TERMS OF REFERENCE FOR THE PREPARATION OF A FOCUS REPORT

ALTON NATURAL GAS PIPELINE ALTON, COLCHESTER COUNTY, NOVA SCOTIA

NOVA SCOTIA ENVIRONMENT

September 24, 2012

Introduction

The Alton Natural Gas Pipeline Project proposed by Alton Natural Gas Storage LP (the Proponent) was registered for environmental assessment (EA) as a Class 1 undertaking pursuant to Part IV of the Nova Scotia *Environment Act* on July 10, 2012.

On August 29, 2012, following a review of information submitted by the Proponent, government agencies, the Mi'kmaq of Nova Scotia, and the public, the Minister of Environment decided that, to better understand the potential for adverse effects or significant environmental effects, a Focus Report is required. In accordance with section 13(1)(c) of the Environmental Assessment Regulations, the Minister directed the Proponent to provide a Focus Report to examine potential impacts of the proposed Alton Natural Gas Pipeline on the Crown lands identified by the Province's 12% process, traditional and current Mi'kmaq use, and drinking water supplies.

The Proponent is required to submit the Focus Report within one year of receipt of the Terms of Reference. Upon submission of the Focus Report by the Proponent, Nova Scotia Environment (NSE) has 14 days to publish a notice advising the public where the Focus Report can be accessed for review and comment.

A 30 day public review period of the Focus Report follows. At the conclusion of the 30 day public review, NSE has 25 days to review comments, and provide a Report and Recommendations to the Minister.

The Minister of Environment will have the following decision options, following the review of the Focus Report:

- (S. 18) a. the undertaking is approved subject to specified terms and conditions and any other approvals required by statute or regulation;
 - b. an environmental-assessment report is required; or
 - c. the undertaking is rejected.

The following concerns identified during the review of the environmental assessment are presented to Alton Natural Gas Storage LP for response in the form of a Focus Report.

1.0 Reason for the Undertaking

In recognition of the fact that the project has a potential to impact upon the environment and planned or existing land use in the area, this section shall discuss the public need for the undertaking.

2.0 Alternatives for Carrying Out the Undertaking

In collaboration with NSE and other provincial departments, explore and report on options for alternative pipeline routes that take into account proposed protected areas, Mi'kmaq interests, and drinking water supplies. These options must be considered in **Section 3.0 Project Description.**

2.1 Protected Areas

Provide mitigative options to address impacts on conservation values identified within the 12% lands for the pipeline route presented in the EA registration. These options should be reflective of the potential impacts of a pipeline on the environmental, social, and recreational values that would be associated with the designation of a Wilderness Area at this location.

Provide a comprehensive analysis and discussion of alternative routes for the proposed pipeline that avoid the Crown lands identified by the Province's 12% process. This analysis must:

- a) identify the best possible alternative pipeline route that does not impact the 12% lands. Consideration should be given to route length and minimizing the number of landowners affected; and
- b) outline the technical, financial, and environmental costs and benefits of this route in comparison to the preferred route indicated in the EA registration.

2.2 Mi'kmag Interests

Provide a comprehensive analysis and discussion of how potential impacts on historical, traditional and current Mi'kmaq use of project lands will be addressed for:

- a) the pipeline route presented in the EA registration; and
- b) alternative routes.

2.3 Drinking Water Supplies

Provide a comprehensive plan to protect public and private drinking water supplies including mitigative options to address potential impacts associated within the Stewiacke Watershed Protected Water Area (PWA) for the pipeline route as presented in the EA registration. These options must include water supply protection, contingency plans, and monitoring and reporting plans.

Provide a comprehensive analysis and discussion of alternative routes for the proposed pipeline that protects drinking water supplies along with appropriate protection plans. This analysis must:

- a) identify the best possible alternative pipeline route that avoids the Stewiacke Watershed Protected Water Area;
- b) propose mitigation, contingency plans, and monitoring and reporting plans for the protection of private drinking water supplies that may be impacted by alternative pipeline route; and
- c) outline the technical, financial, and environmental costs and benefits of this route in comparison to the preferred route indicated in the EA registration.

3.0 Project Description

This section of the Focus Report will provide a description of the proposed Alton Natural Gas Pipeline, including the following:

- the project location;
- the project boundaries clearly delineated on a map;
- air photos and satellite imagery of the proposed project site; and
- any assumptions which underlie the details of the project design, including impact avoidance opportunities.

4.0 Focus Report Summary and Conclusions

This section of the Focus Report will summarize the overall findings and conclusions of the study.