

Regulatory Agenda

The period covered in this Regulatory Agenda the month of June 2000

Public Hearing Applications

Hearing Decision Pending

1. AEC Suffield Gas Pipeline Inc. (AEC Suffield) -Natural Gas Pipeline Construction - GH-2-2000 (File 3200-A163-2)

The Board held a public hearing on 26, 27 and 29 June 2000 in Calgary, Alberta on an application from AEC Suffield to construct and operate a natural gas pipeline.

AEC Suffield proposes to construct approximately 97 kilometres (60 miles) of 406.4 millimetre (16 inch) outside diameter of pipeline and associated control facilities. The pipeline would begin on the western side of the Suffield Military Block, extend along the northern boundary of the Suffield Military Block and then extend east and south to tie-in to the existing AEC Suffield meter station which connects to TransCanada PipeLines Limited's system near Burstall, Saskatchewan.

The pipeline will have a design capacity of approximately 5.35 million cubic metres (190 million cubic feet) of natural gas per day. The estimated cost of the project is \$22.3 million and the planned in-service date is 1 November 2000.

Hearings in Progress

1. Maritimes & Northeast Pipeline Management Ltd. on behalf of Maritimes & Northeast Pipeline Limited Partnership (M&NP) - Tolls (File 4775-M124-1)

The Board is holding a public hearing which commenced on 26 June 2000 in Halifax, Nova Scotia on an application from M&NP for the approval of final tolls for the transportation of natural gas on its system for the period 1 December 1999 to 30 September 2000.

2. ProGas Limited (ProGas) and RDO Foods Co. (RDO) - Natural Gas Export Licence - GHW-2-2000 (File 7200-P038-18)

The Board is conducting a public hearing by means of written submissions on a joint application by ProGas and RDO for a licence to export natural gas, for eight years commencing on 1 November 2000, to RDO to operate its potato processing plant in Grand Forks, North Dakota. The natural gas would be exported through Emerson, Manitoba and the volumes are: daily - 40 300 cubic metres (1.4 million

In This Issue

Preface

The purpose of this agenda is to provide information on the Board's activities. Except where otherwise noted, jurisdiction over the items listed in the agenda is exercised pursuant to the *National Energy Board Act*, R.S.C. 1985, c.N-7, as amended.

"We promote Safety, Environmental Protection and Economic Efficiency"

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cubic feet); annually - 14.7 million cubic metres (519.7 million cubic feet); and term - 117.8 million cubic metres (4.2 billion cubic feet).

Hearing Adjourned

1. St. Clair Pipelines (1996) Ltd. (St. Clair) -TransCanada PipeLines Limited (TCPL) -Pipeline Projects in Ontario - Canadian Millennium Pipeline Project - GH-1-2000 (Files 3200-S119-1 and 3200-T001-15)

On 29 June 2000, the Joint Panel decided to adjourn *sine die* the public hearing that was to commence on 21 August 2000 on the abovenoted applications. This was the result of a request from St. Clair and TCPL to adjourn the proceeding and suspend the hearing schedule. The Joint Panel sought the comments of interested parties on the request for adjournment.

In December 1998, St. Clair applied to construct the Millennium West Pipeline; a 914 millimetre (36 inch) outside diameter pipeline extending 74 kilometres (58 miles) from a point near Sarnia to the shore of Lake Erie, near Patrick Point, 25 kilometres (15 miles) southwest of Port Stanley, all in Ontario. In the same month, TCPL applied to construct the Lake Erie Crossing Pipeline; a pipeline that interconnects with the Millennium West Pipeline at Patrick Point and extends 97 kilometres (60 miles) across Lake Erie to connect with the proposed Millennium Pipeline Company, L.P. facilities at the international border beneath the waters of Lake Erie. The companies have also applied for related toll and tariff authorizations.

The initial capacity for the facilities would allow deliveries of 19.83 million cubic metres (700 million cubic feet) per day of natural gas on a firm or interruptible basis. The estimated cost of the Canadian portion of the project is \$359 million and the planned-in service date is 1 November 2001.

Hearings Postponed

1. Mr. Robert A. Milne, 3336101 Ontario Limited, c.o.b. as Milne Crushing & Screening - MH-1-97

For more information on this matter, refer to item 1 under *Hearing Applications*, *Hearings Postponed* in issue No. 62 of the *Regulatory Agenda* dated 1 October 1997.

2. Crowsnest Pipeline Project - Natural Gas Pipeline

For more information on this matter, refer to item 1 under *Hearing Applications*, *Hearing Application Suspended* of issue No. 63 of the *Regulatory Agenda* dated 1 January 1998.

Proposed Hearing Application

1. Georgia Strait Crossing Pipeline Limited -Preliminary Submission for the Proposed Georgia Strait Pipeline Crossing Project (File 3200-G049-1)

On 7 March 2000, Georgia Strait Crossing Pipeline Limited filed a preliminary environmental scoping submission to construct and operate a natural gas pipeline to Vancouver Island, British Columbia. The company expects to file an application with the Board in the fall of 2000. The proposed project is a joint undertaking by British Columbia Hydro and Power Authority and Williams Gas Pipeline Company, operating under the name of Georgia Strait Crossing Pipeline Limited.

In May 2000, the Board, the Department of Fisheries and Oceans Canada and the British Columbia Environmental Assessment Office have signed a Memorandum of Understanding (MOU) regarding the environmental assessment process to be followed for the proposed Georgia Strait Pipeline Crossing Project. The environmental assessment is to be coordinated to meet the federal requirements of the *Canadian Environmental Assessment Act*, and the environmental requirements for permitting in the Province of British Columbia.

On 16 June 2000, the Board requested comments from the public on a draft scope of the environmental assessment that is required under the *Canadian Environmental Assessment Act* for the Georgia Strait Crossing Project. Written comments are to be filed by 28 August 2000.

On 26 and 27 June, the Board held public meetings in Duncan and Sidney, British Columbia for the benefit of those persons interested in learning about the environmental assessment and regulatory review processes regarding a proposed application from Georgia Strait Crossing Pipeline Limited.

The proposed pipeline would transport natural gas from Sumas, Washington, across Washington State and then across the ocean floor of Georgia Strait to one of several potential landfall locations between Mill Bay and Cowichan Bay on Vancouver Island.

The Canadian portion of the 406.4 millimetre (16 inch) outside diameter pipeline would originate at a point on the international border in Boundary Pass, Strait of Georgia, and interconnect with the existing Centra Gas British

Columbia transmission system at a point south of Duncan, British Columbia. The Canadian portion of the pipeline would be approximately 50 kilometres (31 miles) in length, with approximately 37 kilometres (23 miles) being offshore and 13 kilometres (eight miles) onshore. The pipeline would have a capacity of 2.832 million cubic metres (100 million cubic feet) of natural gas per day. The estimated cost of the Canadian portion of the facilities is \$57 million and the planned in-service date is November 2002.

Non Hearing Applications

Electricity Matters

Matters Completed

1. Columbia Power Corporation (CPC) - Electricity Export (File 6200-C157-1)

On 2 June 2000, the Board approved (Orders EPE-158, EPE-159 and EPE-160) an application dated 20 March 2000 from CPC for permits to export, for a period of 10 years, firm and interruptible power and energy. The requested combined firm and interruptible twelve-month export maximums, commencing on 1 June of each year, will not exceed 500 gigawatt hours in any year, except in the years 2001, 2002 and 2003, when exports will not exceed 750, 1 000, and 750 gigawatt hours, respectively.

2. CMS Marketing, Services and Trading Company (CMS) - Electricity Export (File 6200-C158-1)

On 29 June 2000, the Board approved (Orders EPE-161 and EPE-162) an application dated 12 May 2000 from CMS for permits to export up to 6 310 gigwatt hours of interruptible energy and 250 megawatts of firm apower and 1 752 gigawatt hours of firm energy per year for a period of 10 years.

Matters Under Consideration

3. Candela Energy Corporation (CEC) - Electricity Export (File 6200-C164-1)

On 29 June 2000, CEC applied for permits to export up to 1 000 megawatts and 8 760 gigawatt hours of firm or interruptible power and energy per year for a period of 10 years.

4. Idaho Power Company (IPC) - Electricity Export (File 6200-J202-1)

On 21 June 2000, IPC applied for permits to export up to 100 megawatts and 876 gigawatt hours of combined firm power and energy per year for a period of five years.

5. Sumas Energy 2, Inc.(Sumas) - International Power Line (File 2200-S040-1)

On 27 April 2000, the Board approved a request from Sumas to extend the period for interested parties to comment on its application from 28 April to 12 June 2000. The Board also directed Sumas to publish a Notice indicating the extension of the comment period to 12 June 2000, that Sumas' response to the comments received from interested parties is due on 27 June 2000 and that final replies from interested parties is due on 7 July 2000.

On 7 July 1999, Sumas applied for approval to construct and operate a 230 000-volt international power line. The line would extend a distance of approximately 8.5 kilometres (5.3 miles) southward from the Clayburn Substation located in Abbotsford to a point on the international boundary located at Sumas, Washington.

6. TransAlta Energy Marketing Corp (TEM) - Electricity Export (File 6200-T90-1)

On 19 May 2000, TEM applied for permits to export up to 1 000 megawatts of firm or interruptible power and 8 760 gigawatt hours of firm or interruptible energy per year for a period of 10 years.

Natural Gas Matters

1. ProGas Limited (ProGas) - Amend Existing Natural Gas Export Licence GL-287 (File 7200-P038-16-1-2)

On 15 May 2000, ProGas applied to amend natural gas export licence GL-287 by extending the term of the licence from 1 November 2000 to 31 October 2008 and to increase the quantity of gas that may be exported during the term of the licence from 620.6 million cubic metres (21.9 billion cubic feet) to 3.1 billion cubic metres (109.6 billion cubic feet). Under the licence, ProGas exports natural gas near Monchy, Saskatchewan to ProGas U.S.A. which resells it into markets in the Midwestern United States.

On 20 June 2000, the Board decided to seek the comments of interested parties on the application. Interested parties had until 30 June to comment and ProGas has until 7 July to reply to any comments received.

Matter Under Consideration

2. Engage Energy Canada, L.P. (Engage) - Transfer of Several Gas Export Licences

For more information on this matter, refer to item 4 under *Other Applications, Natural Gas Matters* in issue No. 70 the *Regulatory Agenda* dated 1 October 1999.

Pipeline Matters

Matter Completed

1. Section 58 Applications

The Board has approved applications under section 58 of the *National Energy Board Act* involving routine pipeline facilities or the construction of pipelines not exceeding 40 kilometres in length. See Appendix I for details of the applications approved.

Matters Under Consideration

2. AEC Suffield Gas Pipeline Inc. - Amber Energy Inc. - Natural Gas Pipeline Construction - Ekwan Pipeline Project (File 3400-A167-1)

For more information on this matter, refer to item 7 under *Non Hearing Applications, Pipeline Matters* in issue No. 72 of the *Regulatory Agenda* dated 1 April 2000.

3. Many Islands Pipe Lines (Canada) Limited (MIPL) - Natural Gas Pipeline Construction - Swan River Pipeline (File 3400-M29-31)

On 29 February 2000, MIPL applied to construct and operate 37.3 kilometres (23 miles) of 168.3 millimetre (six inch) outside diameter pipeline. The pipeline would extend from a point near Benito, Manitoba and proceed in a westerly direction terminating at a point of interconnection with the TransGas Limited system, near Norquay, Saskatchewan. The estimated cost of the project is \$3.3 million.

On 27 April 2000, the Board sent a letter to MIPL requesting additional information.

Traffic, Tolls and Tariff Matters

Matters Completed

1. Enbridge Pipelines Inc. (Enbridge) - Negotiated Toll Settlement (4775-E101-1-1 and 4400-E101-1)

On 15 June 2000, the Board approved (Order TO-3-2000) an application dated 5 April 2000 from Enbridge for approval of an agreement with the Canadian Association of Petroleum Producers as a negotiated toll settlement and the associated tolls and tariffs. The agreement extends the incentive toll methodology as the basis of determining tolls for the years 2000 to 2004.

2. Foothills Pipe Lines Ltd. (Foothills) on behalf of Foothills Pipe Lines (Alta.) Ltd., Foothills Pipe Lines (South B.C.) and Foothills Pipe Lines (Sask.) Ltd. - Year 2000 Operating and Maintenance Expense Budgets (File 4750-F6-2)

On 2 June 2000, the Board approved (Order TG-2-2000) an application dated 29 November 1999 from Foothills, on behalf of the above noted subsidiaries, for approval of the Operating and Maintenance Expense Budgets for the 12-month period ending 31 December 2000.

3. Foothills Pipe Lines Ltd. (Foothills) -Interruptible Tolls for 2000-2001 (File 4400-F6-7)

On 2 June 2000, the Board approved (Order TG-2-2000) an application dated 3 February 2000 from Foothills for approval of interruptible tolls effective 1 April 2000 for Zone 9.

4. TransCanada PipeLines Limited (TCPL) B.C. System - Effective Rates and Charges for 2000 (File 4775-T054-1-1)

On 2 June 2000, the Board approved (Order TG-4-2000) an application dated 15 December 1999 from TCPL for approval of the Effective Rates and Charges for 2000 for the B.C. system.

5. Westcoast Energy Inc. (WEI) - Tolls, One Year Firm Service (File 4775-W005-1-13)

On 16 June 2000, the Board approved an application dated 26 May 2000 from WEI for approval of a Toll Schedule for a new One Year Firm Service and amendments to certain articles of the General Terms and Conditions - Service.

Matter Under Consideration

6. TransCanada PipeLines Limited (TCPL) - 2000 Tolls (File 4200-T1-14)

On 27 April 2000, the Board decided that TCPL's current interim tolls, approved on 24 December 1999, be terminated on 30 April 2000, and that TCPL's proposed final tolls, as amended, be implemented on an interim basis effective 1 May 2000.

On 13 April 2000, TCPL filed a revised 2000 tolls application and requested an order terminating the current interim tolls and that new final tolls be made effective 1 May 2000. On 20 April 2000, TCPL filed a new Interim Transportation Toll Schedule in compliance with the Board's Decision in RH-1-99 (refer to item 1 of the *Regulatory Agenda* dated 30 April 2000 under *Hearing Applications, Decisions Rendered*).

The Board had decided to seek comments from interested parties on the application, as amended.

On 15 May 2000, TCPL requested additional time to discuss the concerns raised by parties in their letters of comment. On 18 May 2000, the Board granted the extension of time and

directed TCPL to inform the Board by 8 June as to the progress being made. On 14 June 2000, the Board approved a further request from TCPL for additional time to complete discussions with certain parties. TCPL was directed to inform the Board by 23 June on the status of these further discussions.

Frontier Matters

- 1. Imperial Oil Resources Limited was given approval on 2 June 2000, pursuant to paragraph 5(1)(b) of the Canada Oil and Gas Operations Act (COGOA), to reconfigure two wells to water injection.
- Chevron Canada Resources was given approval on 21 June 2000, pursuant to paragraph 5(1)(b) of the COGOA, for the construction of the M-25 gas well tie-in and dehydration facility.
- 3. AEC Oil & Gas was given approval on 27 June 2000, pursuant to section 184 of the Canada Oil and Gas Drilling Regulations, for the "Well Termination Record" for the following wells:

AEC (West) Renaissance Tate G-18 AEC (West) Renaissance Carcajou P-16 AEC (West) Renaissance Carcajou D-07.

4. Geological, geophysical or geotechnical operation authorization: the following application was approved pursuant to section 5 of the COGOA:

CompanyAreaOperation IDDateAEC WestBlackwater9237-A61-2E16 JuneLake2000

Appeals

Appeals Pending

1. Canadian Forest Oil Limited v Chevron Canada Resources and Ranger Oil Limited

For more information on this matter, refer to item 1 under the heading *Appeals* of the 31 May 2000 issue of the *Regulatory Agenda*.

2. The Industrial Cape Breton Community Alliance Group - Sable Gas Project

For more information on this matter, refer to item 2 under the heading *Appeals* of the 31 May 2000 issue of the *Regulatory Agenda*.

3. British Columbia Wildlife Federation and the Steelhead Society of British Columbia v. British Columbia Hydro and Power Authority

For more information on this matter, refer to item 3 under the heading *Appeals* of the 31 May 2000 issue of the *Regulatory Agenda*.

4. Athabasca Chipewyan First Nation v. British Columbia Hydro and Power Authority

For more information on this matter, refer to item 4 under the heading *Appeals* of the 31 May 2000 issue of the *Regulatory Agenda*.

Amendments to Regulations

1. Processing Plant Regulations (the Regulations) (File 185-A000-13)

The Board is proposing new goal-oriented *Processing Plant Regulations* to complement the *Onshore Pipeline Regulations*, 1999. The Regulations, when promulgated, will govern the design, construction, operation, and abandonment of processing plants which are owned and operated by federally regulated companies and whose function is integral with respect to transportation. Such facilities are presently regulated under the *Onshore Pipeline Regulations*, 1999.

On 16 December 1999, the Board issued for comment by interested parties *Draft Guidance Notes for the Processing Plant Regulations*. Written comments were requested by 26 February 2000.

2. National Energy Board Rules of Practice and Procedure, 1995 (the Rules) (File 341-A000-2)

The Board is moving towards the implementation of Electronic Regulatory Filing (ERF). An analysis of the legal issues surrounding implementation of ERF has been prepared and is available on the Board's Internet site (. Regulations under the *National Energy Board Act* and the *Canada Oil and Gas Operations Act* (COGOA) have been examined. The most extensive changes are to the Rules. Amendments to the Rules will enable parties to file all required regulatory documentation via electronic means. Changes to the other regulations are largely of an administrative

nature. These minor changes will be included in revisions to the COGOA regulations which are proposed in the near future.

3. Canada Oil and Gas Diving Regulations (Diving Regulations) and Guidance Notes (File 2001-1)

The Board is proposing replacing the existing Diving Regulations with goal-oriented Diving Regulations. Instead of specifying various aspects of the diving operations, these new Regulations put the responsibility on the Operators to develop and demonstrate how their dive plan specifications and procedures meet the objectives of the Regulations.

Draft Regulations have been sent to the Department of Justice for examination under the *Statutory Instruments Act*.

4. The Canada Oil and Gas Drilling Regulations (COGDR) and the Canada Oil and Gas Production and Conservation Regulations (COGPCR) (File 0406-14)

The above mentioned two regulations have been updated and re-structured into one Regulation entitled the *Canada Oil and Gas Drilling and Production Regulations* (the Regulations). The Regulations will establish the requirements for engineering, safety and environmental, and conservation of resources issues pertaining to the design, construction, operation and abandonment of exploration and production facilities under the *Canada Oil and Gas Operations Act*.

The draft Regulations are now ready to be sent to the Department of Justice for examination under the Statutory Instruments Act. Following the review by Justice, the Regulations will be pre-published in the Canada Gazette, Part I. Interested parties will then have an opportunity to provide comments to the Board and Natural Resources Canada.

5. National Energy Board Pipeline Crossing Regulations, Part II - Damage Prevention Regulations (File 185-A000-36)

The Board intends to replace the existing Pipeline Crossing Regulations, Part II with regulations targeted at damage prevention (to be known as Damage Prevention Regulations). The new regulations will regulate activities on or adjacent to pipeline rights of way under the Board's jurisdiction in the interest of the safety of the public and of the company's employees and the protection of property and the environment.

The Board expects to have draft regulations available for public comment by mid-year 2000.

6. National Energy Board Cost Recovery Regulations (CRR) - (Files 620-A000-8 and 175-A000-72)

The Board is proposing amendments to the CRR. The proposed amendments cover three policy changes to the existing regulations:

- (i) integration of commodity pipelines into the cost recovery scheme;
- (ii) creation of a special charge for greenfield pipelines; and
- (iii) creation of a cap on cost recovery charges equal to two per cent of the cost of service of a pipeline company.

On 28 April 2000, the Board sent the proposed amendments to the Cost Recovery Liaison Committee for review and comment. The proposed amendments will then be sent to the Department of Justice for examination under the *Statutory Instruments Act*.

7. Regulations and Guidance Notes Pertaining to Canada Labour Code, Part II

The process of amending the *Canada Oil and Gas Occupational Safety and Health Regulations* pertaining to oil and gas activities, under the provisions of the *Canada Labour Code*, Part II, is continuing.

Administrative Matters

Instructions for Filing

All correspondence with the Board should be addressed to the Secretary, National Energy Board, 444 Seventh Avenue SW, Calgary, AB T2P 0X8 - Fax (403) 292-5503.

Applications - Copies Required to be Filed

For a list of the number of copies required for the different types of applications, see our Internet site under the heading *Regulatory Updates*.

Communication Numbers

General Information:

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For a current list of the telephone numbers of Board Members and key staff, see our Internet site under the heading: *About the NEB, Our People*.

National Energy Board Michel L. Mantha Secretary

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Appendix I

Section 58 Applications

Gas Pipelines

Applicant	File/Order	Application	Est. Cost
Maritimes & Northeast Pipeline Management Ltd.	File: 3400-M124-3 Order: XG-M124-48-2000	Application dated 17 April; approved on 7 June. Extension of the pipelines facilities at Lake Utopia.	94 400
TransCanada PipeLines Limited	File: 3400-T1-183 Order: XG-T1-49-2000	Application dated 24 May; approved on 12 June. Modify the Lennox Meter Station.	246 000
	File: 3400-T1-184 Order: XG-T1-50-2000	Application dated 7 June; approved on 28 June. Install fuel gas heat exchangers at four station.	885 600
Westcoast Energy Inc.	File: 3400-W5-249 Order: XG-W5-47200	Application dated 9 May; approved on 21 June. Four projects.	8 980 000

Oil Pipelines

Applicant	File/Order	Application	Est. Cost
Enbridge Pipelines Inc.	File: 3400-E101-25 Order: XO-E101-12-2000	Application dated 7 June; approved on 27 June. Valve removal and line replacement.	359 000
Trans-Northern Pipelines Inc.	File: 3400-T2-41 Order: XO-T2-11-2000	Application dated 14 April; approved on 2 June. Relocate and replace a pipeline and abandon a pipeline in the Parish of Sault-au-Récollet, city of Montréal-Nord and in Parish of Longue-Pointe, city of Montréal.	600 000

Profile

The National Energy Board is a federal regulatory tribunal that was created on 2 November 1959 by an Act of Parliament. Over the course of its history, it has played an important role in the development of Canada's energy sector.

The Board's regulatory powers under the *National Energy Board Act* include the granting of authorizations for the exportation of oil, natural gas and electricity, the certification of interprovincial and international pipelines and designated interprovincial and international power lines, and the setting of tolls and tariffs for oil and gas pipelines under federal jurisdiction.

In addition to its regulatory functions, the Board is responsible for advising the government on the development and use of energy resources.

The Act also requires that the Board keep under review the Canadian supply of all major energy commodities, with emphasis on electricity, oil, natural gas, and the by-products derived from oil and natural gas, as well as the demand for Canadian energy in Canada and in export markets.

The Board's responsibilities under the *Canada Oil* and *Gas Operations Act* and certain provisions of the *Canada Petroleum Resources Act* encompass the regulation of exploration for and the development and production of oil and gas on Frontier Lands in a manner that promotes safety of the worker, protection of the environment, and conservation of hydrocarbon resources.

The Board also has specific responsibilities under the *Northern Pipeline Act* and the *Energy Administration Act*. In addition, Board inspectors have been appointed safety officers by Human Resources Development Canada to administer Part II of the *Canada Labour Code*.

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Cat. No. NE12-4/2000-4E ISSN 0821-8645

This document is published separately in both official languages. For further information, please contact:

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No de cat. NE12-4/2000-4F ISSN 0821-865X

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