

October 21, 2008

Mr. Scott Steele, Executive Editor  
Canadian Business Magazine  
One Mount Pleasant Road, 11th Floor  
Toronto, Ontario  
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**Re: “Tar Sands” Excerpt, *Canadian Business*, October 13, 2008**

Dear Mr. Steele:

The October 13, 2008 edition of *Canadian Business* included an excerpt from Andrew Nikiforuk’s book entitled ‘Tar Sands.’ The excerpt contained a number of incorrect statements about the Energy Resources Conservation Board (ERCB).

As Alberta’s energy regulator, the ERCB welcomes scrutiny of its processes and decisions. However, for the benefit of your readers and those reporters who may use the excerpt mistakenly believing it to be a factual source of information, it is important that we correct the public record about a number of statements in Mr. Nikiforuk’s excerpt.

It is also important for your readers to know that Mr. Nikiforuk never contacted the ERCB to check the statements in his new book.

The incorrect statements in Mr. Nikiforuk’s excerpt are as follows:

1) He claims that the Board and its rules “...endorse the carpet bombing of the province’s most fertile farmland with thousands of coalbed methane wells and transmission lines.”

This is factually incorrect. First of all, the ERCB does not regulate transmission lines. While the predecessor Board of the ERCB did regulate transmission lines, only one major transmission line has been built in the last 20 years in Alberta; it is located between Fort McMurray and Edmonton.

Secondly, the ERCB does not endorse the “carpet-bombing” of anything. In the last 30 years in Alberta, about 16,000 coalbed methane wells have been approved and drilled one project at a time. If Mr. Nikiforuk wishes to call this “carpet-bombing”, that is his right.

2) The excerpt states “In any given year, the Board...(receives) 60,000 applications submitted by industry.”

This is factually incorrect. Only once in its 70-year history has the Board ever received 60,000 applications for energy development - that was three years ago. Last year, for example, the Board received 46,000 applications. Over the last ten years, the rate of applications has ranged from a low of 22,309 to a high of 60,125.

3) Mr. Nikiforuk writes the ERCB “...neglected to open an office in Fort McMurray until 2003...”

This is factually incorrect. The Board has maintained an office in Fort McMurray since 1986.

4) Later in the excerpt, Mr. Nikiforuk states academic Mr. Maurice Dusseault “accurately described” the ERCB as having a “...dual mandate of approving projects and managing royalties...”

This is factually incorrect. The ERCB does not manage Alberta’s royalties; that task falls within the jurisdiction of the Alberta Energy Department.

In addition to correcting these factual errors, I would like to address the lack of clarity on several other matters in the published excerpt. This lack of clarity could lead readers to incorrect interpretations of the work of the ERCB in the oil sands.

Referring to the 2006 hearing on the Suncor Voyageur oil sands project, Mr. Nikiforuk writes that the proposed project would “...overwhelm housing and health facilities...” and then mentions only that the Board “...agreed that the project would further strain public infrastructure but declared the impacts acceptable.” This implies that nothing was done in our decision to address the effects of an approval on housing and health facilities in the area.

Mr. Nikiforuk fails to mention that the Board’s 85-page decision included recommendations to the Alberta government that additional infrastructure in the region was needed, and there was a short window of opportunity to make those investments.

The Board further stated that the responsible government agencies were responding to a number of the area’s socioeconomic impacts. Mr. Nikiforuk then neglects to mention that in February 2007, the Alberta government announced \$396 million in funding to be invested over three years to meet pressures in Fort McMurray caused by oil sands growth.

He also does not indicate that the Board ruling placed seven conditions on Suncor that relate specifically to environmental and technical aspects of the project and that the Board noted that the Suncor project would not require additional water beyond its existing allocation.

Mr. Nikiforuk similarly provides incomplete information when he refers to the joint 2006 federal/provincial approval of the Albian Sands oil sands project.

Mr. Nikiforuk omits the fact the panel's decision placed 16 environmental and technical conditions on the project. The panel also refused to approve Albian's request for a new alignment of a 5.5 km stretch of highway and did not grant approval for an additional 60 m wide corridor east of Highway 63 to accommodate pipelines and a 30 m wide corridor to accommodate an electricity grid connection.

The Joint Panel also made a total of 34 recommendations to the federal and provincial governments regarding water quantity and quality, fish habitat, and infrastructure.

Ensuring that the discovery, development and delivery of Alberta's energy resources is done safely, responsibly and in the public interest is the ERCB's number one priority. We also believe that Canadian Business readers and other reporters deserve accurate and factual information regarding energy regulation in our province.

Yours truly,

*- Original signed -*

Tom Neufeld  
ERCB Communications Manager

C.C. Ms. Patricia Johnston, ERCB General Counsel