

EXTRACT FROM COUNCIL MEETING MINUTES OF MARCH 24, 2015

**2 TRANSCANADA PIPELINES LIMITED
KING'S NORTH CONNECTION PIPELINE PROJECT STATUS UPDATE AND PROPOSED
VAUGHAN MAINLINE EXPANSION PROJECT PRESENTATION
WARDS 1 AND 2**

- 1) That the recommendation contained in the following report of the Commissioner of Public Works and the Director of Capital Delivery and Asset Management, dated March 10, 2015, be approved;
- 2) That the presentation by Mr. Patrick Leys and Mr. Nelson Jalotjot, TransCanada, 1st Street S.W., Calgary, Alberta and Communication C2, presentation material, entitled “*Vaughan Mainline Expansion (VME) Project, King’s North Connection (KNC) Update*”, be received; and
- 3) That the following deputations and Communication, be received:
 1. Mr. Mark Isherwood, Union Gas Limited, Keil Drive North, Chatham and Communication C2, location map;
 2. Ms. Malini Giridhar, Enbridge Gas Distribution Inc., Consumers Road, North York; and
 3. Ms. Janice Badgley, TransCanada, Bay Street, Toronto.

1. That Council receive this report for information; and
2. That the presentation from TransCanada Pipelines Limited staff on the proposed Vaughan Mainline Expansion project be received.

The TransCanada project team has been meeting with Council members to introduce the project. In addition, the project team will be meeting with City Staff and key institutional stakeholders, including the City of Vaughan staff, Hydro One Networks Inc., Ministry of Transportation Ontario and PowerStream.

CITY OF VAUGHAN

EXTRACT FROM COUNCIL MEETING MINUTES OF MARCH 24, 2015

Item 2, CW(WS) Report No. 14 – Page 2

Purpose

The purpose of this report is to provide Council with a brief overview of the proposed Vaughan Mainline Expansion project as a precursor to a more detailed presentation from TCPL staff.

Background – Analysis and Options

In March 2014, TransCanada Corporation identified the proposed The King's North Connection Pipeline project

At the March 4, 2014 Committee of the Whole (Working Session), TCPL presented the proposed alignment/pathway of a new natural gas pipeline within the cities of Brampton, Toronto and Vaughan, known as the King's North Connection project. (Refer to Attachment No. 1). The proposed pipeline was 900mm in diameter and approximately 13km in length. In general, the proposed route is planned to be constructed within a new right of way following the existing and proposed Highway 427 (in part).

The proposed alignment runs through the City's Vaughan Enterprise Zone Employment Lands, impacting the City's approved Secondary Plans. Concerns have been raised by owners of the lands affected by the proposed alignment. TCPL representatives will provide an update on discussions with the affected landowners.

The project is currently in the detailed design phase. In August 2014, TCPL submitted its application to the National Energy Board (NEB) for approval to construct the pipeline; TCPL is looking to commence construction in Q3-2015, following NEB approval.

Following the construction of the King's North Connection Pipeline, TransCanada Corporation is proposing to construct the Vaughan Mainline Expansion project

TransCanada is also proposing to construct a new natural gas pipeline within the City, known as the Vaughan Mainline Expansion project. (Refer to Attachment No. 2). This proposed pipeline will extend northerly and easterly from the terminus of the King's North Pipeline project to an existing TransCanada valve site located on the east side of Kipling Avenue, south of Kirby Road.

This enhancement of pipeline facilities, including the King's North Connection, the Vaughan Mainline Expansion and the recently constructed Parkway Pipeline will provide an increased supply of natural gas from the northeastern United States to reach Ontario and eastern Canadian markets.

The proposed pipeline route is located entirely within Natural and Agricultural areas. A segment of the preferred route is within the Greenbelt portion of the area subject to the North Kleinburg-Nashville Secondary Plan located at south-west corner of the intersection of Kirby Road and Kipling Avenue.

As the currently proposed pipeline route will cross a number City roads, namely Nashville Road, Kirby Road (2 locations), Huntington Road and Kipling Avenue, approval for each crossing will be required in the form of a Road Occupancy Permit (ROP) prior to construction. As part of the ROP, staff will review the detailed design drawings of the pipeline for any potential impacts to the City's infrastructure at these locations.

The project was announced in November 2014, and TCPL has an anticipated in-service date of November 2016.

CITY OF VAUGHAN

EXTRACT FROM COUNCIL MEETING MINUTES OF MARCH 24, 2015

Item 2, CW(WS) Report No. 14 – Page 3

Relationship to Vaughan Vision 2020/Strategic Plan

Not Applicable.

Regional Implications

The Regional Municipality of York will be involved where the proposed pipeline crosses Regional roads.

Conclusion

Staff recommend that the presentation by TCPL on the King's North Connection Pipeline project status and the Vaughan Mainline Expansion project be received.

Attachments

Attachment No.1 – Location Map – King's North Pipeline Connection Project

Attachment No.2 – Location Map – Vaughan Mainline Expansion Project

Attachment No.3 – Vaughan Mainline Expansion – Project Information – February 11, 2015

Report Prepared by:

Vince Musacchio, Manager of Infrastructure Programming, Ext. 8311

(A copy of the attachments referred to in the foregoing have been forwarded to each Member of Council and a copy thereof is also on file in the office of the City Clerk.)

C2
CW (WS)
March 10/15
Item 2

09/03/2015



Vaughan Mainline Expansion (VME) Project King's North Connection (KNC) Update

City of Vaughan - Committee of the Whole
March 10, 2015



Agenda

1. Energy context in southern Ontario
2. Vaughan Mainline Expansion (VME)
 - Commercial drivers
 - Project description
 - Routing considerations
 - Stakeholder and Aboriginal engagement
 - Regulatory framework
 - Project schedule
3. KNC update
 - Regulatory process & project schedule
 - Right-of-way width
 - Balancing stakeholder interests



Energy Context in Southern Ontario

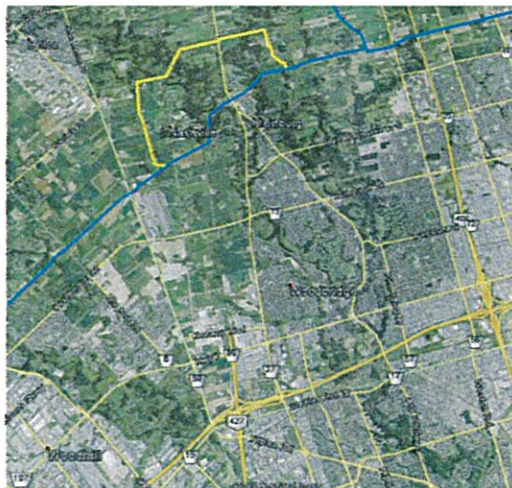


- TransCanada is responding to customer requests for additional capacity to meet consumer demand in Ontario and Eastern Canada
- Ontario Energy Board (OEB) encouraged TransCanada, Union Gas and Enbridge Gas Distribution to work together
- Identify efficient expansions, avoid redundant facilities, reduce costs to ratepayers
- Result: numerous related projects
- King's North Connection (KNC) is part of a coordinated, joint effort



Legend	
TransCanada - existing pipelines	Blue line
- unit additions at compressor station	Red dot
- recent pipeline additions	Green line
- proposed (KNC)	Yellow line
- proposed (VME)	Orange line
Union - existing pipelines	Blue line
- proposed (Brantford to Kirkwall)	Yellow line
Enbridge - GTA A+B (under construction)	Red line

Commercial Drivers



- Open Season held in January 2014; natural gas shippers signed contracts for new capacity in July 2014
- The Vaughan Mainline Expansion (VME) project is required to meet the additional demand
- VME is part of an interconnected network of pipelines that will enable TransCanada and LDCs to meet increasing energy demand

Vaughan Mainline Expansion (VME) Project

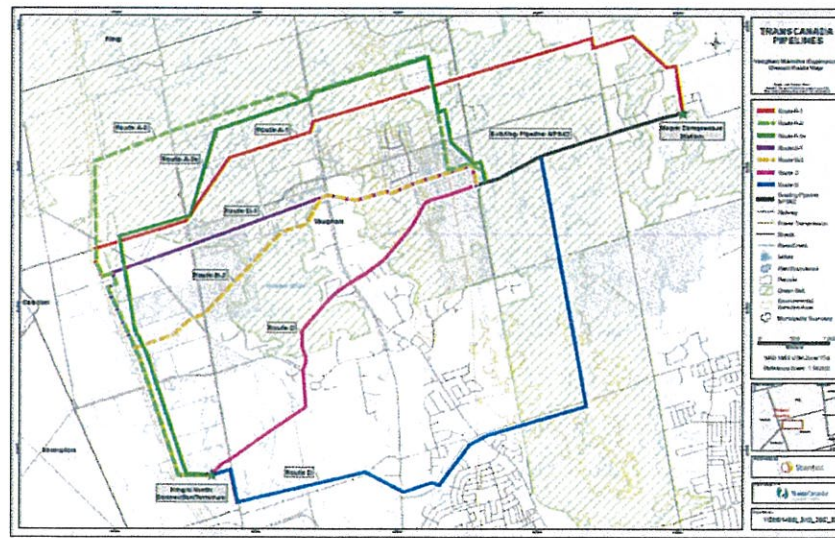


Project Description

- Natural gas transmission pipeline
 - Length: ~12 km; diameter = 42"
 - Min. depth of cover = 1.2m (deeper at crossings)
 - One horizontal directional drill (HDD) at Humber River (up to 40-50m deep)
- Routing mostly rural; some lands planned for future development
- Partially within Green Belt
- Likely ~18m wide permanent right-of-way
- During construction ~35m width required



Route Alternatives Examined



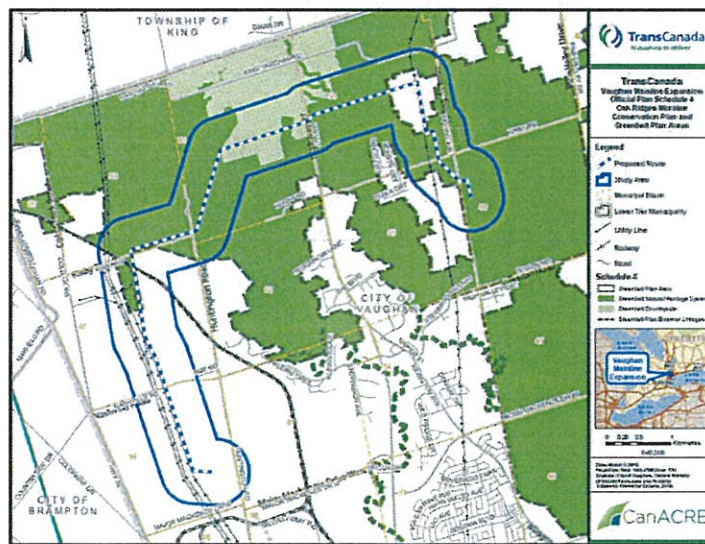
Routing Selection Criteria

Many criteria are used in route selection including the following:

- Parallel existing transmission infrastructure
- Avoid or minimize routing near current or planned urban development and residences
- Reduce the number and complexity of watercourse crossings
- Avoid or minimize effects on identified environmentally sensitive areas, e.g. wetlands
- Avoid or minimize fragmenting properties
- Minimize number of road crossings, particularly highways & paved roads
- Input from municipalities, landowners, stakeholders and Aboriginal communities



Vaughan Mainline Expansion (VME) Proposed route



Stakeholder & Aboriginal Engagement

- TransCanada is committed to:
 - Timely, effective and meaningful engagement with all stakeholders and Aboriginal groups who may have an interest in the project
- Phased outreach to:
 - Municipalities
 - Directly affected landowners and occupants
 - Stakeholders
 - Aboriginal communities
- Outreach will be ongoing throughout the project and will include:
 - Face-to-face meetings
 - Mailings, advertising
 - Public open house



Regulatory Framework - National Energy Board (NEB)

National Energy Board Act (NEBA) and its regulations assesses:

1. Present and future public convenience and necessity
2. Safety, security and engineering integrity of the proposed facilities
3. Environmental and socio-economic impact, and related mitigation measures



VME Project Schedule

Subject to Revision

- Public notification, landowner and stakeholder consultation to start mid-March
- Open house planned for late April 2015
- Start survey and environmental field work Q2 2015
- Submit application to National Energy Board Q3 2015
- Subject to regulatory approvals:
 - Construction targeted for Q2-Q3 2016
 - Expect to be in service in Q4 2016



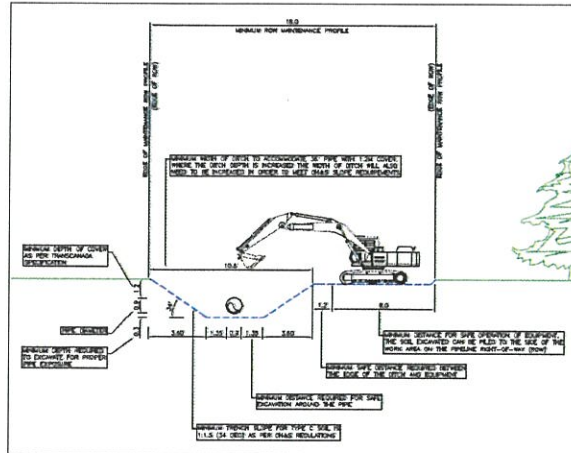
KNC Regulatory Process & Project Schedule

- National Energy Board (NEB) jurisdiction
- Hearing underway:
 - Intervenor responses to questions due March 12
 - TransCanada to file reply evidence March 19
 - Final argument from all parties starts March 26 (process TBD)
 - Timeline of Board decision TBD
- Project schedule:
 - Currently providing landowners with offers of compensation
 - Construction:
 - Would start after receiving Board Order and clearing conditions
 - 9-12 month duration



Right-of-Way (ROW) Width

- In remote/rural locations:
ROW width for 36" pipeline
= 32m
- In Vaughan: ROW width
reduced to 18m
- For site-specific case, ROW
width reduced to 12m
- ROW cannot be narrowed
any further for operations
and maintenance reasons



Balancing Stakeholder Interests

To balance multiple competing interests in an urban environment, KNC:

- Incorporates 5 horizontal directional drills (HDDs) to:
 - Avoid or reduce impacts on environmentally sensitive areas
 - Avoid existing and proposed municipal infrastructure, where feasible
 - Avoid existing and proposed transit and highway infrastructure
- Parallels existing and future transit corridors as closely as possible to reduce linear disturbance on private lands
- Traverses Crown lands, where possible, to reduce the pipeline ROW on private lands
- Preserves the frontages of private land
- Reduces temporary work space requirements on private lands, where feasible
- Avoids environmentally sensitive areas and Aboriginal archaeological sites in the Claireville Conservation Area

[KNC-JDB Proposed Route PL1;h TWS-2Mar15.pdf](#)

Slide 14

PL1 This will be a hyperlink to the route alignment file.
Patrick Leys, 3/6/2015

TransCanada's VME and KNC Projects

Thank You

Questions?



C3 - CW(ws)

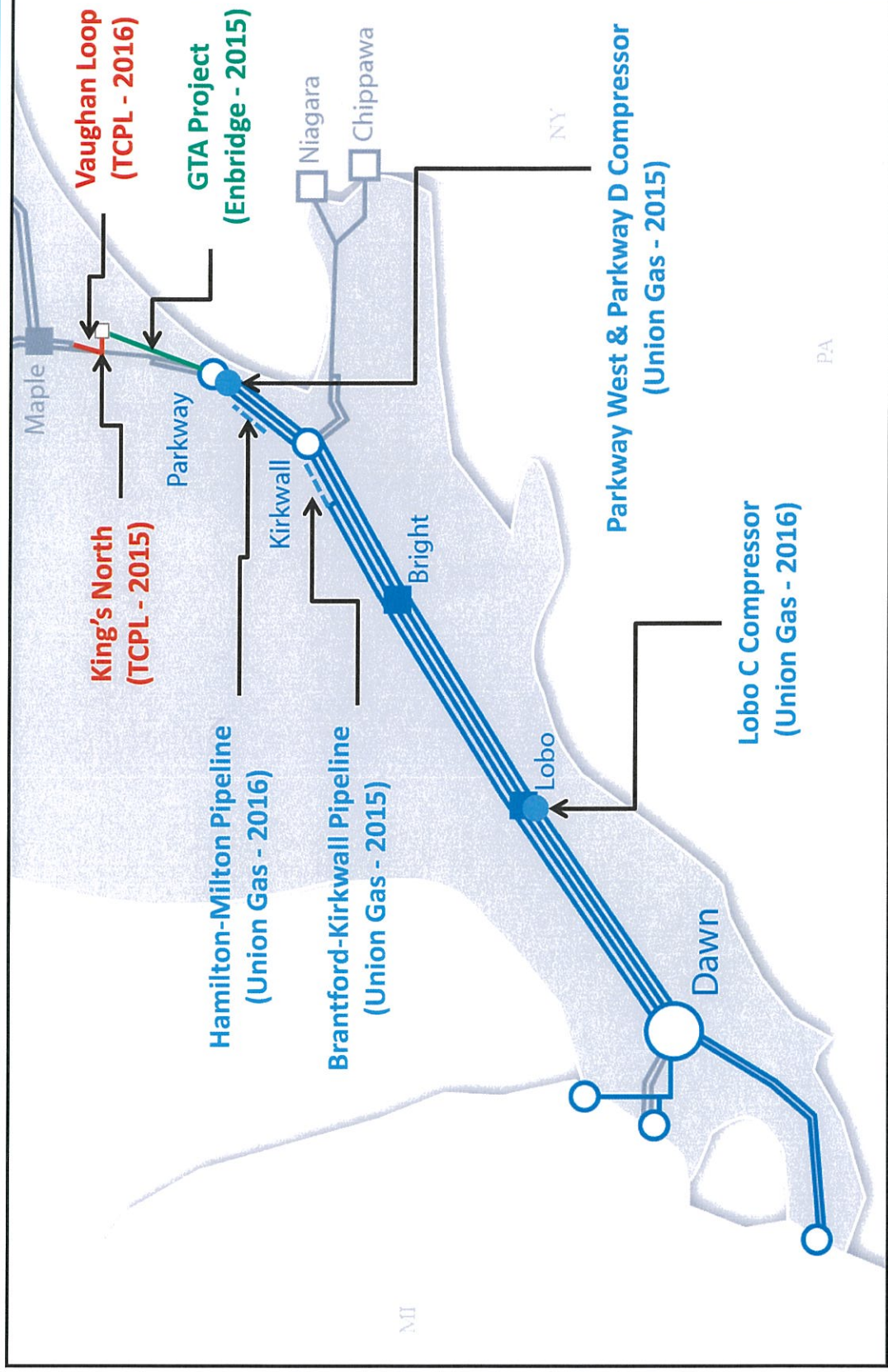
March 10/15 - Item 2

Ontario Natural Gas Infrastructure Investment



uniongas

A Spectra Energy Company



COMMITTEE OF THE WHOLE (WORKING SESSION) – MARCH 10, 2015

TRANSCANADA PIPELINES LIMITED KING'S NORTH CONNECTION PIPELINE PROJECT STATUS UPDATE AND PROPOSED VAUGHAN MAINLINE EXPANSION PROJECT PRESENTATION WARDS 1 AND 2

Recommendation

The Commissioner of Public Works and the Director of Capital Delivery and Asset Management recommend:

1. That Council receive this report for information; and
2. That the presentation from TransCanada Pipelines Limited staff on the proposed Vaughan Mainline Expansion project be received.

Contribution to Sustainability

Not Applicable.

Economic Impact

There is no direct economic impact resulting from the recommendations of this report.

Communication Plan

Information on the proposed Vaughan Mainline Expansion project is being communicated through media coverage, open houses, website postings, advertisement and print material by TransCanada Pipelines Limited (TCPL).

The TransCanada project team has been meeting with Council members to introduce the project. In addition, the project team will be meeting with City Staff and key institutional stakeholders, including the City of Vaughan staff, Hydro One Networks Inc., Ministry of Transportation Ontario and PowerStream.

Purpose

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Relationship to Vaughan Vision 2020/Strategic Plan

Not Applicable.

Regional Implications

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Report Prepared by:

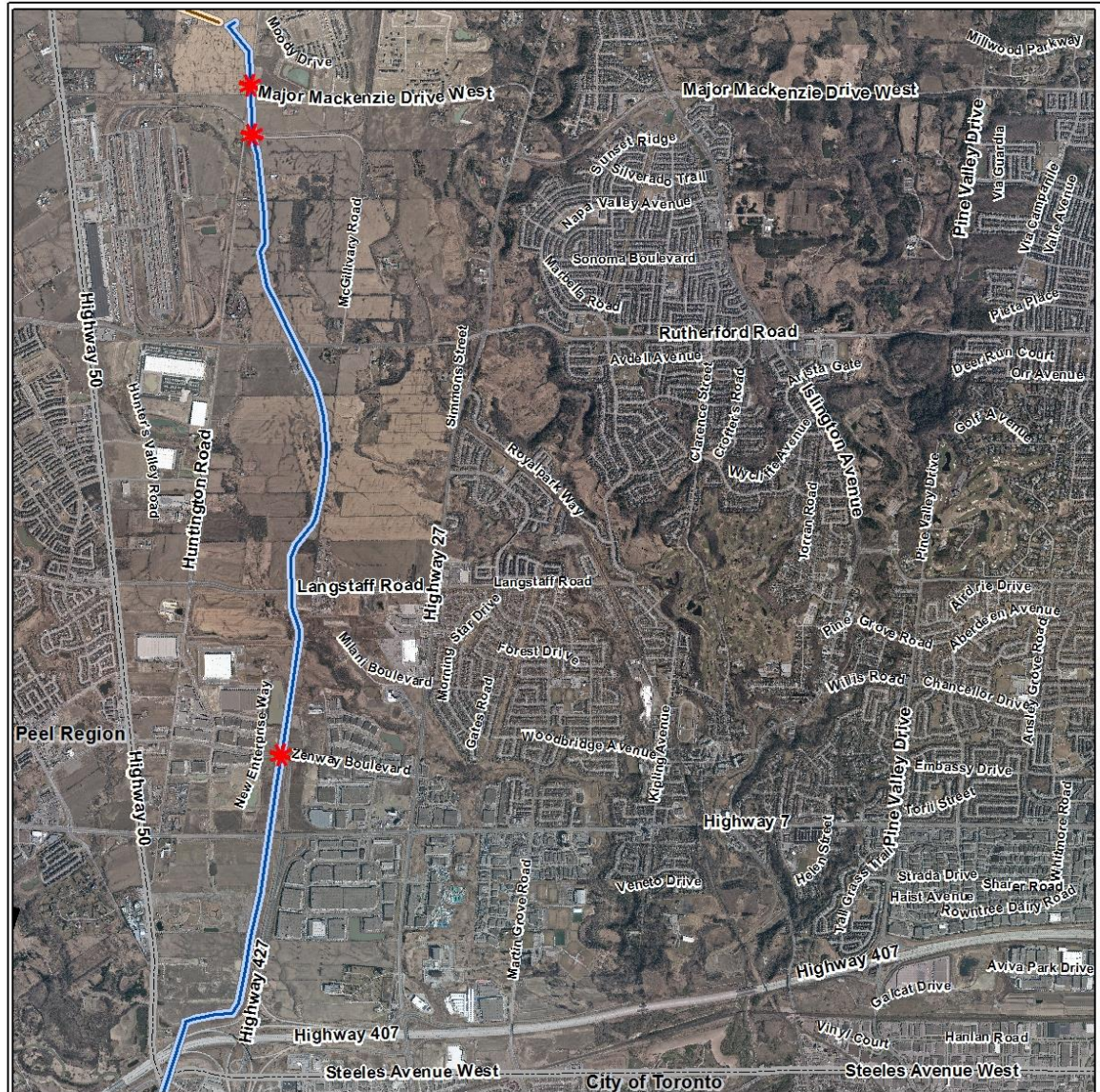
Vince Musacchio, Manager of Infrastructure Programming, Ext. 8311

Respectfully submitted,

Paul Jankowski
Commissioner of Public Works




Jack Graziosi
Director of Capital Delivery and Asset Management

ATTACHMENT No. 1



LOCATION MAP King's North Pipeline Connection Project TransCanada Corporation

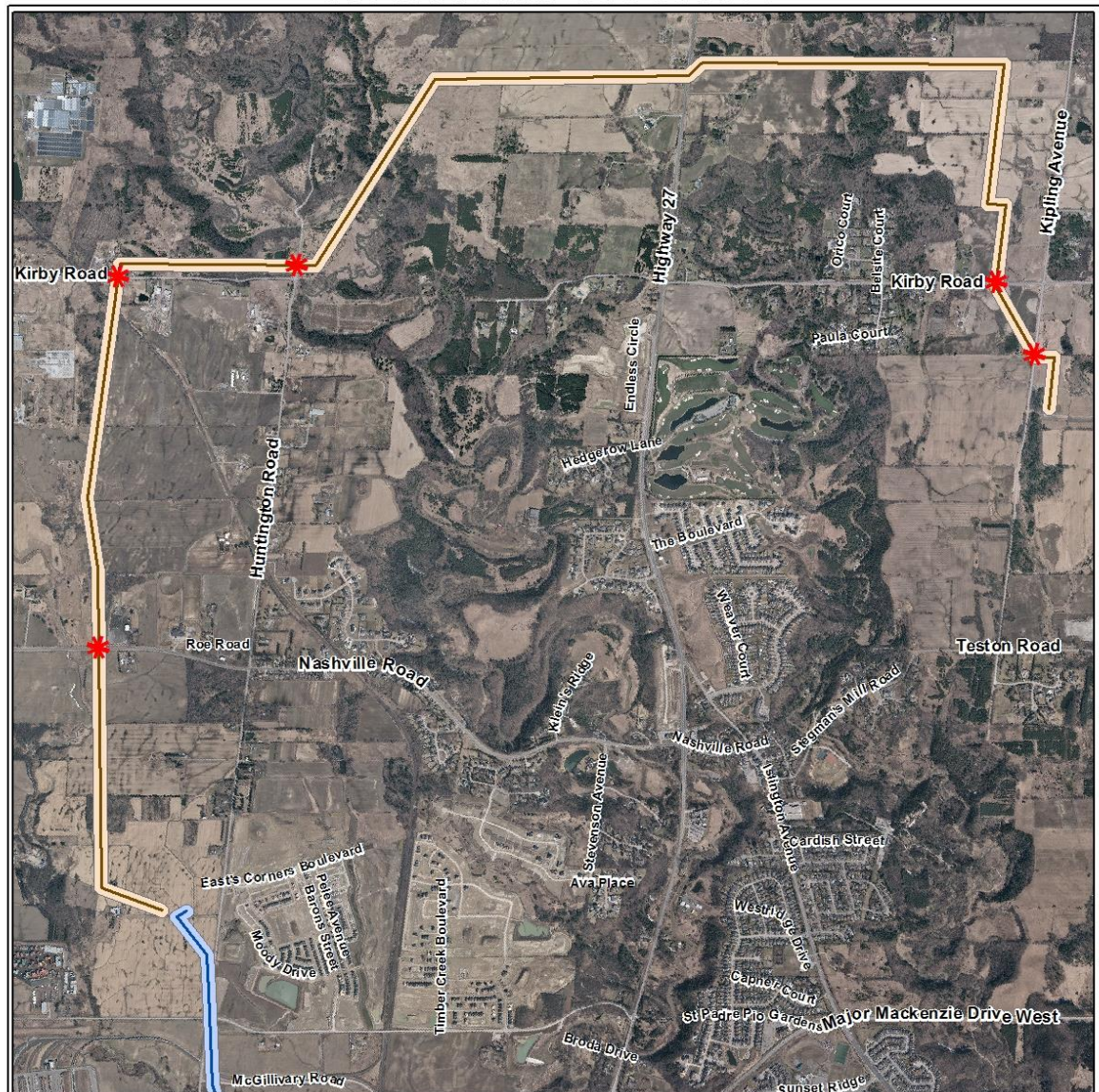
LEGEND

-  King's North Connection Proposed Pipeline
-  Proposed Vaughan Mainline Expansion Project
-  City of Vaughan Road Crossing

Note: Aerial photography acquired Spring, 2014






ATTACHMENT No. 2



LOCATION MAP Vaughan Mainline Expansion Project TransCanada Corporation

LEGEND

-  King's North Connection Proposed Pipeline
-  Proposed Vaughan Mainline Expansion Project
-  City of Vaughan Road Crossing

Note: Aerial photography acquired Spring, 2014



ATTACHMENT NO. 3



Vaughan Mainline Expansion – Project Information – February 11, 2015

Background

- On November 3, 2014, TransCanada sent a letter to Council announcing the launch of the Vaughan Mainline Expansion project (formerly named “Vaughan Loop”).
- The project was announced to the public via press release on November 4, 2014.
- This enhancement of pipeline facilities, including King’s North Connection and Vaughan Mainline Expansion is to allow growing supplies of gas from the northeastern U.S. to reach Ontario and eastern Canadian markets. Enbridge, Union Gas, and Gaz Metro signed new contracts with TransCanada in Q3 2014, which has driven the need for the Vaughan Mainline Expansion project.

Project Details

- Approximately 12 km of 42-inch diameter steel pipe for the transport of natural gas.
- The project is located in the northwest corner of the Municipality of Vaughan, between Major Mackenzie Drive on the south and King Vaughan Road on the north, and between Highway 50 on the west and Kipling Avenue on the east.
- The proposed project begins at an existing TransCanada valve site located on the east side of Kipling Avenue, south of the intersection of Kirby Road and Kipling Avenue, where it ties in to the existing TransCanada mainline. From the valve site, the route runs north, and will parallel a portion of the Hydro One Networks Inc. (HONI) Minden Transmission corridor. The route then heads in a westerly direction, crossing Highway 27, in an area between Kirby Road and King Vaughan Road. From there, the route runs in a southwest direction while crossing the Humber River. After crossing the Humber River, the route heads west, parallel to and on the north side of Kirby Road. Just before reaching the HONI Kleinburg Transmission Line Corridor, the route heads south, parallel and adjacent to the hydro transmission corridor. The route then travels southeast before connecting into the existing TransCanada mainline at the same location as the northern terminus of the King’s North Connection (KNC) project, north west of the intersection of Major Mackenzie Drive and Huntington Road.
- Several possible routes have been evaluated between TransCanada’s Maple compressor station and the northernmost point of KNC. The preferred route to date has been chosen based on multiple considerations, including right-of-way access, environmental concerns, built structures, infrastructure, ease of following property boundaries, and proximity to existing power line rights-of-way.

Stakeholder Engagement

- Through December 2014 and January 2015 TransCanada has been meeting with individual Council members to introduce the Vaughan Mainline Expansion project.
- The project team will be meeting with key institutional stakeholders in February such as the City of Vaughan, Hydro One Networks Inc., Ministry of Transportation Ontario and PowerStream.



- Landowner and Aboriginal consultation, together with broad public engagement, will begin after the project has been presented to the Committee of the Whole on March 10.
- The project team will be meeting with Toronto and Region Conservation Authority to introduce the project and discuss permitting requirements.
- The project team will engage Federal and Provincial environmental regulatory agencies (ie. Ministry of Natural Resources and Forestry and Environment Canada) to introduce the project and discuss permitting requirements.
- Notices announcing the project will be published in local newspapers, and an Open House will be hosted in Q2 2015.

Schedule

- Survey and environmental field studies are expected to commence in Q2 2015.
- TransCanada expects to file an application with the National Energy Board (NEB) in Q3 2015.
- Pending approval from the NEB, construction is expected to commence in Q2/Q3 2016.
- Subject to regulatory approval, the project is targeted to be in-service towards the end of 2016.