



**MINISTER OF
CONSERVATION AND WATER STEWARDSHIP**

Legislative Building
Winnipeg, Manitoba, CANADA
R3C 0V8

MAR 27 2015

Mr. Russell K. Girling
President and Chief Executive Officer
TransCanada Corporation
450 - 1 Street SW
Calgary Alberta Canada T2P 5H1

Dear Mr. Girling:

Re: TransCanada Energy East Pipeline Project

I am writing to you on behalf of the government of Manitoba with respect to the proposed Energy East Pipeline project application which was recently filed with the National Energy Board (NEB). Manitoba is planning to take an active role in the regulatory process and most importantly, the planned operating standards the project will commit to in order to ensure health, safety and environmental protection throughout the project life.

As a province, we recognize that pipeline transportation of oil has advantages over rail or road, and, that this project could bring benefits to Manitobans in exchange for the contribution of public and private lands that are needed for its operation. As part of a more integrated Canadian energy strategy, we recognize your support in east-west clean energy transmission. At the same time, it is important to work on broader climate change issues including demonstrating leadership in mitigation and associated adaptive measures.

In total, the project will traverse Manitoba for over 500 km and will include nine (9) pump stations. Manitoba has applied for intervenor status to fully participate in the NEB regulatory process. The focus of our submission will be protection of health, safety and the environment as noted in the following paragraphs.

During the regulatory process, provincial technical staff will be reviewing the Environmental Impact Statement to confirm thoroughness and to identify any possible additional information that may be required to fully assess potential impacts and mitigation specific to Manitoba. Our intent in this regard is to provide a local perspective to the studies by TransCanada. All affected communities must be fully engaged during the process and fair landowner compensation must be offered and Aboriginal consultation must be thorough and accommodation considered where rights are affected.

During construction and operation of the proposed project, the main areas of importance to Manitoba include pipe integrity, i.e., safety in respect of new and existing pipeline must be ensured including a detailed inspection plan and leading edge leak detection technology. To that end, we would look for state of the art spill and fire protocols including fail-safe rapid response capability, annual plan exercises, funding of joint training for local and provincial officials, and equipment, training and other measures to ensure the safety of first responders. Pipeline routing through high density populations is also a concern.

Additional considerations for climate change mitigation measures must be taken to minimize the carbon impact of this project during construction and operation, including the need for carbon offsets, and the use of the best clean energy technologies for all aspects of the pipeline project with full cost recovery for all electricity required.

Other measures of importance include no net loss of wetlands benefits, no impact on water quality, notably including drinking water for the City of Winnipeg and other municipalities.

From a financial perspective, our firm expectation is that there will be no taxpayer liability associated with conversion costs, leaks, spills and/or fires, as well as, no effect on natural gas users. We expect that TransCanada will have insurance and bond requirements proportionate to the risks of the project and satisfactory to affected jurisdictions. Overall, the Manitoba government wants to ensure that this proposed project maximizes economic benefits in Manitoba including fair permit and lease revenues, training and job opportunities.

The measures that Manitoba plans to vigorously raise through its participation in the NEB process are ones that I expect will form part of your Corporation's standard and best management practices and that all will be done to ensure health, safety and environmental protection throughout the life of the Energy East pipeline.

Yours sincerely,

Original Signed by

Gord Mackintosh
Minister

cc: Public Registry
NEB