

**Northern Gateway Pipelines Limited Partnership ("Northern Gateway") Section 52 of the *National Energy Board Act* Application for Enbridge Northern Gateway Project
NEB File No.: OF-Fac-Oil-N304-2010-01 01**

ForestEthics Advocacy Response to Northern Gateway Information Request No. 1

Organization and Membership		
1.1	Reference:	Written Evidence of Forest Ethics (A2K2C4).
	Preamble:	The evidence filed by Forest Ethics contains no information on its organization and membership.
	Request:	<p>(a) Please confirm that Forest Ethics is an organization that is headquartered in San Francisco.</p> <p>(b) Please provide a copy of the most recent Annual Report of Forest Ethics.</p> <p>(c) Please confirm that Forest Ethics and Corporate Ethics International are related non-governmental organizations.</p>
	Response:	<p>(a) ForestEthics Advocacy is a non-profit organization registered in British Columbia. The headquarters are in Vancouver at 301-163 Hastings W Street, Vancouver, BC, V6B 1H5. ForestEthics Advocacy also maintains an office in Smithers, BC. Prior to registering as ForestEthics Advocacy, the Canadian offices of Forest Ethics were affiliated with ForestEthics (with offices in San Francisco, Bellingham, Vancouver and Smithers).</p> <p>(b) This question is not relevant to any of the issues before the Panel. However, ForestEthics Advocacy is willing to provide the information nonetheless. ForestEthics 2010 Annual Report can be found online at <http://www.forestethics.org/annual-reports>.</p> <p>(c) ForestEthics Advocacy and Corporate Ethics International are not related non-governmental organizations (NGOs). Forest Ethics and Corporate Ethics International are also not related NGOs and are completely separate organizations.</p>

Organization and Funding		
1.2	Reference:	<p>The Tar Sands Campaign: Strategy and Structure by Michael Marx, July 2008; Tar Sands & the Canadian Context by Dan Woynillowicz, July 2008; Drawing a Line in the Sand on the Canadian Tar Sands: US Campaign Strategies by Susan Casey-Lefkowitz, July 2008; The Tar Sands Campaign by Michael Northrop, July 2008 (all of which are attached as Attachment to Forest Ethics 1.2).</p> <p>Also available online: <http://www.scribd.com/doc/82144578/Tar-Sands-Presentation-July-2008>.</p>
	Preamble:	According to the Tides Canada website, Forest Ethics has been described as a "Tides Canada Initiative."
	Request:	<p>(a) Please describe the relationship between Forest Ethics and Tides Canada.</p> <p>(b) How much funding has been provided to Forest Ethics by or through Tides Canada for the purpose of opposing the Northern Gateway Project?</p> <p>(c) Provide a breakdown of such funding for 2008, 2009, 2010, and 2011.</p> <p>(d) Please confirm that Forest Ethics is a member of the Tar Sands Campaign.</p> <p>(e) Please confirm that the Tar Sands Campaign network also includes, among others: Natural Resources Defence Council, the Pembina Institute, Greenpeace, the Indigenous Environmental Network.</p> <p>(f) Please confirm that the strategy of the Tar Sands Campaign includes raising the negatives associated with oil sands development, raising the costs of oil sands development, slowing down and stopping pipeline and refinery infrastructure, and as a mid-term objective securing a moratorium.</p> <p>(g) Please confirm that the Tar Sands Campaign structure includes a US Campaign Coordinator and a Canadian Coordinator. Which ENGO organizations currently fulfil the coordinator roles in the US and Canada respectively?</p> <p>(h) Please confirm that the Tar Sands Campaign structure includes a Steering Committee comprised of coordinators, funders, campaign group representatives and the Tide Tar Sands Fund.</p> <p>(i) Please advise as to the amount of participant funding received by Forest Ethics through the Canadian Environmental Assessment Agency's participant funding program for this Project, if any.</p>
	Response:	Question 1.2 does not reference any written submissions by ForestEthics Advocacy. The questions are also not relevant to any issues before the Panel.

Economics		
1.3	Reference:	Written Evidence of Forest Ethics, pages 8 - 12 (A2K2C4).
	Preamble:	Figures 1 to 6 are provided with little supporting detail. Additional information is required.
	Request:	<p>(a) Please provide Figures 1, 2, 3, 4, 5, and 6, and all supporting work papers, in an electronic format.</p> <p>(b) For each Figure, please identify all information sources used to calculate each data series.</p> <p>(c) Please provide a copy of all information sources that are not readily available from the public domain.</p>
	Response:	<p>(a) Please see attached spreadsheet at Schedule A for Figures 1, 2, 3, 4, 5, and 6. Supporting paperwork can be found in the 2010 CAPP Crude Oil Forecast, Markets and Pipeline Report, attached at Schedule B.</p> <p>(b) Please see attached Schedule A for information sources used to calculate each data series. Note that an error was made in the spreadsheet and has subsequently been changed. The capacity of the Alberta Clipper was previously identified as 435,000 bpd but it is now corrected to 450,000 bpd as stated in the 2010 CAPP Crude Oil Forecast, Markets and Pipelines Report. This further underscores the point that there is adequate existing export pipeline capacity in the short to medium term.</p> <p>(c) All relevant information sources are readily available in the public domain.</p>

Engineering		
1.4	Reference:	<p>(i) Written Evidence of Forest Ethics, page 50 of 57, section 5.0, paragraph 126 (A2K2C4).</p> <p>(ii) Written Evidence of Forest Ethics, page 51 of 57, section 5.3, paragraph 132 (A2K2C4).</p> <p>(iii) Written Evidence of Forest Ethics, page 51 of 57, section 5.0, paragraph 133 (A2K2C4).</p>
	Preamble:	<p>Reference (i) provides an overview of Ms. Skuce's qualifications.</p> <p>Reference (ii) describes three attachments: – "Attachment M – Clore Tunnel East Portal Picture", "Attachment N – Clore Tunnel Waste Rock Dump Site picture" and "Attachment O – Clore Tunnel Waste Camp Stage and Rock Dump Site picture."</p> <p>Reference (iii) lists Ms. Skuce's concerns regarding the Clore Tunnel.</p>
	Request:	<p>(a) Please provide Ms. Skuce's qualifications, training and professional designation(s) relative to geotechnical engineering, civil engineering, tunnel construction, fisheries habitat and wetlands. Also, please provide the date(s) when her qualifications became effective.</p> <p>(b) Please confirm that Attachments M, N and O were not prepared by Ms. Skuce or under her direction.</p>
	Response:	<p>(a) Ms. Skuce's qualifications are as per reference (i). Ms. Skuce's concerns are based on her local knowledge of the area.</p> <p>(b) The photographs attached as Attachments M, N and O to the evidence of ForestEthics Advocacy were requested by ForestEthics Advocacy and provided by the Office of the Wet'suwet'en.</p>

Economics		
1.5	Reference:	Written Evidence of Forest Ethics – Attachment B - <i>Pipeline to Nowhere? Uncertainty and unanswered questions about the Enbridge Northern Gateway pipeline</i> by Nathan Lemphers, page 8 (adobe page 15), footnote 25 (A2K2C6).
	Preamble:	A document by Robert Johnston is cited at the indicated footnote.
	Request:	Please provide a complete copy of the document cited at footnote 25, including any related attachments, appendixes, or tables.
	Response:	Robert Johnston, “Outlook: Oil Sands – Canada’s unconventional oil mega-play faces new challenges and opportunities” Eurasia Group, 19 May 2010, is attached at Schedule C.

Economics		
1.6	Reference:	Written Evidence of Forest Ethics – Attachment B - <i>Pipeline to Nowhere? Uncertainty and unanswered questions about the Enbridge Northern Gateway pipeline</i> by Nathan Lemphers, pages 15-18 (adobe pages 22-25) (A2K2C6).
	Preamble:	Figures 2 to 5 are provided with little supporting detail, and what information is provided from each source listed under the figures is unclear. Additional information is required.
	Request:	<p>(a) Please provide Figures 2, 3, 4, and 5, and all supporting work papers, in an electronic format.</p> <p>(b) For each Figure, please identify all information sources used to calculate each data series.</p> <p>(c) Please provide a complete copy of the June 2010 Oilsands Review, including any related attachments, appendixes, or tables.</p>
	Response:	<p>(a) The excel spreadsheet used to produce Figures 2, 3, 4, and 5 has been overwritten by the 2011 update filed in the ForestEthics Advocacy written submission. See Figures 1, 2, 3, 4, 5 and 6 in the response to Information Request 1.3(a) above. The updated numbers contained in the ForestEthics Advocacy written submission are the most relevant.</p> <p>(b) Please see the updated spreadsheet used to produce the ForestEthics Advocacy written submission in the response to Information Request 1.3(a) above.</p> <p>(c) The June 2010 Oilsands Review can be purchased from Oilsands Review (www.oilsandsreview.com) or is available at the Calgary Public Library.</p>

Economics		
1.7	Reference:	<p>(i) Written Evidence of Forest Ethics – Attachment B - <i>Pipeline to Nowhere? Uncertainty and unanswered questions about the Enbridge Northern Gateway pipeline</i> by Nathan Lemphers, page 9 (adobe page 16), first paragraph (A2K2C6).</p> <p>(ii) Application, Volume 2, Appendix A: <i>Market Prospects and Benefit Analysis for the Northern Gateway Project</i> (A1S9X7).</p>
	Preamble:	Reference (i) asserts that: no attempt is made [by Muse] to differentiate potential markets; the analysis assumes certain flows; no effort is made to correlate potential refinery demand with distinct products; and, refineries need to be specially equipped. Further information is required regarding these assertions.
	Request:	<p>(a) Please provide a definition of "potential market" in the context in which the phrase is used in Reference (i).</p> <p>(b) Can a "potential market" simultaneously process both diluted bitumen and synthetic crude oil?</p> <p>(c) With regard to Table A-8 in Reference (ii) (page 46 (adobe page 85)), please provide Mr. Lemphers' understanding of the analytical methodology by which the values in Table A-8 were generated.</p> <p>(d) Please confirm that the values shown in Table A-8 should be regarded, in Lemphers' opinion, as assumptions. If not confirmed, how should they be regarded? If confirmed, please provide a detailed description of an analytical methodology that will generate values that are not assumptions.</p> <p>(e) Please provide a detailed explanation of the analytical methodology required to "correlate potential refinery demand with distinct product."</p> <p>(f) Please provide a detailed description of the special equipment required to enable a refinery to process 10, 30, 50, and 100 percent (of total crude runs) of heavier, sour diluted bitumen.</p>

	Response:	<ul style="list-style-type: none">(a) Potential market is a downstream commercial market that is willing to purchase products shipped on the Northern Gateway pipeline.(b) Yes, depending on the refinery configuration of a downstream market.(c) The analytical methodology used to generate Table A-8 is not apparent from reading reference (ii). The analytical methodology is within the proponent's knowledge and should be properly explained.(d) The analytical methodology used to generate Table A-8 is not apparent from reading reference (ii). The analytical methodology is within the proponent's knowledge and should be properly explained.(e) The analytical methodology used to generate Table A-8 is not apparent from reading reference (ii). The analytical methodology is within the proponent's knowledge and should be properly explained.(f) This information is within the proponent's knowledge and should be provided.
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Economics		
1.8	Reference:	<p>(i) Written Evidence of Forest Ethics – Attachment B - <i>Pipeline to Nowhere? Uncertainty and unanswered questions about the Enbridge Northern Gateway pipeline</i> by Nathan Lemphers, pages 9 to 10 (adobe pages 16 to 17) (A2K2C6).</p> <p>(ii) Application, Volume 2, Appendix A: <i>Market Prospects and Benefit Analysis for the Northern Gateway Project</i> (Exhibit B1-4 - A1S9X7).</p>
	Preamble:	Reference (i) states that the Muse Stancil analysis demonstrates that Japan, South Korea, and Taiwan do not have refining capacity that can handle the heavier, sour diluted bitumen, whereas only refineries in China are potential recipients. Table 2 is provided to substantiate this claim. Further information regarding the accuracy of these statements is required.
	Request:	<p>(a) Please confirm that "heavier, sour diluted bitumen" is a heavy, high sulphur crude oil. If not confirmed, please provide a detailed technical explanation of the differences.</p> <p>(b) Is Western Canadian Select crude a "heavier, sour diluted bitumen"?</p> <p>(c) Please confirm that Reference (ii) states on page 15 (adobe page 63) that "...about 10 percent of the Japanese refining industry is assessed to have a high capability to process heavy, high sulphur crudes, and roughly 40 percent is estimated to have a medium capacity."</p> <p>(d) Please confirm that Reference (ii) states on page 15 (adobe page 63) that "Figure 6 provides an assessment of the technical capabilities of the Japanese refining sector to process heavy, high sulphur crudes."</p> <p>(e) Please confirm that the combined percentage in Figure 6 in Reference (ii) (page 16 (adobe page 64)) of the "High Capability" and "Medium Capability" proportions is approximately 50 percent for Japan.</p> <p>(f) Please confirm that the combined percentage in Figure 8 in Reference (ii) (page 18 (adobe page 66)) of the "High Capability" and "Medium Capability" proportions is approximately 60 percent for Northern China.</p> <p>(g) Please confirm that Reference (i), at page 9 (adobe page 16), asserts the "Muse Stancil analysis demonstrates that of the Northeast Asian countries that are prospective markets, only refineries in North and South China are potential recipients of diluted bitumen, as Japan, South Korea and Taiwan do not have refining capacity that can handle the heavier, sour diluted bitumen (Table 2)."</p> <p>(h) Please provide a detailed explanation as to how the Muse Stancil analysis demonstrates that Japanese refineries, with approximately 50 percent combined "High" and "Medium Capability" to process heavy, high sulphur crude have no</p>

		<p>refining capacity to process heavy, high sulphur crude, whereas as Northern Chinese refineries with approximately 60 percent combined "High" and "Medium Capability" to process heavy, high sulphur crude do have capacity. Please provide all supporting work papers.</p> <p>(i) Please confirm that the percentage in Figure 12 in Reference (ii) (page 21 (adobe page 69)) of the "Medium Capability" proportion is approximately 50 percent for South Korea.</p> <p>(j) Please confirm that the percentage in Figure 14 in Reference (ii) (page 23 (adobe page 71)) of the "Medium Capability" proportion is approximately 60 percent for Taiwan.</p> <p>(k) Please provide a detailed explanation has to how the Muse Stancil analysis demonstrates that South Korean and Taiwanese refineries have no capacity to process heavy, high sulphur crude.</p>
	<p>Response:</p>	<p>(a) Confirmed.</p> <p>(b) Confirmed.</p> <p>(c) Confirmed.</p> <p>(d) Confirmed.</p> <p>(e) Confirmed.</p> <p>(f) Confirmed.</p> <p>(g) Confirmed.</p> <p>(h) In Reference (i), the Pembina Institute has misinterpreted the analysis described in Reference (ii). As stated in Reference (ii), there is high and medium capability to process heavy, sour crudes in Taiwan, South Korea and Japan.</p> <p>However, the sub-title to Reference (i) is “uncertainty and unanswered questions about the Enbridge Northern Gateway Pipeline.” Despite the existence of data that can be purchased, which indicates the capabilities for individual refineries in particular countries to process heavy, sour crude, Reference (ii) only states these very vague characteristics of low, medium or high capability.</p> <p>Also, capability to process heavy, sour crude in some East Asian refineries does not mean that there is proven demand for Canadian heavy sour crude. The demand analysis does not demonstrate demand for Canadian crude.</p> <p>The demand analysis also does not show historical or projected demand for heavy, sour crude. This data would provide a more contextual analysis for the Panel to assess if there is adequate commercial demand for the pipeline.</p> <p>(i) Confirmed.</p> <p>(j) Confirmed.</p> <p>(k) See Response (h).</p>

Economics		
1.9	Reference:	<p>(i) Written Evidence of Forest Ethics – Attachment B - <i>Pipeline to Nowhere? Uncertainty and unanswered questions about the Enbridge Northern Gateway pipeline</i> by Nathan Lemphers, page 10 (adobe page 17) (A2K2C6).</p> <p>(ii) Application, Volume 2, Appendix A: <i>Market Prospects and Benefit Analysis for the Northern Gateway Project</i> (A1S9X7).</p>
	Preamble:	Reference (i) states that "no details regarding how it [Muse Stancil] assessed "medium" or "high" capability to process heavier, sour crude was provided, and that the analysis concedes that data regarding the specific crude grades imported by China are not available. Additional information is required.
	Request:	<p>(a) Please confirm that Reference (ii) states at page 15 (adobe page 63) that:</p> <p style="padding-left: 40px;"><i>The capacity estimates are primarily based upon the proportion of residuum processing capacity, expressed as percent of crude distillation capacity, for each Japanese refinery relative to that required to process heavy crudes.</i></p> <p>(b) Please provide data regarding the specific crude grades imported by China for the period 2009 through the most recent date available, and identify the source of the data.</p>
	Response:	<p>(a) Confirmed. However, Enbridge fails to identify the proportion of residuum processing capacity, expressed as a percent of crude distillation capacity, for each of the "low", "medium" and "high" capability ratings. The imprecise language of low, medium and high makes it difficult to determine the assumptions contained in this classification.</p> <p>(b) Reference (i) identified the data gap: the lack of data on the specific crude grades imported by China. The onus is on the proponent to provide that information in a complete application. The onus is not on ForestEthics Advocacy.</p>

Economics		
1.10	Reference:	Written Evidence of Forest Ethics – Attachment B - <i>Pipeline to Nowhere? Uncertainty and unanswered questions about the Enbridge Northern Gateway pipeline</i> by Nathan Lemphers, pages 6 to 11 (adobe pages 13 to 18) (A2K2C6).
	Preamble:	The Reference states that a 2007 Alberta Energy study [footnote 41] confirms that only Chinese refineries might be ready to handle the characteristics of diluted bitumen. The interpretation by Mr. Lemphers of the Alberta Energy study is unclear, and additional information is needed.
	Request:	<p>(a) Please confirm that the Alberta Energy study indicates that in 2015 projected sweet SCO [synthetic crude oil] exports to Asia, in the context of this specific study, are 958,000 b/d (page 8 (adobe page 15)).</p> <p>(b) Please confirm that the Alberta Energy study indicates that in 2015 projected SynSynBit exports to Asia, in the context of this specific study, are 1,207,000 b/d (page 9 (adobe page 16)).</p> <p>(c) Please confirm that the Alberta Energy study indicates that in 2015 projected SynBit exports to Asia, in the context of this specific study, are 938,000 b/d (page 10 (adobe page 17)).</p> <p>(d) Please confirm that the Alberta Energy study indicates that in 2015 projected DilBit exports to Asia, in the context of this specific study, are 866,000 b/d (page 11 (adobe page 18)).</p> <p>(e) Please confirm that SynSynBit and SynBit crude grades considered in the Alberta Energy study contain 36 and 52 volume percent, respectively, oil sands bitumen, per page 6 (adobe page 13).</p> <p>(f) Please confirm that SynSynBit and SynBit crude grades are diluted bitumen crude grades. If not confirmed, please provide a detailed explanation as to why crude grades which contain at least 36 percent bitumen are not diluted bitumen crude grades.</p>
	Response:	<p>(a) Confirmed.</p> <p>(b) Confirmed.</p> <p>(c) Confirmed.</p> <p>(d) Confirmed.</p> <p>(e) Confirmed.</p> <p>(f) SynSynBit and SynBit are crude oil grades but for the purposes of the report, Pipeline to Nowhere, ForestEthics Advocacy considered DilBit to be interchangeable with diluted bitumen.</p>

Economics		
1.11	Reference:	Written Evidence of Forest Ethics – Attachment B - <i>Pipeline to Nowhere? Uncertainty and unanswered questions about the Enbridge Northern Gateway pipeline</i> by Nathan Lemphers, page 8 (adobe page 15), first and second paragraphs and footnote 28 (A2K2C6).
	Preamble:	The first paragraph of the Reference states that demand is aggregated on a country-level basis, and no refinery-specific demand details are provided. The second paragraph appears to suggest that information "usually submitted by pipeline proponents" includes refinery-specific demand. Further clarification is needed.
	Request:	<p>(a) Please confirm that it is Mr. Lemphers' opinion that refinery-specific Canadian crude oil demand, by grade, is necessary. If not confirmed, please clarify the level demand required.</p> <p>(b) Please confirm that Table 3.1 in the TransCanada Keystone XL application is a list of refinery total crude oil capacities. If not confirmed, please provide Mr. Lemphers' understanding of Table 3.1.</p> <p>(c) Please confirm that Table 3.1 is not a list of refinery-specific demand for Canadian crude, or any other specific crude oil grade.</p> <p>(d) Please provide a precise citation(s) to the refinery-specific demand breakdown for Canadian crude oil in the TransCanada Keystone XL application, and provide a copy of the relevant excerpts.</p>
	Response:	<p>(a) Refinery-specific capacity for crude oil transported on Northern Gateway is necessary. This information should reflect the ability of a given refinery to accept the various crude oil grades to be shipped on Northern Gateway.</p> <p>(b) Confirmed. The information in Table 3-1 is specifically "USGC Refining Market Available to the Keystone XL Pipeline."</p> <p>(c) Confirmed. There could be other non-Canadian oil being transported on Keystone XL.</p> <p>(g) Section 3: Supply and Markets, Table 3.1 of the Keystone XL application shows the refinery specific capacity available to Keystone XL, attached at Schedule D. This capacity can be equated to the potential demand for crude oil products shipped on Keystone XL. Enbridge should likewise identify refinery specific capacity (potential demand) to accept crude oil products transported on Northern Gateway, as was done for Keystone XL.</p>

Nathan Lemphers		
1.12	Reference:	Written Evidence of Forest Ethics, Section 2.0 Written Evidence of Nathan Lemphers, adobe page 5 (A2K2C4).
	Preamble:	In the Reference, Mr. Lemphers is listed as an employee of the Pembina Institute.
	Request:	Is the evidence of Mr. Lemphers presented on behalf of Forest Ethics, or the Pembina Institute?
	Response:	Mr. Lemphers is a consultant to ForestEthics Advocacy and his evidence is presented on behalf of ForestEthics Advocacy.

Nathan Lemphers		
1.13	Reference:	<p>(i) Written Evidence of Forest Ethics, Section 2.0 Written Evidence of Nathan Lemphers, adobe page 13 (A2K2C4).</p> <p>(ii) Attachment C - <i>Opening the Door for Oil Sands Expansion – The Hidden Environmental Impacts of the Enbridge Northern Gateway Pipeline</i> by Greg Brown, Jeremy Moorehouse and Jennifer Grant of the Pembina Institute dated December 2009 (A2K2C7).</p>
	Preamble:	Northern Gateway requires further information about the report provided in Reference (ii).
	Request:	<p>(a) Please confirm that Reference (ii) was prepared before the Joint Review Panel's rejection of the Ecojustice Coalition position on whether the scope of the environmental assessment in this proceeding should include the effects of oil sands production.</p> <p>(b) Please confirm that preparation of Reference (ii) was enabled by the American-based William and Flora Hewlett Foundation [page iii (adobe page 4)].</p> <p>(c) How much money was paid by the William and Flora Hewlett Foundation to the Pembina Foundation to enable the preparation of Reference (ii)?</p> <p>(d) The Pembina Foundation is described at page ii (adobe page 3) of Reference (ii) as a national registered charitable foundation that enters into agreements with environmental research and education experts, such as the Pembina Institute, to deliver on its work. How much of the Hewlett Foundation funding was passed through to the Pembina Institute by the Pembina Foundation?</p> <p>(e) Please confirm that the Recommendations set out in Reference (ii) (starting at adobe page 36) advocate a series of political measures, in addition to rejection of the Northern Gateway Application, to manage the environmental impacts of oil sands development.</p>
	Response:	<p>(a) Confirmed.</p> <p>(b) – (d) The questions are not relevant to any issues before the Panel.</p> <p>(e) The Recommendations are recommended measures to mitigate the adverse environmental impacts of oil sands development induced by the Northern Gateway pipeline project.</p>

Nathan Lemphers		
1.14	Reference:	(i) Written Evidence of Forest Ethics, Section 2.0 Written Evidence of Nathan Lemphers, Section 2.3 , adobe page 18 (A2K2C4). (ii) Attachment D – <i>Pipelines and Salmon in Northern British Columbia Potential Impacts</i> by David A. Levy (A2K2C8)
	Preamble:	Attached to Mr. Lempher's testimony is a report prepared for the Pembina Institute, by Mr. David Levy, dated October 2009. The report describes a variety of pipelines proposed for Northern British Columbia, including the Northern Gateway Project and the Pacific Trails Project.
	Request:	Confirm that neither ForestEthics nor the Pembina Institute have taken a public position either in support of, or in opposition to, the Pacific Trails Project.
	Response:	Neither ForestEthics Advocacy nor the Pembina Institute have taken a public position in support of or in opposition to the Pacific Trails Project.

Nathan Lemphers		
1.15	Reference:	Written Evidence of Forest Ethics, Section 4.0 Written Evidence of S. Casey-Lefkowitz, Anthony Swift and Nathan Lamphers, adobe page 40 (A2K2C4).
	Preamble:	
	Request:	<p>(a) Confirm that neither the Natural Resources Defence Council ("NRDC") nor the Pembina Institute are an intervener in this proceeding.</p> <p>(b) Confirm that the NRDC, Pembina Institute and Forest Ethics are all part of the Tar Sands Campaign coordinated by Corporate Ethics International (in the US) and the Pembina Institute (in Canada).</p> <p>(c) Explain the relationship between Forest Ethics and the NRDC .</p> <p>(d) Confirm that none of the authors of the "Pipeline and Tanker Trouble Report" of the "Tar Sands Pipeline Safety Risk" included as report attachment "I" to the Forest Ethics evidence are qualified to present expert opinions in respect of any of the technical issues canvassed in that report.</p>
	Response:	<p>(a) NRDC and Pembina Institute are consultants to ForestEthics Advocacy and are not intervenors in the proceedings.</p> <p>(b) The question is not relevant to any issue before the Panel.</p> <p>(c) See (a).</p> <p>(d) The qualifications of the principal authors are presented in Attachments F and G of the written evidence.</p>

Nikki Skuce		
1.16	Reference:	Written Evidence of Forest Ethics, Section 5.0 Written Evidence of Nikki Skuce (A2K2C4).
	Preamble:	
	Request:	<p>(a) Please advise as to whether the infractions table attached as Attachment "J" to Ms. Skuce's evidence was personally prepared by Ms. Skuce.</p> <p>(b) Please advise as to whether the NRCan backgrounder attached as Attachment "L" to Ms. Skuce's evidence was personally prepared by Ms. Skuce.</p> <p>(c) Do Forest Ethics and Ms. Skuce agree with the statements and analyses contained in the NRCan backgrounder?</p> <p>(d) If not, please list each of those statements with which Ms. Skuce disagrees.</p>
	Response:	<p>(a) Attachment J was prepared at the request of ForestEthics Advocacy by the University of Victoria, Environmental Law Centre.</p> <p>(b) The NRCan backgrounder was not prepared by Ms. Skuce but acquired via an Access to Information request and is included as a reference.</p> <p>(c) Ms. Skuce submitted the NRCan backgrounder due to the statement under the Project Rationale: "Even without Northern Gateway, Canada will have enough crude oil export capacity for some considerable time." ForestEthics Advocacy agreement with this statement led to a request to the Pembina Institute to investigate further into pipeline capacity and resulted in our evidence "Pipeline to Nowhere" which further concludes that the added pipeline capacity of Northern Gateway is not needed for many years (if ever).</p> <p>(d) ForestEthics Advocacy disagrees with other elements of the NRCan backgrounder, including the section on Modern Construction Standards (page 4) as an oversimplification of the situation, especially given recent oil spills in Alberta – both Enbridge's own 230,000 litre spill from its Athabasca pipeline (see attached Schedule E) and a Plains Midstream line near Sundre, AB.</p> <p>The NRCan backgrounder states that pipeline technology has greatly improved, but there continue to be spills and the public is calling for independent reviews of pipeline safety, in particular in Alberta given a number of recent oil spills. See attached Schedule F.</p> <p>In addition, the NRCan backgrounder says that "[u]nlike, for example, a mine, which can have a large environmental impact on a small area, pipelines have small impacts (and primarily during construction) over a large distance." However, during Enbridge's Kalamazoo oil spill, the company had a very large impact on the river as noted in the National Transportation Safety Board report "Emergency and Environmental Response Group Chairman's Factual Report" (February 2, 2012), attached as Schedule G. The National Transportation Safety Board's Report states that "[o]n July 31, the FOSC</p>

		<p>issued a letter to Enbridge disapproving of each of these plans due to deficiencies in content and technical details” in relation to the administrative order for Enbridge to create a work plan that included “a schedule for completing a health and safety plan, pipeline repair and workplan, sampling and analysis plan, quality assurance project plan, oil recovery and containment plan, source release area remediation plan, remediation plan for downstream impacted areas, and waste treatment, transportation, and disposal plan” (page 16-17). While the NRCan backgrounder notes that Enbridge will have emergency response plans for Northern Gateway, given Enbridge’s experience in Kalamazoo, these plans may fail and be inadequate for the circumstances and environment in which the oil spill takes place. In addition, Enbridge may fail to follow regulatory requirements, as evidenced in the U.S. Department of Transportation, Pipelines and Hazardous Materials Safety Administration, Notice of Probable Violations and Proposed Civil Penalty issued to Enbridge with respect to the Kalamazoo spill and attached as Schedule H.</p> <p>The NRCan backgrounder also notes a net benefit of \$1.5 billion annually to the Canadian producer community, but we would challenge the economic analysis given inflationary price shocks from higher domestic crude oil prices and defer to the evidence of Robyn Allen.</p> <p>Other elements in the NRCan backgrounder are repeating information provided by the project proponent. While ForestEthics Advocacy agrees that information was provided by Enbridge, it does not agree, for example, that Enbridge’s marine mitigation measures will actually prevent an oil tanker spill from occurring off British Columbia’s coast.</p>
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Economics		
1.17	Reference:	<p>(i) Northern Gateway response to JRP Information Request No. 2.2(a) (A2C2V5).</p> <p>(ii) Written Evidence of Forest Ethics – Attachment E - <i>The Northern Gateway Pipeline, An Affront to the Public Interest and Long Term Energy Security of Canadians</i> by J. David Hughes, pages 17 and 19 (adobe pages 18 and 20) (A2K2C9).</p>
	Preamble:	Reference (ii) asserts that Enbridge has made an extended forecast of crude oil supply "which it [Enbridge] falsely attributes to CAPP [page 17 (adobe page 18)]" and that "Enbridge has generated its own projection of a further increased oil supply, with no methodological backup... [page 19 (adobe page 20)]." Additional information regarding the basis for these serious accusations is required.
	Request:	<p>(a) Please confirm that the JRP specifically requested, of Northern Gateway, a forecast for Western Canadian crude oil supply to at least 2035, per JRP IR No. 2.2(a). If not confirmed, please provide Mr. Hughes' understanding of the indicated JRP request.</p> <p>(b) Please confirm that Mr. Hughes had carefully read Northern Gateway's response to JRP IR No. 2.2(a) prior to making the accusation in Reference (ii) that Enbridge has falsely attributed the extended forecast to CAPP, and that Enbridge has not provided any methodological backup.</p> <p>(c) Please confirm that Northern Gateway's response to JRP IR No. 2.2(a) specifically references Attachment JRP IR 2.2(a), and that Attachment JRP IR 2.2(a) is identical to the Enbridge forecast replicated at page 19 (adobe page 20) of Reference (ii).</p> <p>(d) Please confirm that the Northern Gateway's response to JRP IR No. 2.2(a) provides a detailed explanation of the methodology used to generate an extrapolation of the CAPP June 2011 forecast, in response to the JRP's request. If not confirmed, please provide a detailed explanation of Mr. Hughes' understanding of the nature of Northern Gateway's response to JRP IR No. 2.2(a).</p> <p>(e) Please provide the precise citation(s) in Northern Gateway's response to JRP IR No. 2.2(a), or any other response, whereby Northern Gateway indicates that CAPP approves, agrees with, or endorses in any fashion the extension of the CAPP forecast to 2035.</p> <p>(f) With reference to Mr. Hughes communications with CAPP, as detailed on page 19 (adobe page 20) of Reference (ii), please confirm that Mr. Hughes provided only a copy of Attachment JRP 2.2(a) to CAPP. If not confirmed, please provide a copy of all material sent to CAPP. If confirmed, please provide an explanation as</p>

		<p>to why Northern Gateway's response to JRP IR No. 2.2(a) was not provided to CAPP along with Attachment JRP IR No. 2.2(a).</p>
	<p>Response:</p>	<ul style="list-style-type: none"> (a) Confirmed. (b) Mr. Hughes' read Attachment JRP IR 2.2(a) but in error, did not read the response to JRP IR No. 2.2(a). (c) Confirmed. (d) Confirmed. (e) Mr. Hughes' cannot provide a citation. (f) Mr. Hughes' provided only a copy of Attachment JRP 2.2(a) to CAPP. It was in error that Mr. Hughes did not read and provide the response to JRP IR No. 2.2(a). Mr. Hughes withdraws the accusation that Enbridge falsely attributed the extended forecast to CAPP.

Economics		
1.18	Reference:	<p>(i) National Energy Board, Canada's Energy Future: Energy Supply and Demand Projections to 2035, November 2011, pages 1 and 18.</p> <p>(ii) Written Evidence of Forest Ethics – Attachment E - <i>The Northern Gateway Pipeline, An Affront to the Public Interest and Long Term Energy Security of Canadians</i> by J. David Hughes, page 30 (adobe page 31) (A2K2C9).</p>
	Preamble:	<p>Reference (ii) asserts, referring to Reference (i), that the "NEB forecasts uncontrolled growth in the oil sands..."</p> <p>Reference (i), at page 1, states that:</p> <p><i>This report projects energy supply and demand for Canada to the year 2035. It includes a Reference Case, with baseline projections based on the current macroeconomic outlook, a moderate view of energy prices, and government policies and programs in place at the time the report was prepared. It is considered the "most likely" outcome for Canada's energy future, given the underlying assumptions.</i></p> <p>Reference (i), at page 18, referring to potential oil sands production, states that:</p> <p><i>Over the longer-term, the list of currently proposed projects, many of which are in the early planning stage, suggest that bitumen production could reach 1.3 million m³/d (8.3 million bbl/d).[footnote omitted] Only a portion of these projects can reasonably be expected to proceed. While this analysis involves a review of most proposed projects, greater emphasis is placed on defining a reasonable rate of growth, considering historical growth profiles, projected economic returns and capital expenditure requirements.</i></p> <p>Further information concerning the basis for the assertion that the NEB is forecasting "uncontrolled growth in the oil sands" is required.</p>
	Request:	<p>(a) Please provide a precise citation(s) to where, in Mr. Hughes' opinion, Reference (i) indicates that an "uncontrolled growth" forecast regarding oil sands production, or any other aspect of the energy sector, is being provided.</p> <p>(b) Please provide a detailed explanation as to why the NEB forecast represents an "uncontrolled growth" outlook. Such explanation should also highlight any aspect of the NEB's description of its work effort that is incorrect or misleading.</p>

	Response:	<p>(a) See response to (b) below.</p> <p>(b) Reference (i) basically extrapolates the CAPP “growth” forecast growth trend through 2035. Reference (i) was released the same day that Reference (ii) was completed. It is Mr. Hughes’ position that the Enbridge forecasts are based on uncontrolled growth – an extrapolation of CAPP’s highest level of growth forecast, which is unlikely to happen (note that CAPP has two forecasts, the other of which is “in construction” projects, which would provide a much lower level of production). Such forecasts, including the NEB forecast, are assuming oil sands production will ramp up as fast as possible, without consideration of the longer term energy security of Canada. The term “uncontrolled” is used in the sense that it is controlled only by the market, not by the longer term interests of the owners of the resource.</p>
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Economics		
1.19	Reference:	Written Evidence of Forest Ethics – Attachment E - <i>The Northern Gateway Pipeline, An Affront to the Public Interest and Long Term Energy Security of Canadians</i> by J. David Hughes, page 4 (adobe page 5), last paragraph, and page 24 (adobe page 25), Figure 17 (A2K2C9).
	Preamble:	<p>The report appears to argue that there is nothing to be gained by market diversification, via Northern Gateway, apparently because the market conditions that existing at the point that the Northern Gateway Application was made have changed and, thus, the "argument of diversifying markets for Canadian oil with the Northern Gateway Pipeline is moot." The indicated reference makes two points:</p> <ol style="list-style-type: none"> 1. The U.S. will buy Canadian crude oil 2. Lack of pipeline capacity has created a glut at Cushing <p>These arguments require further explanation, and additional information regarding crude oil pricing differentials is needed.</p>
	Request:	<ol style="list-style-type: none"> (a) Has the Northern Gateway Application, any of its appendixes, or any of the Northern Gateway responses to information requests stated that the U.S. will not buy Canadian crude oil? If so, please provide precise citations. (b) Has the Northern Gateway Application, any of its appendixes, or any of the Northern Gateway responses to information requests stated that Northern Gateway will influence the glut of crude oil at Cushing? If so, please provide precise citations. (c) Has the Northern Gateway Application, any of its appendixes, or any of the Northern Gateway responses to information requests stated that Northern Gateway will influence the pricing relationship between Brent and West Texas Intermediate, or between Dubai and West Texas Intermediate? If so, please provide precise citations. (d) Please provide Figure 17 in an electronic format, complete with all supporting work papers. (e) Please provide the average annual differential between Brent and West Texas Intermediate, by year, for the period 2009 to year-to-date 2012.

	Response:	<p>(a) No.</p> <p>(b) No.</p> <p>(c) No, but this information should have been included. Once WCS daylights at the Gulf Coast, Kitimat or Vancouver, the price is likely to rise to the world price which is de facto Brent.</p> <p>(d) Figure 17 data is from the International Monetary Fund and can be accessed online at http://www.indexmundi.com/commodities/?commodity=crude-oil-brent or http://www.imf.org/external/np/res/commod/index.aspx.</p> <p>(e) The table attached at Schedule I lists Brent and WTI from January 2009 to April 2012. The average premium on Brent vs WTI from January 2009 through April 2012 was \$6.34. The average premium on Brent vs WTI from January 2011 through April 2012 was \$15.95.</p>
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1.20	Reference:	Written Evidence of Forest Ethics – Attachment E - <i>The Northern Gateway Pipeline, An Affront to the Public Interest and Long Term Energy Security of Canadians</i> by J. David Hughes, page 4 (adobe page 5) (A2K2C9).
	Preamble:	The Reference states: "the US will buy Canadian oil as opposed to less secure sources if it is prices at a competitive level."
	Request:	<ul style="list-style-type: none"> (a) Please describe what Mr. Hughes understands to be pricing at "a competitive level." (b) Please provide Mr. Hughes' understanding of the oil supply sources available to U.S. purchasers, including the less secure sources. (c) Please provide Mr. Hughes' understanding of how the different sources of supply of oil available to the US oil purchases affect the competitive level of pricing of oil in U.S. markets. (d) Please confirm that the implementation of low carbon fuel standards in the U.S. would impact the competitive level of pricing for Canadian crude oil in U.S. markets. (e) Please provide Mr. Hughes' understanding of the competition that currently exists among purchasers of Western Canadian oil supplies.
	Response:	<ul style="list-style-type: none"> (a) Competitive levels are the price that oil will fetch in the world market. Once bitumen reaches the Gulf Coast via Keystone XL and/or the reversed Seaway Pipeline it will command world price less a discount for its lower quality compared to light oil. (b) The oil supply sources are very clearly indicated in Figure 18 of Mr. Hughes' Report. (c) Oil is a globally priced commodity. As indicated, there is a current discount of WTI to Brent, which is the de facto world price, due to a glut of oil at Cushing OK because of lack of pipeline capacity to move that oil to the Gulf Coast. This has been temporary, as illustrated by Schedule E and in Figure 17 in Mr. Hughes' Report and will be eliminated in the next 18-24 months due to new pipeline capacity from Cushing to the Gulf Coast. (d) The implementation of low carbon fuel standards in the U.S. is unlikely to have an impact on Canadian bitumen that reaches the Gulf Coast, with soon to be implemented pipeline capacity. If the bitumen is not sold to U.S. markets, that bitumen will command world price on world markets. (e) As stated, oil is a globally priced commodity. Once Canadian crude can access world markets through new pipeline capacity from Cushing OK to the Gulf Coast of the U.S., which is currently causing a restriction in purchasers to the U.S. mid-continent, Canadian crude will be accessible to purchasers worldwide.