



MAR 07 2019

MR. KEVIN O'REILLY
MLA, FRAME LAKE

**Oral Question 619-18(3):
National Energy Board Regulatory Authority in the Northwest Territories**

On February 26, 2019, you asked a question in the Legislative Assembly regarding how the development of petroleum resources would be handled in a case whether the proposed activities cross the boundary between the jurisdiction of the GNWT Regulator and the National Energy Board (NEB).

Attached you will find correspondence from the Executive Director of the Office of the Regulator of Oil and Gas Operations that provides an overview of how these type of cases are handled.

If you require further information, please contact my office.

Louis Sebert
Minister of Justice

Attachment

c. Mr. Tim Mercer, Clerk of the Legislative Assembly

Mr. Martin Goldney, Deputy Minister, Justice

Mr. David Hastings, Legislative Coordinator

MR. MARTIN GOLDNEY
DEPUTY MINISTER
DEPARTMENT OF JUSTICE

MAR 05 2019

**Oral Question 619-18(3):
National Energy Board Regulatory Authority in the Northwest Territories**

On February 26, 2019, MLA Kevin O'Reilly asked a question in the Legislative Assembly regarding how the development of petroleum resources would be handled in a case where the proposed activities cross the boundary between the jurisdiction of the GNWT Regulator and the National Energy Board (NEB).

In July 2015, the GNWT Regulator and the NEB signed a Memorandum of Understanding (MOU) that addresses the roles of both regulators under territorial legislation in their respective on-shore jurisdictions: the Inuvialuit Settlement Region (ISR) for the NEB and the on-shore Northwest Territories, with the exception of the ISR and retained federal lands, for the GNWT Regulator.

The purpose of the MOU is "to establish and promote a mechanism for collaboration, cooperation, information sharing and dialogue between the Participants with respect to the exercise of their respective regulatory responsibilities". Section 2.1.4 of the MOU specifically speaks to projects that cross the jurisdictional boundary between the ISR (or other NEB-regulated areas) and the GNWT Regulator's jurisdiction. It indicates that the regulators will "cooperate and coordinate with each other" in exercising their responsibilities for such projects.

A good example of such cooperation and coordination is the Ikhil project, which is operated by Utility Group Facilities Inc. (UGFI). The Ikhil gas field is located in the ISR and the gas is transported by pipeline to Inuvik, in the Gwich'in Settlement Area (GSA). The NEB regulates the field and the portion of the pipeline in the ISR. The GNWT Regulator regulates the portion of the pipeline in the GSA and the facility at the Inuvik end of the pipeline. Both regulators receive reports from UGFI as mandated under the legislation and meet with UGFI to discuss its activities, sometimes jointly. Both regulators also conduct inspections of UGFI's facilities in their respective jurisdictions.

.../2

The MOU between the GNWT Regulator and the NEB also addresses cooperation and mutual support in the case of emergencies, as well as dialogue and information exchange with respect to regulatory matters, including the development of tools such as guidelines and interpretation notes.

A copy of the MOU can be found on OROGO's website at www.orogo.gov.nt.ca/en/agreements. A review of the MOU was recently completed and both regulators agreed that it should continue in its present form.

If you require further information, please do not hesitate to contact me.



Pauline de Jong
Executive Director
Office of the Regulator of
Oil and Gas Operations