

# PIPELINE

## Push for Easement Agreement in Yukon

Pressure by local entrepreneurs and the mining industry is mounting for the Department of Indian Affairs and Northern Development (DIAND) to lift the freeze placed on land disposition along an eight-km (five-mi.) wide corridor that runs the length of the proposed route of the Alaska Highway gas pipeline through Yukon. Frozen in 1977 to protect the land from speculation in anticipation of the pipeline, the corridor encompasses the eventual right-of-way and the lands required for related facilities such as compressor stations, storage and stockpile sites, gravel pits and construction camps.

The freeze on development was imposed on the assumption that the project would go ahead in the near future, points out Dale Longlitz, Head of Land Tenure and Use for the Northern Pipeline Agency. The delays the pipeline has since encountered were not anticipated at the time, he says. Even small-scale developments, such as an expansion to a lodge or restaurant, have been affected by the freeze if additional land was required.

In order to allow development to proceed, as well as to protect the future pipeline interests of Foothills Pipe Lines (South Yukon) Ltd., Mr. Longlitz says the Agency plans to have the corridor removed early in 1983 and replaced by an easement for a right-of-way 240 m (787 ft.) in width. This right-of-way will be reduced to 40 m (122 ft.) in width when construction of the pipeline is completed.

Specific areas outside the right-of-way that the company has identified as potential sites for associated facilities, such as compressor stations, will be set aside in the Agency's name through a process called "reservation by notation". This is a system whereby federal departments and agencies earmark lands for proposed usage,



photo by the Whitehorse Star

Ibex Pass, Yukon. This area is under consideration as a possible route for the pipeline.

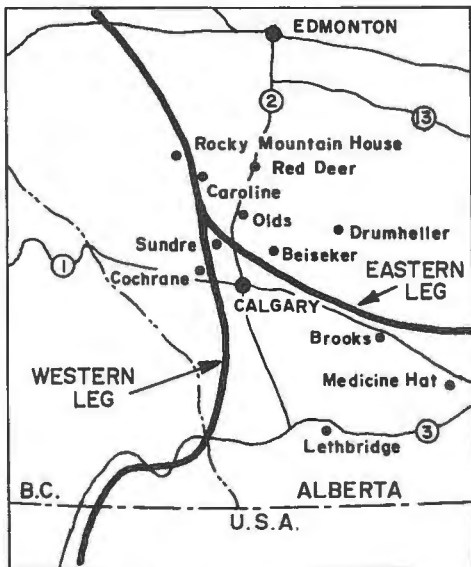
Mr. Longlitz explains, estimating a total of 150 to 200 such areas will be reserved for pipeline purposes. "All these reservations by notation must be registered with DIAND before the corridor can be removed," he adds.

The Agency will then decide on the final pipeline route in Yukon, taking into account the recommendations of the federal Environmental Assessment Panel and the results of the Agency/Yukon government study of the re-

sources of the Ibex Pass near Whitehorse and a proposed management plan for the area. The \$50,000 resource study and management plan are expected to be completed early this year. Once the final route is approved, the steps necessary to grant an easement to Foothills (South Yukon) for the pipeline right-of-way can be commenced.

Canada

## Court Appeal Dismissed



The Federal Court of Appeal dismissed the case of two landowners whose property will be affected by the Alaska Highway gas pipeline in the Rocky Mountain House area of Alberta, at a hearing held in Edmonton on October 28, 1982.

The landowners were appealing an order issued in January 1982 by William A. Scotland, Designated Officer of the Northern Pipeline Agency, which granted Foothills Pipe Lines (Alta.) Ltd. permission to take additional lands to use as permanent right-of-way and permanent and temporary working space for construction of the 1 422-mm (56-in.) diameter pipeline. Mr. Scotland's decision was based on a hearing held in Rocky Mountain House on November 5, 1981, to consider the company's applications for additional lands along the first 57 km (35 mi.) of the main line of the pipeline, extending north from Caroline, Alberta.

Among the landowners' arguments was the contention that the Designated Officer's powers under the *National Energy Board Act* do not include the granting of lands on a temporary basis.

After presentation of the applicants' case, the Court adjourned and rendered its decision without requiring argument from the counsels representing the Agency and Foothills. In his Reasons for Judgement, Chief Justice A. J. Thurlow stated the Designated Officer had jurisdiction to approve the application by Foothills (Alta.) for leave to take land temporarily and the landowners' appeal was dismissed.

## Environmental Planning in Yukon Adequate Says Federal Panel

The final report released in October 1982 by a federal environment panel clears the way for Foothills Pipe Lines (South Yukon) Ltd. to press ahead with planning and design of the Yukon section of the Alaska Highway gas pipeline.

The Environmental Assessment Panel concludes that preliminary planning by Foothills (South Yukon) is adequate and says the company and regulatory authorities concerned, primarily the Northern Pipeline Agency, "have a good grasp of the physical and biological problems and the options for solutions to these problems". The report is based on hearings held in June 1982 in Whitehorse.

The Panel notes in the report certain areas where further research and development are needed, especially with respect to geotechnical matters. It recommends studies continue on frost heave and thaw settlement to ensure the pipe will remain stable and operate safely in areas of discontinuous permafrost.

The technical feasibility of the Kluane Lake crossing also requires ongoing review, says the Panel, as do river crossing designs and revegetation and erosion control procedures. In addition, the report lists several documents Foothills (South Yukon) should prepare, including a plan on the location, operation and restoration of granular resource sites and a report on areas where waterfowl are prone to disturbance.

The Panel agrees with the routes proposed by the company in the Marsh-Squanga Lakes region southeast of Whitehorse, the Rancheria Valley area near the British Columbia border, as well as the Kluane Lake location. However, the route of the pipeline in the Ibex Pass area remains to be resolved.

In its review of the plans and designs of Foothills (South Yukon), as required under the *Northern Pipeline Act*, the Northern Pipeline Agency will take into account the Panel's recommendations.

## New Appointments to Northern B.C. Advisory Council

Seven original members have been reappointed by Governor in Council to a further two year term on the Northern British Columbia Advisory Council and three new members appointed for a similar term. Established in September 1980 under the *Northern Pipeline Act*, the Council represents a cross section of interests in northern British Columbia to advise the Minister responsible for the Northern Pipeline Agency on matters related to the planning and construction of the Alaska Highway gas pipeline in the region.

The three new members appointed were: Clifford Calliou, an active member of the United Native Nations from Pouce Coupe; Sidney Cooper, former Mayor of Dawson Creek; and Charles Pete, President of the local United Native Nations' organization in Lower Post.

Members reappointed to the Council were: Amy Gauthier of Chetwynd, Donald Edwards of Fort Nelson, Jack Hannam of Dawson Creek, Leo Rut-

ledge of Hudson's Hope, Eleanor Summer of Fort Nelson, Elizabeth Todrick of Fort St. John and Jed Woolley of Fort St. John.

At its last meeting held in November 1982 in Fort Nelson, the Council decided to meet on a quarterly, rather than on a monthly, basis. Frank Oberle, Member of Parliament for the region, has been invited to attend the next meeting scheduled for February in Fort St. John. During the year, the Council plans to prepare a proposal for local manpower training in pipeline construction-related skills.

The Yukon Advisory Council, which last met in December 1982 in Whitehorse, has also decided to meet quarterly, with the next meeting scheduled for March 8. The Council plans during this year to have an evaluation done of its effectiveness as an advisory group and its accomplishments since it was first appointed in February 1979.

# 1982 Flashback



"I always knew I was a saint. Now it's in print and I can prove it!"

## Harold Millican

There are many positive signs developing. As to the actual timing of the project—we may have an accurate reading on that by the end of 1983.

## Jan Parcels

I felt that during a tough time, the staff have gotten to really know each other.

## Bill Scotland

Morale has been unbelievable—people have really shown a willingness to fill in and do other jobs. I think there was a pulling together, a rallying around each other and, as a result, around the project.

## Tom Hamilton

The word is flexible! The whole industry is going through major readjustments. We're in pretty favoured circumstances.



"Our wildlife concerns are becoming quite visible."



"I promise to be good — please not the whip!"



"And now for our next number ..."

**Betty Gautier**

What I really value in the Agency is the people—the friendships and feeling of fellowship. I got a far better sense of this during the past year.

**Carl von Einsiedel**

It was a year of high activity even beyond the announcement of the delay.



"You want your advance by when??"



"No dear—the camera is over this way!"



"I've only just begun to earn this award."

**Gail Fletcher**

You know about faith, hope and charity? We've got faith and hope, and if everything falls through, the Agency has been very charitable—they've done everything for the staff.

**Brian Trevor**

I've told myself not to be fazed by anything! All that's happened is we've gone back to the way the Agency started—the few of us that were here were doing many things—then we expanded.

**Cheryl Douglass**

Overall I thought that for such a trying period everybody pulled together—it was wonderful. People could have gone in all different directions and they didn't.

**Bob Hornal**

There's nowhere to go but up or out. We did as well as we could under the circumstances.

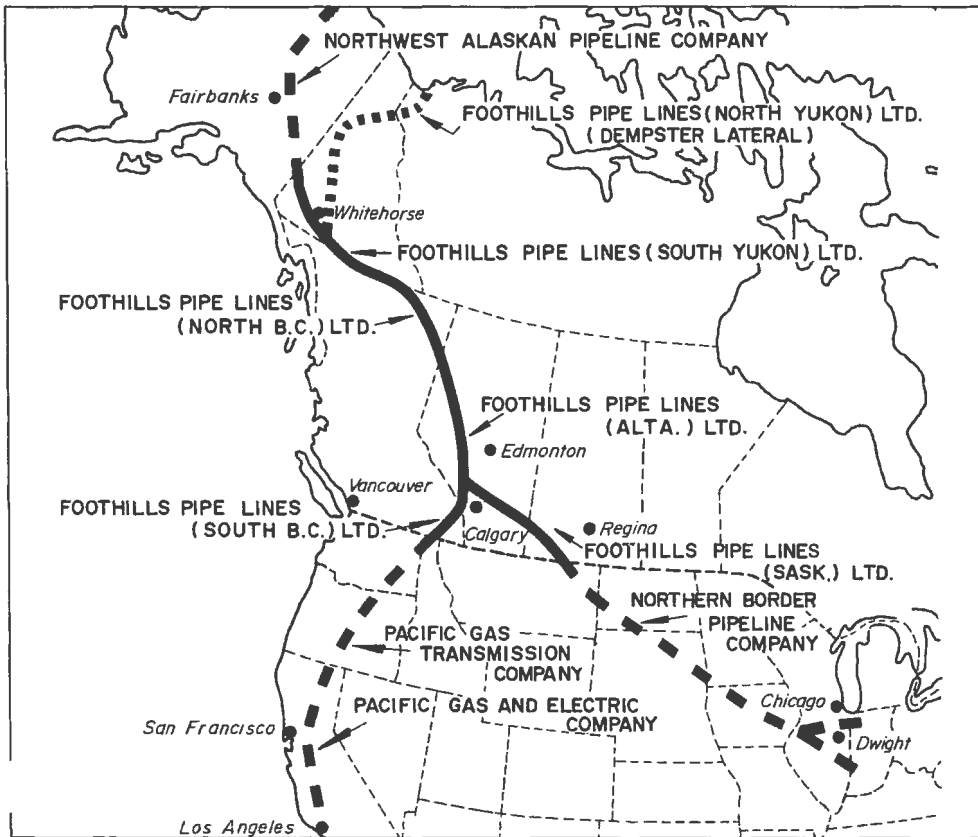


"See — I even got my hair cut for the occasion!"



"You've got a lot of nerve ordering yourself a drink and not one for me!"

## Sponsors Outline 1983 Plans



Northwest Alaskan Pipeline Company and the Alaskan gas producers will share the cost of a \$3 million (U.S.) study on the feasibility of a new gas treatment process for the gas conditioning plant to be built at Prudhoe Bay, Alaska, as part of the Alaska Highway gas pipeline. At a meeting held December 9, 1982, in Salt Lake City, Utah, the ten member companies that comprise the consortium building the \$20 billion Alaskan portion of the system authorized an expenditure of \$750,000 to cover the first phase of the study. The results of the study could reduce the construction time frame and lead to significant savings in the cost of building the plant, estimated at \$3.6 billion (U.S. 1980), says Joe Vallely, spokesman for Northwest Alaskan.

Since March 1, 1982, the Canadian proponent, Foothills Pipe Lines (Yukon) Ltd., has cut back staff from 650 to 270 and, by mid 1983, will be down to 200. Of these employees, 100 will work on Phase II planning and design, while 110 will be involved in the operations and maintenance of Phase I.

The Northern Pipeline Agency, which is responsible for overseeing

the planning and construction of the Canadian portion of the pipeline, has reduced staff by 50 percent as of January 1 from a peak strength of 104 last May. Secondments to other federal government departments located in Ottawa, Yellowknife, Whitehorse, Calgary, Winnipeg and Vancouver through the Public Service Executive Interchange Program, attrition and layoffs account for the reduction. Fourteen secondments are on a full-time basis, while the remaining 16 are partial—anywhere from five to 50 percent of employees' time still being spent on Agency matters. Agency officials anticipate approximately 48 people will be working on pipeline matters by year end.

The Agency's regulatory counterpart in the U.S., the Office of the Federal Inspector (OFI), has cut back staff to 88 from a total of 159. Ten employees are overseeing clean-up operations on the Phase I Eastern Leg by Northern Border Pipeline Company and the remainder are working on planning for Phase II. By mid 1983, the OFI expects to reduce staff by a further 25 percent.

## Construction Update

Gas flowing to the United States through the Eastern Leg of the Alaska Highway gas pipeline was measured for the first time in the newly-completed metering facilities at Monchy, Saskatchewan, near the international border on December 15, 1982.

Built by Foothills Pipe Lines (Sask.) Ltd., the Monchy meter station became operational following a Leave to Open order granted by the National Energy Board (NEB) in late November. Successful commissioning of the equipment was completed during December. Commissioning is a procedure which involves testing and proofing of the electrical, pneumatic and hydraulic systems to ensure everything will function as planned. Prior to completion of the Monchy station, which was delayed due to a strike in the building trades from May to September 1982, the Eastern Leg gas was metered at the McNeil, Alberta, facilities of NOVA, An Alberta Corporation.

### Station progress steady

Work on the compressor stations at Piapot, Monchy and Richmond, Saskatchewan, was also affected by the strike. Since construction activity has resumed on these facilities, the Piapot station was about 97 percent complete as of December 31, 1982 with the yard piping, gas coolers, cooler piping and electrical conduits installed and the high pressure gas piping tested. Start-up of the unit is expected in late January. The construction of the compressor station at Monchy was about 75 percent complete as of December 31 and is also scheduled for a late January start-up.

Progress on all systems at the Richmond station has been steady over the past three months. As of December 31, construction of the facility was approximately 48 percent complete and is scheduled to go into service in mid-May.

Leave to Open for the second compressor unit at the Foothills (Alta.) station at Jenner, Alberta, was given by the NEB on October 25, 1982. Commissioning of the electrically-driven unit—a prototype in Western Canada—took longer than expected and delayed the start-up until mid-December, 1982.



## News in Brief

**Ian Waddell, the New Democratic Party's energy critic**, can proceed with the legal challenge he launched two years ago against the federal government's July 1980 approval of first phase construction of the Alaska Highway gas pipeline.

Mr. Waddell is contesting the federal cabinet's right to allow construction of the southern Canadian sections of the pipeline for the initial purpose of transporting Canadian gas to the United States, prior to the finalization of plans for completion of the second stage of the project. He maintains that, as approved by Parliament, the *Northern Pipeline Act* only authorizes construction of the pipeline in Canada as part of an entire system to carry Alaskan gas to U.S. markets.

Foothills Pipe Lines (Yukon) Ltd. appealed Mr. Waddell's right to challenge the government's action and the jurisdiction of the Supreme Court of British Columbia to consider the case. Both points were previously upheld by the Appeal Court of British Columbia. The Supreme Court of Canada, however, declined on December 21, 1982 to hear Foothills' attempt to appeal. The substance of Mr. Waddell's action will now be heard in the Supreme Court of British Columbia on May 9 in Vancouver.

**The Federal Provincial Territorial Consultative Council (FPTCC)** held its final quarterly meeting for 1982 on December 17 in Calgary at the operating headquarters of the Northern Pipeline Agency. Chaired by the Hon. Mitchell Sharp, Commissioner of the Agency, the FPTCC consists of senior representatives from the Agency and the Governments of Yukon, British Columbia, Alberta and Saskatchewan. The purpose of the Council is to ensure consultation on intergovernmental matters related to the Alaska Highway Gas Pipeline Project. At the December 17 meeting, Agency officials briefed Council members on the status of the project, including the sponsors' plans and projected budgets for 1983.

**The National Energy Board (NEB)** has approved an additional 325.6 billion cubic metres (11.5 trillion cubic feet) of Canadian natural gas for export to the United States and Japan. Included in the decision, issued on

January 27, is an extension to the licences of Pan-Alberta Gas Ltd. to move approximately 29.7 billion m<sup>3</sup> (1.05 Tcf) through the southern segments of the Alaska Highway gas pipeline between 1986 and 1992. This is about 60 percent of the volume the company had requested to export during the NEB's Gas Export Omnibus Hearings held from March to December 1982. Under its existing licences, which cover the period 1981 to 1988, Pan-Alberta is authorized to ship about 59.2 billion m<sup>3</sup> (2.09 Tcf) through the Alaska Highway system.

**In December 1982**, a daily average of 19 MM m<sup>3</sup> (670 MMcf) of Canadian natural gas flowed to the United States through the Eastern Leg of the Alaska Highway gas pipeline compared to an estimated 11.8 MM m<sup>3</sup> (417 MMcf) a day the previous month. The December figure represents approximately 81 percent of the gas producers' authorized export level of 24.9 MM m<sup>3</sup> (880 MMcf) per day, calculated on a monthly basis.

Sales through the pipeline's Western Leg facilities averaged 2.93 MM m<sup>3</sup> (103 MMcf) per day in November or about 39.4 percent of the allowable 7.48 MM m<sup>3</sup> (264 MMcf) of gas per day.

**The transportation and logistics plan** prepared by Foothills Pipe Lines (Yukon) Ltd. for Phase II construction of the Alaska Highway gas pipeline is acceptable to the Northern Pipeline Agency.

Public review of the plan is deferred until nearer commencement of construction. Following this review and any revisions that may result, the company's document will receive formal approval by the Agency.

Foothills (Yukon) submitted the transportation and logistics plan in May 1982 in compliance with the Agency's socio-economic terms and conditions. The plan identifies the routes and types of vehicles the company could use to transport pipe, materials, equipment, fuel and personnel safely and efficiently. It also summarizes the measures Foothills (Yukon) will follow to ensure minimal disruption of regional transportation services.

## Compensation Announced

Yukon Indians will receive \$183 million (1982 dollars) from the federal government over the next 20 years as partial compensation for surrendering aboriginal rights to parts of the 536 130 km<sup>2</sup> (207,080 sq. mi.) that comprise the Yukon Territory. The proposed cash settlement, announced December 17, 1982, by the Hon. John Munro, Minister of Indian Affairs and Northern Development, is another step towards an agreement-in-principle on the Council for Yukon Indians' (CYI) comprehensive land claim which has been under negotiation since 1973. The CYI represents approximately 5,500 Yukon Indians.

Of the \$183 million figure, \$130 million are in exchange for aboriginal rights to land and an additional \$53 million are earmarked to enable Indians to take over native federal programs such as schools and social services.

The final agreement-in-principle on the Yukon Indians' claim will designate lands on a community-by-community basis. Selection of these lands is still under way. Certain lands will involve full native ownership, while large portions will be set aside for traditional pursuits such as hunting, fishing and trapping. Negotiations continue between the Yukon Indians and the federal government on the question of subsurface mineral rights.

## Pipeline

The Northern Pipeline Agency was created by Parliament in April 1978 to oversee planning and construction of the Alaska Highway gas pipeline project in Canada. Inquiries or suggestions regarding the Agency's publication *Pipeline*, may be directed to:

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