



National Energy Board
Office national de l'énergie

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National Energy Board Approves Redwillow Pipeline Project

CALGARY - The National Energy Board (NEB, the Board) today approved an application by SemCAMS Redwillow ULC (SemCAMS) to construct and operate the Redwillow Pipeline Project.

The Redwillow pipeline would transport up to 2 295 cubic metres per day (79 000 standard cubic feet per day) of unprocessed sour gas containing up to 30 per cent hydrogen sulphide, nearly 150 kilometres, from the Grizzly Valley area southwest of Tumbler Ridge, British Columbia to an existing gathering and processing facility near Wapiti, Alberta. The project is expected to cost \$151 million.

The proposed pipeline would connect gas that is currently shut-in to an existing, but under-used, gas processing plant in Alberta. According to evidence filed by SemCAMS, access to sour gas processing facilities in the project area is constrained, which is impeding further gas development. The proposed pipeline could also open up eastern markets to gas producers in the Grizzly Valley region.

During the public hearing, held in Dawson Creek, BC from 28 to 31 October 2008, SemCAMS committed to design, build and operate the project in adherence with the most recent regulations, codes and industry standards for sour gas pipelines.

The Board attached 26 conditions to its approval of the project, including the requirement that SemCAMS file its emergency procedures manual for Board approval before opening the pipeline and to hold a full scale emergency response exercise within one year after the pipeline begins operating. Local residents raised concerns about SemCAMS' emergency management program in the case of a pipeline leak or rupture during the hearing.

SemCAMS provided evidence regarding the financial viability of the project after its parent company, SemGroup, L.P., filed for Chapter 11 bankruptcy protection in July 2008. Based on SemCAMS' evidence, the Redwillow project appears likely to be able to attract financing on its own merit. However, the Board will require SemCAMS to demonstrate that adequate financial resources are in place to build and operate the pipeline before construction begins.

The Board also denied SemCAMS' request for an exemption from filing a Plan, Profile and Book of Reference for approval as required by the NEB Act. In its reasons for decision, the NEB said that while the pipeline would be located entirely on Crown lands, the Board was not persuaded that an exemption from the NEB Act was warranted.

Celebrating 50 years of regulatory leadership, the NEB is an independent federal agency that regulates several parts of Canada's energy industry. Its purpose is to promote safety and security, environmental protection, and efficient energy infrastructure and markets in

the Canadian public interest, within the mandate set by Parliament in the regulation of pipelines, energy development and trade.

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Related documents:

- All Regulatory Documents under: Facilites, Gas, SemCAMS Redwillow ULC, [2007-12-07 - Application for Redwillow Pipeline Project \[Folder 487906\]](#)
- [Reasons for Decision GH-2-2008 \[Filing A21407\]](#)