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Joint Provincial/Federal Review Panels issue reports on \$10.5 billion worth of oil sands projects

On January 27 and February 5, 2004, the EUB and the Canadian Environmental Assessment Agency (CEAA) issued Joint Panel Reports for Canadian Natural Resources Limited's (CNRL) Horizon oil sands project and Shell Canada Limited's (Shell) Jackpine oil sands project respectively.

representatives from provincial and federal regulatory agencies. While participants raised a variety of issues, most centred on the anticipated environmental and socioeconomic impacts of the projects.

The Reports

Each Joint Review Panel Report contains an EUB decision and the Joint Panel's conclusions and recommendations pursuant to the Canadian Environmental Assessment Act related to the environmental assessment of the project.

With respect to its EUB mandate, the Joint Panel approved the Horizon project with 17 conditions. It approved the Jackpine project's oil sands mine with 19 conditions, as well as its cogeneration plant and water pipeline. The conditions relate to mining operations, resource conservation, and tailings management. Conditions generally are requirements in addition to or otherwise expanding upon existing regulations and guidelines.

As well, CNRL and Shell undertook certain commitments that are not specifically required by the EUB's regulations. The Joint Panel expects that CNRL and Shell will adhere to all commitments they made during the consultation processes, in their applications, and at the hearings.

With respect to its CEAA mandate, the Joint Panel concluded that the projects are unlikely to result in significant adverse environmental effects provided that the mitigation measures proposed by the applicants and the recommendations of the Joint Panel are

The Projects

The Horizon project includes an oil sands mine, a bitumen extraction plant, a bitumen upgrader, and associated facilities. It is designed to produce about 37 000 cubic metres (240 000 barrels) a day of upgraded bitumen product and has an estimated capital cost of \$8.5 billion. The project will be located roughly 70 kilometres (km) north of Fort McMurray.

The Jackpine project includes an oil sands mine, a bitumen extraction plant, a cogeneration plant, and a water pipeline. It is designed to produce about 31 800 cubic metres (200 000 barrels) a day of bitumen product and has an estimated capital cost of \$2 billion. The project will be located about 70 km north of Fort McMurray and 10 km east of Fort McKay.

The Hearings

Public hearings took place in Fort McMurray, Alberta, on September 15-19, 22-26, and 29, 2003, for the Horizon project and on October 6-10 and 15, 2003, for the Jackpine project.

Participants providing evidence at the hearings included each applicant, other oil sands companies, First Nations, local aboriginal groups, local residents, nongovernment environmental groups, a local medical staff association, and

Electricity EnerFAQs Updated

EnerFAQs 7 has been updated to reflect the EUB's broadened jurisdiction in utility matters. The EUB now regulates certain municipally owned electric utilities, such as ENMAX in the City of Calgary and EPCOR in the City of Edmonton, as well as investor-owned utilities.

The revised EnerFAQs outlines specific EUB responsibilities in electricity regulation and answers questions such as What is deregulation, and how has it affected Alberta's electric industry? What do I pay for when I pay my electricity bill?

This and nine other EnerFAQs are available on the EUB Web Site <www.eub.gov.ab.ca>.

About the EUB

Our mission is to ensure that the discovery, development, and delivery of Alberta's energy resources and utilities services 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 two core functions: adjudication and regulation, information and knowledge.

For Your Information...**Recent EUB publications****General Bulletins**

March 10: Bulletin 2004-07: Well Test Capture System—Implementation Delay

March 10: Bulletin 2004-06: Electronic Application Submission (EAS) Phase I Update and Introduction of EAS Phase II, Pipeline and Facility Applications, and Interrogatory Process

February 17: Bulletin 2004-05: Draft Version of Updated EUB Enforcement Ladder Process

January 15: Bulletin 2004-04: Revision to Gas Removal Data (GRD) Volumetric Data Deadline Announced in Bulletin 2003-36 (November 24, 2003)

News Releases

March 3: NR 2004-09: EUB launches KidZone Power Play Web site and booklet

February 26: NR 2004-08: EUB verifies March Natural Gas Cost Recovery Rate (GCRRs)

Other Publications

March 9: Letter dated March 8, 2004: Board—Initiated Review Related to Wells with Wabiskaw-McMurray Perforated Intervals Approved for Gas Production or Not Required to Be Shut in under EUB Decision 2003-23, Chard Area and Leismer Field, Athabasca Oil Sands Area

February 27: Letter to Stakeholders: The Alberta Energy and Utilities Board (EUB/Board) announces a consultation process and invites all stakeholders to provide feedback to the EUB on its initiative to standardize the format and content of wire-owners' wholesale invoice billing.

February 27: Draft Measurement Guide: Chapter 4: Gas Measurement (Updated: February 2004)

February 11: World Bank Global Gas Flaring Reduction Partnership: Workshop "Regulatory Capacity Building Workshop" offered in Calgary in October 2003

February 3: EUB Information Session Regulatory Change and Innovation - EUB Information Sessions: Spring 2004 - March 3-4, 2004 - TELUS Convention Centre, Macleod Hall C/D: 120 - 9th Avenue SE, Calgary, Alberta

Recent Decisions

March 16: Decision 2004-025: 3057246 Nova Scotia Company and TE-TAU, Inc. Request for Relief Under Section 101(2) of the PUB Act

March 16: Decision 2004-024: AltaLink Investment Management Ltd. Request for Relief Under Section 101(2) of the PUB Act

March 12: Decision 2004-026: ATCO Utilities Compliance Filings Pursuant to Decision 2003-073 - ATCO I-Tek Master Services Agreement Module

March 9: Decision 2004-023: ATCO Pipelines 2003/2004 General Rate Application 2004 Interim Rates Application

March 9: Decision 2004-022: ATCO Gas South 2004/2005 Carbon Storage Plan

March 2: Decision 2004-021: University of Alberta Appeal Respecting EPCOR Distribution Inc. Transmission Charges

March 2: Decision 2004-017: Talisman Energy Canada, Application for Enlargement of Turner Valley Unit No. 5

February 26: Decision 2004-018: EPCOR Transmission Inc. 2003-2004 Transmission Facility Owner Tariff and Negotiated Settlement

February 27: Decision 2004-020: Direct Energy Partnership Gas Code of Conduct Regulation Compliance Plan

February 27: Decision 2004-019: Direct Energy Regulated Services Gas Code of Conduct Regulation Compliance Plan

February 24: Decision 2004-016: ATCO Electric Ltd. Errata to Decision 2004-014 2003-2004 General Tariff Application Phase I Refiling

February 17: Decision 2004-015: ATCO Electric Ltd. Balancing Pool Amounts Related to Sale of Isolated Generating Unit

February 17: Decision 2004-014: ATCO Electric Ltd. 2003-2004 General Tariff Application - Phase I Refiling

February 17: Decision 2004-013: ATCO Gas South Jumping Pound Meter Station - Gas Measurement Adjustment

Joint Provincial/Federal Review Panels issue reports on \$10.5 billion worth of oil sands projects*(continued from page 1)*

implemented. In addition, the Joint Panel also made recommendations that would, in part, assist the federal and provincial governments to mitigate the environmental effects of the projects.

CEAA

CEAA administers the federal environmental assessment process, which identifies the environmental effects of proposed projects and measures to address those effects in support of sustainable development.

Why a Joint Review

For each project, approval from the Federal Department of Fisheries and Oceans (DFO) was required due to the potential impact to alter, disrupt, or destroy fish habitat within the project areas. Prior to DFO issuing an authorization, an environmental assessment of the project under CEAA was required.

As a result, the Federal Minister of Fisheries and Oceans referred the environmental assessment of the projects to a CEAA review panel. CEAA and the EUB entered into an agreement to establish a joint environmental assessment panel for the projects. Under the agreement, the joint panel was charged with fulfilling the review requirements of both CEAA and the Alberta Energy Resources Conservation Act.

These hearings showcased the ability of provincial and federal governments to efficiently harmonize their respective regulatory mandates through a single review process and joint hearing.

(continued on page 3)

Joint Provincial/Federal Review Panels issue reports on \$10.5 billion worth of oil sands projects*(continued from page 2)***The Joint Panel**

The joint panel consisted of three members. The Chairman of the EUB appointed two members who were acceptable to the Federal Minister of the Environment, and the Federal Minister of the Environment appointed one member who was acceptable to the Chairman of the EUB and the Lieutenant Governor in Council of Alberta. The member appointed by the Federal Minister of the Environment then became an acting member of the EUB.

Federal Triggers

A federal authority that issues permits, funds, or lands or is a project proponent may refer a project to CEAA if there is public concern or the potential for significant and adverse environmental effects.

Once it has been determined that a project must be assessed by a review panel, CEAA seeks to harmonize its environmental assessment with other jurisdictions that are also reviewing the project.

Timing

The EUB's performance standard is to complete decision reports within 90 days of the close of the record for the hearing for 95 per cent of the cases. In the cases of the Horizon and Jackpine decisions, that standard was met. The reports were translated into French before they were issued, in accordance with federal requirements. ❖

Alberta kids electrified by new activity booklet

The Enerbuddies are back, and this time they're learning about electricity.

The EUB has launched *Power Play*, an activity-based Web site and booklet for children about electricity. The EUB's *Power Play* is the second phase of a provincial cross-ministry initiative to help educate Alberta youth about energy development. Kids can follow RO-VR the Enerbot and his Enerbuddies Emmy and Nick through the EUB KidZone Web site or the 24-page booklet as they learn about electricity generation, transmission, and distribution.

Power Play explains the complicated electricity industry to kids in a manner that's fun and interactive. There are mazes, word problems, skill-testing quizzes, and even a pinwheel craft to help them learn about power. As a supplement to the mandatory requirements of the Alberta Learning Science Curricula, it targets grade five students.

Power Play describes how fossil fuels, including coal and natural gas, are used to produce electricity. It also explains how renewable energy sources, such as the wind, sun, and water, are harnessed to produce electricity. Other topics include alternative sources of

electricity generation, such as nuclear, biomass, and geothermal energy.

"I learned that pig manure can be some kind of electricity. And I also learned about hydroelectricity. I think it is very cool," says one Calgary student after working through *Power Play*.

"I never knew that coal was so important to Alberta," adds another.

Power Play also includes energy-saving tips for kids and their parents, such as turning off the television and lights when they're not in use.

Historical facts and current statistics help children put the power industry into perspective.

The EUB hopes this initiative will help raise awareness about the electricity industry and the EUB among young stakeholders. As such, the EUB believes it's important they learn about the industries involved.

Power Play was released in February, and the EUB received several requests for the booklet even before it went to print. The first phase of the *Petroleum Play* initiative has won several awards and was widely recognized by industry and the public as a good format to introduce children to the energy industry. To date, the EUB has

distributed over 14 000 copies of the *Petroleum Play* booklet.

Petroleum Play has been used by a number of organizations, not just schools. Parents, particularly those in the petroleum industry, have used the booklet to explain the oil and gas industry to their children. Industry representatives have requested copies for their open houses or other public events. As well, the EUB donated copies to women's shelters and the Alberta Children's Hospital. *Power Play* is expected to have the same versatility.

Free class sets of the booklets, along with a teacher's guide, may be requested from the EUB. The guide helps educators use *Power Play* in the classroom and better understand the topic of electricity in the complicated and newly deregulated industry.

Check out *Power Play* on the EUB KidZone at <<http://eubkidzone.gov.ab.ca/main.html>>.

For more information on *Power Play*, contact Elizabeth McKellar at (403) 297-8855.

To order free booklets, send an e-mail to <eub.kidzone@gov.ab.ca>. ❖

This list is subject to change at any time, so please check the complete list of upcoming public hearings on 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.

Upcoming public hearings

Application No.	Applicant	Hearing Purpose
1315423	Nova Gas Transmission Ltd.	2004 GRA Phase I
Start date: April 1, at Govier Hall, Energy and Utilities Board Building, 640 - 5 Avenue SW, Calgary		
1275505	City of Airdrie	Application for determination of terms and price of purchase of the Electric Distribution System within the municipality from Aquila Networks Canada (Alberta) Ltd.
Start date: April 5, at West Hall, Energy and Utilities Board Building, 640 - 5 Avenue SW, Calgary		

Pending decisions

Application No.	Applicant	Hearing Purpose
1257976	Aquila Networks Canada (Alberta) Ltd.	Review of Board Decision 2001-92 (GENCO and DISCO 2000 pool price deferral accounts proceeding: Part K: Recovery period, carrying cost rates, collection issues, and hedging issues) and Board Decision 2001-93 (2000 pool price deferral accounts proceeding, Part L: Review of AE and UNCA DISCOS)
1322864	Alberta Electric System Operator	2004 General tariff application - AESO's own costs
1322026	Aquila Networks Canada (Alberta) Ltd.	Filing for distribution tariff update and annual AESO charges deferral account
1323828	ATCO Gas	2003/2004 General rate application compliance filing
1271597	AltaGas Utilities Inc. AltaLink Management Ltd. Aquila Networks Canada (Alberta) Ltd. The ATCO Group of Companies ENMAX Power Corporation The EPCOR Group of Companies NOVA Gas Transmission Ltd.	Generic cost of capital
1305189 1305190	Anadarko Canada Corporation	Application for a holding and suspension of DSU and target provision - Glauconitic-Gas-Westrose South Field
1322026	Aquila Networks Canada (Alberta) Ltd.	Filing for distribution tariff update and annual AESO charges deferral account
1318476	ATCO Pipelines - Division of ATCO Gas and Pipelines Ltd.	Applications for exemptions from ATCO Group Inter Affiliate Code of Conduct (The ATCO Group)
1317782 1317784	ATCO Gas - Division of ATCO Gas and Pipelines Ltd. ATCO Electric Ltd.	Application for exemptions from ATCO Group Inter Affiliate Code of Conduct (The ATCO Group)
1317233 1318425	Aquila Networks Canada Ltd. and Aquila Networks Canada (Alberta) Ltd. Fortis Alberta Holdings Inc.	Share transfer and ANCA financing matters application

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

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E-mail: <EUB.AGS-InfoSales@gov.ab.ca>
Web: <www.ags.gov.ab.ca>

Questions, complaints, problems?

Utilities: For information or to file a consumer utility complaint, contact us at:
EUB Utilities Branch, 10th floor, 10055-106 Street,
Edmonton, Alberta T5J 2Y2
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 does not respond appropriately, you may contact the nearest EUB Field Centre.

EUB Field Centres (24-hour service)

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.

Across the Board Advisory Committee

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