

Clause 9 in Report No. 17 of Committee of the Whole was adopted, without amendment, by the Council of The Regional Municipality of York at its meeting held on November 19, 2015.

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## TransCanada PipeLines Crossing Agreement

Committee of the Whole recommends adoption of the following recommendations contained in the report dated October 22, 2015 from the Commissioner of Transportation Services:

### 1. Recommendations

It is recommended that:

1. The Region enter into a Crossing Agreement with TransCanada PipeLines Limited for the construction of the King's North Connection Pipeline Project, within the Region's right-of-way.
2. The Commissioner of Transportation Services be authorized to execute the Crossing Agreement.
3. The Commissioner of Transportation Services be authorized to execute future Crossing Agreements with TransCanada PipeLines Limited, on the same terms as outlined in this report.

### 2. Purpose

This report seeks Council approval to enter into a Crossing Agreement with TransCanada PipeLines Limited (TransCanada) for the King's North Connection Pipeline Project and future pipeline projects.

### 3. Background

This is TransCanada's first pipeline project within the Region

The King's North Connection Pipeline Project (Project) is TransCanada's first pipeline project within the Region. The Region anticipates that additional

segments of the pipeline will be constructed within the Region's right-of-way in the future.

Pipeline construction is a federally regulated industry

The construction of pipelines across provincial borders is regulated by the National Energy Board. The National Energy Board is authorized to approve pipeline traffic, tolls and tariffs pursuant to the National Energy Board Act, R.S.C., 1985, c. N-7. The National Energy Board's role is to ensure that pipelines are constructed in accordance with the applicable environmental, health and safety standards.

The Region has jurisdiction, pursuant to the Municipal Act, 2001, S.O. 2001, c. 25, as amended, over its right-of-way.

The King's North Connection Pipeline Project has been approved by a National Energy Board Order

On August 15, 2014, TransCanada applied to the National Energy Board for an order granting approval to construct the King's North Connection Pipeline. On June 2, 2015, the National Energy Board issued Order XG-T211-027-2015 pursuant to Section 50 of the National Energy Board Act, approving the King's North Connection Pipeline Project. TransCanada must ensure that the pipeline is constructed in accordance with the National Energy Board Order. TransCanada's contractor is scheduled to commence site preparation work by the end of this year.

The Region has other crossing agreements in place

The Region has entered into other types of crossing agreements with respect to the Region's right-of-way, such as a Municipal Access Agreement with telecommunication companies and a Franchise Agreement with Enbridge Gas Distribution. Neither the Municipal Access Agreement nor the Franchise Agreement applies to TransCanada. A Crossing Agreement for pipeline projects with TransCanada is necessary.

#### 4. Analysis and Options

The Project will interconnect new natural gas facilities with existing pipeline

The King's North Connection Pipeline Project will connect the proposed Enbridge Gas Distribution pipeline facilities with TransCanada's existing natural gas transmission facilities. The proposed pipeline route is planned to be constructed

within a new right-of-way and will interconnect new natural gas facilities proposed by Enbridge with TransCanada's existing pipeline. A new 36 inch diameter pipeline, approximately 13 kilometres in length, will be installed within the new right-of-way. The route is proposed to follow existing corridors, including a hydro corridor and the proposed Highway 427 extension to the extent possible to maximize compatibility with existing and planned infrastructure in the area, and also minimize the environmental footprint of the project. A majority of the pipeline's route is located east of Highway 50 and Huntington Road in the City of Vaughan. A small portion of the route will be located in the cities of Brampton and Toronto. The new pipeline will connect a new meter station at Albion Road in Toronto to TransCanada's existing pipeline at Major Mackenzie Drive in Vaughan.

The location of the pipeline within the Region's right-of-way is shown on Attachment 1.

The Crossing Agreement ensures the Region's interests are protected with respect to the pipeline project

The Crossing Agreement defines the way in which TransCanada is permitted to work within the Region's right-of-way to ensure that Regional interests are protected, and that the pipeline does not interfere with the Region's administration of its right-of-way. Regional staff have confirmed that the depth of the pipeline as per design drawings will not impact Regional infrastructure. Table 1 summarizes the key principles of the proposed Crossing Agreement:

**Table 1**  
**Key Principles of the Crossing Agreement**

Section Reference	Description
2 – Municipal Consent	Prior to the commencement of pipeline construction, TransCanada must obtain a Road Occupancy Permit from the Region and must provide the Region with detailed design drawings of the proposed location(s) of the pipeline.
3 – Compliance with Law	TransCanada must comply with relevant sections of the National Energy Board Act, the National Energy Board Pipeline Crossing Regulations Parts I and II, and the National Energy Board Order for the Project, among other applicable law.

Section Reference	Description
4 – Work Conditions	<p>TransCanada must respect specific terms and conditions set by the Region. Some include:</p> <ul style="list-style-type: none"> <li>• The right-of-way must be used for the intended purpose only;</li> <li>• Notice must be provided prior to the commencement of any work;</li> <li>• Approval must be obtained for directional drilling;</li> <li>• TransCanada must repair any damage it causes to existing infrastructure within the Region’s right-of-way, failing which the Region may make such repairs and bill TransCanada for the cost of the work plus overhead;</li> <li>• A copy of the Road Occupancy Permit must be located on site;</li> <li>• TransCanada must comply with Regional procedure(s);</li> <li>• The Region must have access to the site for monitoring purposes.</li> </ul>
6 – Maintenance and Repair of the Pipeline	<p>TransCanada must maintain the pipeline in a state of good repair. The Region has no power to repair or remove TransCanada’s pipeline, which falls wholly within this federally regulated industry.</p>
7 – Cost Responsibilities	<p>TransCanada is responsible for all costs associated with the Project, including maintenance and repair.</p>
15 – Term	<p>Once the Crossing Agreement is signed, it will remain in effect until TransCanada abandons the Project or the pipeline is removed.</p>

The Crossing Agreement will serve as a template for future crossing agreements with TransCanada

TransCanada has two future pipeline projects planned in York Region:

- a) The Vaughan Mainline Extension Project - An approximately 12 kilometre, 42 inch diameter natural gas pipeline located in the City of Vaughan. The proposed pipeline commences near the north end of the King’s North Connection pipeline just north of Major Mackenzie Drive and Huntington Road. It will run north to Kirby Road, turn east between

Kirby Road and King Vaughan Road until it reaches Kipling Avenue, then head south and connect into TransCanada's existing Canadian Mainline. TransCanada plans to submit the Vaughan Mainline Extension application to the National Energy Board before the end of 2015, with construction starting by the end of 2016.

- b) The Eastern Mainline Project - An approximately 250 kilometre, 36 inch natural gas pipeline commencing at Warden Avenue, in the City of Markham, to South Dundas, Ontario. The pipeline will run from Warden Avenue to York/Durham Line, between Elgin Mills Road and 19<sup>th</sup> Avenue, in Markham. TransCanada plans to submit the Eastern Mainline Project application to the National Energy Board in Spring 2016.

[Link to key Council-approved plans](#)

The Crossing Agreement aligns with the 2015 to 2019 Strategic Plan goals to optimize critical infrastructure system capacity and to continually deliver and sustain critical infrastructure necessary to support the Region's growing communities.

## 5. Financial Implications

TransCanada requires a Road Occupancy Permit for the Project. The cost of such Permit will be based on the permit fees that have been set by the Region.

All costs associated with any work undertaken by TransCanada for King's North Connection Pipeline Project, including maintenance and repair, will be paid for by TransCanada. In addition, the cost of any damage caused by TransCanada to infrastructure within the Region's right-of-way will be the responsibility of TransCanada.

## 6. Local Municipal Impact

The new pipeline to be constructed by TransCanada is an integral component of the overall energy infrastructure system that supports the residents of each local municipality.

## 7. Conclusion

The construction of pipelines across Canada is a highly regulated industry. The National Energy Board is the main regulator with the responsibility to ensure the pipeline does not pose any health or safety risks to the public. Region and TransCanada staff have developed terms of a Crossing Agreement to govern the way TransCanada is able to construct the pipeline within the Region's right-of-way. The Crossing Agreement with TransCanada is necessary for the King's North Connection Pipeline Project, as well as anticipated future pipeline projects.

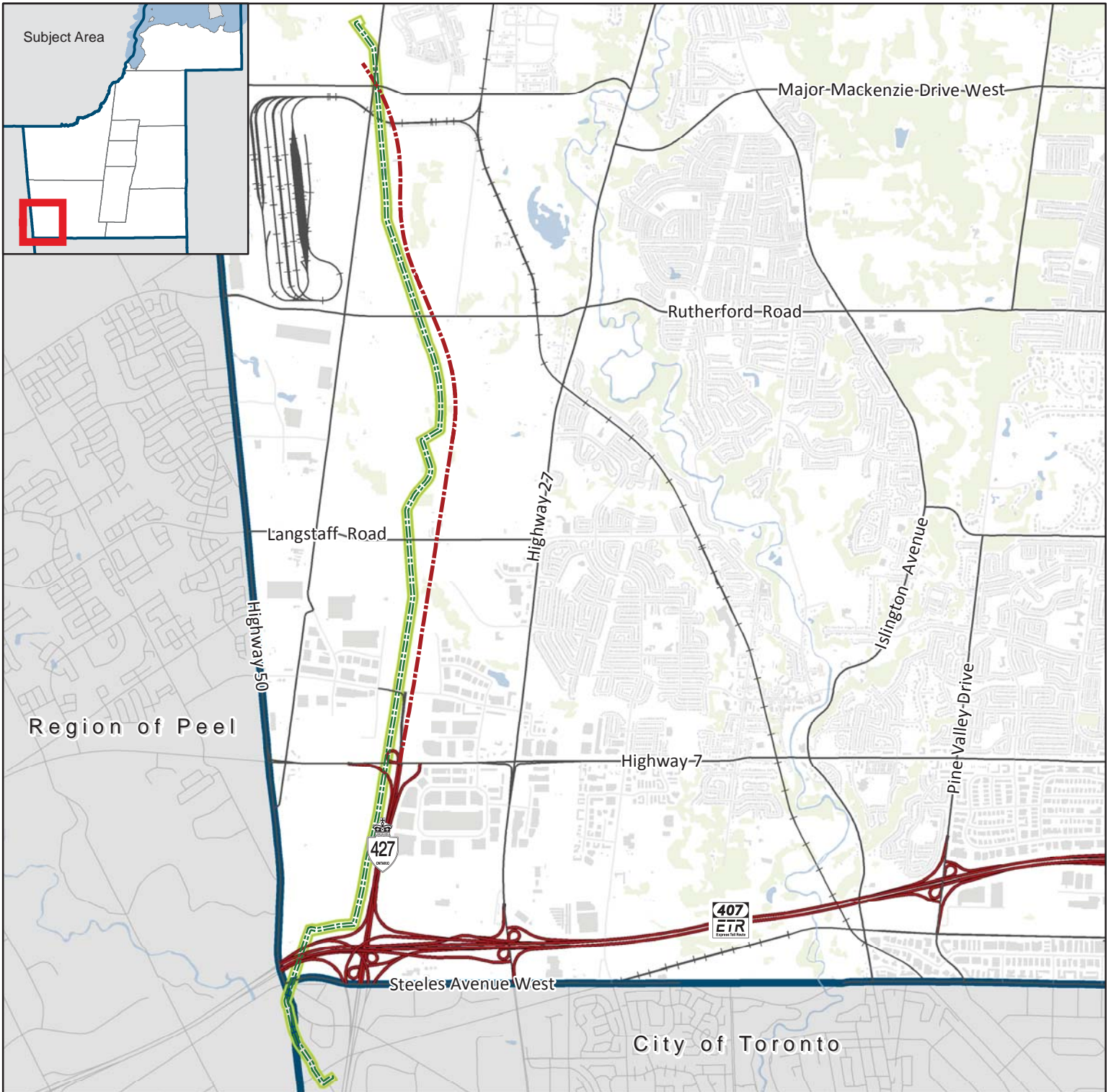
For more information on this report, please contact Brian Titherington, Director, Roads and Traffic Operations at ext. 75901 or Stephen Murphy, Program Manager, Corridor Approvals and Records at ext. 75784.

October 22, 2015

Attachments (1)

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Accessible formats or communication supports are available upon request



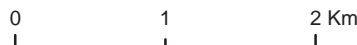
# Proposed TransCanada King's North Connection Pipeline

TransCanada Pipelines Crossing Agreement  
November 5, 2015

Produced by:  
The Regional Municipality of York  
GIS Branch, Corporate Services  
October 2015

Data Sources:  
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## Legend

- Proposed Pipeline and Safety Zone
- Proposed Highway 427
- Freeway
- Regional Road
- Minor Road
- Railway
- Building Footprints
- Regional Boundary