



across the board

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EUB and NEB Ultimate Gas Potential Study

On March 9, the National Energy Board (NEB) and the Alberta Energy and Utilities Board (EUB) released *Alberta's Ultimate Potential for Conventional Natural Gas (Report 2005-A)*.

The report estimates that Alberta's ultimate potential for marketable conventional natural gas is 6276 billion cubic metres (223 trillion cubic feet). It shows that 2838 billion cubic metres (101 trillion cubic feet) of conventional natural gas remains to be developed. Of this, 1104 billion cubic metres (39 trillion cubic feet) is discovered and 1734 billion cubic metres (62 trillion cubic feet) is undiscovered. Data from 320 000 wells drilled to December 2004 were used to arrive at the numbers.

According to Cal Hill, EUB Executive Manager, Resources Branch, "The last similar report released by the EUB in 1992 indicated that Alberta's ultimate potential is about 200 trillion cubic feet of conventional natural gas." The changed numbers are a result of the growth in industry activity, which provides additional data, making it possible to update the ultimate potential estimate.

"With more wells, there is more information, and you tend to find resources in areas where you didn't think there was potential," Hill said.

With the knowledge gained from undertaking this study, the EUB and the

NEB are better able to estimate the volume of conventional natural gas available to meet future Canadian domestic and export demands. The joint nature of the study reduces differences in numbers due to different methodology and data used by the two organizations. The EUB and NEB prepare estimates of energy supply and demand on a provincial and national scale respectively.

"With more wells, there is more information, and you tend to find resources in areas where you didn't think there was potential ... Information found in the report is another tool industry can use when they are looking at exploration to help identify areas where there is still discovery potential."

—*Cal Hill, EUB Executive Manager Resources Branch*

Today, Canada provides about 25 per cent of total North American gas production. Alberta is the major contributor to this gas supply, accounting for almost 80 per cent of total Canadian production.

Hill pointed out that "One of the purposes of the EUB is to appraise the energy resources of the province. This greatly assists us in our resource conservation mandate and it helps us better understand the resources we're responsible for regulating."

Just as with the 1992 gas potential study, this 2005 study will undoubtedly be used to help some industry players better understand their business potential. Anecdotal evidence suggests that when the 1992 report was released, the information encouraged some industry players to continue exploring in Alberta.

Data from the new study also help companies with long-term investment and development strategies. "Information found in the report is another tool industry can use when they are looking at exploration to help identify areas where

Second line supervisor's well control (test well) training

This course is designed for the rig manager, well site supervisor, drilling engineer, or drilling superintendent responsible for the development and supervision of well control operation in the field.

Training dates:

Calgary	Nisku	
May 9-13	May 2-6	May 19-23
	May 5-9	May 23-27
	May 9-13	May 26-30
	May 12-16	May 30 - June 3
	May 16-20	

For information and registration:
1-800-667-5557 or 403-250-9606

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**

March 10: NR 2005-05: EUB Staff Committee Seeks Stakeholder Input on Proposed Changes to the EUB's Subsurface Well Spacing Applications Process

April 12: NR 2005-06: EUB Approves Rate Increase for Some AltaGas Customers

April 13: NR 2005-07: EUB Extends Stakeholder Input Deadline on Subsurface Well Spacing Bulletin

April 15: NR 2005-08: EUB Approves Need for Calgary-Edmonton Transmission Development

Publications

March 28: Directive 011: Licensee Liability Rating (LLR) Program Updated Industry Parameters and Liability Costs Comes into Effect April 1, 2005

Bulletins

March 21: Bulletin 2005-09: EUB Compliance Assurance Initiative

April 6: Bulletin 2005-10: Consultation on Proposed Regulation Change to Provide for Applications for Determinations of Suspension Costs, and Related Reclamation Costs for Wells and Facilities Applications for Payment from Orphan Fund for Defaulting Working Interest Participants

Decisions

March 8: Decision 2005-017: Bears paw Petroleum Ltd. Application for Natural Gas Pipelines

March 9: Decision 2005-018: Langdon Waterworks Limited Interim Rate Request

March 12: Decision 2005-019: AltaLink Management Ltd. and TransAlta Utilities Corporation 2004-2007 General Tariff Application

March 15: Decision 2005-016: Canadian Natural Resources Limited Applications for Well Licences and a Battery, Lloydminster Field

March 23: Decision 2005-021: Alberta Electric System Operator System Control Centre Relocation Costs Application

March 29: Decision 2005-023: Apache Canada Ltd. Special Gas Well Spacing, Nevis Field

March 29: Decision 2005-020: Penn West Petroleum Ltd. Application for a Licence for a Natural Gas Pipeline, Albers Field

March 29: Decision 2005-024: Shell Canada Ltd. Applications for Licences for Wells and Associated Pipelines and Facilities, Waterton Field

April 6: Decision 2005-025: Decision 2005-025: ATCO Electric Ltd. 2004 Phase II Distribution Tariff

April 6: Decision 2005-022: Canadian Natural Resources Limited, Applications for Well Licences and Batteries, Lloydminster Field

April 12: Decision 2005-029: AltaGas Utilities Inc. 2003/2004 General Rate Application – Phase II

April 12: Decision 2005-030: Langdon Waterworks Limited 2004-2006 General Rate Application Permission to Participate in Negotiation

April 14: Decision 2005-031: Alberta Electric System Operator Needs Identification Document Application Edmonton-Calgary 500 kV Electric Transmission Facilities

April 15: Decision 2005-032: (errata to Decision 2005-030) Langdon Waterworks Limited Errata to Decision 2005-030 2004-2006 General Rate Application Permission to Participate in Negotiation

April 19: Decision 2005-028: Westridge Utilities Inc. General Rate Application

April 19: Decision 2005-034: Alberta Electric System Operator (AESO) 2003 Deferral Account Reconciliation

April 20: Decision 2005-026: Anadarko Canada Corporation, Application for a Gas Battery and Associated Pipelines, Sinclair Field

April 22: Decision 2005-035: Talisman Energy Inc. Application for a Well Licence - Application Withdrawn

EUB and NEB Ultimate Gas Potential Study*(continued from page 1)*

there is still discovery potential," said Hill.

In addition to the valuable information the study provides to industry and governments, the collaborative project represents efficiency. "There is a significant benefit to being able to pool staff resources rather than duplicating efforts. Working together, we have a common understanding of the conventional natural gas resource base in the province," added Hill.

In 1994, the EUB and the NEB signed the *Common Reserves Database Agreement*, which signalled the start of the first collaborative effort of the two Boards. Honouring this agreement, the Boards began work on the current study.

Over the three-year project, new processes and a new database were developed, which will make updating future reports an easier task and enable EUB Geology and Reserves staff to update the report every two or three years. Previously, ultimate gas potential studies were updated every five to ten years.

However, as time goes on and more information is gathered, the potential for undiscovered growth declines. Hill said the larger pools tend to be discovered first, so a lot of the new natural gas discoveries are in smaller pools that have lower productivity.

The NEB is an independent federal agency that regulates several aspects of Canada's energy industry. Its purpose is to promote safety, environmental protection, and economic efficiency in the Canadian public interest within the mandate set by Parliament in the regulation of pipelines, energy development, and trade. ❖

Ensuring fairness through EUB utility hearings

The EUB works to ensure that utility hearings provide an appropriate forum for those involved to be heard by the Board. The role of the EUB is to balance the interests of both the customer and the utility. When participating in hearings, Board members have to make the fairest decision for both the utility and the consumer. The utility should be provided with an opportunity to recover its reasonable costs, including a fair return on its investment, while customers receive safe and adequate service at just and reasonable rates.

When a utility comes to the EUB with a rate application, generally it is to request an increase in its rates. In 2004, 17 out of 629 utilities applications went to hearing. Many utilities will try to avoid a costly hearing and reach agreements with interveners through a negotiation process. However, it is not always possible for parties to reach an agreement, and so a hearing is held.

The EUB does not regulate all utility providers in the province. The Board regulates investor-owned gas, water, and electric utilities and certain municipally owned utilities, such as EPCOR and ENMAX. For other utilities outside the EUB's jurisdiction, the EUB may deal with complaints, but does not set the rates or terms of service.

What is an EUB utility hearing?

An EUB hearing is a public forum in which parties that may be directly affected by a proposed utility application may participate. While most Albertans are affected by a utility application, it is rare in a utilities hearing for an individual to act as an intervener. More often, interveners are made up of various groups and associations, including industrial, commercial, and institutional customers, municipalities, and utility consumer advocate groups.

Once a hearing has been triggered, parties that are interested in and affected by the application and that can contribute to the proceeding may intervene. An intervener is defined as a person, group, association, or company other than the applicant that files a submission with the Board in respect of a proceeding.

The EUB may choose to hold an oral hearing or a written process, depending on the nature of the application. Hearings are sometimes preceded by prehearing meetings, which may be held to finalize logistical details, such as the proposed date, time, and place of the hearing, arrange for the exchange of information or prepared testimony, and settle any other matters that may aid the proceedings.

If an oral hearing is held, the general public may participate or simply attend to observe without participating.

What happens at a utility hearing?

A panel, usually consisting of three Board members, conducts the hearing. At the hearing, the utility first explains its reasoning for the application to the panel, and then the interveners state their opposition to the project in detail. Intervenors may cross-examine the applicant and present their own case. The applicant may then cross-examine interveners, and interveners may cross-examine each other. EUB staff and the Board panel itself may also ask questions.

The average duration for a utilities hearing is about two weeks. Utilities hearings can be done by written or oral process. Oral arguments and replies sometimes happen in utilities hearings, but it is more common for written arguments to be submitted by the parties involved two weeks after the completion of the hearing, followed by final reply arguments another two weeks later.

That is when the panel begins work on its decision. The panel normally reserves its decision until it has an adequate opportunity to carefully consider all the evidence. Currently, in 90 per cent of all cases a decision report is written within 90 days of the close of the proceeding, distributed to all the participants, and made available to the public on the EUB Web site.

The panel may be asked to decide on a variety of issues, such as the total revenue required by the utility, the rates used to collect those revenues, and how the utility runs its business—its terms and conditions of service. Examples of that would be rules for customer deposits and how frequently the meters should be read.

Who pays?

Anyone who participates in a utilities hearing is eligible for cost recovery, depending on the effectiveness of participation. Generally, the applicant is responsible to cover any reasonable intervener costs incurred, and those costs are recovered from the consumer. The EUB is constantly trying to make the process more efficient for all the parties involved.

An example of the EUB attempting to make the hearing process more efficient was the decision to have a single hearing related to the cost of capital for all utilities. The cost of capital was identified by the EUB as an issue addressed in all general rate applications that could be addressed in one generic proceeding involving all of the major regulated utilities. ❖

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

Application No.	Applicant	Hearing Purpose
1365474	Petrofund Corp.	Application for a well licence - proximity critical - Armisic Field (West Edmonton Area)
Start date: May 3, Coast Terrace Inn, 4440 Gateway Blvd, Edmonton		
1362101 1362102	Galleon Energy Inc	Application for two well licences - Harmon Valley Area
Start date: May 4, Peace Valley Inns, 9609 - 101 Street, Peace River		
1364068	Canadian Natural Resources Limited	Application for a well licence - Frog Lake
Start date: May 12, Tropical Inn, 5621 - 44 Street, Lloydminster		
1375120	Vaquero Energy Inc.	Applications for a licence to construct three additional pipelines on an existing pipeline licence - Chip Lake Field
Start date: May 17, The Westin, 10135 - 100 Street, Edmonton		
1358995 1369362	Shell Canada Limited	Application for a critical well licence and associated pipeline and facilities - Waterton Field
Start date: June 1, Heritage Inn, 919 Waterton Avenue, Highway 6, Pincher Creek		
1366860	APF Energy Inc.	Application for a well licence - Joffre Field
Start date: June 9, Red Deer Lodge, 4311 - 49 Avenue, Red Deer		

Pending decisions

Application No.	Applicant	Hearing Purpose
1276857 1276858 1276859 1276860 1307759 1307760 1278265 1310351	Compton Petroleum Corporation	Applications for well licences to drill six critical sour natural gas wells, application for special well spacing, and an application for production facilities, Okotoks Field, Southeast Calgary Area
1356040	Shell Canada Limited	Section 39 review request on ERCB Decision D 83-22 on Moose Mountain production facility
1366746	Intrepid Energy Corporation	Application for a well licence - Sturgeon Lake South Field
1365322	EnCana Corporation	Review hearing - Filing of thermocouple data - Decision 2003-023 - Chard Area/Leismer Field
1339435 1341408 1385507	Omers Energy Inc.	Application for a well licence, pipeline, and battery-Warwick Field
1081995 1081996 1082375	Canadian Natural Resources Limited	Application for a primary recovery scheme
1274364	Alberta Newsprint Company, AltaSteel Limited, and Miller Western Forest Products Limited (The DAT Customers)	Review of Board Decision 2002-26 (2000 Pool price deferral accounts proceeding: Part B: AE DISCO and UNCA DISCO allocation to rate class)
1355457	ATCO Gas	2003/2004 General Tariff Application impact of the retail transfer and its volume forecast
1355435	ATCO Electric Ltd.	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
1316062	Alberta Federation of REAs Ltd. and the Alberta Association of Municipal Districts and Counties	Review request of Decision 2003-053
1357130	ATCO Gas South	2005/06 Carbon storage plan - Preliminary question
1376620	Langdon Waterworks Limited	General Rate Application 2004-2006 Permission to participate in negotiation
1367022	EPCOR Utilities Inc.	Request for exemptions from sections of the EPCOR Code of Conduct under the Green Power Program

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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*
Fort McMurray	(780) 743-7214*
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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