jurisdiction does not change this.

#### **Crossings**

Landowners already have permission to cross the pipeline right-of-way for normal farming operations, without having to notify TransCanada. This will not change under NEB jurisdiction. Existing NGTL right-of-way agreements state that landowners have the right fully to use and enjoy the right-of-way, as long as it does not interfere with the operation or integrity of the pipeline.

Landowners are also protected from liability for pipeline damages which may result from normal farming operations. This will not change under NEB jurisdiction. For the past 30 years NGTL's right-of-way agreements have protected landowners from liabilities, damages, costs, claims, suits or actions arising from normal farming operations.

In fact, for more than 50 years of NGTL's and TransCanada's operating history extending over 48,000 km, no landowner has been held liable for pipeline damages arising from normal farming operations.

#### **Abandonment**

NEB approval is required for a pipeline owner to abandon an NEB-regulated pipeline. Any landowner concerns with the abandonment process and any future land use are addressed at that time. TransCanada will fully fulfill all of its financial obligations related to abandonment.

In addition, for over 25 years NGTL's right-of-way agreements have protected landowners from liabilities, damages, costs, claims, suits or actions arising from abandonment of the pipeline. Further, this protection continues for so long as the pipeline remains on or under the right-of-way.

## **Intervener Funding**

In NEB proceedings, landowners have the opportunity to recover their costs where a landowner's interests are directly affected, such as a detailed route hearing (where concerns about the routing or methods and timing of construction are determined) or the NEB's Appropriate Dispute Resolution process (where specific landowner concerns are resolved).

## **Safety Zone**

There is a difference between the NEB regulations and the Alberta regulations regarding the safety zone.

The NEB regulations state that the pipeline operator must be notified of all activities or ground disturbances (excavating, digging, trenching, drilling) deeper than 30 cm (1 foot), and within 30 meters (98 feet) of the edge of the pipeline right-of-way (the safety zone).

The AUC regulations state that the pipeline operator must be notified of any cultivation deeper than 45 cm (18 inches), or any ground disturbance (excavating, digging, trenching, drilling) deeper than 30 cm, and within 30 meters of the actual pipe.

TransCanada does not need to give permission to landowners for normal farming operations up to a depth of 30 cm. However, if you cultivate deeper than 30 cm (deep tillage) you will need to contact us to ensure safety, and compliance with the NEB regulations. It is TransCanada's practice to allow such activities where they won't interfere with pipeline integrity or public safety.

Because of the difference in how the safety zone is measured, the NEB safety zone will be about 5 to 10 meters (16 to 33 feet) wider. Existing structures that now fall within this wider safety zone will not be a concern as they are already in place, and are not currently affecting the safety of the pipe.

If you are planning to do things such as drill fence post holes or build a dugout, remember to 'call before you dig' (1-800-242-3447). The company will then come out and mark the line. If your work doesn't impact the line, then you can proceed.

This safety zone exists to prevent accidental damage to the pipeline and to protect landowners, the public and the environment.

## **Need More Information?**

If you still have concerns or questions, please contact us. We have several different ways you can get in touch with us, and would encourage you to choose the one most convenient to you. We expect the NEB to issue its decision on TransCanada's application sometime in February or March. Once the NEB makes its ruling, TransCanada will hold more detailed consultations and communications so you are aware of the effects and implications of a jurisdictional change.

By Phone: Toll free:1-866-963-6440

### **TransCanada's Local Representatives:**

|            |                |              |                |
|------------|----------------|--------------|----------------|
| SE Alberta | Jared Daku     | Medicine Hat | 1-403-529-4342 |
| SW Alberta | Ian Jerrard    | Airdrie      | 1-403-948-8140 |
| NE Alberta | Leroy Whillans | Spruce Grove | 1-780-962-7384 |
| NW Alberta | Brent Clair    | Fairview     | 1-780-835-8151 |

By Email: [AB\\_system@transcanada.com](mailto:AB_system@transcanada.com)

Website: <http://www.transcanada.com/social/landowner.html>

Sincerely,

Robert Kendel  
Director, Land, Community,  
Aboriginal & Native American Relations