

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



The EUB details proposed implementation plans for initiating actions on 50 recommendations related to public safety and sour gas. (See story, right.)

## EUB Releases Plans for Public Safety and Sour Gas Implementation

The first public report of the EUB's plan for implementing the 87 recommendations from the Provincial Advisory Committee on Public Safety and Sour Gas was released on April 25, 2001. The report, entitled *Public Safety and Sour Gas Implementation Plans: First Progress Report*, details the proposed implementation plans for initiating actions on 50 of the recommendations in this first year of a multi year proposal. Some recommendations will be completed in the first year, others will continue into the second or third years. The EUB will act on the remaining recommendations in years two and three.

Over the past three months EUB staff have reviewed the findings of the Advisory Committee to clearly understand the intent of each recommendation. Each responsible branch developed plans and time lines for action and some initiatives have already been started.

Through a series of public meetings across the province, the proposed plan is now being fine tuned with the help of a broad array of stakeholders, from the energy industry and the public, including First Nations and Metis people, municipalities, and provincial and federal government ministries and departments.

The implementation plan includes actions in five theme areas: health effects and sour gas research, sour gas development planning and approval, sour gas operations, emergency preparedness, and information, communication, and consul-

tation.

In rolling out the implementation plan, Neil McCrank, EUB Chairman, states: "While 'public interest' encompasses many things—social, economic, environmental—let there be no mistake: public safety is our first priority. Energy resources and energy revenues are important to the people of Alberta, but for the Board to find that any energy development is in the public interest, it must be convinced that public safety can be adequately protected."

Actions the EUB has already taken or that are under way include

- changes to the application process to

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— EUB Chairman Neil McCrank

ensure a detailed EUB review of all critical sour well applications prior to issuing a licence (35\*),

- increased EUB involvement in public consultation and facilitation to resolve issues (29),
- extensive stakeholder consultation on the issue of sour gas plant proliferation and prevention of unnecessary construction of facilities (6),
- reinforced staffing levels in EUB field centres, allowing an increase in the frequency of inspections (25),
- increased use of Appropriate Dispute Resolution (ADR) methods (37), and
- providing landowners with a brochure

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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.*

**For Your Information...****Recent EUB Publications Orders**

**Order U2001-061:** Gas Cost Recovery Rate for the 2001 Summer Period for ATCO Gas - North, a Division of ATCO Gas and Pipelines Ltd.

**Order U2001-062:** Gas Cost Recovery Rate for the 2001 Summer Period for ATCO Gas - South, a Division of ATCO Gas and Pipelines Ltd.

**Order U2001-064:** Gas Cost Recovery Rate for Summer Period, effective April 1, 2001, for AltaGas Utilities Inc.

**News Releases:**

**NR 2001-7:** EUB Accepts Unique Collaborative Landowner and Industry Agreements for Sour Gas Operations and Land Development Southeast of Calgary

**NR 2001-8:** EUB Plans for Public Safety and Sour Gas

**General Bulletins**

**GB 2001-8:** Guide 60: Upstream Petroleum Industry Flaring Guide Industry Performance Reporting

**Publications**

**Statistical Series ST 59:** Alberta Drilling Activity Monthly Statistics (to January 2001)

**Publication Notice 2001-3:** Announces the availability on CD of EUB ST 2001-60A - Crude Oil and Crude Bitumen Batteries Annual Production Data, Flaring, and Venting Data (draft report)

**Recent Decisions**

**March 27:** ESBI Alberta Ltd. 2001 General Rate Application Part F, Phase I Revenue Requirement (Decision 2001-21)

**March 27:** ATCO Gas - South, Application for Approval of an Arrangement for Acquisition of

Storage Services for the 2001/2002 Gas Storage Year for ATCO Gas South (Decision 2001-22)

**March 27:** ATCO Gas - North, Application for Approval of an Arrangement for Acquisition of Storage Services for the 2001/2002 Gas Storage Year for ATCO Gas North (Decision 2001-23)

**March 28:** AltaGas Utilities Inc. Application to Merge AltaGas Utilities Inc. and Bonnyville Gas Company Limited (Decision 2001-24)

**April 3:** ESBI Alberta Ltd. 2001 General Rate Application Part G: Refiling Customer Contribution Policy (Decision 2001-25)

**April 20:** ATCO Electric Ltd. Application for Relief from Suncor Energy Inc. (Decision 2001-30)

**April 24:** The ATCO Group Application for Approval to Issue Debentures (Decision 2001-31)

**April 25:** The City of Red Deer Part A: Interim Approval of 2001 Financing Costs for the 2000 Distribution Pool Price Deferral Account (Decision 2001-26)

**April 25:** The City of Lethbridge Part A: Interim Approval of 2001 Financing Costs for the 2000 Distribution Pool Price Deferral Account (Decision 2001-27)

**April 25:** TransAlta Utilities Corporation 2001 Transmission Facility Owner Tariff Application: Terms and Conditions of Service and Code of Conduct (Decision 2001-28)

**April 25:** EPCOR Transmission Inc. 2001-2002 Transmission Facility Owner Tariff Application: Terms and Conditions of Service (Decision 2001-29)

**May 1:** Imperial Oil Resources Request for Direction to Utilicorp Networks Canada (Alberta) Ltd. to Switch Redwater Area Service Load from Temporary to Firm Rates (Decision 2001-19)

**May 2:** Talisman Energy Inc. Application to Construct a Sour Compressor Station Knopcik Field (Examiner Report 2001-2)

**EUB Releases Plans for Public Safety and Sour Gas Implementation**

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for asking the right questions and getting the right information from companies when discussing proposed development (72, 81).

Some of the actions to be started in the first year are

- developing guidelines for sharing appropriate project and area development planning details to use in the review, consultation, and decision-making processes (32, 33),
- developing strategies for research related to sour gas and human health (10, 11),
- contributing to the development of scientifically based health effects data to use in the sour gas health and safety policy (9),
- putting a greater emphasis on inspection and audits of new operators and those with poor performance history in the field surveillance process (26),
- firmly establishing a policy to ensure that all critical sour wells located near people are inspected during or immediately prior to drilling of the critical sour gas zone, and informing nearby residents of inspection results (27),
- encouraging and contributing to the establishment of mutual aid agreements among regional developers across industries to cooperate and coordinate emergency response planning (63), and
- working with Indian and Northern Affairs Canada, Health Canada, and Alberta Municipal Affairs to ensure that adequate infrastructure and resources are provided to the First Nations and Metis for planning and development of disaster services capability (87).

The EUB is committed to an open process and will continue to provide opportunities for the public to remain engaged in the issues of sour gas development on a regular basis. Your feedback is always welcome.

For a complete copy of the report, visit our Web site at <[www.eub.gov.ab.ca](http://www.eub.gov.ab.ca)> or call (403) 297-3726. ❖

\* Number of recommendation in report

**Upcoming Event: Midnapore Open House**

All Midnapore, Okotoks, Turner Valley, Bragg Creek, High River, Black Diamond, Longview, and nearby community residents, industry, and government representatives are invited to participate in an interactive information session about energy development in our communities. Participants will learn more about the EUB and its role in the area south of Calgary, meet local EUB Field Centre representatives and senior staff, check out information booths and maps, and hear short presentations on field surveillance roles and responsibilities, the application process, alternative dispute resolution, and sour gas issues. There will also be an opportunity for discussion on landowner and public concerns.

**Where:** Red Deer Lake Community Centre, south of Calgary (Drive west from Macleod Trail on Highway 22x and turn south at 53 Street SW. Approximately 1 km on the east side of the road is the community centre—a brown building.)

**When:** Tuesday, June 26, 2001, 6:00 - 10:30 p.m.

**Call the EUB Midnapore Field Centre for more details at (403) 297-8303.**

## Recent Decision Sheds Light on Important Issues

In late March 2001, the Alberta Energy and Utilities Board (EUB) denied an application (*Decision 2001-9*) by Shell Canada Limited for a licence to drill an exploratory level-4 critical sour gas well from a location approximately 13 km south-southeast of Rocky Mountain House. This decision takes into account a number of matters the EUB is often asked about.

The application and interventions were considered at a two-week public hearing commencing November 7, 2000, at a local community hall. The Board heard interventions against Shell's proposal from a number of community residents.

In its decision, the Board notes that to determine the extent of potential production from a previously unexplored formation in a region, the drilling and testing of an exploratory well is necessary. However, the Board must be convinced that any such well does not have unacceptable impacts on local residents. In summarizing the risk factor, the Board believes that sour gas wells can be drilled and operated with very small failure probabilities.

The decision also discusses impacts on land use and associated land values from oil and gas development and particularly from sour gas development. In its decision, the Board accepts that this issue is of growing public concern. The Board notes that it is charged with determining whether

an energy development is in the public interest and that the public interest includes the environmental, social, and economic effects of the project.

While there are relatively simple tools for assessing the net economic benefits of a project, similar methods for assessing the economic costs to nearby landowners are not as readily available. The Board believes that if growing public concerns regarding the long-term impacts of oil and gas development on property values are to be adequately addressed, a process needs to be developed that allows both applicants and landowners to approach this issue from a common point of view. The Board has asked EUB staff to examine this issue and to report back to the Board on possible options.

With regard to public consultation, the Board heard evidence that at least some members of the community chose not to engage in Shell's initial public consultation attempts. While this is certainly their right, the public must understand that the EUB only requires proponents to make every reasonable attempt to carry out public consultation. The Board stated it would be very unlikely that it would find that an applicant had failed to meet the EUB's expectations for consultation should the public choose not to participate in the public consultation process. ❖

Check out the newly designed EUB Web site at <[www.eub.gov.ab.ca](http://www.eub.gov.ab.ca)>. The new site features a cleaner look, more accessible documents, new groupings of information, and more.

### 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](mailto: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.

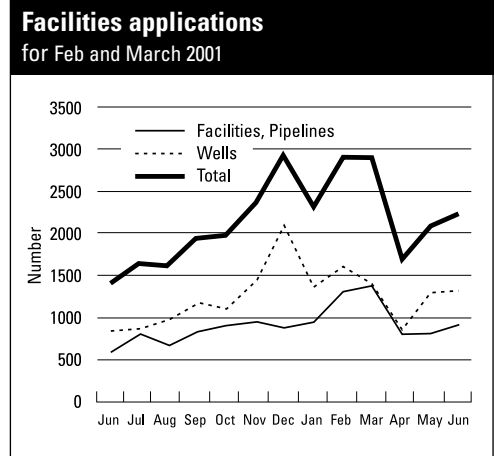
**EUB Field Centres** (24-hour on call)

- 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.

## Application Summary

Facilities applications for Feb and March 2001		
Production facilities	214	241
Pipelines	1173	1182
Wells	2011	1240
Total received	3398	2663
Total completed/approved	3284	2622
Closed	11	20
Withdrawn	89	87



Resource applications for Feb and March 2001		
Equity (rateable take, common carrier, common purchaser, common processor, compulsory pooling, special spacing)	44	59
Conservation (resources – oil, gas, and in situ bitumen; gas removal, enhanced recovery, water disposal, concurrent production, underground storage, commingled production, reserves)	138	132
Depletion administration (good production practice, penalty relief)	18	27
Corporate (transfer)	3	4
Mining (coal and mineable oil sands)	2	4
Total received	205	226
Total completed/approved	182	215

Utilities applications for Feb and March 2001		
Electric	6	13
Gas	9	11
Facilities	17	13
Franchises and others	4	1
Total received	36	38
Total completed/approved	23	26

Corporate transfers and name changes for Feb and March 2001		
Well licence transfers	1391	529
Well licence name changes	422	778
Pipeline licence transfers	152	394
Facility licence transfers	28	23
Total received	1993	1724
Total completed	930	744

## Upcoming Public Hearings: Spring 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 Public information. 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
May 23	2001093	Board Initiated Proceeding	Gas Rate Unbundling	EUB Utilities Branch Office 12 Floor, 10055 - 106 Street Edmonton
May 31	1091890 1091891 1091892 1091893 1091896	Burlington Resources Canada (Energy) Ltd	Applications to construct and operate sour gas pipelines, fuel gas pipelines, a compressor station, and resume drilling horizontal Level 4 critical sour well - Gregg Lake development - Hinton area	Royal Canadian Legion 249, 250 Pembina Avenue Hinton, Alberta
June 4	2001059 2001061 2001063	GENCOS TransAlta Utilities Corporation, ATCO Electric Ltd., EPCOR Generation Inc.	Final Determination: 2000 GENCO and DISCO Pool Price Deferral Accounts	(June 4 - 15) EUB Utilities Branch Office 12 Floor, 10055 - 106 Street Edmonton
	2001058 2001060 2001062 2001064 2001065 2001066	DISCOS Utilicorp Networks Canada (Alberta) Ltd., ATCO Electric Ltd., EPCOR Distribution Inc., ENMAX Power Corporation, City of Lethbridge and City of Red Deer		(June 21 - July 6) National Energy Board Offices 2 Floor, 444 - 7 Avenue SW 1:30 pm
June 12	2000350	ATCO Gas	2001/2002 General Rate Application - ATCO Gas South	Grant MacEwan College City Centre Campus 2 Floor, Room 7-286, 10700 - 104 Avenue Edmonton
June 22	1089745	Artemis Energy Limited	Compulsory Pooling - Three Hills Creek area	West Hall, 2nd Floor 640 - 5 Avenue SW, Calgary
June 16 (pre-hearing)	NRCB App # 2000-1 EUB App # 2000198	Glacier Power Ltd.	Dunvegan Hydro-electric Facility	Fairview College Conference Room A Fairview, Alberta
July 16	2000306	TransAlta Utilities Corporation	Temporary suspension application - Interim and final relief from Unit Obligation Value (UOV) payments for TAU's Wabamun 4 gener- ation unit	Govier Hall, 2nd Floor 640 - 5 Avenue SW, Calgary
June 26	2000365	ATCO Pipelines	2001/2002 General Rate Application ATCO Pipelines (South)	Govier Hall, 2nd Floor 640 - 5 Avenue SW, Calgary

## Pending Decisions

Application No.	Applicant	Hearing Purpose	Hearing Date(s)	Actual Hearing Days
1070571 1070572 1070573 1073990	Crestar Energy Inc.	Section 43 review of sour single well licences and Section 29 application for sour gas pipelines - Vulcan field	March 6 - 8	3
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	April 2 - 3	2
1075514	Hunt Oil Company of Canada Inc.	Sweet gas pipeline - Harmattan - Elkton field	April 18	1
1072191 1072188	NovaGas Canada Ltd. & BP Canada Energy Co.	Application to modify the existing Harmattan sulphur recovery plant and to construct a 65 km of sour gas pipelines and appli- cation 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	13 5
1083728	Mayfair Energy Ltd. & Belfast Oils Ltd.	Compulsory Pooling	May 8	1
2000366	ATCO Gas - South	Sale of Calgary Storage Block	Reply by March 13 written proceeding	n/a

### across the board

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