Prince Rupert Gas Transmission Ltd. ("PRGT"), a wholly owned subsidiary of TransCanada Pipelines Ltd., is proposing to design, build, own, operate and decommission a 900 km natural gas pipeline project to deliver natural gas from a point near Hudson’s Hope to the proposed Pacific Northwest LNG facility at Lelu Island, near Prince Rupert. PRGT and the Nisga’a Nation have recently signed a Benefits Agreement (the “Agreement”) which will, in consideration of the substantial financial and other benefits that will accrue to the Nisga’a Nation under the Agreement, allow approximately 85 kilometres of the proposed Project to run through Nisga’a Lands, and approximately 12 kilometres to run through the Nisga’a Memorial Lava Bed Park (the “Park”) generally adjacent to the Nisga’a Highway corridor.

A resolution approving the Agreement and authorizing and directing the President of the Nisga’a Nation to execute the Agreement was passed by the NLG Executive on October 29, 2014. Resolutions were also passed by the Executive endorsing the rights of way for the portion of the Project through Nisga’a Lands, endorsing an amendment to the Park boundary and recommending that WSN approve the granting of the rights of way and consent to the amendment to the Park boundary. On October 29, 2014, WSN passed resolutions approving the grant of the rights of way through Nisga’a Lands and consenting to an amendment of the Park boundary. The plan of the initial planning and construction right of way corridor (which will be substantially reduced to a narrower right of way after an “as built survey” of the pipeline corridor has been completed) and a sketch plan of the proposed amendment to the Park boundary are attached as Appendix “A”. The final right of way corridor will be approximately 32 metres wide, plus additional lands that may be required for a possible expansion of the pipeline, temporary log decking, equipment storage and camps. The rights granted by the Nisga’a Nation are not sales of Nisga’a Lands.

NLG has been actively involved in all aspects of the Project, including developing routing options through Nisga’a Lands and the Park, participating in the environmental assessment of the Project, and negotiating the Agreement. All negotiations were led by the Officers and CEO of NLG, supported by Chief Councillors of the Nisga’a Villages of Laxgails’ap and Gıtłaxt’aamiks, the Executive Director, the Director of Lands and Resources, general counsel and advisors as required. The Executive was briefed at least monthly on the progress of the routing options, environmental assessment process and Agreement negotiations. WSN has also received regular briefings throughout the course of the negotiations. In an unprecedented WSN session in the summer of 2013, the Council of Elders attended a presentation of the Project from PRGT and indicated their full support for a natural gas pipeline project.

NLG has been fully compensated for its involvement in the environmental assessment, consultation and negotiation process by way of additional capacity funding arrangements with PRGT.
The route was developed after a comprehensive analysis which balanced the impacts of the Project on Nisga’a Treaty interests with the benefits the Nisga’a Nation will receive under the Agreement. NLG carefully considered routes on the north of the Nass River and a route south of the Park, both of which were rejected because of significantly greater impacts to the environment and Nisga’a Treaty interests. The portion of the right of way through the Park will remove approximately 65 ha, representing a reduction of lands included within the Park by less than one-half of one percent.

The Agreement provides for significant direct financial benefits to the Nisga’a Nation and further capacity funding. In addition to milestone payments and annual right of way payments, additional payments will be made on the basis of shared future success for both PRGT and the Nisga’a Nation. As a result of its recent property tax agreement with the Province, the Nisga’a Nation will also receive significant property tax payments once the Project is operational. The Agreement also contains commitments from PRGT to provide exclusive contracting opportunities for right-of-way clearing, camp services, security and medical services on Nisga’a Lands. The Nisga’a Nation will retain ownership of merchantable timber harvested within Nisga’a Lands and an enhanced forest management fund and an environmental studies and monitoring fund have been established to ensure reforestation efforts are supported by the Project.

Under the Agreement the Nisga’a Nation has the option to secure PRGT expansion capacity for the use by an LNG developer who would locate an LNG facility at a site on or near Nisga’a Lands. This represents a significant achievement and will, if capitalized on, represent an immensely valuable opportunity to the Nisga’a Nation. Also, the Nation and PRGT will work together to determine whether the Nisga’a Nation can establish a future natural gas distribution scheme to serve homes within the Nass Valley.

PRGT will be legally obligated to carry out the commitments that will be included in the Table of Conditions that will be attached to the Environmental Assessment Certificate that is expected to be granted in December of this year. Under the Agreement and the proposed EA Certificate, PRGT will have ongoing consultation obligations to the Nisga’a Nation during the planning, construction, operation and decommissioning phases of the Project.

PRGT and Pacific NorthWest LNG expect to make a decision about whether to proceed with the Project in December 2014. If the Project proceeds, construction should commence in early 2015, with a probable completion date in late 2018.

The Agreement, which was strongly recommended to the NLG Executive and WSN by the NLG negotiating team is a significant demonstration of the strength of the Nisga’a Treaty and its ability to generate substantial benefits to Nisga’a citizens over the life of this Project.