IN THE MATTER of an application by Potash Corporation of Saskatchewan Inc. (PCS) for a Permit to Construct a brine disposal pipeline between PotashCorp Penobsquis and PotashCorp Cassidy Lake

held at the Energy and Utilities Board, Saint John, N.B. on January 7th 2009.

INDEX

IN THE MATTER of an application by Potash Corporation of Saskatchewan Inc. (PCS) for a Permit to Construct a brine disposal pipeline between PotashCorp Penobsquis and PotashCorp Cassidy Lake

held at the Energy and Utilities Board, Saint John, N.B. on January 7th 2009.

BEFORE: Mr. Raymond Gorman, Q.C. - Chairman
Mr. Cyril Johnston - Vice-Chairman
Ms. Constance Morrison - Member
Mr. Steve Toner - Member

NB Energy and Utilities Board - Counsel - Ms. Ellen Desmond
- Staff - Mr. Todd McQuinn
- Mr. David Keenan
- Mr. David Young

Secretary of the Board - Ms. Lorraine Légère

.....

CHAIRMAN: Do we have enough chairs for everybody? If not,

I'm sure we could get a few more.

Good morning, everyone. This is a hearing of the Energy and Utilities Board to hear an application by Potash Corporation of Saskatchewan for a permit to construct a brine disposal pipeline between PotashCorp Penobsquis mine and PotashCorp Cassidy Lake mill.

I will take the appearances at this time starting with the Applicant.

MR. ZED: Thank you and good morning, Mr. Chairman, Members of the Board. Peter Zed and Nadia MacPhee appearing as counsel for the Applicant. There are also four members of the witness panel here who I guess we will introduce at the appropriate time.

CHAIRMAN: Thank you, Mr. Zed. The formal intervenors? I will start with the Hammond River Angling Association.

MS. CAMPBELL: Hi, Sarah Campbell.

CHAIRMAN: Thank you, Ms. Campbell. Self-represented, Mr. Chambers?

MR. CHAMBERS: I am here, thank you.

CHAIRMAN: Thank you, Mr. Chambers. And also self-represented, Tereca Carr?

MS. CARR: Present.

CHAIRMAN: Under Section 6 of the Pipeline Act, there are a number of parties that are automatic -- automatically

intervenors or parties to this application.

That would include the Mayor of the Town of Sussex. Is the Mayor of the Town of Sussex or anybody from the Town of Sussex present? There are a number of Ministers that are automatically parties. Any of the Ministers present? Minister of Agriculture and Aquaculture? Not here.

Minister of Energy? Not here.

MR. BILODEAU: Alain Bilodeau for Department of Energy.

CHAIRMAN: Sorry?

MR. BILODEAU: Alain Bilodeau for Department of Energy.

CHAIRMAN: Thank you, Mr. Bilodeau. Minister of the Environment? Minister of Local Government? Minister of Natural Resources? Minister of Public Safety? Minister of Transportation?

There are also informal intervenors. Village of Sussex Corner, anybody here from the Village of Sussex Corner?

And the MLA for Kings East, Bruce Northrup?

MR. NORTHRUP: Bruce Northrup, Kings East MLA present.

CHAIRMAN: Mr. Northrup.

And the New Brunswick Energy and Utilities Board?

MS. DESMOND: Ellen Desmond, Mr. Chair. And from Board Staff, Todd McQuinn, David Young, and David Keenan.

CHAIRMAN: Thank you, Ms. Desmond. There are a couple of

other documents to mark as exhibits since the pre-hearing of this matter. IRs were submitted and responded to so the IRs and responses to the IRs of Roy Chambers provided by Peter Zed on December 19th 2008 will become exhibit number 14.

And the responses of PCS to the IRs of Tereca Carr provided under cover letter dated December 19th 2008 from Peter Zed will become exhibit number 15.

Mr. Zed, are there any other documents that need to be marked, to your knowledge?

MR. ZED: Not to my knowledge.

CHAIRMAN: I see we have a panel -- what appears to be a panel of witnesses sitting at a table in front of me so I will turn the hearing over to you, Mr. Zed.

MR. ZED: Thank you, Mr. Chairman.

There is one preliminary matter and I just want to bring it to the Board's attention. It is something that I would address in summation but I thought probably appropriate to address now in case there are any questions arising from what I am about to ask of the Board.

When the matter -- the draft application was submitted to the Pipeline Coordinating Committee, their review resulted in a letter which is exhibit -- marked as exhibit 6. And I don't know if there is any need to turn to that

but that letter essentially says that we have completed our review and we would suggest that there are a number of conditions be attached to the permit.

And we reviewed those conditions and agree that we could live with those conditions. I am asking -- I am going to ask the Board's indulgence in amending one of those conditions. And the condition that I am asking the Board to revisit is condition number 4, which says "PCS shall give the Board's designated representative 10 days written notice in advance of the commencement of construction."

And what I am going to be requesting is in addition to approving the application, that that be amended to provide that once we receive the permit, that we not be required to give any notice to do clearing and grubbing of the right-of-way, construction of associated access roads on the right-of-way, excavation and foundation work for the Penobsquis pump station. And I would just point out that we have no objection and would expect to continue to give 10 days notice to the Board and Mr. McQuinn for purposes of doing any pipeline -- before we did any actual pipeline work.

The landowners associated with all of these, we have permission from all of the landowners involved and this

would all be on land that we control through either ownership or right-of-way.

CHAIRMAN: And what you are going to be asking of the Board is not to abbreviate that notice, but to dispense with it all together?

MR. ZED: To dispense with it and realistically it may take four or five days before we can mobilize depending on when we get a final determination from the Board but it also, it may be two or three days. And I guess our position is we have lost a considerable amount of time through nobody's fault, but days -- every day that we lose now means a considerable amount of money and inconvenience at the other end.

So what we were hoping is that to the extent possible, we be able to get a bit of a head start on those types of things. Most of them, quite frankly, are things that we arguably could do by virtue of the rights-of way that we hold from these individual owners anyway.

CHAIRMAN: I appreciate you bringing that to everybody's attention at this stage of the hearing in the event that people may have questions --

MR. ZED: Yes.

CHAIRMAN: -- with respect to --

MR. ZED: And that was our purpose. We will formally

request it later.

CHAIRMAN: Okay. Mr. Zed, I am just wondering if the proposal that you have -- the items that you enumerated for which you would like to dispense with any notice -- do you have it in a written form? And I say that because people may not have taken very good notes in terms of what you were -- the various items you were talking about.

MR. ZED: I will provide something in writing, which just suggests an amendment to the wording of section 4. I will do that some time today.

CHAIRMAN: Thank you, Mr. Zed. Okay. Any other preliminary matters?

MR. ZED: No. That's it.

CHAIRMAN: Okay. The Panel I presume has not been sworn, so Ms. Desmond, perhaps you could come forward and swear the panel.

LANCE REID, MARK FRACCHIA, JANET BLACKADAR, BRIAN ROULSTON, sworn:

CHAIRMAN: The four members of this panel have all been duly sworn. Mr. Zed?

DIRECT EXAMINATION BY MR. ZED:

Q.1 - Yes. Thank you. Just by way of preliminary perhaps we could just go starting left to right and each of you could introduce yourselves and tell what your involvement has

been with the project.

MR. REID: I am Lance Reid. I will be the construction manager on the project working for AMEC and certainly working on behalf of PCS.

MS. BLACKADAR: Janet Blackadar, manager of environment sciences, responsible for the environmental impact assessment and compilation of the application.

MR. FRACCHIA: Good morning. My name is Mark Fracchia. I am the general manager of the PCS Potash New Brunswick Divisions which includes not only the Penobsquis mine but the Cassidy Lake moth-balled mill as well as the potash terminal here in Saint John. And by virtue of my position I am co-ordinating the project from the perspective of our company and in our dealings with AMEC and our various contractors.

MR. ROULSTON: Brian Roulston, superintendent of engineering at the New Brunswick division. My background is in geology and geotechnical type work. So any questions regarding that I will be answering.

Q.2 - Thank you. Mr. Fracchia, on behalf of Potash Corporation Saskatchewan, the Applicant, is it fair to say that the application was provided at your request and under your direction?

MR. FRACCHIA: Yes, that is correct.

Q.3 - And are you prepared to affirm that the application and all ancillary documentation that has been filed with the Board is true to the best of your knowledge?

MR. FRACCHIA: Yes.

MR. ZED: Thank you. Now what we propose to do, with the Board's indulgence, is Mr. Fracchia intends to give an overview of the application really at a fairly high level in terms of talking about the reasons for the construction, a little bit of background about the company which may be relevant, and then, with the Board's indulgence, we would like to segue into a brief presentation by AMEC talking about the environmental issues and what has been -- what general types of considerations were vetted under the EIA, just to give everybody sort of a background on how we ended up here today.

I think for the most part the presentations summarize the evidence or refer to matters that are really in the public domain. We went through a dry run of this a couple of times and in total I think it's about a 20 or 25 minute presentation. But I think it might be helpful to put in context what permission we are seeking today.

CHAIRMAN: Okay, Mr. Zed. Proceed.

Q.4 - Mr. Fracchia, would you like to start off the

presentation, please?

MR. FRACCHIA: Okay. What I would like to do is to cover very briefly, as Mr. Zed had said, a very brief overview of our company, of our operation in Penobsquis, and the terminal here in Saint John, a little bit about the Piccadilly Potash expansion project, and then I will talk about the pipeline and I will give you an overview on the pipeline and how that ties in both with the existing operation and the Piccadilly project.

First of all, PCS Potash, or Potash Corp. as we are also known, is the largest integrated producer of fertilizers in the world by capacity. We are the number one producer of potash, number three producer of phosphate, the number four producer of nitrogen. And we employ about 5,400 people world-wide.

As far as New Brunswick operation, we are part of our potash group obviously. Most of our potash operations are in Saskatchewan. We are the only potash operation that anyone has in fact in the Maritimes, and we are glad to be here.

Potash was identified in the Sussex area back in the 1970s. Our own operation began production in 1983 under the Potash Company of America, or PCA. And PCA was purchased by Potash Corporation of Saskatchewan Inc. in

1993 and Potash Corporation of Saskatchewan retains ownership of our operation.

We have a production capacity of 785,000 metric tons per year of potash, 600,000 metric tons per year of salt, and we have a unique and efficient potash mining operation in that all of the salt tailings that are produced are put back underground. So we have a fairly small footprint in comparison with most mining operations and environmentally -- probably more environmentally benign than your typical mining operations that exist around the world.

Our potash products are transported from the site by rail to the potash terminal in Courtenay Bay in the Port of Saint John, and the terminal includes rail unloading, warehousing and ship loading facilities. And we do not operate that directly, although we have control of that terminal. It's operated by Furncan Marine.

Since 1998 we have observed a brine inflow into the mine, the existing mine. That inflow rate has risen over the years since 1998, peaking at nearly 1,800 U.S. gallons per minute back in May of 2007. Through significant efforts that had been ongoing prior to that time but also since that time, we have stepped up efforts in our underground and surface drilling and grouting, we have been able to stabilize -- and I will use that word

somewhat loosely -- but stabilize the inflow rate to about 1,100 to 1,300 U.S. gallons per minute, which is the rate that currently exists.

We also built and commissioned a new surface grout plant back in 2008 to allow us to increase our underground grouting capacity. And that has been fairly successful. The brine that we pump from the mine has to be disposed of, and it is pumped to surface and hauled by tanker trucks to our brine pond at Cassidy Lake division, and from there it's pumped to the Bay of Fundy through an existing pipeline. We also haul some of the brine by truck again to the potash terminal in Courtenay Bay and dispose of it through a header into the Bay. Our current trucking rate averages over 300 trucks per day, depending on weather, and of course even though that is working well for us at this time it's a very expensive method of disposing of brine. It also poses some safety and environmental issues.

The brine inflow, even though as I mentioned before, remains somewhat under control, is unpredictable and continues to threaten the mine. That's because we don't fully understand the inflow conditions and the geology, the structure in that area, and we have not to this date been able to seal that off completely. So it is a threat

and continues to be a threat into the future.
The mine itself employees 340 permanent full-time employees. We also employ between 75 and 80 full-time what we call nested contractors in our brine inflow control. Most of these people live in Sussex and area, although we have people living far and wide between Moncton and Saint John, but certainly the majority in the Sussex area, they have been with us for a lot of years.
Our average tenure is somewhere around 18 years.
We have a significant economic impact locally because we are locally the largest employer and certainly one of the largest employers in New Brunswick. Not only do we provide direct employment for over 400 people, but we also provide numerous indirect jobs with local suppliers and service providers.
In 2007 the economic impact that we had was as follows.
Our annual payroll was over $31,000,000, including above average wages and benefits paid to employees. Annual materials and service purchases totalled $96,000,000, and about 43 percent of those were purchased locally, locally meaning within the Province of New Brunswick.
We contributed taxes and royalty payments of over $11,000,000 for potash and salt to the province and nearly

a million dollars in natural gas. And our operation contributes over 50 percent of the revenue of the Port of Saint John.

So the current situation is that the life of the existing mine has been in jeopardy because of the brine inflow. Prior to announcing the Piccadilly Project back in 2007 the expectation was that the mine would eventually close due to flooding. The new mine at Piccadilly will not come on-stream until 2012. It will not reach full capacity until late 2014 or 2015. So as a result we need to maintain operation of existing mine until the Piccadilly Mine is fully operation, which is at least four years from now, if not longer.

The loss of the existing mine will mean the loss of jobs and serious economic impacts for the province, and it is critical for us that a pipeline be constructed as soon as possible. The pipeline will do one of two things. It will either allow us to reduce or eliminate the number of trucks used to haul brine if the inflow continues at its present rate, or if we are successful in decreasing the inflow, or if the inflow were to increase it will allow us to handle additional brine in addition to using trucks to haul brine as we do today.

Back in 2007, July of 2007, we announced the Piccadilly

Potash Project, and the reasons for that project were that of course we have again a brine inflow that is threatening the existing operation, and we want to be here, we want to be in the Province of New Brunswick. We have a successful investment and we want to retain that. And by doing that, we can only do that by having a new mining operation.

We also have of course -- world-wide we see an increase in demand for potash in the long-term, and I stress in the long-term because short-term economic conditions are impacting us as well as they are many many other industries around the world. But long-term we see a significant increase because of growing population, decrease in arable land per capita, bio fuels and so on.

The Piccadilly ore body was discovered in 2002 and we completed a pre-feasibility study in the first half of 2007. We received Board approval in July 2007 and announced the project shortly after.

Construction of the project began in January 2008, following receipt of the EIA determination and related permits.

The scope of work for that project is to sink two new shafts and construct head frame structures at the Piccadilly site. One of these shafts will be a production

shaft, the other will be a service shaft. These shafts will be sunk to a depth of about 900 meters. We will also construct a new mill at the Piccadilly site to concentrate the ore that we bring up from underground. The salt tailings will be returned to the mine at that point. The potash concentrate will be pumped to the existing Penobsquis mill which will be expanded. We are also constructing a new -- an extension to the existing mill, what we call our compaction plant, to produce additional granulated product. All in all this project was going to increase our production capacity to 2,000,000 tons per year potash and approximately 1,000,000 tons per year of salt.

Our schedule is that we -- as I mentioned before, we will complete our shafts and begin mine development in early 2012 and ramp up to full production by the end of 2014 or early 2015.

The economic impact of the project is going to be a capital expenditure of 1.7 billion dollars, a significant part of which will be spent locally. We do have a mandate internally within our company to use local suppliers and services as much as possible, and we are working with both ACOA and Business New Brunswick to try to facilitate that.

We are also going to create approximately 2,500 person

years of employment during construction and that will be job opportunities for people not only locally but also hopefully for Maritimers working out west, as well as hopefully for First Nations people, and we have had some communication with First Nations on ways we can work together and possible employment opportunities.

At the end we will create 140 to 150 new permanent full-time jobs at the mine. Now some of these will displace contractors who are now working on the brine inflow. But nonetheless, there will be a significant number of new permanent jobs created at the site.

The progress to date is we completed site preparations, we are working on foundation and presinking in the service shaft, we are preparing for foundation work in the production shaft, we are working on foundations in all surface structures, and we began erecting steel for our compaction plant in early December. So we are actually seeing construction actually moving up out of the ground. Now that's the Piccadilly project. What we are here today for of course is the brine pipeline, and the brine pipeline ties into both. As I mentioned before, the requirement for the pipeline, the immediate need for the pipeline, is to be able to allow us to be able to deal

with the continuing inflow into the mine. The pipeline will either reduce or eliminate brine trucking, or, as I said before, if brine inflow were to increase allow us to handle more brine without having to shut down the operation.

And of course the intent of that is to preserve the local jobs. When the Piccadilly Project is complete our intent is to shut down the existing mining operation and the brine pipeline will then be used to handle excess brine from the Piccadilly Mill. That volume of brine will be somewhat lower than what we are handling now with our brine pipeline as per the application.

The history of our pipeline project in terms of permitting is that we filed, we submitted an EIA application November of 2007. We received an EIA determination in October 2008. And we are currently obviously working through the EUB process. As part of this permitting process we have held three public meetings and had consultation with First Nations. We have also participated in several informal meetings, formal presentations and other exchanges of information, either through inquiries or through our own initiative.

The scope of work for this pipeline project is that we plan to construct a 29.4 kilometre pipeline from our brine

ponds at the Penobsquis mine site to the brine pond at Cassidy Lake Division. The pipeline will be sized to handle a flow rate of 1,350 U.S. gallons per minute, and we will need to construct a pump station both at Penobsquis, at the start of the pipeline, and an intermediate booster pump station in the Dutch Valley area.

And just to put it in a little bit of perspective, I realize this may be very, very difficult to see, but this particular chart illustrates an overview of the entire pipeline. There are some subsequent charts that also break that down into three different sections, but the pipeline originates at our current mine site, crosses the TransCanada Highway, skirts around and outside of Sussex Corner, through the Dutch Valley area. A booster pumphouse will be located in the Dutch Valley area and from there it will progress through right-of-ways down through our brine pond at Cassidy Lake Division. And again I apologize for the small charts which may be difficult to see from your perspective.

As far as the pipeline characteristics themselves, the pipeline will be constructed of high-density polyethylene pipe, made of PE4710 materials, which are specification required for the service conditions. It will be a nominal

14 and 16 inch diameter in various pressure ratings along the length of the pipeline to correspond with the pressure profile that has been designed.

The pipe sections will come in in 50 foot lengths and will be fusion bonded as much as possible, or coupled using electro-fusion couplings where the pipeline is dual-walled.

Sections of the pipeline from the Sussex Golf and Country Club -- or Golf and Curling Club, pardon me -- to the booster pump station, an estimated distance of about seven kilometres, will include dual-wall containment. That is, there will be the carrier pipe which will be inside of the containment pipe.

The operating pressures of the pipeline -- the maximum operating pressure will be 265 PSI at the discharge of the Penobsquis pumphouse and 320 PSI at the discharge of the Dutch Valley pumphouse.

It will also have a total of 28 valve chambers along the route. These valve chambers will contain isolation valves and/or air release valves and/or drain valves, as well as flow meters. We will have a total of three flow meters along the way.

The pipeline will be buried in 20 meter right-of-ways with a nominal cover of 1.5 meters. Existing roads will

be used to gain access to the pipeline, where possible, and a light access road will be constructed within right-of-ways along the pipeline route for service and monitoring.

The pipe trench will be excavated and the trench will be lined with bedding materials before laying the pipe. And of course these materials -- the trench will then be backfilled and compacted. Horizontal directional drilling, or HDD, will be used along major roadways, watercourse and wetland crossings where necessary.

And the pipeline will be thoroughly inspected on completion of construction. It will be cleaned and pressure tested prior to be placed in service, in accordance with our specifications and application.

Right-of-ways will be repaired and restored on completion of construction.

The proposed route, as I mentioned before and pointed out to you the chart as provided in the application in detail, was determined as a result of environmental considerations and land owner input. Other route selection criteria include the length of the pipeline, topography, obstructions along the way, disturbed areas and so on.

And I will let Janet Blackadar review those in more detail in her presentation.

There were some changes made in the pipeline route since it was initially conceived prior to the EIA to accommodate landowner requests and due to environmental considerations. The changes did require reassessment of portions of pipeline, delaying somewhat the EIA approval. As far as environmental protection, and again I will let Ms. Blackadar cover that in more detail -- but just generally we have engaged AMEC Earth & Environmental right from the start of the project to conduct environmental assessments and monitoring. We volunteered to provide dual-wall containment pipe along approximately seven kilometres of pipeline route in areas where we perceived there were greater concerns, where it was more densely populated. We provided flow measurement at three locations along the pipeline and flow variances between these flow meters will trigger alarms and pump shutdowns. We are also providing pressure measurements at every low point along the pipeline route. We are going to be installing continuous fibre-optic leak detection along the entire length of the pipeline which will detect temperature changes one degree Centigrade or less. We are also going to have three sectionalizing valves as well as one isolation valve at the booster pump station to allow us to isolate a portion of the pipeline should there be a

problem.

The automation and communication systems that we are installing will have the capability not only for remote operation of the pumps but also for automatic shut down of the system, as well as continuous monitoring. And the system will be continuously monitored through our control room, 24 hours a day, seven days a week.

We will conduct physical inspections of the pipeline weekly and more frequently during the initial start up. And we will be doing periodic electro-magnetic surveys of the pipeline route.

We have, as Mr. Zed pointed out, secured easement agreements, right-of-way agreements with landowners along the pipeline route, using a standard compensation formula. Our landowners -- the landowners will retain access to their property, and the agreements are specific to a pipeline carrying brine or water or a combination of both. And that is all.

The original schedule was based on starting construction in June 2008 to completed construction by December 31st, 2008, which would have been about a seven month construction schedule. The schedule has been pushed back due to permitting delays. The application that you have states that construction will begin in December 2008

for completion in 2009. And of course that is going to depend on receiving EUB approval. But basically what we are looking at is a seven month construction window. And that is somewhat subject to weather of course.

Now the impact of delays or not receiving permitting, first of all, just to cover what I mentioned before, we are somewhat concerned by the number of trucks that we have to use currently to transport brine both to the Cassidy Lake Division and the Port of Saint John. That is both a safety and environmental concern, and thankfully we have had very, very few incidents to date, but it's something that -- when you have 300 loads a day moving, it is a potential liability.

The mine will continue to incur trucking costs of about a million dollars per month at the current rate, and there will be no opportunity to reduce costs without the pipeline. And without timely completion of the pipeline a significant increase in inflow could result in the closure of the mine and the loss of 400 jobs and the economic impacts that go with it.

Lastly, if the pipeline is denied altogether the viability of the Piccadilly Project could be placed in jeopardy.

And that concludes my portion of the presentation.

MR. ZED: Thank you, Mr. Fracchia. With the Board's indulgence, perhaps I could ask Ms. Blackadar to give you a brief summary of the environmental issues that were addressed by AMEC, just to put it out there. Janet, would you, please.

MS. BLACKADAR: I won't take up too much of your time, but I would just like to give a little overview of what the EIA process that has already been completed entailed and what some of the requirements of an environmental impact assessment are, and how some of the work that was done for the environmental impact assessment was conducted. And, as everyone is aware, volume 3 of the current application is the original environmental impact assessment that was submitted to the Department of Environment.

In New Brunswick environmental impact assessment is regulated under the Clean Environment Act, Regulation 87-83. We did begin to gather background information on the project area in early 2007. An initial meeting was then held with the Department of Environment in the spring of 2007, and field investigations began in June of 2007 for the environmental impact assessment.

Field surveys were conducted to investigate several environmental parameters, such as migratory birds, wetlands, rare plants and archaeology. For most

environmental parameters field studies can only be conducted between June 1st and September 30th. So we are subject to a sort of biological window when we can conduct field studies.

The one exception is archaeology. It is not regulated by a biological window per se. Archaeological investigations can be conducted as long as the ground is not frozen or flooded.

The data were then compiled and analyzed and the EIA report was written in the fall of 2007. The project was subsequently registered with the Department of Environment in November of 2007.

Project registration consists of the submission of an environmental impact assessment document and the payment of a registration fee, which in this case was $5,000.

Once the project is registered with the Department of Environment a project manager is subsequently appointed by the Department of Environment EIA assessment branch manager. The project manager then forms what is known as the technical review committee for the project. And the technical review committee, or TRC, consists of members of several provincial and federal departments. Federal departments on this particular technical review committee included Environment Canada as well as the Canadian

Wildlife Service and Fisheries and Oceans Canada. Several provincial departments were also involved in the project review, including the Department of Agriculture and Aquaculture, Department of Environment and the Department of Natural Resources. In particular the provincial hydrogeologists at the Department of Environment were very involved with the project as it was to be constructed near the zone C area of the Sussex Corner water supply area. And if you have a look at this chart behind me, zone C is the very light coloured -- light yellow coloured here area. The watershed production area consists of three zones, zone A, zone B and zone C, zone A having the most restriction on what can be done in that area. Zone B has some other restrictions. Zone C is considered to be a recharge area and it too has some restrictions on what can be constructed or conducted in that area.

The technical review committee reviewed the initial EIA and they formulated questions and comments for PotashCorp to respond to. In total four rounds of comments were submitted -- were received by us from the technical review committee in December initially of 2007, March, June and July of -- sorry -- December 2007, March, June and July 2008. Written responses were provided to the technical review committee in each of these instances

and some of their questions required further field investigation and design considerations to be conducted. As part of the requirement of an environmental impact assessment public consultation is required. It's also determined on projects of larger magnitude such as this that these types of public consultation events be conducted in an open house format.

In this particular case an open house was held in Sussex on the 15th of April. 49 people signed in at that time. And on the 16th of April in Cassidy Lake where 18 people signed in. Those were the two public consultations events required as part of the environmental impact assessment. Comments were compiled and a report was submitted to the Department of Environment, which included the comments and responses received at those public consultation events, as well as others that had come in either directly to PotashCorp or to AMEC. Responses were then sent by Canada Post to those who asked for them.

Field studies for the project, as I mentioned, were conducted in the summer of 2007. After the initial EIA was reviewed other field studies were required. They had to be conducted in 2008. And as a result of some of the input that we received at open house sessions there were

requirements to conduct further field investigations. and in this particular case it totalled approximately three-and-a-half months more in the field to conduct these investigations. The majority of those investigations were conducted in this area here where we can see just below the Sussex Golf Course and on the way to the Dutch Valley pump station, archaeology being one the main items that had to be vetted through this process, and all archaeology work is done by hand. There is no other way to do it. The subsequent field studies again were -- after they had been conducted data were compiled, submitted to the Department of Environment, and further technical review committee review ensued. Other studies that we did in addition to archaeology at that time were for rare plants, wetlands and fish and fish habitat.

I would like to briefly go through the route selection process. I am taking the majority of what I am about to say directly from the environmental impact assessment, but just so people can understand what sort of process is undertaken for route selection.

There are generally several accepted criteria in pipeline routing. They are accepted criteria both within the Province of New Brunswick but also nationally and internationally.

Essentially these criteria include minimizing environmental, engineering and physical constraints, including stakeholder input and taking construction costs into account.

The route selection process addresses the following four components: type 1 constraints, which are those constraints for which mitigation may not be possible. So alternative routes are identified in any case where we come across a type 1 constraint. Some examples of what a type 1 constraint would be an active mine, an active gravel pit, archaeological sites, environmentally significant areas.

Type 2 constraints are those for which the effects of construction could be mitigated but which were avoided during the route selection process where practical. And examples of type 2 constraints would be septic systems, agricultural lands, industrial infrastructure and provincial game management areas.

Type 3 constraints are those where special construction or engineering practices are required with associated environmental risks and costs. These constraints were also avoided where practical, and some examples of type 3 constraints would be potentially contaminated sites or bedrock.

And finally in the route selection process the fourth component is to minimize construction costs.

The route selection criteria and constraints employed for the brine disposal pipeline I'm going to describe in detail here, and these again were taken directly from the environmental impact assessment document.

The first is to minimize distance. The length of the pipeline route should be as short as is feasible. In addition a short route would normally encounter fewer constraints than a longer alignment.

We want to minimize elevation changes. So we try to locate the system at a consistent elevation to avoid construction difficulties as well as avoiding the addition of pump stations along the pipeline route.

We want to minimize biophysical and socioeconomic constraints. So the system should take into consideration environmental technical land use, social and cost factors.

And we want to follow existing rights-of-way and road allowances to the extent possible. In so doing we are able to minimize disturbing new areas.

And we want to also take into account future developments. So any known future developments would be for example avoided or at the very least contemplated as part of the current application. So locations of future

industrial, commercial and residential development would be considered in this type of a constraint.

We like to minimize land purchase requirements by locating the system within existing rights-of-way and road allowances. So on publically owned or Department of Transportation owned rights-of-way. PotashCorp can then limit property negotiations to municipal and provincial authorities and have one or two authorities to deal with as opposed to individual landowners.

We would also like to minimize interaction with housing or developed areas to the extent possible by locating the system away from these areas. Again we minimize the requirement to negotiate individual rights-of-way with individual homeowners or landowners.

We also want to minimize access requirements. So by locating the system near existing access route construction and right-of-way construction is facilitated as well as pipeline construction, and again we are not further disturbing undisturbed area.

So with the input of the design engineers and the environmental team and key stakeholders, members of the public, governmental agencies and First Nations, a preferred route was selected. The preferred route was presented in the open houses in April and again after some

route adjustments had been made another open house was held in July, at which the updated route was presented. The final preferred route is the route that is shown on these poster boards here to my right.

The environmental impact assessment certificate of determination was issued on October 22nd, 2008, and that EIA determination included 16 conditions.

The construction, as Mark mentioned, is essentially going to take about seven months from start to finish. And it consists of the following steps: mobilizing and design, clearing, grubbing, grading and site works, trenching, pipe installation and horizontal directional drilling at certain crossings. Then testing of the pipe itself and cleaning up and revegetation of the right-of-way. Those are the same steps that are followed in virtually all pipeline construction.

And as I mentioned the pipeline construction is anticipated to take approximately seven months and the life expectancy of the pipeline is a minimum of 30 years.

MR. ZED: Thank you. The Panel is now available for cross-examination.

CHAIRMAN: Thank you, Mr. Zed. For purposes of cross-examination the Board generally goes in alphabetical order. So Ms. Campbell, I think that would place you

first. Do you want to come forward to the reserved tables. It's probably easier to ask your questions. It's sort of a more direct line of sight with the panel of witnesses.

CROSS-EXAMINATION BY MS. CAMPBELL:

Q.5 - I just have a few questions about watercourse crossings. I know that your project has been pushed back and pushed back, so you are not going to be necessarily crossing your watercourses within the normal June to September 30th window, is that correct?

MS. BLACKADAR: That's correct.

Q.6 - What I have understood is that also (inaudible) bearing streams are going to be drilled, not trenched, is that correct as well?

MR. FRACCHIA: That is correct, yes.

Q.7 - I have also been informed that there will not be any trenching taking place outside of the June 1st to September 30th window on fish bearing streams, is that also correct?

MR. FRACCHIA: With the construction schedule that we hope to be able to follow, we should be able to get all of that done prior to that June 1st to September window.

Q.8 - You are going to be trenching before --

MR. FRACCHIA: Sorry. Did I misunderstand your question?

Q.9 - No. I was asking fish bearing streams normally wouldn't be trenched outside of that window, June 1st to September 30th?

MR. FRACCHIA: Oh, I see.

Q.10 - So are you going to be trenching before that?

MS. BLACKADAR: There is a possibility that trenching will occur outside the June 1st to September 30th window, yes.

Q.11 - And what kind of mitigations are going to be there to protect the --

MS. BLACKADAR: The site specific environmental protection plans have been prepared for each and every crossing, whether it's horizontal directional drilling or trenching. And each one of those is currently being reviewed by the Department of Environment, the Department of Natural Resources and Fisheries and Oceans Canada.

Q.12 - Okay. My other question is will representatives from the Hammond River Angling Association be able to go on site during construction?

MR. FRACCHIA: We can certainly do that. You know, obviously we need to keep some control over the construction site because that could be something that changes day to day, but as we have done with construction work on our pipeline between Cassidy Lake and the Bay we certainly would be most glad, you know, to have a look at

what is happening, what is going on, give us your feed-back, and work with you on that.

Q.13 - Okay. I'm also -- I think I was told that in order to be on site we would need some kind of AMEC training or certificate. Is that also the case?

MS. BLACKADAR: I think when you and I were discussing on the phone, certainly we -- during construction it's a safety hazard to have people coming on and off site, as you can appreciate. So there is training that is required for all of our contract personnel to be on site. In the case of the Hammond River Angling Association, as I mentioned on the phone, we would have you accompanied by one of our inspectors. So that training is probably not going to be required for you. But you just need to be accompanied and that can be facilitated at any time.

MR. FRACCHIA: And certainly just to add to that, if things were to change, that you need to be on site more frequently because of the particular construction work being done, we will train you accordingly and make sure that people have the proper training to get on site.

Q.14 - Okay. I would like to request that if there were going to be any watercourses within our watershed that were going to be trenched outside the June 1st to September 30th, if we could be informed of that.

MR. FRACCHIA: We will most certainly do that.

MS. CAMPBELL: Okay. That's all I have.

CHAIRMAN: Thank you, Ms. Campbell.

MS. CAMPBELL: Thank you.

CHAIRMAN: Mr. Chambers, perhaps you could come forward.

CROSS-EXAMINATION BY MR. CHAMBERS:

Q.15 - I guess the first thing I wanted to bring up is the salt toxicity paper that I put in with my IR. I also put it in last April with my questions after the open house. And in the response you gave us you compared the brine to salt on the road as far as toxic levels. And you felt it was a safe -- a reasonably safe compared to some other substances that would be transported.

The salt toxicity effect on living beings is quite considerable. I'm a dairy farmer. And my water supply up until November came from the surface water just 12 feet below the surface. And at that time I drilled a well. So that I'm safer now than I was before.

But in my earlier conversations with you we talked about the double piping. And I'm glad you did that in my area. You didn't do it quite as far as I would have liked. And I will get to that later I guess.

But to give you an idea of what the salt toxicity is, it would take about 3,000 litres of fresh water to dilute

one litre of brine down to drinking water standards, the minimum drinking water standards.

MR. ZED: I'm not sure, Mr. Chairman, whether this was a question. Or is this evidence? Or just how is this being construed I guess, represented?

CHAIRMAN: Well, it will say. But I mean, obviously I think Mr. Chambers understands that at some point in time he has got to frame this into a question. I'm assuming it is a bit of a preamble leading up to a question.

Q.16 - Well, it is kind of the basis of why I'm concerned about the project. And in speaking with PCS earlier in the year, it wasn't considered -- it wasn't presented as being that kind of threat to the water supply.

And when I presented the question in April it seemed like a dismissive answer to say that there wasn't a veterinarian available or consulted for the EIA.

And it concerned me that I didn't know whether they understood or knew that we understood how toxic this was and how they developed the pipeline might, with considering it not -- considering it not a major threat, they might have taken less precautions.

And I was just wondering if you had done any research with regard to that. I mean, you have got a veterinary clinic in -- or educational facility in Saskatchewan. And

I expect they have a great deal of understanding of it by now.

I was wondering if you -- what consideration that was to you in --

MR. FRACCHIA: Okay. Well, I guess perhaps -- and certainly we don't mean to be dismissive in your question initially as it was posed then. I think the approach that we have taken on this is we have not -- we have not done our own research in terms of toxicity of salt or PCL in water. Because our position on this is that any brine escaping from the pipeline is just not acceptable. And we -- so it is not a matter of, you know, how much can we tolerate and, you know, might it or might it not have an impact. I think were there to be a breach -- in the unlikely event there would be a breach of the pipeline and there would be any amount of brine escaping from either the carrier pipe or the containment pipe, we feel we have to take the necessary action to clean that up. It wouldn't be acceptable to just, you know, say well, it might not get to that level and it might not have an impact.

So the approach we have taken, rather than trying to determine what a toxic level may be, is we recognize that in sufficient concentrations there is an impact. And

depending on the organism, be it plant or animal, that concentration can vary.

But our position is we don't want to see any concentration of brine escaping the containment system. And that is the way we have designed the pipeline, so --

Q.17 - In your answers you indicated that you implemented -- or you decided to include the fibre optic line after consultation with the public.

I believe when you first talked to us you had included it already?

MR. FRACCHIA: Yes. I don't --

Q.18 - You must have talked to other groups before us. I was just wondering if the groups have covered that concern?

MR. FRACCHIA: We didn't -- no, we didn't -- I would have to read through it again. I don't recall that we said we did it as a result of the consultation necessarily. But during the consultations it became quite clear that there was a concern about what would happen if there was a break. And we had that concern ourselves.

I mean, we do operate brine pipelines. We do have one particular operation out west where we have, you know, a significant number of brine pipelines, per se not as long but in total, you know, quite a few in carrying larger volumes.

We are quite sensitive to, you know, the concerns the residents have about that pipeline. And that is why we have tried our best to take the time to answer these questions.

The main issue I think is not so much that -- again whether that pipeline is going to -- how can I phrase it? As I said before, our whole philosophy behind this was to avoid any kind of spill. But however should something happen, we wanted to make sure we had the best possible detection system.

The current pipeline we operate between Cassidy Lake and the Bay of Fundy, the detection system on that is based on pressure and flow. We have three different flow meters and pressure sensors.

And when we have a differential it sounds an alarm that the differential is sufficient and it will automatically shut down the system. And that has worked very well for us.

But we wanted to go over and above that. We recognized that we were going through an area where there were a number of residences. And if I -- you know, if I put myself in that situation, if any of us put ourselves in that situation, we would want to make sure we would have the best possible system.

And included -- not only that that means not only containment, but leak detection. And so we started looking very early at what other systems might be available to detect leakage in a pipeline, small leakage. A large break in a pipeline basically will tend to come to surface, will be very easy to detect. Because it can't go down as quickly as it can rise up. On the other hand it is a small leak that is something that, you know, can conceivably go on for some period of time before it is detected.

We believe the fibre optic system gives us an opportunity to detect those small -- the small leaks before they do become significant, before they do get into a situation where you elevate the salinity either in groundwater or in soils.

And so that is the reason we elected to do that. There was no pressure on us to do that. But we recognized the sensitivity in some areas that we were going through. Even if it is in terms of just public concern, to us that is significant. And so we chose to include the fibre optic system.

Q.19 - You stopped the double piping at the pump station in Mill Brook. And right after the pump station it goes up a considerable grade.

And very close to the pipeline where it exits the pumping station, it is fairly close to a brook. And that is the highest pressure portion of the pipe on the whole line, going uphill.

Why wouldn't you double pipe that next section?

MR. FRACCHIA: The main reason for that is that we really don't feel there is a need to double pipe the line at all. There is a -- you know, there is a sample in front of Mr. Zed of the carrier pipe in the centre of the two pieces of pipe with the containment pipe on the outside.

And we certainly feel that the carrier pipe is quite competent to handle the pressures. And that section of pipeline that you are referring to is rated for that higher pressure. And there is a safety factor on all those ratings.

And we may or may not operate to that temperature. And in many cases you end up being lower, depending on the flow rate that in fact we are using. But we just don't feel there is a need to do that.

The reason, as I said before, that we included the double wall piping in the area where it is populated with the pipelines going through is to provide that additional measure of security for people who, you know, live in that area who expressed a concern about the pipeline.

Again we don't see it as a necessity. It's something that we felt we should do to try to alleviate that concern in that area. But otherwise, you know, we think the pipeline, the carrier pipe is quite competent to handle pressure and flow without the need of a secondary containment.

Q.20 - The design -- I know you are testing the pipe before you install it as far as the quality of the pipe, because of the problems with the Cassidy Lake pipe.

Did they have any kind of testing like that for the Cassidy Lake pipe or -- I'm just wondering how much the pipe will change over time. That pipe didn't meet specifications. Or at least you found that it didn't break it anyway.

Is that a possibility in this case?

MR. FRACCHIA: The polyethylene pipe, the characteristics of polyethylene pipe are such that typically once it is extruded, the characteristics of the pipe don't change with time. All that happens over time, it is subjected to pressure and flow, essentially wear and tear, if you want to call it that.

As I -- you know, as I have talked in some of the open houses, it is not -- brine is not corrosive to polyethylene nor will it erode polyethylene. So wear,

specific wear on the pipe is not of direct concern.

Now the Cassidy Lake pipeline, in our opinion and based on our expert opinions on that, or opinions of our experts on that, we had -- we believe that the resin quality was not up to specification.

What we have done for the purpose of this pipeline is we have made sure that the manufacturers provide us with copies of all the certificates of the resins, every load of resin that was used in extruding the pipe for our review and making sure in fact that it was done properly.

We also had them do -- I believe -- I don't recall the exact name, but it is something like a prolonged pressure temperature test on some portions of that pipe. And what it is, it is sort of a bend back test over a period of time. And that determines the cracking, the stress cracking tendency of that pipeline. And the tests were fine.

That is quite unlike what was done at Cassidy Lake. I'm not of what testing, what certain quality control was done at that time on the pipe as it was extruded. I wasn't involved with it at the time. So I'm not aware.

But from what I have seen it is certainly minimal compared to what we are doing on this portion of pipe and what we have done on the portion of pipe that we replaced

at Cassidy Lake.

Q.21 - This is a new experience to me for doing this. And it has been quite stressful over the last year or so worrying about this and sometimes not getting the answers that we have asked for, especially in the early part of the process and through that time. So it hasn't gotten any easier for me.

The pipeline at Cassidy Lake had you said three -- you told me at the earlier open house meetings three leaks in that time?

One of them was a major fish. And there was two others that one got outside of the junction box and the third didn't get out of the junction box.

MR. FRACCHIA: If you are asking me to summarize the history of the Cassidy Lake leaks, just bear with me for a minute, just to refresh my memory.

But there was one significant break in that pipeline that occurred that resulted in a fish kill, as you put it. And I believe that happened in about 1995 or so. That was before we took ownership of that line. And I'm not saying that to, you know, diminish the significance of that.

We did have -- we did in total, in terms of breaches of that pipe, since that pipeline was installed, there were nine incidents. Now out of those nine incidents,

some of those were our own doing.

In other words there was some work -- not necessarily us personally -- but where there was some work, maintenance work going on in the belt chambers and strike a piece of pipe, had a little bit of a leak in the belt chamber of no consequence and repaired it, a situation with a gasket stripping in the pipeline, again in the belt chambers. And understanding we are not using gaskets and flanges in the buried portion of the pipe. These are in the pipe chambers where they are accessible, we can inspect them. And that is what happened at Cassidy Lake.

The major break that happened at Cassidy Lake, I believe that you are referring to, is the one in 1995, yes. And at that time it was Potacan that owned the mine. And my understanding is they worked quite close with the Hammond River Angling Association.

And they did a fair bit of work on remediating the situation and were able to restore the environment to where it -- you know, I'm sure if any of us were to walk in there right now you would never see the effects, the impacts of that. And that was the major break that occurred at Cassidy Lake.

Q.22 - How much brine escaped at that time, do you have any

idea, at the time?

MR. FRACCHIA: My understanding of that is that it was about 400 cubic meters.

Q.23 - About eight truckloads?

MR. FRACCHIA: I like to work in gallons. And I didn't bring a calculator. My apologies.

Q.24 - 12 to 15 truckloads?

MR. FRACCHIA: Not an insignificant amount. It was a significant amount of brine. It had flowed into Fowler Brook and therefore resulted in a fish kill at that time. So again it was -- we were able to remedy that. And like I said, that was something we -- or Potacan got in very quickly and was able to deal with.

Q.25 - How could a comparable release happen with the safeties you have in place now from having -- how much -- if a similar event happened now, would the safeties you have taken, precaution, reduced that number?

MR. FRACCHIA: A comparable situation could conceivably happen if the pipeline were to fail in the same manner as it did at that time, because of the -- you know, we -- again we have done a lot of work on the original Cassidy Lake pipeline and engaged experts to help us with that. And I can't unfortunately go into a lot of detail on that because we are still in a litigation situation with

the manufacturer.

But at the same time we are -- we certainly feel that pipeline was very brittle and resulted in a crack on that pipeline. You know, with the quality control we have put on this pipeline we don't expect that to happen.

Having said that, the answer to your question is the way it could happen again is if we had a similar fracture crack in a pipeline in a location where brine could in fact flow into a water course and endanger fish.

Q.26 - So you don't have any idea how much might occur in that -- you say a similar melt could happen and it could crack again?

MR. FRACCHIA: I will maybe let Lance. Because we had done some calculations, sort of some what-if scenarios and things. Now again keeping in mind it is very much dependent on where something like that would happen.

When we have a break, the shutdown of the system can be very, very quick, you know. So the amount of brine that would be released would really depend on how much would flow out of that particular area.

Given the fact that the pipeline flows up and down hills, it is only going to drain a portion of that. We also have isolating valves that we can close that portion of the pipeline very quickly.

Having said that, I know we have spent some time looking at some calculations in the past. And maybe I will let Lance address that.

MR. REID: Well, recognizing Mr. Chambers and where he lives, which is in the section where the double wall pipe is, the actual volume of brine that would be in the pipe would be in round figures about that 400 cubic meters I believe from the -- within the double wall section. There is about 60,000 litres in a kilometre. So you multiply that by seven kilometres of double wall. You are coming up with roughly the same amount. So that is the volume that you would have in that area.

But then, you know, it has to get out. So you have got the leak detection that is going to sense it. It is going to -- the valves then would get shut off at both ends of that double wall section.

If the leak did happen then it then has to get outside of the containment. So you know, how much gets outside of the pipe in total, how much gets outside of the containment, with again no pressure on the line other than the head that is on it due to the elevation changes.

MR. FRACCHIA: So you know, I guess in short it is very difficult to get an exact number. Because it really depends on the conditions. It also depends on the soil

types and, you know, quickly becomes surface versus trying to spread out.

But as I said before, typically if you were to have a major break -- and I stress in the unlikely event that that were to happen, it would likely come to the surface very quickly. And we would see that very quickly.

Now the leak detection system by that time would have picked it up, but it -- you know. And once -- if there were to be a breach certainly our plan is to react to that immediately. I mean, we -- as I said before, our goal is to make sure that in fact there is no contamination of soil, water and so on.

Q.27 - Because of the double wall pipe I'm quite comfortable where I am. But neighbours and friends that aren't protected by the double walls in their section, such as past the pumping station at Mill Brook -- Mill Brook is just on the edge of the well field protection area at Sussex Corner, not too far from where their protection area is right now.

But when they started developing those protection area maps, the well field recharge area went right up to Mill Brook where you have the pumping station. But due to political reasons, the population of the homes, they drew a line around all those homes. And so the Mill Brook area

below the pumping station was eventually virtually fenced out of the well field protection area for political reasons.

And because of the cost to Sussex Corner, for compensation to help us adjust to the new regulations, rather than pay -- or wanting to pay any of that extra cost to the farmers, which would have been between half a million and a million dollars for the farmers, Sussex Corner decided to reassess their well field protection area.

And the map they have now is probably the fifth or seventh version of the area. So they shrunk it down until they didn't have to pay any compensation to anyone. So it's not necessarily out of their range. The first couple of engineering studies came up pretty close to that pumping station.

MR. ZED: Mr. Chair, I'm very reluctant to interfere here, but --

CHAIRMAN: Sure. I understand, Mr. Zed. And really what Mr. Zed is getting at, is this leading to a question, Mr. Chambers?

Because just -- and I don't want to interrupt your cross-examination. But just by way of explanation, is that you really have two opportunities here today. One is

of course to ask questions. And we are in that questioning phase right now.

But at the end of the hearing you are going to get an opportunity to present your views as to what the Board should do with the application and your reasons that you believe the Board, you know, should take whatever action it is you are recommending.

So during this phase of the hearing, you know, it is intended for questions.

MR. CHAMBERS: I guess what I'm trying to do is lay a foundation for my point of view of how this -- and how this -- what I think should happen and to lay the groundwork for the questions because it is outside their point of view. They are looking at the well field as it is now which even the Town Councillors in Sussex Corner don't really agree with. Some of them don't anyway. Sorry.

CHAIRMAN: Well, I don't see any difficulty with you laying a little bit of groundwork for your question by way of background.

Just bearing in mind that there is a difference between the groundwork that you lay in terms of asking the question and evidence that would be presented to the Board.

So you know, I guess within those parameters I'm certainly going to ask you to continue with your questioning.

Q.28 - I realize that because of the way the well field work has gone and those studies, PCS isn't really obligated to look at the older engineering studies and how they do this.

But when you are talking about protecting the water, if there is a spill at the Mill Brook area, that is a major recharge zone.

And I just wanted to know whether you had looked at the water flow directions, where the water comes from for those wells, if that is part of your comfort zone consideration.

MR. FRACCHIA: Yes. And as part of the EIA review, the provincial hydrogeologist took a pretty close look at that. That is the main -- that is their main thrust, their main concern is the protection of the groundwater. And you know, it is not something that we ourselves study as a company in any great detail.

But we presented what we proposed to do and why we located the pipeline as we did. And then basically, you know, fielded questions from the provincial hydrogeologist as part of the EIA process and satisfied them in fact this

would not be a significant risk to the well field.
I'm not a hydrogeologist personally. And so, you know, I'm reluctant to comment on that directly. But at the same time, you know, we are relying too on the judgment of so-called experts in that field.

Q.29 - Having said that the well field has changed from what it was or what they projected a few years ago, where the pipeline crosses Turtle Creek or approaches Turtle Creek, I had some concerns early on about the portion of the river has fluctuated quite a bit over the last 50 years. And it is threatening to change so that it will be paralleling your pipeline.
I had those concerns last fall or a year ago last fall. And you didn't have an engineer on staff to address them for that fall and winter. But in April you had -- for your meetings you had a different approach to the crossing than you have at present.
How much has it changed? And why did it change?

MR. FRACCHIA: Personally, frankly I'm not aware of significantly what change was made since the meetings. I'm just asking my colleagues here as far as any significant change.
Can you maybe explain a bit what you see as a change from the plan that we have --

Q.30 - As I understood it at that time, you had planned to go through the McLaughlin property all the way to the river and then cross.

But because that part of the McLaughlin property was in dispute, it had to change and go down a little bit farther onto the MacFarlane property and come up through it, giving a much more acute angle at the river crossing. And it almost doubled the length of the directional drill.

MR. FRACCHIA: Okay. And I guess in a way you answered the question. The initial change -- and I'm sorry. I was thinking in terms of, you know, a physical change. It might have been made for other reasons.

But early on, as we were studying the pipeline, as you are aware, there were some landowners from time to time who just said they didn't want the pipeline on their property. And we tried to respect that as much as we could. And in fact in some way we have extended the length of the pipeline slightly to allow us to do that. And that was one circumstance.

But that is the only reason that I'm aware of that that change was made. There was no other either environmental or physical reason for that change other than we were trying to stay on property where we could get

a right-of-way from the landowner.

Q.31 - You didn't try and get around that -- or I should say you didn't try a little harder to acquire that property? I know it is in dispute because it is kind of like the Hatfields and McCoys down there, between those guys. And solving that problem might be quite expensive.

But it would be -- wouldn't it have been cost-effective to solve that problem rather than doing one or maybe two extra directional drills?

MR. FRACCHIA: And again I wasn't -- personally I wasn't directly involved in some of the discussions with landowners, or really in most discussions with landowners. We had a land agent, as you know, working for us.

The feedback we had from our land agent is that we were not going to get an agreement from the individuals. And there were a few individuals who said they did not want us on their property. And so we chose not to become too aggressive on that.

That was a position we took right from the beginning that, you know, where we could we would try to just respect that request and stay away from there. Obviously it is just not always possible. But where we could.

And that was one area that we felt we could without compromising any environmental or any other engineering

issue on the pipeline. And that is really the main reason.

Q.32 - Okay. It would have been nice if you could have solved that land dispute and put the pipeline through a safer area there.

MR. FRACCHIA: And again, you know, as Janet pointed out, there are a number of criteria that we use when studying the pipeline.

But we were -- also on any project there is a time element that we also need to keep in mind. And at some point we need to, you know, make a decision and select the route and go in that direction.

And that is really what we have to do in some of these cases, rather than spending a lot of time trying to negotiate something that, you know, we felt we couldn't reach an agreement on.

Q.33 - I guess the next set of questions will be the conflict of interest issue that most of the landowners and stakeholders felt that there was with AMEC.

I don't want to offend Janet in this case. But conflict of interest -- in AMEC's cases, they did a lot of different aspects to this. They did the whole thing for you, in how the project -- how the project should proceed with respect to the Department of Environment and then

with the EUB.

It seems to me that there is a conflict within AMEC in some of the aspects of their work. It is -- their integrity might be questioned, but --

MR. ZED: Mr. Chairman, I mean, really this is getting a little bit --

CHAIRMAN: Again, Mr. Chambers, I think if the issue that you are raising here is whether or not there may be some conflict of interest, and you are not really leading any evidence to that effect, but you are making a statement, I would suggest that the more appropriate way to proceed would be simply to ask the witnesses directly whether or not there are any conflicts of interest that exist in relation to whatever it is that you feel that there may be conflicts.

I understand Mr. Zed's objection in the sense that there is -- you know, you are asserting that perhaps there may be conflicts of interest here, but not really framing it in a way that the witnesses understand what the questions might be to respond to. And look, bear in mind that, you know, we are not adhering here particularly to strict rules of evidence.

I think Mr. Zed would probably agree with that and think that perhaps we should have upheld some of his other

objections. We certainly want any concerns you have to be fully aired here today in a very open and transparent way. All I'm trying to suggest to you is that if you make a statement suggesting there is a conflict of interest, and of course that is not by way of evidence, then at some point in time you have got to turn that statement into a question so that the witnesses can address whatever it is that your concern is, whatever your question is of them.

MR. CHAMBERS: I guess my question was of the process. And if that is not something they can answer, I'm sorry if I --

CHAIRMAN: Sure. I don't know if it is something they can answer or not. Because I think that when Mr. Zed objected I don't know that there was a question.

I think that was -- well, I'm going to give you an opportunity to jump in here. Because I understood that perhaps where you were coming from here was that it was a statement, not a question.

MR. ZED: By and large, without reviewing the transcript, virtually every one of my objections has been that Mr. Chambers appears to be attempting to give evidence. And I know that the Board will not accept it as such. And there is really not a question attached to his statement.

And I think the Chairman quite correctly indicated

that he could make whatever submission he wanted at closing. But I do take special -- especially take exception where the integrity of somebody is being impugned.

If there is a question or there is a specific incident that he wants to refer to, then I really would like to ask the Chairman to allow him a little bit less latitude in making these statements and to get to the question. Because it is very uncomfortable for a witness to be sitting there hearing that, you know, they don't have integrity and they are in a conflict and -- without any specifics.

So especially in this particular situation I would really appreciate the Board's help in urging Mr. Chambers to get to a question if any.

CHAIRMAN: Mr. Chambers, do you have any comments to make with respect to what Mr. Zed has put forward to us?

MR. CHAMBERS: I'm sorry if I offended them in any way. But the question is, is there no conflict of interest consideration in having one company handle all of this?

CHAIRMAN: Let me perhaps jump in here and suggest is what you are trying to ask the witness, do they perceive that it is a conflict of interest to have done all of the work? Is that potentially what you are --

MR. CHAMBERS: I guess it is.

CHAIRMAN: Because there is a difference between you having a perception of a conflict of interest and putting a question to the witnesses.

And if that is what you want to do why don't put questions similar to that to the witnesses in terms of a conflict of interest and perhaps ask them to give you what guidelines they would go by in terms of determining whether or not there were a conflict of interest in the circumstances you are talking about.

I think if you approach it from that perspective, it then gives the witnesses at least an opportunity to tell you their view on it.

MR. CHAMBERS: Gee, that sounds good.

CHAIRMAN: Don't ask me to repeat that.

Q.34 - How do you deal with the conflicts that could occur within your company -- for AMEC, I'm sorry -- for AMEC's dealing with so many different aspects of this project?

MR. FRACCHIA: Can I maybe answer from an owner's perspective first? And I will let Janet or Lance Reid answer from an AMEC perspective.

From a company perspective, anytime we do a project of this magnitude, we have to rely on outside consultant, engineering companies, construction companies who do this

work. We just don't have the resources in-house. However we do assign people to oversee a project internally from our end. Whoever we hire we hire. And we are paying their bills.

So there is no doubt that whoever we hire and whatever reports they produce, someone in the public could perceive that because we are paying them that somehow they are perhaps doing things that we want that may not be correct or proper.

I just want to assure you as an owner there is no way that we would put ourselves and put our company's reputation in that situation. It would extremely detrimental to us to do that.

When we hire a company like AMEC to do the environmental assessment for us -- and AMEC has done some very good work for us, not only at this site but other sites as well -- first of all, they are not the only company we have ever used, for any reasons.

Locally, like I said, a number of companies we have used in Saint John, Jacques Whitford being one of them, for environmental issues, and others, Golder Associates.

So you know, we don't put ourselves in that situation. We don't ever want to put ourselves in a situation for whatever reason we could be influencing the results of a

report or anything like that, you know. Because we feel all of this has to be done in a professional manner and according to ethics.

And you know, we do not expect -- if AMEC can cover in the course of the environmental work, and they have from time to time, and we have had to make a lot of changes, if they uncover things that, you know, in their professional opinion is not something we should be doing or the results are negative, they tell us.

And I can give you -- you know, there are a lot of examples where they have done that. And you know, we have had to shake that off and do something else. Because we have to accept those results. We just cannot, as an owner, afford to jeopardize our reputation and integrity on that. And so, you know, that is speaking as an owner. So even though yes, we are paying the bills, that is a relationship that exists anytime a company like ourselves do business with AMEC, Jacques Whitford, any other company we do business with. We ultimately pay their bill.

And I know again there could be a perception by someone that because of that there is an obligation for that company to give us, I don't know, results that are untrue or a person wanted to satisfy us.

But let me assure you, that does not and will not

happen. It is not something that we would ever allow to happen within our company. If AMEC were to do that on our behalf, they would not be working for us. We just could not accept that.

So I just wanted to summarize that as an owner, frame it as an owner. And I don't know whether Ms. Blackadar or Mr. Reid have anything more to add to that from their perspective.

MR. REID: I would only add to support what Mark has said. And that is the fact that we do want to work for PCS on a continuing basis. And we respect the professionalism that is involved with the things that we do.

And we respect that there are laws and codes that we have to be knowledgeable in and that we have to identify to PCS and ensure that everything is done is accordance with those.

MS. BLACKADAR: I will just chime in here for two seconds. This goes right back to the conflict of interest question, which I think is the root of these comments.

AMEC is a publicly traded company that has open and transparent books. It is responsible to its shareholders. AMEC would not put itself in a position of conflict of interest on any project. And prior to undertaking large projects, particularly one of this magnitude, within AMEC

we have a conflict of interest and risk review process. So while you may personally have a perception of conflict of interest, in fact there is not one. AMEC is a life of asset company that manages from design cradle to grave essentially. So there are many aspects of this company which you may not be aware of.

But in fact there are many different types of projects that AMEC will undertake worldwide. And they are not solely with PCS. Therefore the reputation of AMEC worldwide has to be maintained. And it has to be free of conflicts of interest.

What personal perceptions may exist of course we can't necessarily deal with. But internally within AMEC conflict review is something that is taken seriously.

Q.35 - In your application -- I have got to commend you on recycling so much of what is in there from the EIA and that sort of thing.

In there there is several spots that I found -- I didn't go through it all -- that older documents may have conflicted with more recent documents.

One case is water crossing 37 on the route. One document says that it will be directionally drilled. And in the schematics it reads as being trenched.

I was wondering if there was an updated version of the

project or -- because there are several other spots where there is little conflicts like that.

MR. FRACCHIA: There is a timing issue with respect to some of the documents. For example the EIA document preceded the application to the EUB.

So in the course of from the time a document is submitted to the time it gets to the next stage, it is quite possible that a change has been made.

That change is normally then -- as part of the EIA determination it would have been vetted through the EIA process already.

But in terms of the documents that you may see, because they are the original application documents, you may see some minor changes occurring from spot to spot. But they should be relatively minor changes.

Now Janet, did you have anything to add to that?

MS. BLACKADAR: Other than in the case of a particular water course crossing -- and I think this might get back to Ms. Campbell's concern as well. Just for clarity here, for each horizontal directional drill that is proposed, there is a contingency of trenching in case of failure.

So I just want to be clear about that. That is -- and that is -- we have not to date -- PCS has not received permits for their water course crossings. Those are under

review by Department of Environment, DFO and Natural Resources. Okay.

Q.36 - Okay. So one of the questions I had in the IR process was route changes due to things like that that might come up.

Would there be any notification of the local people to update them on the --

MR. FRACCHIA: To my knowledge any changes outside of the right-of-way are going to have to be vetted through an approval process again. Within a right-of-way it wouldn't be uncommon for the pipeline to move, you know, between one side or the other as things go along.

Now certainly if we are crossing a landowner's property, we know that there is an issue potentially of moving that pipe by 10 feet or so within the right-of-way.

I mean, we will do our best to make sure that the landowner is aware of what we are doing. But in terms of making a significant change in the right-of-way, that would have to be renegotiated with the landowners.

So we really don't have the liberty to make any changes outside of the right-of-way without having discussions with the landowner to start with.

MS. BLACKADAR: And also Section 24 of the Pipeline Act does in fact say that the licensee wants to change an existing

pipeline it has to apply to the EUB for a permit, okay, so if it is changing the routing.

Q.37 - I was thinking more in terms of between now and when the pipeline is installed rather than afterwards?

MR. FRACCHIA: No. I think we are talking about the same thing. If between now and when the pipeline is installed we need to make a route change, this section of the Act would apply.

Or if it is not within that, because it is strictly within that right-of-way still, as I said we, you know, will do our -- we will certainly make sure that the landowner is aware if there is anything that could impact them.

In most cases that isn't the case. The right-of-way is a clear option. And we can certainly manoeuvre within that right-of-way.

MR. CHAMBERS: Well, I think that is just about all the questions I can put forward for now. You mentioned a summary, summation. Or is that later or --

CHAIRMAN: Mr. Chambers, after everybody has had an opportunity to ask their questions, the Applicant gets an opportunity to sum up their case and to make a submission to the Board as to what we should do. And then each of the intervenors has an opportunity to put their position

forward to the Board to sum up. And then I guess the final word goes back to the Applicant. If there is anything that has been raised by any of the intervenors that wasn't addressed in their initial summation, then by way of rebuttal they would have one last opportunity. So sometime this afternoon you will get an opportunity to make a submission to the Board.

Thank you, Mr. Chambers. I think the Board will take about a 10-minute a break. And then when we come back Ms. Carr will have questions for you.

(Recess - 11:34 a.m. - 11:44 a.m.)

CHAIRMAN: So Ms. Carr, do you want to come forward and ask your questions please?

CROSS-EXAMINATION BY MS. CARR:

Q.38 - My first question is just in reference to the document that I received on December 8th which is entitled "The Operation and Maintenance Manual Brine Disposal Pipeline System."

And it is just with respect to the crossings. And I can see from map 1, table 4.1 indicates an unnamed road and then trenching and then Piccadilly Road which is HDD.

And I just wanted to clarify if there is, actually is a name for that, a named road yet?

MR. REID: I do not believe so. It was actually a road that

was built -- I'm sorry, it was a road that was cut off at the time of the Trans-Canada -- or not the Trans-Canada Highway -- Route 1 went through there.

And they just extended it for the purpose of providing landowners access. I don't think there was anybody living on it.

Q.39 - And does it border the natural resources on one side of it?

MR. REID: At the intersection of Piccadilly Road I believe it does, yes.

Q.40 - Okay. Thank you.

MR. REID: It is that road that is basically across from the golf course entrance.

Q.41 - Thank you. When accessing the route under the Piccadilly Road and coming onto the golf course there are -- there is a road which, coming up Piccadilly Hill, if you were at the intersection of Post Road and Ernhart Drive and Piccadilly Road, at the bottom of that hill, coming up that hill towards the golf course, directly across from 99 Piccadilly Road and 98 Piccadilly Road there is an access road which is used by the golf course in the months when they need access to the golf course. And I wanted to see if I could get clarification if there is any intention that there will be other heavy

equipment coming in there to do the type of work that you are required to do.

I can give you an example. Like a dump truck comes in with gravel and a fuel truck comes in with fuel. But is there any other type of equipment that may need to come in that road as it passes by our home, that you are aware of at this time?

MR. REID: Do I understand then that you are talking about on Piccadilly Road itself?

Q.42 - Actually when the system came in for the naming of 911 the residents which I currently reside by a physical address is 102 Piccadilly Road.

However for clarification I just wanted to know if that road is going to be used for heavy equipment?

MR. REID: Well, maybe I can try and explain it this way. I mean, equipment will obviously access this unnamed road which you have referred to --

Q.43 - Right.

MR. REID: -- via Piccadilly Road. It won't go off Piccadilly Road other than onto that access road. Or it will go off Piccadilly Road onto the golf course.

Q.44 - And once you are on the golf course that is where we run into the reference to the WC40 which is trenching in that logical order?

MR. REID: Yes. I mean, again if I can try and describe it, we come down that unnamed road which is Department of Highways right-of-way.

Q.45 - Yes.

MR. REID: We drill underneath Piccadilly Road daylight to a point on the golf course and then continue to drill segments through the golf course.

Q.46 - Thank you. And then with the information that Mark provided earlier with respect to the decommissioning of a pipeline, the expected life of this pipeline is approximately 30 years.

So if we were looking at it starting to be constructed in 2009, the life expectancy is 30 years?

MR. FRACCHIA: We are just calling it a novel expectancy. Because what we refer to as far as our -- you know, as I mentioned before, there is an initial use for the pipeline now for brine control --

Q.47 - Yes.

MR. FRACCHIA: -- which we have. But because we need it for that, we are also going to utilize it for handling excess brine for the Piccadilly project.

The Piccadilly project -- right now what we have stated is we have proven and measured reserves for about 30 years. That is not saying we don't have reserves beyond

that. We just haven't explored that hypothesis. But there is -- we believe there are.

The pipeline itself -- really there is no reason to believe the pipeline life couldn't go beyond 30 years. I mean, there isn't any set life of pipeline. We have just been saying 30 years because that is consistent with what we have said about our Piccadilly project.

Conceivably it could go longer. But like I say, there is no set life. We are just trying to be consistent in terms of our nomenclature about the 30 years.

Q.48 - With what we --

MR. FRACCHIA: Right.

Q.49 - It makes sense. There is a new term there that I may need to get some clarification on in your reference with respect to the electromagnetic summary.

There was notices in our local newspaper and the Telegraph, I do believe. And it was referencing a notice to the public, that there was equipment running around to do.

Is that the electromagnetic?

MR. FRACCHIA: Yes, it is. What we did in that particular survey -- and it wasn't necessarily really spelled out in that notice that we had. But basically what it was is we -- that began as us wanting to do electromagnetic

survey of the area around Cassidy Lake.

We are actually in the middle -- in the midst of a study at Cassidy division, an environmental study. You know, we are looking at the future closure and decommissioning of that site as far as the buildings and so on.

And one of the things we are doing is conducting a more thorough base line study of the area. And along with that we felt we would just extend that to the Cassidy Lake pipeline to the bay and also to the new pipeline to give us a base line data.

What the electromagnetic survey does is it measures the conductivity of the soil essentially. You know, I won't get into the details of how an EM works because frankly again that is not my speciality. But nevertheless it measures the conductivity of the soil.

And there is different ways you can do that. You can walk it with a hand-held device. You could use something mounted on a vehicle. In this case which was a helicopter because it is just a lot faster. They are more expensive but a lot faster.

So we -- we thought it would be a good time to do a base line survey of the pipeline area, so that if, you know -- and we will be repeating that survey at some

intervals.

I'm not sure what those intervals will be, but at some reasonable intervals. And it is also another measure we can use to determine if there have been any changes in conductivity.

I mean, if we were to look at, you know, the worst possible -- speculate on all possible extreme outcomes that can happen, if there is a leak that isn't detected for whatever reason, you know, and EM survey will allow you to see whether there are changes in soil conductivity around the pipeline. And that is what we have done.

Q.50 - Thank you.

In the information that was provided with respect to the EIA requirements -- and I do realize that the reference for the exhibits that we were provided on December 8th of both 12 and 13 are your working materials.

But I had a question with respect to section 9, "Monitoring of Third Party Impacts, the Operation and Maintenance Manual for the Brine Disposal System."

You did provide a actual pinpoint location of how far the property borders where this pipeline is coming through. And as we have experienced landowners' problems with ATV's and snowmobilers, just because we are close to a wide open space, or hunters, I just wanted to know if

the impact which you see and you monitor does a bordering property owner become a third party? Or are we just an observant of your areas which you outlined and answered Ms. Campbell's questions?

MR. FRACCHIA: I'm not sure I fully understand what you are asking.

Q.51 - Due to the close proximity of where the pipeline is to the family farm property, would a member of my family, immediately family need to contact the mine at anytime, if we wanted to see what was going on?

MR. FRACCHIA: If you wanted to know what was going on or --

Q.52 - No.

MR. FRACCHIA: -- see what was going on?

Q.53 - Just to see, as we can observe the drilling that is going close by?

MR. FRACCHIA: To observe it?

Q.54 - Yes.

MR. FRACCHIA: I mean, certainly you can contact us or contact -- well, it is probably best to contact us. And you know, we could arrange to have someone escort you through the -- around the construction area and show you what has been done, within reason, you know.

Q.55 - Yes. And with proximity to the area that I just mentioned, coming up from -- across from the golf club?

MR. FRACCHIA: Yes. I mean, certainly if there is interest. It is not something that we are interested in hiding from anybody.

I think the only issue there is just making sure that we have got someone that can escort you at the construction site and have a look at it, you know, at some reasonable time or reasonable frequency.

It is -- obviously we can't accommodate everybody wanting to have a look at it, you know, every time of day. But within reason we will do our best to accommodate people, sure.

Q.56 - And I had one other question with respect to the EIA requirements. And I thought I had a copy of the letter which was indicated as exhibit number 6, the 16 conditions that Mr. Zed referred to earlier.

I just wanted to know what number 4 was again. Amend conditions --

CHAIRMAN: Perhaps somebody could --

Q.57 - -- in exhibit number 6.

CHAIRMAN: Perhaps somebody could show her a copy of that document. She could have a look at it.

MR. ZED: Yes.

MS. CARR: Exhibit number 6, point number 4. That is the only question I have at this time.

CHAIRMAN: Okay. You have had an opportunity to have a look at those conditions. You don't have any questions arising out of that.

Mr. Zed gave you an opportunity to have a look at that document. And you are satisfied that you don't need to ask a question on it?

MS. CARR: Exhibit number 6.

CHAIRMAN: So that concludes your questions?

MS. CARR: That concludes my questions.

CHAIRMAN: Thank you, Ms. Carr.

Mr. Bilodeau, do you have any questions on behalf of the Department of Energy?

MR. BILODEAU: No, I don't.

CHAIRMAN: Thank you. Mr. Northrup, I understand you are simply here as an informal intervenor. So you don't have any questions? Thank you.

Ms. Desmond, do you have some questions? And do you need -- do you want to proceed at this time? Or do you feel you need a break or --

MS. DESMOND: No, Mr. Chair. I think we probably could proceed at this time. I don't anticipate that it will take that long. And I know we just had a break. So with your permission -- perhaps I could stay seated here, if that would be --

CHAIRMAN: Okay. There is a clear line of vision. So we will allow you to stay where you are at.

MS. DESMOND: Thank you.

CROSS-EXAMINATION BY MS. DESMOND:

Q.58 - I would like to start just by clarifying something that just came up with Ms. Carr's question around the EIA conditions. The document I believe perhaps Mr. Zed was referring her to was not the EIA conditions.

Can you perhaps add some clarity to that point?

MS. BLACKADAR: I believe the document that Mr. Zed -- that Ms. Carr was referring to was in fact the letter from the Board which discussed the potential conditions here for the EUB certificate and not the EIA. This was with respect to Ms. Carr's question.

It was number 4 which said "PCS will give the Board's designated representative 10 days written notice in advance of the commencement of construction."

I think there was a bit of confusion there with respect to what Mr. Zed had requested initially at the opening today to request an exemption from that 10-day notification period for clearing, construction site activities and grading.

MR. ZED: And just for clarification it is the letter from Mr. McQuinn as Chair of the Pipeline Coordinating

Committee and the conditions proposed by Pipeline Coordinating Committee which we have agreed to.

Q.59 - So the EIA conditions then are something separate from the PCC conditions?

MS. BLACKADAR: That is correct.

Q.60 - And there has been a lot of detail around the EIA process. And I'm wondering if you could just do a high-level review of the PCC process to comment on how that also was something PCS perhaps had to comply with?

MR. FRACCHIA: I can give you a very high-level view of it. And if you need a few more details I will refer to Ms. Blackadar.

As far as the EUB process, we submitted an application to the Board back in November, which included quite a bit of the EIA documentation as well as all the other requirements as stated by the Act.

And what we also did was I guess also issue a public information plan request prior to that for approval, which was approved. And we conducted, as we indicated we would. And I'm not sure what came after that.

MS. BLACKADAR: I think essentially just to understand where the two processes come together, the EIA process is overseen by the Department of Environment. The EUB process or the PCC process is under the auspices of the

Energy and Utilities Board.

And essentially once the EIA is complete then a formal draft application is submitted to the EUB, which includes the Environmental Impact Assessment as well as the conditions that would have come through as part of that determination.

Q.61 - And that application is reviewed by the PCC which is the Pipeline Coordinating Committee?

MS. BLACKADAR: Correct. And the Pipeline Coordinating Committee does have some members in common with the Technical Review Committee of the Department of Environment.

So for example, the Archaeological Services Unit is a common member. The Department of Environment also has a seat on the Pipeline Coordinating Committee, as well as obviously being in charge of the review of the EIA.

Q.62 - Now I wanted to clarify something that I think was raised by one of the intervenors in previous correspondence. And it was a suggestion that this right-of-way or pipeline that is being proposed would also be used as a right-of-way for a natural gas pipeline.

And I'm just wondering if you have any information about that or what if any sort of information you can provide to the Board on that point?

MR. FRACCHIA: The right-of-way agreements that we have with landowners are specific. The language is specific to, as I mentioned before, brine or water and/or brine water. And the reason we include water is because when we flush our pipelines, if we take it down for any reason, we will go fill it with water and flush it through water prior to doing any maintenance work.

We have no agreement with any party to undertake any natural gas pipeline construction either in our quarter or outside of our quarter.

Q.63 - And in the same vein I think there was a suggestion maybe that stakes had been placed in a field before even a permit was issued, that some construction had taken place. Can you clarify if in fact that was the case?

A. Stakes were indeed placed in a field. But construction was not taking place at that time. The purpose of those stakes was to allow us to locate the proposed pipeline route so that we could conduct our field assessments as part of the EIA process. There was no construction taking place.

Q.64 - Can you identify what the extra cost would be in using a double walled pipe?

MR. FRACCHIA: In very general terms, very broad terms, probably in the neighbourhood of about 5' or $6 million in

material cost or --

MR. REID: No. Total.

MR. FRACCHIA: -- total cost.

Q.65 - And how does that reduce the risk of a leak in your view?

MR. FRACCHIA: Double wall pipe? The dual wall pipe doesn't reduce the risk of a leak from a carrier pipe per se. The carrier pipe -- you know, the risk of a leak from a carrier pipe is based on the integrity of that pipe per se.

The dual wall pipe is meant to be a containment pipe that, in the unlikely event of a leak, the dual wall will contain anything flowing out of the carrier pipe within the confines of the carrier pipe.

Q.66 - And does that double wall pipe exceed the standards that would normally be used?

MR. FRACCHIA: There are no requirements that I'm aware of that would require us to use dual wall pipe for this purpose.

Q.67 - My next question relates to aboriginal consultation. And as you are aware there is a requirement to consult with the aboriginal community.

And when the original public information program was filed there was an indication that PCS would advise the

Board all of the issues that were discussed.

In the correspondence that was filed as part of this application there is reference to consultation that had taken place with the First Nations community.

It appears that the issue of employment opportunities was at least one if not the only issue that was raised during those meetings.

And could you add some clarity as to what if any other issues were raised during your consultations?

MR. FRACCHIA: The only other issue that was raised as far as the consultation with respect to the ownership of the resource and whether or not we would be or should be paying a royalty directly to First Nations versus the Provincial Government.

And we indicated that was a matter between First Nations and the Province, that we are mandated to pay royalties to the Province. And they recognized that. I mean, they recognized it is an issue that they need to take up with the Province.

That was the only other issue that was raised that I can recall.

Q.68 - How do you determine which Council to consult? And what steps did you take in that consultation?

MR. FRACCHIA: In terms of First Nations?

Q.69 - Yes.

MR. FRACCHIA: Well, of course I relied on the assistance of our counsel, Mr. Zed. And basically we were contacted, both UNBI and MAWIW. And both had representatives at the meeting.

Q.70 - My next questions relates to exit surveys. And at least from a staff perspective, when we reviewed the exist surveys, it appears that there were a number of concerns that were raised.

And a lot of the comments dealt with how the presentation proceeded. I'm wondering if you had an opportunity to continue working with the stakeholders to ensure that their needs were met?

I think there has been some suggestion that responses weren't received or that feed back was not provided.

MR. FRACCHIA: When we were advised that responses were not received, we endeavoured to get those responses to those individuals as quickly as we could. And to my knowledge we did.

Now I know, and I have heard since, that that request ended up being made a couple of times. In other words, the first time that was made the individuals did not receive it. I certainly can't explain why they didn't, you know. We did send those responses out.

But anyway they were sent out. Anytime we were given -- we received any other inquiries by e-mail or otherwise we would address them as quickly as we could. And we did not receive, in all fairness, very many other inquiries. Some individuals did ask, you know, the odd question. In most cases it was pertaining to whether or not -- you know, perhaps a rumour that construction was about to start or things were about to happen. And we just -- you know, we addressed that accordingly.

We did draft up a communication plan internally for how we planned to communicate things as pipeline construction progresses. I was thankful to get some feedback from Mr. Northrup on that as well.

And you know, that is something that we could plan to continue doing during the course of construction. And that is pretty much the extent of it.

Q.71 - Can you expand a little further? A couple of the Intervenors even this morning raised a concern about knowing what is going on and how they would be able to access information about the construction.

What is your plan in terms of community consultation as the pipeline is installed?

MR. FRACCHIA: We drafted up a one-page brochure which would

be printed on both sides. One side would illustrate the map of the pipeline route and where construction is taking place and highlight what is happening there.

The front page would provide a summary of what has taken place, what is going to be taking place within the course of the next week or two, so that residents are aware of what may be happening and any obstructions that we foresee as far as access, maybe road or highway during the course of construction.

We plan on issuing those at the very least every couple of weeks. We may end up doing that weekly if necessary or through parts of construction. But you know, that would be our primary way of doing that. We will distribute that to mailboxes in the neighbourhood.

Q.72 - How widely circulated would that be?

MR. FRACCHIA: It would be -- the primary area would be in the area surrounding the Dutch Valley where it is more populated. A lot of the areas where the pipeline is crossing, really there is very little population as such. And so, you know, there may be just a few people that we need to alert at that point.

But even then if people continue to distribute this to key people at least, certainly to at least -- you know, provide that information to other residents if they are

interested, even though construction may be taking place further down the line at that point.

Q.73 - Now that -- I know your initial plan was to commence construction in December. Now that we are into January, how has that altered your construction plan?

MR. FRACCHIA: Well, it really just has pushed it back by a month at least. And you know, even a December start really would have been in winter construction. All this means that we are into -- you know, starting construction now, hopefully in January.

But you know, aside from the fact that it just pushes back the completion date of the project, the only other impact on us as a company has been, as far as the delay, is sort of one less month that we have been able to reduce trucking costs and trucking shipments.

But as we said before, I mean, we recognized process and are working with it.

Q.74 - Several of the questions I think the Board has heard relates to if in fact there was ever -- the pipeline was ever compromised, if there was a leak.

What is your emergency response?

MR. FRACCHIA: We do have an emergency response manual that has been produced. But as far -- and that is part of the application. But as far as -- you know, just verbally,

just a quick summary of the response, the first thing that would likely happen is we would be alerted by our monitoring system either through an alarm or an automatic shutdown.

We would dispatch personnel to the area immediately. And we do have personnel at the site around the clock at the mine site, both at our site and Cassidy Lake, so that we can get people there on fairly short notice.

We would alert the agencies, the applicable regulating agencies including the EUB and the Department of Environment. We would alert any residents who may be impacted at that point.

And our first priority would be to contain any breach and to collect any spillage. And the next priority would be TO remedy any impacted soil or water.

Q.75 - Your counsel has made a specific request to the Board that one of the conditions of the PCC be amended to I guess essentially waive notice of construction.

In the event the Board was not prepared to waive notice are there other time frames you would alternatively request as opposed to 10 days?

MR. FRACCHIA: Well, the specific request made by Mr. Zed has been, on our behalf, is that we could start clearing ground, clearing the sites and starting to be able to

clear the area for the pump house at the Penobsquis mine essentially which really has no impact outside of the immediate footprint, and clearing some of the pipeline access right-of-ways.

If that is not possible, I mean, to our extent, the sooner we can get on -- begin that clearing the better. We certainly want to take advantage of weather conditions when they are good. And in winter they can be unpredictable.

So again the sooner we can get a start on that, the quicker we can get going on a project. That is -- so if you are asking is there any other -- you know, I guess again the shorter the time frame the better from our standpoint.

MS. DESMOND: Those are all of our questions. Thank you.

CHAIRMAN: Thank you, Ms. Desmond.

With respect to the condition number 4 and the request made by Mr. Zed with respect to no notice for clearing and grading of this specific portion of the property that would be impacted, perhaps -- I think you had indicated, Mr. Zed, that you would file something in writing before the end of the day.

I wonder if during the lunch break if you might prepare that, unless it is prepared at this point in time.

MR. ZED: It will be printed over the lunch break. And we will leave it with you. Or we will file it immediately upon returning.

CHAIRMAN: I think it would be useful perhaps for all the Intervenors to know precisely what it is you are asking for.

MR. ZED: No. We agree. We agree. And we will provide it immediately upon commencement this afternoon.

CHAIRMAN: Thank you, Mr. Zed. Any questions from the Board?

BY MR. TONER:

Q.76 - Concerning your pipe lengths, what are the lengths that they are?

MR. FRACCHIA: The lengths of pipe are 50 feet.

Q.77 - 50 feet. And the connection between the two, is it welded in a sense? Or is it a --

MR. FRACCHIA: The majority of the carrier pipe will be fusion welded. Where we do have dual wall piping it will be a combination of fusion welding and electric fusion welding.

And just to explain that very briefly, if that is what you are asking --

Q.78 - Yes.

MR. FRACCHIA: -- the process of welding pipe together, a

fusion welding pipe, is that the two ends of the pipe are brought together. There is a bonding machine that basically has a heating plate and also clamps that clamp onto the pipe.

The first step is to basically shave the face of the pipe so that the two ends of the pipe are even and perpendicular to each other. The plate is heated up to a certain temperature. The pipe is pulled together under force.

And there are pressure and temperature criteria, specific criteria for that. It is held in place together for a certain period of time. And when it is completed basically it is fusion welded.

And when you have that fusion welding, in fact if you were take a cut through that weld, typically what you see is that it is like a continuous pipe at that point. The excess molten material forms a bit of a lip on the outside surface and inside surface of the pipe.

The other method is electric fusion coupling which is not an unlike method. It relies on temperature again. But rather than being a pipe to pipe, face to face, it is essentially a sleeve. The pipe is brought inside the sleeve.

And it has got fairly close tolerances, but enough

that the pipe can slide through. Electrodes are placed on this electric fusion coupling. They heat up the coupling. And you just have the coupling and it fuses onto the pipe.

In this case, rather than the two butt ends of the pipe being fused together at the outside, the shell of the pipe essentially is fused together to this coupling.

Q.79 - And does winter construction -- like is there limits to the temperature of the outside? Do you build tents on the connections?

MR. FRACCHIA: No. Within our environment it is doable. Certainly we would shelter the pipe if there is, you know, any significant rainfall or other precipitation. If the temperatures get to be too extreme -- typically what you look for is wind-chill because that can cool the pipe more quickly.

And typically you don't have to heat any enclosure. You just have to shelter it from the wind and precipitation.

Q.80 - And what testing is done once the weld is complete?

MR. FRACCHIA: Well, as far as the weld itself, really the real test is the final pressure test. We can take a section of pipe and just test it, cut it through.

It is essentially destructive testing. You destroy the weld. You cut the pipe, take a section through a weld

and have a look at it.

Q.81 - And the mapping of the exact pipe location during construction -- because you said it could vary 10 feet, especially if there would be another pipe put next to your pipe, like who is responsible for the mapping? And is it done on a continuous basis during construction?

MR. FRACCHIA: AMEC Engineering will have to continue to survey the pipeline as it is being laid. We will have a final as-built drawing that hopefully fits the pipeline precisely.

MR. TONER: Okay. That is all I need.

CHAIRMAN: Ms. Morrison?

MS. MORRISON: No.

CHAIRMAN: Mr. Johnston?

BY VICE CHAIRMAN:

Q.82 - I just want to follow up on a couple of comments that Ms. Blackadar made. That relates to the permitting for the water course crossings.

You indicated that you are still awaiting final permitting from Department of Environment related.

Is that a standard time line that those water course crossing permits wouldn't be granted yet?

MS. BLACKADAR: I don't know that there is a standard time line per se with the Department of Environment process.

However, we anticipate getting those permits on Monday.

Q.83 - Just as a general comment, how does it relate to the overall environmental impact assessment and the water course crossings? That is where it gets -- I'm interested in understanding that process a little bit better

MS. BLACKADAR: The Environmental Impact Assessment process is actually separate from the permitting process. So once the EIA itself is finalized then permit applications are submitted. That is the typical course of things.

Q.84 - In the EIA process are there assumptions made about whether certain water courses will be traversed by certain methods?

MS. BLACKADAR: Yes. As part of the EIA itself, a listing of water course crossings, their location and their method of crossing is submitted.

And then a final -- if anything changes during the EIA process -- because we do need to remember that EIA is a planning process -- then those final crossings and their final locations and their method of crossing is submitted as part of the permit application process.

Q.85 - And my last question is that -- you indicated in response to some questioning that the manner of water course crossing could vary dependent upon the conditions that are found at the time?

MS. BLACKADAR: I believe I said that as a contingency plan horizontal directional drilling typically has trenching as a fallback position.

Q.86 - Okay. And is that partly seasonally dependent? Or is that just dependent on conditions present in the soil?

MS. BLACKADAR: We are always requested to have a contingency plan in the case of any type of crossing, particularly HDD.

VICE CHAIRMAN: Thank you.

BY THE CHAIRMAN:

Q.87 - I just have really one question. It relates to that large object sitting in front of Mr. Zed.

MR. ZED: Oh, thank goodness. I thought you were pointing - -

CHAIRMAN: Which I must thank him for not having marked as an exhibit because I don't know where we would keep it.

Q.88 - But I'm assuming that that is the carrier and containment pipe or a section of the carrier and containment pipe. Is that the actual size?

In other words is that just representative of that type of pipe? Or is that precisely the pipe that would be used, just a small piece of --

MR. FRACCHIA: That is one of the sizes of the pipe that will be used. As I mentioned, the carrier pipe will vary

between 14 and 16 inches in diameter. And I'm not sure just eyeballing it if that is 14 or 16.

MR. REID: 14 inch.

MR. FRACCHIA: 14 inches.

Q.89 - So there is one that is slightly larger than that. So the sections that just have the carrier pipe would have that inside pipe. And the part that would have the containment would have the inside and the outside piece?

MR. FRACCHIA: Right.

CHAIRMAN: Again I will thank Mr. Zed for not marking or asking us to mark it as an exhibit.

I have no further questions. So we will adjourn until 1:30 at which time we will -- I assume, Mr. Zed, there is no more witnesses to call?

MR. ZED: There are no more witnesses. And the Vice Chair has concluded by redirect by verifying the same issues.

CHAIRMAN: All right. Then we will adjourn till 1:30 at which time can sum up. And then the other parties will sum up in the same order that they asked in cross examination. Thank you.

(Recess - 12:30 p.m. - 1:30 p.m.)

CHAIRMAN: Mr. Zed, I think you indicated you have no other witnesses, and no other witnesses or evidence and that you were closing your case, other than your summation?

MR. ZED: Exactly.

CHAIRMAN: And nobody else has filed any evidence. So obviously we don't have any other witnesses. So at this point in time, we will ask you to do your summing up?

MR. ZED: Your introduction of my summation is longer than my summation, Mr. Chairman, you will be pleased to know. The application has been filed. We would suggest that the Applicant has complied with all the statutory requirements and that the Board should look favourably upon granting the permit requested.

With respect to the terms proposed by the PCC, the Applicant has agreed to be bound by those terms and would expect that those terms form part of those conditions, be attached to the permit as conditions. The only deviation from that is as we spoke of this morning, we are asking that the Board consider an amendment to Condition 4, recommended by the Pipeline Coordinating Committee in their letter dated November 3rd 2008, which is exhibit 6. And I have circulated to all parties a copy of the proposed amendment.

And the sense of the amendment is very simply that we recognize that for any real purpose that people need notice. For example, Mr. McQuinn, and his office, we don't object to giving 10 days notice, but there are

certain items that are addressed here, clearing and grubbing, construction of associated access roads on the right-of-ways, and the foundation work for the Penobsquis pump station that really we would suggest should not require prior notice. They are all being conducted, all work conducted either on our land or on rights-of-way for which we have permission to do the work. And as you will note, we are suggesting that the work -- that work may only commence upon the issuance of the permit.

The other conditions to which I think are referred to in the PCC terms and conditions, essentially an omnibus, in that we will be bound by all laws and bound by all other certificate conditions including the environment assessment screening, we will be bound by the law that requires us to give water course alteration permits. There is a highway crossing permit, which we need, and we do have. And so really I don't want to minimize the conditions that are set out quite specifically in both PCC the environmental. We expect to be bound by and conform with all of those conditions as well.

As well, we expect to be bound by any undertakings that we have made at discovery -- or sorry, at this proceeding. In particular, we intend to co-operate with the parties as we have indicated, those who wish access on

a reasonable basis will be afforded that access on the conditions as set out by Mr. Fracchia in his testimony. We do intend to do a public notification program. And I think you have heard the general terms of that program. And I would ask the Board not to sort of try to pencil in anything specifically without discussing it with us. But we will be bound by that undertaking and you are permitted to consider that an undertaking and we will keep the public advised in a reasonable manner of our construction activity and progress.

And really without further adieu, I think I will just conclude there and save any other comments I might have for rebuttal, if necessary.

CHAIRMAN: Mr. Zed, just with respect to the requested amendment to Condition #4, I just want to make sure that I understand precisely what it is that you are asking for.

MR. ZED: Yes.

CHAIRMAN: Does all of the clearing and grubbing that is referred to, does all of it deal with the Penobsquis pump station or is that -- that and separates two different thoughts there? Perhaps you could --

MR. ZED: I think we would like to be able to clear and grub any of the right-of-ways that is appropriate in terms of our construction schedule to do.

CHAIRMAN: Anywhere along --

MR. ZED: Anywhere along the rights-of-way. There are some places where we have to -- we will have to construct access roads on the right-of-ways. So the clearing and grubbing would relate to those as much as anything. The Penobsquis pump station, we are actually -- we would like permission to excavate and start the foundation work. Now as I said practically speaking, if the Board were to issue a permit on day one, it may take two or three days, but if we could get on site to start to do that work on day two, as opposed to day four or five, that's what we prefer not to have -- be constrained by having to give a prior notice. And really anything less than three to five days is probably meaningless anyway.

CHAIRMAN: We heard some questions and perhaps concerns about crossing of waterways.

MR. ZED: Yes.

CHAIRMAN: And would there be any of that work that you would see which could be covered by this description of Condition #4?

MR. ZED: None. I am looking at Mr. Fracchia and Mr. Roulston and they are confirming my thoughts, none. Those would be done during the course of construction and after notice to the appropriate parties.

CHAIRMAN: Now you have indicated that of those parties here they indicated they might want access to and basically observe what's going on particularly in the areas that they are concerned about. And would it be fair to say that what you are going to say that on a reasonable basis would be extended to either to -- might request something similar to --

MR. ZED: That's not what I was saying. But I mean if it's a reasonable request, like certainly if somebody from the town or the village or anybody like that came forward -- the difficulty is you are managing a construction site. And I think if we can live with the word, reasonable. If 30 people show up unannounced to say, you want to come and watch a HDD drilling, that practically probably is not going to happen. But if anybody gives us a request that they want to observe and we have enough time to sort of take the appropriate safety precautions, and it is a reasonable number of people, then I don't see any reason why we wouldn't do it. Is that fair, Mr. Fracchia?

MR. FRACCHIA: Yes.

CHAIRMAN: So the -- I guess the indication this morning -- I don't know if that was an undertaking or not, but it sure sounded like one to Intervenors that the question to possibly of access that it was an essentially an

undertaking that on a reasonable basis they would have access.

MR. ZED: Absolutely. No question about the Intervenors.

CHAIRMAN: And what you are saying is then if others on a reasonable basis were to request access that that would also be looked upon favourably and efforts would be made to make sure that others could have access where reasonable?

MR. ZED: Yes. So long as it didn't interfere with -- just so you understand what we consider reasonable -- so it doesn't interfere with construction and so it doesn't compromise safety. I think those are the two big concerns.

CHAIRMAN: Thank you, Mr. Zed. Any questions from the Board?

MR. ZED: And I might add a third qualification, might be, you know, as long as it doesn't disturb the landowner, whose land we are operating on, that may be an issue as well. But I don't mean to be too -- I just don't want 25 or 30 people showing up saying we want to watch something on a particular day, that's all.

CHAIRMAN: Sure. And I think the condition as I read of what you are saying is the word, reasonable?

MR. ZED: Right.

CHAIRMAN: Ms. Campbell, I will call upon your first. And I

probably should have -- before we started this morning, I didn't perhaps explain necessarily the difference between the cross-examination phase of the hearing and the summing up phase. So I will just take a moment to explain the purpose of what we are doing at this point in time.

It is important when you are summing up I think to make sure that you say to the Board whether or not you support this application, you know. And if you don't for some reason and then obviously attempt to give us the reasons that you don't. Or if you support it, but you feel that the conditions ought to be different or ought to be changed in some way then we would ask again that you outline that for us.

So I am going to start with you, Ms. Campbell.

MS. CAMPBELL: Thank you. The Hammond River Angling Association does support this application. We fully recognize the importance of getting these trucks off the road and the risk to the public safety and the environment that they pose. So we do support PCS.

I would like a condition, which I don't think will be opposed judging from my conversation this morning and previously with Ms. Blackadar. We would like to be provided copies of the site specific protection plans for each water course. And we would also like to be notified

prior to any trenching of water courses. And that would include if HDD was to fail and there were going to be a contingency plan. And that's it.

MR. ZED: Ms. Blackadar has raised an issue that I ran into on another file. When you are in the middle of an HDD drill, and it fails, then sometimes you have to go to contingency plan immediately. You know, you can't really stop and give somebody notice to say come and watch us. So I mean with that qualification, we are certainly prepared to give them notice of when we are doing our HDD, and if they want to be on standby, then I guess that's -- but there are -- so I mean we let them know when they are scheduled. And we can let them know when we have had to take the remedial action. But you understand my point is we can't stop in the middle of the process to say, oh, oh, we are in the contingency plan. Stop everything. Go notify these people and await for them to get here to observe. It's just not practical.

CHAIRMAN: Mr. Zed, if I can maybe take this one at a time.

MR. ZED: Yes.

CHAIRMAN: I think the first thing that Ms. Campbell was requesting were -- I believe she called it site specific protection plans. Is that an issue with respect to providing those to the Hammond River Angling Association.

MR. ZED: They are site specific environmental protection plans. Yes, we can provide those.

CHAIRMAN: And the second issue then was the one with respect to notification prior to the trenching. You are saying that this -- you would give it -- you are prepared to provide the schedule and any amendments to the schedule that you are aware of in advance, but if something occurs in the course of the work itself that requires you to take an alternate approach immediately, then obviously there is no time to give notice. That's what you are suggesting?

MR. ZED: We will -- yes, we will make them aware of the sites that we intend to trench that we know of. And we will also make them aware if it is helpful, when we intend to do the HDD drilling. But bear in mind that the contingency plan for those HDD sites, if we have to go to the contingency plan, will likely involve proceeding immediately. And then practically speaking, we can't give notice of the contingency having occurred.

CHAIRMAN: Thank you. Ms. Campbell, do you have any comments arising out of what Mr. Zed has had to say?

MS. CAMPBELL: No, that is acceptable, as long as we are notified as soon as possible and that we are granted access to the site thereafter.

MR. ZED: Yes. No, that's quite acceptable.

MR. TONER: I have a question relating to this. So there is 15 sites that you think this will happen approximately?

MR. REID: Water courses and land.

MR. TONER: So -- there is 50, that's right.

MR. ZED: There are roughly 50 sites in total. And there are 32 sites that are scheduled to be trenched. They are either wetlands or water courses. The remainder, the plan, is for HDD.

MR. TONER: And of those is there some that are higher risk than others, is that the likelihood of having to trench is higher than the others?

MR. ZED: I guess the answer is no.

MR. TONER: All right. Thank you.

CHAIRMAN: So anything further, Ms. Campbell?

MS. CAMPBELL: No, thank you.

CHAIRMAN: Thank you very much for your participation both at the pre-hearing and here today. Mr. Chambers?

MR. CHAMBERS: Yes.

CHAIRMAN: Is there a microphone in front of you?

MR. CHAMBERS: Yes, there is.

CHAIRMAN: Okay. I couldn't see it. Thank you.

MR. CHAMBERS: I don't know whether I support it or not. I guess I can't find too many faults with it in general. There are improvements that I would like to see made to

it, but I have written up a review of my experience with the pipeline. And it includes my concerns and what I think it can be done to improve the situation. But mostly it has to do with how we were treated, informed of the situation dealt with mostly by the land agent.

I am not sure how you want to -- whether you will accept the written presentation that I prepared for you or --

CHAIRMAN: Well the difficulty with accepting a written presentation is that after you make your closing remarks, Mr. Zed would have an opportunity to speak to any issues that you raise. Therefore, it probably makes a lot more sense for you to read it into the record.

The other option, of course, would be to distribute to everybody and give them a little bit of time to look at it. But it is probably a lot simpler for you just to read it into the record and that would give everybody an opportunity to -- if they have questions on it -- the problem with just leaving it with us, you know, is that if there are issues or questions, we have things that may trigger something in our mind that would perhaps run us on a different course, but you know we need to ask a question on it, you know, then you are gone once it's been submitted.

So I would suggest that you read it. Is it quite lengthy?

MR. CHAMBERS: About four pages.

CHAIRMAN: Oh, I don't think that would take very long.

MR. CHAMBERS: It would with me reading it.

CHAIRMAN: What's that?

MR. CHAMBERS: It would with me reading it. I am dyslexic. So it makes it kind of uncomfortable.

CHAIRMAN: Would you like somebody else to read it? Is it typed up?

MR. CHAMBERS: Yes.

CHAIRMAN: Would you like somebody else to read it into the record?

MR. CHAMBERS: If that would --

CHAIRMAN: Board Counsel, I am sure would do that for you.

MS. DESMOND: Yes.

CHAIRMAN: Ms. Desmond.

MR. CHAMBERS: Good luck.

MS. DESMOND: So I will just proceed to read his written summation. And I hope I have it -- I can state this correctly and if there is anything you want to modify, Mr. Chambers, maybe you could just let me know if I have misstated what you have got written here.

MR. CHAMBERS: Thank you.

MS. DESMOND: So his submission is as follows: Hello, my name is Roy Chambers. I am a dairy farmer -- I have a dairy farm on Waterford Road, Dutch Valley, N.B.

I was one, of at least six (6) Landowners, to refuse to sign the right-of-way offer that would allow the proposed pipeline to come through our lands.

Not because of the low price, but because they (PCS) did not want a certified Engineer come to consider the concerns, in my case, with the pipeline route:

#1 The remote location of the crossing on my property.

#2 The potential for a change in the course of Trout Creek.

#3 The high water table on my property and the upstream neighbour’s properties.

#4 Incident Response capabilities in adverse Winter Thaw conditions.

The Land Agent did not have these answers, even five (5) weeks after a follow-up call made three (3) days after his first visit. he had "forgotten" these concerns and had made no effort to get more detailed information on the project.

A couple of questions were: "What they were looking for from me the landowner" "What they would offer and cover....?"

He only had a book of maps in the trunk of his car and sample of the pipe. His book map included a map of a gas line following the Brine Line to Cassidy Lake through the Sussex Corner Well Field. It was chilly and late for me starting the barn chores.

Five (5) weeks later an Archaeologist, Darcy Dignam came to drill and dig 200 holes in my field. Bill O'Neil, land agent commissioned by PCS said Darcy would be looking around but did not mention 200 holes! I delayed till the next day when he and Bill both showed up, Darcy first, then Bill with a contract for me to sign. I did not sign. The landowners had arranged a meeting with the General Manager of PCS, Mark Fracchia for the following week and Bill had not addressed my questions nor did he look into the Trout Creek stability.

I also informed him at that time that I knew PCS did not have the power of Expropriation, as he indicated on his first visit. He then assured me that they would be able to get this power if necessary, and, if I did not sign, "I would get nothing" and that they would still get the land. I told him the money did not matter; I would not sign without assurances that the line was safe where it would be placed. Darcy left after 45 minutes. Bill and I talked about different issues, nothing was resolved

and he left leaving me with a copy of the contract after showing me his 'incorrect' calculation of his offer to me of $8,100 +, it should have been $9,200.

He would not talk about access to the right-of-way or what they would pay for this or the conditions and times; no interest from Bill on these and other issues, until I signed.

When Darcy left Bill sent him to the McFarland Property, my neighbour. To drill and dig 100 holes though I told them it was a wet land and they should be testing in the McLaughlin Property. Bill insisted that it was a field and PCS would be ditching and directional drilling from there onto my property.

The meeting with Mark Fracchia, Bob Owens and Bill was informative, but, Mark said they did not have an Engineer on staff at that time to look at the Creek issue. This would be addressed by the contractors at the time of construction. I said that would be too late for changing the route if needed.

Bill denied having claimed to me, that they had the right of Expropriation.

After this meeting most of the landowners decided not to sign at this meeting. Bill told most others had signed. Hearing this, they signed.

On January 29th 2008, Bill came to offer me $200 to drill two test holes on my property. I said not until an engineer looked at the Trout Creek and considered my concerns. They (PCS) still did not have one on staff for this project. Bill asked what my lawyer thought of the contract he had left with me. I told him my family lawyer had a conflict of interest in this area. A common situation amongst lawyers in this region. I had talked to a lawyer with pipeline experience from Ontario. Bill thought that would be expensive. I then asked if there was a limit on the legal fees that PCS would cover. Bill did not know nor did he get back to me with an answer. I did not hear from them for four weeks later. Millbrook resident organized a meeting with PCS and our MLA. At that meeting we heard they had almost all landowners signed. The new route would follow the road through my property. Mark Fracchia said they did not need to force any one to sign -- or something like that -- I interrupted him at that point and said, "I was told by Doug McLaughlin that he was told if he did not sign and let them go where they wanted to go on his farm, for the price they wanted to pay, that they would use an old 33 foot right-a-way from the Golf Club property through his

barn yard and past his house to Adair's Road and down the main road to Millbrook."

I said this was a pressure tactic. Mark F. -- I am assuming means Fracchia -- and Bill said they were well within their rights to do this.

I later pointed out that Bill told me three times that they had or could get the power to expropriate. The third time on January 29th he said, "They had the political backing to change laws to get the power."

At the February meeting Bill denied ever saying the threat of expropriation.

About four (4) days later he came by me house to see if I would allow them to run the pipeline up the western side of my property-south, across a steep hillside to a ridge that we had suggested earlier as a more reasonable routing that they had discounted. They still had not had an engineer consider the risks of using the McFarland property. I said if the other hill was too steep this one was worse. He also wanted to know if I thought the wood road, along the top of the hill, was a laid out road, he wanted to force other landowners into signing along that road to shorten the pipeline route. I told him the old story of how the trail got its name, the Donnelly Road. It was not a laid out road to my knowledge.

It was also at the February meeting that I was able to point out to Mark F. the gravelly nature of Dutch Valley. Any small leak in the pipe would sink into the gravel that lay under six (6) inches to three (3) feet of top soil. The first sign of a leak about be in the Trout Creek or someone's water supply. This part of the pipeline should be doubled lined if the smallest detectable leak would be more than six (6) gallons per minute. Mark F. said he would try.

April 4, 2008, I heard they had signed every one they needed and planned a public meeting for April 15-16th 2008. To my knowledge they had not considered my warnings about the Trout Creek or changed their plan. I called about getting a copy of the EIA (environmental impact assessment) and picked up a copy that day. I read most of it before the meeting and had many concerns. I went to the meeting and voiced some concerns and heard contradictory answers and left with more knowledge but more questions and, a very major concern.

On the table was a bottle of Brine: --

MR. MCQUINN: It gives the breakdown of the -- the make-up of the brine.

MS. DESMOND; Different components. 36% NaCl, 4% Kcl and 1% CaCl.

Kcl rang a bell with me. I checked with my vet about salt poisoning. He later told me about the sensitivity of all living animals, including humans, to salt NaCl and Kcl. He gave an information sheet which suggested that 2 kilograms of NaCl in a cow's daily drinking water (300-400 litres a day) would be lethal within 48 hours. The vet also said Kcl was about ten times stronger than NaCl and was used to euthanize animals and used by Dr. Kevorkian in assisted suicide and also is hard to trace in the dead.

I submitted questions on May 20, 2008 following the April meeting. They were not answered very well. They did not send the answers until; after the July 24 meeting. I had provided them with the Fact sheet on the salt poisoning with the May questions and see no note of this documentation in their summary of the questions from April 15th meeting in their application to the EUB. I don't believe I was the only one treated poorly or ignored. This seems to be their way of avoiding peoples' concerns with their project.

Their project may be worth the trouble even a worthwhile way of reducing the use of fossil fuels. But it should not threaten those of use along the line or infringe on our quality of life.

To prevent or mitigate those risks, PcS should, in no

particular order: And there is five items enumerated.

#1 Secure a water supply and develop a plan to replace water supplies to homes and businesses that may be affected by a potential break in the line for immediate or long term use to avoid delay if it happened.

#2 In order to protect against exposure of the pipeline to damage from the Trout Creek and to avoid emergence stream bank protection work in the winter to protect the line. They should be required to carry out a restoration project on Trout Creek up and down at least one (1) kilometre. The work they do around the crossing site may cause other damage up or down from the crossing and the landowners around this area may be expected to co-operate in emergency situations this would help prevent.

#3 Some portions of the line will be very remote and response time will be very long. Winter or spring thaw conditions may prevent these locations from being accessed. Other locations closer by,. Piccadilly across from the Sussex Golf Club or Millbrook after the Pumping Station will not be double piped under the present plan. I think you should require more of the line to be double piped. This would reassure stakeholders and provide PCS more time to respond to leaks and recovery of their lethal substance.

#4 Due to the intertwined nature of the business relationship of PCS and AMEC, I don't think it would be appropriate for AMEC, I don't think it would be appropriate for AMEC to be allowed to carry out the baseline water testing alone or choose the lab for testing.

#5 Assure land holders are protected;

a copy of options not left with everyone

copy of contract not left with everyone

What protection do they have?

A lawyer should be retained to review contracts and the conduct of Land Agents.

Years ago I saw a gas well drill site after it was abandoned. Well casing with no cap or concrete plug, assortment of debris lying around, some dead bushes, no fence or gate. This was not by the book even for the '70's. Progress has been made. In 30 more years people may look on sites up to today standards thinking, "What were we thinking?"

Standards have progressed. It is not a time to be satisfied with preventing green house gas emissions; water, streams, communities, perhaps a few lives are being risked. We don't plan a disaster, leak or accident we might do well to consider what would have happened if the

Cassidy Lake to Fundy line had gone through this community and had all the problems it's had in a populated area like this.

They could not have expected all those problems then what IF, NOW??

And that's the end of the submission.

CHAIRMAN: Mr. Chambers one of the suggestions you made was that more of the pipeline should be -- should have the dual piping I think is the way you -- or double piping I think is the way you expressed. Do you have any specific recommendations as to how more of the line should have double piping? And if you do, would you perhaps just outline your reasons for why those specific sections that are not currently planned to be double piped should be?

MR. CHAMBERS: Prior to the Piccadilly Road is where the double piping starts. Before that, there is a lot of homes right around Piccadilly Road and it is hard to say just what direction their water supply for their wells comes from. Whether it is the wetlands prior to the Piccadilly Road or the wetlands around the golf course. Also the Millbrook, passed the pumping station is a very steep hill, and if there ever was a break there, the water might very quickly get to the brook and into the water table. There is a lot of homes around there and if

the water table, depending on the situation, of course, if it was pouring rain, it would be leaked very quickly. But if it wasn't, that brine might get pulled down into the wells. Less than a kilometre, well maybe a kilometre from the pumping station, there is about two dairy farms, one of them probably uses between 8 and 10,000 gallons a day, and the other probably about 2,500 to 3,000 gallons a day.

So that between them and a hundred or so homes around the Millbrook Road there, that's quite a lot of water being drawn down into the water table. And up in my part of the valley, the water table, when water gets into the gravel, it can travel quite quickly. I know in my area it's easily more than a hundred yards a day. And it would be very difficult for them to recover a significant portion of that brine that might escape.

Up over the hill, it's from Millbrook, it's a ridge, close to a kilometre from the road. It would be very difficult to get to under winter conditions. But there aren't any homes very close to that, so it may be a little safer to go without the double piping there. But it is a concern that it will take them a long time to set up to recover the brine if there was a break up in that area.

Beyond that, along the route, I don't -- I am not familiar enough with the local topography to make any

recommendations beyond that. That's my neighbourhood, so I don't want to suggest that they have to do well. The whole thing, it would be more reassuring to most I expect, but it is an extra cost, but for the hundred or whatever homes in the areas that I mentioned, it would be at least -- ease the stress a little bit knowing that that precaution has been taken.

CHAIRMAN: In terms of the areas that you have just described what would the length of the pipe be, what type of distance are we talking about? I don't get the sense -- when you talked about a couple of areas, Piccadilly and Millbrook, and I don't know if you are talking about, you know, a hundred yards of pipe or a kilometre of pipe or I don't have a sense of what it is you are -- in terms of distance and length of pipe that you would be requesting?

MR. CHAMBERS: I am assuming that there is about a kilometre between the junction boxes and they would have to take the double-walled pipe to a junction box before they discontinue it. So they have the junction boxes along the route, so that it would be those segments between the junction boxes. It probably would be just one more segment on each end of the double piping section that I was originally asked for and --

MR. TONER: A kilometre each way. He is saying one

kilometre each way. Can you guys confirm that or what the distance he is talking?

CHAIRMAN: Well I guess to follow from -- Mr. Toner is saying, are you talking about 2 kilometres in total, one in each direction?

MR. CHAMBERS: Yes. I assume that's the approximate distance between the junction boxes. It might be less, I am not sure.

CHAIRMAN: I guess before I ask the Panel Members whether or not they have any questions, did you have anything to say in addition to the document that was read into the record? Does that pretty much cover off what your representations today?

MR. CHAMBERS: I think my concerns -- the reason I wanted to do up this, dealing with how I was treated. I just hope that this isn't the way that it goes in another instance. I think the land agent could have done things much better. I think PCS could have done much better. I think AMEC could have done much better.

The other thing -- what was it? I am sorry. There is something else that I am thinking of, but I just can't bring attention -- get my head around it just now.

CHAIRMAN: Well perhaps it will come to you, and if so we will give you the opportunity --

MR. CHAMBERS: Thank you.

CHAIRMAN: -- to tell us what that other concern might be. So am I understanding from the beginning of your presentation was that you are not against the project. It is just that you had concerns about the manner in which you felt you were treated and the process that preceded today's hearing and you have some recommendations as to some conditions that you feel you should be added to those that have been recommended.

MR. CHAMBERS: Yes, I guess that's right. The second to last -- the last -- the fifth one that I mentioned, copies of the contracts. I talked to a fair number of landowners who were not left with a copy of the option contract after they signed and I am not sure -- I only talked to one other landowner that had already received payment for -- the final payment, but he hadn't received -- was not left with a copy of that contract either. And I think it is probably a fairly common -- if the first set of contracts was any indication, that's a fairly common thing with the landowners. I think that isn't very fair to the landowners that they don't know what the conditions are that they -- they had a chance to read it probably, but they haven't been with left anything to go by.

CHAIRMAN: Any questions from the Board? Mr. Chambers,

thank you very much for taking the time to participate in the hearing and the pre-hearing and really in the entire process.

Ms. Carr?

MS. CARR: In summary, my concern is because I am a concerned citizen. I don't have an objection to the process of which has gone through, and I understand that due process does take time to occur.

However, in the initial indication process with respect to Mr. O'Neil, specifically, the land agent, it became very difficult and a breakdown of communication occurred whereby I finally did call the land agent and asked him if he could please either contact my brother who worked shiftwork or myself prior to coming to visit my mother because she is elderly. And at that point in time, my mother had been given a copy of a proposed amount and advised, oh, take this, this is good money. And at which time my brother and I intervened on her behalf.

I don't know Mr. O'Neil very well, but I believe formerly he had been to our property many years back to do the chimney sweep. So I am not sure of his background.

However, he did refer to his home in Passekeag, which was expropriated due to I believe a hydro line.

I think that possibly future communication and during

the construction as it goes forward will ease the mind of a lot of the landowners around the site. And if possible, the future communication would include radio, as well as, written publication. And anyway that we can be informed, whether it is the halting of the construction, should that be, and I would just like to be a concerned citizen and informed of what's going on and hope that the due process does happen.

At this time I feel all of my questions and concerns have been addressed through this process. However, it hasn't been the easiest process that I have been through. And I hope that everything goes well. We can't really predict that. There is -- but we do take that the engineers and the professionals who are in place will do the work that they are told to do.

CHAIRMAN: Thank you. I guess the beginning of your comments you said you had no objection to the process. And can I take from that that what you are saying is that you have no objection to a permit being issued to the Applicant here to construct this pipeline?

MS. CARR: That is correct. If that's -- that's the position I would like to take as a concerned citizen.

CHAIRMAN: Any questions from the Board? I would also like to thank you, Ms. Carr, for taking the time and making the

effort to participate in the pre-hearing and in today's hearing.

Is Mr. Bilodeau still here? I don't think he intended to make a submission in any event.

Mr. Northrup, do you have any submission to make?

MS. NORTHRUP: No, I don't, sir.

CHAIRMAN: Thank you. And we don't generally call on Board Counsel. So I guess, Mr. Zed, it is back to you.

MR. ZED: Mr. Chairman, in light of the comments from Mr. Chambers, I wonder if we might take a very brief recess, because while I consider a lot of these comments to be irrelevant to the application, they do reflect quite negatively on the Applicant. And I would just like a moment to speak to Mr. Fracchia and perhaps bring some clarity before the Board, at least our side of the story if we think it appropriate. I just would a couple of minutes to think about that.

CHAIRMAN: We will adjourn and perhaps you can advise a member of the Board Staff to let us know when you are ready.

MR. ZED: Thank you.

(Recess - 2:22 p.m. to 2:44 p.m.)

CHAIRMAN: Mr. Zed, anything by way of rebuttal?

MR. ZED: Yes, Mr. Chairman, with your indulgence, this

morning I sat not idly, but quietly by, while Mr. Chambers made a number of statements which some might confuse as evidence. And we would ask the Board not to be so confused.

He has now by way of submission made a number of statements, which again one might confuse as evidence. And because those words, those statements that he has made constitute really quite scandalous statements in light of what actually happened.

I think it only appropriate that I be afforded an opportunity to put PCS' side of the story on the record, because if we ignore this, and from a legal point of view, I think we could ignore it because I think an awful lot, if not all of it is irrelevant for your consideration.

There are those who would take our silence to be agreement. And we do not agree. We do no agree with almost -- there is almost nothing in this other than Mr. Chambers' name that we agree with.

Let's put this in perspective. The route was originally routed through Mr. Chambers' property. That was our original intention. Mr. Chambers could not come to agreement with our land agent. There were several other landowners who could not come to agreement with our landowner. You heard Mr. Fracchia this morning say at the

end of the day time was a major factor.

So in situations where it became apparent that agreement was not going to be reached with the landowner, PCS went to in effect Plan B. Let's look at rerouting. Once you make the decision to reroute, and enter negotiations with other landowners, and then amend your EIA documentation to reflect that, amend your investigations to reflect that, there is no going back. I mean barring something unforeseen, like the EIA not agreeing with your assessment and telling you you can't take that route, then it is an extremely costly and timely exercise to deviate once that application has been filed.

So what really we have is a situation where, yes, we attempted to come to agreement with him. He was not prepared to come to agreement on the terms that we proposed. And there were several other landowners along that route we faced the same issue with. So we went to Plan B and rerouted in accordance with AMEC's recommendation and in accordance with adjacent landowners' co-operation and filed. Mr. Chambers then comes back to us and says well when he finds out how much money everybody is getting, yes, I want a piece of that, too. Why don't you reroute back to my land. And that's what this is all about.

Now let me just give you a little bit of hearsay since that's what this constitutes. Our land agent, is instructed -- Bill O'Neil has been working for the company for eight or nine years. Prior to that he had a long career with Aliant and before that with NB Tel as a land agent. He is a land agent who had a side business for a time as a chimney sweep. He is not chimney sweep who had a side business as a land agent. He is very experienced. He knows what to do. He has been doing it for a good many decades. Not a good many years, a good many decades. And in all the years that PCS has been using him, on every one of their projects whereby they had to acquire land, we are not aware of any complaints ever being received about anything he might have said untoward, any untruth he might have told, any rudeness that he may have exhibited. He has been nothing other than an exemplary contractor who has done good work for us. And he was present at the open houses, along with the 50-odd people at each of the open houses, who each had the opportunity to complain or ask questions. And today is really -- Mr. Chambers is the only person we are aware of who has complained about Mr. O'Neil.

So in fairness to Mr. O'Neil, who isn't hear to answer the allegations, I only have that to offer that we have no

evidence that he has never been anything other than businesslike and co-operative.

Was he under a mandate from us to acquire land? Yes. Was he experienced enough to know that expropriation was not an opinion? Yes.

So I wasn't there. I don't know what he said. I don't know what Mr. Chambers said. I don't know what Mr. Chambers might have misinterpreted. But this really -- this issue really arises with respect to Mr. Chambers and nobody else.

Mr. Chambers makes several allegations about PCS implying that we had nobody on staff who could address his concerns. He was right. We didn't have a staff person on PCS who could address his concerns. That's why PCS hired AMEC. And that's why when questioned by Mr. Chambers, a representative of AMEC was sent out to meet him and address his concerns. So he is quite correct technically saying we didn't have somebody on staff, but that really belies the truth, and the true is we provided him with a resource person who was in our employ to answer his questions.

Now we here an awful lot about Trout Creek. Trout Creek is crossed on an HDD drilling elsewhere other than on his property. So there is nothing insurmountable about

the problem Trout Creek presents. That was the subject and part of the environmental assessment. There is a plan in place that has been approved by Environment as part of our certification. There is a remedial plan and a monitoring plan in place. So we don't know where he is coming from and it is misleading to suggest that Trout Creek was the deal breaker.

I am just going to go through some of the -- you know this business about salt and cows ingesting two kilograms of salt, that would kill a cow. Well, okay, I don't -- that might be true. But we have had no evidence before us today or any other day as to any toxic effects that would be suffered should there be a brine line breach. You have heard -- you have read the application. PCC has dealt with the application. Environment have dealt with the application. The various Crown Ministries have been aware of the application. You have heard the witnesses. And not one person is worried about the effect on livestock, or even more importantly I would suggest, on human life. We have no evidence contrary to what is filed before the Board to indicate the deleterious effect this might have on somebody's well.

Does a gallon of brine spilled a hundred yards from somebody's property line affect a well that is 400 feet

deep? Salt water is salt water. You have heard Mr. Fracchia. One gallon of salt water is not acceptable. Okay.

One of the conditions that Mr. Chambers seeks to impose relates to his suggestion that some portions of the line will be very, very remote and response time will be very long. I spoke to Mr. Fracchia about that. The response time, his honest response, and his response is in the same vein as all his other responses, thoughtful and honest, is this, under normal circumstances, depending on where the breach occurs, if it does occur, the response time can be measured in minutes. It might be five minutes. It might be 20 minutes. It might be 25 minutes. But that's the nature of the -- that is sort of the parameters of what we are looking at.

Obviously if there is the blizzard of the century, then all bets are off, but they will get there sooner rather than later. It won't be two days later or three days later. It might be an hour or two. But that's really very misleading to throw it out there that the response time might be long. You are talking about 29 kilometres between two points in an operating business where -- and manpower, as he suggested is on call 24 hours a day, seven days a week, to deal with any potential

problem. And the company policy is any spill is too big a spill. It's not let's wait and see if lots of it leaks. It's respond when we know anything is leaking.

His other suggestion is secure a water supply and develop a plan to replace water supplies to homes and businesses that may be affected. Well as much as we don't think that is necessary because of the nature of the pipeline, the construction of the pipeline, the distance of the pipeline from wells and environmentally sensitive areas, but in the very unlikely event such would occur, we have answered in exhibit 14, in response to IR-10 from Mr. Chambers and I quote, he says, "The water situation is tragic. Will an action plan be put in place to cover this type of situation, i.e., no water, no proper drinking water, as well as other environmental damages to alleviate the concerns of residents regarding this issue? Will it be made public?" And our answer then is our answer now. The condition of approval number 4, of the EIA provides as follows, should any local water supply wells be significantly impacted, quality or quantity, by the activities associated with the construction or operation of the brine disposal pipeline system, the proponent shall repair, remediate or replace the water supply well. Also related is condition of approval number 5 of that same

EIA. Should any groundwater supply wells within a 500 meter radius from the brine line disposal pipeline system be significantly impacted, quality or quantity, the proponent shall remediate or replace the water well unless it can be definitely be demonstrated by the proponent that these impacts are not caused by the construction or operation of the brine disposal pipeline.

The EIA states in Section 72-32 that given the depth of the proposed pipeline, nominal depth of approximately 1.5 meters, and that very limited blasting, if any, is expected, disturbance of groundwater resources is not anticipated.

So I would suggest to you that that and the company's track record is an answer to his number one suggestion.

Number two suggestion, I think I have already dealt with about in order to protect against the exposure to the pipeline to damage from Trout Creek. There is already an approved crossing for Trout Creek. It's just elsewhere.

Now let's talk a little bit about remote response time and the double piping concept. I think we were all listening to the same evidence and by my very simple arithmetic the double wall piping costs a little bit less, but roughly a million dollars a kilometre.

This project, as you have already heard, is probably

six months to a year behind schedule. There are significant costs overruns. One of the most significant cost overruns is that $5 million for the double wall piping that we have voluntarily submitted as part of the application. It is very important, voluntarily submitted as part of the application. There is not a code of which we are aware that would require us to do double wall piping. The legislations, regulations, policies adopted in the province of New Brunswick and elsewhere require us to do single wall piping. That double wall piping, as you heard Mr. Fracchia testify, was offered as part of a package to alleviate concerns of some residents who raised it. It had nothing to do with improving the construction of the pipeline itself or improving the safety of the pipeline itself. It is a belt and suspenders in a case where only one is required.

So for this Board to embark upon imposing an obligation to -- with the lack of any evidence whatsoever that such is necessary, I would suggest would be adding a very serious burden in terms of dollars to a project that is already significantly overrun. Significantly already experiencing significant cost overruns.

The other issues that none of us really think about until you are in the construction business is this isn't

something that you go to Home Depot, drive your truck up and give me another 2 kilometres of, you know, this kind of piping. It is something that the whole project would have to be redesigned. The construction schedule would have to be redesigned. And the piping itself would have to be ordered. And that order in our experience will take a matter of months not weeks. It is not a stock item. There is one company available to us to make it. And we can guarantee you that from the time we order it till it arrives will be a matter of months, not days or even weeks. It will be months.

So those -- and if it were necessary, if it gave one more bit of protection, real protection, not perceived protection, then we might be having a different conversation. But in our view, that's what it is.

I am not going to comment any more on the issue of AMEC and whether they are in a conflict of interest or not. I guess in Mr. Chambers' world, everybody who is hired by somebody else is by virtue of the fact that they are hired in a conflict of interest. As a lawyer I know that's not what constitutes a conflict of interest. Otherwise nobody could do business.

The last item, assure land holders are protected, the only thing I can tell you without Mr. O'Neil being here,

is our policy, and it is a policy Mr. O'Neil we know has followed, is he goes to visit landowners with a proposed option. He proposes a price. And he also tells them that they should take it to their lawyer and the company will pay an amount of money to cover the lawyer's cost for reviewing it and giving them legal advice, whether that be 250 or $300. I don't know what the figure is. But it is a very short, brief document. And we have never had anybody complaining about that amount. We have never had anybody come back to us and say it is not enough, okay, other than what you see here today.

The issue about some people not having copies of documents, I would suggest to those of you who are familiar with the practice of law, Mr. Chambers may be right, but once again the truth is sometimes misleading. In the normal course, when the individual takes the documents, and there be two or three copies of the documents that would -- and I am not speaking from experience, because our firm did not look after the rights-of-way, but I know the lawyer who did, there would be two or three copies that would be taken to the landowner's lawyer. The landowner would sign. The landowner would bring those copies back to Mr. O'Neil. Mr. O'Neil would take all originals and give them to

somebody at PCS. They would be forwarded to Saskatoon for signature. The originals would be returned. We would keep one. The other original would be returned to the landowner.

So he would be quite correct to say virtually everybody is without at some point in time one of their -- you know a copy of it, I suppose if they didn't take a photocopy. But we have not had a complaint from anybody that they have not, when all documentation had been signed, that they had not received their copy. I mean that's just something that we are not aware of.

I am not going to spend any more time of Mr. Chambers' comments. Perhaps he and Mr. O'Neil didn't get along. And in this world lots of occasions when one person doesn't get along with another. And maybe the two of them were butting heads over whether it was the right price or not the right price and maybe one was trying to drive a hard bargain and the other trying to drive an equally hard bargain. I am only speculating.

But I do want to explain that his comments should not and do not reflect PCS' normal experience with the other 30-odd landowners who did sign up and none of whom are here today to object.

Now the only thing I would ask in conclusion is the

Board is aware that we have been through this process for a lengthy period of time. And I am talking about the process from day one, design -- contemplation, design, Board approval, then on through Environment. And I know everybody at the Utilities Board has done their utmost to move this along. We have had tremendous co-operation from Mr. McQuinn in terms of facilitating it moving through the Pipeline Coordinating Committee, given that there was a parallel process ongoing with Environment. We have had great co-operation from the Staff in getting this scheduled in a timely fashion, as well as, the Board. So I am not casting any aspersions there, but nonetheless this pipeline has been thought about seriously for over two years. And I think what we would like to get on with this. We would like to undertake construction activities as quickly as possible. And in that light, we would ask this Board to issue a decision at the earliest opportunity that you can do so. Thank you very much.

CHAIRMAN: Thank you, Mr. Zed. Any questions for Mr. Zed? Well, Mr. Zed, I like to think that we always issue our decisions at the earliest possible opportunity.

Ms. Desmond, is there anything else that we need to complete the record?

MS. DESMOND: Nothing else from Board Staff. Thank you, Mr.

Chair.

CHAIRMAN: All right. Then this concludes the hearing of this application. And the Board will issue a decision as soon as possible. So we now stand adjourned.

MR. ZED: Thank you.

(Adjourned)

Certified to be a true transcript of the proceedings of this examination, as recorded by me, to the best of my ability.

Reporter