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July 28, 2015

**Delivered by Courier and Email**

National Energy Board  
517 Tenth Avenue SW  
Calgary, AB T2R 0A8

Attention: Sheri Young

Dear Ms. Young:

**Re: NEB Consultation Process on Proposed Regulatory Amendments -  
Natural Gas Export License Term**

We write on behalf of Pacific NorthWest LNG Ltd. as general partner of the Pacific NorthWest LNG Limited Partnership (“PNW LNG”) in response to your letter of June 29, 2015 concerning proposed changes to the *National Energy Board Act Part VI (Oil and Gas) Regulations* related to a new category of licences that would permit natural gas export for a term not exceeding 40 years.

PNW LNG appreciates this opportunity to provide input on the proposed amendments which it views as a positive change to the present regulatory framework given the commercial realities involved in many LNG export projects.

PNW LNG’s specific comments, having reviewed the proposed amendments, are as follows:

- (1) **Concerning the definition of “natural gas”.** For the sake of regulatory consistency, we suggest that the definition of natural gas be either removed or be made consistent with other provincial definitions. For example, the British Columbia *Petroleum and Natural Gas Act*, defines “natural gas” to mean “all fluid hydrocarbons, before and after processing, that are not defined as petroleum, and includes hydrogen sulphide, carbon dioxide and helium produced from a well”. In the case of PNW LNG, the LNG Plant is designed to process natural gas containing a broad range and various proportions of fluid hydrocarbons in addition to methane. Limiting the definition of natural gas to include only methane will materially impact the associated technical and commercial risks.
- (2) **Concerning “the source of the proposed exportation”.** It would assist applicants and interested parties if the definition of the word “source” was clarified. Presently it is unclear as to how specific the required information is to be (eg. the Western Canadian Sedimentary Basin, Alberta or a specific field) or whether it includes the identity of any third party in the event that one is involved in obtaining the gas intended for export.
- (3) **Concerning how the term of the 25 year export licences can be extended.** In your letter you state that the proposed amendments “will not impact existing regulations governing licences for the exportation of gas, propane, butanes, ethane and oil for a term not exceeding 25 years”.

However, it would assist holders of the existing 25 year licence if there were a streamlined process in place for current licence holders to increase the term of the 25 year licence to the 40 year period or if the Board were at least to clarify what the process would be.

If you have any questions or would like to discuss any of the issues raised above, please contact Wilfred (Wilf) Barke the Head of Commercial LNG Development for PNW LNG at (778) 372-4708.

Yours truly,

**BORDEN LADNER GERVAIS LLP**

**JULIE G. HOPKINS**

cc: Pacific NorthWest LNG Ltd. as general partner of  
the Pacific NorthWest LNG Limited Partnership  
**Attention: Mr. W. Barke**