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EUB releases 2001 flaring and venting industry performance report

THE EUB HAS RELEASED ITS annual *Upstream Petroleum Industry Flaring and Venting Report* for the year 2001. This is the third year of the report, which measures performance as a result of requirements initiated by the EUB in 1999 to reduce upstream petroleum industry flaring and venting and encourage further gas conservation.

The EUB reports that in 2001 flaring of solution gas in Alberta was reduced by approximately 53 per cent from the 1996 “baseline” level, far exceeding the 25 per cent reduction target for 2001 and improving upon the 38 per cent reduction recorded in 2000.

Solution Gas Flaring Reduction Schedule

(1996 Baseline)

Year	Firm Target Reduction (%)	Actual Reduction (%)
1999	None established	30
2000	15	38
2001	25	53

Progress has also been made in reducing volumes of solution gas being vented, primarily at bitumen wells. Solution gas is natural gas that is produced with crude oil: this gas is “entrained” within the liquid crude oil produced across the province. The volume of solution gas venting recorded in 2001 was 639 million cubic metres (10⁶ m³), a decrease of 13 per cent from the year 2000 volume of 735 10⁶ m³.

There was a 32 per cent reduction in combined flared and vented volumes of solution gas from 1996 volumes. Conservation of Alberta’s solution gas resource increased in 2001 to 94.1 per cent from the 2000 level of 93.1 per

cent. This equals the all-time conservation record of 94.1 per cent, established in 1999.

In 2000, the issue of solution gas venting prompted the EUB to initiate additional measures designed to achieve a reduction in vented volumes. This resulted in the May 16, 2002, release of *General Bulletin (GB) 2002-05: EUB Requirements for Evaluation of Solution Gas Vent Gas Conservation*.

This GB calls for the Alberta petroleum industry to begin the economic conservation evaluation of certain vent sources by specified deadline dates, with an aim to reducing or eliminating venting in favour of conservation of the solution gas resource.

The significant reductions in flaring and venting that industry has achieved in 2001 result from the concerted efforts of operators, the work done by the Clean Air Strategic Alliance (CASA) Flaring and Venting Project Team, the development and enforcement of *EUB Guide 60: Upstream Petroleum Industry Flaring Guide*, and the *Upstream Petroleum Industry Flaring and Venting Report*.

The *Upstream Petroleum Industry Flaring and Venting Report* continues to rank Alberta petroleum companies based on flared solution gas, vented solution gas, total solution gas production, and total oil production from crude oil and crude bitumen batteries.

In April 2002, the EUB was invited by the World Bank to speak before its Global Gas Flaring Reduction Conference in Oslo, Norway. A paper on the conference references the success the EUB, CASA, and Albertans have enjoyed as a result of the inclusive multistakeholder approach taken by the EUB to solution gas flaring reduction, along with the cooperation shown by

Public Participation Conference

Block off October 27-29, 2002, on your calendar and plan to attend the International Association for Public Participation (IAP2) Wild Rose Chapter Conference: Re-Valuing Public Participation, sponsored in part by the EUB.

This year's IAP2 Wild Rose Chapter conference is an opportunity for representatives from corporations, governments, nonprofit and community groups, and academia to meet in Calgary and explore valuable trends in public participation. For more information, visit <www.iap2.org/chapters/wildrosechptr.html>.

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

July 4: GB 2002-08: Revised EUB Guide 64: Facility Inspection Manual

June 26: GB 2002-07: 2002 Administration Fees and General Assessment and Funding of Broad Industry Initiatives

Publications

July 26: Alberta Regulation 329/2000 (consolidated to AR 138/2002: Isolated Generating Units and Customer Choice Regulation (under Electric Utilities Act)

July 26: Alberta Regulation 169/99 (consolidated to AR 141/2002): Balancing Pool Regulation (under Electric Utilities Act)

July 26: Alberta Regulation 137/2002: General Assessment Order for the Fiscal year 2002-2003 (under Public Utilities Board Act)

July 26: Alberta Regulation 135/2002: Administration Fees Regulation (under Alberta Energy and Utilities Board Act)

July 26: Alberta Regulation 139/2002: Common Facilities Costs Regulation (under Electric Utilities Act)

July 26: Alberta Regulation 140/2002: Power Purchase Arrangements Regulation (under Electric Utilities Act)

July 22: Initial Outstanding Deliverability and Pressure Requirements—Updated July 19, 2002

July 19: ST 2002-60B: Upstream Petroleum Industry Flaring and Venting Report: Industry Performance for Year Ending December 31, 2001

July 4: Guide 64: Facility Inspection Manual (revised July 2002)

July 4: Alberta Regulation AR 237/2001 (consolidated to AR 114/2002): Liability Protection Regulation (under the Electric Utilities Act)

July 4: Alberta Regulation AR 236/2001 (consolidated to AR 115/2002): Payment in Lieu of Tax Regulation (under the Electric Utilities Act)

Recent Decisions

July 30: Decision 2002-073: EPCOR Energy Services (Alberta) 2001-2005 Regulated Rate Option Tariff, Part G: Final 2002 RROT Rates

July 30: Decision 2002-072: ATCO Gas, A Division of ATCO Gas and Pipelines Ltd. Transfer of Carbon Storage Facilities

July 30: Decision 2002-070: ESBI Alberta Ltd. Valleyview Transmission Must Run Services Agreement compliance filing

July 26: Decision 2002-071 (Memorandum of

Decision): Prehearing Meeting Lindbergh Sector, Cold Lake Oil Sands Area: Canadian Natural Resources Limited Applications for New and Amended Primary Recovery Schemes and Well Licences and Petrovera Resources Limited Applications for a New Primary Recovery Scheme and Well Licences

July 26: Decision 2002-069: ATCO Group Affiliate Transactions and Code of Conduct Proceeding, Part A: Asset Transfer, Outsourcing Arrangements, and GRA Issues

July 23: Decision 2002-068: TransAlta Utilities Corporation 2001 Transmission Capital Deferral Account

July 23: Decision 2002-066: ATCO Gas South—a division of ATCO Gas and Pipelines Ltd. Recovery of Deferred Gas Account Balances at March 31, 2002

July 17: Decision 2002-062: Mr. and Mrs. Lung Tak Lo Service Charges of Town of Claresholm

July 16: Decision 2002-064: ESBI Alberta Ltd. 2002 Tariff Application and Negotiated Settlement

July 16: Decision 2002-065: ATCO Gas - North A Division of ATCO Gas and Pipelines LTD. Recovery of Deferred Gas Account Balances at March 31, 2002

July 9: Addendum to Decision 2002-049: ATCO Pipelines South 2001/2002 General Rate Application Compliance Filing

July 9: Decision 2002-051 Errata: ATCO Electric Ltd. 2001 Regulated Rate Option Tariff, Part F: Outstanding Matters

July 2: Decision 2002-060: ESBI Alberta Ltd. Shell Scotford Duplication Avoidance Tariff Refiling

July 2: Decision 2002-059: Aquila Networks Canada (Alberta) Ltd. Interim 2002 Distribution Adjustment Rider and 2001 Transmission Deferral Rider

July 2: Decision 2002-058: NOVA Gas Transmission Ltd. Application to construct Fort Saskatchewan Extension and Scotford, Josephburg and Astotin Sales Meter Stations

June 28: Decision 2002-61: ESBI Alberta Ltd. Application to Amend 2001 Revenue Requirements

June 26: Decision 2002-052: Epcor Energy Services (Alberta) Inc. 2001-2005 Regulated Rate Option Tariff, Part F: Outstanding Matters

June 26: Decision 2002-051: ATCO Electric Ltd. 2001 Regulated Rate Option Tariff, Part F: Outstanding Matters

June 24: Decision 2002-057: 2000 Pool Price Deferral Accounts, Part T: Securitization Financing

EUB releases 2001 flaring and venting industry performance report

(continued from page 1)

industry. Also noted were the EUB's strenuous attempts at accurate data collection, which ensures proper results analysis.

On June 21, 2002, the CASA Board approved new recommendations to reduce solution gas flaring, venting, and facility and well test flaring, based on the very successful framework for reducing solution gas flaring implemented in 1999. The EUB will consider the recommendations of the CASA report in the review of *Guide 60* currently in progress. The EUB will be asking stakeholders for input on a revised *Guide 60*, which will be available on the EUB Web site. It is anticipated that the review process will be completed and the final revised *Guide 60* will be published in late 2002.

Statistical Series 2002-60: Upstream Petroleum Industry Flaring and Venting Report and GB 2002-05: EUB Requirements for Evaluation of Solution Gas Vent Gas Conservation are available on the EUB Web site at <www.eub.gov.ab.ca> or from EUB Information Services (403-297-8190).

The Web site and Information Services also have the EUB's EnerFAQs 6: Flaring, which offers a general introduction to the subject. ❖

News Releases

July 23: News Release 2002-07-23 (2002-17): EUB Approves Rate Riders for ATCO Gas South Customers

July 19: News Release 2002-07-19 (NR 2002-16): EUB Releases 2001 Flaring and Venting Industry Performance Report: Flaring Reduced by 53%, Combined Flaring and Venting Reduced by 32%

July 16: News Release 2002-07-15 (NR 2002-15): EUB Approves Rate Riders for ATCO Gas North Customers

July 9: News Release 2002-07-09 (NR 2002-14): Alberta Energy and Utilities Board Receives Evaluation Report from the Provincial Advisory Committee on Public Safety and Sour Gas

EUB receives evaluation report on public safety and sour gas

THE EUB HAS RECEIVED a report from the Provincial Advisory Committee on Public Safety and Sour Gas (PS&SG) that comments on last year's actions on the 87 recommendations that the committee made to the EUB. These recommendations were designed to improve the regulatory system for sour gas development as it relates to public health and safety in Alberta.

EUB Chairman Neil McCrank said, "On behalf of the EUB, I am very pleased that we have received such a positive and comprehensive assessment from the committee, and I repeat that the EUB remains strongly committed to acting upon all of the recommendations presented to us."

Entitled *Evaluation of the EUB's Implementation Progress*, the report notes that the EUB "is on target with its three-year implementation plan and that the significant dedication of staff and financial resources to the project demonstrates the high level of commitment by the EUB's Chairman and Board members." As a general concern, the Advisory Committee encourages improvement in performance measures to ensure that implementation actions fulfill recommendation intents and that they remain effective once in place. Also, the Advisory Committee seeks fur-

ther movement on some specific recommendations.

The EUB has developed an effective and efficient implementation plan, and it reports regularly on its progress to both the committee and the public. In consultation with affected stakeholders, the EUB has completed work on 14 recommendations. It is continuing to work on 35 more from last year and has begun to address a further 16 recommendations this year. That leaves only 22 to begin.

McCrank further stated, "The work we are doing on sour gas today will impact the petroleum industry as a whole. The changes we are making based on the Advisory Committee on Public Safety and Sour Gas recommendations will result in a fundamental cultural shift in Alberta's sour gas industry, for the benefit of all Albertans." This cultural shift will result in industry looking beyond the letter of the law, and understanding the spirit in which regulatory changes are made: to encourage a cooperative, informative relationship with Albertans.

For a copy of *Evaluation of the EUB's Implementation Progress*, go to the EUB Web site at <www.eub.gov.ab.ca> or contact EUB Information Services (403- 297-8190). ❖

"The work we are doing on sour gas today will impact the petroleum industry as a whole."— Neil McCrank, EUB Chairman

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)

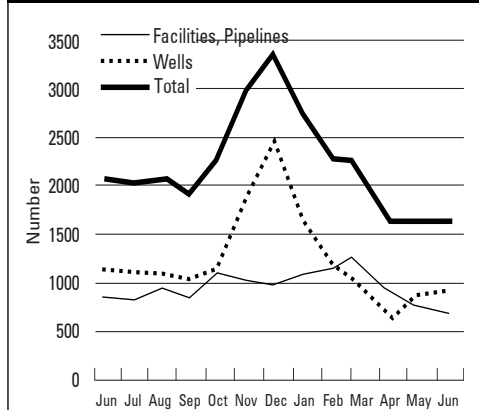
- Bonnyville (780) 826-5352*
- Drayton Valley (780) 542-5182*
- Grande Prairie (780) 538-5138*
- Medicine Hat (403) 527-3385*
- Midnapore (403) 297-8303*
- Red Deer (403) 340-5454*
- St. Albert (780) 460-3800*
- Wainwright (780) 842-7570*

*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.

Applications Summary

Facilities applications, 2002	June
Production facilities	.103
Pipelines	.596
Wells	.915
Total received	.1614
Total approved	.1538
Closed	.22
Withdrawn	.31

Facilities applications, June 2001 - June 2002



Resource applications, 2002

Resource applications, 2002	June
Equity (rateable take, common carrier, common purchaser, common processor, compulsory pooling, special spacing)	.54
Conservation (resources – oil, gas, and in situ bitumen; gas removal, enhanced recovery, water disposal, concurrent production, underground storage, commingled production, reserves)	.89
Depletion administration (good production practice, penalty relief)	.17
Corporate (transfer)	.12
Mining (coal and mineable oil sands)	.3
Total received	.175
Total completed	.145

Utilities applications, 2002

Utilities applications, 2002	June
Electric	.7
Gas	.7
Facilities	.9
Franchises and others	.6
Total received	.29
Total completed	.36

Corporate transfers and name changes, 2002

Corporate transfers and name changes, 2002	June
Well licence transfers	.1577
Well licence name changes	.1654
Pipeline licence transfers	.233
Facility licence transfers	.88
Total received	.3552
Total completed	.3052

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
1058461 et al. 1078980	Anderson Exploration Ltd. Anderson Exploration Ltd.	Approval to produce gas Section 43 review of Applications No. 1069381, 1069382 - Approval to produce gas	Nov 26/01 - May 22/02 Final reply	66
1086353	Franco-Nevada Mining Corporation Ltd.	Section 42 review of Applications No. 1039410, 1047055 - Approval to produce gas	June 28/02	
1073875	Anderson Exploration Ltd.	Review of the impact of continued gas production on bitumen recovery		
1062688 et al. 1085736 et al. 1085793 1089982 et al. 1090128 et al. 1256085	AEC Oil and Gas (AEC) BP Canada Energy Company Petro-Canada Oil and Gas Paramount Resources Limited Rio Alto Exploration Ltd. PanCanadian Resources Corporation	Approval to produce gas Approval to produce gas - Leismer field Shut-in gas production - Chard area Approval to produce gas Approval to produce gas Application to shut in gas in the Christina Lake area		
1097090	EUB Staff Submission Group	Potential impact of gas production on bitumen recovery		
1096587 2001202 1259731	TrueNorth Energy Corp. Petrobank Energy and Resources and West Star Oil and Gas Ltd.	Fort Hills Oil Sands Project Compulsory pooling - Morinville field	Jul 2-10 Jul 10-11	6 2
1247777 1269154	Centrica Canada Limited	Application to construct and operate a sweet gas pipeline and sweet oil effluent pipeline. Application No. 1269154 is the proposed alternative pipeline route. - Bruderheim area	Jun 20 & 21/02 Final reply July 26/02	2
2000234	ATCO Electric Ltd., ATCO Gas and Pipelines Ltd., Northwestern Utilities Limited	Code of conduct	Sept 17-27, Nov 16/01 Board Letter Dec 18/01	14
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.	Written proceedings Final reply May 28/02	
1251218	ATCO Electric Ltd.	2001/2002 Distribution Tariff - 2002 Investment and Contribution Policy Module	May 14-16/02 Final reply June 20/02	3
1268943	TransAlta	Transmission treatment of UNCA disposition of the High River facility	Written proceedings Final reply	
1244123 1247885	ATCO Electric Ltd.	2002 - 200X RROT Non-Energy Costs Application 2002 RROT Energy Supply Application	Written proceedings Final reply June 26/02	
1248859	ESBI Alberta Ltd.	Consideration of transmission congestion management principles and recommendations	Apr 22-Jun 13/02 Final reply Aug 2/02	25
1244140	ESBI Alberta Ltd.	Article 24 Compensation - Rainbow and Rossdale	Mar 11-15, 20-22/02 Final reply Sept 6/02	8

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

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