



Department of the Industry, Tourism and Investment

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MAIL ROOM
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Date: February 15, 2016

To: Sheri Young

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This fax contains 3 pages, including the cover sheet.

From: Deborah Archibald, Assistant Deputy Minister, Mineral and Petroleum Resources, Dept. of Industry, Tourism and Investment

Subject: Imperial Oil Resources Ventures Ltd.
Mackenzie Gas Project Request for an Extension of the Sunset Clause

Original letter to follow in the mail.

Thank you,

*Lynn Brookson
 Executive Secretary
 To Ms. Deborah Archibald, Assistant Deputy Minister
 Mineral and Petroleum Resources
 Industry, Tourism and Investment
 Government of the Northwest Territories
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Northwest
Territories Industry, Tourism and Investment

FEB 15 2016

Ms. Sheri Young
Secretary of the Board
National Energy Board
517 - 10TH AVENUE SW
CALGARY AB T2R 0A8

MR. JAMES FULFORD
CHIEF CONSERVATION OFFICER
OFFICE OF THE REGULATOR
OF OIL AND GAS OPERATIONS

Dear Ms. Young and Mr. Fulford:

Imperial Oil Resources Ventures Limited (IORVL)
Mackenzie Gas Project Request for an Extension of the Sunset Clauses

The Government of the Northwest Territories (GNWT) thanks you for the opportunity to provide written comments in response to IORVL's request for an extension to the Sunset Clauses in the Certificates of Public Convenience and Necessity (CPCN) for the Mackenzie Valley Pipeline (MVP) and Mackenzie Gathering System (MGS). The National Energy Board (NEB) and the Office of the Regulator of Oil and Gas Operations (OROGO) have indicated that they will be coordinating with each other while considering the request for the Sunset Clause extensions in their respective areas of responsibility. As both the NEB and OROGO are relying on the NEB's public registry to gather written comment, this will serve as one single letter addressed to both regulators.

The GNWT recognizes that the development of the Mackenzie Gas Project (MGP) will provide substantial benefits for the NWT and Canada, provided that the CPCN conditions are followed to ensure that any potential adverse impacts are adequately mitigated and that benefits will flow to NWT residents and businesses. Access and Benefit Agreements have been signed by five Aboriginal Authorities along the Mackenzie Valley, which will provide substantial business, education and training opportunities and greater self-sufficiency. The GNWT remains supportive of the MGP and the cooperative approach that has been taken for MGP review and planning, through such initiatives as the Aboriginal Pipeline Group created in 2000. In the spirit of this cooperation and in consideration of the considerable resources that have been invested by the proponents, governments, parties, regulators and NWT residents to date, the GNWT is in support of IORVL's request to extend the Sunset Clauses to December 31, 2022.

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Development of natural gas in the Territory has been constrained by low natural gas prices over much of the last decade and by the lack of pipeline access to major gas markets. The GNWT understands from IORVL's request that with expectations of higher gas prices in the future, the MGP may become economically feasible. By extending the Sunset Clauses, the MGP will remain a potential contributor to NWT employment, business, revenue and overall GDP.

The GNWT recognizes the need to promote a stable and secure investment environment that facilitates the socially and environmentally responsible development of resources in the NWT. As such, the GNWT supports the requisite updates to baseline data and management plans contemplated by the existing CPCN conditions throughout the various phases of the MGP. GNWT requests that the proponent provide GNWT 6-12 months advance notice of the intent to re-initiate regulatory and associated work on the project to allow time for GNWT to review previous funding projections required for the management of a project of this scale.

We look forward to the NEB and OROGO's thoughtful decision on this matter.

Sincerely,



Deborah Archibald
Assistant Deputy Minister
Mineral and Petroleum Resources

