



across

# THE BOARD

November/December 2007

## New regulatory agencies emerge

### ERCB to continue publishing *Across the Board*

On January 1, 2008, the EUB will be realigned into the Energy Resources Conservation Board (ERCB), which will regulate Alberta's energy industry, and the Alberta Utilities Commission (AUC), which will regulate the utilities sector.

The ERCB will continue to publish *Across the Board*, which will focus on energy matters. If you wish to cancel your subscription to *Across the Board*, please contact us at [acrosstheboard@eub.ca](mailto:acrosstheboard@eub.ca) before January 1, 2008, or at [acrosstheboard@ercb.ca](mailto:acrosstheboard@ercb.ca) thereafter.

The first edition of 2008 is scheduled to appear in February.

### 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, and electric energy, pipelines, and transmission line development.

On the utilities side, we regulate investor-owned and certain municipally 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.

Starting in the New Year, the EUB is being realigned into the Energy Resources Conservation Board (ERCB) and the Alberta Utilities Commission (AUC). The realignment is a result of the adoption of Bill 46, *Alberta Utilities Commission Act*, enacted during the 2007 fall session of the Legislative Assembly.

The AUC will be responsible for the approval and ongoing supervision of power plants, transmission lines, and gas utility pipelines, as well as the economic regulation and the establishment of rates for electricity, gas, and water. In addition, the AUC will have rule-making authority and provide an adjudicative function for the Market Surveillance Administrator and ISO rulemaking.

The ERCB will focus on Alberta's regulatory framework for energy resources. The ERCB will strengthen and enhance its regulatory capacity to address evolving energy resource development within Alberta, including the expanding oil sands sector. Alberta has a proud energy heritage and the new ERCB builds upon that tradition developed by its predecessor boards.

The ERCB will oversee the efficient and effective development of Alberta's energy resources, while ensuring public safety and balancing the need for resource conservation, environmental protection, service, and technical innovation.

Significant changes will be made to current EUB systems to support the split into two organizations. A shared services model for the Digital Data Submission (DDS) gateway and the electronic applications systems will be adopted until the scope of the system changes can be determined and the eventual division of the systems takes place.

(continued on page 2)

### History of Energy Regulation in Alberta

**1915:** The Board of Public Utility Commissioners—soon to be known as the Public Utilities Board (PUB)—becomes the first regulatory tribunal in Alberta.

**1932:** The Alberta Government forms the Turner Valley Gas Conservation Board to prevent wasteful flaring of natural gas.

**1938:** Amendments to federal legislation allow Alberta to control its own energy resources; the Petroleum and Natural Gas Conservation Board (P&NGB) is formed.

**1949:** The *Gas Resources Preservation Act* allows the P&NGB to regulate the removal of gas from Alberta.

**1954:** The *Alberta Gas Trunk Line Company Act* gives the PUB jurisdiction to prescribe rates for natural gas transportation on a complaint basis.

**1957:** The P&NGB is renamed the Oil and Gas Conservation Board (O&GCB).

**1971:** The O&GCB's name changes to the Energy Resources Conservation Board (ERCB) and its jurisdiction expands to include coal, pipelines, and hydro and electric projects in addition to oil, gas, and oil sands.

**1995:** The ERCB and PUB officially merge to form the EUB.

**1996:** The Alberta Geological Survey officially joins the EUB.

**2007:** The Alberta Government enacts Bill 46, the *Alberta Utilities Commission Act*, which realigns the EUB into two new organizations: the Energy Resources Conservation Board and the Alberta Utilities Commission.

## ■ ■ ■ Recent EUB publications

### ■ News Releases

**December 12:** News Release (NR 2007-52) EUB Approves ATCO Electric Interim Distribution Tariff

**December 08:** News Release (NR 2007-51) EUB working with emergency services at Conocophillips blowout near Beaverlodge

**November 27:** News Release (NR 2007-50) EUB scientist honoured as a Nobel Laureate

**November 19:** News Release (NR 2007-49) EUB begins investigation of release containing sour gas and fire at Shell Scotford upgrader

**November 19:** News Release (NR 2007-48) EUB Working with Emergency Services Following Sour Gas Pipeline Leak Near Beaver Mines

**November 13:** News Release (NR 2007-47) EUB Initiates Review of West Energy Ltd. Egress Road

**November 08:** News Release (NR 2007-46) EUB Investigating sour gas release near Big Valley

**November 07:** News Release (NR 2007-45) EUB Rejects Bears paw Claims of Bias, Upholds All But One Field Surveillance Enforcement Action

**November 07:** News Release (NR 2007-44) EUB Issues Section 106 Declaration Naming Two Oil Executives

**November 02:** News Release (NR 2007-43) EUB Increases Call Centre Efficiency

**October 17:** News Release (NR 2007-42) EUB Approves AltaGas Utilities Inc. Rates for 2007

**October 15:** News Release (NR 2007-41) EUB Chairman Accepts Resignation of Senior Executive

**October 04:** News Release (NR 2007-40) EUB to Implement Auditor General Recommendation

**October 02:** News Release (NR 2007-39) Fire at Suncor oil sands mine extinguished, EUB investigating

### ■ Publications

**December 10:** ST59: Alberta Drilling Activity Monthly Statistics

**December 7:** Directive 020: Well Abandonment Guide

**December 5:** Directive 017: Measurement Requirements for Upstream Oil and Gas Operations

**November 29:** ST 108: EUB Monthly Enforcement Action Summary

**October 15:** Directive 054: Performance Presentations, Auditing, and Surveillance of In Situ Oil Sands Schemes

### ■ Bulletins

**December 7:** Bulletin 2007-42: Regulatory Changes to EUB Directive 020: Well Abandonment Guide

**December 6:** Bulletin 2007-43: Transition of the Alberta Energy and Utilities Board into the Alberta Utilities Commission and the Energy Resources Conservation Board

**December 5:** Bulletin 2007-41: Revised edition of Directive 017: Measurement Requirements for Upstream Oil and Gas Operations

**November 22:** Bulletin 2007-40: Update Regarding Directive 071: Emergency Preparedness and Response Requirements for the Upstream Petroleum Industry and the Upstream Petroleum Incident Support Plan

**November 9:** Bulletin 2007-39: Fencing and Security Requirements for Oil and Gas Facilities

**November 1:** Bulletin 2007-37: Introducing Digital Data Submission of Monthly Gas Processing Plant Sulphur Balance Report (S-30)

**October 21:** Bulletin 2007-38: EUB Pipeline Integrity Management Program Assessment Form

### ■ Decisions

**December 11:** Decision 2007-098: EnCana Corporation Application for a Well Licence Hussar Field

**December 5:** Decision 2007-096: Apache Canada Ltd. Applications for Three Well Licences, Three Pipeline Licences, and Three Single-Well Battery Licences Wood River Field

**November 7:** Decision 2007-090: Bears paw Petroleum Limited Complaint Respecting EUB Enforcement Actions and Allegation of Bias Against the EUB Red Deer Field Centre

**November 13:** Decision 2007-089: Standard Energy Inc. Application for a Pipeline Licence Grande Prairie Field

**November 6:** Decision 2007-088: Highpine Oil & Gas Limited Applications for Two Well Licences Pembina Field

## New regulatory agencies emerge *(continued from page 1)*

Access to information and systems will be accommodated through the activation of two new Web sites for the separate organizations—[www.auc.ab.ca](http://www.auc.ab.ca) and [www.ercb.ca](http://www.ercb.ca). The Web sites will be in place on January 2, 2008. Modifications to various DDS services will take place during the January to March 2008 timeframe.

The EUB's Utilities Branch will strive to complete applications filed in the current calendar year before December 31, 2007. Applicants are encouraged to wait to file nonroutine applications until after January 1, 2008.

In certain circumstances, applications completed after January 1, 2008, will be dispositioned by the EUB. If the

Utilities Branch has issued a Notice of Hearing prior to December 31, 2007, the application will be dispositioned by the EUB. The EUB decisions will be available on the AUC Web site.

The EUB's Applications Branch is taking a business-as-usual approach.

*(continued on page 3)*

## New regulatory agencies emerge (continued from page 2)

The Applications Branch will continue to receive, process, and disposition facility and resource applications filed in the most efficient manner possible. Energy applications not dispositioned by the EUB before the calendar year-end will be dealt with by the ERCB.

The following approach has been adopted for public hearings:

- If the EUB has issued a public notice of hearing prior to December 31, 2007, the files will continue to be processed and dispositioned under EUB jurisdiction, even when such disposition occurs after January 1, 2008.
- If a notice of public hearing has not been issued for an application as of December 31, 2007, the application

will be processed and dispositioned under ERCB jurisdiction.

- Energy decisions arising from hearings where the proceedings have concluded but the report is pending as of December 31, 2007, will continue to be issued under EUB jurisdiction.

The EUB is striving to minimize any disruption to our stakeholders during this time of organizational change. Appropriate steps are being put in place to ensure that e-mail addresses and telephone numbers of staff are properly forwarded or redirected.

More information on the realignment can be found by consulting *Bulletin 2007-43* on the EUB Web site at [www.eub.ca](http://www.eub.ca).

Beginning in the New Year, the AUC can be contacted at:

400, 425 – 1 Street SW  
Calgary, Alberta T2P 3L8  
Phone: (403) 592-UTIL (8845)  
Fax: (403) 592-4406  
E-mail: [info@auc.ab.ca](mailto:info@auc.ab.ca)  
Web site: [www.auc.ab.ca](http://www.auc.ab.ca)

The ERCB head office will continue to be located at:

640 – 5 Avenue SW  
Calgary, Alberta T2P 3G4  
Phone: (403) 297-8311  
E-mail: [Inquiries@ercb.ca](mailto:Inquiries@ercb.ca)  
Web site: [www.ercb.ca](http://www.ercb.ca)

## EUB scientist named Nobel Laureate

The EUB houses many award-winning employees, and now it's home to a Nobel Laureate.

Dr. Stefan Bachu, senior advisor for Energy and Carbon Management Geoscience with the Alberta Geological Survey, part of the EUB, received the Nobel honour for his participation on the United Nation's Intergovernmental Panel on Climate Change (IPCC). The Panel shares the award with former US Vice President Al Gore.

The IPCC is credited with comprehensively assessing data about the relationship between human activities and global warming for more than 20 years.

Dr. Bachu is recognized as one of the top world specialists on carbon sequestration, and was one of the lead authors on the IPCC's *Special Report on Carbon Dioxide Capture and Storage*.

"This is a great honour not only individually to me, but also to the work we do in my organization, and also provincially and nationally," Bachu said recently.

The IPCC is composed of three working groups, the first mandated to assess and educate about the science of what

causes climate change, the second about the impacts of climate change, and the last, which Bachu is involved with, to discuss the mitigation of climate change.

According to the Nobel Foundation, the IPCC was a recipient of the Nobel Peace prize "for their efforts to build up and disseminate greater knowledge about man-made climate change, and to lay the foundations for the measures that are needed to counteract such a change."

The capture and storage of CO<sub>2</sub>, discussed in the report, is applicable to lowering CO<sub>2</sub> emissions in Alberta's energy industry.

CO<sub>2</sub> emissions are captured from operations like power plants and oil sands and safely injected into the ground, keeping them out of the atmosphere. The gas can be stored for hundreds, if not thousands or even millions of years.

Carbon capture is a practical solution to deal with carbon emissions as the work to become less dependent on non-renewable resources continues. "It's not a silver bullet, but it is part of the solution," Bachu said in a recent interview.

Industry has been discretely investigating the technology, and although there is an additional cost associated with capturing and storing CO<sub>2</sub>, Bachu said he is optimistic the energy industry will continue to be receptive in adopting the technology and reducing emissions.

In addition to his work with the IPCC, Dr. Bachu chairs the Task Force on CO<sub>2</sub> Storage Capacity Estimation for the Carbon Sequestration Leadership Forum.

Dr. Bachu has published 49 papers, written 25 reports and made or authored more than 50 presentations at professional meetings on the subject of CO<sub>2</sub> and acid gas sequestration.

## ■ ■ ■ Upcoming Public Hearings

| Application No.  | Applicant                       | Hearing Purpose   |
|--|---------------------------------|---|
| 1510976  | Canadian Natural Resources Ltd. | Application for two saltwater pipelines - Taber Area              |
| Start date: Dec 11, Heritage Inn, 4830-46 Avenue, Hwy 3, Taber, Alberta  |                                 |   |
| 1513307  | Desoto Resources Ltd.           | Section 40 Review of DeSoto Resources Ltd. Well licence #0365128  |
| Start date: Dec 21, Written Proceeding                                   |                                 |   |
| 1513726  | EUB Initiated                   | Inquiry into the issues related to Natural Gas Liquids Extraction |
| Start date: Feb 5, EUB, 640 - 5 Avenue SW, Govier Hall, Calgary, Alberta |                                 |   |

## ■ ■ ■ Pending Decisions

| Application No.                          | Applicant  | Hearing Purpose   |
|--|--|---|
| 1487188<br>1499076<br>1500699            | Duvernay Oil Corporation   | Applications for a critical well, facility and pipeline - Edson Area  |
| 1498479<br>1483571                       | Shell Canada Ltd.  | Applications for a critical well and two pipelines - Waterton Field   |
| 1456596<br>1477294<br>1514341<br>1514722 | Canadian Natural Resources Ltd., Galleon Energy Inc., Murphy Oil Canada & Duvernay Oil Corp. | Applications to Produce Gas from the Oil Sands Strata within the Bluesky Sand in the Peace River Area   |
| 1494900<br>1494911<br>1478721            | Artemis Exploration Inc.   | Applications for a pipeline, a single-well gas battery and a gas well - Furness Field   |
| 1518615                                  | ATCO Pipelines   | Proposed New Summit Lime Pipeline   |
| 1524763                                  | The City of Calgary  | A Division of ATCO Gas and Pipelines Ltd. Reconsideration Of Application No. 1347852 and Decision 2005-036 Pursuant to the Judgment of The Alberta Court of Appeal dated June 6, 2007 |
| 1492697                                  | Direct Energy Regulated Services   | 2007-2008 Default Rate Tariffs and Regulated Rate Tariffs   |
| 1512932                                  | ATCO Gas   | Disposition of Land in the Harvest Hills Area   |

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EUB Web site: <www.eub.ca>

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### For Alberta Geological Survey (AGS) documents on geological research, contact

Information Sales  
4th Floor, Twin Atria, 4999-98th Avenue  
Edmonton, Alberta T6B 2X3  
Telephone: (780) 422-1927\* Fax: (780) 422-1918  
E-mail: <EUB.AGS-InfoSales@gov.ab.ca>  
Web: <www.ags.gov.ab.ca>

### 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.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*   |
| High Level        | (780) 926-5399*   |
| 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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