



Regulatory Agenda

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

Public Hearing Applications

Hearings Completed

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

The Joint Review Panel held a public hearing from 24 February to 19 March 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. New Brunswick Power Corporation (NB Power) - International Power Line (IPL) - EH-1-2003 (File 2200-N088-1)**

The Board held a public hearing 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.

Hearings in Progress

- 1. 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.

- 2. 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 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. **Trans-Northern Pipelines Inc. (TNPI) - Capacity Expansion and Pipeline Flow Reversal - OH-1-2003 (File 3400-T002-56)**

The Board will hold a public hearing commencing on 9 June, at a location in Ontario or Québec to be announced at a later date, on an application from TNPI to increase the capacity on its pipeline system from Montréal, Quebec to Farran's Point, Ontario and to reverse the direction of flow in the pipeline section between Farran's Point to Toronto, Ontario.

Hearing Application Filed

1. **EnCana Ekwan Pipeline Inc. (EnCana) – Pipeline Construction (File 3200-E127-1)**

On 17 March, EnCana filed an application to construct a sweet natural gas pipeline from the EnCana Oil & Gas Partnership's Sierra Plant near Fort Nelson, British Columbia to a tie-in point on Nova Gas Transmission Ltd.'s northwest mainline, approximately four kilometres east of the Alberta/British Columbia border near Rainbow Lake, Alberta.

EnCana proposes to construct 82.5 kilometres (51 miles) of 610 millimetre (24 inch) natural gas pipeline, and associated facilities, during the winter of 2003/2004 with a proposed in-service date in April 2004. The estimated cost of the proposed project is \$50 million.

Non Hearing Applications

Electricity Matter

Matter Pending

1. **Montenay Inc. (Montenay) – Export of Electricity (File 6200-M141-1)**

On 19 March, Montenay filed an application for a permit to export up to 200,000 megawatt hours per year of firm or interruptible energy for a period of 10 years.

Frontier Matters

1. **Devlan Exploration Inc.** was given approval 3 March for the "Well Termination Record" for the well Tree River B-10 pursuant to section 203.(1) of the Canada Oil and Gas Drilling Regulations (COGDR).
2. **Paramount Resources Ltd.** (Paramount) was given "Approval to Drill a Well" on 3 March pursuant to section 83.(1) of the COGDR for the well Cameron F-73.
3. **Anadarko Canada Corp.** (Anadarko) was given "Approval to Drill a Well" on 5 March pursuant to section 83.(1) of the COGDR for the well Arrowhead River K-35.
4. **Paramount** was given approval 6 March for the "Well Termination Record" for the well Cameron H-58 pursuant to section 203.(1) of the COGDR. **Paramount** was subsequently

given approval to "Alter the Condition of a Well" for Cameron H-58 pursuant to section 80(1)(b) of the COGDR.

5. **Paramount** was given approval 11 March for the "Well Termination Record" for the well Cameron M-49 pursuant to section 203.(1) of the COGDR. Paramount was then given approval to "Alter the Condition of a Well" for Cameron M-49 pursuant to section 80(1)(b) of the COGDR.
6. **Paramount** was granted "Approval to Alter the Condition of a Well" on 11 March for the well Cameron H-03 pursuant to 80(1)(b) of the COGDR.
7. **Paramount** was granted "Approval to Alter the Condition of a Well" on 18 March for the well Cameron A-05 pursuant to 80(1)(b) of the COGDR.
8. **Paramount** was granted "Approval to Alter the Condition of a Well" on 18 March for the well Cameron F-73 pursuant to 80(1)(b) of the COGDR.
9. **Anadarko** was granted "Approval to Alter the Condition of a Well" on 18 March for the well West Bowie I-76 pursuant to 80(1)(b) of the COGDR.
10. **Anadarko** was given approval 19 March for the "Well Termination Record" for the well SW Arrowhead M-35 pursuant to section

203.(1) of the COGDR. **Anadarko** was subsequently given approval to "Alter the Condition of a Well" for SW Arrowhead M-35 on 24 March pursuant to section 80(1)(b) of the COGDR.

11. **Paramount** was given approval 27 March for the "Well Termination Record" for the well McKay Lakes K-36 pursuant to section 203(1) of the COGDR.
12. **Canadian Natural Resources** was given "Approval to Drill a Well" on 28 March pursuant to section 83(1) of the COGDR for the well Fort Liard 3P-66B.
13. **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
Devon Canada Corporation	Beaufort Sea	9438-D031-001E	25 March

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

Matters Completed

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

On 6 March, the Board approved an application dated 31 January from Foothills 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.

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 27 March, the Board approved an application dated 3 December from Foothills, 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.

3. Terasen Pipelines (Trans Mountain) Inc. (Terasen) – Final 2003 Tolls (4200-T004-10)

On 13 March, the Board approved an application dated 6 March from Terasen for final tolls for 2003.

4. Trans-Northern Pipelines Inc. (Trans-Northern) – Final 2003 Tolls (4200-T002-10)

On 18 March, the Board approved an application dated 28 February from Trans-Northern for final tolls for 2003.

Matter Pending

5. 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.

Appeal and Review

Appeal

1. **TransCanada PipeLines Limited (TCPL) – NEB Decision RH-R-1-2002**

On 21 March, TCPL applied to the Federal Court of Appeal for leave to appeal the Board's RH-R-1-2002 Decision issued on 20 February 2003. In this Decision, the NEB dismissed TCPL's September 2002 request for a Review and Variance of the Board's June 2002 RH-4-2001 Decision on the company's Fair Return application.

Review

1. **GSX Concerned Citizens Coalition's (GSXCCC) - Westcoast Energy Inc.'s Southern Mainline Expansion – GH-2-2002 (File3200-W005-12-R)**

On 26 March, the Board dismissed GSXCCC's February 2003 application for a review of a Board decision in September 2002. The decision in question denied a GSXCCC request for additional environmental information and analysis regarding a proposed expansion of Westcoast Energy Inc.'s Southern Mainline natural gas pipeline system. GSXCCC also asked the Board to rescind its decision of January 2003 to approve the Southern

Mainline Expansion. The Board decided that a review was not warranted because GSXCCC had not raised a doubt as to the correctness of the decisions.

In its application for review, GSXCCC asked the Board to (i) review its decision dated 5 September 2002 denying a motion by GSXCCC concerning unanswered information requests as it relates to the end use of the gas transported by the project, and (ii) rescind the Board's decision of January 2003 on the Southern Mainline Expansion and to rehear the application to address the evidence and issues that were not previously addressed.

The Southern Mainline Expansion project, which the Board approved in January 2003, involves the construction of approximately 55 kilometres (34 miles) of natural gas pipeline in six loop segments along the route of the existing Southern Mainline. It also includes the upgrade and construction of additional facilities at several compressor stations and installation metering facilities at Westcoast's Huntingdon Meter Station at the Canada/United States border.

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 held 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

For more information on this matter, refer to item 6 under Amendments to Regulations and Rules in the February 2003 issue of the Regulatory Agenda.

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

Web Site:

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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
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Appendix I

Section 58 Applications

Gas Pipelines

Applicant	File/Order	Application	Est. Cost
EnCana Oil & Gas Co. Ltd.	File: 3400-E126-1 Order: XG-E126-08-2003	Application dated 20 December; approved on 4 March. Construct 5.4 kilometres of pipeline – the Tupper South Gas Pipeline Project.	1 250 000
Regent Resources Ltd.	File : 3400-R040-1 Order : XG-R040-10-2003	Application dated 10 December; approved on 13 March. Construct 701 metres of pipeline across the Alberta/Montana border.	100 000
Taurus Exploration Ltd.	File: 3400-T097-1 Order: XG-T097-09-2003	Application dated 3 December; approved on 12 March. Construct 700 metres of sour natural gas pipeline across the BC/Alberta border.	270 000
TransCanada PipeLines Limited	File: 3400-T001-211 Order: XG-T001-13-2003	Application dated 26 February; approved on 28 March. Repair and replace cathodic protection systems at 23 locations.	642 800
Westcoast Energy Inc.	File: 3400-W005-306 Order: XG-W005-11-2003	Application dated 24 February; approved on 17 March. Reactivate the Kotcho pipeline.	335 000
	File: 3400-W005-302 Order: XG-W005-12-2003	Application dated 21 November; approved on 18 March. Replace seven kilometers of pipeline in the Pine Pass area.	11 285 000
	File: 3400-W005-300 Order: XG-W005-14-2003	Application dated 21 November; approved on 31 March. Install filters on the Kwoen re-injection pipeline.	600 000

Oil Pipelines

Applicant	File/Order	Application	Est. Cost
Resolution Resources Ltd.	File: 3400-R042-1 Order: XO-R042-02-2003	Application dated 16 January; approved on 18 March. Construct 0.58 kilometre of pipeline from Saskatchewan to Alberta.	82 300
Taurus Exploration Ltd.	File: 3400-T097-1 Order: XG-T097-01-2003	Application dated 3 December; approved on 12 March. Construct 700 metres of sour oil pipeline across the BC/Alberta border.	Cost included in the sour natural gas pipeline above
Trans Mountain Pipe Line Company Ltd.	File: 3400-T004-85 Order: XO-T004-03-2003	Application dated 10 October; approved on 24 March. Twelve projects.	2 363 000

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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