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LETTER REPORT

File OF-Fac-Gas-T201-2019-01 01
29 October 2020

To: All participants in the GH-001-2020 proceeding

**Trans Québec and Maritimes Pipeline Inc. (TQM)
GH-001-2020
Reinforcement and Asset Purchase**

1. The Reinforcement and Asset Purchase application

On 23 August 2019, TQM filed an application with the National Energy Board (NEB) (now the Canada Energy Regulator) for approvals to purchase and operate the Sabrevois Assets owned by Énergir L.P. (Énergir), as well as to construct and operate the Bromont Compressor Station and Saint-Basile Interconnect (the application).

On 28 August 2019, the *Canadian Energy Regulator Act* (the CER Act) came into force and the NEB became the Canada Energy Regulator (CER). Section 36 of the transitional provisions associated with the CER Act states that applications pending before the NEB immediately before the commencement day are to be taken up before the Commission of the CER (Commission) and continued in accordance with the NEB Act.

In its application, TQM requested that the NEB (now Commission):

1. Grant TQM leave to purchase the Sabrevois Assets from Énergir in accordance with the Sale Agreement, pursuant to paragraph 74(1)(b) of the NEB Act;
2. Issue a report recommending the issuance of a Certificate of Public Convenience and Necessity (Certificate), pursuant to section 52 of the NEB Act, for the continued operation of the Sabrevois Assets effective on the Closing Date;¹
3. Authorize TQM, pursuant to section 59 of the NEB Act, to include the purchase price of the Sabrevois Assets plus adjustments in the TQM System rate base at Closing;²
4. Grant TQM leave to open (LTO) the Sabrevois Assets pursuant to section 47 of the NEB Act;

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¹ TQM has indicated the 'Closing Date' is the first business day following the date upon which the Closing takes place.

² TQM has indicated that 'Closing' refers to the completion of the transfer to and acceptance by TQM of the Sabrevois Assets.

5. Issue an order, pursuant to section 58 of the NEB Act, authorizing the construction and operation of and exempting TQM from the requirements of paragraph 30(1)(a), and sections 31 and 33 of the NEB Act in relation to the Bromont Compressor Station and the Saint-Basile Interconnect;
6. Issue an order pursuant to Part IV of the NEB Act affirming that prudently incurred costs required to provide service on the Sabrevois Assets, the Bromont Compressor Station and the Saint-Basile Interconnect³ will be included in the determination of the TQM System revenue requirement, and that the tolls for services on the applied-for facilities will be calculated using the same methodology used to calculate tolls for services on the TQM System, as determined through Commission order from time to time; and,
7. Grant such further and other relief as TQM may request or the Commission may consider appropriate.

1.1 Background

The Sabrevois Assets are located in the Sabrevois area of Québec and consist of:

- Approximately 64 km of the pipeline currently operated by Énergir (Sabrevois Pipeline), extending from Énergir's Sabrevois Delivery Station to Énergir's Shefford Station
- Seven laterals, approximately 11 km total in length
- The following facilities which are attached to and form part of the Sabrevois Asset Purchase:
 - Sabrevois Delivery Station
 - Launcher and receiver facilities
 - Valve sites
- The land rights associated with the Sabrevois Asset Purchase and other interests of Énergir necessary for TQM's ownership, operation and maintenance of the Sabrevois Assets

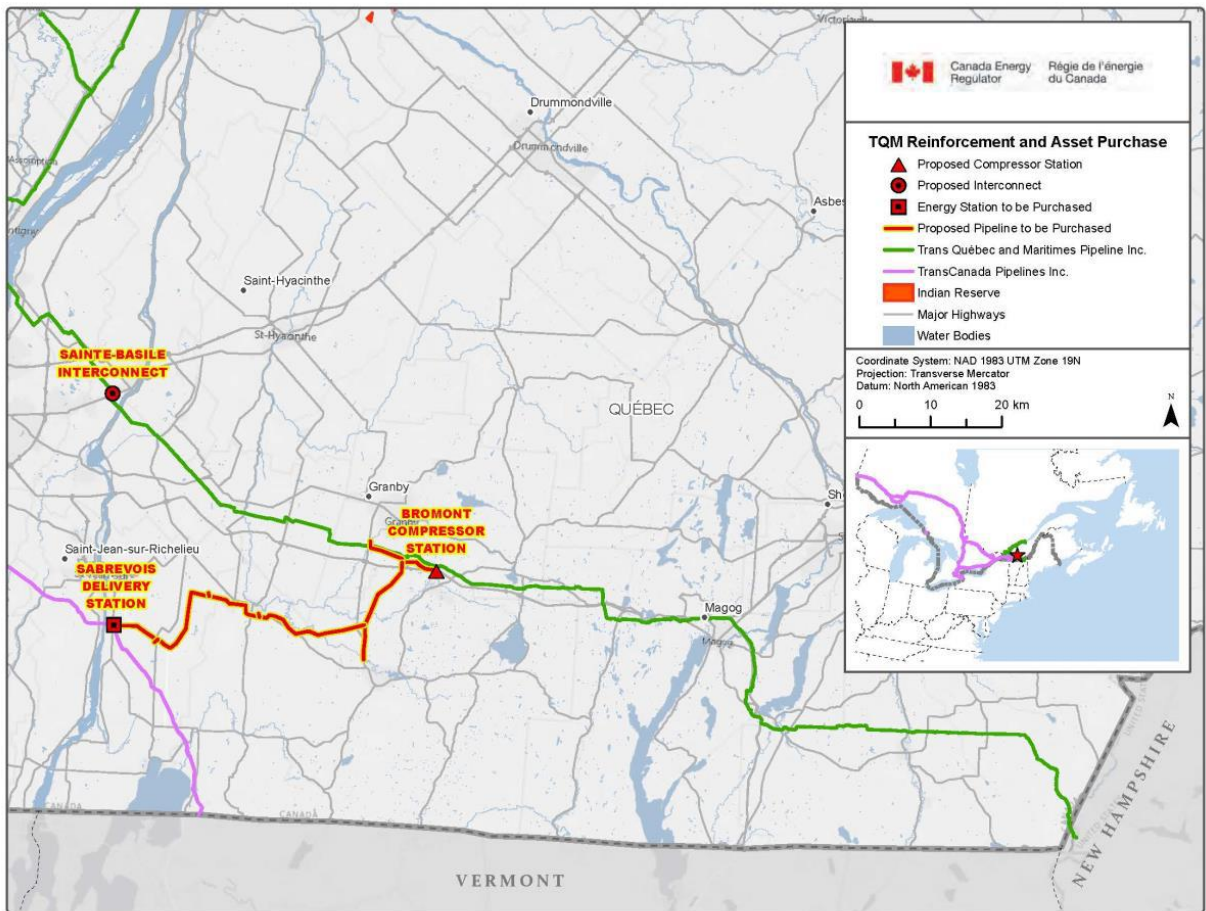
The construction of the Bromont Compressor Station consists of the construction of a compressor station comprised of one electrical compressor unit and one gas compressor unit and related components (collectively referred to as the Bromont Compressor Station). The Saint-Basile Interconnect consists of approximately 20 m of NPS 12 pipe connecting the TQM system to a planned Énergir delivery station at Saint-Basile-le-Grand, Quebec (collectively referred to as the Saint-Basile Interconnect).

The Sabrevois Assets, the Bromont Compressor Station and Saint-Basile Interconnect are collectively referred to as the Project. The Project is part of a larger facility set within the TQM Reinforcement Program which is required to address distribution shifts on the Énergir distribution system in the Estrie and Montérégie regions of Quebec. This larger program will reinforce the security of gas supply, while ensuring continued reliability for the TransCanada PipeLines Limited systems.

³ TQM used the term 'applied-for facilities' in its application.

Figure 1-1 provides an overview of the Project.

Figure 1-1 Project Location Map



2. Recommendations and Decisions

2.1 Leave to TQM to purchase the Sabrevois Assets from Énergir pursuant to paragraph 74(1)(b) of the NEB Act - Decision by the Commission, not requiring GIC approval

The Commission has decided that it is in the public interest to grant TQM leave to purchase the Sabrevois Assets from Énergir L.P pursuant to paragraph 74(1)(b) of the NEB Act. This leave is subject to a Certificate being issued.

In light of the nature of the interests and the anticipated effects, the Commission has evaluated the consultation undertaken with respect to this Project, including the required consultation performed by TQM. The Commission has also considered the mitigation measures proposed by TQM to address potential effects, and the conditions the Commission proposed should a certificate be issued. The Commission is of the view there has been adequate consultation for the purpose of its decision to grant leave to TQM to purchase the Sabrevois Assets, and notes that no concerns relative to consultation have been raised.

2.2 Section 52 Certificate requiring GIC approval to continue operation of the Sabrevois Assets

The Commission has decided to recommend that a Certificate be issued for the continued operation by TQM of the Sabrevois Assets. The Commission finds that the continued operation of the Sabrevois Assets is required for present and future convenience and necessity, in accordance with section 52 of the NEB Act. The Commission also concludes that for the purpose of the Commission's recommendation to issue a Certificate for the operation of the Sabrevois Assets, there has been adequate consultation and notes that no concerns relative to consultation have been raised.

The Commission has set out the terms and conditions to which the Certificate will be subject if the GIC directs the Commission to issue the Certificate pursuant to section 52 of the NEB Act. These conditions are contained in Appendix II of this Letter Report. The Certificate, if issued will be effective at the Closing Date, which is the first business day following the date upon which the Closing takes place.

2.3 Authorization pursuant to section 59 of the NEB Act regarding the Sabrevois Assets

Should a Certificate be issued, the Commission has decided to approve, pursuant to section 59 of the NEB Act, TQM's request to include the purchase price of the Sabrevois Assets plus adjustments as detailed in Schedule C of the Sale Agreement in the TQM System rate base at Closing.

2.4 Leave to Open the Sabrevois Assets pursuant to section 47 of the NEB Act

TQM requested the Commission to grant leave to TQM to open the Sabrevois Assets pursuant to section 47 of the NEB Act.

The Commission is satisfied that the Sabrevois Assets meets the Canadian Energy Regulator *Onshore Pipeline Regulations* (OPR) requirements, and that the facilities are fit for their designed service. Consequently, the Commission grants leave to TQM to open these facilities pursuant to section 47 of the NEB Act. This leave is subject to a Certificate being issued.

2.5 Order pursuant to section 58 of the NEB Act for the Bromont Compressor Station and the Saint-Basile Interconnect

TQM requested an order pursuant to section 58 of the NEB Act exempting TQM from the requirements of paragraph 30(1)(a), and sections 31 and 33 of the NEB Act for the Bromont Compressor Station and the Saint-Basile Interconnect.

The Commission has evaluated the consultation undertaken with respect to Bromont Compressor Station and the Saint-Basile Interconnect. The Commission has also considered the mitigation measures proposed by TQM to address potential effects, and the conditions the Commission proposed to be included in an order. The Commission has decided to issue an order pursuant to section 58 of the NEB Act in relation to the Bromont Compressor Station and Saint-Basile Interconnect, if a Certificate for the Project is issued.

2.6 Order pursuant to Part IV of the NEB Act

Should a Certificate be issued for the Sabrevois Assets, the Commission has decided to grant the requested relief pursuant to Part IV of the NEB Act the effect of which is that incurred costs required to provide service on the Sabrevois Assets, the Bromont Compressor Station and the Saint-Basile Interconnect will be included in the determination of the TQM System revenue requirement, and the tolls for services on the applied-for facilities will be calculated using the same methodology used to calculate tolls for services on the TQM System, as determined through Commission order from time to time.

2.7 Conclusion

The above constitute the Commission's recommendation and decisions on the Project application considered by the Commission in the GH-001-2020 proceeding. This letter contains the Commission's reasons for them as well as the views of the parties and the evidence relied upon in reaching the recommendation and decisions.

3. The GH-001-2020 hearing process

3.1 Hearing Participation

On 4 February, 2020, the Commission issued a Notice of Public Hearing and Application to Participate (ATP) for the GH-001-2020 hearing. Those who wished to participate in the hearing had until 2 March 2020 to apply using the CER's online ATP form which was made available 6 February 2020. The Notice of Public Hearing and Application to Participate included the List of Issues that the Commission would consider during its assessment of TQM's Application, which can be found in Appendix I.

The Commission received eight ATP submissions, seven of which requested Intervenor status and one of which requested commenter status. In a letter dated 2 April 2020, the Commission issued its decision on participation, indicating that all eight applicants had been accepted to participate in the Hearing, and provided the List of Participants for the GH-001-2020 Hearing.

3.2 Hearing Order

On 2 April 2020, the Commission issued Hearing Order GH-001-2020 (Hearing Order), which established a public hearing process that supported meaningful participation.

3.3 Written Process

The Commission conducted its public hearing through a written process, which included filing of evidence by TQM, letters of support from TCPL and Énergir, and the submission of final argument from TQM, TCPL, and Énergir.

3.4 Lifecycle Approach

In considering the Project, the Commission used a life cycle approach where all issues and concerns were considered with regard to the operation, maintenance, decommissioning and future abandonment of the Project. The Commission also considered its various regulatory roles, such as application assessment and post-decision condition compliance, with respect to each stage in the Project's lifecycle.

3.5 Public Interest

In considering an application for the operation of a pipeline under Part III of the NEB Act, the Commission must consider the overall Canadian public interest.

In considering the public interest, the Commission must, after carefully weighing all of the evidence in the proceeding, exercise its discretion in balancing the diverse interests of the public. The Commission must rely only on the facts that are established to its satisfaction through the hearing process, and must also proceed in accordance with the principles of natural justice.

As well, in considering previous applications under subsection 74(1) of the NEB Act, the Commission has taken into consideration the public interest.⁴ It applied the same standard in its consideration of this Application.

4. Economic and Financial Matters

When making the determination regarding the economic feasibility of the Project, the Commission assessed the need for the proposed facility and the likelihood of it being used at a reasonable level over its economic life. The Commission considered the supply and markets available to the pipeline, the rationale for the Project, and the applicant's ability to finance the Project. The Commission also considered the commercial impacts of the Project.

4.1 Need for, and Alternatives to, the Project

TQM stated that the Project is required to meet existing contractual obligations on the TCPL Canadian Mainline to the Énergir Eastern Delivery Area (EDA) and will reinforce the security of supply through the TQM System. TQM stated that the Project will provide a long-term facility solution to manage increasing loads and changes in how gas is consumed and transported on the TCPL Canadian Mainline, the TQM System, and Énergir's distribution system in the Montérégie and Estrie regions.

TQM also evaluated two facility alternatives to the Project. The TQM greenfield compression build alternative consisted of two greenfield compressor stations on the existing TQM System. The TQM greenfield pipeline alternative consisted of the construction of approximately 32 km of greenfield pipeline from TCPL's Station 802 Compressor Station to the existing TQM System.

TQM stated that the proposed Project is the preferred alternative on a least cost basis.

TransCanada agreed with TQM that the Project will provide numerous benefits and is the most optimal long-term facility solution to manage increasing loads and changes in how gas is consumed and transported on the TCPL Mainline, the TQM system and Énergir's distribution system.

Énergir stated:

Le Projet de TQM est requis pour répondre à la demande croissante et aux besoins existants dans les régions de l'Estrie et de la Montérégie et pour renforcer la Sécurité

⁴ Previous NEB/CER approvals under that subsection include the [TransCanada Keystone transfer](#), the [NGTL Integrated Asset Transfer Project](#), and more recently the [NGTL Albersun Pipeline Asset Purchase Project](#).

d'approvisionnement d'Énergir dans ces deux régions où le taux de saturation de son réseau de distribution est élevé.

4.2 Supply and Markets

TQM stated that gas supplied to the TQM System is from some of the most abundant resources in North America, including from the Montney and Duvernay formations in the WCSB and from the Marcellus and Utica basins in the US. TQM noted that this demonstrates the expectation that these supply basins will continue to provide adequate supply sources to serve future TQM System markets.

TQM submitted that the Project will serve domestic markets in the Énergir EDA. Residential, commercial and industrial markets in the province of Québec are expected to grow marginally from 2018 to 2030. TQM indicated that the outlook for future domestic market demand within the province of Québec shows that sufficient long-term markets are expected to continue to exist in support of the Project.

TQM stated that the Project is required to meet existing contractual obligations on the TCPL Canadian Mainline to the Énergir Eastern Delivery Area (EDA). TQM noted that the Project is required to provide additional T-1 Firm Service to TCPL in order to meet existing contractual commitments to the Énergir EDA which are currently served through TCPL's T-1 Firm Service and directly through the TCPL Canadian Mainline

TQM submitted that the forecast supply and demand growth, combined with current aggregate contractual underpinnings, demonstrates that the Project will be used and useful over its economic life.

No participants expressed concerns about the natural gas supply or the markets available to the Project.

4.3 Ability to finance the construction, operation, and abandonment of the Project

TQM stated that the estimated cost of the Project is \$119 million. TQM expects to execute the financing for the Project, in the context of its historical 60% debt, 40% equity capital structure.

TQM indicated that it has solid access to debt markets and has been assigned a rating of "A (low)" by DBRS Limited and "A-" by Standard & Poor's Rating Services, both with a stable outlook.

With respect to the equity component of the Project, TQM submitted that funding is expected to be provided from a combination of retained cash flows from TQM's operations or additional equity contributions from TQM's partners, TCPL and Gaz Métro Holding Inc., a wholly owned subsidiary of Énergir.

TQM undertook an analysis of the Project to determine the incremental cost to provide service, as well as the estimated impact on TQM's tolls. TQM noted that any increase in annual revenue requirement will be substantially recovered through an increase to the T-1 monthly demand toll.

The total estimated abandonment cost estimate (ACE) for the Project is \$17.5 million, which represents approximately 15% of TQM's existing ACE as approved by the NEB by Letter Decision on 18 April 2018. TQM stated that it has no specific timeline for the future

decommissioning or abandonment of the facilities associated with the Project. A decision on when to decommission or abandon these facilities will be influenced by future service requirements.

No participants expressed concerns regarding TQM's ability to finance the purchase and construction, operation, or abandonment of the Project.

4.4 Commercial Impacts

TQM proposed to treat the costs for the Project on a rolled-in basis, and to determine the tolls for services in accordance with the TQM toll design methodology in effect at any given time. TQM indicated that its existing toll methodology is a cost-based methodology that begins with the calculation of the annual revenue requirement. TQM said the average increase in the cost of service for the 2023-2026 period compared to the 2019 Final Tolls would be approximately 21%.

TQM stated that it presented the requirements for the Project to TCPL's Tolls Task Force (TTF) stakeholder committee on 6 September 2017 and the Project was also discussed during a broader TCPL Canadian Mainline and TQM facilities update to the TTF in March 2019 and August 2019. TQM said it is not aware of any commercial stakeholder concerns with the Project.

Views of Participants

No Participants expressed concerns regarding the commercial impacts of the Project.

Views of the Commission

The Commission is of the view that the Project is economically feasible and is likely to be used at a reasonable level over its economic life.

The Commission finds that TQM has demonstrated a need for the Project. Further, the Commission finds that the Project is the least cost alternative that will allow TQM, Énergir, and TransCanada to meet existing contracts and position the pipelines to meet growing and shifting market demand from the abundant gas supply that TQM connects to through upstream pipelines.

The Commission has no concerns with TQM's ability to finance the purchase and construction, operation, and abandonment of the Project. The Commission reminds TQM that it must file an application for an updated ACE when there is a material change to its ACE. The Commission is of the view that the stated 15 per cent increase to TQM's ACE as a result of the Project is material.

The Commission finds TQM's proposal to roll the cost of the Project into TQM's rate base and to apply the existing TQM toll methodology to be reasonable. The Commission notes there were no concerns raised by parties regarding the potential commercial impacts from the impact of the Project on TQM's cost of service.

5. Facilities and Emergency Response Matters

5.1 Operation and Construction

In consideration of the safety and security of proposed facilities, the Commission assesses whether the facilities are appropriately designed for the properties of the product being transported, the range of operating conditions, and the human and natural environment where the facilities would be located. TQM is responsible for ensuring that the design, specifications, programs, engineering assessments, manuals, procedures, measures, and plans developed and implemented are in accordance with the OPR, which includes by reference the Canadian Standards Association (CSA) Standard CSA Z662 – Oil and Gas Pipeline Systems (CSA Z662).

The CER holds companies accountable so that Canadians and the environment are protected throughout the lifecycle of each pipeline or project regulated by the CER. The lifecycle includes the planning and pre-application phase, the application assessment and public hearing phase, the construction and post-construction phase, the operations and maintenance phase, and the eventual abandonment phase. Using a risk-informed approach, the CER conducts compliance verification activities such as audits, inspections, meetings, and evaluation of condition filings, and other manuals and reports. The Commission notes that the Project would be part of the existing TQM System which is subject to the CER's comprehensive regulatory oversight.

5.2 The Sabrevois Assets

5.2.1 Design, Integrity and Safety

TQM stated that the Sabrevois Assets were designed and constructed in accordance with the most applicable pipeline codes and standards in effect at the time (CSA Z184-1979) and are operated according to current CSA standards and Énergir's Technical Specifications.

Views of the Commission

The Commission is satisfied that the general design of the Sabrevois Assets is appropriate for the intended use. The Commission is further satisfied that the Sabrevois Assets would be operated in accordance with the OPR and CSA standards.

5.2.2 Fitness for service

In order to determine the current state, and confirm the suitability for future operation and integrity management of the Sabrevois Assets, TQM conducted a review of Énergir's available records, and a review of key elements of pipeline and facility attributes, construction, operational, and inspection data elements.

Énergir has provided TQM with copies of available records set out in section 10.4 of CSA Z662-19 and paragraphs 56(e) to 56(g) of the OPR. TQM conducted site visits to review a representative sample of the Sabrevois Assets consisting of the Sabrevois Pipeline and laterals, Sabrevois Delivery Station, valve sites and associated launcher and receiver facilities.

Based on the reviews conducted and Énergir's representations and warranties as set out in the Sale agreement, TQM has determined that it can manage all potential integrity challenges through TC Energy's Integrity Management Program (IMP).

TQM will ensure that the operation, maintenance and any upgrades required of the pipeline will be in accordance with the OPR, CSA Z662-19, TC Energy Operating Procedures and applicable regulatory requirements.

Views of the Commission

The Commission is satisfied that Énergir has provided TQM with copies of available records, as set out in section 10.4 of CSA Z662-19 and paragraphs 56(e) to 56(g) of the OPR. Based on the Sabrevois Assets current state as described in the application, and based on TQM's commitment to operate these assets in accordance with the OPR, CSA Z662-19, TC Energy Operating Procedures and applicable regulatory requirements, the Commission is satisfied that the Sabrevois Assets can be safely operated.

5.3 The Bromont Compressor Station and the Saint-Basile interconnect

5.3.1 Design and Construction

5.3.1.1 Codes and Standards

TQM stated that the Project would be designed, constructed and operated in accordance with the requirements of the OPR and CSA Z662-19. If there are any inconsistencies between the OPR and CSA Z662-19, the OPR would govern.

Views of the Commission

The Commission is satisfied that the general design of the Project is appropriate for the intended use. The Commission is further satisfied that the Project would be designed, located, constructed, installed and operated in accordance with the OPR and CSA Z662-19.

The Commission recommends Condition 2 (Appendix II) be attached to the Certificate and Condition 2 (Appendix III) be attached to the order under Section 58 requiring TQM to comply with the specifications, standards, commitments made and other information included its application or in its related submissions.

5.3.1.2 Construction

TQM stated that all welding and non-destructive examination (NDE) of pipeline welds would comply with the requirements of the OPR and CSA Z662-19, and the TCPL welding procedures and specifications. All high-pressure gas piping welds would undergo 100% NDE coverage, for the auxiliary systems operating at low stress levels, generally equipped with instrumentation that shuts down the system and limits any leaks if a release incident occurs, TQM proposes 15% NDE coverage. All butt joint welds will be inspected visually and radiographed or ultrasonically tested for 100% of their circumference. All fillet welds are to be inspected for 100% of their circumference using magnetic particle inspection or, for non-magnetic welds, a liquid penetrant inspection process. For lower-risk auxiliary piping systems, TQM proposes to conduct NDE on 15% of production welds per day during construction.

TQM requested Leave to Open (LTO) exemption for certain tie-in assemblies, including auxiliary system piping. TQM stated that the welds listed for each tie-in could not be pressure tested in the field because they are final tie-in welds. TQM indicated that the integrity of the welds would be verified by both a visual inspection and NDE that includes one or more of radiographic, ultrasonic, magnetic particle, or liquid penetration examination, depending on the size and type of weld. Inspectors would monitor the welding on site, verify that safe practices are implemented and record welding parameters as part of their inspection to ensure that welding is conducted in conformance with the qualified welding procedures. TQM has committed that the shop tests for the tie-in assemblies would comply with the required time duration and pressure testing requirements of CSA Z662-19.

TQM confirmed it would clean the pipeline with cleaning pipeline inspection gauges to remove construction debris. Prior to arrival onsite, pressure testing of pre-fabricated components such as above ground risers, valve assemblies and elbow fittings with associated piping would be completed in accordance with CSA Z662-19. TQM noted that upon the successful completion of hydrostatic testing, the pipeline would be prepared for commissioning and startup.

Views of the Commission

The Commission is satisfied that the Project will be constructed using accepted industry practices, and will comply with the requirements of the OPR and CSA Z662-19, with the exception of the exemptions granted below. The Commission notes that TQM has committed to monitoring construction activities. The Commission has also noted that for low-risk auxiliary piping systems, TQM committed to conduct NDE on 15% of production welds per day during construction. The Commission has decided to grant TQM an exemption from the requirements of paragraph 30(1)(b) and subsection 47(1) of the NEB Act to obtain LTO from the Commission before installing tie-ins to existing pipelines and facilities.

5.3.2 Operations – Pipeline Integrity

5.3.2.1 Control System and Overpressure Protection

TQM submitted that the pressure control (PC) and overpressure protection (OPP) design of the Project would comply with the requirements of the OPR and CSA Z662-19. TQM stated that the TC Energy's Control Centre, which operates 24 hours a day and 7 days a week, monitors and controls real-time pipeline pressures through a supervisory control and data acquisition (SCADA) system. TQM submitted that procedures are in place to ensure regular inspection, assessment and testing at the required intervals which will ensure that all facilities' PC and OPP systems are in good operating condition, and set to function at the determined pressure. TQM stated that the Sabrevois Assets will be operated and maintained in accordance with TCPL's Pressure Control and Overpressure Protection Philosophy for Gas Systems. Additionally, TQM stated that the evaluation of the current PC and OPP systems considers: all sources of overpressure including device failure scenarios, collateral effects of device failure on the PC/OPP systems as a whole, how redundancy of the components can be improved or implemented, and whether pipeline and facility modifications affect the operation or reliability of the PC/OPP systems.

Views of the Commission

The Commission is satisfied that the PC and OPP systems proposed for the Sabrevois Assets, the Bromont Compressor Station and the Saint-Basile

Interconnect are appropriate and will meet the requirements of the OPR and CSA Z662-19.

5.3.2.2 Coating

TQM submitted that the primary coating for the external surface of the below ground pipe would be Liquid epoxy or Fusion Bond Epoxy (FBE). Girth welds coated in the field would be protected with a liquid applied epoxy coating. Below-ground assembly piping would be protected with a suitable liquid applied coating. Above-ground piping would be primed and painted, and acoustically insulated.

Views of the Commission

The Commission is satisfied that TQM has appropriately considered issues related to coating and integrity threats to the pipeline during construction and operation. The Commission finds the coating measures to be appropriate for the Project.

5.3.2.3 Corrosion Control

TQM submitted that the compressor station piping and facilities will be cathodically protected by Cathodic Protection (CP) systems that include appropriately located and sized anode groundbeds and power sources (i.e., rectifiers and thermoelectric generators). TQM indicated these CP systems will be designed in conjunction with the upstream and downstream pipeline systems, sacrificial anodes might be used at specific locations. TQM stated that CP for the Saint-Basile Interconnect will be provided by existing and/or new TQM facilities. CP test stations and/or other appurtenances (such as monolithic isolation joints) will also be installed if required and; test stations may be located at locations including foreign pipe crossings, road crossings, and fence lines.

Views of the Commission

The Commission is satisfied that TQM's CP measures are appropriate for the Project and notes TQM's stated intent to monitor the effectiveness of those measures and ensure compliance to the applicable code requirements.

5.3.2.4 In-line Inspection

TQM stated that the Sabrevois Pipeline includes both pigged line segments for in-line inspection (ILI), as well as unpigged line segments. TQM will acquire the pig launcher at the Sabrevois Delivery Station and the pig receiver located at Énergir's Shefford Station. Énergir's station will become a new custody transfer point for the Project. TQM stated that Énergir has performed External Corrosion Direct Assessment (ECDA) on six of the seven laterals, except the Brigham Lateral. TQM further stated that in consultation with Énergir, TQM can confirm that, since its disconnection from Brigham Meter Station, the remnant 2.73 m section of pipe has been monitored with all regular operation and maintenance (O&M) activities applied to the Sabrevois mainline including leak detection, test post readings, vegetation control, right-of-way management, Close Interval Survey (CIS), and in-line inspection, and no deficiencies have been indicated, the pipe section's exposure to integrity-related threats has been effectively limited, and therefore an ECDA was not performed on the Brigham Lateral by Énergir.

Views of the Commission

The Commission understands that during the early stages of operation, an ILI provides important data on the integrity status of the pipeline. Comparing this baseline data with subsequent ILI runs enhances a company's ability to identify potentially threatening changes to the integrity of the pipeline. The Commission is of the view that ILI is a widely used pipeline industry best practice to monitor the condition of a pipeline and is satisfied with TQM's has collected historical ILI data from Énergir for the Sabrevois Assets.

5.3.3 Integrity Management

TQM committed to implementing TransCanada's IMP to monitor and ensure the integrity of the Project. TQM's risk assessment is used to identify potential integrity threats and initiate inspection and mitigation activities. In the operations phase of the Project, implementation of the IMP would be used to:

- reduce the potential for adverse environmental effects;
- protect the installed pipelines and facilities;
- maintain reliability; and
- ensure the safety of the public and Project personnel.

In the design and operations phase of the Project, TQM committed to implementing preventative maintenance programs, including:

- aerial patrols;
- internal inspections;
- cathodic protection monitoring; and
- pipeline markers at roads and pipeline watercourse crossings.

Views of Participants

No Participants expressed concerns with respect to TQM's proposed operations of the Sabrevois Assets or construction of the Bromont Compressor Station and the Saint-Basile interconnect.

Views of the Commission

The OPR requires companies to develop, implement and maintain an IMP that anticipates, prevents, manages and mitigates conditions that could adversely affect safety or the environment. The Commission understands that integrity monitoring is a continuous improvement process and conducted throughout the lifecycle of a project. The Commission is satisfied that potential integrity threats would be identified and mitigated and that the Project would be incorporated into TransCanada's IMP once operations commence.

5.4 Emergency Management

TQM stated that emergency management during Project construction will be governed by the Project-specific Emergency Response Plans (ERPs), and during operations by TC Energy's Emergency Management Corporate Program Manual and related operating procedures.

TQM stated that during construction, the prime contractor(s) will have overall responsibility for health and safety at the work site. TQM stated that the prime contractor(s) will prepare a security plan and a field Emergency Response Plan (ERP) specific to the scope of work for which they have been contracted that will be reviewed by TCPL before construction starts on the Bromont Compressor Station and Saint-Basile Interconnect. TQM indicated that employees and contractors receive training for emergency events and if there is an incident, they will work closely with landowners and impacted persons or groups, as well as authorities and emergency responders to manage it.

In its response to a Commission information request, TQM said that in addition to its work with Énergir as the company responsible for critical infrastructure in the region, TQM has provided Project information about the Sabrevois Assets, the Bromont Compressor Station and the Interconnect and the transfer of owner and operatorship directly to emergency response agencies and municipalities having jurisdiction over regional emergency response applicable to the Project components. TQM stated that parties did not raise concerns about the Project's Emergency Planning Zones (EPZ's) or emergency preparedness regional sensitivities around response roles, demographics, infrastructure or resource deficits, or other considerations that would enhance or challenge the Project's emergency preparedness outcomes or put any emergency response related to the Project at risk. TQM stated that these parties will also be directly incorporated into TCPL's Public Awareness Program when the Project is complete and it will continue to liaise and educate emergency response agencies as appropriate, and incorporate any relevant regional information into its emergency response planning.

TQM acknowledges that the Province of Québec utilizes an alternate framework of emergency response that is distinguishable from the Incident Command System (ICS). TQM stated that in 2017, TCPL collaborated with a range of jurisdictional authorities under the Québec Framework in a corporate emergency response exercise executed on the TQM System, in Terrebonne, Québec. TQM also stated that in 2019, TCPL engaged with a committee comprised of Québec municipalities, provincial (Québec) government officials, as well as federal government officials and agency representatives, around a working paper aimed at improving the state of preparedness of the participating groups and agencies called upon to manage response in case of a pipeline release in Québec. In 2019, TQM stated that TC Energy met with the representatives from Québec's Ministry of Public Security representative and the CER to enhance TC Energy's understanding of the Québec Framework, its operational and philosophical differences with ICS, and to help ensure collaboration and interoperability between the two systems in case of an emergency.

TQM stated that it will further refine aspects of interoperability between the two emergency management systems through future exercises, and other liaison and continuing education activities that will be implemented throughout the life of the Project. TQM stated that it is confident the ERPs applicable to the Project in combination with the operation of TC Energy's Emergency Management Program (which includes ongoing liaison and continuing education activities), and Québec's emergency management system can effectively manage the planning and response needs of the identified EPZ for the Project and its related risks.

Views of Participants

In its Application to Participate, the city of Saint-Basile-le-Grand expressed concerns related to infrastructure being close to Route 116, and a previous gas leak triggering emergency measures.

Views of the Commission

The CER's regulatory requirements focus on preventing incidents and emergencies, and the CER promotes development of pipeline company safety culture as an important element in meeting this goal.

While the CER is satisfied with TQM's commitment to continue refining the interoperability between the emergency management system (the Incident Command System) it utilizes, and the system used in the Province of Québec through future corporate exercises and other liaison and continuing education activities that will be implemented throughout the life of the Project, the Commission has included Condition 7 in the Certificate in order to have TQM confirm that all agencies that may be involved in an emergency response on the Pipeline have been notified of the change of ownership.

The CER has a comprehensive regulatory regime in place related to pipeline design, safety, incident prevention, development of an emergency management program and an emergency management system as well as emergency preparedness and response. TQM would be subject to this regime.

6. Public Consultation

Note that the Commission's analysis with respect to engagement with Indigenous⁵ peoples is provided in Section 7 (Engagement with Indigenous Peoples).

TQM stated that its approach to stakeholder engagement to date has been to ensure that potentially affected landowners, municipalities, federal and provincial elected officials and other stakeholders such as non-governmental groups have had the opportunity to review and provide input on the proposed Project in the official language of their choice, French or English. TQM further stated that it tailored its stakeholder engagement depending on the scope of each of the Project components – the acquisition of the Sabrevois Assets, as well as the construction and operation of the Bromont Compressor Station and Saint-Basile Interconnect.

6.1 Sabrevois Assets

For the Sabrevois Assets, TQM identified landowners, municipalities, Regional County Municipalities (MRCs) and emergency responders as potentially impacted. TQM stated that it mailed information and Project update packages in December 2018, and Project update packages in August 2019.

6.2 Bromont Compressor Station

With respect to the Bromont Compressor Station, TQM said it started its consultation program in March 2019 by engaging with the City of Bromont, landowners, land users, city councilors, and first responders. TQM provided project information packages, conducted in-person meetings, and held information sessions.

⁵ "Indigenous" has the meaning assigned by the definition of Aboriginal peoples of Canada in subsection 35(2) of the *Constitution Act, 1982*:

(2) In this Act, "aboriginal peoples of Canada" includes the Indian, Inuit and Métis peoples of Canada.

6.3 Saint-Basile Interconnect

TQM stated that it began implementing its engagement program for the Saint-Basile Interconnect in November 2018 when it held a meeting in Saint-Basile-le-Grand to present information on the Project. TQM emailed Project information to the MRC of Vallée-du-Richelieu and first responders in January 2019. Project update packages were sent to these same stakeholders in August 2019.

TQM committed to continue to engage with stakeholders affected by all Project components and respond to any questions or address any concerns that may arise. TQM further committed to implement its Public Awareness Program throughout the operational phase of the Project.

TQM further noted that no parties disputed any of TQM's approach to stakeholder engagement for the Project, the outcomes of this approach as implemented for the Project's various components in TQM's evidence or its commitment to continued engagement with stakeholders throughout all stages of the Project.

Views of Participants

No Participants expressed concerns with respect to TQM's public consultation.

Views of the Commission

The Commission is of the view that TQM adequately and appropriately identified stakeholders and potentially affected landowners, as well as developed appropriate engagement materials. The Commission is also of the view that TQM's design and implementation of engagement activities for the Project was adequate given the scope and scale of the Project. The Commission notes TQM's commitments to continue engaging with stakeholders through its Public Awareness Program throughout the lifecycle of the Project. Additionally, the Commission imposes Condition 8 to the Certificate to ensure TQM updates its signage to reflect the change in ownership.

7. Engagement of Indigenous Peoples

TQM stated that although the Project is situated within the traditional territories of the Abenakis, Algonquins, and Mohawks, all components are located on privately-held lands except for 6 km of the Sabrevois Assets that cross municipal roads and undeveloped provincial lands. TQM stated it determined there is no potential for the practice of Indigenous rights to be impacted by the Project because all construction will occur on privately-owned lands, there is no potential for impacts on navigation, and the Project is located approximately 40 km from the nearest Indigenous Community.

The CER determined that the following Indigenous communities have traditional territory in the Project area and are potentially impacted by the Project:

- Algonquin Anishnabeg Nation;
- Mohawks of Kanesatake;
- Mohawks of Kahnawake;
- Abénakis de Wôlinak; and
- Odanak First Nation.

On 4 February 2020, the Commission directed TQM to serve a copy of the Notice of Public Hearing and Application to Participate on the CER-identified communities.

TQM confirmed it served the notice on the aforementioned Indigenous communities and that no outstanding concerns were raised with TQM. TQM committed to ongoing engagement with Indigenous peoples through its Environmental Protection Plan (EPP).

Views of Participants

No Participants expressed concerns with respect to the engagement of Indigenous peoples.

Views of the Commission

The Commission is of the view that a company's early engagement with Indigenous peoples is a critical part of the development of a proposed project. Timely, accessible, and inclusive engagement facilitates the meaningful exchange of information. When conducted effectively, engagement activities provide opportunities for the company to learn about the concerns of potentially affected Indigenous peoples, to discuss how those concerns can be addressed through project design and operations, and to develop and discuss measures to reduce and mitigate the effects a project may have on the rights and the interests of Indigenous peoples.

The Commission notes that engagement efforts undertaken by a proponent with Indigenous peoples are considered within the context of the expectations set out in the CER's Filing Manual. While a proponent's engagement efforts are distinct from those of the Crown, the information gathered as a result of such efforts often provides helpful information to the Commission's understanding of the views and concerns with respect to the rights and interests of potentially-affected Indigenous peoples. The Commission expects companies to design and implement their engagement activities with regard to the nature and magnitude of a project's potential impacts early in the design phase and throughout the lifecycle of the Project.

The Commission notes that TQM has provided Project information to the CER-identified communities, and that no issues or concerns were raised. The Commission is satisfied that TQM has provided Project information to potentially impacted communities and that TQM will continue engaging with Indigenous peoples throughout the lifecycle of the Project through its EPP and PAP.

The Commission reminds TQM to be mindful of the challenges presented by the COVID-19 pandemic when developing approaches for ongoing engagement.

Subsection 35(1), Constitution Act, 1982

The Commission has considered the following factors when evaluating the adequacy of consultation and accommodation for the Project: TQM's route selection; the size, scope, and scale of the Project; TQM's engagement with Indigenous peoples for the Project including the notice and sufficiency of information about the Project that was provided; the evaluation process for the Project; the participation opportunities for Indigenous peoples, and the fact that no submissions from Indigenous peoples were received.

The Commission is of the view that there has been adequate consultation for the purpose of the Commission's decision on this Project. Furthermore, the Commission is of the view that any potential Project impacts on the rights and interests of affected Indigenous peoples are not likely to be significant and can be effectively addressed.

As a result of the above, considering all of the findings in this Recommendation and Decision, the Commission is of the view that an approval of this Project is consistent with section 35 of the *Constitution Act, 1982* and the honor of the Crown.

8. Land Matters

TQM described the land areas for the Project as follows:

8.1 Sabrevois Assets

The Sabrevois Assets, entirely located in the province of Québec, consist of approximately 64 km of a 406.4 mm (NPS 16) diameter pipe and approximately 11 km of lateral pipes ranging in diameter from 60.3 mm (NPS 2) to 219 mm (NPS 8). The pipeline crosses 11 municipalities grouped into three MRCs. The Sabrevois Assets also include the Sabrevois Delivery Station, valve sites, and a launcher and receiver. The land disposition associated with the Sabrevois Pipeline and laterals is as follows:

- 2% (1.35 km) located on provincial lands;
- 6% (4.33 km) located on municipal lands; and
- 92% (69.26 km) located on private lands.

TQM submitted that it is conducting a due diligence review on both the private and public lands sections to ensure the appropriate land titles are in place prior to closing the sale.

8.2 Bromont Compressor Station

The Bromont Compressor Station will be located on private land and will require a permanent footprint of 3.88 ha with a buffer zone of 1.29 ha and 1.01 ha for an access road. Approximately 1.86 ha of temporary work space (TWS) is required for construction for a total of 8.04 ha of land requirements. These land requirements were updated from the initial estimates provided in TQM's Application in consultation with the affected landowner as well as the Commission de protection du territoire agricole du Québec.

The TWS will not be required for the operational phase and TQM has committed to remediating it and returning it to the landowners. TQM also committed to acquiring all applicable land rights prior to beginning construction.

8.3 Saint-Basile interconnect

TQM stated that 20 m of NPS 12 pipeline is required for the construction of the Saint-Basile Interconnect. The Saint-Basile Interconnect will be located within TQM's existing right-of-way (ROW). As part of the TQM Reinforcement Program, Énergir plans to acquire the land on which the Saint-Basile Interconnect is located and surrounding land for its proposed delivery meter station. As approximately 0.12 ha of TWS will be required to construct the Saint-Basile Interconnect, TQM will sign an agreement with Énergir for TWS on the land to be acquired by Énergir.

9. Environment and Socio-Economic Matters

Under the NEB Act, the Commission considers environmental protection as a component of the public interest. When making its recommendations and decisions, the Commission is responsible for assessing the environmental and socio-economic effects of the Project throughout the life of the Project. As none of the Project components are considered a designated Project under the *Canadian Environment Assessment Act, 2012* (CEAA, 2012), an environmental assessment under the CEAA, 2012 is not required.

In assessing the Project components, the Commission identified interactions expected to occur between the proposed activities and the surrounding biophysical and socio-economic elements. The Commission also considered the potential accidents and malfunctions that may occur due to the Project components, and any changes to the Project components that may be caused by the environment. Where interactions were predicted, the Commission then considered any potential adverse effects, as well as the adequacy of the proposed environmental protection strategies and mitigation measures.

Where there were any predicted residual effects associated with the Project components, the Commission also considered the cumulative effects in combination with the residual effects from other past, present or reasonably foreseeable future projects within the appropriate temporal and spatial boundaries and ecological and socio-economic context.

9.1 Sabrevois Assets

In its acquisition of the Sabrevois Assets, TQM submitted that no physical activities would occur, and therefore no associated interactions between the Sabrevois Assets and the environment were assessed. Based on its environmental Due Diligence Assessment, TQM concluded that the potential environmental liabilities associated with the current and historical operations of the Sabrevois Delivery Station, pipeline and laterals were a low-level concern.

Through its Assessment, TQM identified the presence of stressed vegetation, a hydraulic oil leak at the Sabrevois Delivery Station, and the potential for lead in the Sabrevois Delivery Station building, and committed to ongoing monitoring in accordance with TQM's standard practices for integrity management related to land, groundwater and surface water assets. As all assets included in the Sabrevois Asset Purchase are currently in place and operating, TQM submitted that negligible noise impacts and minimal traffic increases during maintenance activities could be expected.

9.2 Bromont Compressor Station

The components included in the Bromont Compressor Station are described above in Section 1 of this Letter, while the land requirements are described above in Section 8. The land requirements include the permanent disturbance footprint – consisting of the Bromont Compressor Station footprint, a buffer zone required for security between the Bromont Compressor Station and its surroundings, and an access road – and the area of temporary workspace, collectively described as the Project Development Area (PDA). Construction of the Bromont Compressor Station is expected to take approximately 16 months, with vegetation clearing beginning after the migratory bird nesting period ends on 13 August 2021.

9.2.1 Environmental Setting

TQM submitted that there are no interactions with unique physical features or natural hazards, nor known contamination in the PDA. Regarding potential effects on water quality and quantity, TQM submitted that the PDA is within the Yamaska River watershed, and that one permanent watercourse (Beaudry Brook) and four drainage ditches cross within 30 m of the PDA. A groundwater well was also located 21 m from the PDA. TQM added that Beaudry Brook is home to four fish species, none of which are at risk, and the brook was assessed to have moderate spawning potential.

TQM submitted that the vegetation in the PDA consists primarily of deciduous forest dominated by maple, American beech, white ash and yellow birch. There are two old-growth forest stands (Canadian hemlock and a sugar bush) within 30 m of the PDA, though none overlap with the disturbed footprint. TQM also submitted the presence of three invasive species; alder buckthorn, reed canary grass and common reed. According to TQM, a total of 4.68 ha of the permanent disturbance footprint and 0.63 of TWS would disturb native vegetation (3.19 ha woodland, 1.47 ha wetland, and 0.64 ha early successional vegetation). Regarding potential effects on wetlands, TQM submitted that 1.47 ha of treed swamp, shrubby swamp, and pond would be permanently disturbed by the PDA. The remaining land uses within the PDA include cultivated field, mown field, bare ground and an existing gravel path.

TQM submitted that two species listed on Schedule 1 of the federal *Species at Risk Act* have potential to be present at the Project site: Canada warbler (*Setophaga cerulean*) and eastern wood-pewee (*Contopus virens*). However, these species were not found during 2019 field surveys, and no critical habitat has been identified in the PDA. TQM also submitted that three provincially-listed species at risk may be present in the PDA: four-toed salamander (*Hemidactylium scutatum*), northern dusky salamander (*Desmognathus fuscus*), and northern ringneck snake (*Diadophis punctatus*). TQM added that the presence of four-toed salamander was confirmed during 2019 surveys, while northern dusky salamander and northern ringneck snake have potential to be present though were not confirmed during the survey.

9.2.2 Environmental Effects Analysis, Site-Specific Mitigation Measures and Cumulative Effects

TQM submitted that residual effects related to construction and operation of the Bromont Compressor Station are anticipated on vegetation, wetlands, wildlife and wildlife habitat, and species at risk or species of special status. These effects are related to the loss, alteration or disturbance of habitat, change in habitat connectivity and wildlife movement, as well as an increase in wildlife mortality risk. To mitigate these effects, TQM committed to minimize tree cutting to the extent practical and respect all environmental regulations related to the protection of forests. TQM also committed to a number of wetland mitigation measures in its Environmental and Socio-economic Assessment (ESA) and EPP, with additional site-specific mitigation to be discussed with provincial authorities during the provincial permitting process and added to the Project EPP as required. TQM explained that the permanent loss of wetlands would be financially compensated according to Québec's *Loi concernant la conservation des milieux humides et hydriques* (LQ 2017, c 14). TQM also committed to conducting a wildlife sweep prior to construction, applying exclusion fencing for snakes and salamanders, and marking protective buffers around bird nests as required. TQM committed to work in consultation with the province on site-specific measures for the four-toed salamander and other provincially-listed species, which would be added to the Project EPP.

Residual effects related to vehicles and construction equipment as well as facility operation would impact air and greenhouse gas emissions (GHGs), acoustic environment, human occupancy and resource use, human health and aesthetics, and infrastructure and services. Air contaminant emissions and noise levels would comply with regulatory thresholds, and TQM submitted that the residual effects would therefore not be significant.

TQM also submitted that residual effects on the acoustic environment resulting from construction vehicles and activities are predicted to be reversible in the short-term and of low magnitude. Regarding operation-related noise levels, TQM submitted that the Bromont Compressor Station units and associated systems would be housed in noise-attenuated buildings within a fenced-in yard that is approximately 450 m from the nearest receptor at a campground near the Estriade cycle pathway. During operations, TQM stated that it will comply with provincial noise requirements. TQM added that air contaminant emissions would also comply with regulatory thresholds. Overall, considering the mitigation measures proposed, TQM submitted that the residual effects on the acoustic environment and air and GHGs associated with the Bromont Compressor Station would not be significant.

9.2.3 Socio-economic Matters – Effects and Mitigation Related to Traffic

TQM submitted that at the Bromont Compressor Station, the estimated workforce is approximately 50 workers on average and 200 workers at peak levels during construction which is expected to be about 16 months. At the Saint-Basile Interconnect, the estimated workforce is approximately 15 to 20 workers and the duration of construction is expected to be 4 to 5 weeks. During construction of the Bromont Compressor station, TQM stated there would be increases in traffic volumes. However, the Project has a limited scope, relatively small workforce, short duration of construction and long hours of shift work that will minimize community interaction. Therefore, there are limited predicted interactions with existing local traffic patterns resulting from the Project. TQM committed to following the measures outlined in the Traffic Control Management Plan included in its EPP.

Regarding the installation and operation of the electrically driven compressor unit, TQM confirmed that the electric tie-in line from the existing grid would be installed along the access road to the station, and submitted that the cumulative effects associated with the electric tie-in are of low magnitude and would not change the overall determination of significance. TQM submitted that the contribution of the Bromont Compressor Station to cumulative effects on biophysical and socio-economic receptors is of low magnitude due to the limited areal extent and proposed mitigation measures, including wetland compensation measures, and reversible in the short- to long-term. TQM concluded that a significant cumulative effect is not likely to occur.

9.3 Saint-Basile Interconnect

The Saint-Basile Interconnect consists of installing 20 m of NPS 12 pipe connecting the TQM system (East Hereford Mainline) to a planned Énergir delivery station. TQM confirmed that the work would occur on TQM's existing RoW, alongside Route 116 in the City of Saint-Basile-le-Grand on a mix of cultivated land, early successional vegetation, invasive species, and gravel. TQM submitted that the work would take approximately four to five weeks to complete, with construction activities scheduled outside of the migratory bird nesting period.

9.3.1 Environmental Setting

TQM submitted that there are no interactions with unique physical features or natural hazards, and no known contamination at the Project site. Regarding water quality, water

quantity and wetlands, TQM confirmed that one intermittent watercourse, one drainage ditch and no wetlands are located within 30 m of the Interconnect site. TQM submitted that the vegetation at the site is dominated by early successional vegetation and invasive species, including reed canary grass, common reed, common valerian, smooth brome, wild chervil and wild parsnip, with the remainder of the site under annual cultivation or gravelled. TQM also confirmed that no federal or provincially-listed species at risk have the potential to be present at the site.

9.3.2 Environmental Effects Analysis, Site-Specific Mitigation Measures and Cumulative Effects

TQM submitted that residual effects on vegetation and wildlife and wildlife habitat are expected to be limited in extent, reversible, and of low magnitude due to the disturbed nature of the site and the limited extent of the work. Additionally, TQM submitted that construction activities would increase emissions temporarily, affecting ambient air quality, and release a small (non-reportable) amount of GHGs. No measurable increase in noise is expected due to the presence of the adjacent highway. TQM submitted that local traffic would increase during construction but would not increase during operations aside from vehicle and equipment use during site-specific maintenance.

TQM assessed the cumulative effects of the Saint-Basile Interconnect construction in combination with the construction of the Énergir Delivery Station Project, and concluded that effects on vegetation, wildlife and wildlife habitat, and air and GHG emissions would be of low magnitude and reversible in the short- to long-term, and therefore a significant cumulative effect was not likely to occur.

9.3.3 General Mitigation and Environmental Assessment Conclusions

TQM committed to general mitigation measures for environmental protection for both the Bromont Compressor Station and the Saint-Basile Interconnect in its ESA and EPP. These include contingency plans in the event that contaminated soils are encountered, including a Contaminated Soils Contingency Plan and the TC Energy Waste and Hazardous Materials Management Manual, as well as a Chemical and Waste Management Plan to prevent contamination. TQM committed that the water for hydrostatic testing at the Bromont Compressor Station and the Interconnect would be sourced from a private or municipal source and tested and disposed of appropriately in accordance with applicable permits and authorizations.

Measures described in TQM's Breeding Bird and Nest Management Plan and Wildlife Species of Concern Discovery Contingency Plan would be used to reduce potential residual effects on wildlife at both Project sites. TQM committed that post-construction monitoring would extend to the end of the first full growing season following final cleanup.

With these measures in place, TQM submitted that the site-specific and cumulative effects of the Project components, in combination with existing activities and disturbances and reasonably foreseeable developments, would be of low magnitude, limited areal extent, reversible in the short- to long-term, and therefore not significant.

Views of Participants

No Participants expressed concerns with Environment or Socio-Economic matters related to TQM's application or submissions.

Views of the Commission

The Commission notes that, with TQM's proposed mitigation measures, potential residual environmental and socio-economic effects would be limited in extent and magnitude. Given that TQM followed the requirements of the NEB Filing Manual in preparing its ESA, using a standard approach and defensible assessment methodology, and that no evidence was filed in dispute, the Commission accepts TQM's approach and conclusions.

The Commission is of the view that the construction of the Bromont Compressor Station would have residual effects on woodland and wetland habitats; however the relatively small spatial extent combined with TQM's commitments to vegetation, wetland and wildlife protection measures render the potential adverse effects to be of low magnitude. The Commission is also of the view that the operation of the Bromont Compressor Station would have residual effects on ambient noise and air emissions; however it is satisfied that TQM would comply with all associated provincial requirements and finds the proposed mitigation measures adequate. With respect to the Saint-Basile Interconnect, the Commission is of the view that the work would be of short duration and small spatial extent and would take place on previously disturbed land, limiting the potential for adverse environmental effects.

The Commission notes that the Project requires a small workforce, and a limited number of vehicles and equipment. Noise and traffic impacts will occur during construction and operation but the Commission is of the view that they will be minimal and adequately mitigated through TQM's noise attenuation efforts and Traffic Control Management Plan in its EPP. The Commission also notes that no public comments were received from parties with respect to TQM's ESA or environmental mitigation measures.

Overall, the Commission concludes that the residual adverse environmental and socio-economic effects, including any residual cumulative effects, associated with the Project components would be of low magnitude, limited in extent, and therefore not significant. The Commission has no outstanding concerns with respect to potential environmental and socio-economic effects.

Yours sincerely,

Original signed by

Jean-Denis Charlebois
Secretary of the Commission

Attachments

Appendix I

List of Issues for the TQM Reinforcement and Asset Purchase

1. The need for the proposed project.
2. The valuation, tolls and financing for the proposed project.
3. The current condition of the Sabrevois Assets and their continued operation, and request for leave to open the Bromont Compressor Station and the Saint-Basile Interconnect.
4. The potential environmental and socio-economic effects of the proposed project, including any cumulative environmental effects that are likely to result from the project, including those required to be considered by the CER's Filing Manual.
5. Potential impacts of the project on rights and interests of Indigenous peoples.
6. Potential impacts of the project on landowners and land use.
7. The terms and conditions to be included in any approval the Commission may issue, or any recommendation the Commission may make.

Appendix II

National Energy Board Act Section 52 Certificate Conditions

In these conditions, where any condition requires a filing with the Commission of the Canada Energy Regulator (Commission) “for approval”, TQM must not commence any action under that condition until Commission approval is issued.

In this document, the terms below (in bold) have the following meanings:

Application	Portion of TQM’s application dated 23 August 2019 filed pursuant to section 52, of the NEB Act
Assets	The Sabrevois Pipeline consisting of approximately 64 km of pipeline, seven laterals (approximately 11 km total in length), associated facilities, and miscellaneous interests
CER	Canada Energy Regulator
Closing	The completion of the transfer to and acceptance by TQM of the Sabrevois Assets
Closing Date	The first business day following the date upon which the Closing takes place
Commission	Commission of the Canada Energy Regulator
Certificate	Certificate of Public Convenience and Necessity, pursuant to section 52 of the NEB Act, authorizing the operation of the Section 52 Pipeline and related Facilities.
including	Use of this term, or any variant of it, is not intended to limit the elements to just those listed. Rather, it implies minimum requirements with the potential for augmentation, as appropriate.
NEB	National Energy Board
OPR	<i>Canadian Energy Regulator Onshore Pipeline Regulations</i>
TQM	Trans Québec and Maritimes Pipeline Inc.

General

1. Condition Compliance

TQM must comply with all of the conditions contained in this Certificate, unless the Commission otherwise directs.

2. Operation of the Sabrevois Assets

TQM must cause the operation of the Sabrevois Assets to be carried-out in accordance with the specifications, standards, commitments made and other information included in its Application and made on the GH-001-2020 hearing record.

3. Environmental Protection

TQM must implement or cause to be implemented all of the policies, practices, programs, mitigation measures, recommendations, procedures and its commitments for the protection of the environment included in or referred to in its Application and otherwise made on the GH-001-2020 hearing record.

Prior-to and upon Closing

4. Commitments Tracking Tables

TQM must file with the CER and post on its Project website, **at least 30 days before the anticipated Closing Date**, a Commitments Tracking Table (CTT) listing all commitments made by TQM in its Application, and in its related submissions, including reference to:

- a) the documentation in which the commitment appears (for example, the Application, responses to information requests, permit requirements, condition filings, or other);
- b) the accountable lead for implementing each commitment; and
- c) the estimated timelines associated with the fulfillment of each commitment.

5. Notification of Closing

TQM must:

- a) provide the CER with a notice of the anticipated Closing Date **at least 30 days before the anticipated Closing Date**; and
- b) provide the CER with a notice immediately upon actual Closing.

6. Effective Date of the Certificate

Subject to approval by the Governor in Council, the Certificate shall come into force at the Closing Date.

Following Effective Date of Certificate

7. Emergency Response Numbers

TQM must file with the CER, **no later than 45 days from the effective date of the Certificate**, confirmation that all agencies that may be involved in an emergency response on the Pipeline have been notified of the change of ownership.

8. Facility Signage and Emergency Response Numbers

TQM must file with the CER, **no later than 90 days from the effective date of the Certificate**, confirmation that all Pipeline signage has been changed to reflect new ownership and include current emergency response numbers.

9. Transfer of Records

TQM must file with the CER, **no later than 150 days from the effective date of the Certificate**, confirmation that all records in Énergir's possession pursuant to CSA Z662 and paragraphs 56(e) to 56(g) of the OPR have been received from Énergir, L.P.

10. Pipeline Geographic Information System (GIS) Information

TQM must file with the CER, **within 12 months of the effective date of the Certificate**:

- a) GIS data in the form of Esri® shape files that contain pipe segment center lines, where each pipe segment has a unique outside diameter, wall thickness, maximum operating pressure, external coating, field-applied girth weld coating, and pipe manufacturing specification. If the above values of the pipe change at any point along the length of the pipelines associated with the Sabrevois Assets, pipelines should be segmented at that point. TQM must also provide GIS locations and names for the pipelines, all custody transfer meters, and all mainline block valves as applicable. The datum must be NAD83 and projection must be geographic (latitudes and longitudes). Spatial information related to this condition will be provided to the CER as loaded and maintained in TQM's GIS repository; and
- b) Information on the right of way boundaries and location and names of the launchers and receivers for the pipelines associated with the Sabrevois Assets.

11. Emergency Response Exercise

TQM must:

- a) **within 18 months of the effective date of the Certificate**, conduct a multijurisdictional emergency response table-top exercise for the Pipeline, integrating all the involved stakeholders of the Québec Pipeline Response Framework (Cadre de Référence Intervention Pipelines (CRIP)). The objective of the emergency response exercise must be to test the effectiveness and adequacy of the:
 - i. Emergency Procedures Manual;
 - ii. training of company personnel;
 - iii. communications systems;
 - iv. coordination of emergency response activities with responders, mutual aid partners and other agencies involved in the CRIP;
 - v. response equipment;
 - vi. safety procedures; and

- vii. exercise debrief process.
- b) notify the CER in writing, **at least 45 days prior to the date of the emergency response exercise** referred to in a), of the following:
 - i. location of the exercise;
 - ii. exercise coordinator;
 - iii. date of the exercise;
 - iv. duration of the exercise;
 - v. the name and organization of each individual invited to participate in the exercise including first responders, municipal, provincial and federal stakeholders and Indigenous peoples; and
 - vi. the goals (for example, focus of exercise, scope, scale, extent of play, format, evaluation method), and how success is measured.
- c) file with the CER, **within 90 days of completion of the emergency response exercise** referred to in a), a report that documents the results of the exercise including:
 - i. how the exercise achieved the stated goals;
 - ii. participant feedback and areas for improvement; and
 - iii. a corrective action plan to address the findings from the exercise.

12. Condition Compliance by the Accountable Officer

Within 21 months of the effective date of the Certificate, TQM must file with the CER a confirmation that the approved Project is in compliance with all applicable conditions in this Certificate. If compliance with any of these conditions cannot be confirmed, TQM must file with the CER details as to why compliance cannot be confirmed. The filing required by this condition must include a statement confirming that the signatory to the filing is the accountable officer of TQM, appointed as Accountable Officer pursuant to section 6.2 of the OPR.

Appendix III

National Energy Board Act (NEB Act) Section 58 Order Conditions

In these conditions, where any condition requires a filing with the Commission of the Canada Energy Regulator (Commission) “for approval”, TQM must not commence that action until the approval is issued.

In this document, the terms and expressions below (in bold) have the following meaning:

Application	Portion of TQM’s application dated 23 August 2019 filed pursuant to section 58 of the NEB Act.
CER	Canada Energy Regulator
Commission	Commission of the Canada Energy Regulator
Commencing construction	The clearing of vegetation, ground-breaking and other forms of right-of-way (RoW) preparation that may have an impact on the environment (activities associated with normal surveying do not constitute commencing construction).
including	Use of this term, or any variant of it, is not intended to limit the elements to just those listed. Rather, it implies minimum requirements with the potential for augmentation, as appropriate.
TQM	Trans Québec and Maritimes Pipeline Inc.

General

1. Condition Compliance

TQM must comply with all of the conditions contained in this Order, unless the Commission otherwise directs.

2. Bromont Compressor Station and the Saint-Basile Interconnect Design, Location, Construction and Operation

TQM must cause the Bromont Compressor Station and the Saint-Basile Interconnect to be designed, located, constructed, installed and operated in accordance with the specifications, standards, commitments made and other information included in its Application and made on the GH-001-2020 hearing record.

3. Environmental Protection

TQM must implement or cause to be implemented all of the policies, practices, programs, mitigation measures, recommendations, procedures and its commitments for the protection of the environment included in or referred to in its Application and otherwise made on the GH-001-2020 hearing record.

Prior-to-construction

4. Commitments Tracking Tables

- a) TQM must file with the CER, and post on its Project website, **at least 30 days prior to commencing construction**, a Commitments Tracking Table (CTT) listing all commitments made by TQM in its Application, or otherwise agreed to during its submissions in the Commission's GH-001-2020 hearing process, and that includes references to:
 - i. the documentation in which the commitment appears (for example, the Application, responses to information requests, permit requirements, condition filings, or other);
 - ii. the accountable lead for implementing each commitment; and
 - iii. the estimated timelines associated with the fulfillment of each commitment.
- b) TQM must update the status of the commitments in paragraph a) on its Project website and file these updates with the CER on a quarterly basis until the end of the first year following the commencement of operations.

5. Construction Schedule

TQM must, **at least 14 days prior to the commencement of construction of the approved facilities**, file with the CER a detailed construction schedule or schedules identifying major construction activities and must notify the CER of any modifications to the schedule or schedules as they occur.

Prior-to-operations

6. Technical Specification Updates

TQM must file with the CER any technical specification updates for the Bromont

Compressor Station and the Saint-Basile Interconnect components listed in the Application concurrently with its Leave to Open application. Technical specification updates are limited to differences in pipe length, diameter, wall thickness, grade or material that do not impact any other aspect of the Bromont Compressor Station and the Saint-Basile Interconnect as approved.

During operation

7. Condition Compliance by the Accountable Officer

Within 12 months of the date that the approved Bromont Compressor Station and the Saint-Basile Interconnect is placed in service, TQM must file with the CER a confirmation that the Bromont Compressor Station and the Saint-Basile Interconnect was completed and constructed in compliance with all applicable conditions in this Order. If compliance with any of these conditions cannot be confirmed, TQM must file with the CER details as to why compliance cannot be confirmed. The filing required by this condition must include a statement confirming that the signatory to the filing is the accountable officer of TQM, appointed as Accountable Officer pursuant to section 6.2 of the *Canadian Energy Regulator Onshore Pipeline Regulations*.

Sunset Clause

8. Order Expiration (Sunset Clause)

Unless the Commission otherwise directs prior to **X Month 20XX**, this Order shall expire on **X Month 20XX** unless construction in respect of the open the Bromont Compressor Station and the Saint-Basile Interconnect has commenced by that date.