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Our File number: 23000-30-124

APR 1 8 2016

Ecology Action Centre 2705 Fern Lane Halifax NS B3K 4L3

Re: Notice of Appeal Form (February 19, 2016)

Approval No. 2008-061384-A03 dated January 20th, 2016 to Alton Natural Gas Storage LP (the "Industrial Approval "or IAA03)

I am writing regarding your Notice of Appeal Form dated February 19, 2016 respecting Approval No. 2008- 061384-A03, dated January 20th, 2016 to Alton Natural Gas Storage LP.

After careful review of the "grounds for appeal", the information you submitted in support of your appeal, and the applicable statutory provisions, your appeal has been dismissed.

In dismissing the appeal, the reasons for my decision are provided as follows, with reference to the grounds documented in the Notice of Appeal:

1. This appeal is based on the Province and Alton Gas's failure to conduct a credible and sufficient environmental assessment that includes both scientific knowledge and public consultation. An accompanying submission was also provided, which cites the following six scientific grounds.

Potential effects of water uptake on ichthyoplankton

To address the possibility of an impact during spawning periods, the Industrial Approval specifies a restriction on brining activities during spawning periods. The operation of the facility will need to occur before any entrainment or impingement impacts, if present, can be assessed and addressed. In the event of an effect or potential for an effect, the administrator has the option to modify the Site Monitoring Plan.

Based on this, this sub-ground is not supported.

Potential effects on fish species at various life stages at brine outflow

There is an absence of information to support this ground.

The consultant reports referenced in the appeal provided due consideration to the potential effects of water uptake on ichthyoplankton and the potential effects on fish species at various life stages at brine outflow. The reports determined the effects to be inconsequential or identified the need for on-going monitoring to occur at the commencement of the brine release and water intake to further assess the impacts, if any.

On this basis, this sub-ground cannot be supported.

Effects on fish homing abilities

The appeal did not identify the specific studies undertaken by the proponent and used by the Department in developing the Approval to support this ground.

The CRA report noted below did identify concerns with homing, however the study indicated the contribution of brine at the mouth of the estuary to be negligible.

On this basis, this sub-ground cannot be supported.

Narrow focus of study on select fish species and life cycles

The "Exposure Pathway Assessment Framework for Aquatic and Non-aquatic Species in Relation to the Alton Gas Natural Gas Storage & Alton Natural Gas Storage Environmental Monitoring" report from November 2015, speaks to the life cycle of 19 species of fish.

Information to support a cause or reason for concern with the decision (or a component of the decision) is not provided in the appeal.

Based on the information identified in the above-noted report, this sub-ground for appeal is not supported.

Lack of knowledge about the composition of salt deposits

The Conestoga-Rovers & Associates (CRA) report states the issue of salt deposits is a minor data gap and, if there is a potential that salt/brine quality could vary from cavern to cavern or within the same cavern, this potential data gap can be easily addressed by chemical analyses.

The report indicates the brine will be diluted by an order of magnitude in the mixing channel, therefore the differences in the brine and estuary water would not be significant.

Based on this, this sub-ground for appeal is not supported.

Salinity models and brine mixing models

The Conestoga-Rovers & Associates report states the issue of salt deposits is a minor data gap and, if there is a potential that salt/brine quality could vary from cavern to cavern or within the same cavern, this potential data gap can be easily addressed by chemical analyses, as noted in the preceding ground. The report also notes that it is unlikely that any ionic differences between brine and estuary water would be biologically meaningful.

Based on this, this sub-ground for appeal is not supported.

2. Further, the Ecology Action Centre is generally in support of the concerns about inadequate consultation in this approval process as raised by Sipekne'katik and the residents of Brentwood, Nova Scotia.

The appeal does not provide any information to substantiate the claim that meaningful consultation had not been completed. The appeal does not provide any information relating to a specific complaint with which to support this ground, however, these concerns are addressed in separate appeals.

The Department has ensured the application of the precautionary principle through the inclusion of terms and conditions in the Industrial Approval to undertake the required monitoring and assessment of conditions during the operation of the site. The information provided in the studies to date do not suggest the threat of serious or irreversible damage due to the lack of certainty associated with the brine storage phase of the project.

The Monitoring Plan is available on the Alton Gas website.

NSE acknowledges the duty on the Crown to consult with Aboriginal peoples, and, if appropriate, accommodate, when the Crown contemplates an action that may adversely impact potential or established Aboriginal or Treaty rights.

The information provided does not support this ground for appeal.

Pursuant to Section 138 of the *Environment Act*, you have thirty (30) days to appeal my decision to the Supreme Court.

Sincerely,

Margaret Miller, MLA

Minister