

**BY E-MAIL ONLY**

**December 10, 2015**

Mr. & Ms. Bernie & Wendy Olydam

**APPLICATION No. 1823491 FROM TERADO GAS STORAGE CORP.  
STATEMENT OF CONCERN NO. 29721**

Dear Mr. & Mrs. Olydam,

You are receiving this letter because you filed a statement of concern (SoC) on the application listed above. The Alberta Energy Regulator (AER) has reviewed your SoC along with the application, the applicable requirements, and other submissions or information about the application and has decided that a hearing is not required under an enactment or otherwise necessary to consider the concerns outlined in your SoC.

In its review of your concerns, the AER considered the following:

- The applied for facility will utilize an existing depleted sweet natural gas reservoir, the Dimsdale Paddy A Pool, for underground storage of sweet natural gas;
- Terado has previously received AER approval of its scheme for storage of sweet natural gas in the Dimsdale Paddy A Pool;
- You do not own the lands upon which the project has been proposed;
- The project would be located approximately 1.1km to the south of your lands.
- Your concerns about impacts to your water supply are outside of the scope of the subject applications, as the construction and operation of the proposed pipeline will not impact groundwater sources and no new wells will be drilled as a result of the approval of the applications. Any additional wells to be drilled will require future applications to the AER. Any impacts from future applications would be assessed at the time of those applications, and notice of applications would be published on the AER website with a deadline for parties to file a statement of concern with the AER.

- Regarding your concerns about safety in the event of an incident, the AER has numerous requirements with which Terado must comply that are protective of human health and safety. The AER has confirmed that Terado's facility will meet or exceed these requirements, and it is satisfied that these requirements address your safety concerns.
- Regarding your concerns about noise from facility operations, noise associated with the construction of the project will be temporary in nature. Terado must also design its facility to operate in accordance with the requirements of *Directive 038: Noise Control*. Throughout the operation of the facility Terado must continue to assess and mitigate noise that exceeds the limits of the directive. Terado has indicated that the facility will employ a high-grade noise suppression system on the turbine-driven compressors which will meet or exceed *Directive 038*. Complaints about noise may be registered at the local AER field center. Once a licensee becomes aware of a specific complaint about noise, *Directive 038* requires the licensee to make contact with the complainant to understand the concerns, to set a time frame for action to resolve the issue, and, to make every reasonable attempt to resolve any noise-related complaint in a timely manner. Accordingly, your concerns about noise have been addressed to the AER's satisfaction.
- Your concerns about air quality are addressed to the AER's satisfaction by the following:
  - The facility will employ vapour recovery systems to capture gas and minimize emissions. There will be no flaring or venting at the facility during normal operations.
  - The project relates to the injection of sweet natural gas and no H<sub>2</sub>S is associated with the facility;
  - Terado is required to apply for a registration for the facility under the *Environmental Protection and Enhancement Act* in advance of carrying out operations at the project site. As part of that application, Terado must conduct dispersion modelling in accordance with the Government of Alberta's *Air Quality Model Guideline* that demonstrates that NO<sub>2</sub>

- concentrations will meet the Alberta Ambient Air Quality Guidelines (AAAQO). During operations, Terado must ensure that the facility continues to meet the AAAQO.
- In accordance with AER *Directive 060: Upstream Petroleum Industry Flaring, Incinerating, and Venting*, venting and/or fugitive emissions from Terado's operations must not result in any offensive hydrocarbon odours outside the lease boundary that are unreasonable either because of their frequency, their proximity to surface improvements and surface development (as defined in *Directive 056*), their duration, or their strength. Complaints about odours may be registered at the local AER field center and any odours off lease must be dealt with in a timely manner.
  - You have not provided any information to support your assertion that the value of your property will or may be impacted by the applications
  - Regarding your concerns about receiving more detailed information on the project, Terado has responded to your concerns in writing and has provided information regarding its licence, the depleted reservoir and its proposal to develop a gas storage facility.
  - The AER has reviewed the applications and submissions and has determined that the applications meet the regulatory requirements; and

Based on the foregoing, you have not demonstrated that you may be directly and adversely affected by the applications.

The AER has issued the applied-for licences and approvals and this is your notice of that decision. Copies of the licences are attached. Under the *Responsible Energy Development Act* an eligible person may file a request for a regulatory appeal on an appealable decision. Eligible persons and appealable decisions are defined in section 36 of the *Responsible Energy Development Act*. If you wish to file a request for regulatory appeal, you must submit your request in the form and manner and within the timeframe required

by the AER. You can find filing requirements and forms on the AER website [www.aer.ca](http://www.aer.ca) under Applications & Notices: Appeals.

inquiries 1-855-297-8311  
24-hour  
emergency 1-800-222-6514

If you have any questions, please contact Mr. David Miles at or e-mail

Sincerely,

<original signed by>

Shelley Youens  
Director, Infrastructure Authorizations  
(Oil and Gas)

Enclosure (1): Licence

cc: Duane Thompson, Terado Gas Storage Corp.  
AER Grande Prairie Field Centre