



# Regulatory Agenda

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

## A Guide for Landowners and the Public

On 4 June, the Board published an information document entitled **Pipeline Regulation in Canada, A Guide for Landowners and the Public**.

The Board has produced the guide to help landowners and the public to get answers about a pipeline project that may affect them or their community. The publication should assist in understanding the regulatory process that pipeline projects must go through before they can be built.

It describes the Board's role in regulating a pipeline over its entire life cycle - from the early planning and design stages through to abandonment. For those interested in participating in the decision-making process for a pipeline project, this guide will serve as a reference. Sections of this guide are arranged to reflect the "life cycle of a pipeline" so that persons can easily follow each step of the process.

## The Maritimes Natural Gas Market An Overview and Assessment

On 12 June, the Board published an Energy Market Assessment report entitled **The Maritimes Natural Gas Market – An Overview**. The intent of the report is i) to provide an assessment of the functioning of the natural gas market in the Maritimes; and ii) to provide an objective discussion of the issues facing this market. The Board concluded that the Maritimes natural gas market is working as well as could be expected, given its features and early stage of development

The Board decided to conduct its assessment following a hearing in Fredericton, New Brunswick last summer when it considered the application by the Province of New Brunswick to establish new rules for short-term exports of incremental Scotian offshore natural gas. While the Board decided it would not implement procedures that would unduly interfere with the normal operation of the natural gas market, it made a commitment to enhance its monitoring efforts of the gas market in Maritime Canada.

### 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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# Energy Supply And Demand In Canada

The Board released its long-term outlook for energy supply and demand in Canada entitled **Canada's Energy Future: Scenarios for Supply and Demand to 2025**. The report looks at the future of energy within the context of environmental, technological and societal trends.

This report captures a range of plausible outcomes for energy supply and demand in Canada. A key objective of the Board in adopting a scenario

approach was to stimulate informed discussion among Canadians about our energy choices. The report identifies the issues, constraints and uncertainties affecting energy supply and demand in Canada. In conducting its analysis, the Board determined the pace of technological progress and action on the environment as the two key forces that will shape Canada's energy future.

## Public Hearing Applications

### Hearings Completed

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

On 23 June, the Joint Review Panel heard oral arguments in Nanaimo, British Columbia on a Motion filed by the GSX Concerned Citizens Coalition (GSXCCC) on 4 June. In part, GSXCCC is asking the Joint Review Panel for a decision to ask Centra Gas British Columbia Inc. (now Terasen Gas (Vancouver Island) Inc.) to file certain evidence regarding its existing natural gas pipeline system from the mainland to Vancouver Island.

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

The Board held a public hearing from 26 February to 16 May 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. **Trans-Northern Pipelines Inc. (TNPI) - Capacity Expansion and Pipeline Flow Reversal - OH-1-2003 (File 3400-T002-56)**

The Board held a public hearing from 9 to 13 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.

### Hearing in Progress

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

The Board is holding a public hearing which commenced 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.

### Hearing Scheduled

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

The Board will hold a public hearing commencing on 28 July in Fort St. John, British Columbia on an application from EnCana to construct 82.5 kilometres (51 miles) of 610 millimetre (24 inch) natural gas pipeline, and associated facilities from British Columbia to Alberta.

### Other

#### 1. **Mackenzie Gas Project Preliminary Information Package**

On 30 June, the parties to the Cooperation Plan for the Environmental Impact Assessment and Regulatory Review of a Natural Gas Pipeline Project through the Northwest Territories (June 2002) announced that the Preliminary Information Package (PIP) submitted by the proponents of the Mackenzie Gas Project has been evaluated and accepted as complete.

The PIP signals the intent of the proponents to proceed with regulatory applications for a large natural gas project in the Northwest Territories. The PIP outlines the project development plans, including: natural gas field development in the Mackenzie River Delta, gathering lines, processing and transportation of gas south through the Mackenzie Valley to northern Alberta.

The review process for this project is outlined in the Cooperation Plan. The PIP will be used to initiate the review steps under the Canadian

Environmental Assessment Act and the environmental screening process under the Inuvialuit Final Agreement. Once permit applications are filed, the review process under the Mackenzie Valley Resource Management Act will also be initiated.

This “made in the North” approach ensures that the environmental impact assessment and regulatory processes will be rigorous, comprehensive, and coordinated and will address the needs of northerners and all Canadians.

## Non Hearing Applications

### Electricity Matters

#### Matters Pending

**1. Avista Energy, Inc. (Avista) – Electricity Export (File 6200-A161-1)**

On 30 June, Avista applied for approval to export up to 500 megawatts of firm power and up to 600 megawatts of firm and interruptible power per year and up to 2 500 megawatt hours of interruptible energy and up to 47 500 megawatt hours of firm energy per year for a period of 10 years.

**2. Duke Energy Marketing Canada Corp. (Duke) – Electricity Export (File 6200-D068-1)**

On 13 June, Duke applied for approval to export up to 1 000 megawatts of interruptible power and up to 2 000 gigawatt hours of either firm or interruptible energy per year for 10 years.

**3. 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.

**4. Northern States Power Company (NSPC) - Export of Electricity (File 6200-N099-1)**

On 16 June, NSPC applied for approval to export up to 800 gigawatt hours of firm energy and 800 gigawatt hours of interruptible energy per year for a period of 10 years.

**5. Public Service Company of Colorado (PSCC) – Export of Electricity (File 6200-P114-1)**

On 16 June, PSCC applied for approval to export up to 800 gigawatt hours of firm energy and 800 gigawatt hours of interruptible energy per year for a period of 10 years.

**6. 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. **Devlan Exploration Inc.** was given approval on 4 June for the Well Termination Records for the wells Tree River C-36, Tree River B-10, Ontaratue River D-39, and Thunder River N-73 pursuant to section 203.(1) of the Canada Oil and Gas Drilling Regulations (GOGDR).
2. **Anadarko Canada Corporation** was given approval on 9 June for the Well Termination Record for the well Liard P-16 pursuant to section 203.(1) of the COGDR.
3. **BP Canada Energy Ltd.** was given approval on 13 June to abandon wells A-1 Pointed Mountain P-53A, A-2A Pointed Mountain K-45A, A-3 Pointed Mountain G-62 and A-4 Pointed Mountain A-55 pursuant to 80(1)(b) of the COGDR.
4. **Chevron Canada Resources** was given approval on 23 June for the Well Termination Record for the well Langley K-30 pursuant to section 203.(1) of the COGDR.

5. **Paramount Resources Ltd** was given approval on 23 June for the Well Termination Record for the well Cameron F-75 pursuant to section 203.(1) of the COGDR.

## 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

### 1. TransCanada PipeLines Limited (TCPL) – First Report of the 2003 Tolls Task Force (File 4775-T001-1/03-1)

On 18 June, the Board approved the following 2003 Tolls Task Force Resolutions:

Resolution 01.2003 – Business Process Integration Sub-Committee

Resolution 02.2003 – Consumer's Gas Company Ltd. Name Change

# Appeal

## 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. In May, the Federal Court of Appeal granted TCPL leave to appeal.

# 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

## Appointment

On 6 June, Mr. Gaétan Caron, a temporary Member of the National Energy Board, was appointed to full-time Board Member for a term of seven years. Mr. Caron began work at the Board in 1979 as a pipeline engineer. His career at the Board included the management positions of Director, Pipeline Engineering Branch, Director, Financial Regulation Branch, and since 1994 as the Board's Chief Operating Officer.

## 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

### For information:

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# Appendix I

## Section 58 Applications

### Gas Pipelines

Applicant	File/Order	Application	Est. Cost
TransCanada PipeLines Limited	File: 3400-T001-214 Order: XG-T001-22-2003	Application dated 8 April; approved on 9 June. Containment and Infrastructure Upgrade Program on Compressor Stations Nos. 25, 62, 75, 105, 130 and 148.	364 000
TransCanada PipeLines Limited –	File: 3400-T054-7 Order: XG-T054-23-2003	Application dated 30 April; approved on 26 June. Remove two underground fuel storage tanks and related facilities from the Crowsnest Compressor Station.	50 000
BC System Westcoast Energy Inc.	File : 3400-W005-307 Order : XG-W005-24-2003	Application dated 6 March; approved on 26 June. Provide for producer taps on the Fort Nelson, Fort St. John and Grizzly Valley Transmission Systems.	1 200 000

### Oil Pipelines

Applicant	File/Order	Application	Est. Cost
Enbridge Pipelines Ltd.	File: 3400-E101-55 Order: XO-E101-06-2003	Application dated 7 March; approved on 4 June. Twelve projects.	5 541 800
Montreal Pipe Line Limited	File : 3400-M003-27 and 28 Order : XO-M003-08-2003	Applications dated 16 May; approved on 20 June. Deactivate the delivery line servicing Shell Canada Limited's Montreal-East Refinery and the delivery lines to Ultramar Canada's terminal in Montreal-East in the province of Quebec.	70 000
Terasen Pipelines (Trans Mountain) Inc.	File: 3400-T099-4-2 Order: XO-T099-07-2003	Application dated 9 April; approved on 10 June. Application for new Order for the Hidden Creek Bridge Upgrade, as the original Order XO-T004-35-2001, authorizing the construction, expired.	N/A
	File : 3400-T099-2 Order : XO-T099-09-2003	Application dated 3 March; approved on 25 June. Application for new Order for the Blue river Containment Project, as the original Order XO-T004-35-2001, authorizing the construction, expired.	N/A
	File : 3400-T099-1 Order : XO-T099-10-2003	Application dated 10 October; approved on 27 June. Coldwater River crossing replacement and Dominion Creek crossing widening in British Columbia.	2 181 000

# 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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