

National Energy  
BoardOffice national  
de l'énergie

Files 3400-P097-1 and 2620-D-4-7  
9 January 2002

Mr. Frank Pope  
Alternate Chair  
Mackenzie Valley Environmental Impact Review Board  
Box 938  
5102 - 50<sup>th</sup> Avenue  
Yellowknife, Northwest Territories  
X1A 2N7  
Facsimile (867) 920-4761

Dear Mr. Pope:

**Paramount Resources Ltd. and Paramount Transmission Ltd. (Paramount)  
Response to the Report on Environmental Assessment for the Paramount Resources Ltd.  
Cameron Hills Gathering System and Pipeline Development (Report on EA)**

The National Energy Board (the NEB) has considered the Mackenzie Valley Environmental Impact Review Board's (the Review Board) Report on EA dated 3 December 2001 and letter dated 8 January 2002.

The NEB notes that its staff participated in a consultation meeting as contemplated by section 131 of the *Mackenzie Valley Resource Management Act* (MVRMA) held at your offices on 4 January 2002. Also in attendance at the meeting were representatives of the Review Board, Indian and Northern Affairs Canada, Fisheries and Oceans Canada, the Government of the Northwest Territories, the Ka'a Gee Tu First Nation and Paramount. As indicated by NEB staff during the meeting, their participation was on the basis that it was without prejudice to the NEB's interpretation of section 131 of the MVRMA and that it would not create any precedent for any future processes.

The NEB recognizes the importance of clarifying procedures. The NEB is of the view that any future processes for consultation carried out pursuant to section 131 and for modification to a recommendation made under paragraph 128(1)(b)(ii) of the MVRMA must be developed by the NEB and the Review Board. Accordingly, the NEB is prepared to discuss with the Review Board the development of such a process outside of a particular project environmental assessment process. Mr. Andrew Hudson, NEB Legal Counsel, will contact you to discuss this matter.

In accordance with paragraph 131(1)(b) of the MVRMA and after consulting with the Review Board, the NEB, as a designated regulatory agency, adopts the recommendation of the Review Board subject to the modification identified in your letter dated 8 January 2002. The NEB will, to the extent of its authority, carry out the recommendation.

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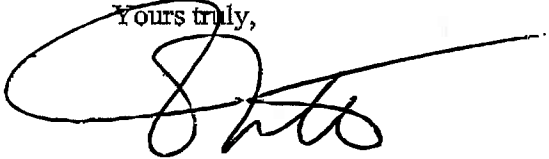
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Should you have any questions, please contact Mr. Andrew Hudson, NEB Legal Counsel, at (403) 299-2708. Mr. Hudson may also be reached using the NEB's toll free number, 1-800-899-1265, during normal business hours.

Yours truly,



Michel L. Mantha  
Secretary

cc: Mr. Alan Hollingworth, Gowling Lafleur Henderson LLP, facsimile (403) 263-9193  
Mr. Tom Hong, Paramount Transmission Ltd., facsimile (403) 266-6032  
The Honourable Robert D. Nault, Minister of Indian Affairs and Northern Development,  
facsimile (819) 953-4941  
Mr. Lorne Tricoteux, INAC Yellowknife, facsimile (867) 669-2707  
Attached Distribution List

Attachment