



Rich Kruger
Chairman, President and
Chief Executive Officer

August 2, 2017

The Honourable James Carr, MP
Minister, Natural Resources Canada
580 Booth Street, 21st Floor, Rm. C7-1
Ottawa, Ontario K1A 0E4

Dear Minister Carr,

I am writing to express my disappointment that the National Energy Board postponed its hearing on the application by Enbridge Pipelines (NW) Inc. to replace a short section of Line 21, which was originally shut down in November 2016 as a precautionary measure to ensure operational integrity.

As you may be aware, the closure of this line has resulted in the extended shutdown of Imperial's entire 11,000 barrels per day Norman Wells operation. We fully support Enbridge's actions, taken proactively and voluntarily, as a responsible operator. However, the regulatory requirements to gain approval for a replacement of 2.5 kilometres out of the existing 869-kilometre line, coupled with the short northern construction season, means it will now take nearly two years to replace this short section of pipeline. I find this to be absurd for a small project that should be considered essentially routine maintenance of an existing pipeline.

The delay has resulted in significant impacts on Imperial's business, the community of Norman Wells and the Northwest Territories. The extended shutdown has forced Imperial to move employees and their families out of town to other operations. Imperial's workforce and their families represent about 20 per cent of the town's population – these residents are active members in the community with families attending local schools, volunteering and supporting area businesses. Local contractors and merchants have also been significantly affected. Imperial's business spend for Norman Wells operation was about \$60 million in 2016, for services ranging from aviation and marine transportation, to accommodations and construction. As a result of this situation, all of these expenditures have been reduced. In addition, the shutdown of the field's oil production has resulted in lower royalties being paid to government and significant adverse financial impact to Imperial.

I ask that we do not allow this to become another example of the increasing regulatory uncertainty that is burdening Canadian energy projects. Canadian companies and our investors need certainty and balance in our regulatory system to be able to compete in a global market. Timelines must be honoured. Regulatory delays such as this have the effect of significantly impacting our competitiveness and ultimately the desire of companies to do business in Canada. This situation is of particular concern given the federal government's expressed desire for economic development in Canada's North.

Imperial is committed to respecting regulatory processes. I urge you to ensure government regulators work together, in fulfilling their mandates, and to be conscious that their actions affect the competitiveness of Canada's oil and gas industry. Imperial has supported the regulatory process and I hope that a timely authorization can be achieved to resume operation of the pipeline, restart Imperial's Norman Wells operation, and restore economic benefits to the local community.

Sincerely,

A handwritten signature in blue ink that reads "Rich".

Rich Kruger,
Chairman, President and Chief Executive Officer

c.c.

Hon. Carolyn Bennett	(via email: minister@aadnc-aandc.gc.ca)
Ms. Rebecca Chouinard	(via email: rchouinard@mvlwb.com)
Hon. Catherine McKenna	(via email: ec.ministre-minister.ec@canada.ca)
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