

Prince Rupert chosen as site for LNG terminal

By MARK WILSON

WestPac Terminals Inc. has decided it will build a liquefied natural gas importation terminal at the northern British Columbia port of Prince Rupert should it proceed with a project tentatively scheduled for completion in 2009.

The Calgary company dismissed an alternative site at Kitimat, about 100 kilometres to the south, which is served by a branch of Canadian National's northern B.C. line to Prince Rupert.

WestPac President Rob Woronuk said railway tank cars are one possible means for moving imported natural gas inland. "Coastal barging, trucking and use of an existing pipeline are other transportation possibilities," he said.

An eight-inch pipeline to Prince Rupert currently is used for west-bound gas movements to coastal and intermediate markets. Mr. Woronuk said pipeline flow could be reversed to move natural gas eastbound, but capacity is limited and would have to be supplemented in some form.

Barging, if adopted, would enable WestPac to meet gas demand from customers on Vancouver Island and on the B.C. southwest mainland, Mr. Woronuk said.

The clincher for WestPac – in

favouring Prince Rupert to receive ships with 135,00 cubic metres of LNG – was the opportunity to use an existing ship berth built to handle export coal movements through Ridley Terminals. Coal traffic ceased in 2002 following the closure of two mines in northeastern B.C.

Ridley Terminals, sized to handle nearly 15 million tonnes of coal a year, takes its name from Ridley Island, located south of Kaein Island where Prince Rupert is situated.

Mr. Woronuk said Ridley Terminals was intended as one installment of a multi-terminal development on Ridley Island, of which only a grain terminal has been completed as a companion project.

WestPac's preferred site on Ridley Island is underlain with rock, but there are pockets of organic material that need to be excavated and filled.

"We would like to make a start this year on lining up regulatory requirements for an LNG terminal. We are unclear whether we will be dealing just with the National Energy Board and the B.C. government or whether others will be involved in the approvals process," Mr. Woronuk said.

Prince Rupert Port Authority President Don Krusel said the grain

terminal on Ridley Island has been operating continuously since last October and will likely handle three million tonnes of cereal during the current calendar year. This activity is welcome, as some years the terminal elevator has been idle due to drought or other factors.

Elsewhere in Prince Rupert, there has been a brief resumption of export lumber traffic.

Late June saw the loading of 23,500 tonnes of export lumber at Fairview cargo terminal on Kaein Island. The lumber, which came from mills at Terrace, Smithers and Burns Lake, was the first shipment of forest products to be handled at Fairview in 18 months.

Mr. Krusel said the seaborne movement was an extraordinary effort to circumvent delays to rail deliveries to the U.S., which were caused by a shortage of bulkhead flats for the lumber trade.

With the expected re-opening of a pulp mill at Prince Rupert, Mr. Krusel is hopeful that regular off-shore movements of lumber and pulp through Fairview will return within months. The shutdown of the mill in June 2001 forced the closure of a related sawmill. A resumption of activity could provide employment for 3,000 at the mills and in the woods.

"There is a high probability that the mill's new management team will be able to secure the necessary financing. The team deserves to be congratulated," Mr. Krusel said.