



Office of the Minister _____

[Original Dated: July 31, 2007]

Mr. Scott G. McDonald, Project Manager
Alton Natural Gas Storage LP
PO Box 36052
Halifax, NS
B3J 3S9

Dear Mr. McDonald:

Re: Environmental Assessment - Alton Underground Natural Gas Storage Facility

The environmental assessment of the proposed Alton Underground Natural Gas Storage Facility, has been completed.

This letter is to advise that, pursuant to Section 13 (1)(a) of the *Environmental Assessment Regulations*, I have determined the registration information is insufficient to allow me to make a decision, and that I require additional information.

Fisheries and Oceans Canada (DFO) and other interested stakeholders, raised concerns that the report failed to provide adequate information to support the prediction that effects to fish and fish habitat, which includes a species at risk (Inner Bay of Fundy Atlantic Salmon), are insignificant. Concerns include the effects of the withdrawal of water from the Shubenacadie River into both the water intake and the pre-mixing pond; the brine being discharged into the Shubenacadie River; and the discharge of sediments into the Shubenacadie River. DFO has determined that, based on the information provided to date, there is uncertainty in regards to the potential for certain works or undertakings associated with this project to contravene provisions of the Habitat Protection Provisions of the *Fisheries Act*, and the *Species at Risk Act*.

- Alton Natural Gas LP. shall provide additional information to demonstrate that the prediction that project related effects to fish and fish habitat from the development, operation, and maintenance of the Alton Underground Natural Gas Storage Facility are insignificant. This information shall be prepared in consultation with Fisheries and Oceans Canada.

Concerns have also been raised regarding potential impacts of the project on First Nations. Additional information is required to demonstrate how First Nation concerns would be considered in the development and operation of the undertaking. Specifically this should include:

- Details of discussions with First Nations regarding potential environmental effects of the project, and issues identified through these discussions. Plans for addressing identified First Nations' concerns including procedures to deal with project-related issues that may arise, and ensuring issues are recorded and resolved in a timely manner.

Please note, other issues were raised during the review process and the comments are attached for your information.

The requested additional information shall be submitted by Alton Natural Gas LP. at your convenience, as an addendum to the original registration information. Pursuant to Section 13(1) of the *Environmental Assessment Regulations* decision options available to me are: additional information is required; approval with conditions; focus report is required; environmental assessment report required; or, rejection. Upon submission of the information I will have 25 days to make my decision.

Alton Natural Gas LP. shall not commence the undertaking or any part thereof until the undertaking has been approved under Part IV of the *Environment Act*.

Yours truly,

[Original Signed By]

Mark Parent
Minister

cc mailed to: Landis Energy Corporation
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Calgary, AB
T2P 2T8