



Finding solutions.



CENTRAL TO THE EUB'S MANDATE is regulating Alberta's resources in the public interest. Appropriate Dispute Resolution (ADR) is a key element in reaching this goal. People and companies directly involved in oil and gas development find their own unique solutions that balance different interests and, in that way, reach their own version of 'the public interest' that fits their specific situation. It's solution-oriented. It's empowering. And it works.

The reality is that industry and landowners are able to successfully negotiate concerns about the vast majority of proposed energy activities. About 5 per cent of the energy-related applications that the EUB received in 2006 had outstanding objections. Some of the parties that held objections chose to engage in ADR, and of the 144 staff facilitations and 19 third party mediations that were completed, 94 per cent were resolved.

ADR enables parties to address a wide variety of matters, even those outside of the EUB's jurisdiction, and although

EUB employees cannot comment on issues outside of EUB jurisdiction, they can facilitate a discussion that lets participants develop more complete agreements.

The advantages of ADR go beyond simply resolving issues. ADR discussions often build trust among participants that can last through the lifespan of an energy project. As well, ADR is a straightforward process that has little cost associated with it. At the same time, costs saved by avoiding hearings are substantial: 19 of the EUB's 58 scheduled energy-related hearings for 2006 were cancelled after ADR involvement.

Beyond ADR, industry companies that train their staff in negotiation skills and work with landowners before engaging an EUB application process often find they have better relationships in the community and a smoother regulatory process as a result.

ADR Background

When is ADR used?

The EUB ADR program is used when concerns and objections remain outstanding following negotiations between landowners and companies or between companies (C2C). Most disputes resolved by the ADR process relate to proposed facility applications (wells, pipelines, and plants). To a lesser extent, ADR also assists in C2C equity applications, such as spacing, pooling, rateable take, and common carrier or processor.

ADR directly involves parties; they work collaboratively to reach mutually agreeable solutions. ADR helps parties develop a clear understanding of their issues and interests and then facilitates defining resolution options.

The two main components of the ADR program are EUB staff facilitation and third-party assistance from ADR professional service providers and mediators.

EUB staff facilitation

EUB staff assist parties in understanding regulatory requirements and facilitate meetings to discover mutually agreeable options. Staff facilitation usually occurs prior to a company submitting an application

but after the company has attempted to resolve the concerns of stakeholders. Staff normally assist through direct meetings and by speaking with each of the involved parties.

Third-party assistance

Third-party professional service providers and mediators are used in more complex disputes to develop win-win outcomes. They may be used when there are concerns about deadlines, disputes involving multiple parties, or difficulties engaging other parties.

The first step involving third-party professionals is a preliminary meeting at which parties, assisted by the third-party professional and EUB staff, discuss procedures and reach agreement on how to proceed, which often involves mediation. In these situations, the significance of an initial meeting has become increasingly important, as the time spent in the preliminary meeting has been linked to many successfully resolved disputes.

Third-party assistance may address confidential matters. EUB staff involved in these matters will not participate in any related hearings, should they occur.



Developments in 2006

The ADR Stakeholder Committee—a multistakeholder committee that stewards the ADR Program—completed a review of third-party professional service providers and mediators to ensure that they meet the needs of stakeholders and provide a current source of qualified expertise.

A new addition to the EUB's EnerFAQs series focusing on ADR gives an excellent overview of the program to Albertans looking for a quick and easy explanation of what ADR is and how it might work for them. *EnerFAQs 15: All About Appropriate Dispute Resolution (ADR)* is available by going to the Public Zone on the EUB Web site at www.eub.ca and clicking on EUB Process.

The EUB, recognizing how integral the tools of ADR are to the EUB application process, refocused its internal training courses and offered them to additional EUB staff so that they could learn to include the principles of ADR in their work. Looking forward, ADR training opportunities will be extended to interested members of the community who are involved with applications before the EUB. These might include training for synergy groups, which are groups of community, industry, and regulatory representatives that work together to raise awareness and work toward mutually satisfactory outcomes related to oil and gas development.

In certain situations, a preliminary meeting before ADR begins has proven valuable as it allows participants an important opportunity to learn about the options before them and make an informed decision about the best way to move forward. The EUB will continue to encourage

those interested in engaging in ADR to start with a preliminary meeting to decide on the appropriate scope of their negotiations, establish limits up front, and select appropriate options, such as negotiation, mediation, or an EUB hearing.

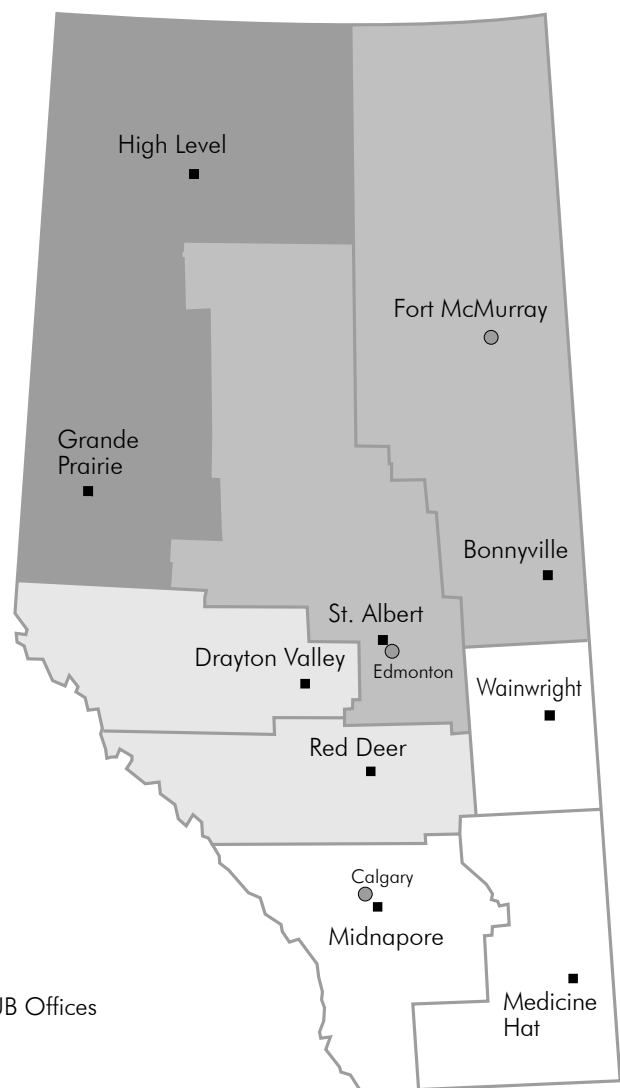
Looking forward

As always, the ADR Stakeholder Committee continues to look for ways to improve the program and invites feedback on this report. Please forward questions and comments about this report or the ADR program to the ADR Coordinator at (403) 297-5839.

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EUB application summary

60 125	Total applications
468	Applications with company to company (C2C) objections
2 522	Applications with landowner objections

Staff facilitations and third-party professional assistance

144	Staff facilitations
19	Third-party mediations
94%	Resolved

Preliminary meetings for third-party assistance

15	Carried on to mediation
2	Dropped as parties elected to negotiate without assistance
6	Ongoing

C2C Cases

8	C2C cases
6	Led to mediation
100%	Resolved

Hearings

58	Energy-related hearings were scheduled in 2006
19	Cancelled after ADR involvement

Success of the ADR Program

94%	Resolution rate
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