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May 31, 2011

EB-2011-0040/41/42

ONTARIO ENERGY BD

Ogichidaakwe Dianne Kelly
Grand Council of Treaty 3
P.O. Box 1720
Kenora, Ontario
P9N 3X7

Re: Red Lake Pipeline Project

Dear Grand Chief Kelly:

EB-2011-0040/41/42

OEB BOARD SECRETARY	
File No:	Sub File: 19
Panel	MH/PC
Licensing	ZC/CS
Other	MM
00/04	

I am writing in response to the letter I received from your lawyer Robert Janes dated May 5, 2011 asking for information relating to our Red Lake Pipeline Project. As you and I discussed on April 29, 2011 we are pleased to be able to provide you and those potentially affected First Nations with Project-related information and to hear and consider any issues or concerns that you may have regarding the Project.

On the issue of the Crown's duty to consult aboriginal peoples, as you know Union Gas has been proactively engaged with you and your member First Nations who may be potentially affected by the Project, along with keeping the various government entities involved in the review of our Project informed. We will continue to work with you and your member First Nations who have an interest in the Project and to continue to work closely with governmental entities involved in the review of the Project.

The key applications relating to the Project that are presently before Ontario Energy Board for consideration include the Project's Leave to Construct application (EB-2011-0040), a Municipal Franchise Agreement for the Municipality of Red Lake (EB-2011-0041), and a Certificate of Public Convenience and Necessity (EB-2011-0042). The Board's process, and its intention for a written hearing, is outlined in its Procedural Order No. 1, a copy of which is attached for your information. As you know, and as part of the Project's Leave to Construct application, Union is required to conduct an environmental assessment of the project. This assessment has been complete and, as we discussed at our April 29, 2011 meeting, we have sent to you another copy of it for your consideration. The assessment is comprehensive in nature and covers a full scope of areas that may be affected by the Project. I note that some specific environmental-related questions were raised at our April 29, 2011 meeting, which I answered in my email to you of May 19, 2011, a copy of which I attach for your convenience. I am of course prepared to discuss further with you any other questions or issues you may have regarding the project at your convenience.

I was also asked to provide the names of contacts at the relevant ministries who are involved in reviewing the Project. Our key contacts have been:

- Ministry of Natural Resources Work Permit: contact Pamela Dittrich, District Planner
- Department of Fisheries and Oceans: contact Tom Kleinboeck, Fish Habitat Biologist
- Ministry of Transportation: contact Lynda Creed, Corridor Management Officer, Kenora Area Office
- Ministry of Tourism and Culture: contact Andrew Hinshelwood, Archaeological Review Officer

There were questions surrounding our agreement with the DFO. The agreement Union Gas has with DFO covers the mitigation to protect fish habitat. The entire agreement is around the protection of fish habitat and is made up of three Generic Sediment Control Plans (Dam & Pump Pipeline Crossings, Flumed Pipeline Crossings, and Temporary Vehicle Crossings) and the commitment to follow the DFO Operational Statement with respect to High Pressure Directional Drilling.

Our commitment is to follow these documents, which have been endorsed by the DFO (Generic Sediment Control Plans) or owned by the DFO (Operational Statement for HDD). I have attached a copy of the DFO agreement for your use.

Union Gas remains committed to consulting with the Grand Council and potentially affected First Nations and to ensure that the appropriate Crown representatives are kept informed of our discussions regarding the Project and any potential affects of the Project on your aboriginal interests. We look forward to continuing our discussions regarding potential benefits that could flow from the Project to the potentially affected First Nations and developing our working relationship.

If you have any questions regarding this letter or would like to pursue this discussion further please do not hesitate to contact me. In any event, we had not established another date to meet with you and the four First Nations Chiefs to discuss the follow up to our April 29, 2011 discussions. I would like to propose another meeting in early June. Please advise me which date is best for you.

Sincerely,


for John Bonin
Manager, Government and Aboriginal Affairs
:mjp

cc: Ontario Energy Board

Robert Janes, James Freedman Kyle Law Corp