

In this issue:

July 2002

Recent EUB Publications and Decisions **2**

EUB Implements New Licensee Liability Rating Program **3**

Questions, Complaints, Problems? Who to Contact **3**

Applications Summary **3**

Pending Decisions **4**

Appropriate Dispute Resolution (ADR) Annual Report highlights successful year

INCREASING DEMAND for oil and gas and the proliferation of energy facilities and pipelines often result in competing visions for the use of Alberta's land. Landowners, environmental groups, industry, and government have been seeking options, direct involvement, and control over resolving their disputes.

The EUB's *Appropriate Dispute Resolution Annual Report* has highlighted ADR as an important option.

Bill Remmer, ADR Coordinator at the EUB, says

"Appropriate Dispute Resolution is an option available for individuals, groups, and companies willing to work together on mutually acceptable solutions before other steps are necessary, such as an EUB hearing. ADR has a proven track record of resolving conflict faster, cheaper, and in the spirit of cooperation."

The *Appropriate Dispute Resolution Annual Report* shows the numbers to support that view. In 2001, 161 EUB staff facilitations were initiated between landowners and companies, and 115 were completed, with 98, or 85%, fully resolved. In addition, 30 more complex disputes were referred to third-party mediators and 23 were completed, with 19, or 82%, fully resolved. People using the ADR Program were very supportive, with 97% of those providing feedback indicating they would try it again and 94% indicating they would recommend others try ADR. The average cost of the ADR process was \$4,300, and the average duration from referral to end of mediation was 28 days.

The word "appropriate" in appropriate dispute resolution indicates to participants that there are various dispute options

available and that they should choose the one appropriate to their situation. The two main options are EUB staff facilitation and a Preliminary ADR (PADR) meeting, which is run by independent mediators and, if the parties wish, is followed by further mediation.

The PADR is often the first time that the parties work together. It allows them

to make informed decisions about their resolution options. The parties discuss and agree to information

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requirements, levels of authority, commitments, costs, and deadlines at this time.

The majority of disputes are resolved without the involvement of EUB staff or service providers and mediators. The ADR Program is actually used for only a very small percentage of the total applications considered by the EUB in a year. However, when disputes do arise, the purpose of the ADR Program is to help people explore and understand each other's interests and develop acceptable solutions together.

Participants recognize the strengths of ADR. One landowner participant said, "For us, ADR was a nonconfrontational way to deal with issues that were becoming road blocks." A company participant in a different ADR process reflected, "The first time all the companies got together in the same room was through the ADR process...in this case the different companies just needed an incentive to find a solution."

The *ADR Annual Report* includes detailed information about EUB staff facilitation, mediation, timelines, costs, application types addressed through ADR, topics discussed, *continued on page 2*

The EnerFAQs are here!

The EUB has released a series of information pamphlets called EnerFAQs to help the public learn more about the EUB and Alberta's energy and utility industry. There are currently six EnerFAQs available, with more due for release. The EnerFAQs are available from any of the eight EUB Field Centres, EUB's Information Services, and on the EUB Web site <www.eub.gov.ab.ca>.

Forward your suggestions for future EnerFAQs pamphlets to <acrosstheboard@eub.gov.ab.ca>, or call (403) 297-2252.*

*Dial toll free in Alberta using the Rite Line—310-000.

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.

For Your Information...

Recent EUB Publications

News Releases

May 30: News Release 2002-05-30 (NR 2002-10): EUB Approves ATCO Gas South and ATCO Pipelines South General Rate Applications on an Interim Basis

May 30: News Release 2002-05-30 (NR 2002-09) EUB Issues Report on Alberta's Reserves and Supply Forecasts

Interim Directives

May 16: ID 2002-01: Electronic Submission of Production, Disposition, and Transportation Volumetric Information and Well Status Changes

Publications

June 12: Synergy Conference Proceedings

June 10: Petroleum Play and Activity Booklet for Children

June 5: Appropriate Dispute Resolution Annual Report

May 30: ST 98: Alberta's Reserves 2001 and Supply/Demand Outlook 2002-2011

May 30: ERP Presentations - May 15th and 16th ERP Recommendations 17, 18 and 19 Update

May 27: Guide 46: Production Audit Handbook (draft for review)

May 24: GB 2002-05: EUB Requirements for Evaluation of Solution Gas Vent Gas Conservation

May 10: EnerFAQs—a series of pages about EUB programs, services, and issues.

EnerFAQs 1: What Is the Alberta Energy and Utilities Board?

EnerFAQs 2: Having Your Say at an EUB Hearing

EnerFAQs 3: Inspections and Enforcement of Energy Developments in Alberta

EnerFAQs 4: All About Critical Sour Wells

EnerFAQs 5: Explaining EUB Setbacks

EnerFAQs 6: Flaring

May 10: Licensee Liability Rating Report (ASCII) (updated monthly)—Listing of all licensees and their licensee liability rating (LLR)

Recent Decisions

May 30: Decision 2002-049: ATCO Pipelines South 2001/2002 General Rate Application Compliance Filing

May 30: Decision 2002-050: ATCO Gas South 2002/2002 General Rate Application Compliance Filing

May 23: Decision 2002-048: ESBI Alberta Ltd. 2001 General Tariff Application Part M: PPA Module

May 21: Decision 2002-047: EPCOR Energy Services (Alberta) Inc. 2001-2005 Regulated Rate Option Tariff Amendment to Part E: Interim 2002 RROT Quarterly Energy Prices

May 14: Decision 2002-046: Penn West Petroleum Ltd. Applications for Pipelines and Modifications to a Battery, Pembina Field

May 7: Decision 2002-045: City of Airdrie Determination of Price and Terms of Purchase of the Electric Distribution System within the Municipality from UtiliCorp Networks Canada (Alberta) Ltd. Board Jurisdiction

May 7: Decision 2002-044: NGTL General Terms and Conditions: Interpretation of Article 3 as it Relates to CO₂

Recent AGS Publications

May 15: Geo-Note 2002-01—Observations of Naturally Occurring Hydrocarbons (Bitumen) in Quaternary Sediments, Athabasca Oil Sands Area and Areas West, Alberta

May 21: Special Report 52—Guide to Recent Publications on Inorganic Water-Rock Interactions Relevant to Deep-Well Wastewater Disposal in Carbonate-Evaporite Formation in the Athabasca Oil Sands Area, Alberta

Appropriate Dispute Resolution (ADR) Annual Report highlights successful year *(continued from page 1)*

successes and obstacles, and learnings and continuous improvements.

For a copy of the *Appropriate Dispute Resolution Annual Report*, go to the EUB Web site at <www.eub.gov.ab.ca> or contact EUB Information Services at (403) 297-8190. ❖



APPROPRIATE DISPUTE RESOLUTION

Conflicts resolved by ADR

- 98 out of 115 EUB staff facilitations, or 85%
- 19 out of 23 third-party mediations, or 82%

Participant support for mediation

- 97% said they would try it again
- 94% would recommend ADR to others

Cost and timing of ADR

- Average cost was \$4,300
- Average duration from referral to end of mediation was 28 days

Updated EUB Web site

THE EUB'S WEB SITE AT <www.eub.gov.ab.ca> is now cleaner, easier to navigate, and more user friendly, with a new search engine and enhanced design. There are no major changes in the Web site structure. The Web site conversion has been managed to minimize the impact to clients and has placed a premium on maintaining the integrity of links and bookmarks.

As we move forward, the site will continue to be improved and updated. If you have any comments regarding the site, or are having difficulty accessing the site, please contact the EUB's Web staff: Liz Johnson (telephone: 403-297-7308; e-mail: <liz.johnson@gov.ab.ca>) or Ann Sundquist (telephone: 403-297-8327; e-mail: <ann.sundquist@gov.ab.ca>). ❖

EUB Implements New Licensee Liability Rating Program

EFFECTIVE MAY 1, 2002, a new Licensee Liability Rating (LLR) Program will help protect Alberta taxpayers from paying for the abandonment, decontamination or reclamation of

“orphaned” wells, facilities, and pipelines whose owners are defunct or unknown.

The LLR Program assesses a licensee’s ability to address its abandonment and

reclamation liability based on the ratio of its deemed assets to its deemed liabilities. Licensees with an LLR below 1 are required to place a security deposit equal to the difference between the licensee’s deemed liabilities and deemed assets.

The LLR methodology is used both for assessing licence transfer applications and for monthly monitoring of all licensees.

The LLR Program was developed in collaboration with stakeholders and reflects extensive consultation with the Canadian Association of Petroleum Producers (CAPP), Small Explorers and Producers Association of Canada (SEPAC), and parties who submitted representation to the EUB.

Industry’s overall LLR is acceptable. With the LLR threshold at 1, the total industry average LLR is over 8.

The industry-backed Orphan Well Association (also known as the Alberta Oil and Gas Abandonment and Reclamation Association) will continue their commitment to pay for the abandonment and reclamation of all wells, facilities, and pipelines that become defunct.

With the EUB’s commitment to open and transparent regulation, public benchmark reporting enables Albertans to view the LLR of all licensees on the EUB Web site <www.eub.gov.ab.ca>.

The LLR Program permits licensees required to place a security deposit with the EUB (LLR<1.0) to provide that deposit in accordance with an established deferred payment schedule (three payments over a two-year period).

A detailed review or appeal mechanism is also in place for licensees with an LLR less than 1.

The EUB intends to review the overall LLR Program in 12 to 18 months to determine what enhancements are necessary. ❖

The LLR Program was developed in collaboration with stakeholders and reflects extensive consultation with the Canadian Association of Petroleum Producers (CAPP), Small Explorers and Producers Association of Canada (SEPAC), and parties who submitted representation to the EUB.

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
 Complaints: (780) 427-4903
 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)

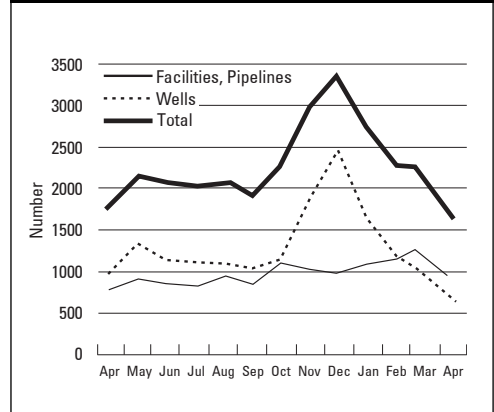
- Bonnyville (780) 826-5352*
- Drayton Valley (780) 542-5182*
- Grande Prairie (780) 538-5138*
- Medicine Hat (403) 527-3385*
- Midnapore (403) 297-8303*
- Red Deer (403) 340-5454*
- St. Albert (780) 460-3800*
- Wainwright (780) 842-7570*

* To call toll free from anywhere in Alberta, dial 310-0000 and enter the phone number, including area code, or press zero for a RITE operator.

Applications Summary

Facilities applications, 2002	Mar.	Apr.
Production facilities	.132	242
Pipelines	.1154	722
Wells	.1002	658
Total received	.2288	1622
Total approved	.2093	1473
Closed	.25	23
Withdrawn	.75	45

Facilities applications, Apr. 2001 - Apr. 2002



Resource applications, 2002

Resource applications, 2002	Mar.	Apr.
Equity (rateable take, common carrier, common purchaser, common processor, compulsory pooling, special spacing)	.58	76
Conservation (resources – oil, gas, and in situ bitumen; gas removal, enhanced recovery, water disposal, concurrent production, underground storage, commingled production, reserves)	.126	164
Depletion administration (good production practice, penalty relief)	.21	17
Corporate (transfer)	.1	2
Mining (coal and mineable oil sands)	.0	0
Total received	.206	259
Total completed	.230	224

Utilities applications, 2002

Utilities applications, 2002	Mar.	Apr.
Electric	.9	14
Gas	.9	1
Facilities	.10	11
Franchises and others	.10	13
Total received	.38	39
Total completed	.30	41

Corporate transfers and name changes, 2002

Corporate transfers and name changes, 2002	Mar.	Apr.
Well licence transfers	.987	966
Well licence name changes	.1635	1173
Pipeline licence transfers	.301	144
Facility licence transfers	.79	57
Total received	.3002	2340
Total completed	.3719	3741

**For a complete list of upcoming public hearings, visit the EUB Web site at
<www.eub.gov.ab.ca/bbs/applications/hearings/hearings.pdf>.
If you do not have Internet access, contact EUB Information Services at (403) 297-8190.**

Pending Decisions

Application No.	Applicant	Hearing Purpose	Hearing Dates	Actual Hearing Days
2000231	Board-initiated proceeding	Review of EUB Abandonment Costs Order No. ACO 2000-1 [Prince Resource Corporation and Richard Yu]	Mar 26 - 28	3
2000343, 1096927, 1242258, 1096321	Canadian Crude Separators	Applications to construct and operate an oilfield waste management facility, drill a disposal well, construct and operate a pipeline, and disposal scheme - Edson Field	Feb 5 - 7 Final Reply due Apr 26	3
1259520	Harvey Dippel & Valerie Beaton	An investigation into the matter of a request for a review of well license no. 0155130 made pursuant to section 39 of the Energy Resources Conservation Act	Apr 24	1
1058461 et al	Anderson Exploration Ltd.	Approval to produce gas	Nov 26/01 - May 22/02	66
1078980	Anderson Exploration Ltd.	Section 43 review of Applications No. 1069381, 1069382 - Approval to produce gas	Final Reply due June 28	
1086353	Franco-Nevada Mining Corporation Ltd.	Section 42 review of Applications No. 1039410, 1047055 - Approval to produce gas		
1073875	Anderson Exploration Ltd.	Review of the impact of continued gas production on bitumen recovery		
1062688 et al	AEC Oil and Gas (AEC)	Approval to produce gas		
1085736 et al	BP Canada Energy Company	Approval to produce gas - Leismer field		
1085793	Petro-Canada Oil and Gas	Shut in gas production - Chard area		
1089982 et al	Paramount Resources Limited	Approval to produce gas		
1090128 et al	Rio Alto Exploration Ltd.	Approval to produce gas		
1256085	PanCanadian Resources Corporation	Application to shut-in gas in the Christina Lake area		
1097090	EUB Staff Submission Group	Potential impact of gas production on bitumen recovery		
2000233, 2000234	ATCO Electric Ltd., ATCO Gas and Pipelines Ltd.	Affiliate transactions and code of conduct	Sept 17-27, Nov 16/01 Board Letter Dec 18/01	14
1244123, 1247885, 1244118	ATCO Electric Ltd.	2002 - 200X RROT Non-Energy Costs Application 2002 RROT Energy Rate Application Acquisition of Energy	Written proceeding Reply by Apr 2	
1249770	ESBI Alberta Ltd.	Refiling of application for a duplication avoidance tariff for Shell Canada Limited - Scotford Industrial System (2000342)	Written proceeding Reply by Apr 2	
1247239	ATCO Electric Ltd.	2001 RROT Deferral Account Reconciliation	Written proceeding Reply by Apr 2	
1237695	ATCO Electric Ltd.	2001 RROT Exit/Entry Fees	Written proceeding Reply by Apr 2	
1247227	EPCOR Energy Services (Alberta) Inc.	2001-2005 RROT, 2001 Outstanding Matters, 2001 Collections Shortfall Recovery Plan	Written proceeding Reply by Apr 2	
1252930	ESBI Alberta Ltd.	Amendment to the 2001 revenue requirement	Written proceeding Reply by Apr 3	
1256321	ESBI Alberta Ltd.	2002 GTA - Approval of the TA's 2002 Phase I and Phase II submissions	Written proceeding Reply by Apr 23	
1256327	ESBI Alberta Ltd.	2002 GTA Negotiated Settlement Agreement	Written proceeding Reply by Apr 23	
1237639	ATCO Gas - South (a division of ATCO Gas and Pipelines Ltd.)	Carbon Storage Transfer	Mar 11-21, Apr 18 Final Argument due May 1	9
1245440	Nova Gas Transmission Ltd.	Fort Saskatchewan pipeline extension - Scotford sales meter station, Josephburg sales meter station, Astotin sales meter station	May 13 - 23	5
1252145	ATCO Electric Ltd.	Adjustments to the transmission and distribution revenue requirements for changes in the booked deferred taxes from the placeholders incorporated into the 2001-02 transmission and distribution negotiated settlements	Final Reply due May 28	

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For Alberta Geological Survey (AGS) documents on geological research:

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