



# Regulatory Agenda

The period covered in this *Regulatory Agenda* is the month of February 2003

## Public Hearing Applications

### Hearings in Progress

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

The Joint Review Panel is holding a public hearing which commenced on 24 February in Sidney, British Columbia on the GSX Canada Pipeline Project which would transport natural gas from Sumas, Washington to Vancouver Island. The proposed project is a joint undertaking by BC Hydro and Williams Gas Pipeline Company.

**2. TransCanada Pipelines Limited (TCPL) - 2003 Tolls - RH-1-2002 (File 4200-T001-18)**

The Board is holding a public hearing which commenced on 26 February in Calgary, Alberta on an application from TCPL for approval of tolls that it may charge for transportation services on its Mainline for the year 2003.

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

The Board will reconvene a public hearing on 26 May in Abbotsford, British Columbia on an application from SE2 to construct a proposed 230 kilovolt IPL originating in the United States and crossing the international boundary near Abbotsford. The proposed IPL would extend approximately 8.5 kilometres (5.3 miles) from the border northward on the existing rights of way of Canadian Pacific Railway, the City of Abbotsford and BC Hydro to BC Hydro's Clayburn substation in Abbotsford.

The Board has already held public hearings on 18, 19 and 20 January 2001, 19 February 2001, and 18 to 23 October 2002 to deal with preliminary matters and motions.

## 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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## Hearing Scheduled

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

The Board will hold a public hearing commencing on 24 March in Saint John, New Brunswick to consider an application by NB Power to construct and operate an IPL from the existing transmission terminal at the Point Lepreau Generating Station to a point on the Maine-New Brunswick border west of St. Stephen, New Brunswick.

## Hearing Adjourned

### **1. EnCana Corporation (EnCana) - Deep Panuke Project - Coordinated Review - Canada-Nova Scotia Offshore Petroleum Board (CNSOPB) and National Energy Board (NEB) (File 3200-P022-1)**

The CNSOPB and the NEB have agreed to suspend the Coordinated Public Process for the review of EnCana's Deep Panuke Offshore Gas Development Project. On 14 February, EnCana requested that the applications before the CNSOPB and NEB be adjourned *sine die* and that the balance of the proceedings be suspended.

The CNSOPB has revoked the appointment of its Commissioner and terminated the CNSOPB Deep Panuke Public Review. The NEB has rescinded the authorization of its Member under s. 15 of the National Energy Board Act and has adjourned the GH-4-2002 proceeding.

The Boards have requested that EnCana provide an update on its review of the Deep Panuke Project by 10 December, 2003. At that time, the coordinated public review arrangement between the Boards and any recommencement of proceedings will be examined after reviewing EnCana's project update.

## Hearing Application Filed

### **1. Trans-Northern Pipelines Inc. (TNPI) - Capacity Expansion and Pipeline Flow Reversal (File 3400-T002-56)**

On 24 October, TNPI applied for approval to increase the pipeline capacity on its pipeline system from Montreal, Quebec to Farran's Point, Ontario and to reverse the direction of flow in the pipeline section between Farran's Point to Toronto, Ontario.

The proposed project would include the replacement of four line segments totaling approximately 72.5 kilometres (45 miles) of 273.1 millimetre (10 inch) pipe with 406.4 millimetre (16 inch) pipe between Montreal and Farran's Point. TNPI is also proposing to upgrade four of its existing pump stations located at Montreal and Como, Quebec and Lancaster and Ingleside, Ontario and to construct storage tanks at the Farran's Point pump station. For the reversal of the direction of flow in the pipeline section between Farran's Point to Toronto from a west-to-east direction to an east-to-west direction, TNPI proposes to construct three pump stations along the existing 273.1 millimetre (10 inch) pipeline near Iroquois, Mallorytown and Kingston, Ontario. TNPI stated that following completion of the Project, capacity from Montreal to Farran's Point will increase from 10 500 cubic metres (370 650 cubic feet) per day to 21 000 cubic metres (741 300 cubic feet) per day. The estimated cost of the project is \$82.25 million and the proposed completion date is mid-2004.

# Non Hearing Applications

## Frontier Matters

1. **Anadarko Canada Corp.** (Anadarko) was given approval on 4 February to drill a well pursuant to section 83.(1) of the **Canada Oil and Gas Drilling Regulations** (COGDR) for the well Arrowhead River C-55.
2. **Paramount Resources Ltd.** (Paramount) was given approval on 7 February for the "Well Termination Record" for the well Cameron F-75 pursuant to section 203.(1) of the COGDR. Paramount was subsequently given approval to "Alter the Condition of a Well" for Cameron F-75 pursuant to section 80(1)(b) of the COGDR.
3. **Paramount** was given approval 14 February for the "Well Termination Record" for the well Cameron K-74 pursuant to section 203.(1) of the COGDR. Paramount was then given approval to "Alter the Condition of a Well" for Cameron K-74 pursuant to section 80(1)(b) of the COGDR.
4. **Anadarko** was given approval on 19 February to drill the well Arrowhead River F-56 pursuant to section 83(1) of the COGDR.
5. **Anadarko** was given approval on 20 February to drill wells West Bovie I-76, Arrowhead River J-74, Arrowhead River O-63, Arrowhead River M-35, and McKay Lakes A-14 pursuant to section 83(1) of the COGDR.
6. **Paramount** was given approval on 20 February to drill well Nogha M-17 pursuant to section 83(1) of the COGDR.
7. **Paramount** was given approval on 21 February to drill wells McKay Lakes K-36 and McKay Lakes M-20 pursuant to section 83(1) of the COGDR.
8. **Chevron Canada Resources Ltd.** was given approval on 24 February to drill well Langley K-30 pursuant to section 83(1) of the COGDR.

9. **Paramount** was given approval on 26 February for the "Well Termination Record" for the well Cameron D-49 pursuant to section 203(1) of the COGDR. Paramount was subsequently granted "Approval to Alter the Condition of a Well" for Cameron D-49 pursuant to 80(1)(b) of the COGDR.
10. **Geological, geophysical or geotechnical operation** - two applications were approved pursuant to section 5(1)(b) of the **Canada Oil and Gas Operations Act**.

Company	Area	Operation ID	Date
Apache Canada Ltd.	Central Mackenzie Valley, NWT	9229-A075-001E	3 February
Encana Corporation	Mackenzie Delta NWT	9329-E043-002E	20 February

## Pipeline Matter

### 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.

## Traffic, Tolls And Tariff Matters

### Matter Completed

**1. Trans Québec & Maritimes Pipeline Inc. (TQM) - Final 2003 Tolls (File 4200-T028-13)**

On 20 February, the Board approved an application dated 15 January from TQM for final tolls for the period 1 January to 31 December 2003.

### Matters Pending

**2. Foothills Pipe Lines Ltd. (Foothills) on behalf of Foothills Pipe Lines (Alta.) Ltd., Zones 6 and 7 Foothills Pipe Lines (South B.C.) , Zone 8 and Foothills Pipe Lines (Sask.) Ltd., Zone 9 - Year 2003 Operating and Maintenance Expense Budgets (File 4750-F6-2-1)**

On 3 December, Foothills applied, on behalf of the above noted subsidiaries, for approval of Operating and Maintenance Expense Budgets for the 12-month period ending on 31 December 2003.

On 19 December, the Board advised Foothills that, before making a final decision on the applied-for budgets, it wished to consider Foothills' actual 2002 costs and any variances from the amounts approved for 2002, both due to be filed with the Board by the end of February 2003. Therefore, the Board decided to issue an interim order approving interim budgets for the year ending 31 December 2003 equal to 50 per cent of the budgets submitted.

**3. Foothills Pipelines Limited (Foothills) - Special Charge (File 4200-F006-3-1)**

On 31 January, foothills applied for approval of a Settlement Agreement entered into with the Canadian Association of Petroleum Producers with respect to the Special Charge and certain modifications to the existing cost of service methodology for fixing Foothills' tolls effective 1 November 2002.

On 7 February, the Board decided to seek comment of interested parties on the application. Parties had until 14 February to comment and Foothills until 20 February to reply to any comments received.

**4. TransCanada PipeLines Limited, BC System (TCPL) - Effective Rates and Charges (File 4775-T054-2003-1)**

On 12 December, TCPL applied for approval of the Effective a Rates and Charges to be applied for service on its BC System effective 1 January 2003 and for amendments to the BC System Gas Transportation Service Documents.

On 20 December, the Canadian Association of Petroleum Producers and Chevron Canada Resources filed complaints with respect to the application.

On 27 December, the Board decided to approved the Effective Rates and Charges as proposed in the application on an interim basis effective 1 January 2003 pending a final decision on the application.

# Review

## Review completed

### **1. TransCanada PipeLines Limited (TCPL) - Review and Variance of Reasons for Decision RH-4-2001 - RH-R-1-2002 (File 4200-T001-18)**

Reasons for Decision dated February; issued on 20 February.

The Board decided that an application from TCPL for review and variance of the Board's June 2002 Decision regarding the Company's 2001 and 2002 Fair Return Application had not raised a doubt as to the correctness of the Board's 2002 Decision (RH-4-2001). The Board dismissed the application.

# Amendments To Regulations And Guidelines

## Regulatory Initiatives Pursuant to the National Energy Board Act

### **1. Guidelines for Filing Requirements, 1995 (GFR)**

The Board has launched a project to review and revise its GFR. The goals of the project are to provide clear direction about the information required for applications, improve cycle times, and improve communication with stakeholders.

### **2. Onshore Pipeline Regulations, 1999 (OPR) - Decommissioning of Pipelines**

The Board is proposing to amend its OPR to provide for a regulatory process for applications to take pipelines permanently out of service but where this would not result in the discontinuation of service to end users.

### **3. National Energy Board Pipeline Crossing Regulations, Part I and 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 Board has been holding meetings with stakeholders and plans to continue consultation with interested persons by holding focus meetings and open houses at various locations across Canada.

## Regulatory Initiatives Pursuant to the Canada Oil and Gas Operations Act

### **4. Canada Oil and Gas 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 and the Canada Oil and Gas Production and Conservation Regulations (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*.

## Regulatory Initiatives Pursuant to The Canada Labour Code

### **6. 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**.

## Communication Numbers

### General Information:

(403) 292-4800  
1-800-899-1265

### Publications Office:

Telephone: (403) 299-3562  
Telecopier: (403) 292-5576  
Email: [publications@neb-one.gc.ca](mailto:publications@neb-one.gc.ca)

### Web Site:

[www.neb-one.gc.ca](http://www.neb-one.gc.ca)

### Telephone Numbers:

For a current list of the telephone numbers of Board Members and key staff, see our Internet site under the heading: **About Us, 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
TransCanada PipeLines Limited	File: 3400-T001-204 Order: XG-T001-03-2003	Application dated 28 October; approved on 31 January. Repair and replacement of cathodic protection systems at nine locations in Ontario.	910 000
	File: 3400-T001-206 Order: XG-T001-04-2003	Application dated 5 December; approved on 5 February. Install one launcher and two receivers at Compressor Stations 2, 9 and 17 in Saskatchewan.	2 000 000
	File: 3400-T001-208 Order: XG-T001-05-2003	Application dated 22 January; approved on 11 February. Conduct environmental sampling work at ten compressor plants.	731 000
	File: 3400-T001-209 Order: XG-T001-06-2003	Application dated 28 January; approved on 12 February. Conduct environmental sampling work at three compressor plants.	287 000
Westcoast Energy Inc.	File: 3400-W005-304 Order: XG-W005-07-2003	Application dated 31 January; approved on 28 February. Upgrade of Pointed Mountain Pipeline.	1 486 000

## 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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