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BRITISH COLUMBIA  
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AUG 10 2005

cc. Jarrett

Mr. Guy Jarvis  
Vice President  
Upstream Development  
Enbridge Inc.  
425 1st Street SW  
Calgary, AB T2P 3L8

MINISTER'S REGISTRY  
To: Lon  
AUG 25 2005  
Docket No. 69638  
File No. 14000-1

Dear Mr. Jarvis:

It was a pleasure to meet with you on July 11, 2005 regarding Enbridge Inc.'s (Enbridge) planned Gateway Oil Pipeline Project (Gateway).

The Government of British Columbia (Government) recognizes the importance of oil pipeline capacity keeping pace with increases in production from the Alberta oil sands. This not only prevents production from being stranded by transportation infrastructure capacity constraints, it also ensures that oil consumers have access to the energy they require. Clearly Gateway is an important element of Enbridge's continuing and increasing role in providing an important oil transportation system connecting producing regions with consuming markets.

The Government is supportive of the pipeline industry's efforts, through projects such as Gateway, to have oil transportation capacity keep pace with production efforts. While we understand Gateway will be regulated by the National Energy Board, we also understand that a number of Government agencies have permitting and similar responsibilities with respect to the portion of Gateway within British Columbia. The Ministry of Energy, Mines and Petroleum Resources and the Ministry of Economic Development will be taking a lead role in coordinating the Government agencies' review of Gateway, and will be pleased to offer their assistance to Enbridge with respect to any Government related issues that arise.

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Ministry of  
Energy, Mines and  
Petroleum Resources

Office of the Minister

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PO Box 9060 Stn Prov Govt  
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Parliament Buildings  
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With respect to Enbridge's concerns regarding a moratorium on oil tanker traffic off British Columbia's coast, we would like to set out the Government's views on this issue. In 1971, the Provincial Legislature passed a resolution expressing to the Federal Government concern over oil tanker traffic transporting oil from Alaska to American ports, off British Columbia's coast. In 1972, the Federal Government announced a moratorium on foreign oil tanker traffic transiting the Canadian coast through Dixon Entrance, Hecate Strait and Queen Charlotte Sound. This was a policy moratorium, and is not based upon legislation.

In British Columbia's view, a crucial aspect of the federal moratorium is that it remains solely directed at foreign oil tanker traffic transiting British Columbia's coast. The moratorium is not directed at, and has no application to, oil tankers sailing to or from British Columbia ports. British Columbia does not expect that the federal moratorium extends to include the movement of Canadian goods affecting domestic economic or trade issues, as long as the marine transport industry maintains sufficient protective measures and abides by all applicable federal and provincial regulations.

I trust this letter fully addresses your concerns. The Government looks forward to working with Enbridge as your work on the Gateway project continues.

Sincerely,

Sincerely,

Original signed by

Original signed by

Richard Neufeld  
Minister of Energy, Mines  
and Petroleum Resources

Colin Hansen  
Minister of Economic Development

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