Decision Statement

Issued under Section 54 of the Canadian Environmental Assessment Act, 2012 and Paragraph 104 (4) (b) of the Jobs, Growth and Long-term Prosperity Act

to Northern Gateway Pipelines Inc. on behalf of Northern Gateway Pipelines Limited Partnership

> c/o John Carruthers, President 3000, 425 – 1st Street SW Calgary, AB T2P 3L8

for the Enbridge Northern Gateway Project

Description of the Designated Project

Northern Gateway Pipelines Inc. on behalf of Northern Gateway Pipelines Limited Partnership (the Proponent) proposes to build and operate the Enbridge Northern Gateway Project (the Designated Project) consisting of a terminal at Kitimat, British Columbia, and two pipelines between Bruderheim, Alberta and Kitimat. The Designated Project includes a 914 millimetre (36 inch) outside diameter export pipeline that would carry an average of 83,400 cubic metres (525,000 barrels) per day of oil products west from Bruderheim to Kitimat, a parallel import pipeline, 508 millimetres (20 inches) in outside diameter that would carry an average of 30,700 cubic metres (193,000 barrels) of condensate per day east from Kitimat to the terminal at Bruderheim, and a terminal at Kitimat with 2 tanker berths, 3 condensate storage tanks, and 16 oil storage tanks.

Conduct of the Environmental Assessment

The Minister of the Environment and the Chair of the National Energy Board established the Joint Review Panel (Panel) under the *Canadian Environmental Assessment Act* and the *National Energy Board Act*. The Panel conducted its review in a manner that met the requirements of both Acts and the *Canadian Environmental Assessment Act*, 2012 (CEAA 2012) that came into force during the Panel review. The Panel submitted its report on 19 December 2013.

Decision of Environmental Effects

The Governor in Council has decided, after considering the Panel's report together with the conditions proposed in it, that the Designated Project is not likely to cause significant adverse environmental effects referred to in subsection 5(1) of CEAA 2012 but that it is likely to cause significant adverse environmental effects referred to in subsection 5(2) of CEAA 2012 to certain populations of woodland caribou and grizzly bear as described in the Panel's report.

The Governor in Council has also decided that, pursuant to subsection 52(4) of CEAA 2012, the significant adverse environmental effects that the Designated Project is likely to cause to certain populations of woodland caribou and grizzly bear are justified in the circumstances.

The Governor in Council has established the 209 conditions set out by the Panel in its report as the conditions in relation to the environmental effects referred to in subsection 53 (1) and (2) of CEAA 2012 with which the Proponent must comply.

Issuance

This Decision Statement is issued on 17 June 2014 at Calgary, Alberta by:

NATIONAL ENERGY BOARD

Original signed by

Sheri Young Secretary of the Board