



Regulatory Agenda

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

Annual Report for the year 2002

On 28 April, the Honourable Herb Dhaliwal, Minister of Natural Resources Canada, tabled in Parliament the Board's Annual Report for the year 2002. A copy of the report is available on the

Board's Internet site at www.neb-one.gc.ca under the heading **Publications**.

Focus On Safety – A Comparative Analysis Of Pipeline Safety Performance

On 29 April, the Board released its first report on the safety performance of companies under its jurisdiction entitled **Focus on Safety – A Comparative Analysis of Pipeline Safety Performance**.

The report provides details on the safety performance of NEB-regulated oil and gas pipelines for the periods from 01 January 2000 to 31 December 2000 and from 01 January 2001 to 31

December 2001. The data is limited to companies regulated under the **National Energy Board Act** and does not include performance data on pipelines carrying anything other than hydrocarbon liquids or natural gas. The report can be found on the Board's internet site under **Safety and Environment, Safety Performance Indicators**.

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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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-2-2002 (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.

Hearings 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 in Ottawa, Ontario on an application from TNPI to increase the 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.

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

The Board will hold a public hearing commencing on 28 July, at a location to be announced, on an application from EnCana to construct a sweet natural gas pipeline. The proposed pipeline would run 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 Ekwan 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 \$55 million.

Non Hearing Applications

Electricity Matters

Matters Pending

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

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

2. USGen New England, Inc. (USGen) – Export of Electricity (File 6200-U063-1)

On 23 April, USGen applied for approval to export up to 4 380 gigawatt hours of firm energy and 4 380 gigawatt hours of interruptible energy per year for a period of 10 years.

Frontier Matters

- 1. Anadarko Canada Corporation** was given approval on 1 April for the “Well Termination Record” for the Anadarko West Bovie I-76 pursuant to section 203.(1) of the **Canada Oil and Gas Drilling Regulations (COGDR)**.
- 2. Canadian Forest Oil Ltd.** was given approval on 1 April to drill the well for Cdn Forest et al Mount Coty 2K-02 pursuant to section 83.(1) of the COGDR.
- 3. Chevron Canada Resources** (Chevron) was given approval on 2 April to construct the 2/K-29 Tie-in of the Liard Field pursuant to paragraph 5(1)(b) of the **Canada Oil and Gas Operations Act**.
- 4. Chevron** was given approval on 4 April to test and flare natural gas from the well Chevron et al Langley K-30 pursuant to section 196.(2) of the COGDR and section 33.(5) of the **Canada Oil and Gas Production and Conservation Regulations (COGPCR)**.
- 5. Paramount Resources Ltd.** (Paramount) was given approval on 4 April for the “Well Termination Record” for the Para et al Nogha M-17 well pursuant to section 203.(1) of the COGDR.

- 6. Paramount** was issued a Production Operations Authorization on 4 April for the oil and gas well tie-ins and facilities constructed in early 2003 at the Cameron Hills Field, NWT pursuant to Section 9 of the COGPCR.
- 7. Chevron** was issued a Production Operations Authorization on 25 April for the 2/K-29 Well Tie-in of the Liard Field pursuant to Section 9 of the COGPCR.
- 8. Paramount** - A Declaration of a Significant Discovery was made on 30 April pursuant to Part II.1, Section 28.2 of the **National Energy Board Act** and Part III, Section 28 of the **Canada Petroleum Resources Act** for the Paramount Anadarko Bovie J-76 Well.

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 Matter

Matter Completed

1. Enbridge Pipelines Inc. (Enbridge) – Final 2003 Tolls (File 4200-E101-4)

On 8 April, the Board approved an application dated 21 March from Enbridge for approval of final tolls for the year 2003.

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.

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 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

Appointments

Mr. John McCarthy was appointed Business Leader, Commodities after seven years as Business Leader, Operations. Mr. McCarthy has held a variety of positions with the Board including Director, Pipeline Engineering Branch, and Chief Engineer. He holds a Bachelor of Engineering degree in Mechanical Engineering from Carleton University and a Master of Business Administration from the University of Calgary.

The Commodities Business Unit develops guidelines and regulations relating to Part VI of the **National Energy Board Act**. The unit assesses and processes applications for oil, natural gas and electricity exports, and for the construction and operation of international and interprovincial electric power lines. It is also responsible for energy market analysis and advice, reserves assessments, supply projections, and liaison with governments, industry and energy associations.

Mr. Gregory Lever was appointed to the position of Business Leader, Operations. Mr. Lever will be joining the Board on 26 May 2003 for a period of two years on the basis of an exchange agreement between the Board and Petro-Canada.

Mr. Lever has held managerial and engineering positions from 1970 to the present, primarily with Shell Canada and Petro-Canada. His most recent position at Petro-Canada was Technical Service Manager for the Terra Nova offshore development in St. John's, Newfoundland and Labrador. He has been instrumental in developing the oil and gas industry in Newfoundland and is involved in the development of drilling, safety and operating standards for Canada's offshore environment. Mr. Lever holds a Master of Science degree in Civil Engineering Structures and a B.Sc. Civil Engineering from the University of Alberta.

The Operations Business Unit is responsible, with respect to pipelines, for health, safety and environmental monitoring and enforcement, accident investigation, and emergency response. The unit develops guidelines and regulations related to the **National Energy Board Act**, the **Canada Oil and Gas Operations Act**, and the **Canada Petroleum Resources Act**. Its Frontier responsibilities involve regulation of geophysical and geological programs, information management, resource assessments, environmental aspects of applications, inspection, accident investigation, and advice to Indian and Northern Affairs Canada. The unit also provides engineering services to the Northern Pipeline Agency.

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**.

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Appendix I

Section 58 Applications

Gas Pipelines

Applicant	File/Order	Application	Est. Cost
Petroleum Transmission Company	File: 3400-P015-19 Order: XG-P015-17-2003	Application dated 26 February; approved on 22 April. Install an in-line-tool launcher and an in-line-tool receiver on the Cochin Spur Line southeast of Regina.	50 000
TransCanada PipeLines Limited – BC System	File: 3400-T054-6 Order: XG-T054-16-2003	Application dated 31 March; approved on 17 April. Remove and replace asbestos-coated flashing from the exterior of five buildings at the Crowsnest Compressor Station.	50 000
TransCanada PipeLines Limited	File: 3400-T001-213 Order: XG-T001-18-2003	Application dated 8 April; approved on 24 April. Contaminant Sampling and Remediation Program at 16 compressor stations.	359 000
Westcoast Energy Inc.	File: 3400-W005-302 Order: XG-W005-15-2003	Application dated 21 February; approved on 11 April. Replace two sections of the Fort Nelson Mainline at Jackfish Creek.	1 994 000

Oil Pipelines

Applicant	File/Order	Application	Est. Cost
Enbridge Pipelines Inc.	File: 3400-E101-54 Order: XO-E101-04-2003	Application dated 18 February; approved on 10 April. Deactivate 1.08 kilometres of pipe in Edmonton, Alberta.	Not applicable.
	File: 3400-E101-57 Order: XO-E101-05-2003	Application dated 18 March; approved on 17 April. Install station piping and manifold connections for new crude oil handling facilities in Hardisty, Alberta.	5 258 000

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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