



## **PNG REACTIVATE CAPACITY PROJECT PROJECT FACT SHEET**

### **INTRODUCTION**

As a regulated utility, Pacific Northern Gas (PNG) has safely and reliably provided natural gas service to residential, business and industrial customers within its service area since 1968.

For more than a decade, PNG's Western Transmission Gas Line has been transporting gas well below its capacity due to several large industrial customers closing their operations, including the Skeena Cellulose Mill in Prince Rupert in 2001; Methanex's methanol and ammonia facility in 2005; and the West Fraser Pulp & Paper Mill in 2010. Now, with new industrial customers recently signing service agreements, PNG is proposing the PNG Reactivate Capacity Project (ReCap) to increase the amount of natural gas transported through its system by reactivating portions of the system currently not in use and upgrading others. The project would enable increased volumes of natural gas to enter the PNG system at Summit Lake and be transported to customer locations in Terrace, Port Edward and Prince Rupert.

The project is expected to cost approximately \$88 million and the revenue generated from the new industrial customers is expected to offset the project costs. Each of PNG's 20,400 customers in the Northwest will benefit from the increased system use, which will work to stabilize the natural gas delivery rates to these customers.

### **PROPOSED PROJECT**

Detailed engineering assessments and system enhancements are required in advance of PNG being able to safely and reliably increase the amount of gas in its system.

PNG is planning to reactivate a number of key system assets that have not been in use for over a decade. This includes the reactivation of four existing compressor stations. PNG also plans to install short pipeline extensions from the existing main line to the new customers' locations. Additional compression will be supplied by two new compressor stations, one planned for the Terrace Airport Industrial Park and the other to be in proximity to PNG's existing pipeline system assets near the Salvus Highway Maintenance Yard / Kasiks Lodge.

## PROJECT WORK ACTIVITIES

The work is expected to take place within PNG's existing pipeline corridor, referred to as a right-of-way, in addition to existing industrial areas, new surface leases and nearby permitted temporary workspaces.

### ReCap Project Map



The project will consist of five primary activities, including:

1. Upgrades and reactivations of four existing compressor stations
2. Upgrades of the pipeline section between Terrace and Salvus
3. Two new compressor stations – one in Terrace on existing PNG owned land within an industrial site south of the airport, and one in immediate proximity to existing PNG assets near the Salvus highway maintenance yard

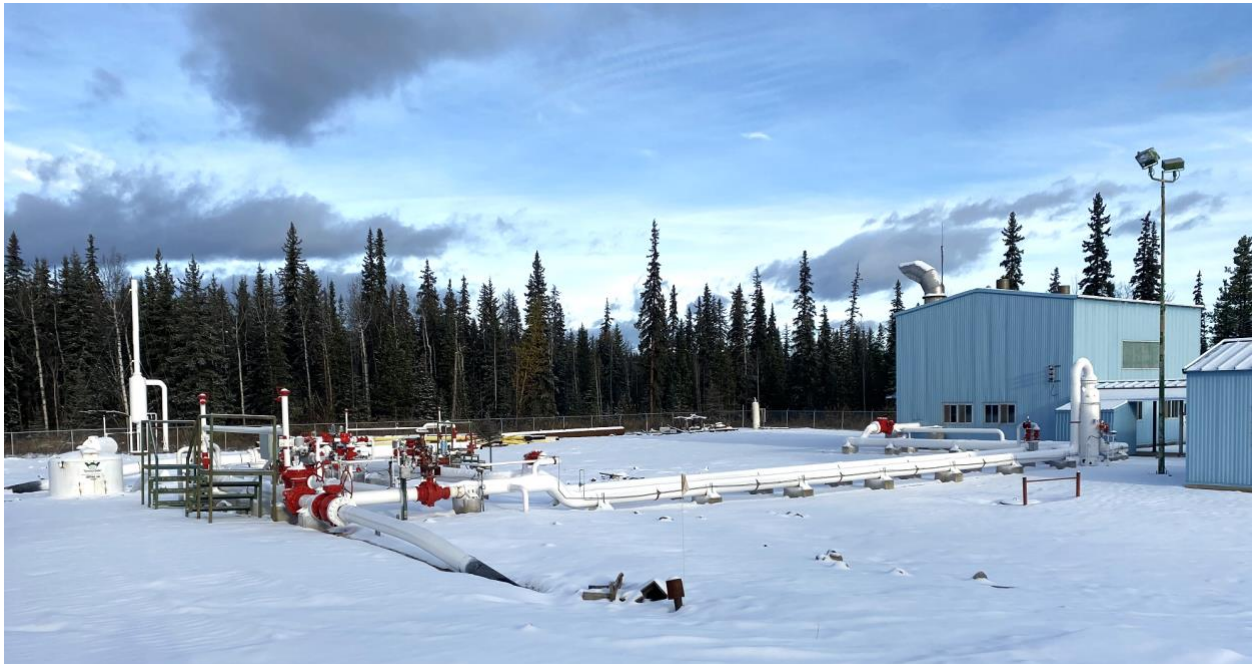
4. Construction of a 5 km pipeline from one of the new compressor stations by the Terrace Airport Industrial Park to avoid areas of population growth
5. Construction of short pipeline extensions from the existing main line to the new customers' locations

All work will adhere to all federal and provincial safety, environmental and archaeological guidelines and PNG's project-specific and corporate Environmental Management Plans.

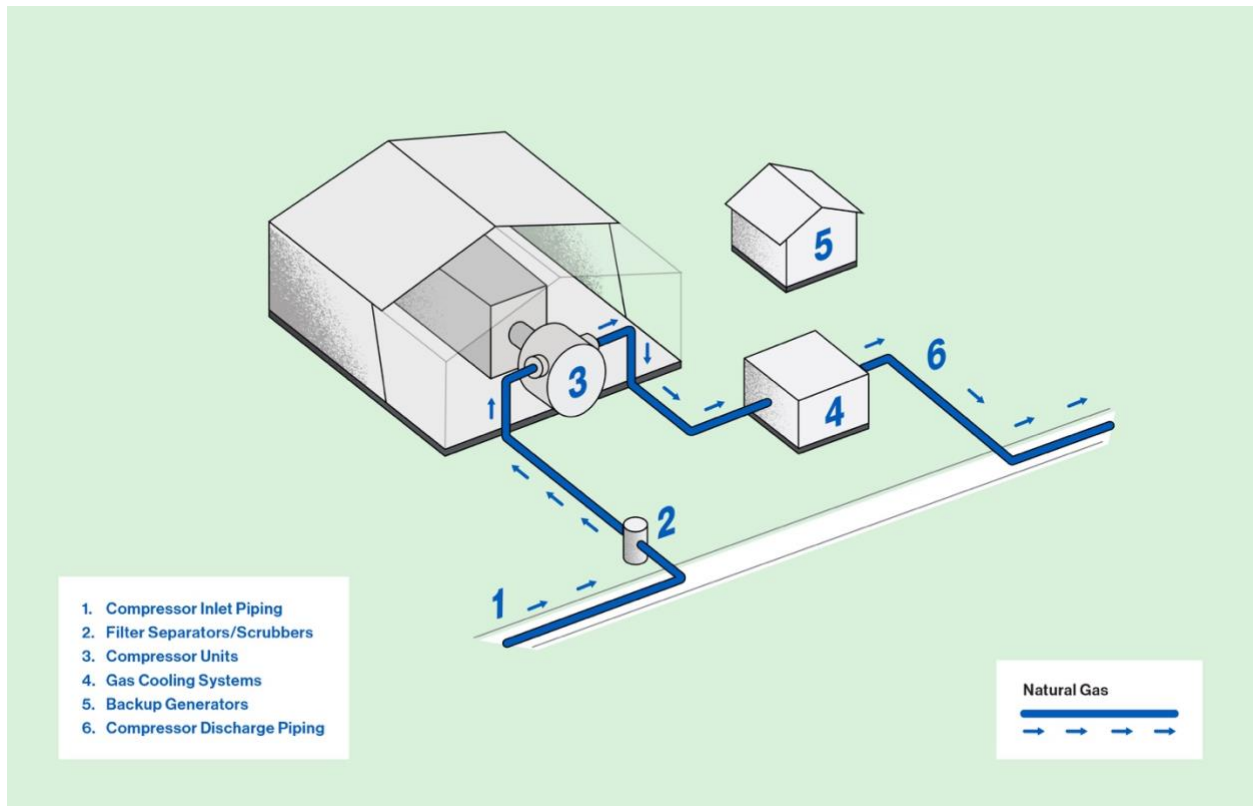
## COMPRESSOR STATIONS

Compressor stations are used to increase the pressure at various points along the pipeline to move the gas through the system to the customers at required end point pressures.

### *PNG's Existing Telkwa Compressor Station*



## Typical Natural Gas Compressor Station Diagram



### How it Works

- Gas from the transmission pipeline system enters the station through an inlet pipeline, and then flows into a compressor which is rotated by a driver
- Through this process, the gas is pressurized and then leaves the station through a discharge line re-entering the natural gas transmission system
- The natural gas is transported along the Western Transmission Gas Line until it reaches the next compressor station, and then on to its ultimate destination
- PNG's control centre monitors the many automatic safety features 24/7
- Compressor stations are designed to minimize noise and have many features to ensure safe and reliable operation

## SAFETY



PNG's top priority for projects and day-to-day operations is the safety of employees, contractors and the public.

All work on the project will be subject to comprehensive management and emergency response plans to protect the health and safety of its workers, Indigenous communities, the public and the environment. Specific safety plans, following all codes and regulations, will be developed during the project design phase.

## CULTURE/ENVIRONMENT

PNG's respect for the environment guides its decisions and this is why careful consideration is taken when planning all projects.

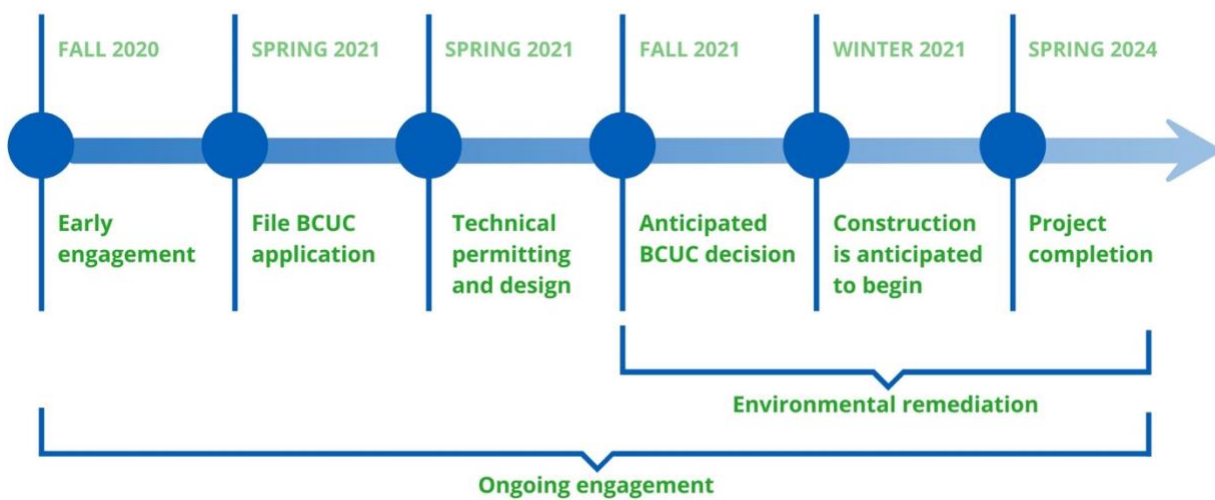
Work will adhere to all federal and provincial environmental guidelines as well as PNG's project specific and corporate Environmental Management and Archaeological Mitigation Plans. All work will be assessed, designed, and constructed under the guidance and monitoring of Qualified Environmental Professionals.



## PROJECT TIMELINE

The project is in the early planning stages, and PNG filed a Certificate of Public Convenience and Necessity application on March 5, 2021 for approval by the British Columbia Utilities Commission (BCUC) for a Certificate of Public Convenience and Necessity (CPCN). The project has an estimated capital cost of approximately \$88 million.

### ReCap Project Timeline



## CUSTOMER BENEFIT

PNG cares about providing value for customers and keeping natural gas service rates affordable. This project provides a positive benefit to customer rates by increasing the amount of gas flowing through the system as a result of new industrial loads.

The additional natural gas volumes are also anticipated to offset the approximate \$88-million cost associated with this project.

## COMMUNITY BENEFIT



### Construction jobs



### Goods & services



### Business spending



### Permanent jobs

Following approval from the BCUC, PNG will be investing approximately \$88 million in the project, which is anticipated to generate economic benefits in the local communities during its construction phase.

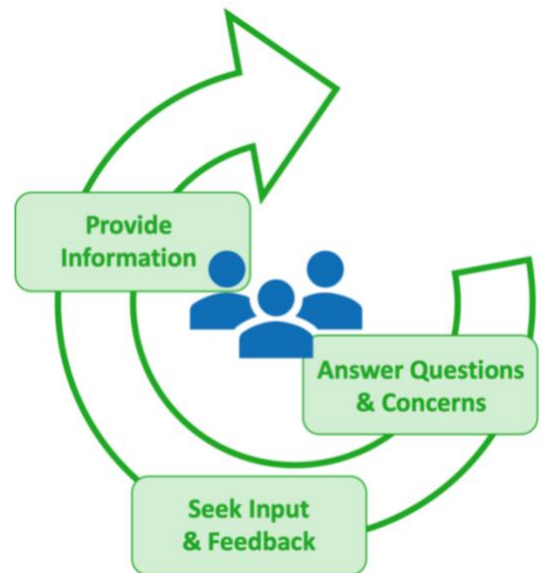
This would include jobs, the provision of goods and services, and increased business spending during the construction phase, in addition to new permanent PNG jobs to manage the new infrastructure.

## PROJECT ENGAGEMENT

PNG values community input, and where feasible will incorporate feedback received into project plans. This is why PNG is engaging with Indigenous communities, community leaders and the public in advance of the application to PNG's regulators, as well as throughout the project. All input and feedback will be captured and tracked, and will form part of PNG's engagement record in its filings.

Indigenous communities affected by the project will be engaged directly by PNG representatives to discuss the project and its potential impacts on Indigenous interests. PNG will be organizing opportunities for public input through written and online submissions, as well as virtual online information sharing opportunities. PNG will continue engagement throughout all project phases.

A dedicated toll-free phone line, 1-888-709-7304, and email address [ReCapProject@png.ca](mailto:ReCapProject@png.ca) have been established to receive questions and comments.



## ABOUT PNG

Pacific Northern Gas Ltd., a wholly owned subsidiary of TriSummit Utilities Inc., owns and operates a natural gas transmission and distribution system in west-central British Columbia, and through its subsidiary Pacific Northern Gas (N.E.) Ltd. PNG also owns and operates natural gas distribution systems and a gas processing plant in the province's northeast. This includes approximately 3,000 km of distribution main and service pipelines and 1,200 km of transmission pipelines.

PNG has been operating in B.C. for over 50 years, and provides gas service to approximately 42,000 residential, commercial, and industrial customers in more than 16 communities across Western and Northeastern British Columbia.

## CONTACT FOR FURTHER INFORMATION OR QUESTIONS

Project Phone Line: 1-888-709-7304

Project Email: [ReCapProject@png.ca](mailto:ReCapProject@png.ca)

Project Webpage: <https://www.png.ca/projects/recap>

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