



# Regulatory Agenda

The period covered in this *Regulatory Agenda* is the month of April 2002

## Awareness 2002 Workshop

The Board's fourth Public Awareness Workshop is expanding to include continuing education and liaison programs in the pipeline industry. The workshop will be held at the World Trade and Convention Centre in Halifax, Nova Scotia on 24 and 25 June 2002.

For further information on the Workshop, visit the Board's Internet site at [www.neb-one.gc.ca](http://www.neb-one.gc.ca) under Safety and Environment, Workshops.

## Public Hearing Applications

### Hearing Decisions Pending

- Cedars Rapids Transmission Co. (Cedars) - Reconstruction of an International Power Line (IPL) - EH-1-2002 (File 2200-C019-1)**

The Board held a public hearing on 26 and 27 March in Dorval, Quebec to consider an application by Cedars to reconstruct an IPL from Les Cèdres, Quebec to Cornwall, Ontario.

- TransCanada PipeLines Limited (TCPL) - Cost of Capital for the Years 2001 and 2002 - RH-4-2001 (File 4200-T001-15)**

The Board held a public hearing from 27 February to 4 April (19 days) in Calgary, Alberta concerning an application by TCPL for approval of the cost of

capital to be included in the calculation of its mainline tolls for the years 2001 and 2002.

### Hearings Scheduled

- Westcoast Energy Inc. (WEI) - Pipeline Construction - Grizzly Raw Gas Transmission System Expansion and the WeeJay Lateral - GH-2-2002 (File 3200-W005-11)**

The Board will hold a public hearing commencing on 25 June in Chetwynd, British Columbia on an application by WEI to extend the Grizzly Raw Gas Transmission System and to construct the WeeJay Lateral in British Columbia and Alberta.

Board staff have conducted public information sessions on 3 and 4 April in Tumbler Ridge and Chetwynd, British Columbia to assist the public in

## 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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learning about the Board's hearing process and how to participate in the hearing.

On 31 January 2001, WEI applied to construct approximately 109.5 kilometres (67 miles) of 406.4 millimetre (16 inch) pipeline extending the Grizzly Raw Gas Transmission System from a point in northeast British Columbia, approximately 30 kilometres (19 miles) southeast of Tumbler Ridge, to a proposed receipt point in Alberta approximately 110 kilometres (68 miles) southwest of Grande Prairie. WEI also proposes to construct approximately 5 kilometres (3 miles) of 273 millimetre (10 inch) pipeline, to be known as the Weejay Lateral, from a well site in British Columbia to a tie-in point on the proposed Grizzly Extension Pipeline. The proposed facilities will permit WEI to connect additional gas reserves in the Ojay/Weejay area of British Columbia and the Narraway area of Alberta. The estimated cost of the proposed facilities is \$64.5 million.

## **2. Westcoast Energy Inc. (WEI) - Southern Mainline Expansion - GH-1-2002 (File 3200-W005-12)**

The Board will hold a public hearing in two phases on an application by WEI to expand its Southern Mainline natural gas pipeline system in British Columbia. Phase 1 of the public hearing will commence on 8 July and Phase 2 will commence on 30 September at locations to be announced at a later date.

Phase 1 of the hearing will deal with the need for the proposed facilities, including markets, supply and economic feasibility. Phase 2 of the hearing will deal with, design, safety, operation, environmental and socio-economic effects, route selection, land requirements, land rights acquisition process and the appropriate terms and conditions to be included in any approval that may be granted.

Board staff have conducted public information sessions during the week of 8 April in Chilliwack, Hope, Savona, Williams Lake, Quesnel and Summit Lake, all in British Columbia, to assist people in learning about the Board's hearing process and how to participate in the hearing.

On 2 January, WEI applied to construct approximately 89.5 kilometres (55.5 miles) of 1 067 millimetre (42 inch) natural gas pipeline in eight loop segments along the route of the existing Southern Mainline. The proposed loops will range in length from approximately 3.5 kilometres (2.1 miles) to 31.4 kilometres (19.4 miles) and will be installed at locations from near McLeod Lake in north-central British

Columbia to near Rosedale in southern British Columbia. Westcoast also proposes to upgrade and construct additional facilities at several compressor and meter stations. The additional facilities will provide approximately 5.7 million cubic metres (200 million cubic feet) per day of additional capacity on the Southern Mainline. The estimated cost of the project is \$338.4 million and the proposed in-service date is 1 November 2003.

## **3. Province of New Brunswick - Short-term Orders to Export Natural Gas - MH-2-2002 (7500-M093-3)**

The Board will hold a public hearing commencing 15 July in Fredericton, New Brunswick on an application from the Province of New Brunswick requesting that the Board hold a public hearing to examine the rules for natural gas exports. New Brunswick proposes that the Board establish rules that would apply when the Board considers applications for short-term export orders for incremental supplies of Scotian offshore natural gas if those supplies cannot meet both domestic and export requests for service.

## **Hearings Postponed**

### **1. Georgia Strait Crossing Pipeline Limited (GSCPL) - GSX Canada Pipeline Project - GH-4-2001 (File 3200-G049-1)**

The Joint Review Panel for the Georgia Strait Crossing Pipeline Project has postponed commencement of its public hearing scheduled for 17 June. A new date will be announced at a later time. The postponement was made necessary as a result of timing extensions sought by parties to the proceeding and the timing of the Joint Review Panel decision on whether certain environmental evidence will be required.

On 9 and 10 April, the Panel heard argument in Sidney, British Columbia from parties regarding the ability of the Panel to consider the environmental effects of the combustion of gas transported by the pipeline and the combustion of gas at existing and proposed generation facilities.

The proposed GSX Canada Pipeline Project is a joint undertaking by British Columbia Hydro and Power Authority and Williams Gas Pipeline Company. It is the Canadian portion of the project that would transport natural gas from Sumas, Washington to Vancouver Island.

The proposed GSX Canada Pipeline Project would originate at a point on the international border in Boundary Pass, west of the Strait of Georgia, to an

interconnection with the existing Centra Gas British Columbia Inc. pipeline on Vancouver Island, south of Duncan. The Canadian portion of the pipeline would be approximately 60 kilometres (37.5 miles) in length, with approximately 44 kilometres (27.5 miles) being offshore and 16 kilometres (10 miles) onshore. The 406.4 millimetre (16 inch) diameter pipeline would be designed to initially transport 2.71 million cubic metres (96 million cubic feet) per day of natural gas. The company is proposing an in-service date of October 2003 and the estimated cost of the Canadian portion of the project is \$100 million.

**2. Coral Energy Canada Inc. (Coral) - Access to Union Gas Ltd.'s (Union) Ojibway Pipeline - MH-1-2002 File (4775-U001-1-1)**

The Board has adjourned, at the request of Coral, the public hearing which was to commence on 11 June in Windsor, Ontario on an application by Coral for access to Union's Ojibway pipeline near Windsor.

Coral was of the view that discussions for a negotiated solution are sufficiently advanced, and Union agreed, that it would be reasonable for the Board to suspend its consideration of the application at this time.

The portion of the Ojibway pipeline under the jurisdiction of the Board consists of approximately 677 metres of two parallel 323.9 millimetre (12 inch) natural gas pipelines that run from a point of interconnection with the Panhandle Eastern Pipeline at the international boundary approximately mid-point in the Detroit River to a point of interconnection with Union's distribution system in Windsor.

Coral has entered into a 20 year energy conversion agreement with Brighton Beach L.P., a joint venture formed to construct a natural-gas fired power station to be located in the City of Windsor. Coral requires long-term transportation service to supply gas to the Brighton Beach Power Station and is proposing delivery of the gas via the Ojibway pipeline.

### Hearing Applications Filed

**1. New Brunswick Power Corporation (NB Power) - Construct an International Power Line (IPL) (File 2200-N088-1)**

On 31 May 2001, NB Power applied to construct and operate a 345 kilovolt IPL of approximately 95 kilometres (59 miles) in length running west from the Point Lepreau Peninsula through the counties of Saint John and Charlotte in New Brunswick to the

international boundary near Woodland, Maine. The estimated cost of the IPL is \$40 million and NB Power expects to commence construction in the Spring of 2002. The United States portion of the project will consist of approximately 135 kilometres (84 miles) of power line running from Woodland to Orrington in Maine. Bango Hydro Electric Company is seeking state and federal approvals for the U.S. portion of the project.

**2. PanCanadian Energy Corporation (PanCanadian) - Natural Gas Pipeline (File 3200-P022-1)**

On 1 March, PanCanadian applied for approval to construct a 610 millimetre (24 inch) natural gas pipeline of approximately 179 kilometres (111 miles) in length, extending from the Deep Panuke production platform to a point of interconnection with the facilities of Maritimes & Northeast Pipeline Limited Partnership (M&NP) near Goldboro, Nova Scotia. PanCanadian anticipates to deliver approximately 11.3 million cubic metres (400 million cubic feet) per day of natural gas to M&NP for a period of approximately 11.5 years commencing sometime in 2005. The estimated cost of the proposed pipeline and associated facilities is \$1.1 billion.

### Hearings Adjourned or Postponed

**1. Sumas Energy 2, Inc. (SE2) - International Power Line - EH-1-2000 (File 2200-S040-1)**

For more information on this matter, refer to item 1 under Hearing Applications, Hearing Scheduled in the February 2001 issue of the Regulatory Agenda.

**2. 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.

**3. 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.

# Non Hearing Applications

## Electricity Matters

### Matters Completed

**1. Connectiv Energy Supply Inc. (Conectiv) - Electricity Export (File 6200-C204-1)**

On 25 April, the Board approved an application dated 11 January from Conectiv for permits to export up to 5 000 gigawatt hours of interruptible energy and 1 000 megawatts and 5 000 gigawatt hours of firm power and energy annually for a period of 10 years.

**2. The Detroit Edison Company (Detroit Edison) - Electricity Export (File 6200-D057-1)**

On 25 April, the Board approved an application dated 14 February from Detroit Edison for permits to export up to 1 000 megawatts of firm power and 8 760 gigawatt hours of firm energy annually for 10 years.

**3. The DTE Energy Trading, Inc. (DTE) - Electricity Export (File 6200-D058-1)**

On 25 April, the Board approved an application dated 14 February from DTE for permits to export up to 2 000 megawatts of firm power and 10 000 gigawatt hours of firm energy annually for 10 years.

**4. Direct Energy Marketing Ltd. (Direct) - Electricity Export (File 6200-D027-1)**

On 11 April, the Board approved an application dated 6 December from Direct for permits to export up to 1 000 megawatts of firm power, 2 000 megawatts of combined firm and interruptible power, 8 760 gigawatt hours of interruptible energy and 8 760 gigawatt hours of firm energy annually for a period of 10 years.

**5. Reliant Energy Services Canada. (Reliant) - Electricity Export (File 6200-R038-1)**

On 11 April, the Board approved an application dated 1 February from Reliant for permits to export up to 1 000 megawatts of firm power and up to 5 000 gigawatt hours of combined firm and interruptible energy annually for a period of 10 years.

### Matters Under Consideration

**6. Cargill-Alliant Energy Canada, LP (Cargill) - Electricity Export (File 6200-C208-1)**

On 1 February, Cargill applied for permits to export

up to 1 000 megawatts of firm power and up to 10 000 gigawatt hours of combined firm and interruptible energy annually for a period of 10 years.

On 15 February, the Board sent a letter to Cargill requesting additional information.

**7. Dynegy Power Marketing, Inc. (Dynegy) - Electricity Export (File 6200-D059-1)**

On 12 March, Dynegy applied for permits to export up to 1 200 gigawatt hours of interruptible energy and 200 megawatts and 1 200 gigawatt hours of short-term firm power and energy annually for a period of 10 years.

On 12 April, the Board sent a letter to Dynegy requesting additional information.

**8. EPCOR Merchant and Capital Inc. (EPCOR) - Electricity Export (File 6200-E091-2)**

On 28 March, EPCOR applied for permits to export up to 4 000 gigawatt hours of interruptible energy and 1 200 megawatts and 3 000 gigawatt hours of short-term firm power and energy annually for a period of 10 years.

On 26 April, the Board sent a letter to EPCOR requesting additional information.

**9. Hudson Energy Company (Hudson) - Nova Scotia to New York Power Project - (File 2200-H044-1)**

On 19 December, Hudson filed documents entitled **Project Description and Draft Scope of the Environmental Assessment** as a preliminary submission for the proposed Nova Scotia to New York Power Project (the Power Project). The preliminary submission initiates the environmental assessment of the Power Project under the **Canadian Environmental Assessment Act (CEAA)**. The draft scoping document outlines, in general way, the requirements under the CEAA with respect to the scope of the assessment and Hudson's proposed approach to conduct the assessment.

Hudson proposes to construct a 832 megawatt combined-cycle natural gas-fired power generation facility in Goldboro, Nova Scotia and to transport the power to New York City through a subsea 500 kilovolt high voltage direct current cable. The total length of cable to be used in the Power Project is estimated to be between 1 300 and 1 450 kilometres (806 to 900 miles). Hudson proposes to start transmitting electricity to New York City by

mid-2005. In its submission, Hudson stated that two potential marine corridors are being considered:

- the preferred alternative corridor extends from the Northeast Channel area to Great South Channel, via a southeastern route around Georges Bank; and
- an alternative corridor extends from the Northeast Channel area to Great South Channel via a northwestern route around Georges Bank.

From the Great South Channel and the area west of Georges Bank, the corridor extends from the western terminus of the Ambrose shipping channel into New York Harbor, through the Narrows in the Upper Bay and the Lower Hudson River to a terminus in the vicinity of West 49<sup>th</sup> Street, New York City.

#### **10. Hydro One Delivery Services, Inc. (Hydro One) - Lake Erie Link (File 2200-H026-1)**

On 24 April, Hydro One and its affiliates in partnership with TransEnergie U.S. Ltd. filed with the Board two documents entitled **Project Description of the Lake Erie Link under the Canadian Environmental Assessment Act and Environmental Assessment Scoping Development** as a preliminary submission with respect to the construction of the proposed Lake Erie Link international power line. The Environmental Assessment Scoping Development document initiates early co-ordination and scoping for the federal environmental assessment process in advance of a formal application. The Scoping Development document outlines the scope of the project along with the scope of the factors to be assessed in future environmental assessments.

The proposed Lake Erie Link is an international power line between Canada and the United States under Lake Erie that would commence near Nanticoke, Ontario and run to Erie, Pennsylvania and/or Ashtabula, Ohio. The system would consist of one, two or three 150 kilovolt buried submarine cables, two converter stations and underground land cables to existing substations at or near the shore. The project would provide up to 970 megawatts of capacity.

A converter station would be constructed near Nanticoke which would occupy approximately 10 acres of land. The site of the station would be in an

industrial zone in or close to the existing Nanticoke Thermal Generating Station. The cables would cross the eastern basin of Lake Erie to either Erie-West or Ashtabula. The length of the cables would be 115 kilometres (71 miles) to Erie-West or 150 kilometres (93 miles) to Ashtabula. The length of the Canadian portion of cable would be 40 - 60 per cent of the total length based on the route selected.

#### **11. The Manitoba Hydro Electric Board (Manitoba Hydro) - Electricity Export (file 6200-M020-12)**

On 14 November, Manitoba Hydro applied for permits to export up to 100 megawatts of power annually and up to 514 gigawatt hours (GW.h) in 2002, 878 GW.h in 2003 - 2006, and 362 GW.h in 2007 for a period of five years.

On 1 February, the Board sent a letter to Manitoba Hydro requesting additional information.

#### **12. Morgan Stanley Capital Group Inc. (Morgan) - Electricity Export (File 6200-M136-1)**

On 1 May, Morgan applied for permits to export up to 2 336 000 megawatts of firm and interruptible power and up to 2 336 gigawatt hours of firm and interruptible energy annually for a period of 20 years.

On 22 June, the Board sent a letter to Morgan requesting additional information.

#### **13. Williams Energy Marketing & Trading Canada Inc. (Williams) - Electricity Export**

On 15 March, Williams applied for permits to export up to 1 000 megawatts of firm power, 4 000 gigawatt hours of interruptible energy, 4 000 gigawatt hours of firm energy annually for a period of 10 years.

## **Pipeline Matters**

### **Matters 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.

#### **2. Safety Advisory NEB SA02-1 (File 2010-16)**

On 10 April, the Board issued a safety advisory regarding equipment and/or procedures to ensure

the safety of personnel working on road sides. The Safety Advisory NEB SA02-1 is available on the Board's Internet Site.

### **3. Westcoast Energy Inc. (WEI) - Review of Order XG-W005-22-2001 and Kwoen Re-Injection Extension Pipeline Application (Files 33400-W005-265 and 400-W005-282)**

On 23 April, the Board approved an application dated 14 December from WEI to construct the following facilities:

- a 3.2 kilometre, 168.3 millimetre (6 inch) acid gas pipeline extending from the end of the Kwoen Re-injection Pipeline near the Talisman Energy Inc. (Talisman) well located at b-65-B/93-P-5 to Talisman's well located at a-43-B/93-P-5;
- a 1.4 kilometre 88.9 millimetre (3 inch) fuel gas pipeline extension from Westcoast's existing South Sukunka Fuel Gas Pipeline to the terminus of the Re-injection Extension Pipeline;
- two electric pumps and associated facilities at the Kwoen processing and compressor sites; and
- communications and control facilities at well site a-43-B/93-P-5.

The facilities will be located about 39 kilometres (24 miles) southeast of the existing Pine River Plant, which is located 30 kilometres (19 miles) south of Chetwynd, British Columbia. The purpose of the project is to allow re-injection of acid gas extracted from raw gas processed at the Kwoen processing facility into the Talisman well located at a-43-B/93-P-5. The estimated cost of the proposed facilities is \$9.48 million.

In July 2001, the Board approved Westcoast's Kwoen Facilities application. These facilities consisted of an acid gas stripper which will process a part of the raw gas transported by the Grizzly Valley Pipeline System. The acid gas removed from the processing facilities was to be transported via the approved re-injection pipeline for injection into the Talisman well located at b-65-B/93-P-5. In September 2002, Westcoast informed the Board that it had identified problems with the b-65-B/93-P-5 well, that made the well unsuitable for acid gas disposal. In December 2002, Westcoast applied to the Board for construction and operation of the Re-Injection Extension Pipeline Facilities in order to connect the acid gas re-injection pipeline to the

Talisman well located at a-43-B/93-P-5 in northeastern British Columbia.

## **Matters Under Consideration**

### **4. Husky Oil Operations Limited (Husky) - Pipeline Construction (File 3400-H012-10)**

On 29 November, Husky applied for approval to construct a 8.9 kilometre (5.5 mile) natural gas pipeline from approximately 175 kilometres (108 miles) east of Fort Nelson, British Columbia to approximately 40 kilometres (25 miles) west of Rainbow Lake, Alberta. The estimated cost of the pipeline is \$1.8 million.

On 21 December and 10 January, the Board sent letters to Husky requesting additional information.

### **5. Maritimes & Northeast Pipelines Management Ltd. (M&NP) - Construct Additional Facilities (File 3400-M124-4)**

On 6 March, M&NP applied for approval to construct one custody transfer meter station and four compressor stations on its natural gas pipeline system in Nova Scotia and New Brunswick. The estimated cost of the facilities is \$190.8 million.

M&NP stated that these facilities are required to provide transmission service to PanCanadian Petroleum Limited of 11.3 million cubic metres (400 million cubic feet) per day of natural gas commencing in 2005.

### **6. Pouce Coupe Pipe Line Ltd. (Pouce Coupe) - Sale of Oil Pipelines (Files 3400-P123-2 and 3400-F72-1)**

For more information on this matter, refer to item 10 under Pipeline Matters of the December 2001 Regulatory Agenda.

### **7. TransCanada Pipelines Limited, B.C. System (TCPL) - 2002 Westpath Expansion (File 3400-T054-3)**

On 20 December, TCPL applied for approval to construct approximately 24.4 kilometres (15 miles) of 1219 millimetre (48 inch) pipeline on its B.C. System and for modifications to its Elko and Moyie Compressor Stations. The contract design capacity of the applied-for facilities would be 11.9 million cubic metres (420 million cubic feet) per day. The estimated cost of the project is \$48.3 million and the proposed in-service date is 1 November 2002.

On 18 February, 12 March and 26 April, the Board sent letters to TCPL requesting additional information.

## Traffic, Tolls And Tariff Matters

### Matters Completed

**1. TransCanada PipeLines Limited (TCPL) - Reports of the 2002 Tolls Task Force (4775-T001-1/2002-02 and 4775-T001-1/2001-08)**

The Board has approved the following resolution of the 2002 Toll Task Force:

Resolution No.	Date approved	Subject
01.2002, revised	19 April	Transportation Access Procedure

**2. Enbridge Pipelines Inc. (Enbridge) - Final Tolls for 2002 (File 4200-E101-3)**

On 17 April, the Board approved an application dated 21 March from Enbridge for final tolls for the year 2002 in accordance to the approved 2000 Incentive toll Settlement between Enbridge and the Canadian Association of Petroleum Producers.

### Matters Under Consideration

**3. TransCanada PipeLines Limited (TCPL) - Second Amending Agreement to the Mainline Service and Pricing Settlement (4775-T001-15-1)**

On 12 April, TCPL filed an application for approval of the Second Amending Agreement to the Mainline Service and Pricing Settlement .

On 19 April, the Board decided to seek comments of interested parties on the application.

**4. Westcoast Energy Inc. (WEI) - 2002 and 2003 Tolls (File 4200-W005-14)**

On 26 March, WEI filed an amended application for final tolls effective 1 January 2002 for mainline transmission services on Zones 3 and 4 for 2002 and for approval of a methodology of establishing similar tolls for 2003. WEI stated in its application that the tolls were based on a settlement dated 17 January negotiated with a large proportion of shippers, producers and end-users, and that it has received indications of support from a significant proportion of mainline shippers.

On 18 April, the Board decided to seek comments of interested parties on the application.

## Frontier Matters

**1. Imperial Oil Resources Limited** was given an exemption on 26 April from bi-monthly testing requirements for the wells Imperial Canol A-45X, Esso Norman Wells D-44X, Esso Norman Wells J-52X and Esso Norman Wells K-48X.

**2. Imperial Oil Resources Limited** was given approval on 16 April to construct certain pipeline facilities in Norman Wells pursuant to paragraph 5(1)(b) of the Canada Oil and Gas Operations Act.

**3. Paramount Resources Ltd.** was given approval on 22 April for the "Well Termination Record" pursuant to section 184 of the Canada Oil and Gas Drilling Regulations for the following wells:

Para et al Cameron I-73  
 Para et al Cameron H-03  
 Para et al Cameron C-74  
 Paramount Anadarko Bovie J-76  
 Paramount Anadarko Bovie F-66

**4. Geological, geophysical or geotechnical operation** - One application was approved pursuant to section 5(1)(b) of the Canada Oil and Gas Operations Act.

Company	Area	Operation ID	Date
Devlan Exploration Inc.	Gwich'in	9233-D028-001E	37350

# Appeals and Review

## Appeals Pending

### 1. **Canadian Forest Oil Limited (Canadian Forest) v Chevron Canada Resources and Ranger Oil Limited (Chevron et al.)**

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

### 2. **TransCanada PipeLines Limited (TCPL) - Cost Recovery Regulations (CRR) - TCPL's BC System**

On 24 October, TCPL applied to the Federal Court of Appeal for leave to appeal the Board's decision of 27 September in which it reversed TCPL's entitlement to a cap under the CRR by TCPL's BC System, earlier granted by the Board on 14 March. The 27 September decision of the Board also made the change retroactive to 1 January.

In brief, TCPL is seeking leave to appeal for the following reasons:

- the Board erred in law and acted without jurisdiction by reversing its 14 March decision to cap the 2001 costs payable to the Board by TCPL's BC System under the CRR, without any lawful authority to do so;
- the Board erred in law by reversing its 14 March contrary to the requirement in the CRR that the BC System receive the benefit of a cap on its share of Board costs payable;
- the Board proceeded in a manner inconsistent with the principle of natural justice; and,
- the Board erred in law by increasing retroactively the amount payable under the CRR for the first half of 2001, without there

being any express authority in the CRR and the National Energy Board Act to do so.

## Review Pending

### 1. **Reservoir Safety Committee (RSC) - Review of Electricity Export Permits Issued to British Columbia Power Exchange Corporation (Powerex) and British Columbia Hydro and Power Authority (BC Hydro) (File 6200-B095-4-1)**

On 17 October 2000, RSC applied for a review of electricity export permits EPE-118 and EPE-119 issued to Powerex and permits EPE-124, EPE-125, EPE-126 and EPE-127 issued to BC Hydro. In its application, RSC stated that since 1980, 11 drownings have occurred in BC Hydro's Carpenter Reservoir. This is a consequence of BC Hydro's refusal to provide adequate protection to workers and members of the public traveling through the Bridge River Generating Facility, located within the Carpenter Reservoir. RSC further stated that widespread citizen concern with the operation of the facility, has led to the formation of the RSC. RSC's goal is to effect significant safety related improvements to the facility. RSC requested that the Board rescind permits related to the export of electricity generated through BC Hydro's Bridge River Hydro Electric Facility until such time as the safety of workers and the traveling public can be assured.

On 19 December 2000, the Board sent a letter to RSC advising that it will hold the application in abeyance until RSC has complied with section 44 of the National Energy Board Rules of Practice and Procedure, 1995, including notification to potentially interested persons.



# Amendments to Regulations, Rules and Guidelines

## 1. **Guidance Notes for the Onshore Pipeline Regulations**

The Board has sought comments from the public on proposed amendments to the **Guidance Notes for the Onshore Pipeline Regulations, 1999**.

The 1999 Guidance Notes were developed as a companion to the **Onshore Pipeline Regulations, 1999**. They are intended to provide additional explanation of specific sections of the Regulations and to provide examples of methods which could be used to achieve compliance. The proposed amendments of the Guidance Notes incorporate comments received from stakeholders as well as learnings from the Board's activities such as audits performed pursuant to the **Onshore Pipeline Regulations, 1999**.

## 2. **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 company employees and the protection of property and the environment.

The Board is conducting a survey of pipeline landowners which will build on the information acquired in the survey of stakeholders published in February, 2001. The survey is expected to be complete and available in April 2002.

The Board intends to release a conceptual draft of the **Damage Prevention Regulations** for comment in spring 2002. The Regulations are presently expected to come into force in 2004.

## 3. **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**.

The draft regulations have been examined by the Department of Justice under the **Statutory Instruments Act** and will be published in the **Canada Gazette, Part I** in the near future.

## 4. **Canada Oil and Gas Diving Regulations (Diving Regulations) and Guidance Notes (File 2001-1)**

For more information on this matter, refer to item 4 under **Amendments to Regulations and Rules** in the May 2001 issue of the **Regulatory Agenda**.

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

For more information on this matter, refer to item 5 under **Amendments to Regulations and Rules** in the May 2001 issue of the **Regulatory Agenda**.

## 6. **Offshore Waste Treatment Guidelines (OWTG) - Public Comment - (File 3015-5)**

The OWTG are published by the Canada-Newfoundland Offshore Petroleum Board (C-NOPB), the Canada-Nova Scotia Offshore Petroleum Board and the National Energy Board and describe the minimum standards for the treatment and/or disposal of wastes associated with the routine operation of drilling and production installations offshore Canada.

A multi-stakeholder working group chaired by a representative of C-NOPB and with membership from the staff of the three Boards, other government departments, industry and the public has been engaged in a review of the existing Guidelines, last published in 1996. The working group has prepared a draft revision to the Guidelines and this draft now is being released for public comment. Following this comment period the draft will be revised as necessary and submitted to the three Boards for their consideration.

## 7. **Guidelines for Negotiated Settlements of Traffic, Tolls and Tariffs (File 4600-A000-3)**

On 30 January, the Board released a discussion paper and **Draft Revised Guidelines for Negotiated Settlements**

of Traffic, Tolls and Tariffs for public comment.

The Board's existing **Guidelines for Negotiated Settlements of Traffic, Tolls and Tariffs**, as amended August 1994, require that an application supported by a negotiated settlement be based on unanimous or unopposed support of the parties to the negotiation. They do not contain any guidance as to how the Board may deal with contested settlements. The draft revised guidelines identifies steps the Board could take to deal with contested settlements in the future.

## **8. 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.

Jurisdiction over pressure vessels and pressure piping within NEB regulated companies has been transferred from Human Resources Development Canada to the NEB. The Board is developing guidance and legislation to deal with this change.

# **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 **Submit a Document**.

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National Energy Board  
Michel L. Mantha  
Secretary

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# Appendix I

## Section 58 Applications

### Gas Pipelines

Applicant	File/Order	Application	Est. Cost
Alliance Pipeline Ltd.	File: 3400-A159-7 Order: XG-A159-15-2002	Application dated 5 February; approved on 3 April. Construct two six inch interconnect pipelines of approximately 155 metres in length. Construct a pipeline between a proposed meter station and an existing tee and valve on the Fort Saskatchewan lateral. Construct a meter station. Construct a building to house the a motor control centre and a communication system.	1 570 000
Westcoast Energy Inc.	File: 3400-W005-290	Application dated 21 February. Install four kilometres of pipeline loop on the Fort Nelson Mainline.	8 040 000
Westcoast Energy Inc.	File: 3400-W005-285 Order: XG-W005-16-2002	Application dated 4 January; approved on 17 April. Sulphur loading and unloading facility modifications.	140 000

### Oil Pipelines

Applicant	File/Order	Application	Est. Cost
Enbridge Pipelines Inc.	File: 3400-E101-43 Order: XO-E101-10-2002	Application dated 14 December; approved on 11 April. Terrace Expansion Program, Phase III.	5 290 000
Trans-Northern Pipelines Inc.	File: 3400-T002-51 Order: XO-T002-9-2002	Application dated 12 February; approved on 4 April. Modifications to the Oakville and Nanticoke pump stations.	2 860 000

# Profile

The National Energy Board is a federal regulatory tribunal that was created on 2 November 1959 by an Act of Parliament.

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. NE12-4/2002-04E  
ISSN 0821-8645

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

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N<sup>o</sup> de cat. NE12-4/2002-04F  
ISSN 0821-865X

Ce document est publié séparément dans les deux langues officielles. Pour de plus amples renseignements :

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