

across the board



This month, Across the Board focuses on issues from the recently released Field Surveillance Provincial Summary Report, the EUB's report on industry performance. (See story, right and on page 3.)

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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.

Field Inspections Key to Compliance Expectations

Albertans rely on the EUB's regulatory system for environmental and public safety when it comes to the operation of oil and gas facilities. EUB field inspection of industry operations is a key element in meeting that public expectation.

For anyone interested in the results of EUB inspections, the Board publishes a Field Surveillance Provincial Summary Report, April 1999 to March 2000 (Statistical Series 57, available on our web site at www.eub.gov.ab.ca) which focuses on industry performance and EUB field inspection findings and actions.

Due to increased industry activity, the EUB has increased the number of field inspectors and inspections on an annual basis and continues to improve the inspection process. The total number of field inspections increased to 7340 in 1999/2000 from 7244 the previous year. This is a significant increase from the 3839 inspections conducted in 1997/1998. These results show that over the past few years, the EUB has almost doubled the number of field inspections performed on an annual basis.

EUB Field Inspectors use a priority based inspection system, called "O.S.I." that weighs three key criteria:

- Operator history,
- Site sensitivity, and
- Inherent risk of the facility/operation.

Using this system, the EUB focuses inspections where they are most needed; for example, inspecting operators with inadequate past inspection performance, or those in sensitive operating areas such as proximity to the public or bodies of water. The inherent risk is determined by reviewing specific technical details about the facility, such as whether the facility involves sour gas or oil (gas or oil which contains toxic hydrogen sulphide gas (H2S)).

To deal with non-compliance issues, the field inspectors employ the Field Surveillance enforcement ladder to ensure that a

firm, fair, and consistent approach is taken for all non-compliance situations. Enforcement actions escalate quickly if the company repeatedly fails to meet EUB requirements.

The EUB defines its inspection results as follows:

- **Minor unsatisfactory event/inspection** - a contravention of regulations or requirements not resulting in a direct threat to the public and/or the environment and does not adversely affect oil and gas operations. An example of a minor unsatisfactory item would be garbage and debris not stored properly. EUB field staff would instruct the company to take and confirm corrective action. They would provide instructions and/or a copy of the inspection form/letter to a local company representative that confirms the non-compliance item(s), expected action, deadline date, and consequences for future non-compliance.

- **Major unsatisfactory event/inspection** - a contravention of regulations or requirements that an operator has failed to address and/or has the potential to cause an adverse impact on the public and/or environment. Failure of blowout prevention equipment on a drilling rig would be an example of a major unsatisfactory item. EUB field staff would instruct the company to take corrective action at the subject site, ensure compliance at all similar facilities, and provide a documented action plan to ensure the event does not reoccur. Also, temporary suspension of certain operations may be necessary to correct deficiencies and alleviate impact or potential impact. EUB field staff would provide written instructions to the local company representative and send a letter to senior company representatives with provincial authority confirming inspection history, non-compliance item(s), on-site action taken, expected future action, deadline date, and consequences for future non-compliance.

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

GB 2000-20: Amendment to the Athabasca Oil Sands Area (pdf)

GB 2000-21: Information and Data Sales - New Pricing Policy

Publications

Guide 67: Identification Code and Agent Registration Application Guide for Potential Licensees (September 2000)

Guide 52: Electronic Submission of Well Test Data (pdf) (complete guide incorporating updated Appendix D)

Statistical Series 59: Alberta Drilling Activity Monthly Statistics, July 2000

Interim Directives

ID 2000-07: Licence Eligibility and Qualifications for Potential Licensees and Agents

News Releases

2000-42: Cheviot Review Panel Issues Report and Backgrounder Report of the Cheviot Joint Review Panel (pdf)

2000-41: EUB Approves TransAlta Interim Electricity Rate Increases

AGS Earth Science Reports

ESR 00-02: Distribution and thickness of salt within the Devonian Elk Point Group, Western Canada Sedimentary Basin

ESR 00-07: An atlas of lithofacies of the McMurray Formation Athabasca Oil Sands deposit, northeastern Alberta: surface and subsurface

ESR 00-11: Suitability of the Alberta subsurface for carbon-dioxide sequestration in geological media

AGS Aggregate Resource Maps

Map 140: Surficial geology of the Bitumount area, Alberta, NTS 74E

Map 143: Surficial geology Edmonton, NTS 83H

Map 146: Surficial geology of the Rocky Mountain House area, Alberta, NTS 83B

Map 149: Surficial geology of the Wabamun Lake area, Alberta, NTS 83G

Map 206: Surficial geology of Lethbridge, Alberta, NTS 82H and NTS 82I

Recent Decisions

August 29: Approved Gauntlet Energy Corporation's application to construct and operate a sour gas compressor station at Brazeau River Field. Examiners concluded the compressor would not negatively impact resource conservation, public health or safety, nor would it cause unnecessary environmental impacts or introduce significant imbalances in other well licensees' opportunities to produce. (Examiner Report 2000-7)

September 12: The Joint Review Panel of the EUB and the Canadian Environmental Assessment Agency issued its report entitled, "Cheviot Coal Project, Mountain Park Area, Alberta (EUB Decision 2000-59)". The Panel determined, considering all evidence and views presented at 1997 and 2000 public hearings, that approval of the Cheviot Coal Project continued to be in the public interest. Approvals are conditional on commitments made by the applicant, Cardinal River Coals Ltd., during both hearings as well as conditions made by the Panel. (Decision 2000-59)

September 13: Approved a negotiated settlement agreement regarding an application filed by TransAlta Utilities Corporation for suspension of Unit Obligation Values with respect to outages that occurred in 1999 and 2000. In approving the settlement, the Board determined the agreement was adequately supported, reasonable and in the public interest. This decision also rescinded the Board's earlier Decision 2000-14 respecting this application. (Decision 2000-63)

October 5: Denied the City of Medicine Hat's application to vary Decision 2000-34 related to eligibility for the Customer Owned Substation Credit and the Dual-Use Customer Investment Credit pursuant to ESBI Alberta Ltd.'s terms and conditions. (Decision 2000-64)

For information on how to obtain copies of these documents, see page 4.

Field Inspections Key to Compliance Expectations

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- Serious unsatisfactory event/inspection - a total disregard for regulations or requirements that is causing or may cause a significant impact on the public and/or environment. An unaddressed product spill into water, which an operator is aware of but no action was taken, would be an example of a serious unsatisfactory item. EUB field staff would instruct the company to take corrective action, which may include partially or fully suspending operations to alleviate impact or potential impact. This operation would remain suspended until non-compliance was remedied, the EUB accepts the company's written action plan, and written approval was received from EUB field centre staff.

Operations would also remain suspended until a documented meeting or discussion had taken place with a senior company representative with provincial authority. EUB field staff would provide written instructions to a local company representative and send a letter to a senior company representative with provincial authority to suspend operations partially or in full. This letter would include confirmation of inspection history, non-compliance item(s), on-site action taken, expected future action, deadline date, and consequences for future non-compliance.

(Companies should refer to IL 99-4: EUB Enforcement Process, Generic Enforcement Ladder and Field Surveillance Enforcement Ladder for complete details and information regarding the EUB's enforcement process and policy.)

The percentage of major/unsatisfactory inspections was reduced from 5.6 per cent in 1998/1999 to 3.5 per cent in 1999/2000. However, EUB inspections did result in 211 facilities being temporarily suspended, at a cost of more than \$3.6 million to industry.

For a copy of the Field Surveillance Provincial Summaries April 1999 to March 2000 - Statistical Series 57, contact EUB Information Services at (403) 297-8190 or check our web site at www.eub.gov.ab.ca. ❖

EUB Response to Public Complaints

Significant energy exploration and development activity took place in Alberta in 1999/2000 and the EUB recognizes that along with high activity levels come associated public concerns. Addressing these concerns is a high priority with the EUB.

It's important for both the public and the industry to know that EUB field staff respond to all public complaints about oil and gas activity and follow up to ensure problems are resolved. During 1999/2000, the EUB received and responded to 859 complaints, compared to 851 in the previous year. Some complainants reported concerns about more than one issue, resulting in the EUB recording 1032 issues associated with the 859 complaints. The number of issues has also decreased marginally from 1053 in 1998/99 to 1032 in 1999/2000.

The EUB is encouraged that even though there were significant increases in oil and gas activity, the overall number of complaints remained relatively the same. Historically, common issues are odours, flaring, lease management, and public health and safety. The two areas that showed an increase in complaints were odours and flaring.

Our aim is to ensure prompt, effective, and lasting resolution of any identified

problems. However, the EUB can only respond to issues within its jurisdiction. If a complaint is received by the EUB that is beyond our scope, we have to direct that complaint to the appropriate agency, but we do our best to tell the public what that agency is and how to make contact.

We measure our performance in dealing with the public by conducting a random complaint follow-up to gauge the complainant's level of satisfaction with both the EUB and industry responses. Of 400 complaint callback surveys in 1999/2000, 81 per cent of incidents were resolved to the satisfaction of the complainants, 89 per cent of the complainants were satisfied with the company response, and 99 per cent of the complainants were satisfied with the response from the EUB.

Our staff communicate to industry the most common problems found related to complaints (e.g., equipment failure, operating practices) and tell industry the appropriate measures needed to rectify the situation. The EUB expects industry to comply with requirements and continues to strongly emphasize the benefits and importance to industry of good communication with the public. The goal is to reduce the number of complaints and ensure lasting compliance. ❖

Upcoming Event: Edson Open House

All Edson community residents, industry, and government representatives are invited to participate in an interactive information session about energy development in our community. Participants will learn more about the EUB and its role in the Edson area, meet local EUB Field Centre staff, check out information booths and maps, and hear short presentations on the application process, flaring guidelines and field surveillance roles and responsibilities. There will also be an opportunity for discussion on landowner and public concerns.

Where: Edson and District Recreation Complex, Weyerhauser Room, Edson, AB
When: Wednesday, November 8, 2000, 6 to 10 p.m.
 Call the EUB Drayton Valley Field Centre for more details at (780) 542-5182



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
 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 can contact the nearest EUB field centre (see list), all of which provide 24-hour on-call service.

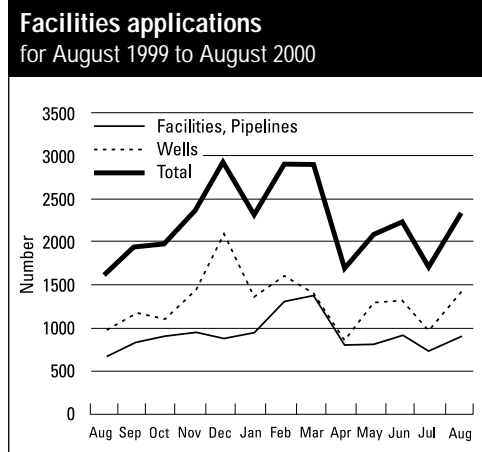
EUB Field Centres (24-hour on call)

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

Application Summary

Facilities applications for August 2000	
Production facilities	183
Pipelines	728
Wells	1431
Total received	2342
Total completed/approved	2095
Closed	20
Withdrawn	70



Resource applications for August 2000	
Equity (rateable take, common carrier, common purchaser, common processor, compulsory pooling, special spacing)	61
Conservation (resources – oil, gas, and in situ bitumen; gas removal, enhanced recovery, water disposal, concurrent production, underground storage, commingled production, reserves)	99
Depletion administration (good production practice, penalty relief)	18
Corporate (transfer)	4
Mining (coal and mineable oil sands)	3
Total received	185
Total completed/approved	195

Utilities applications for August 2000	
Electric	0
Gas	2
Facilities	14
Franchises and others	3
Total received	19
Total completed/approved	19

Corporate transfers and name changes for August 2000	
Well licence transfers	1531
Well licence name changes	1028
Pipeline licence transfers	208
Total received	2767
Total completed	2534

Upcoming Public Hearings: Fall/Winter 2000-2001

Please note: Due to space constraints, this list only covers hearings scheduled for the next two months, and some company names have been abbreviated. For information on hearings scheduled later in the year, call (403) 297-8259. Actual hearing durations can 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
October 17	990289, 1055407	EPCOR Power Development Corporation & EPCOR Generation Inc., ATCO Pipelines	Construct and operate Rossdale Power Plant Unit 11 - Application for a 406.4mm high-pressure natural gas pipeline to supply the Rossdale plant	Prince of Wales Armoury, Heritage Centre, 10440-108 Avenue, Edmonton
November 7	1042932	Shell Canada Limited	Well licence application - Level-4 critical sour gas well - Ferrier field	Dovercourt Community Hall, located along Highway 22, 16 km south of Highway 11 and 22 intersection near Rocky Mountain House
November 7	2000186	ESBI Alberta Ltd.	Location Based Credits - Standing Offer Process	Govier Hall, 2nd floor, 640-5 Avenue SW, Calgary
November 16 Prehearing	1067422	Proceeding pursuant to OC 196/2000	The OC directs the EUB to prepare a scheme or schemes for the provision of compensation for persons having an interest in the petroleum and natural gas rights affected by the EUB's order dated April 3, 2000 which ordered the shut in of Wabiskaw-McMurray gas production from 146 wells in the Surmont area. The EUB order was issued in accordance with Decision 2000-22 dated March 30, 2000.	Govier Hall, 2nd floor, 640-5 Avenue SW, Calgary
November 20 Prehearing	2000138 2000139	ATCO Electric Ltd., EPCOR Energy Services	2001-200X - Regulated Rate Option Tariff	EUB Utility Branch Office, 12 Floor, 10055-106 Street, Edmonton
November 20	2000136, 2000137 2000138, 2000139	ATCO Electric Ltd., Utilicorp Networks Canada (Alberta) Ltd., EPCOR Energy Services	2001-200X DT - Distribution Tariff (Final) and Regulated Rate Option Tariff (Interim & Final)	EUB Utility Branch Office, 12 Floor, 10055-106 Street, Edmonton
November 21	1054158, 1054481 1060529, 1061622 1062380	Canadian Natural Resources Limited, Husky Oil Operations Ltd. (formerly Renaissance Energy Ltd.)	Reduced interwell spacing - Brintnell area. Request for CNRL to apply for gas production - Brintnell and Sandy areas	Govier Hall, 2nd floor, 640-5 Avenue SW, Calgary

Cancelled Hearings

Date Cancelled	Application No.	Applicant	Hearing Purpose	Reason for Cancellation
September 21	1069525	Canadian Hunter Exploration Ltd.	Compulsory pooling application - Peacock area	Application withdrawn
September 28	2000243	Virginia & Elwyn Probert	Section 42 and 43 review of Board decision to approve a well licence and pipeline permit. (Courage Energy Inc.)	Agreement reached
October 3	1066816	Eravista Energy Corp.	Compulsory pooling - Rowley Field	No submissions filed in response to hearing notice
October 10	1067696	Benson Petroleum Ltd.	Compulsory pooling application - Lloydminster Field	Application withdrawn
October 13	1068005	Bears paw Petroleum Ltd.	Compulsory pooling application - Ewing Lake Field	No submissions filed in response to hearing notice

Pending Decisions

Application No.	Applicant	Hearing Purpose	Hearing Date(s)	Actual Hearing Days
1048341, 1060562	Nycan Energy Corp. & Sphere Energy Corp.	Section 43 review - off target penalty, Forty Mile Field	September 27	1
2000205	ESBI Alberta Ltd.	Duplication Avoidance Tariff with respect to the NOVA Joffre Industrial System	(paper proceeding)	
RE95081	TransAlta Utilities Corporation	1996 Phase II Constitutional Question	(paper proceeding)	

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