

BY E-MAIL ONLY

April 25, 2017

Martin Kaup
Oddleifson & Kaup

GRAND RAPIDS PIPELINE GP LTD (Grand Rapids)
APPLICATION NO. AT10033768
STATEMENT OF CONCERN NO. 30475

Dear Martin Kaup:

You are receiving this letter because you filed a statement of concern on behalf of MKM Joint Venture about Application No. AT10033768. The Alberta Energy Regulator (AER) has reviewed your statement of concern, along with the application, the applicable requirements, and other submissions or information about the application. The AER has decided that a hearing is not required under an enactment, or necessary, to consider the concerns outlined in your statement of concern.

In its review of your statement of concern, the AER considered the following:

- MKM Joint Venture occupies, but does not own, lands on which the pipeline is located. The lands MKM Joint Venture occupies in the southeast quarter of Section 35-57-20W4M are not crossed by the pipeline.
- The pipeline licences were approved following a public hearing, issued under decision report 2014 ABAER 012. Although MKM Joint Venture did not submit a statement of concern during the application process or participate in the hearing, concerns regarding impacts from phased construction were discussed during the hearing and addressed by the panel in the decision report.
- Grand Rapids has acted on the pipeline licence, and there is no deadline for completion of construction.
- Extending the licence expiry date is essentially an administrative change to allow the pipeline to remain in “permitted” rather than “operating” status. Currently, this administrative change happens automatically in the AER system. Extending Grand Rapids’ licence expiry date will not impact their construction schedule.

- Under section 6.2(2)(b) of the *Alberta Energy Regulator Rules of Practice*, the Regulator may disregard a concern raised in a statement of concern if, in the Regulator's opinion, the concern is unrelated to, or relates to a matter beyond the scope of the application. Your client's concerns are related to construction practices, and are not directly related to the extension of the licence. Your client will not be directly and adversely affected by this administrative change.
- In decision report 2014 ABAER 012, the panel imposed conditions regarding construction, right-of-way monitoring, and reclamation planning. Any concerns with Grand Rapids' condition compliance or construction practices should be reported to the AER Edmonton Field Centre.

inquiries 1-855-297-8311
24-hour
emergency 1-800-222-6514

Based on the above, you have not demonstrated that you may be directly and adversely affected by approval of the application. The AER has issued the applied-for extension and this is your notice of that decision. A copy of the extension is attached. Under the *Responsible Energy Development Act* an eligible person may file a request for a regulatory appeal on an appealable decision. Eligible persons and appealable decisions are defined in section 36 of the *Responsible Energy Development Act* and section 3.1 of the *Responsible Energy Development Act General Regulation*. If you wish to file a request for regulatory appeal, you must submit your request in the form and manner and within the timeframe required by the AER. You can find filing requirements and forms on the AER website, <http://www.aer.ca/applications-and-notice/appeals>.

If you have any questions, contact Lonny Olsen at 403-297-3513 or e-mail Lonny.Olsen@aer.ca.

Sincerely,

<original signed by>

Sean Power, P.Eng.

Acting Director, Pipeline Authorizations

cc: Victoria Szakaly, Grand Rapids
AER SOC Coordinator, soc@aer.ca
AER Edmonton Field Centre
Keith Wilson, Counsel for TDM Farms Ltd.