October 5, 2007
NB Telegraph Journal

Irving opposes pipeline route

Irving Oil says route could interfere with plans for a possible second refinery in area

Bobbi-Jean MacKinnon

SAINT JOHN - Irving Oil has filed an objection with the National Energy Board to the detailed proposed route for the natural gas pipeline being built to serve the liquefied natural gas (LNG) terminal it co-owns at Canaport.

Portions of the proposed route along land the company owns in the Red Head area could interfere with its plans for a possible second oil refinery, said spokeswoman Jennifer Parker.

J.D. Irving, Limited has also filed formal opposition with the energy board, confirmed spokeswoman Mary Keith.

Under the proposed route, the pipeline would bisect a "substantial" commercial and residential development it's considering for the estimated 90 acres it owns between Loch Lomond Road and Westmorland Road, she said.

Both companies have been discussing their concerns with the NEB and Emera Brunswick Pipeline, the company that's building the pipeline, for a number of months. But to date, neither has reached an agreement.

As part of the NEB process, anyone who had concerns with the detailed route, timing of the project or method of laying down the pipeline, had until Sept. 30 to file a statement of opposition.

In total, about 20 objections were filed by companies and individuals alike, said NEB spokeswoman Carole Leger-Kubeczek. She could not speculate when the NEB will make a decision.

Emera Brunswick Pipeline spokeswoman Susan Harris had little to say Thursday about the objections.

"We are actually working with a number of parties, including Irving Oil and J.D. Irving Limited, to discuss concerns they have with respect to the detailed route and we are going to continue to work in that fashion with them.

"Our approach is, of course, not to hold those discussions in the media forum." It would be inappropriate, she said, because it involves "people's land and that's a private matter.

"Whether it's corporate or individual, it holds the same."

It's "not uncommon" for objections to be filed on such a project, said Harris.

"Where possible, the proposed detailed route has been developed in consultation with affected landowners."

But now it's in the hands of the NEB, she said.

The 145-kilometre, 76-centimetre-diameter pipeline will deliver natural gas from the Irving Oil-Repsol LNG

terminal at Mispec Point to the U.S.-Canada border near St. Stephen, where it will connect with the Maritimes & Northeast Pipeline.

Irving Oil's objections to the proposed route wouldn't have come as a surprise to Emera or the NEB, based on ongoing discussions, said Parker.

"But as part of the process, there's a formality involved where if we wanted to continue to have those discussions, we did have to file this statement within a certain time frame."

Irving Oil does not oppose the pipeline, she stressed. "We do plan to use that pipeline as part owners of Canaport LNG to reach customers in the future.

"It's simply a matter of making sure we use this process to ensure that other energy projects, like a second refinery, aren't impacted."

The objection, filed by Irving Oil's company Canaport Limited, which is the registered owner of the land in question, argues that the second refinery project will be "significantly impeded or made impossible and the monetary and practical value of the affected lands will be substantially decreased.

"Adherence to the current detailed route plan would cause an unreasonable interference in Canaport Limited's use and enjoyment of the affected lands," the objection, filed on Sept. 21, states.

Asked about the timing of the objection, given that the heated NEB hearings were held about one year ago, with the Friends of Rockwood Park leading the charge, Parker said Irving Oil thought Brunswick Pipeline's initial proposed corridor "looked very good."

But the detailed route, which was only filed at the end of August, has raised concerns because it would involve parcels of land Canaport Limited owns along Red Head and Proud roads, she said.

Meanwhile, Irving Oil has been studying the possibility of building a second oil refinery, worth an estimated $7 billion, in the area.

"We don't know whether a second refinery will be built, but if it is, the design and environmental work we're doing right now is helping us determine where the best location would be and we want to ensure we have as much flexibility and as many options as possible in terms of the land we own in the Red Head area," said Parker.

A refinery would require enough space for a whole refining complex, including refining units, blending units, storage and transportation area for trucks.

"We want to have as few limitations as possible in terms of where within the property we own we could place that refinery, if it was built."

Irving Oil has a good working relationship with Emera, said Parker. "We're still confident that we will be able to find a suitable solution both for Emera and our company "¦ that would make those projects able to co-exist."

J.D. Irving, Limited is also optimistic, said Keith. "We have had good discussions with Brunswick Pipeline and believe an accommodation can be reached that works for both parties."

Ideally, the pipeline would be rerouted to one corner of the property, closer to the power lines, "instead of

going right down the middle of it," she said.

Keith declined to discuss the specifics of the possible development, which would be located almost directly across from the existing refinery on Loch Lomond Road, or a possible timeline for construction.

But the proposed route "will have a material impact on numerous commercial and/or residential building lots, including single family dwellings, apartment buildings and townhouses," the objection filed by the company on Sept. 28 states.

The location of the pipeline is "unreasonable and unnecessary and significantly impairs the economic viability and marketability of the proposed development.

"The adverse impact on J.D. Irving land could be minimized by a minor variation in the pipeline route, which would allow it to remain primarily within the approved corridor," it suggests