

# Community Link

Welcome to the first edition of **Community Link**, a concise newsletter designed to provide you with information about our Energy East Pipeline Project.

In this first issue, you'll find information and updates about the project in its current stage of development. You will also find information about our commitment to the environment, our focus on pipeline safety, and the economic benefits of the project.

We are sending this newsletter to a wide range of stakeholders, First Nations and Métis throughout the

six provinces along the proposed pipeline route (Alberta, Saskatchewan, Manitoba, Ontario, Québec and New Brunswick) because we want you to have access to the facts about the project and the status of its development.

In the coming months, we'll bring you more information and updates about the project as we move further along in the process. We also invite you to visit our websites at any time to receive the latest Energy East updates at [EnergyEastPipeline.com](http://EnergyEastPipeline.com) or [OleoducEnergieEst.com](http://OleoducEnergieEst.com)



Steve Pohlod  
President, Energy East Pipeline

## What are the **Economic Benefits?**

The Energy East Project announcement brought with it a new solution in addressing an overwhelming need by producers and refiners to receive a greater value for their domestically produced oil, and the recognition that a pipeline connecting west with east could help eliminate Canada's reliance on crude oil imported from overseas in a safe and reliable way—something that hasn't been possible for Canada until now. While those two points are significant in themselves, the project's potential jobs and economic benefits for communities across this country will also play a significant role in providing Canadian families with economic benefits and energy security for years to come.

The recently released Deloitte\* economic impact study for the Energy East Project confirms what many of us already knew—that this project would help support thousands of jobs and millions of dollars in government tax revenues over the short- and long-term life of the project. But with this new study, we now have a more objective and tangible understanding of the full economic benefits that communities across the country will receive.

According to the study, it is estimated that the Energy East Pipeline Project will generate \$35 billion in additional gross domestic product (GDP) for Canada during six years of development and construction, and the first 40 years of operation. The report also estimates that more than 10,000 full-time jobs will be directly supported during development and construction of the pipeline between 2013 and 2018 and another 1,000 full-time jobs will be directly

supported by the pipeline once it begins service. Deloitte also found that the Energy East Pipeline Project will generate an additional \$10 billion in tax revenues for all levels of government during this same period. Some of the specific results are:

### **GDP Growth**

The Energy East Project will generate an estimated \$10 billion in additional GDP for the Canadian economy during the six-year development and construction phase, and \$25.3 billion during the first 40 years of operations. (Regular maintenance is expected to extend the operating life of the pipeline beyond 40 years.)

### **Job Creation**

The six-year development and construction phase of the project will generate an estimated 10,000 direct full-time equivalent (FTE) jobs across the country, 2,300 during the development period (2013-2015) and 7,700 during the construction

period (2016-2018). The operations phase is expected to sustain 1,000 full-time jobs across Canada directly related to the pipeline's operation. Thousands of indirect and induced jobs are also expected to be generated by the project in all provinces along the route.

Approximately half of the jobs created in the development and construction phase will be in the construction, engineering, architectural, and oil and gas support services industries, while approximately half of the jobs in the operations phase will be in the oil and natural gas pipelines, power generation and transmission industries.

### **Tax Revenues**

The development and construction phase is expected to generate an additional \$3 billion in tax revenues for municipal, provincial and federal governments across Canada. The operations phase will result in \$7.2 billion in added tax revenues.

# Energy East Pipeline



\*Economic Impacts Results, Deloitte, Sept. 10, 2013. To learn how the Energy East Pipeline Project will benefit your province, and to review the entire report, visit [EnergyEastPipeline.com](http://EnergyEastPipeline.com)



## Our Environment: The Environmental Process

At TransCanada, we work to minimize our environmental footprint with every project we undertake. Our goal is to cause as little disturbance to the land as possible. It's one of the many

reasons the Energy East Project is being considered. Almost 70 per cent of the proposed project is already in the ground. That means fewer disturbances to the environment and to local communities, but that's not where our environmental work ends.

Before submitting an application for the Energy East Pipeline Project to the National Energy Board (NEB), we will complete a detailed Environmental and Socioeconomic Assessment (ESA) to evaluate all the social and environmental resources along the pipeline route, and the potential effects on these resources as a result of the project.



During Construction: Keystone Pipeline near David City, Nebraska, June 15, 2009

The Energy East Project team is already out in the field conducting extensive field studies to complete the assessment. These studies include assessments of heritage resources, wetlands and watercourses, soils, vegetation and wildlife, and aquatic resources. As we move forward with the project's process, the team will continue to work with landowners, stakeholders and experts to identify and understand the unique environmental resources and concerns within those regions.

All of our activities throughout the life of the project are done with the goal of re-establishing and maintaining the essential biophysical characteristics of the environment, ensuring that the same land capability and biological diversity are upheld. In short, we develop techniques that help protect and restore the lands we operate on, and we continue to monitor those lands for years after the project begins to ensure the land is successfully reclaimed to its natural state.



After Restoration: Keystone Pipeline near David City, Nebraska, August 25, 2010

## Focus on Safety: Building a Pipeline

We understand that recent events have heightened public concern about pipeline safety. A fundamental principle for TransCanada and the entire pipeline industry is the protection of the public from the effects of any pipeline incident.

Safety is a core component within the TransCanada culture and has been



for over 60 years. For us, safety is paramount in the construction, operation, and maintenance of more than 70,000 kilometres of pipelines in North America. It's why TransCanada has one of the best safety records in the industry—and Energy East will be no exception.

Our safety program begins before construction with the selection of high-quality materials and the use of best practice techniques to ensure the integrity of our pipelines. We require every weld made on our pipelines to be inspected by qualified independent inspectors and are the only company in North America that regularly uses automated ultrasonic testing of our pipes to check for irregularities before they begin operating.



We develop various detailed assessments and field studies when designing our pipelines in close collaboration with federal and provincial regulators to comply with all regulatory requirements and we also implement state-of-the-art leak detection systems monitored by highly-trained specialists to further protect our infrastructure, making us confident leaks would be quickly identified and responded to.

The Energy East Pipeline will be one of the most technologically advanced pipelines TransCanada has ever built.

No one has a stronger interest than TransCanada does in making sure that its pipelines are designed, constructed and operated safely and reliably. It not only makes good business sense, it is just common sense. For more information about our safety standards, please visit us at [EnergyEastPipeline.com](http://EnergyEastPipeline.com)



# In Your Community

## Thank You From the Energy East Pipeline Project Team

Recently, TransCanada visited communities across the country, from Alberta to New Brunswick, to discuss our newly proposed Energy East Pipeline Project with local community members.

Our experts listened as community residents shared their thoughts on a number of topics about the project, including questions around how TransCanada safeguards its pipeline system to how it protects rivers and environmentally sensitive areas along the project route.

I'd like to first say thank you to those who joined us at our events. The feedback we receive from each person in these open houses is gathered, recorded and considered as we work toward the planning of the pipeline. It's an essential part of our engagement process and something we take very seriously.

TransCanada has one of the best records in the industry for delivering energy safely and efficiently across North America. In 2012 alone, we spent more than \$1 billion on proactive maintenance programs to protect our pipelines and infrastructure system. It's these types of commitments that ensure our projects are developed in the safest and most socially responsible manner possible, and Energy East will be no exception.

Special measures will be used when crossing rivers and other sensitive areas to help further protect the environment. Some of these include adding thicker-walled pipe and placing extra sensors and valve systems closer together in these important areas. We will also monitor the pipeline 24 hours a day with the ability to remotely shut it down within minutes anywhere along the route, and will place specialized equipment and field crews along the entire pipeline system to monitor, maintain and respond immediately if needed.

Pipelines are the safest way to transport energy across North America and our oil pipelines are among the newest and safest ever built. I've been in this industry for over 30 years so I can tell you firsthand that no one has a stronger interest in the protection of TransCanada's pipelines than we do. That's why we continuously adopt new technologies and new programs to improve our systems every day.

Thank you once again for hosting us in your community and sharing your thoughts. Our events are designed to ensure we achieve one important goal: to communicate one-on-one with each individual who attends our open houses. We appreciate your hospitality and look forward to meeting with you again very soon. For more information about our project, please visit us at [www.EnergyEastPipeline.com](http://www.EnergyEastPipeline.com)

Sincerely,  
Steve Pohlod  
President, Energy East Pipeline Project

## Aboriginal and Métis Engagement

TransCanada is dedicated to an open and transparent engagement process with First Nation and Métis communities across Canada. The scope of the Energy East Aboriginal engagement process is very comprehensive, involving approximately 180 individual First Nation and Métis communities, tribal councils and organizations representing 14 distinct nations and cultures. Each of these communities has varying interests and a wide range of Aboriginal and Treaty Rights protected by the Constitution of Canada. Not only is Aboriginal engagement an NEB requirement, it is something we strongly believe in. We have drawn on the experience of First Nation and Métis people to work with us as coordinators, facilitators and advisors on all matters relating to Aboriginal communities along the proposed route.

At TransCanada we believe that by developing positive, long-term relationships with Aboriginal communities that are located near our facilities, we can conduct business while respecting community interests. We are working with individual communities to ensure their voice is heard, by contributing to community capacity, investing in traditional land use studies and partnering with all levels of government to address Aboriginal concerns and interests.

# Myths and Facts

## Myth

Oil sands crude is more corrosive than other crude oils.

## Fact

Studies have shown that there is no difference in safety or risk of pipelines carrying diluted bitumen versus traditional crude oil. Petroleum pipelines are designed to carry various grades of crude oil from different sources, all of which must meet multiple specifications and regulations in the U.S. and Canada. The crude oil we are delivering is no different from oil already being shipped from other places such as California, Venezuela or Russia.

A recent study conducted by the National Academy of Science found that diluted bitumen (dilbit) does not have unique properties that make it more likely than other crude oils to cause pipeline damage or increase the likelihood of a spill.

The study is the latest in a series of reports investigating the characteristics of oil sands-derived crudes and pipeline safety. Studies conducted by Batelle Memorial, Penspen Integrity, the University of Calgary and Natural Resources Canada have also concluded that diluted bitumen behaves the same way as other crude oil in pipelines and is just as safe to transport.

Learn more about the myths and facts. Visit our website [EnergyEastPipeline.com](http://EnergyEastPipeline.com)

## Contact us

- If you have questions, need more information or would like to suggest a topic for future issues of this newsletter, please see the contact information to let us know.
- To unsubscribe from this newsletter, please contact us by email or mail at the address below.

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