

a c r o s s t h e b o a r d



Recommendations for changes to sour gas development are outlined in the recently released *Public Safety and Sour Gas Findings and Recommendations Report* (see story, right).

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About the EUB

Our mission is to ensure that the discovery, development, and delivery of Alberta's resources take place in a manner that is fair, responsible, and in the public interest. We regulate oil, natural gas, oil sands, coal, hydro and electric energy, pipelines, and transmission line development. On the utilities side, we regulate investor-owned natural gas, electric, and water utilities to ensure that customers receive safe and reliable service at just and reasonable rates. Regulation is done through four core functions: adjudication and regulation, applications, surveillance and enforcement, and information.

EUB Has Blueprint for Change to Sour Gas Development Practices

A report of 87 detailed recommendations for changing the way sour gas is developed and regulated in Alberta concludes a year of review on the issue by the 22-member, multistakeholder Provincial Advisory Committee on Public Safety and Sour Gas.

The EUB initiated the work of the committee in January 2000 in response to rising public safety concerns about sour gas development in Alberta. While Alberta's rules and regulations regarding sour gas safety are among the best in the world, the EUB recognizes a need for change in this area given the increasing frequency of encounters between a growing industry and a growing population.

The committee's report of recommendations provides a blueprint for improving the sour gas regulatory framework and enhancing public confidence through better communication and increased understanding and awareness of sour gas issues. In accepting the report, EUB Chairman Neil McCrank stated: "On behalf of the EUB, I am very pleased that the work of the committee has produced such a comprehensive assessment of the current state of requirements regarding sour gas development. The extensive work of this committee has resulted in recommendations on almost every aspect of sour gas development as it relates to public safety."

As part of its review, the committee was asked to conduct a public outreach, which included public meetings and a telephone survey, to hear directly the issues related to sour gas that are relevant to Albertans. Throughout the year the committee consulted extensively with the public, including many First Nations and Metis people. It heard the viewpoints of hundreds of Albertans living in sour gas areas or involved

with sour gas in some other manner.

The committee's recommendations are generally directed towards increasing understanding and awareness of sour gas and its impacts on public health and safety, ensuring an appropriate level of rigour in the sour gas regulatory system, and encouraging better public consultation.

In its presentation of recommendations,

"The EUB is strongly committed to acting on the recommendations of this committee."

EUB Chairman Neil McCrank

the committee requested that the EUB develop a plan for implementing the recommendations, make the plan public, and commit to publicly reporting on its progress.

Chairman McCrank responded by saying, "The EUB is strongly committed to acting on the recommendations of this committee," adding that the EUB has already established a Public Safety Implementation Team of senior staff whose sole responsibility is coordinating the planning for and implementation of the recommendations and communicating the progress.

This will be a multiyear process, with work on the highest-priority items commencing immediately. Since receiving the report, the EUB has been analyzing the committee's recommendations to establish which stakeholders are needed to participate in developing the right action for each recommendation. Where provincial government departments and other levels of governments will be involved in implementation, the EUB has already initiated discussions on how to proceed.

An overall plan of action for addressing each recommendation, as well as a time line, is underway. The recommendations

For Your Information...**Recent EUB Publications
Interim Directives**

ID 2000-8: Revised Guide 56: Energy Development Application Guide

General Bulletins

GB 2000-27: A New Standardized S-25: Monthly Waste Processing Facility Statement

GB 2000-28: Clarification: Energy Development Licence Transfer Requirements and Monthly Corporate Licensee Liability - ID 2000-11 and Guide 69

GB 2000-29: Revision to GB 2000-22: EUB Field Centre Boundary Changes

GB 2000-30: Electronic Submission of Well Drilling and Completion Data

Informational Letters

IL 2000-5: Dene Tha' Consultation Pilot Project

IL 2001-1: Appropriate Dispute Resolution (ADR) Program and Guidelines for Energy Industry Disputes

Guides

Guide 17-1: Electric Transmission Lines and the Regulatory Process in Alberta (Nov 2000)

Guide 38a: What You Should Know About Energy Industry Noise (Nov 2000)

News Releases

2000-48: EUB Approves Mid-season Winter Gas Cost Recovery Rate Applications

2000-49: Alberta Energy and Utilities Board Receives Recommendations of the Provincial Advisory Committee on Public Safety and Sour Gas

2001-01: EUB Launches Appropriate Dispute Resolution Program

Recent Decisions

Due to the large number of decisions issued this month, summaries of the decisions are not included. See the EUB Web site at <www.eub.gov.ab.ca> for complete copies of decisions.

December 12: ATCO Gas and Pipelines Ltd., Review and Variance of Decisions 2000-9 and 2000-16 by the Federation of Alberta Gas Co-ops Ltd. and Gas Alberta Inc. (Decision 2000-75)

December 14: ESBI Alberta Ltd. Part C: 1999/2000 Phase I & II Tariff Application Location Based Credits—Standing Offer (Decision 2000-76)

December 14: Northrock Resources Ltd. Application to Construct a Temporary Sour Single Oil Well Battery Knopcik Field (Decision 2000-79)

December 19: ATCO Electric Limited Application for Approval of Transfer of Generation Assets (Decision 2000-77)

December 19: TransAlta Utilities Corporation

1999/2000 Electric Tariff Application Interim Settlement of 2000 Deferral Accounts Part D: Rescission of Interim Rate Riders Ordered in Decision 2000-60 Effective January 1, 2001 (Decision 2000-78)

December 19: Nova Gas Transmission Ltd. Application for 2001 Interim Rates, Tolls and Charges (Decision 2000-80)

December 19: ATCO Electric Ltd. Supply Transmission Service Costs (Decision 2000-81)

December 21: ATCO Gas and Pipelines Ltd., Request to Withdraw the 1999 General Rate Application, and Assessment of the Need for a 2000 General Rate Application (Decision 2000-82)

December 22: ATCO Electric Ltd. Exemption under the Code of Conduct Regulation (Decision 2000-83)

December 22: ATCO Pipelines North and South Transmission Transportation Service Interim Rates (Decision 2000-84)

December 22: Northwestern Utilities Limited Approval of Rates, Tolls, Charges, and Terms and Conditions of Service for Core Customers, and Approval of Amendments to the North Core Agreement. Approval was granted for a decrease in rates, tolls and charges. (Decision 2000-85)

December 22: ESBI Alberta Ltd. 2001 General Rate Application: Part A—Terms and Conditions of Service—Emergency Provision of System Support Services—Article 24 (Decision 2000-87)

December 22: ATCO Electric Ltd. Regulated Rate Option Tariff Part B: Non-Energy Cost Components (Decision 2000-88)

December 22: EPCOR Energy Services (Alberta) Inc. 2001-2005 Regulated Rate Option Tariff Part B: Non-Energy Cost Components (Decision 2000-89)

December 27: TransAlta Utilities Corporation 1996 Phase II—Constitutional Question (Decision 2000-86)

December 29: ATCO Electric Ltd., 2001 Regulated Rate Option Tariff Part C: Rates & Terms and Conditions of Service Effective January 1, 2001 (Decision 2000-90)

December 29: EPCOR Energy Services (Alberta) Inc. 2001-2005 Regulated Rate Option Tariff Part C: Rates & Terms and Conditions of Service Effective January 1, 2001 (Decision 2000-91)

January 8: Gulf Canada Resources Limited Amendment of Approval No. 8063 Experimental Scheme Surmont Area (Decision 2001-1)

January 12: TransAlta Utilities Corporation 2001 Transmission Facility Owner Tariff and Negotiated Settlement (Decision 2001-4)

Improving Sour Gas Development Practices

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touch upon most of the EUB's business areas, and every branch within the EUB plays an important role in implementation.

Recent changes to the EUB's *Guide 56: Energy Development Application Guide* regarding the rules for critical sour gas applications complement the committee's recommendations for improving the sour gas regulatory system. Changes require that applications for new or modified sour gas plants or critical sour gas wells include expanded detail and that applications are subject to an "up-front" review of the proposed development to determine, among other things, if the applicant's approach to public consultation and emergency response planning (ERP) is satisfactory. A review and revision to current ERP requirements is currently underway and expected to be completed by summer 2001.

Community involvement and improved public consultation in all areas of energy development are priorities for the EUB. This is reflected in the EUB's attention to increasing its field presence and initiatives such as the EUB's Appropriate Dispute Resolution (ADR), designed to improve facilitation and improve relationships between the public and industry. (see article "EUB Launches Appropriate Dispute Resolution Program" on page 3) The EUB is also participating with residents, local authorities, and companies in many community groups throughout the province. In more than 100 communities in Alberta synergy groups have been formed to address resource management issues.

Noting that many of the committee's recommendations require the commitment of other organizations and government departments to implement, McCrank stated that he is looking forward to building even stronger cooperative relationships with these groups to ensure the best regulatory system possible.

For more information or to obtain copies of the *Public Safety and Sour Gas Findings and Recommendations Report*, contact the EUB's Sour Gas Implementation Team at (403) 297-3726 or check out our Web site at <www.eub.gov.ab.ca>. ❖

EUB Launches Appropriate Dispute Resolution Program

Stakeholders in the energy sector welcomed the news this month that the EUB had outlined principles supporting its new Appropriate Dispute Resolution (ADR) program for Alberta's energy sector and provided guidelines for using it.

A multiparty stakeholder committee had been working with the EUB since the summer of 1999 to help put dispute resolution "tools" in the hands of industry, landowners, and public interest groups. Membership in the committee, which guided the research and development of the program, was broadly representative to ensure that all interests were considered.

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By providing ADR tools to parties in dispute, the EUB hopes to offer a range of options to resolve disputes and a more effective process, resulting in improved landowner-industry relations in the interest of all Albertans. ADR approaches lead to local solutions to local problems by encouraging more face-to-face discussions between affected landowners and company decision-makers.

Thanks to stakeholder input, the parameters of the ADR program were expanded from those initially envisioned. The initial terms of reference for the program were that ADR was just to be used for disputes relating to upstream oil and gas industry applications. The program now applies to disputes involving wells, pipelines, and

production facilities, as well as electrical substations, transmission lines, and other facilities in the industries regulated by the EUB. The ADR program also applies to disputes among competing companies, as well as disputes between industry and landowners.

A unique and innovative feature of the EUB's ADR program is the opportunity it gives to parties in dispute to attend a "Preliminary ADR Meeting" to explore whether ADR options, such as mediation, would be appropriate to their situation. Other features of the program include increased facilitation activities on the part

of trained EUB staff, the provision of rosters of service providers and mediators, and the development of an evaluation system to monitor the program over the next three years and to foster ongoing learning.

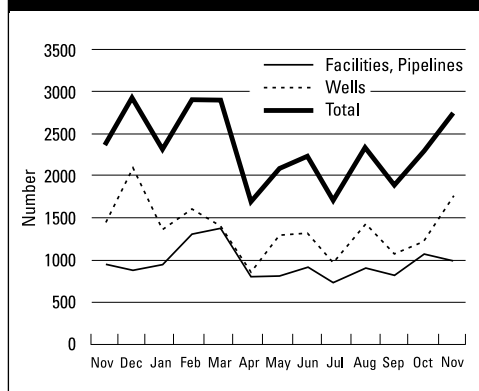
"The Preliminary ADR Meeting is about finding answers, it's informative, and it's not going to cost very much," explained ADR coordinator Bill Remmer. "So far, everyone has been receptive to participating in a Preliminary ADR Meeting once they understand the purpose."

For more information see *Information Letter 2001-1: Appropriate Dispute Resolution (ADR) Program and Guidelines for Energy Industry Disputes* on the EUB Web site at <www.eub.gov.ab.ca>. ❖

Application Summary

Facilities applications for November 2000	
Production facilities	154
Pipelines	834
Wells	1766
Total received	2754
Total completed/approved	2611
Closed	5
Withdrawn	60

Facilities applications for November 2000



Resource applications for November 2000

Equity (rateable take, common carrier, common purchaser, common processor, compulsory pooling, special spacing)	70
Conservation (resources – oil, gas, and in situ bitumen; gas removal, enhanced recovery, water disposal, concurrent production, underground storage, commingled production, reserves)	117
Depletion administration (good production practice, penalty relief)	18
Corporate (transfer)	14
Mining (coal and mineable oil sands)	0
Total received	219
Total completed/approved	186

Utilities applications for November 2000

Electric	5
Gas	1
Facilities	12
Franchises and others	8
Total received	26
Total completed/approved	18

Corporate transfers and name changes for November 2000

Well licence transfers	564
Well licence name changes	322
Pipeline licence transfers	232
Facility licence transfers	20
Total received	1138
Total completed	934

Questions, Complaints, Problems? Who to contact...

Utilities—For general information or to file a consumer utility complaint, please contact us at

EUB Utilities Branch
10th floor, 10055-106 Street
Edmonton, Alberta T5J 2Y2
Telephone: (780) 427-4901
Fax: (780) 427-6970
E-mail: utilities.concerns@eub.gov.ab.ca

Oil and Gas—For information or complaints about new or existing oil and gas developments and facilities, we recommend contacting the operating company first. If the company doesn't respond appropriately, you may contact the nearest EUB field centre (see list), all of which provide 24-hour on-call service.

EUB Field Centres (24-hour on call)

Bonnyville	(780) 826-5352*
Drayton Valley	(780) 542-5182*
Grande Prairie	(780) 538-5138*
Medicine Hat	(403) 527-3385*
Midnapore	(403) 297-8303*
Red Deer	(403) 340-5454*
St. Albert	(780) 460-3800*
Wainwright	(780) 842-7570*

* To call toll free from anywhere in Alberta, dial 310-0000 and enter the 7-digit local number to connect, or press zero for a RITE operator.

Upcoming Public Hearings: Winter/Spring 2001

Please note: Due to space constraints, this list only covers hearings scheduled for the next two months, and some company names have been abbreviated. For information on hearings scheduled later in the year, call (403) 297-8259. Actual hearing durations can vary significantly. Unless otherwise noted, hearings begin at 9:00 a.m. and are open to the public. If you are interested in attending one, please call the above number to reconfirm the date, time, and place.

Scheduled Start Date	Application No.	Applicant	Hearing Purpose	Location
February 1 Pre-hearing	1073100 1073376	Magin Energy Inc.	Application for a well licence to drill a Level-3 directional sour gas well, sour gas pipeline and associated facilities - Edson Area	EUB Utility Branch Office 12 Floor, 10055 - 106 Street, Edmonton
February 14	2000258	Utilicorp Networks Canada (Alberta) Ltd.	2001-200X DT - Distribution Tariff	EUB Utility Branch Office 12 Floor, 10055 - 106 Street, Edmonton
March 6	1062132 1077686	Gulf Canada Resources Ltd.	Application to review well licence and amend well spacing	Capri Convention Centre 3310 - 50 Ave Red Deer, Alberta
March 6	1070571 1070572 1070573 1073990	Crestar Energy Inc.	Section 43 review of well licences to drill three Level-1 non-critical sour gas wells and section 29 application for sour gas pipeline - Vulcan Field	Highwood Memorial Centre 128 - 5 Avenue W High River, Alberta
March 20 (tentative)	1072191 1072188	NovaGas Canada Ltd. & BP Canada Energy Company	Application to modify the existing Harmattan-Elkton sour gas plant and to construct 65 km of sour gas pipelines. Application to modify/convert the existing North and South Caroline sour gas plants into sour compressor stations. These facilities would still be defined as gas plants - Harmattan-Elkton and Caroline Fields.	TBA
March 13 (tentative)	980247 2000211	722924 Alberta Ltd. (Clearwater-Newco)	Complaint and application for fees and policies respecting connection and disconnection of water service	TBA
March 13	1073100 1073376	Magin Energy Inc.	Application for a well licence to drill a Level-3 directional sour gas well, sour pipeline and associated facilities - Edson Area	Edson & District Recreational Centre located on the golf course road in Edson
April 10 (tentative)	1053004 1077690	Duke Energy Midstream Services Canada Ltd., Canadian Chemical Technology Inc.	Pouce Coupe sour gas plant expansion and to amend approval No. 8444 to increase disposal rate - Pouce Coupe Belloy Acid Gas Disposal Scheme	TBA

Cancelled Hearings

Date Cancelled	Application No.	Applicant	Hearing Purpose	Reason for Cancellation
December 1	1072297	Crestar Energy Inc.	Application to construct and operate a sweet gas compressor station - Westeros field	Objection withdrawn
January 23	1074505	Anderson Exploration Ltd.	Compulsory Pooling - Belloy field	Application withdrawn

Pending Decisions

Application No.	Applicant	Hearing Purpose	Hearing Date(s)	Actual Hearing Days
1042932	Shell Canada Limited	Well licence application - Level-4 critical sour gas well - Ferrier field	November 7	8
1056355, 1059607	Husky Oil Operations Limited (Renaissance Energy Ltd.)	Multiwell pad of 5 noncritical level-1 sour oil wells and associated pipelines	December 6	2
990234	Legal Oil & Gas Ltd. and Tartan Energy Inc.	Board-initiated proceeding regarding EUB Abandonment Order No. AD 98-10	December 12	2
2000302	EPCOR Transmission Inc.	2001-2002 Transmission Facility Owner (TFO) GTA and Contested Negotiated Settlement Agreement	November 7	2
2000135	EAL	2001 TA GTA Part C - Customer Contribution Policy Module 2001 TA GTA - Revenue Requirements, Phase I and Rate Design, Phase II	N/A	N/A

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EUB Information Services

640-5 Avenue SW, Main Floor
Calgary, Alberta T2P 3G4
Telephone: (403) 297-8190
Fax: (403) 297-7040
E-mail:
eub.info_services@eub.gov.ab.ca
EUB Web site: www.eub.gov.ab.ca

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