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Specialized EUB staff dedicated to improving facilitation process

The EUB recently formed the Facilitations Team, a group of employees located in the Calgary head office and the field, to conduct facilitations on a full-time basis. Prior to the creation of this team, facilitation work was mainly conducted by field staff located at EUB field centres across Alberta.

Facilitation is the first component of the Appropriate Dispute Resolution (ADR) program used by the EUB to help an energy company and landowner or those companies in dispute with one another to begin face-to-face discussion and examine possible options for resolution. The second component, third-party assistance from ADR professional service providers and mediators, is used when issues still remain unresolved after parties have engaged in the facilitation process. Facilitations are less formal than these mediations, allowing more casual conversation and a much broader scope of topics to be discussed. This candid conversation helps to open dialogue and build better working relationships between industry and the public.

EUB staff assist parties in understanding regulatory requirements and processes and facilitate meetings to discover mutually agreeable options. Staff facilitation usually occurs prior to a company submitting an application but after the company has attempted to resolve the concerns of stakeholders. Staff normally assist through direct meetings or by speaking with each of the involved parties.

The Facilitations Team is a culmination of the Facilitation Framework Initiative introduced by the EUB ADR Coordinator

and Field Surveillance Branch management to develop a more formal framework for staff ADR services.

With the Facilitation Team in place, field staff are able to concentrate on other important field work responsibilities. Field staff will continue to have a supportive role in facilitations, particularly when a Facilitations Team member requires specific technical data, explanations, or historical perspectives on certain issues. Field staff will also continue to attend open houses and participate in synergy groups.

“Facilitation not only helps to open up discussion and find solutions, but in doing so it can make the application process flow more smoothly and build lasting relationships between landowners and energy companies.”

The Facilitations Team will coordinate, attend, and conduct facilitation meetings. Usually the company will set up the facilitation and look after logistics, but the Facilitation Team will assist where necessary, especially when a major conflict exists. If issues cannot be resolved through this process, the

team will inform stakeholders about their remaining options: a Preliminary ADR meeting, mediation, and the last resort, an EUB hearing. Even if the situation goes to a hearing, these initial steps can help make the hearing process more efficient because some issues may have been resolved through the ADR process.

Facilitation not only helps to open up discussion and find solutions, but in doing so it can make the application process flow more smoothly and build lasting relationships between landowners and energy companies.

“One of the important features of the facilitation process is that it parallels the EUB application process,” says David Hill, EUB Facilitations Team Leader. “This means that the application moves

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Synergy in Motion Conference 2005

Date: February 6, 7, and 8, 2005

Location: Ramada Hotel and Conference Centre
11834 Kingsway
Edmonton, AB

A synergy group is a community-based group of people, usually comprising representatives of the public, local industry, and government, who meet to identify and address issues related to oil and gas development. The next step in the evolution of synergy groups is the development of a framework for a centralized information centre and synergy support system. Learn where this exciting initiative is at and where it's going at the *Synergy in Motion Conference 2005*. Register at www.synergyalberta.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****News Releases**

December 23: NR 2004-34: Well Control Efforts at Acclaim Site - Gas Flow May be Subsiding

December 20: NR 2004-33: Well Control Efforts at Acclaim Site To Continue Through Holidays

December 16: NR 2004-32: Regional Emergency Operations Centre Moving Forward with Next Steps to Stop Blowout

December 13: NR 2004-31: EUB Sets Up Phone Number for Public Inquiries About Acclaim Gas Leak

Publications

December 22: Report 2004-A Alberta Single-Well Gas Pool Drainage Area Study

December 22: Publication Notice - R2004-A Report 2004-A: Alberta Single-Well Gas Pool Drainage Area Study - released Dec 22, 2004 and available on EUB Web site

December 7: EUB's 2003 Year in Review Recognized at the June Warren Publishing and Oil Week Magazine Annual Report Awards

Bulletins

December 23: Bulletin 2004-35: Directive 012: The Alberta Tariff Billing Code - Release of Version 1.1

December 15: Bulletin 2004-34: Consultation on the Proposed Large Facility Liability Management Program, Requirements for Site-Specific Liability Assessments for the Large Facility Liability Management Program, and Changes to the Licensee Liability Rating (LLR) Program

December 14: Bulletin 2004-33: Commingling of Production from Two or More Pools in the Wellbore Using the Notification Process

December 7: Bulletin 2004-32: Culling of surface mineable area core stored at the EUB Core Research Centre

December 1: Bulletin 2004-29: Directive 013: Suspension requirements for wells

November 30: Bulletin 2004-30: Directive 065: Resources applications for conventional oil and gas reservoirs enhanced recovery scheme application changes application form, requirements and process

November 29: Bulletin 2004-31: Voluntary survey of industry abandonment and reclamation costs

Decisions

December 30: Decision 2004-113: Suncor Energy Inc. Application for an External Tailings Pond for the Millennium Mine, Fort McMurray Area

December 21: Decision 2004-110: BA Energy Inc. Prehearing Meeting on Application to Construct and Operate an Upgrader in Strathcona County

December 18: Decision 2004-112: Orr Mineral Developments Sale of Suffield Natural Gas Distribution System - Request for Approval to Commence a Negotiated Settlement

December 14: Decision 2004-109: ATCO Pipelines and ATCO Gas 2005 Unaccounted For Gas (UFG)/Fuel – Rider 'D'

December 14: Decision 2004-106: ATCO Electric Ltd. Interim 2005 Distribution and Transmission Facility Owner's Tariffs

December 14: Decision 2004-108: NOVA Gas Transmission Ltd. 2004 General Rate Application – Phase II Compliance Filing

December 14: Decision 2004-107: Calalta Waterworks Ltd. Request for Approval of Negotiated Settlement

December 7: Decision 2004-104: Decision 2004-104 ATCO Electric Ltd. Disposal of 2003 Transmission and Distribution Deferral Account Balances

December 7: Decision 2004-105: ATCO Gas North and ATCO Gas South Request for Deferral of 2004 Costs and Revenues

November 30: Decision 2004-103: Talisman Energy Canada Application for Enlargement of Turner Valley Unit No. 5

Specialized EUB staff dedicated to improving facilitation process *(continued from page 1)*

ahead independently of the ADR process so an overall efficiency is maintained.”

There are currently four EUB employees dedicated to the Facilitation Team, each bringing a variety of conflict resolution skills and experience. Some have been certified through the Alberta Arbitration Mediation Society course at the University of Calgary or Mount Royal conflict resolution programs, and some have several years of practical mediation experience. All have a technical oilfield background, enabling each to confirm technical information and provide clarity for landowners by deciphering industry lingo. The team is also in the process of creating a roster of EUB staff with mediation experience to assist when necessary.

Each team member is assigned to specific coverage areas for referral purposes. The team's knowledge base will be built using a toolbox approach to capture many of the frequently asked questions, ensuring consistent dissemination of information. Stakeholders will be asked to fill out feedback forms after engaging in facilitation, further allowing the team to hone its skills and processes.

The Facilitations Team plans to distribute a pamphlet early in 2005 to explain the role of the team and provide contact information, along with dispute resolution options. If you would like more information on the Facilitation Team, please contact David Hill at (403) 297-5839. ❖

The balancing act of utilities regulation: Applications

The EUB's Utilities Branch processed 349 applications and issued 85 decisions in 2003, ranging from general rate applications to proposed construction of power plants. Wade Vienneau, Manager of the Utilities Branch, Calgary office, summarizes, "Regulatory work in Alberta is truly a balancing act. On one hand, it is the EUB's responsibility to ensure that customers receive safe and reliable service at just and reasonable rates; we must ensure that a utility has a reasonable opportunity to recover its costs of providing the service, including a fair return on its investment, in order that it will be financially viable and able to provide customers with adequate service."

The applications the EUB receives from the utilities sector include

- General Rate Applications, whereby the EUB ensures that utility companies' rates and terms of service are appropriate, fair, and reasonable;
- applications for approval to construct power plants, substations, and transmission lines; and
- applications for numerous other matters, including franchise agreements, financings, sale of assets (including decommissioning, salvage, and reclamation costs), complaints, and minimum producer milk prices.

There are two main components to utility rates: the charges for the energy commodity itself and the charges relating to the delivery of the energy to a customer's home.

Energy charges are determined in a competitive marketplace. It is the EUB's responsibility only to review these regulated energy charges to make sure that they are being passed along accurately to customers.

For example, the EUB does not set the cost of gas rate. Rather, each gas utility calculates a monthly gas cost rate for its service area. The gas cost rate is determined by procedures approved in previous EUB decisions. Each gas utility is required to file its proposed monthly gas cost rate in advance. Approval is given if the EUB is satisfied that the

utility has followed the established procedures, that the purchase plans, prices, and terms are prudent, and that gas costs are flowing through to customers at cost. Once approved by the EUB, a 30-day review period is provided for parties to raise any concerns about the approved gas cost rate.

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The utilities establish what their gas cost rate should be each month by forecasting consumption. The forecast price is then determined using published AECO monthly and daily indices.

For charges relating to the delivery of energy to a customer's home, a utility company applies to the EUB for a change in rates when its current rates no longer provide the company with sufficient revenues. Distribution costs are approved either through processing of General Rate Applications, which involves a thorough review of many financial aspects of the company, or through review of a negotiated settlement process.

These rates are designed to allow a utility to recover its costs of operations and make a reasonable profit. When a utility proposes to change its rates, the EUB publishes a notice in newspapers in the service area concerned so that all affected customers are able to participate in the process. A public hearing is normally held in which the utility presents evidence to support its position; this also allows the

EUB to conduct a thorough review of the utility's financial position and the reasonableness of the new rates being requested. Interested parties, or interveners, may contest the evidence presented.

Under a negotiated settlement process and following guidelines set out by the EUB, the utility negotiates its rates with representatives of customer groups, with the EUB acting as an observer. Once negotiations have been successfully concluded, rates determined by a negotiated settlement have to be filed with and approved by the EUB before they can take effect. In both cases, the EUB issues a decision report setting out, with reasons, the rates it has approved.

The EUB also reviews the rates periodically during the time they are in place to determine that they are still appropriate.

For rate applications, "approvals" do not necessarily mean the application was approved as requested. For example, a utility company may request approval for a certain rate, and the EUB may respond by approving a different rate that is considered more fair, appropriate, and reasonable.

The EUB regulates investor-owned natural gas, electric, and water utilities, along with certain municipally owned electric utilities, setting both their rates and terms and conditions of service. In establishing rates, the EUB's mandate is to balance the interests of both customers and the utility companies. The EUB's powers are established through legislation—it can only do what it is empowered to do through the statutes. ❖

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

No.	Applicant	Hearing Purpose
1348061	Penn West Petroleum Ltd.	Application for a Natural Gas Pipeline
Start date: January 17, Days Inn, 2101 - 14 Avenue, Wainwright, AB		
1360900	Celtic Exploration Ltd.	Application for a common carrier and common processor - Otter Field
Start date: January 20, Sandman Hotel, 888- 7th Avenue SW, Calgary, AB		
1344785	Shell Canada Limited	Application for a well licence for a sour well - Burmis Area
Start date: January 24, Elks Hall, 2025 - 1029th Street, Pincher Creek, AB		
1334842	Shell Canada Limited	Applications for licences to drill two critical wells and construct and operate associated pipelines and facilities in the Carbondale area - Waterton Field
1342988		
1340345		
Start date: February 1, Best Western Hospitality Inn, 135 Southland Drive SE, Calgary, AB		
1366191	Sawtooth International Resources Inc.	Application for Compulsory Pooling - Redwater Field
Start date: February 2, Metropolitan Centre, 333- 4th Avenue SW, Calgary, AB		
1357009	Canadian Natural Resources Limited	Applications for well licences to drill 9 crude bitumen wells and approval to construct and operate 4 multiwell crude bitumen batteries - Lloydminster
1357010	1366462	
1357011	1366464	
1357012	1366465	
1366460		
Start date: February 8, Tropical Room, Tropical Inn - 5621 - 44th Street, Lloydminster, AB		
1345690	Bearspaw Petroleum Ltd.	Application for a sour natural gas pipelines - Fenn-Big Valley/Stettler Fields
1362181		
Start date: February 9, Multipurpose Room at the Stettler Recreation Center, 2nd Floor, 6202 - 44 Avenue, Stettler, AB		
1296536	Apache Canada Ltd.	Applications for the establishment of three holdings for the production of gas from the Viking formation and applications to drill 5 sweet gas wells and to construct and operate pipelines to tie the proposed wells into an existing gas gathering system - Consort Area
1339224	1350029	
1339228	1350044	
1344954	1339313	
Start date: February 9, Provost Recreation and Cultural Centre, 5113 - 43rd Street, Provost, AB		
1081995	Canadian Natural Resources Limited	Application for a primary recovery scheme
1081996		
1082375		
Start date: Feb 15, Neighbourhood Inn, 5011 - 66 Street, Bonnyville, AB		

Pending decisions

Application No.	Applicant	Hearing Purpose
1322457	Provident Energy Ltd.	Application to change pool designation from Gilby Basal Mannville (A3A) to Jurassic - Gilby Area
1342216	Provident Energy Limited	Applications for a well licence and single well crude oil battery- Lloydminster Field
1361555		
1364061	Talisman Energy Inc.	Application for an enlargement of the area of Turner Valley Unit No. 3
1331326	Canadian Natural Resources Limited	Application For well licences and approval to construct and operate a multiwell oil battery - Lloydminster Field
1331327		
1331970		
1358471		
1316793	AltaLink Management Ltd.	Request to review and vary Decision 2003-061 (AltaLink and TransAlta Transmission Tariff, for May 1, 2002 - April 30, 2004, TransAlta Transmission Tariff For January 1, 2002 to April 30, 2002)
1336421	AltaLink Management Ltd. and TransAlta Utilities Corporation	Transmission Tariff for May 1, 2004 to December 31, 2007
1298609	PICA, AUMA, AAMDC, Alberta Federation of REA's Ltd., IPPSA, SPPA, CCA, IPCCAA	Section 28 review and variance request of UCO 2003-13 Congestion Management Proceeding
1355457	ATCO Gas	2003/2004 General Tariff Application Impact of the retail transfer and its volume forecast
1282554	ATCO Electric Ltd.	Review and Variance of Decision 2002-079
1349514	ATCO Electric Ltd.	2004 Phase II Distribution Tariff Application

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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.

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