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The role of the regulator in energy development

The principles under which the EUB operates can be found in our mission statement, vision, values and two core businesses: adjudication and regulation, and information and knowledge. As a quasi-judicial provincial agency, we regulate Alberta's energy resources and utilities through our mandate, which is to ensure that the discovery, development, and delivery of Alberta's resources and utilities services take place in a manner that is fair, responsible, and in the public interest.

waste. When considering an application, the EUB is obligated to treat all parties fairly. This fairness of treatment requires that all parties that are or may be directly and adversely affected are entitled to be made aware of energy developments, to voice their concerns, and to have their concerns heard.

The EUB also regulates investor-owned natural gas, electric, and water utilities, as well as certain municipally owned electric utilities to ensure that customers receive safe and reliable service at just and reasonable rates. We are required to regulate these utilities in ways that allow them to earn sufficient revenues to recover their costs, which includes a fair return on their investments. Therefore in setting rates, the EUB must balance the interests of consumers along with the interests of utility companies.

Conservation of Alberta's energy resources has always been a governing principle in the development of a regulatory structure in Alberta. Energy resources should not be wasted and energy development should be orderly and efficient, with consideration given to future generations.

In 1938 the Alberta Government created the first regulatory board for the oil and gas industry, the PNGCB, in direct response to a serious conservation issue, gas flaring in the Turner Valley area. It was estimated that almost 6 million cubic metres of gas per day was flared for a decade. Albertans agreed that the province's energy resources must not be wasted and the agency was established with the mandate to ensure that the province's petroleum resources were utilized in a manner that protected the long-term public interest.

The EUB was created in 1995 as an amalgamation of the Energy Resources Conservation Board and the Public Utilities Board, and in 1996 the Alberta Geological Survey joined the EUB. Throughout the history of the two original regulatory agencies—the Public Utilities Board was created in 1915 and the Petroleum and Natural Gas Conservation Board (PNGCB) was created in 1938—the principles that have guided the development of Alberta's energy and utilities regulatory structure have been fairness, responsibility, and acting in the public interest.

In the public interest

When making a decision, the EUB is required to consider the public interest and have regard for the social, economic, and environmental effects of the project. In fulfilling this mandate and to secure the safe practices of a project, the EUB considers both local and provincial public interest issues related to the project.

Fair, responsible and in the public interest

Regulation is required so that nonrenewable resources, such as oil, gas, coal, and bitumen are produced in a safe, responsible and efficient manner, without

Industry, environmental groups, other government departments and agencies, Alberta communities, and individual citizens all have a stake in the responsible development of our energy resources, each with its own particular outlook and

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Synergy in Motion Conference 2005

Date: February 6, 7, & 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 online 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****Bulletins**

September 23: Bulletin 2004-27: Revised Draft Directive 010: Minimum Casing Design Requirements Available on EUB Web Site for Stakeholder Comment

September 22: Bulletin 2004-26: Commingling of Production from Two or More Pools in the Wellbore Using the Notification Process

September 17: Bulletin 2004-25: Electronic Application Submission (EAS): Phase I Resources Applications - Commingling Notification Forms

September 13: Bulletin 2004-24: EUB Data Production Data from Wells with a Change in Status of Commingled Production

September 2: Bulletin 2004-23: Guide 4 Reissued as Directive 004: Determination of Water Production at Gas Wells

News Releases

August 26: NR2004-27: EUB report indicates ongoing improvements in sulphur recovery and sulphur emissions at Alberta sour gas plants

Other Publications

September 24: Directive 012: Alberta Tariff Billing Code

September 17: Update Letter (September 16, 2004) on Proposed Requirements for Calculating Emergency Planning Zones for Sour Wells, Sour Pipelines and Sour Production Facilities

September 2: Directive 004: Determination of Water Production at Gas Wells

Decisions

September 29: Decision 2004-085: AltaGas Utilities Inc. Temporary Exemption from Requirement to Obtain Board Approval for Compliance Plan in Accordance with Section 30(1) of the Gas Code of Conduct Regulation

September 29: Decision 2004-084: ECNG Limited Partnership Temporary Exemption from Requirement to Obtain Board Approval for Compliance Plan in Accordance with Section 30(1) of the Gas Code of Conduct Regulation

September 28: Decision 2004-082: ENMAX Power Corporation 2004 Distribution Tariff Part C: Final Tariff

September 28: Decision 2004-081: EPCOR Distribution Inc. 2004 Distribution Tariff Part C: Final Tariff

September 28: Decision 2004-080: ENMAX Energy Corporation 2004 Regulated Rate Tariff Part D: Final Tariff

September 24: Decision 2004-079: ATCO Pipelines 2004 General Rate Application Phase II

September 17: Decision 2004-078: ATCO Gas and ATCO Pipelines SCADA Project

September 10: Decision 2004-077: NOVA Gas Transmission Ltd. (NGTL) Request for Approval to Commence Negotiations with Respect to Its Revenue Requirement

September 8: Decision 2004-075: Alberta Electric System Operator Needs Identification Document Application Southwest Alberta 240-kV Transmission System Development Pincher Creek – Lethbridge Area

September 7: Decision 2004-076: ATCO Utilities Compliance Filings Arising from Board Decision 2004-049

August 31: Decision 2004-068: AltaLink Management Ltd. Code of Conduct

August 31: Decision 2004-058: ATCO Pipelines Code of Conduct Exemption Application No. 1318476

August 31: Decision 2004-073: ATCO Gas and Pipelines Ltd. Application for a Revised Franchise Rider in the City of Edmonton

August 31: Decision 2004-072: City of Edmonton Natural Gas Franchise Agreement with ATCO Gas and Pipelines Ltd.

August 30: Decision 2004-074: EPCOR Utility Businesses Code of Conduct and Exemption Application & Assignment of RRT Arrangement Agreements

August 24: Decision 2004-070: City of Airdrie Terms and Price of Purchase of the Electric Distribution System within the Municipality from FortisAlberta Inc. Part B: Determination of Price

August 24: Decision 2004-069: NOVA Gas Transmission Ltd. 2004 General Rate Application, Phase I

August 17: Decision 2004-064: ATCO Pipelines 2004 General Rate Application – Phase II Order for Confidentiality

August 13: Decision 2004-067: EPCOR Distribution Inc. 2004 Distribution Tariff Application Part B: 2004 Final Distribution Tariff

August 13: Decision 2004-066: ENMAX Power Corporation 2004 Distribution Tariff Application Part B: 2004 Final Distribution Tariff

August 13: Decision 2004-065: ENMAX Energy Corporation 2004 Regulated Rate Tariff Part C: Non-Energy Costs and Terms and Conditions

The role of the regulator in energy development*(continued from page 1)*

emphasis. For the EUB to develop sound regulations, it is important that we understand, consider, and balance each of these points of view. Through stakeholder engagement, the EUB finds the balance among different groups' perspectives and accomplishes our mission. Stakeholder engagement is a key strategy in making this a reality.

Participant involvement

The EUB believes that any individual, organization, community, or group with a stake in Alberta's energy resources is a participant, having both roles and responsibilities. All participants are encouraged to develop relationships that are respectful, responsive, and responsible. Prior to submitting an application, a company is required to complete a Participant Involvement program. The program must include all parties whose rights may be directly and adversely affected by the proposed development. Once parties have been identified, they must be notified through written correspondence or personally consulted, depending on the type of application.

All parties must be provided with an EUB information package, as well as the applicant's project-specific information package. The applicant must allow a minimum of 14 days for the participant to receive, consider, and respond to notification of the proposed development.

The EUB believes that participant involvement does not end with the issuance of a licence by the EUB; it is expected to continue through the life of the project.

The EUB faces many challenges associated with the growing industries it regulates. Regulation serves not only to ensure efficient development to maximize resource recovery in the interests of all Albertans, but also to ensure the safe and reliable infrastructure of energy facilities. We will continue to strive to have a regulatory system that is fair, equitable, and reflective of a progressive and responsive regulatory framework. ❖

SPOG Neighbour's Day a great success

On September 15 the Sundre Petroleum Operator's Group (SPOG) hosted its seventh Annual Neighbour's Day, which was a great success. SPOG is an organization made up of 30 oil and gas companies, 15 community groups from the Sundre/Caroline area, and representatives of the EUB. As a group, SPOG deals with emergency response issues, environmental concerns, and community affairs by sharing information and ensuring that problems are addressed.

The highlight of the fall season, Neighbour's Day was attended by community and industry from across the province and focused on sharing information and education on petroleum development in Alberta. This day had something for everyone, with hot air balloon rides, face painting, educational displays, technical demonstrations, and presentations.

Neighbour's Day began as a way of bringing together community and local industry and has developed into a day of fun and education for everyone involved. This year's theme was New Trends and Technology in Energy Development, highlighting how development can occur with a balanced, cooperative approach. Technology is the foundation of improvement to protect public safety and conserve resources and the environment.

Throughout the day there were presentations, activities, and speakers. There were also displays from 50 different groups and organizations, including SPOG companies, Olds College, Emergency Management Alberta, the University of Alberta, and the Sundre Flying Club, all of which focused on the theme of new trends and technology.

This year's play, performed by the On the Spot Theater Group, was *Horses to Hydrogen*. It follows the development of energy and the evolution of humans through to the future, looking at where technology may one day take us. The message of technology was closely linked to that of development and how technology has paved the way for human development.

The Emergency Management Alberta Pilot Project was announced and a presentation was given on standardized integrated disaster response. The Canadian Association of Petroleum Producers (CAPP) presented its work on environmental stewardship and dedicated the Neighbour's Day Park as part of its Energy in Action Initiative. EnCana also spoke about its cooperative work in Fort Nelson, British Columbia.

Neighbour's Day began as a way of bringing together community and local industry and has developed into a day of fun and education for everyone involved.

Mike Bruni, of the EUB, spoke on the E-Team initiative, which provides customer-focused integrated service to all EUB customers—community, industry, and government. This E-Team initiative is the next stage in the natural progression of regulation seeking to better balance and respond to the needs of stakeholders.

Responding to new trends in technology is important to ensure public safety, conserve resources, and protect the environment. This also supports the development of new best practices in industry, all of which is critical in balancing economic and public interests.

The day's presentations highlighted the fact that balanced development and synergy are possible through groups such as SPOG. Members of SPOG have been working together for 12 years and the group has become an example of how development can take place in a responsible, fair, and cooperative manner.

SPOG and the work of all of its participants provide an excellent example of synergy. Synergy is a collaborative model where the work of the group is more beneficial than that of any one of its members. Synergy and synergy groups are forming across the province and are becoming an important part of petroleum

development. They also represent a strengthening trend and a better way of doing business.

Many of the accomplishments of SPOG are due to its volunteers. This year at Neighbour's Day, two volunteers were recognized for their contributions. Peter Schmeimann, a community member and dairy producer, and Gerry Schalin, an industry member from Provident Energy Trust, were recognized for their outstanding contributions to the work of SPOG as the co-chairs of the Livestock Committee.

Many members of SPOG are also involved with SynergyAlberta, which is made up of community, industry, and government participants working to create a support structure for synergy at the provincial level. You may visit the SynergyAlberta Web Site at <www.synergyalberta.ca> .

The work of SPOG partners is not only a model for petroleum development in the province, but also demonstrates the value of developing technology. Neighbour's Day represents the most positive aspects of synergy in action. ❖

What is SPOG?

The Sundre Petroleum Operators Group (SPOG) is an organization of representatives from the EUB along with 30 oil and gas companies and 15 community groups in the Sundre/Caroline area.

SPOG covers a 1,500 square-kilometre geographical area bounded by Hwy 54 to the north, Hwy 766 to the east, Hwy 582 to the south, and Range 7 and 8 to the west.

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
1325847	Suncor Energy Inc.	South tailings pond project
Start date: October 26, at C.A. Knight Recreation Facility, MacDonald Island Park, 151 MacDonald Drive, Fort McMurray		
1339435 1341408	Omers Energy Inc.	Application for a well and associated pipeline-Warwick field
October 27, at The Social Centre, Hall B, 4802 - 47th Street, Vegreville		
1345578	EnCana Corporation	Application for a pipeline, Westeros South field, Rimbey area
Start date: November 3, at Main Hall of the Lakedell Agricultural Society		
1347912	Luke Energy Ltd.	Application for common carrier pipeline - Marten field
Start date: November 9, at Sandman Hotel, 888 7th Avenue SW, Calgary		
1334996	Rife Resources Ltd.	Application for a single gas well
Start date: November 15, at Leduc, Venue TBD		
1350202	Duvernay Oil Corp.	Application for a well licence
Start date: November 23, Westwind Motor Inn - 4225 - 50th Street, Drayton Valley		
1331326 1331327 1331970 1358471	Canadian Natural Resources Limited	Application for well licences and approval to construct and operate a multiwell oil battery - Lloydminster field
Start date: November 23, at Tropical Inn, 5621 - 44 Street, Lloydminster, Alberta		
1348357 1348360	Vaquero Energy Ltd.	Application for two single wells to produce oil from the Nisku Formation - Drayton Valley area
Start date: November 24, at Drayton Valley; Location TBD		

Pending decisions

Application No.	Applicant	Hearing Purpose
1241564	BlackRock Ventures Inc.	Orion SAGD in situ oil sands project
1327299	EOG Resources Canada Inc.	Application for a proximity critical gas well - Wintergreen area
1347905		Phase 3 proceedings under bitumen conservation requirements - Athabasca Wabiskaw-McMurray area
1320419	Nova Gas Transmission Ltd	2004 GRA Phase II
1351926	ATCO Electric Ltd.	2003 Deferral Account
1343002	Alberta Electric System Operator	2004 Phase I Revenue Requirement
1274364	Alberta Newsprint Company, AltaSteel Limited and Miller Western Forest Products Limited (The DAT Customers)	Review of EUB Decision 2002-26 (2000 pool price deferral accounts proceeding: Part B: AE DISCO and UNCA DISCO allocation to rate class)
1351021	FortisAlberta	2003 transmission deferral account and other deferred costs
1350414	ATCO Gas	Exemption pursuant to section 2.6 of the ATCO Group Inter-Affiliate Code of Conduct
1354803	AltaLink Investments Management Ltd.	Application for exemption from Section 101(2) of the PUB Act

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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*
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Medicine Hat	(403) 527-3385*
Midnapore	(403) 297-8303*
Red Deer	(403) 340-5454*
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