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Files 3430830 and 5612618  
10 October 2024

To: All parties to the OH-001-2023 proceeding

**Imperial Oil Resources N.W.T. Limited  
Application for Variance of Operations Authorization OA-1210-001  
Application for Line 490 Replacement Activities  
Hearing Order OH-001-2023  
Procedural Update No. 11 – Next steps following referral to the Mackenzie  
Valley Impact Review Board for Environmental Assessment**

**Before: S. Luciuk, Presiding Commissioner; M. Watton, Commissioner;  
K. Penney, Commissioner; S. Sajnovics, Commissioner**

The Commission of the Canada Energy Regulator is suspending its assessment of Imperial Oil Resources N.W.T. Limited's (**Imperial**) two applications related to the Norman Wells Operations in light of the Sahtu Secretariat Incorporated's (**SSI**) referrals to environmental assessment under paragraph 126(2)(b) of the *Mackenzie Valley Resource Management Act* (**MVRMA**). This letter provides clarity to the parties on next steps.

The Commission established a single coordinated hearing process for both of Imperial's applications to maximize regulatory efficiency and reduce duplication. Imperial's first application, filed on 1 November 2023, requested a variance to Operations Authorization (**OA**) OA-1210-001 to allow Imperial to continue its operations at Norman Wells (**OA Variance**). The second application, filed on 6 February 2024, requested a variance to allow Imperial to replace flowlines within the Line 490 corridor using a horizontal directional drilling method (**Replacement Activities**). The SSI referred the Replacement Activities and OA Variance to environmental assessments by the Mackenzie Valley Environmental Impact Review Board (**Review Board**) on 24 September 2024 ([C31442](#)) and 30 September 2024 ([C31608](#)), respectively. In letters dated 25 September 2024 ([C31450](#)) and 4 October 2024 ([C31629](#)), the Review Board confirmed that it will be issuing notices of proceeding outlining next steps for the environmental assessment processes.

### **Commission process to date**

From Imperial's filing of the applications to the Commission's issuance of Hearing Order OH-001-2023 on 20 February 2024, and Imperial's reply argument on 25 September 2024, there have been numerous hearing steps and opportunities to participate in the Commission's process. Intervenors provided Indigenous knowledge and written evidence, asked and responded to information requests, commented on conditions, and filed final argument. Interested members of the public also submitted letters of comment. The Commission issued eight rounds of information requests to Imperial. The Commission also held Indigenous knowledge sessions in-person at Fort Good Hope, Northwest Territories on 15-17 May 2024 and virtually on 11 June 2024. The Commission thanks hearing parties for their participation in all the process steps, particularly those who shared at the oral Indigenous knowledge sessions.

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## **MVRMA Part 5 Requirements**

Paragraph 126(2)(b) of the MVRMA provides that the Review Board “shall conduct an environmental assessment of a proposal for a development that is referred to it by...the Sahtu First Nation.” Imperial requested decisions from the Commission on the Replacement Activities by 1 October 2024 and on the OA Variance by 31 December 2024. However, now that the SSI has referred the OA Variance and Replacement Activities, the Review Board must conduct an environmental assessment for each and make determinations under subsection 128(1) of the MVRMA. The outcome of the environmental assessment report has different implications for the Commission’s next steps under the MVRMA<sup>1</sup>.

### **Next Steps**

The Commission notes that there is a [Memorandum of Understanding \(MOU\) between the Mackenzie Valley Environmental Impact Review Board and the Canada Energy Regulator](#) in place. The Canada Energy Regulator has a lengthy history of oversight and regulation of horizontal directional drilling as a standard mitigation measure to reduce the environmental impacts from open cut watercourse crossings. The Commission encourages the Review Board to reach out to the Canada Energy Regulator as needed under the MOU to promote effective cooperation.

Subject to any material developments or motions that may be filed in the interim, the Commission’s process is paused. The Commission will resume its assessment of each application after it has received the associated environmental assessment report(s) from the Review Board. The Commission will provide further procedural updates at that time. The Commission will determine if it is most efficient to continue its assessment of the OA Variance and Replacement Activities together or separately based on the outcome of the environmental assessment processes.

The Commission is aware that OA 1210-001 expires on 31 December 2024. The Commission will issue an interim extension of the OA on its own initiative in due course to allow the Norman Wells operations to continue while the Review Board’s environmental assessment process unfolds.

Yours sincerely,

*Signed by*

Ramona Sladic  
Secretary of the Commission

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<sup>1</sup> For example, see sections 129, 131, and 137 of the MVRMA.