

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

Notices

•An overview of the Government-Industry Advisory Group on Gas and Bitumen Conservation in Oil Sands Areas (GIAG) has been posted to the EUB Web site for information purposes. GIAG is formulating recommendations that will be submitted to the EUB for consideration

•The first quarterly report of the Public Safety and Sour Gas Implementation Team is now available on the EUB Web site at <www.eub.gov.ab.ca>

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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.

Alberta's Energy Resource Picture

EUB Releases Report on Energy Reserves and Supply/Demand Outlook to 2010

Every year the Alberta Energy and Utilities Board (EUB) issues a reserves report, providing stakeholders with one of the most reliable sources of information on the state of reserves for Alberta's diverse energy resources—crude bitumen, crude oil, natural gas, natural gas liquids, sulphur, and coal.

At the end of June the EUB released its 2000 report, *Alberta Reserves 2000 and Supply/Demand Outlook 2001-2010*. It includes estimates of remaining established reserves (reserves we know we have), and ultimate potential (reserves we expect to be ultimately recovered). This year's report also includes information on the demand for Alberta's energy, as well as 10-year supply forecasts.

Higher prices, record drilling activity, and planned investments of billions of dollars for oil sands projects all contributed to the energy development picture in 2000 and shape the forecast for the years to come.

Following is a brief summary of some of the report's key highlights on production and reserves for crude bitumen, crude oil, and natural gas.

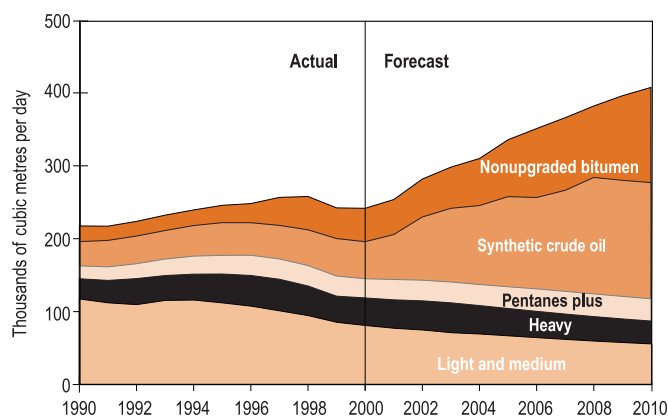
Crude Bitumen and Crude Oil

A comparison of oil and bitumen production over the last 10 years clearly shows a trend towards increased production from bitumen. This ability to shift from conventional oil to bitumen sources

is unique to Alberta, allowing the province to offset the expected decline in conventional oil.

- Alberta's 2000 production from conventional oil, oil sands sources, and pentanes plus was 242 000 cubic metres (m³) per day (1.52 million barrels/day)—about the same as in 1999. Production is forecast to reach 413 000 m³/day (2.6 million barrels/day) by 2010—nearly a 71 per cent increase.
- The EUB estimates that production of bitumen (synthetic crude oil (sco) and nonupgraded bitumen) will triple by 2010, accounting for as much as 70 per cent of Alberta's oil supply.

Alberta Supply of Crude Oil and Equivalent



- Ultimate potential recoverable reserves of crude oil are estimated at 3.1 billion m³ (19.7 billion barrels).
- 50 billion m³ (315 billion barrels) of crude bitumen are considered potentially recoverable under anticipated technology and economic conditions.
- To date, only 1 per cent of the ultimately recoverable crude bitumen resource has been produced.

For Your Information...

Recent EUB Publications**Guides****Guide 7:** Production Accounting Handbook**Guide 52:** Appendix D Key to Producing and/or Service Companies and the 5-Digit SERCO Codes**Guide 59:** Well Drilling and Completion Data Filing Requirements**Interim Directives****ID 91-3:** Heavy Oil/Oil Sands Operations - Interim Directive (ID) 91-3: Heavy Oil/Oil Sands Operations, Section 4.3, Metering and Measurement of Gas**ID 2001-1:** Utilities Branch Application Process**ID 2001-2:** Electronic Submission of Well Drilling and Completion Data**ID 2000-11—Amendment:** Interim Energy Development Licence Transfer Requirements and Monthly Corporate Licensee Liability Rating**General Bulletins****GB 2001-9:** EUB Grande Prairie Field Centre**GB 2001-10:** Update on Revision of EUB Rules of Practice on Review of Intervener Funding for Energy and Utilities Proceedings**GB 2001-11:** Utilities Branch Application Process**GB 2001-12:** List of EUB Approved Oilfield Waste Management Facilities**GB 2001-13:** Draft Revision of *Guide 55: Storage Requirements for the Upstream Petroleum Industry***GB 2001-14:** 2001 Administration Fees and General Assessment and Funding of Broad Industry Initiatives**Recent Decisions****May 8:** EPCOR Power Development Corporation and EPCOR Generation Inc. Rosssdale Power Plan Unit 11 (RD 11) (Decision 2001-33)**May 8:** ATCO Pipelines Application to Construct and Operate a Natural Gas Pipeline, Edmonton Area (Decision 2001-34)**May 15:** ATCO Electric Ltd. Part B: Interim Supplementary Approval of 2001 Financing Costs for the 2000 Distribution Deferral Account (Decision 2001-36)**May 15:** ESBI Alberta Ltd. 2001 General Tariff Application Part I: Refiling of Articles 4 and 24 (Decision 2001-40)**May 17:** Utilicorp Network Canada (Alberta) Ltd. 2001 Distribution Tariff Application Part B: Phase I Distribution Tariff Revenue Requirement, Phase II Rate Design and Terms and Conditions of Service (Decision 2001-37)**May 17:** ATCO Electric Ltd. 2001-2002 Distribution Tariff Part C: Phase II (Decision 2001-38)**May 18:** ESBI Alberta Ltd. 2001 General Tariff Application Part J: Refiling of Revenue Requirements and Tariff Calculations for DTS Rates (Decision 2001-41)**May 23:** TransAlta Utilities Corporation 1999/2000 Transmission Capital Deferral Account and 2001 Technical Depreciation Update (Decision 2001-39)**May 24:** ATCO Electric Ltd. 2001-2002 Isolated Generation Application Part A: Negotiated Settlement (Decision 2001-42)**May 25:** GENCO and DISCO 2000 Pool Price Deferral Accounts Proceeding, Part E: IPCCAA Applications for Review and Variance of Decisions U99099, 2000-3 and 2000-5 (Decision 2001-45)**May 29:** NOVA Gas Transmission Ltd. Application for Approval of the Alberta System Rate Settlement for 2001-2002 (Decision 2001-44)**May 29:** ATCO Gas - North A Division of ATCO Gas and Pipelines Ltd. Sale of Certain Petroleum and Natural Gas Rights, Production and Gathering Assets, Storage Assets and Inventory (Decision 2001-46)**May 30:** Duke Energy Midstream Services Canada Ltd. Application to Modify an Existing Sour Gas Plant and Amend to an Existing Acid Gas Disposal Scheme Pouce Coupe Field (Decision 2001-43)**May 31:** Utilicorp Networks Canada (Alberta) Ltd. Issue of Common Equity (Decision 2001-47)**June 4:** Utilicorp Networks Canada (Alberta) Ltd. 2001 General Tariff Application, Part C: Approval of Final Distribution Tariff and Refiling (Decision 2001-51)**June 4:** ATCO Electric Ltd. 2001-2002 General Tariff Application Part D: Approval of Final Distribution Tariff and Refiling (Decision 2001-50)**June 4:** ESBI Alberta Ltd. 2001 General Tariff Application, Part K: Final Rates and Tariffs and Second Refiling (Decision 2001-49)**June 5:** Gulf Canada Resources Limited Applications for Well Licences and Pipelines Vulcan Field (Decision 2001-48)**June 11:** ATCO Pipelines Approval of Rates, Tolls, Charges, and Transportation Service Regulations; Approval of Amendments to North and South Transmission Transportation Agreements (Decision 2001-53)**June 12:** ATCO Electric Ltd. Application for Exemption under the Code of Conduct Regulation (Decision 2001-54)**June 22:** Utilicorp Networks Canada (Alberta) Ltd. 2001 General Tariff Application Part D: Riders to Apply on 2001 Distribution Tariff (Decision 2001-56)**June 22:** ATCO Electric Ltd. 2001-2002 General Tariff Application Part E: Rider to Apply on 2001 Final Distribution Tariff (Decision 2001-55)**Alberta's Energy Resource Picture***continued from page 1***Natural Gas**

Alberta continues to be the largest producer of natural gas in Canada, with current production representing approximately 83 per cent of Canada's total natural gas production. In 2000, Alberta produced 141 billion m³ (5 trillion cubic feet) of marketable natural gas.

- There were 8 228 successful gas wells drilled in Alberta in 2000—a 37 per cent increase over the 6 015 drilled in 1999.
- Last year's record natural gas drilling replaced 90 per cent of the production for 2000, compared to a replacement rate of 56 per cent in 1999.
- Estimated remaining ultimately recoverable conventional natural gas reserves stand at 2 747 billion m³ (98 trillion cubic feet).
- At the end of 2000, Alberta's remaining established reserves of conventional natural gas were 1211 billion m³ (43 trillion cubic feet).

Nonconventional sources of natural gas, such as coal-bed methane, offer considerable potential for supplementing future supply of conventional gas.

The EUB's mandate ensures that Albertans have access to a reliable energy supply within the province. This means that natural gas requirements for Alberta's core market (residential, commercial, and institutional consumers) are met into the future, before any new gas removal permits are approved by the EUB.

Copies of an EUB backgrounder providing an overview of the report and the report, *Statistical Series 2001-98* (excluding detailed reserves and resource tables) are available free on the EUB's Web site at <www.eub.gov.ab.ca> or by calling Information Services at (403) 297-8190. ❖

Updates to Rules of Practice and Intervener Funding

In June, the EUB announced that on August 1, 2001, new *Rules of Practice* and cost policies will apply for all future energy and utility proceedings. These *Rules of Practice* include information about EUB proceedings, such as prehearing meetings, hearings, information requests, technical meetings, settlement meetings, and the filing of written evidence. Also introduced were two new intervener funding guides: *Guide 31A: Guidelines for Energy Cost Claims*, and *Guide 31B: Guidelines for Utility Cost Claims*.

Whenever the EUB holds hearings or conducts other regulatory functions that may involve parties with differing viewpoints, fair and consistent processes are valued by all participants. In 1995, the Alberta Energy Resources Conservation Board and the Alberta Public Utilities Board merged, and although their practices were relatively close in many areas involving applications, adjudication, and other regulatory functions, there was a need to bring conformity and consistency to their respective areas. In order to ensure that EUB processes continued to be as fair as possible and to have its regulatory framework reflect a more contemporary position, the EUB realized that revisions to its *Rules of Practice* and costs policies were needed. Led by the EUB Legal Branch, the EUB embarked on extensive consultation with many Albertans who had been involved in various EUB energy and utility proceedings over the past several years.

The new *Rules of Practice* are divided into six parts, each addressing a different aspect of the procedures adopted by the EUB for the conduct of a proceeding before it. The six parts include, among other items, the service of documents, the use of affidavits, what sort of evidence the Board will consider, and how to deal with requests for a review of a decision of the Board or for

the rehearing of issues before the Board. The two new costs guides explain who is eligible for an award of costs, how a cost claim should be filed, what to do if the costs awarded are not paid by the applicant, and various other items.

It is important to understand that the EUB *Rules of Practice*—the “do’s and don’ts” of hearings and related quasi-judicial functions—and intervener cost awards are fundamentally interrelated. Both arise out of proceedings before the EUB, and both share interests in fairness and equity. Costs policies for intervener funding have always been designed to permit persons who might be directly and adversely affected by proposed applications to be reimbursed for their reasonable costs in making an intervention. The changes recently announced update the costs awards to better reflect current economics. And in addition to incorporating the procedures for filing costs claims into the new *Rules of Practice*, the universal *Scale of Costs* applies to both energy and utility proceedings. Yet another change is the availability of the new guides and the cost claims forms on the EUB Web site and on CD-ROM, which will help make the filing process easier and more efficient.

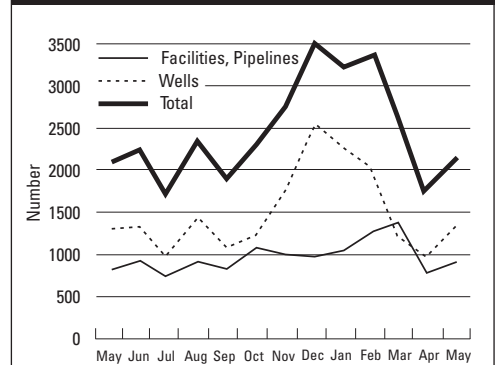
The EUB strives to foster confidence, fairness, and equity in its regulatory processes. At the same time, the EUB itself must adapt to changing circumstances in many arenas, while continuing to make decisions that best serve the public interest. The revised *Rules of Practice* and costs policies will help ensure that the EUB’s regulatory system continues to be fair, equitable, and reflective of a progressive and responsive regulatory framework.

For copies of the new intervener funding guides contact Information Services at (403) 297-8190 or access the EUB Web site at <www.eub.gov.ab.ca>. ❖

Application Summary

Facilities applications for April and May 2001		
Production facilities	103	136
Pipelines	682	682
Wells	993	1318
Total received	1778	2136
Total completed/approved	1788	2006
Closed	6	11
Withdrawn	46	75

Facilities applications for April and May 2001



Resource applications for April and May 2001

Equity (rateable take, common carrier, common purchaser, common processor, compulsory pooling, special spacing)	60	59
Conservation (resources – oil, gas, and in situ bitumen; gas removal, enhanced recovery, water disposal, concurrent production, underground storage, commingled production, reserves)	124	101
Depletion administration (good production practice, penalty relief)	18	16
Corporate (transfer)	9	15
Mining (coal and mineable oil sands)	3	2
Total received	214	193
Total completed/approved	200	205

Utilities applications for April and May 2001

Electric	6	2
Gas	0	1
Facilities	0	0
Franchises and others	0	3
Total received	6	6
Total completed/approved	14	13

Corporate transfers and name changes for April and May 2001

Well licence transfers	639	1618
Well licence name changes	324	1383
Pipeline licence transfers	72	241
Facility licence transfers	39	22
Total received	1074	3264
Total completed	5216	3185

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 10-digit local number to connect, or press zero for a RITE operator.

Upcoming Public Hearings: Summer 2001

Due to space constraints, this is not a complete list of hearings scheduled, rather a snapshot of selected hearings. For a complete and accurate list of hearings scheduled, go to the EUB Web site and look under Applications. As well, some company names have been abbreviated. For information on hearings scheduled later in the year or not included on this list, call (403) 297-8259. Actual hearing durations may 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
August 8	2000319	TransAlta Utilities Corporation	Rebuild 138-kV Transmission Line 161L as double circuit 138-kV transmission line 161L/180L	Vulcan Legion Hall Vulcan
August 10 (pre-hearing)	2001173	EPCOR Generation Inc.	Genesee 490 MW Power Plant expansion	EUB Utilities Branch Office 12 Floor, 10055 - 106 Street Edmonton
August 10 (pre-hearing tentative)	2000233 2000234	ATCO Electric Ltd., ATCO Gas & Pipelines Ltd., Northwestern Utilities Limited	Affiliate transactions and code of conduct	Govier Hall, 2nd Floor 640 - 5 Avenue SW, Calgary
August 13 1:30 p.m.	2001113	AES Calgary ULC	525 MW Natural Gas fired power plant	Govier Hall, 2nd Floor 640 - 5 Avenue SW, Calgary
August 28	1064455	Ms. E.A. Brueckner et al	Section 42 review of well Licence No. 0239741 issued to Stampede Oil Inc. for a sour single well - Turner Valley Field	Flare N Derrick Community Hall, 131 Main Street NE Turner Valley
August 28	2000231	Board Initiated Proceeding	Review of EUB Abandonment Cost Order No. ACO 2000-1 (Prince Resource Corporation and Directors)	Govier Hall, 2nd Floor 640 - 5 Avenue SW, Calgary
August 30 (pre-hearing)	1036306 1041841	Gary Norman and Reta Irvin	Section 42 review of facility licence F-3643 - Centrica Canada Limited (formerly Avalanche Energy Limited) in Keoma area	Govier Hall, 2nd Floor 640 - 5 Avenue SW, Calgary
September 4	2000233 2000234	ATCO Electric Ltd., ATCO Gas & Pipelines Ltd., Northwestern Utilities Limited	Affiliate transactions and code of conduct	Govier Hall, 2nd Floor 640 - 5 Avenue SW, Calgary

Cancelled Hearings

Date Cancelled	Application No.	Applicant	Hearing Purpose	Reason for Cancellation
June 27	1088667	Mutiny Oil & Gas Ltd.	Common carrier application (Willesden Green Field)	Agreement reached by parties

Pending Decisions

Application No.	Applicant	Hearing Purpose	Hearing Date(s)	Actual Hearing Days
1072191 1072188	NovaGas Canada Ltd. & BP Canada Energy Co.	Application to modify the existing Harmattan sulphur recovery plant and to construct a 65 km sour gas pipelines and application to modify/convert the existing North and South Caroline sulphur recovery plants to sour gas plants (compressor stations) - Harmattan and Caroline fields	March 20 May 1 - 4	5
1089745	Artemis Energy Limited	Compulsory Pooling - Three Hills Creek Field	June 22	1
1095081	Franco-Nevada Mining Corporation Ltd.	Interim shut-in of gas production	June 9-10	2
1094706	Petro-Canada Oil and Gas	Interim shut-in of gas production	Reply by July 13	3
1019406	Range Petroleum Corporation	Reopening to review ERP - Sturgeon Lake area	Reply by July 10	1
2001020 2001017 2001030 2001070	ATCO Gas & Pipelines Ltd.	Sale of certain petroleum and natural gas rights, production and gathering assets, storage assets and inventory (Decision 2001-46 issued on May 29, 2001 - reasons to follow)	April 5	6
2001093	Board Initiated Proceeding	Gas Rate Unbundling	Reply by July 27	5
2001040	Board Initiated Proceeding	Methodology for managing gas supply portfolios and determining gas cost recovery rates	Reply by July 27	10
2000350	ATCO Gas South	2001/2002 General Rate Application	Reply by August 24	9

across the board

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Tell us how we are doing

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