

A c r o s s t h e b o a r d

What's Inside

Recent EUB Publications and Decisions **2**

Wind Power - A Growing Energy Alternative **3**

Questions, Complaints, Problems? Who to Contact **3**

Application Summary **3**

Upcoming Hearings, Cancelled Hearings, Pending Decisions **4**

Feedback Form **insert**

Notice

A new application registry for energy and utility applications is now available on the EUB Web site at www.eub.gov.ab.ca/bbs/apps.htm. Follow the link to the Integrated Application Registry.

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.

EUB Enforcement Ladders Review Shows High Industry Compliance with Regulations

The EUB completed its second annual review of industry compliance for each EUB enforcement ladder. The results show increasing proactive compliance rates (situations where EUB surveillance, inspection or audit, reveal the company is in compliance) in virtually every EUB work group.

A summary of the review, *Proactive Compliance Report 2000 - Enforcement Ladder Efficiency and Effectiveness*, is on the EUB Web site at www.eub.gov.ab.ca, under Rules, Regulations and Procedures/Enforcement.

The following examples show areas of continuing high, and/or improved levels of industry compliance:

- There was a near perfect industry compliance rate in the submission of accurate production statements (99 per cent). Since the implementation of the enforcement ladder in 1997, the proactive compliance rate has improved by 10.5 per cent, while the percentage of error free submissions has improved by 7 per cent.
- The number of overproduced wells continued to decrease in 2000, and at year end there were only 87 overproduced wells, the lowest number ever recorded at the EUB. Since 1998 there has been a decrease of 74 per cent, or 307, overproduced wells. The proactive compliance rate for the year was 97 per cent, showing an overall increase in compliance of 7 per cent. As a result of feedback from industry, *ID 99-2: Enforcement Ladder for Retirement of Overproduction* was revised to reflect a more equitable compliance guideline.
- The EUB's Packer Isolation Testing

Program attained the highest proactive compliance rate ever, at 99 per cent, resulting in a 39 per cent increase since 1995. Packers are used to isolate zones in wells or to prevent any undesired flow. Companies are required to complete annual packer tests of specified wells in order to confirm the integrity of higher risk wells. Highlighting just how effective this program is, enforcement actions decreased by 78 per cent (203 noncompliant events) from 1999 to 2000, and for the first time in the history of the program there were no Level-4 enforcement actions.

- Field surveillance inspections increased from 5530 in 1999 (with 225 ranked as major/serious unsatisfactory) to 7129 in 2000 (with 242 ranked as major/serious unsatisfactory). This resulted in a 97 per cent proactive compliance rate, a 1 per cent increase from 1999. The majority of noncompliance events were failure of the blowout preventor accumulator system, H₂S emissions, spills, excessive flaring, and unsafe ground disturbance activities.

In 2000 the audit process for facilities applications was streamlined, resulting in shorter audit backlogs (from 11 months to 4 months), and enabling staff to deal with the sharp increase in the number of applications. As well, an audit database was developed to better identify areas of higher noncompliance. The majority of noncompliance events revealed during audit were of companies failing to meet public disclosure/consultation, mineral rights, and set-back requirements and completing well-bore entries without Crown authorization.

The EUB is concerned about the low

Overall Field Surveillance Inspections	1998	1999	2000
Total initial inspections	5083	5530	7129
Major/serious unsatisfactory inspections	217	225	242
Proactive Compliance Rate	96%	96%	97%

For Your Information...

Recent EUB Publications

Guides

Guide 31A: Guidelines for Energy Cost Claims

Guide 31B: Guidelines for Utility Cost Claims

Guide 52: Appendix D: Updated to July 2001

Guide 66: Pipeline Inspection Manual

Interim Directives

ID 2001-6: Electronic Submission of Licence Transfer Applications, Well Name Change Notifications, Facility Abandonment Notifications, and Linked Facility Notifications

ID 2001-7: Operating Criteria: Resource Recovery Requirements for Oil Sands Mine and Processing Plant Sites Facilities

General Bulletins

GB 2001-18: A Summary of the 2000 Annual Oilfield Waste Disposition Reports

GB 2001-19: New Field Inspection System for EUB Field Surveillance Branch

GB 2001-20: EUB Guide 66: Pipeline Inspection Manual

News Releases

NR 2001-35: EUB Investigation Report - KeySpan Strachan Gas Plant Flaring Incident

NR 2001-36: EUB Issues Report from TransAlta Keephills Prehearing Meeting

Publications

Publication Notice: EUB Issues Quarterly Progress Report Public Safety and Sour Gas Implementation Plan, July - September 2001

Statistical Series 2001-57: Field Surveillance Provincial Summary

Statistical Series 2001-60B: Upstream Petroleum Industry Flaring Report, 2000

INF 123: Alberta Geological Survey's Contributions for the Calgary Mining Forum

Map 250: Bedrock Topography of the Winefred Lake Map Area, NTS 7EM, Alberta

Recent Decisions

November 15: EPCOR Energy Services (Alberta) Inc. 2001-2005 Regulated Option Tariff Part D: Updated 2002 Electric Energy Supply Plan (Decision 2001-87)

November 15: ATCO Electric Ltd. 2002 Regulated Rate Option Tariff Part A: Electric Energy Supply Arrangements (Decision 2001-86)

November 15: ATCO Pipelines North and South Transmission Transportation Rates Time Limited Amendment to Exchange Fee Discounts (Decision 2001-85)

November 9: Year 2000 Outstanding Matters Deferral Accounts (Other Than Pool Price) Part A: GENCO & TRANSCO Balances (Decision 2001-82)

November 8: Year 2000 Outstanding Matters Deferral Accounts (Other Than Pool Price) Part B: DISCO Balances (Decision 2001-83)

October 31: ATCO Gas and Pipelines Ltd. (ATCO Gas South) Application for Approval of the 2001/2002 Winter Storage Agreement (Decision 2001-81)

October 30: ATCO Gas - North A Division of ATCO Gas and Pipelines Ltd. Winter Period Gas Cost Recovery Rate (Decision 2001-80)

October 30: ATCO Gas - South A Division of ATCO Gas and Pipelines Ltd. Winter Period Gas Cost Recovery Rate (Decision 2001-79)

October 30: Methodology for Managing Gas Supply Portfolios and Determining Gas Cost Recovery Rates (Methodology) Proceeding and Gas Rate Unbundling (Unbundling) Proceeding Part A: GCRR Methodology and Gas Rate Unbundling (Decision 2001-75)

October 24: ATCO Gas and Pipelines Ltd. Disposition of Calgary Stores Block and Distribution of Net Proceeds - Part 1 (Decision 2001-78)

October 24: ATCO Pipelines North and South Transmission Transportation Rates Time Limited Amendment to Exchange Fee Discounts (Decision 2001-77)

October 24: ATCO Pipelines North and South Transmission Transportation Rates Exchange Fee Deferred Account Amendment (Decision 2001-76)

October 11: ESBI Alberta Ltd. Syncrude Canada Limited/Albian Sands Energy Project Part B: Review & Variance of Decision 2001-71 (Decision 2001-74)

October 11: TransAlta Utilities Corporation and TransAlta Energy Corporation and AltaLink Management Ltd. Sale of TransAlta Transmission Assets and Business to AltaLink (Memorandum of Decision dated October 10, 2001)

October 2: Calpine Canada Resources Ltd. Sour Natural Gas Battery and Sour Natural Gas Pipeline Battle Lake Project (Decision 2001-73)

September 10: Utilicorp Networks Canada (Alberta) Ltd. 2001 General Tariff Application Part D: Riders to Apply on 2001 Final Distribution Tariff (Decision 2001-56)

September 6: ATCO Electric Ltd. Application for Approval of Transfer of Generation Assets (Decision 2001-72)

September 5: ESBI Alberta Ltd. Syncrude Canada Limited/Albian Sands Energy Project Part A: Interim Connection and Compensation (Decision 2001-71)

EUB Enforcement Ladders Review Shows High Industry Compliance with Regulations

continued from page 1

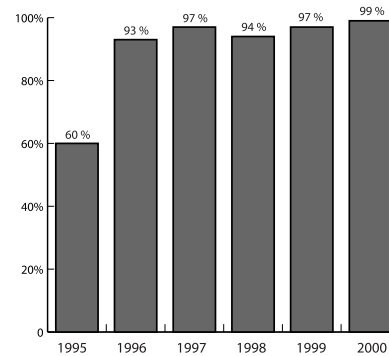
proactive compliance rate of 81 per cent in the facilities applications area, and is working with industry to improve this. Toward this end, *Guide 56: Energy Development Application Guide* was updated in October 2000 with industry participation. This included modifications and clarification of enforcement actions.

Enforcement ladders were developed as part of the EUB's regulatory process to provide clear, concise measures for compliance enforcement. This step-by-step process allows EUB staff to consistently apply appropriate and, if necessary, escalating enforcement consequences to companies in noncompliance with EUB regulations and rules.

A three-tiered appeal process is in place for a company that does not agree with expectations or consequences of noncompliance outlined by the EUB. The first step is to contact the EUB work group. If a resolution cannot be achieved, the company may then contact the enforcement advisor in the EUB's Corporate Compliance Group. If there is no resolution at this tier, the company may apply for a hearing. In 2000, out of several thousand enforcement actions taken by the EUB, only 15 were appealed to the enforcement advisor.

The goal of the EUB is an efficient, accountable energy industry that desires compliance as part of its corporate culture and recognizes that the cost and impact of noncompliance is too great to ignore. The results of this report indicate that Alberta's petroleum industry is working toward proactive compliance with EUB rules, regulations, programs, and initiatives. ❖

**Packer Test Program
Proactive Compliance Rate**



Wind Power - A Growing Energy Alternative

Albertans consume approximately 50 million megawatt hours (MWh) of electricity per year, equaling a market value of almost \$3.6 billion. Depending on the season and time of day, hourly consumption varies from 5000 MW to 7500 MW.

Most of Alberta's electricity is generated by burning low-sulphur coal, natural gas and hydro facilities. A small, growing percentage comes from other sources. One of the most popular alternatives is wind power, which is considered to be a clean and renewable alternative to fossil fuel-burning energy sources.

Large, wind-spun blades, mounted on towers or turbines, generate electricity. Wind energy generated in Alberta goes into the Power Pool of Alberta and is then made available to consumers through the province wide transmission system. However, the actual electrons consumers use are not necessarily the ones produced by wind turbines.

According to the Canadian Wind Energy Association (CWEA), an 18.9 MW wind generating plant can produce approximately 55 000 MWh of electricity per year - enough for 6800 average Canadian homes.

It is believed that the potential to use wind energy for electricity is estimated at five times the current global usage and continues to grow. According to the Pembina Institute, the capacity to generate worldwide wind energy increased by almost 600 per

cent between 1985 and 1996. As well, in the last decade the cost to produce wind-generated electricity has dropped from \$.30 per KWh to \$.058 per KWh.

Even though the costs have decreased and the demand has risen, there still is a limited supply of wind-generated power in Alberta. Electricity generated from renewable sources is more expensive due to associated production costs. However, wind producers hope that as demands continue to rise for alternative energy sources, and that consumers, industry, and government commit to developing it, the industry will continue to grow.

As of September 2001 the CWEA lists 300 active wind turbines in Canada. These produce approximately 190 MW of electricity, enough to service 55 000 households with energy. Alberta's wind farms, primarily located in Southern Alberta, generate 21.5 MW - enough to service about 7300 households.

Large wind farms, similar to the ones currently appearing in Southern Alberta, have generated concerns from adjacent landowners. These wind turbines, some as high as 90 metres (from ground to tip of blade), are viewed as obstructive by some landowners, as they change the landscape. Lately, objections to large wind-turbine applications have been filed with the EUB.

If you would like to learn more about wind power, contact your local electricity provider. ❖

Upcoming Event: Making Synergy Real

A conference for community, industry, and regulatory groups working in Alberta's oil and natural gas areas, brought to you by the Canadian Association of Petroleum Producers (CAPP), the Alberta Energy and Utilities Board, and Alberta's Synergy Groups.

When: February 25 & 26, 2002

Where: Red Deer, Alberta

To request an information package or for further information, contact Telephone: (403) 398-8899, Fax: (403) 686-9694 E-mail: synergy.alberta@shawbiz.ca



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)

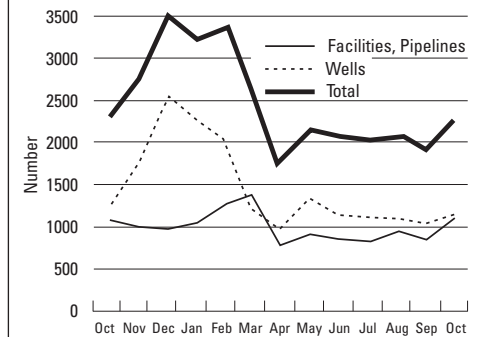
Bonnyville	(780) 826-5352*
Drayton Valley	(780) 542-5182*
Grande Prairie	(780) 538-5138*
Medicine Hat	(403) 527-3385*
Midnapore	(403) 297-8303*
Red Deer	(403) 340-5454*
St. Albert	(780) 460-3800*
Wainwright	(780) 842-7570*

* To call toll free from anywhere in Alberta, dial 310-0000 and enter the 10-digit local number to connect, or press zero for a RITE operator.

Application Summary

Facilities applications for July/August 2001		
Production facilities	130	162
Pipelines	691	785
Wells	1185	1085
Total received	2006	2032
Total completed/approved	1991	1951
Closed	4	8
Withdrawn	71	79

Facilities applications for July/August 2001



Resource applications for July/August 2001

Equity (rateable take, common carrier, common purchaser, common processor, compulsory pooling, special spacing)	n/a	63
Conservation (resources - oil, gas, and in situ bitumen; gas removal, enhanced recovery, water disposal, concurrent production, underground storage, commingled production, reserves)	n/a	85
Depletion administration (good production practice, penalty relief)	n/a	14
Corporate (transfer)	n/a	4
Mining (coal and mineable oil sands)	n/a	0
Total received	n/a	166
Total completed/approved	n/a	n/a

Utilities applications for July/August 2001

Electric	1	4
Gas	2	1
Facilities	0	13
Franchises and others	1	2
Total received	4	20
Total completed/approved	8	11

Corporate transfers and name changes for July/August 2001

Well licence transfers	542	1073
Well licence name changes	1087	1571
Pipeline licence transfers	111	267
Facility licence transfers	40	91
Total received	1780	3002
Total completed	5035	3018

Upcoming Public Hearings: Winter 2001

Due to space constraints, this is not a complete list of hearings scheduled, rather a snapshot of selected hearings. For a complete and accurate list of hearings scheduled, go to the EUB Web site and look under Applications. As well, some company names have been abbreviated. For information on hearings scheduled later in the year or not included on this list, call (403) 297-8259. Actual hearing durations may 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
December 17 Hearing to recommence Original hear- ing start date was Novem- ber 26, 2001 1:00 p.m.	1058461, et. al.	Anderson Exploration Ltd.	Approval to produce gas	Govier Hall, 2nd Floor 640 - 5 Avenue, SW, Calgary
	1078980	Anderson Exploration Ltd.	Section 43 review of Application Nos. 1069381, 1069382 - approval to produce gas	
	1086353	Franco-Nevada Mining Corporation Limited	Section 42 review of Application Nos. 1039410, 1047055 - approval to produce gas	
	Proceeding No. 1073875	Anderson Exploration Ltd.	Potential impact of gas production on bitumen recovery	
	1062688, et. al.	AEC Oil and Gas	Approval to produce gas	
	1085736, et. al.	BP Canada Energy Company	Approval to produce gas	
	1089982, et. al.	Paramount Resources Ltd.	Approval to produce gas	
	1090128, 1090454	Rio Alto Exploration Ltd.	Approval to produce gas	
	1085793	Petro-Canada Oil and Gas	Shut-in of gas production	
1097090	EUB Staff Submission Group	Potential impact of gas production on bitumen recovery		
January 9	1094603	Bearspaw Petroleum Ltd.	Application for a licence to drill a sweet oil well - Drumheller Field	West Hall, 2nd Floor 640 - 5 Avenue, SW, Calgary
January 9	1240343, 1240344, 1240345, 1240346	Penn West Petroleum Ltd.	Applications to construct and operate pipelines for multiphase gathering, fresh water supply and produced water injection, as well as the installation of water treating and injection facilities at the Keystone Battery and Gas Plant - Pembina Field	Westwind Motor Inn 4225 - 50 Street Drayton Valley
January 10	2000283	AltaGas Utilities Inc. and Bonnyville Gas Company	Application for approval of a negotiated settlement agreement with respect to the Utilities' 2000/2001/2002 General Rate Application	EUB Utilities Branch Office 12 Floor, 10055 - 106 Street Edmonton

Pending Decisions

Application No.	Applicant	Hearing Purpose	Hearing Date(s)	Actual Hearing Days
2001173	EPCOR Generation Inc.	Proposed 490 MW Genesee Power Plant expansion	September 18	6
2001059, 2001061, 2001063	TransAlta Utilities Corporation, ATCO Electric Ltd., EPCOR Generation Inc.	Final Determination of the 2000 GENCO Pool Price Deferral Accounts	June 4, Reply by September 25	28
2001058	UtiliCorp Networks Canada (Alberta Ltd.)	Final Determination of the 2000 DISCO Pool Price Deferral Accounts	June 4, Reply by September 25	28
2001060	ATCO Electric Ltd.	Final Determination of the 2000 DISCO Pool Price Deferral Accounts	June 4, Reply by September 25	28
2000306	TransAlta Utilities Corporation	Temporary suspension application - Interim and final relief from Unit Obligation Value (UOV) payments for TAU's Wabamun 4 generating unit.	July 16 Reply by October 3	7
1064455, 1237635 1242414	Stampede Oils Inc.	Review of Licence No. 0239741, issued to Stampede in respect of Application No. 1064455, and pipeline licence applications in respect to Application Numbers 1237635 and 1242414 - Turner Valley Field	October 2 (undertakings due October 15)	6
1089114, 1088900	Talisman Energy Inc.	Applications to construct and operate a sour gas battery, to construct and operate a pipeline, licence amendment and error correction - Grande Prairie Area	November 14	1
1088742	Olympia Energy Inc.	Sweet gas compressor station - Bottrel Field	November 22	2
1091324	Comstate Resources Ltd.	To construct and operate pipelines from two existing wells	November 27	1

across the board

is published by the Alberta Energy and Utilities Board (EUB).

Individual articles, statistics, and other information in this publication may be reproduced or quoted without permission as long as the EUB is credited.

How to subscribe

• By e-mail

If you have an Internet e-mail address, we can send you a direct electronic link to the current issue of *Across the Board* each month.

• On our Web site

All issues are available on our Web site at <www.eub.gov.ab.ca>. You may access two formats: a .pdf of the printed version or an interactive format that allows you to quickly print text without downloading graphics.

• By mail

If you prefer a paper copy, you can be placed on our complimentary mailing list.

Distribution contact

However you wish to subscribe, please call (403) 297-8970 or complete the insert form and fax/mail it as per the instructions.

Tell us how we are doing

What information did you find useful? What do we need more/less of? Anything else? Please send your comments and suggestions to acrosstheboard@gov.ab.ca or complete the insert feedback form and fax it to (403) 297-3757.

For EUB publications or general inquiries, contact

EUB Information Services

640-5 Avenue SW, Main Floor
Calgary, Alberta T2P 3G4
Telephone: (403) 297-8190
Fax: (403) 297-7040
E-mail:
eub.info_services@eub.gov.ab.ca
EUB Web site: www.eub.gov.ab.ca

Information Services' sales and pick-up counter service is open weekdays from 9:00 a.m. to 3:00 p.m. Phone orders may be placed between 8:00 a.m. and 3:30 p.m. Please note that most documents may be viewed at Information Services or on our Web site for free, but there are fees for a paper copy of many publications.