

across the board

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EUB Reports on Public Safety and Sour Gas Project

In January 2000, the EUB formed the Provincial Advisory Committee on Public Safety and Sour Gas to examine Alberta's sour gas regulatory system and consult with Albertans on issues surrounding sour gas development. After review and consultation with key stakeholders, the Advisory Committee reported its findings and recommendations.

The EUB pursued these findings and immediately made a commitment to allocate the necessary resources to address all 87

recommendations. In our first year, the EUB has completed work on 14 recommendations, while work continues on 35 more. This year, we plan to start work on another 16 recommendations, leaving 22 of the 87 recommendations to be started.

Last year we set ambitious but realistic targets, and we have achieved much more than we set out to do. Following are highlights of the key accomplishments made to date.

Inspection and enforcement are two ways the EUB is able to protect the public. We have immediately acted on the Advisory Committee's recommendations by modifying our field inspection procedures to improve the measures already in place. The EUB now performs a detailed review of each critical sour well application prior to granting a licence. As part of the review, we ensure that the required safety standards have been achieved and a comprehensive emergency response plan is in place. Once a licence is granted, we inspect all critical sour gas wells at least once during drilling. We have also purchased additional mobile air-monitoring equipment to increase our capability to monitor ambient air quality and to better respond in the event of a complaint or emergency.

We are also considering further changes to the application process that would require increased disclosure of

project area and development plans. We have introduced the Appropriate Dispute Resolution program (ADR), which encourages dialogue between stakeholders with the aim of reducing many of the concerns surrounding sour gas developments. So far ADR has been successful in achieving full resolution in 98 of 115 cases.

In our first year, the EUB completed 14 recommendations, and work is continuing on 35 more. Work on 16 more will start this year.

A comprehensive review and analysis of the health effects from exposure to hydrogen sulphide (H₂S) and sulphur dioxide (SO₂) is under way. As well, the development of personal monitors capable of detecting low levels of H₂S will help establish the relationship between exposure to H₂S and the effects on health. The work currently under way is vital to support other initiatives, including a review of how we determine an emergency planning zone, evacuation criteria, and setback distances.

Sour gas operations are already being conducted in accordance with strict requirements and safeguards to protect the public in an emergency. However, the EUB continues to develop better procedures to check industry's capability to respond to emergencies. We have produced a comprehensive draft emergency management guide to provide clearer direction to the industry and public on what is required. This guide is currently under review by stakeholders for their feedback. As an interim policy, the EUB has implemented a clarification to the current approval process for emergency response plans, the determination of calculated emergency planning zones, and the criteria for use of reduced emergency planning zones. We have also made significant progress in developing a screening hazard and risk analysis protocol to provide a modelling standard

Upcoming Event: Bonnyville Open House

The Alberta Energy and Utilities Board's Bonnyville Field Centre invites residents of Bonnyville and nearby communities, as well as industry and government representatives, to participate in an interactive information session about energy development in their community. Local EUB Field Centre representatives and senior EUB staff will be on hand to discuss local issues and concerns, provide information, and answer your questions. There will be brief presentations on key issues in the area.

Where: Bonnyville Senior Drop In Centre
4813 - 47 Avenue, Bonnyville

When: Tuesday, June 25, 2002
6:00 - 10:00 p.m.

Call the EUB Bonnyville Field Centre for more details at (780) 826-5352.

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

General Bulletins

April 25: General Bulletin GB 2002-04: EUB Drayton Valley Field Centre

April 3: GB 2002-03: Licensee Liability Rating (LLR) Implementation

March 28: GB 2002-02: Guide 60: Upstream Petroleum Industry Flaring Guide Industry Performance Reporting

Publications

April 30: Public Safety and Sour Gas Annual Progress Report - April 2002

Recent Decisions

April 30: Decision 2002-031: ESBI Alberta Ltd. Valleyview Transmission Must Run Services Agreement

April 29: Decision 2002-043: Nova Gas Transmission Ltd. New Load Retention Service, Associated Rates, Tolls and Charges and Consequential Amendments to Gas Transportation Tariffs

April 24: Decision 2002-042: AltaGas Utilities Inc. Distribution of Proceeds Received from ATCO Gas North and Gas Alberta

April 18: Decision 2002-026: 2000 Pool Price Deferral Accounts Proceeding. Part R: AE Disco & UNCA Disco Allocation to Rate Class

April 18: EUB Post-Incident Report: BP Canada Energy Company Ethane Cavern Well Fires. Fort Saskatchewan, Alberta. August/September 2001 EUB Post-Incident Report

April 16: Decision 2002-025: 2000 Pool Price Deferral Accounts. Part Q: GENCO Offer Practices and Need for Year 2000 Market Review

April 16: Decision 2002-041: Compton Petroleum Corporation Applications for a Sour Gas Well, Batteries, and Associated Pipelines, Vulcan Field

April 12: Decision 2002-027: AltaGas Utilities and Bonnyville Gas Company Limited General Rate Application for Test Years 2000/2001/2002

April 9: Decision 2002-039 Ultima Ventures Corp. Application for a Sweet Multiwell Oil Battery Ferrybank Field (Application 1087676)

April 9: Decision 2002-040: Prehearing Meeting. Centrica Canada Ltd. Application to Construct and Operate a Sweet Gas Pipeline and Sweet Oil Effluent Pipeline. Bruderheim Area (Application 1247777)

April 3: Decision 2002-023: Year 2000 Outstanding Matters Deferral Accounts (Other than Pool

Price). Part G: AE DISCO and UNCA DISCO Refilings

April 3: Decision 2002-024: 2000 Pool Price Deferral Accounts. Part P: AE DISCO and UNCA DISCO Refilings

March 28: Order U2002-135: Changes to the Delivery Rates, Tariffs and Rate Riders of ATCO Gas and Pipelines - ATCO Gas South and ATCO Pipelines South

March 28: Order U2002-136: Changes to the Delivery Rates, Tariffs and Rate Riders of ATCO Gas and Pipelines - ATCO Gas North and ATCO Pipelines North

March 28: Decision 2002-038: TransAlta Utilities Corporation, TransAlta Energy Corporation, and AltaLink Management Ltd. Sale of TransAlta Transmission Assets and Business to AltaLink

March 28: Decision 2002-032: Case Resources Inc. Enhanced Oil Recovery Scheme Oil Well Effluent and Water Pipelines, Carrot Creek Field

March 26: Decision 2002-030 (with Examiner Report): Bears paw Petroleum Ltd. Application for a Sweet Oil Well Licence, West Drumheller Field

March 26: Decision 2002-033 (with Examiner Report E2002-01 released 2002-02-05): Olympia Energy Inc. Application for a Sweet Natural Gas Compressor Station, Bottrel Field

March 21: Decision 2002-037: ATCO Gas and Pipelines Ltd. Disposition of Calgary Stores Block and Distribution of Net Proceeds - Part 2

March 21: Decision 2002-034: ATCO Gas South GRR Methodology and Gas Rate Unbundling - Compliance Filing

March 21: Decision 2002-035: ATCO Gas North GRR Methodology and Gas Rate Unbundling - Compliance Filing

March 21: Decision 2002-036: AltaGas Utilities Inc. GRR Methodology and Gas Rate Unbundling - Compliance Filing

March 21: Order U2002-128: Issue of Class A non-voting and Class B common shares for ATCO Gas and Pipelines Ltd.

EUB Reports on Public Safety and Sour Gas Project *continued from page 1*

for the calculation of emergency planning zones. A draft protocol is currently undergoing stakeholder review. This work will form the basis of the emergency planning zone and setback review, which we plan to start early next year.

The Advisory Committee recognized the need for the public to have better access to information. The EUB is committed to improving information access, communication opportunities, and our consultation procedures with stakeholders. We have created several tools to better inform the public, including brochures, booklets, and a video on the role of the EUB, which are being presented across the province at EUB open houses. We have also begun the development of an Internet-based system of energy-related information that can be displayed geographically over a map of Alberta.

Addressing all of the Advisory Committee's recommendations on public safety and sour gas is just the first phase of improving the current standards on public health and safety. Our challenge is to continue to review business practices so regulations keep pace with both the current needs and interests of the public and technological advances in industry. The EUB recognizes that energy resources and revenues are important to the people of Alberta, but they will never outweigh public safety.

Full details on all the project work to address the recommendations can be found in the [Public Safety and Sour Gas Annual Progress Report](#), and its summary brochure. These are available from EUB Information Services (403-297-8190) or on our Web site <www.eub.gov.ab.ca> ❖

Monthly Gas Rate Provides Clearer Price Signal to Consumers

Customers of ATCO Gas and AltaGas will have noticed a change in how they are being billed. Effective April 1st, the gas cost component of their bills will now be changing monthly.

Consumers' natural gas bills can be divided into two main parts: the delivery charges and the gas cost charges that pay for the actual gas that was burned. The biggest portion of most gas bills reflects the gas costs. The price that consumers pay for this portion of their bill is called the Gas Cost Recovery Rate (GCRR).

Utilities are not allowed to make a profit on the GCRR. It is a straight flow-through cost that is passed on to consumers. Utilities base their profits on the delivery charges—charges that have, over the years, remained relatively stable. The market price of natural gas, however, has fluctuated considerably over the past several years; for example, the price of natural gas ranged from \$12.97/GJ to \$2.51/GJ from January to October 1, 2001.

In October 2001, the EUB issued Decision 2001-75, which established that effective April 2001 a new GCRR would be set every month based on monthly indexed gas prices, instead of only twice a year as was previously the case.

Customer protection was an important consideration in the Board's decision to move to a monthly gas cost recovery rate.

The monthly GCRR approach has several advantages. It is designed to provide customers with a clear and transparent price signal to help them make informed decisions about their consumption pattern and their supply options. This change may therefore help reduce barriers to the development of a competitive retail market in

Alberta. It will also prevent the accumulation of large shortfalls or surpluses

that sometimes occurred under the seasonal GCRR approach.

Customer protection was an important consideration in the Board's decision to move to a monthly GCRR. The Board made its decision based upon the fact that the Alberta Government's Natural Gas Price Protection Act is in place to shield customers from very high gas prices.

For consumers who are concerned about month-to-month fluctuations in prices that may make budgeting difficult, one alternative is to use the budget payment programs available from ATCO Gas and AltaGas. Another option is to sign with an independent gas marketer that offers long-term contracts at a set price.

For general information or to file a consumer complaint, please refer to the *Who to Contact* section below.

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)

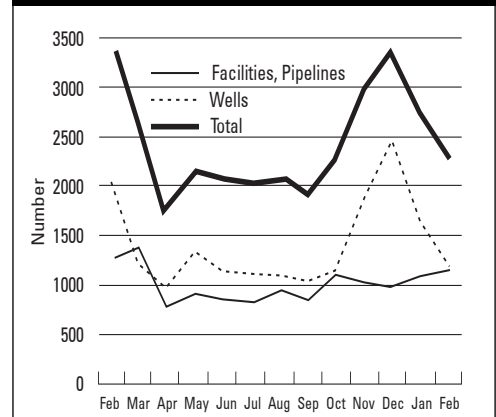
Bonnyville	(780) 826-5352*
Drayton Valley	(780) 542-5182*
Grande Prairie	(780) 538-5138*
Medicine Hat	(403) 527-3385*
Midnapore	(403) 297-8303*
Red Deer	(403) 340-5454*
St. Albert	(780) 460-3800*
Wainwright	(780) 842-7570*

* 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.

Application Summary

Facilities applications, 2002	Jan.	Feb.
Production facilities	.214	200
Pipelines	.875	952
Wells	1656	1123
Total received	2745	2275
Total approved	2652	2263
Closed	.0	12
Withdrawn	.54	61

Facilities applications, Feb. 2001 - Feb. 2002



Resource applications, 2002	Jan.	Feb.
Equity (rateable take, common carrier, common purchaser, common processor, compulsory pooling, special spacing)	.66	62
Conservation (resources – oil, gas, and in situ bitumen; gas removal, enhanced recovery, water disposal, concurrent production, underground storage, commingled production, reserves)	.108	133
Depletion administration (good production practice, penalty relief)	.23	23
Corporate (transfer)	.13	0
Mining (coal and mineable oil sands)	.1	1
Total received	.211	219
Total completed	.212	213

Utilities applications, 2002	Jan.	Feb.
Electric	.21	17
Gas	.1	10
Facilities	.9	11
Franchises and others	.1	9
Total received	.32	47
Total completed	.50	47

Corporate transfers and name changes, 2002	Jan.	Feb.
Well licence transfers	1414	2948
Well licence name changes	.61	3376
Pipeline licence transfers	1354	377
Facility licence transfers	.72	153
Total received	2901	6854
Total completed	2516	6208

**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 for pipeline, well and disposal scheme to transport and dispose of oilfield waste from proposed oilfield waste management facility - Edson Field	Feb 5 - 7 Final Reply Apr 26	3
1259520	Harvey Dippel & Valerie Beaton	Review request pursuant to s. 39 of ERCA of Olympia Energy Inc. License No. 0155130 for a well located at surface location 2-17-26-5 W5M	Apr 24	1
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
2000135	ESBI Alberta Ltd.	EAL 2001 GTA Phase II (PPA Buyer Related Issues)	Jan 15 - 23 Reply by Feb 22	8
1244123, 1247885	ATCO Electric Ltd.	2002 - 200X RROT Non-Energy Costs Application (2002 RROT Energy Rate Application)	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	
1258189, 1258020	ATCO Gas (South), ATCO Pipelines (South)	GRA Refiling pursuant to Decisions 2001-96 and 2001-97	Written proceeding Reply by Apr 22	
1237639	ATCO Gas - South (a division of ATCO Gas and Pipelines Ltd.)	Carbon Storage Transfer	Mar 11 - 21, Apr 18 Final Argument May 1	9
1244140	ESBI Alberta Ltd.	Article 24 Compensation - Rainbow and Rosedale Generating Units	Mar 11 - 15, 20 - 22 ADR is proceeding; argument deferred	8
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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Tell us how we're doing

What information did you find useful? What do we need more/less of? Please send your comments and suggestions to acrosstheboard@eub.gov.ab.ca

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

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