



# National Energy Board

## Performance Report

For the period ending  
March 31, 1999

Canada

## **Improved Reporting to Parliament Pilot Document**

The Estimates of the Government of Canada are structured in several parts. Beginning with an overview of total government spending in Part I, the documents become increasingly more specific. Part II outlines spending according to departments, agencies and programs and contains the proposed wording of the conditions governing spending which Parliament will be asked to approve.

The *Report on Plans and Priorities* provides additional detail on each department and its programs primarily in terms of more strategically oriented planning and results information with a focus on outcomes.

The *Departmental Performance Report* provides a focus on results-based accountability by reporting on accomplishments achieved against the performance expectations and results commitments as set out in the spring *Report on Plans and Priorities*.

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## Foreword

On April 24, 1997, the House of Commons passed a motion dividing on a pilot basis what was known as the annual *Part III of the Estimates* document for each department or agency into two documents, a *Report on Plans and Priorities* and a *Departmental Performance Report*.

This initiative is intended to fulfil the government's commitments to improve the expenditure management information provided to Parliament. This involves sharpening the focus on results, increasing the transparency of information and modernizing its preparation.

This year, the Fall Performance Package is comprised of 82 Departmental Performance Reports and the government's report *Managing for Results - Volumes 1 and 2*.

This *Departmental Performance Report*, covering the period ending March 31, 1999, provides a focus on results-based accountability by reporting on accomplishments achieved against the performance expectations and results commitments as set out in the department's pilot *Report on Plans and Priorities* for 1998-99. The key result commitments for all departments and agencies are also included in Volume 2 of *Managing for Results*.

Results-based management emphasizes specifying expected program results, developing meaningful indicators to demonstrate performance, perfecting the capacity to generate information and reporting on achievements in a balanced manner. Accounting and managing for results involve sustained work across government.

The government continues to refine and develop both managing for and reporting of results. The refinement comes from acquired experience as users make their information needs more precisely known. The performance reports and their use will continue to be monitored to make sure that they respond to Parliament's ongoing and evolving needs.

This report is accessible electronically from the Treasury Board Secretariat Internet site:  
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National Energy  
Board

Office national  
de l'énergie

# National Energy Board

## Performance Report

**For the  
Period Ending  
March 31, 1999**

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**Kenneth W. Vollman**  
Chairman  
National Energy Board

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**Ralph Goodale**  
Minister  
Natural Resources Canada

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## Executive Summary

Despite the downturn in world oil prices which affected the oil-producing sector of the industry, significant project development continued. In 1998 the National Energy Board (the Board or NEB) approved new pipeline facilities with an approximate capital cost of \$3.6 billion. The Board sat for 80 public hearing days on a number of pipeline applications in 1998-99. These applications were heard on a timely basis, which was one of the key goals. There was only one successful appeal of a Board decision during the year.

Canadian pipelines continued to show a strong performance with respect to safety and protection of the environment. There were 78 incidents on Board-regulated pipelines in 1998, down ten from the previous year. There was only one pipeline failure in 1998 resulting in no injuries to either members of the public or employees of the pipeline company. During 1998-99, the NEB enhanced a number of monitoring and follow-up systems to improve compliance with Board regulations and conditions for approval of new facilities. The Board also continues its collaboration with other government agencies to ensure common standards for safe and environmentally sound pipelines. However, more must be done to fulfill the goal of improving public confidence.

Another goal for 1998-99 was to clarify the environmental assessment process. The Board developed new approaches for the review of major projects to address concerns with the complexity of the overall environmental assessment process since introduction of the *Canadian Environmental Assessment Act* (CEA Act) in 1995. Two pilot projects were initiated, with the knowledge gained by the first pilot project being applied to the second. The Board is continuing to address stakeholder concerns regarding application process and timing. The challenge is to ensure that application and assessment processes are understandable and accessible to all interested members of the public, while avoiding unnecessary delay for projects in the public interest.

The Board approved the construction of major new pipeline projects in areas of the country where landowners had no previous experience with large-diameter pipelines. Construction commenced on the Maritimes & Northeast Pipeline Management Ltd. (M&NP) project, which will deliver natural gas from the Scotian shelf for the first time to Canadians in Nova Scotia and New Brunswick. In addition, Trans Québec & Maritimes Pipeline Inc. (TQM) constructed the Portland Natural Gas Transmission System (PNGTS) project in southern Quebec. In response to concerns from landowners, the Board held detailed route hearings with respect to these two projects. The Board also conducted several public seminars to explain the hearing process and the process concerning detailed routing and land acquisitions.

Through these and other pro-active communication efforts, the Board continues to address its goal of increasing public participation and awareness of the NEB's mandate and processes. In 1998-99, the Board also expanded technologies for easier access to information, including

advancements in Electronic Regulatory Filing (ERF), dial-in sound and reasons for decisions on hearings on its web site.

The Board continues to have an impact on the marketplace by considering applications for pipeline projects that introduce competition in the transportation of natural gas. The Board believes that increased choice for gas transportation service will provide benefits for Canadians.

A key goal over the past year was improved provision of information on energy resources and markets to the Board and to external parties. The Board conducted numerous consultations and meetings with interested parties in preparing its Supply and Demand Report. Greater public and industry engagement was also sought with respect to information on energy markets. In this regard, the Board will continue to expand its communication initiatives.

In summary, the Board was successful in making significant progress towards its key goals in 1998-99. Improvements can be achieved, particularly in clarifying and shortening the approval process for new pipeline projects. In order to better demonstrate that the Board is delivering results to Canadians, it will continue to improve the performance measures by which it assesses its effectiveness.



## **Section I: Chairman's Message**

The role of the NEB has continued to evolve since it was created in 1959. In the early days of the Board and during the energy crisis of the 1970s, it was primarily concerned with security of energy supply for Canadians. Over time, we have seen that reliance on competitive markets has worked well to ensure that Canadians have access to secure, fairly-priced energy supplies. Today, the Board's stakeholders expect it to provide regulatory services that produce clear economic and social benefits to Canadians.

I am pleased to report that the Board had a successful year in achieving its goals for 1998-99. These goals addressed the needs we identified in 1997. These were to manage a highly variable workload, clarify the environmental assessment process, increase public confidence in the safety of pipelines, provide more information on energy markets to Canadians and improve the ability for Canadians to participate in our processes.

In dealing with hundreds of applications annually, the Board is keenly aware of the challenge to balance the needs of industry for expeditious review, the rights of landowners and the overall public desire for safety and environmental protection.

Although we made some progress in improving the clarity of the approval process for major projects which require an environmental assessment pursuant to the CEA Act, we have more to accomplish. I believe that the Board has been doing a conscientious job of protecting the environment and respecting individual landowner rights. I am concerned, however, that the Board needs to improve its performance in processing applications without undue delays.

With respect to safety and environment, the number of pipeline incidents declined from previous years. There was only one significant pipeline rupture in the over 45,000 km of pipeline regulated by the Board and it did not result in any injuries to either members of the public or employees of the pipeline company. Further, there were no significant environmental impacts associated with the construction of NEB-regulated facilities. This is a remarkable performance, given that NEB-regulated pipelines transported over \$30 billion of natural gas, crude oil and oil products in the last year. Still, public confidence in the safety of pipelines could be improved. We must ensure we have a solid understanding of the performance of pipelines and communicate this knowledge to Canadians.

We have improved our ability to provide the information on energy markets that Canadians need. Our reports are developed with more consultation and are more focused than they have been in the past.

We have worked with many provinces to develop procedures for pipeline incidence responses, common standards for pipelines and the sharing of project information. In addition, energy resource database agreements are in place with Alberta and British Columbia.

We improved our communications with the public and have provided increased information to interested Canadians on how to participate in NEB matters that concern them.

In the fall of 1998, the Board renewed its Vision, Purpose and Strategic Plan. The Board's Vision is to be **“a respected leader in safety, environmental and economic regulation”**. Our new purpose is to **“promote pipeline safety, environmental protection and economic efficiency”** in the Canadian public interest while respecting individual rights, within the mandate set by Parliament in the regulation of pipelines, energy development and trade. Through the goals set as part of the Strategic Plan, we will be in a position to better concentrate our energies on important safety, environmental and economic efficiency aspects of NEB activities, and on meeting the needs of the public to effectively engage in NEB matters.

As a regulatory body with quasi-judicial powers, the nature of the services provided by the Board is quite different than that of most government agencies. The Board recognizes that, although its services are unique, it must show that it is providing economic and social benefits to Canadians. To this end, the Board has commissioned a comprehensive program evaluation scheduled for completion in December 1999, to define and implement clear performance measures which will provide objective evidence that the Board is achieving its goals.

Kenneth W. Vollman

## Chart of Key Results Commitments

National Energy Board		
To provide Canadians with:	To be demonstrated by:	Achievements reported in:
Social and economic benefits through regulation of the Canadian energy industry (oil, gas and electricity).	<ul style="list-style-type: none"> <li>i) Application processing and public hearings are seen as fair, timely and impartial;</li> <li>ii) Clarity and consistency in legal and scientific framework for environmental assessment.</li> <li>iii) Regulated facilities are safe and perceived to be safe;</li> <li>iv) Compliance with regulatory requirements on safety and environmental issues;</li> <li>v) Information on energy markets available to the public and industry;</li> <li>vi) Ability of the public to participate and to access information;</li> </ul>	<ul style="list-style-type: none"> <li>Section III, pages 10-11</li> <li>Section III pages 11-12</li> <li>Section III, pages 12-13</li> <li>Section III, pages 13-14</li> <li>Section III, pages 15-16</li> <li>Section III, pages 16-17</li> </ul>

## Section II: Agency Overview

### A. Mandate and Mission

The National Energy Board is an independent agency created in 1959 by an Act of Parliament, the *National Energy Board Act* (NEB Act). Under this legislation, the Board has the power to authorize and regulate:

- construction and operation of interprovincial and international pipelines;
- construction and operation of international and designated interprovincial power lines;
- tolls and tariffs for oil, gas and commodity pipelines under its jurisdiction; and
- export of oil, natural gas and electricity, and import of natural gas.

The NEB also regulates oil and gas exploration and production activities on Canada's frontier lands not subject to federal/provincial accords, under the *Canada Oil & Gas Operations Act* (COGO Act) and certain provisions of the *Canada Petroleum Resources Act* (CPR Act).

The Board deals with over 700 applications annually. Approximately 400 of these applications are routine short term gas export orders with the remaining 300 involving an array of regulatory issues that may require public hearings.

Within its regulatory mandate, NEB's role is to promote safety, environmental protection and economic efficiency in the Canadian public interest while respecting individual rights. Its corporate purpose is "to make decisions that are fair, objective and respected" (*1998-99 Estimates - Part III - A Report on Plans and Priorities*).

During 1998-99, the NEB identified five key goals with which to measure its success in achieving this corporate purpose. These are outlined on the following page.

## **B. Operating Environment**

### **1. Objective:**

The National Energy Board's objective is to make energy related regulatory decisions that are fair, objective and respected.

### **2. Key Goals**

The five key goals in the Board's 1998-99 Plans and Priorities were to:

- maintain the timeliness of application processing and minimize successful litigation of NEB decisions through clear, consistent and legally sound decision-making;
- enhance clarity and consistency in the legal and scientific framework for environmental assessments;
- enhance public confidence in the safety of NEB-regulated facilities;
- improve the provision of information on energy resources and markets to support informed energy decisions; and,
- enhance the public's ability to participate and to access information.

### **3. Challenges:**

During 1998-99, the NEB was faced with a number of key external and internal challenges that greatly influenced its operations:

#### ***Variable Levels of Industry Activity***

The demand for the NEB's regulatory services is dependent upon the level of activity in the energy industry. The 1998-99 year was characterized by significant regional swings in activity. In western Canada, the upstream sector returned to historic levels of exploration activity after a record high in 1997-98. Conversely, activity increased in the northern territories and on the east coast. This fluctuation in activity continues to be a challenge for the NEB to maintain a state of preparedness.

### ***Canadian Natural Gas Pipeline System Expansion***

Construction on several new pipelines began in 1998-99, some in areas of Canada with no previous experience with the pipeline industry. The M&NP system will carry natural gas from offshore Nova Scotia to markets in Nova Scotia, New Brunswick and New England. In southern Quebec, TQM constructed the PNGT project. The Alliance Pipeline will extend 2,000 kilometres from Fort St. John, British Columbia to an export point in southern Saskatchewan. In each project, many landowners along pipeline right-of-ways were concerned about the impact the pipeline might have on their land and safety. In most cases, these landowners had no previous experience with the NEB's formal hearing process.

With new pipeline projects, the Board must ensure that its processes are understandable and accessible to all interested members of the public, particularly those that may be affected. At the same time, the Board must ensure that projects found to be in the public interest are not unnecessarily delayed.

### ***Environmental Assessment Requirements***

Since enactment of the CEA Act in 1995, environmental review processes applied to pipeline projects have become more complex. The NEB has a long-standing mandate under the NEB Act to evaluate environmental impacts. The CEA Act added an administrative process to that evaluation; this combination of processes has resulted in a lack of clarity for project proponents and opponents. Both the NEB and the Canadian Environmental Assessment Agency (CEA Agency) have been challenged to ensure that their respective mandates are fulfilled, while maintaining a fair and timely review process. One consequence has been a longer time for assessments, resulting in some frustration for applicants.

### ***Changing Industry Structure***

Given the traditional monopoly structure of the Canadian pipeline industry, one of the Board's long-standing responsibilities has been to ensure that the pipelines offer reasonable rates and terms of service. However, the structure of the industry is changing. Most significantly, TransCanada PipeLines Limited (TransCanada) has recently become the owner of Nova Gas Transmission Ltd., thereby becoming the largest transporter of natural gas in North America. Through its ownership of Alberta Natural Gas Pipeline (ANG Pipeline) and its majority interest in Foothills Pipe Lines Ltd. (Foothills), TransCanada effectively controls virtually all of the existing pipeline capacity to transport natural gas out of Alberta.

At the same time that TransCanada was expanding its market share, it also faced prospective competition from a new entrant to the industry, Alliance Pipeline Ltd. The Alliance Pipeline project, planned to be in service by November 2000, will directly compete with TransCanada and Foothills for the transportation of natural gas to the United States Midwest market. Consequently, the Board is now responsible for regulating an industry characterized by a large

dominant transporter which faces competition from a newcomer for incremental business. Still, Canadians in many regions of the country remain dependent on one pipeline company for their natural gas supply. The challenge for the NEB will be to retain an appropriate level of oversight relative to the industry, while not hindering competition that is beneficial to Canadians.

### ***Restructuring of the Electric Power Industry***

The electric power industry in North America continues to see significant restructuring. Most U.S. jurisdictions, as well as some Canadian provinces, are moving to allow competition between power producers by creating open access to electricity grids. Although the Board's mandate with respect to electricity primarily encompasses approval of electricity exports and international power lines, the Board is closely monitoring these changes.

### ***Employees***

The National Energy Board experienced a 50-day strike by staff who are represented by the Public Service Alliance of Canada, one of its two bargaining units. The strike was settled and a new collective agreement signed. During the strike, the Board continued to provide ongoing services, although at a reduced level.

The Board operates in the midst of the highly competitive and volatile Calgary work-force marketplace. The Board is challenged to compete for competent people while meeting the federal government's prudence requirements regarding monetary compensation.

## C. Agency Organization

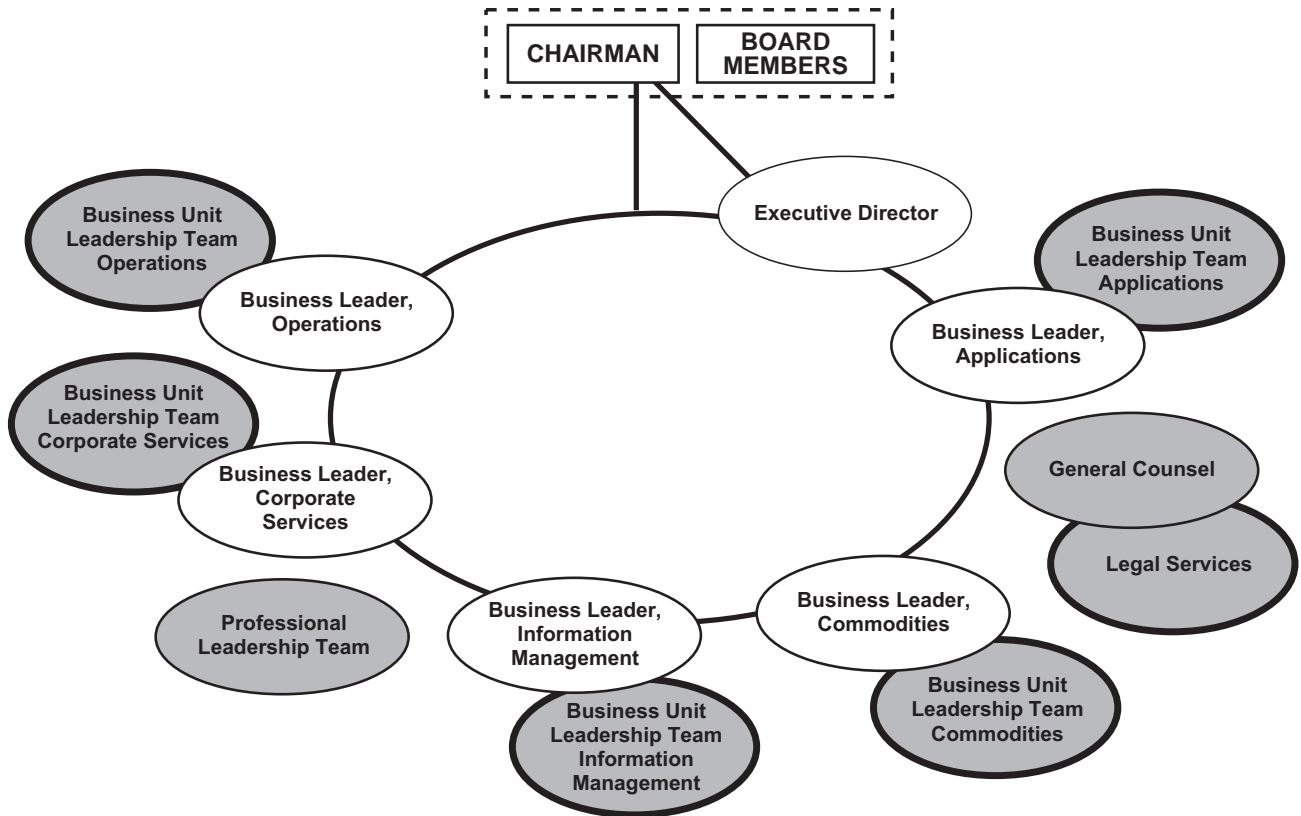
The NEB Act provides for up to nine Board Members. The Chairman of the Board is the Chief Executive Officer and the Executive Director is the Chief Operating Officer. Staff implement the policies of the Board and make recommendations related to regulatory matters. The NEB has a staff of 286 full-time equivalents, organized into five business units. The organization is supported by a Legal Services Team led by General Counsel, and a Professional Leadership Team. (Figure 1)

- The **Applications Business Unit** processes and assesses applications submitted under the NEB Act. These fall primarily under Parts III, IV and VI of the NEB Act corresponding to facilities, tolls and export licence applications. This unit is also responsible for the financial surveillance and audits of NEB-regulated pipelines.
- The **Commodities Business Unit** assists the Board in fulfilling its mandate, through energy industry and marketplace surveillance, and the updating of guidelines and regulations relating to energy exports as prescribed by Part VI of the NEB Act. It is also responsible for the disposition of applications for short-term export of natural gas, oil and natural gas liquids; import of natural gas; electricity exports; and international power lines.
- The **Operations Business Unit** is responsible for safety and environmental matters pertaining to facilities under the NEB Act, the COGO Act and the CPR Act. It conducts safety and environmental inspections and audits and accident investigations. It also monitors emergency response procedures, regulates the exploration and development of hydrocarbon resources in non-accord frontier lands, and develops regulations and guidelines for both pipeline and exploration and development activities.
- The **Corporate Services Business Unit** assists the Board in its management of human resources, material and facilities, and financial resources.
- The **Information Management Business Unit** develops and implements an information strategy for the Board that meets the requirements of internal and external stakeholders.
- The **Legal Services Team**, led by General Counsel, provides legal advice for both regulatory and management purposes.
- The **Professional Leadership Team** is responsible for maintaining and enhancing technical expertise within the NEB in the economic, environmental and engineering fields.



Figure 1

## Organizational Framework



## Section III: Agency Performance

<b>National Energy Board</b>	
Planned Spending	\$28,300,000
Total Authorities	\$54,136,000
<b>1998-99 Actual</b>	<b>\$53,186,980</b>

(see pages 24-28 for explanation of variances)

### A. Performance Expectations

The five corporate goals and strategic priorities identified in the NEB's *1998-99 Report on Plans and Priorities* provided the focus for NEB activities over this reporting period. Key accomplishments relating to the Board's five goals are detailed here.

### B. Performance Accomplishments

#### *Goal 1: Efficient Management of Application Processing*

In 1998-99, the Board continued to experience a heavy workload, with 80 hearing days. This reflects continued strong activity in the Canadian energy industry. These application hearings dealt with complex and contentious issues including the protection of the environment and the interests of land owners and First Nations.

The Board met its goal of managing its applications workload while ensuring that all relevant public interest considerations were dealt with appropriately. This workload included 12 oral hearings and two written hearings, as detailed in Tables 1-4 in Section IV of this report. Non-hearing applications also form a major component of the Board's workload.

Applicants consistently reported seeing an improvement in cycle times for routine projects. This improvement was due to a number of factors. The NEB was more pro-active in clarifying filing requirements and NEB processes at the pre-application stage. More complete applications and a streamlined process were the result. The Board also contacted other agencies and federal departments more frequently in 1998-99 to clarify application requirements. Finally, meetings

were initiated with project proponents at the post decision stage, to review the completeness of their applications, so that processing could be even more efficient in future applications.

The Board recognizes the need for further improvements to its non-hearing application processes and commissioned a review of them. Changes resulting from the review's recommendations will be implemented during the next reporting year.

A system to effectively and efficiently measure application cycle times was designed during this reporting year and will be implemented in the next fiscal year. All applications falling under the COGO Act were processed within the times specified in those regulations even though the number of applications increased.

During 1998-99, the Board issued a number of decisions that increased competition in the marketplace and improved economic efficiency for Canadians. The most significant decision was the approval of the application by Alliance Pipeline Ltd. for a new high-pressure pipeline from northeast British Columbia and northwest Alberta to the Chicago market area. Once constructed, the Alliance pipeline will introduce direct competition to TransCanada and Foothills for the transportation of Canadian gas to the U.S. Midwest market. Other decisions that bolstered competition were the approval of the Vector pipeline from Chicago to Dawn, Ontario and two projects that would allow shippers to bypass the Nova Gas Transmission Ltd. system. These were the AEC Suffield pipeline and Northstar Energy Corporation's Coleman pipeline. The Board also heard and decided a dispute between Westcoast Energy Inc. and BC Gas regarding access to the Westcoast system.

### ***Goal 2: Clarity in the Environmental Assessment Process***

The Board continues to ensure that projects which fall under the NEB Act, COGO Act or the CEA Act are properly assessed from an environmental perspective. The Board is particularly concerned with the complexity and timing of its environmental process with respect to those major projects subject to the comprehensive study requirements under the CEA Act.

The Board met its goal of improving the clarity of environmental assessments for these major projects, by pursuing negotiations with the CEA Agency and other federal departments. This resulted in a new pre-hearing Comprehensive Study Report (CSR) process. Two pilot projects incorporating the CSR process were commenced. The Board will continue to address concerns related to the integration of the NEB Act and CEA accountabilities to improve application timing and process.

The Board also clarified the environmental assessment process for non-hearing applications. This goal was accomplished through enhanced NEB staff communication with the CEA Agency, Fisheries & Oceans Canada, and Environment Canada. Active dialogue between NEB staff and external stakeholders, including the Canadian Energy Pipeline Association's Environmental

Committee, resulted in better understanding of the Board’s environmental mandate and processes. This in turn improved the quality and timeliness of environmental screenings. The NEB continues to recognize the need for improvements in its environmental assessment process, while ensuring protection of the environment.

***Goal 3: Public Confidence in the Safety of NEB-Regulated Facilities***

The primary responsibility for safety rests with the operators of NEB-regulated facilities. To ensure safe operation of pipelines and the protection of the environment, the Board has a comprehensive regulatory program which includes the development of regulations, and safety and environmental inspections and audits. In the event of a pipeline failure, the Board investigates whether the operator is in compliance with the regulations, whether the regulations need to be modified and whether regulatory action is required to ensure safety.

***Safety Performance***

Table 1 lists some of the safety performance indicators for pipelines and other facilities and activities under NEB jurisdiction. For many criteria, the industry performed better than the previous year even though the total length of pipeline increased. The number of incidents returned to historic five-year average levels.

**Table 1**

**Safety Performance of Pipelines and Facilities**

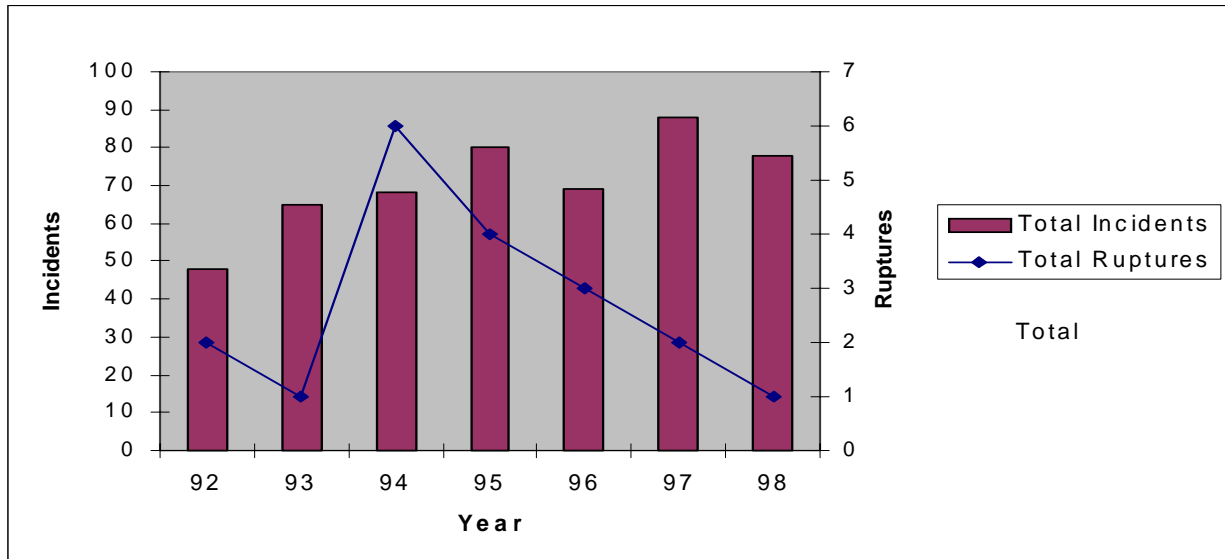
	<i>1997</i>	<i>1998</i>
<i>Pipeline Incidents<sup>(fn)</sup></i>	88	<b>78</b>
<i>Pipeline Ruptures</i>	2	<b>1</b>
<i>Assurances of Voluntary Compliance (AVC) Received</i>	147	<b>170</b>
<i>Occupational Health &amp; Safety Incidents per 100,000 Hours Worked on Frontier Lands</i>	1.2	<b>0.9</b>

<sup>(fn)</sup>incidents includes any failure or malfunction of a pipeline, a fire or explosion, a liquid spill, a pipeline rupture, a fatality or an injury requiring hospitalization

Most of the incidents in 1998-99 did not pose a hazard to the public or the environment. Of the 78 incidents, 31 (40 percent) resulted in pipeline contents being released. Fifteen did not involve pipeline operation, but rather involved injuries to construction and maintenance personnel. The majority of the 78 incidents occurred within controlled areas such as compressor stations or gas plants—36 at compressor or pump stations, and eight at gas plants.

**Table 2**

**Annual Total Incidents and Ruptures**



***Pipeline Integrity***

Ruptures are significant failures which result in uncontrolled release of the pipeline contents and pose the greatest risk to public safety and the environment. Continuing a five-year trend of declining pipeline ruptures (Table 2), only one pipeline rupture occurred in 1998, a 68% decrease from the five-year average of 3.2 ruptures per year. In 1998, there were no injuries to either the public or company employees resulting from a pipeline failure.

In 1998-99, the Board completed the drafting of major revisions to its *Onshore Pipeline Regulations* (OPR) which address safety and environmental issues. These revised regulations will take effect in August 1999. They recognize changes in industry technology and place greater emphasis on the maintenance of pipeline integrity.

***Inspections and Audits***

The compliance of regulated companies with NEB regulations and approval conditions is also monitored through inspections and audits. In most cases, non-compliance situations are satisfied by the company’s commitment to remedy the situation in a specified manner, within a

specified time. They provide the NEB Inspection Officer with an Assurance of Voluntary Compliance (AVC). Over 90 percent of the 1998-99 AVCs were satisfied within the agreed time frame. The NEB has adjusted its procedures to improve follow-up of overdue AVCs.

### ***Compliance Monitoring***

In 1998, the NEB established a tracking system to monitor the status of approval conditions. According to this system, over 90 percent of the conditions to approvals have been satisfied on time; the remainder are being closely monitored. The NEB plans to steadily improve the level of compliance in the next reporting period. The system will also improve the effectiveness of the conditions set by the Board.

### ***Investigation and Follow-up***

Every incident is investigated. The speed of the investigation and how well the resulting recommendations are implemented provide an indication of the NEB's effectiveness. In 1998-99, the time required for completing an incident investigation averaged 23 days for COGO Act matters and 194 days for NEB Act investigations. NEB's goal is to average 90 days; therefore steps have been taken to streamline the process and increase the resources allocated to incident investigation. As well, the Board has implemented a system to document recommendations and follow-up after incident investigations. It intends to use the information it collects from the investigations and share it with the industry, to prevent incidents in the future.

### ***Resource Allocation***

In September 1998, the Auditor General released his report on a comprehensive audit of the Board. The report noted a number of deficiencies in the area of management of safety and environmental information, and the resources the Board has allocated to safety regulation. The Board accepted all these recommendations and has increased the resources allocated to safety and environmental matters. In addition, the Board has initiated a number of projects, many of which are referred to above, to address these deficiencies and improve its performance.

### ***Agency Collaboration***

The commitment to safe and environmentally sound pipelines is shared with other provincial and federal agencies. The NEB works collaboratively to fulfill its mandate and to ensure a common standard for pipelines in Canada. For example, the NEB, with all provinces and industry, develops common technical requirements for pipelines through the Canadian Standards Association. The NEB has also recently arranged with the Canada Nova Scotia Offshore Petroleum Board (CNSOPB) to regulate the Sable Offshore Energy Inc. pipeline. This arrangement calls for the sharing of information between the two agencies. Some CNSOPB staff have been designated as NEB Inspection Officers. The Board will continue to look at ways it can work with other agencies to more effectively deliver its programs.

### ***Public Confidence***

Based on these initiatives and results, the NEB believes that the risks of oil and gas production and pipeline transportation are being effectively managed by the industry, and that the NEB regulatory program is contributing to this outcome. However, there continue to be indications of a lack of public confidence in the safety of pipelines. This is reflected in media reports. Concerns are also raised by communities faced with new pipelines. The NEB has taken steps to address these concerns. For example, prior to detailed route hearings, the Board typically holds information sessions in communities to explain, among other things, its regulatory program regarding safety and environmental protection. During construction of new pipelines, the NEB has increased its field presence and communication with the affected communities. The Board will be implementing measures in coming years to better assess the confidence of the public in the safety of pipelines and to identify ways the Board can communicate more effectively.

### ***Year 2000 (Y2K) Preparedness***

The year 2000 (Y2K) issue has the potential to impact the pipeline industry. With much of today's equipment controlled by computers, the Board recognizes that a failure of equipment due to the Y2K issue is a potential risk to the public safety and protection of the environment.

Early in 1998, the Board sent out an Information Request to NEB-regulated companies to gain a better understanding of their preparedness with respect to the Y2K issue. Since then, the NEB has been monitoring regulated companies' Y2K preparedness by requiring that they report their Y2K status to the Board on a regular basis. Recently, this has been achieved through quarterly progress reports (coordinated with Natural Resources Canada and the National Contingency Planning Group). In addition, in early 1999, the Board directed companies whose operations have the greatest potential to impact the Canadian economy, to commission a third party assessment of their Y2K programs.

Based on the information received to date, all regulated companies indicated their awareness of the Y2K issue. Each of the companies is at various stages in Y2K preparedness and all expect to be either Y2K compliant or prepared before the end of 1999. The NEB will continue to monitor progress of regulated companies in preparing for Y2K level of preparedness throughout 1999 and into 2000.

### ***Goal 4: Improved Provision of Energy Information***

The Board sought greater interaction with both the public and industry this year. Informal client surveys indicated satisfaction more than 95 percent of the time with the level of information services provided by the Board. Some clients did indicate a concern about timeliness and usefulness of information. In light of this, the Board will work to improve performance in this area of concern.

The Board's Supply and Demand Report was prepared through 1998-99 and was published in June 1999. The Board also increased the level of public communication and exchange of information through speeches to the public, conference attendance, formal meetings with companies and associations, presentations by industry, industry analysts and a consultant's analysis. For the first time, formal open consultation with the public helped shape the Supply and Demand Report, thereby increasing public awareness of the Board and its information services.

In a continuing effort to reduce duplication of work by federal and provincial regulatory bodies, an energy resources database agreement was implemented with the Province of British Columbia. The Board completed one internal study for the Province, and another joint study is planned for public release in 1999, again to avoid duplication. An existing agreement with the Province of Alberta continued in 1998-99. Discussions also took place with the Province of Saskatchewan regarding development of a similar agreement.

In addition to formal Memoranda of Understanding (MOU) with British Columbia and Alberta, the Board also maintained MOUs with Statistics Canada and Natural Resources Canada (NRCan). The NRCan MOU allowed the two organizations to share analytical knowledge and tools used in the Supply and Demand Report. Sharing of subscription costs with other federal agencies also improved cost effectiveness.

Informal surveys of applicants of short-term export orders indicated complete satisfaction with the timeliness and quality of service provided by the Board.

### ***Goal 5: Enhanced Public Participation and Access to Information***

As a federal organization based in Calgary, the Board makes a concerted effort to meet the diverse needs of its public and the regulated energy industry across Canada. To provide better access to its process, increase public participation and create a national presence, it frequently holds hearings and/or pre-hearing conferences in local communities throughout the country. Over the past year, the Board demonstrated its presence by holding a number of proceedings in both traditional and new supply basins.

To bridge distances, the NEB uses the Internet and other technologies to provide enhanced access to its regulatory information holdings. In 1998-99, its survey of external clients indicated a high level of satisfaction regarding access to information and the tools used to share information. However, more work needs to be done to assess the cost effectiveness and speed of information services, and to measure public confidence, ensuring that the NEB continues to work in the public interest.



### ***Out-of-Town Hearings***

In 1998-1999, the Board held seven out-of-town hearings in eleven cities to create a better understanding of its regulatory process and to enable public participation in seven provinces. Three series of detailed route hearings (DRH) were held in five cities with part of one DRH conducted by video tele-conference. These series of hearings are the first conducted by the Board since 1985. Each series of hearings drew from the experience of the previous one, so that each subsequent process was further refined. The Board also adopted plain-language in drafting its *Directions on Procedure*. This improved the public's understanding of the Board's hearing process and requirements, ultimately leading to more timely Board decisions.

Prior to these hearings, the Board held public information sessions at various locations across Canada. The purpose was to explain the NEB hearing process and to ensure that upcoming hearings addressed all local concerns and issues.

### ***Electronic Regulatory Filing (ERF)***

The NEB is implementing ERF in concert with the Ontario Energy Board (OEB) and the regulated energy industry. This ERF initiative creates a system for the creation, exchange, use and re-use of regulatory information in electronic formats. This will reduce costs, increase regulatory efficiency and increase access to regulatory information. It will also greatly enable the public to participate in regulatory proceedings, regardless of their geographic location.

In 1998-99, the NEB successfully tested this ERF concept by creating documents in standard formats and exchanging them over a central repository. Currently, the Board is accepting requests to conduct "pilot" ERF proceedings of various types. Pilot projects will familiarize participants with ERF technology and modified regulatory processes, in anticipation of mandatory filing.

### ***Internet Site***

The NEB's web site (<http://www.neb.gc.ca>) is a critical tool for ensuring that the public has timely access to key documents. The site includes information about the Board's regulatory role, current regulatory proceedings and monthly energy statistics. In March 1999, the Board started posting full-text decisions from public hearings to give all interested persons immediate, simultaneous access to the decisions. A further innovation to the site was the addition of a monthly Regulatory Agenda. This document was created specifically for the web site as a supplement to the quarterly Regulatory Agenda. It gives the public timely information about the status of Board activities and decisions. During 1998-99, documents such as the Board's *Annual Report*, additional energy statistics and information about electricity applications were also added to the site. Development of the site and the addition of new documents is ongoing.

### ***Dial-in Sound Access to Hearings***

In 1998-99, the Board initiated telephone dial-in sound access to all its hearings. This service increases access to proceedings for those unable to attend. Anyone can listen to some or all of the hearing.

### ***Other Public Information Services***

In 1998-1999, the Board conducted an external survey and evaluation of its public information services. In March 1999, 48 people outside the Board who were recently involved in Board proceedings were telephone-surveyed. The respondents felt well-served by the NEB's information services and indicated that NEB information was of very good quality. Several areas for improvement were identified. These included reviewing NEB listings in telephone directories across the country; broader publication of the Board's toll-free telephone number; incorporating plain language in Board documents; and enhancing the Board's web site. The recommendations will be addressed in the years ahead to continue to increase public engagement in NEB matters.

The Board also provided other information services throughout the year. These included maintaining a mailing list database to disseminate NEB information, and creating and distributing information bulletins on a range of topics. In addition, the Board has a specialized library in Calgary consisting of reference materials, books and periodicals, regulatory applications, energy studies and speeches by Board Members. The library provides interlibrary loans, telephone service and weekday walk-in service to the public and to Board staff.

## Section IV: Consolidated Reporting

### A. Y2K Readiness

Starting in early 1998, the Board undertook an initiative to identify and understand the Y2K computer phenomenon as it pertained to the Board's internal systems as well as its external stakeholders. This initiative is part of an overall Government of Canada Y2K readiness strategy led by the Treasury Board Secretariat (TBS). TBS has mandated that government departments provide Y2K working plans and status on a regular basis. Much of this information is accumulated and published by TBS on its Y2K Internet web site (<http://www.info2000.gc.ca>).

The Board has worked with TBS and NRCan in preparing for, mitigating or eliminating the risks associated with the Year 2000. In November 1998, the Board created a Y2K project office reporting to the Executive Director. Its responsibility is to manage the internal activities surrounding the Year 2000. All staff are aware of the importance of this initiative and all activities related to the Year 2000 are a top priority.

As of March 31, 1999, the following steps have been completed:

- Inventoried all computer assets within the Board;
- Prioritized each asset based on business function and Treasury Board guidelines;
- Prepared detailed test plans and procedures for all asset categories;
- Prepared procedures for the acquisition of new assets; and
- Completed detailed testing for existing infrastructure, off-the-shelf and custom applications.

The NEB's target is to have all important business systems Y2K-ready by September 30, 1999. Contingency plans for the Board's mission-critical functions have been completed. Contingency plans for important business functions will be completed by September 30, 1999. The Board will share with all stakeholders the contingency-plan aspects which relate to safety and environmental emergency response. The Board is confident that all reasonable steps are being taken to ensure a continuous level of service over the turn of the century.

## B. Quarterly Regulatory Reports

Tables 1-4 summarize quarterly NEB Public Hearings:

**Table 1**  
**April 1 to June 30, 1998**

Oral Hearings	Results	Outcomes
<b>I.</b> Northstar Energy Corporation - Natural Gas Pipeline - GH-1-98	Decision issued on May 26, 1998. Hearing held in Calgary, Alberta from March 30 to April 6 (3 days in reporting period - total of 5 days).	Construct 7.2 kilometres (4.5 miles) of pipeline to transport 1.04 million cubic metres (37 million cubic feet) of natural gas per day. Estimated cost: \$6.5 million.
<b>II.</b> Interprovincial Pipeline Inc. - Oil Pipeline - OH-1-98	Decision issued on June 9, 1998. Hearing held in Calgary, Alberta on April 15 and 16 (2 days).	Construct 619 kilometres (385 miles) of pipeline and associated facilities to transport 27 000 cubic metres (170 000 barrels) of crude oil per day. Estimated cost: \$610 million.

The Board completed the following applications and other matters which did not require a public hearing:

Completed Applications without Public Hearings	
Pipeline Matters	31
Frontier Matters	14
Traffic, Tolls and Tariff Matters	8
Natural Gas Matters	4
Electricity Matters	4
Other Matters	2

**Table 2**  
**July 1 to September 30, 1998**

<b>Oral Hearings</b>	<b>Results</b>	<b>Outcomes</b>
<b>I.</b> AEC Suffield Gas Pipeline Inc. Natural Gas Pipeline - GH-2-98	Decision issued on July 30, 1998. Hearing held in Calgary, Alberta from May 25 to June 1 (3 days).	Construct 114 kilometres (71 miles) of pipeline to transport 4.96 million cubic metres (175 million cubic feet) of natural gas per day. Estimated cost: \$22.8 million.
<b>II.</b> Trans Québec & Maritimes Pipeline Inc. (TQM) - Detailed route hearings - MH-2-98	Decision issued on August 14, 1998. Hearings held in Magog-Orford, Quebec from July 22 to August 3 (10 days).	The route proposed by TQM was found to be the best possible route.

<b>Written Hearings</b>	<b>Results</b>	<b>Outcomes</b>
<b>I.</b> Renaissance Energy Ltd. and TransCanada Gas Services Natural Gas Export - GHW-1-98	Decision issued on 10 July, 1998.	Renaissance: Export 663 000 cubic metres (23.4 million cubic feet) of natural gas per day. TransCanada: Export 849 840 cubic metres (30 million cubic feet) of natural gas per day.

The Board completed the following applications and other matters which did not require a public hearing:

Completed Applications without Public Hearings	
Pipeline Matters	31
Frontier Matters	16
Traffic, Tolls and Tariff Matters	8
Natural Gas Matters	7
Electricity Matters	3
Other Matters	2

**Table 3**  
**October 1 to December 31, 1998**

<b>Oral Hearings</b>	<b>Results</b>	<b>Outcomes</b>
<b>I.</b> Souris Valley Pipeline Limited - Carbon Dioxide Pipeline - MH-1-98	Decision issued on October 14, 1998. Hearing held in Regina, Saskatchewan on May 4 (1 day).	Construct 61 kilometres (38 miles) of pipeline to transport 2.7 million cubic metres (95 million cubic feet) of carbon dioxide per day. Estimated cost: \$13.7 million.
<b>II.</b> Maritimes & Northeast Pipeline Management Ltd. (M&NP) - Sable Offshore Energy Inc. (SOEI) - Detailed Route Hearings - MH-3-98 and MH-4-98	Decisions issued on October 30, 1998. Hearings held in Fredericton and Moncton, New Brunswick and Stellarton and Halifax, Nova Scotia from July 23 to August 12 (13 days).	In 12 of the 17 cases heard, it was found that the proposed route by M&NP was the best possible route. In three cases, the M&NP route was denied. Two cases were re-heard in January 1999. For the two SOEI cases, the SOEI route was found to be the best possible route.
<b>III.</b> Alliance Pipeline Ltd. - Natural Gas Pipeline - GH-3-97	Decision issued on November 26, 1998. Hearing held in Calgary, Alberta, Fort St. John, B.C., Edmonton, Alberta and Regina, Saskatchewan from January 6 to May 21 (26 days in reporting period - total of 77 hearing days).	Construct 1 565 kilometres (970 miles) of pipeline to transport 37.5 million cubic metres (1.325 billion cubic feet) of natural gas per day. Estimated cost: \$2 billion.
<b>IV.</b> TransCanada PipeLines Limited - 1999 Natural Gas Pipeline Facilities - GH-3-98	Decision issued on December 3, 1998. Hearing held in Calgary, Alberta from October 5 to 9 (5 days).	Construct 156.1 kilometres (97 miles) of pipeline and other facilities through the provinces of Saskatchewan, Manitoba and Ontario. Estimated cost: \$402.9 million.

The Board completed the following applications and other matters which did not require public hearings:

Completed Applications without Public Hearings	
Pipeline Matters	22
Frontier Matters	17
Traffic, Tolls and Tariff Matters	11
Natural Gas Matters	6
Electricity Matters	3
Other Matters	2

**Table 4**  
**January 1 to March 31, 1999**

<b>Oral Hearings</b>	<b>Results</b>	<b>Outcomes</b>
<b>I.</b> Maritimes & Northeast Pipeline Management Ltd. - Point Tupper Lateral - Natural Gas Pipeline - GH-4-98.	Decision issued on January 1, 1999 Hearing held in Antigonish, Nova Scotia from November 23 to December 1 (7 days).	Construct 59 kilometres (37 miles) of pipeline. Estimated cost: \$21 million.
<b>II.</b> Maritimes & Northeast Pipeline Management Ltd. - Detailed Route Hearings - MH-3-98.	Decision issued on January 26, 1999. Hearings by video-conference held simultaneously in Calgary, Alberta, Fredericton, New Brunswick and Stellarton, Nova Scotia on January 8 and 11 (2 days).	Of the two cases heard, the route proposed by M&NP was denied in one case and found to be the best possible route in the other case.
<b>III.</b> BC Gas Utility - Service on Westcoast Energy Inc. System and Toll Methodology - RH-2-98.	Decision issued on March 26, 1999 Hearing held in Vancouver, British Columbia from February 22 to 26 (5 days).	Approved the request for a receipt point at Kingsvale, British Columbia and the toll methodology.
<b>IV.</b> Vector Pipeline Limited Partnership - Natural Gas Pipeline - GH-5-98	Decision issued on March 31, 1999 Hearing held in London, Ontario on January 18, 19 and 20 (3 days).	Construct 24 kilometres (15 miles) of pipeline to transport 28.3 million cubic metres (one billion cubic feet) of natural gas per day. Estimated cost: \$35.4 million.

<b>Written Hearings</b>	<b>Results</b>	<b>Outcomes</b>
<b>I.</b> Enron Capital and Trade Resources Corp. - Natural Gas Export - GHW-1-99	Decision: Not yet issued.	A license to export 566 600 cubic metres (20 million cubic feet) of natural gas per day.

The Board completed the following applications and other matters which did not require public hearings:

Completed Applications without Public Hearings	
Pipeline Matters	43
Frontier Matters	26
Traffic, Tolls and Tariff Matters	12
Natural Gas Matters	4
Electricity Matters	3
Other Matters	3

## **Section V: Financial Performance**

### **A. Overview**

The National Energy Board continually strives to improve the efficiency and effectiveness of its operations and to rationalize costs related to agency performance. The Board's operating budget is directly affected by the activity levels in the Canadian energy sector, with hearing-related activities accounting for 60 percent of the Board's operating expenses. In addition to the Board's planned expenditures of \$28.3 million, the Board received supplementary funding in the amount of \$25.8 million for a total of \$54.1 million in appropriations.

The supplementary funding included \$22.2 million to cover out-of-court settlements with the energy industry. These related to relocation expenses previously recovered from the energy industry when the Board's headquarters moved from Ottawa, Ontario to Calgary, Alberta in 1991. As well, \$2.7 million was for additional operating resources, \$0.7 million for compensation for collective bargaining, and \$0.2 million to cover adjustments to the Employee Benefit Plan (EBP).

The list and Financial Tables that follow present an overview of the National Energy Board's 1998-99 financial performance.

Table 1 - Summary of Voted Appropriations

Table 2 - Comparison of Total Planned Spending to Actual Spending

Table 3 - Historical Comparison of Total Planned Spending to Actual Spending

Table 7 - Non-responsible Revenues

Table 15 - Contingent Liabilities



## B. Financial Tables

**Table 1**  
**Summary of Voted Appropriations**

<b>Financial Requirements by Authority</b>				
<b>(\$millions)</b>				
<b>Vote</b>	<b>National Energy Board</b>	<b>1998-99</b>		
		<b>Planned Spending</b>	<b>Total Authorities</b>	<b>Actual</b>
35	Operating Expenditures	24.3	49.9 <sup>(1)</sup>	48.9
(S)	Employee Benefit Plan (EBP)	4.0	4.2	4.2
	<b>Total NEB</b>	<b>28.3</b>	<b>54.1</b>	<b>53.1</b>

<sup>(1)</sup> The difference between planned spending and total authorities is attributable to: out-of-court settlement costs with the energy industry in the amount of \$22.2 million; \$2.7 million for additional operating resources; \$0.7 million for compensation for collective bargaining; and \$0.2 million for EBP adjustments.

**Table 2**  
**Comparison of Total Planned Spending to Actual Spending**

<b>Agency Planned versus Actual Spending</b>			
(\$millions)			
National Energy Board	<b>1998-99</b>		
	<b>Planned</b>	<b>Total Authorities</b>	<b>Actual</b>
FTEs <sup>(1)</sup>	286	286	<b>266</b>
Operating <sup>(2)</sup>	28.0	53.8	<b>52.0</b>
Capital	.3	.3	<b>1.1</b>
Voted Grants & Contributions	-	-	-
<b>Total Gross Expenditures</b>	<b>28.3</b>	<b>54.1</b>	<b>53.1</b>
Less:			
Respendable Revenues <sup>(3)</sup>	-	-	-
<b>Total Net Expenditures</b>	<b>28.3</b>	<b>54.1</b>	<b>53.1</b>
Other Revenues & Expenditures			
Non-respendable Revenues <sup>(4)</sup>	25.5	25.5	<b>25.8</b>
Cost of Services Provided by Other Departments	3.7	3.7	<b>3.7</b>
<b>Net Cost of Program</b>	<b>6.5</b>	<b>32.3</b>	<b>31.0</b>

- (1) Full-time equivalent (FTE) is a measure of human resource consumption based on average levels of employment. FTE factors the length of time that an employee works during each week by calculating the rate of assigned hours of work over scheduled hours of work.
- (2) Operating includes contributions to employee benefit plans and costs of services provided by other departments.
- (3) These revenues were formerly called "Revenues Credited to the Vote".
- (4) These revenues were formerly called "Revenues Credited to the CRF".

**Table 3**  
**Historical Comparison of Total Planned Spending to Actual Spending**

<b>Agency Planned versus Actual Spending by Business Line</b> (Millions)					
	<b>Actual 1996-97</b>	<b>Actual 1997-98</b>	<b>1998-99</b>		
			<b>Planned Spending</b>	<b>Total Authorities</b>	<b>Actual</b>
National Energy Board	26.9	28.0	28.3	54.1 <sup>(1)</sup>	53.1
<b>Total</b>	<b>26.9</b>	<b>28.0</b>	<b>28.3</b>	<b>54.1</b>	<b>53.1</b>

(1) The difference between planned spending and total authorities is attributable to: out-of-court settlement costs with the energy industry in the amount of \$22.2 million; \$2.7 million for additional operating resources; \$0.7 million for compensation for collective bargaining; and \$0.2 million for EBP adjustments.

**Table 7**  
**Non-respondable Revenues**

<b>Non-respondable Revenues</b> (Millions)					
	<b>Actual 1996-97</b>	<b>Actual 1997-98</b>	<b>1998-99</b>		
			<b>Planned Revenues</b>	<b>Total Authorities</b>	<b>Actual</b>
National Energy Board	24.6	24.8	25.5	25.5	25.8
<b>Total Non-respondable Revenues</b> <sup>(1)</sup>	<b>24.6</b>	<b>24.8</b>	<b>25.5</b>	<b>25.5</b>	<b>25.8</b>

(1) These revenues were formerly called "Revenues Credited to the CRF".

**Table 15**  
**Contingent Liabilities**

<b>Contingent Liabilities</b> (\$millions)			
<b>List of Contingent Liabilities</b>	<b>Amount of Contingent Liability</b>		
	<b>March 31, 1997</b>	<b>March 31, 1998</b>	<b>Current as of March 31, 1999</b>
<b>Loans</b>	-	-	-
<b>Claims and Pending and Threatened Litigation</b>			
Litigations	-	0.1	0.1
Non-litigations <sup>(1)</sup>	15.2	21.7	-
<b>Total</b>	<b>15.2</b>	<b>21.8</b>	<b>0.1</b>

(1) Resulting from the 1997 Federal Court of Appeal decision, the Board in 1998-1999 reimbursed costs previously recovered from regulated companies, which related to the Board's relocation from Ottawa to Calgary in 1991. The total costs of \$21.7 million includes pre-judgement and post-judgement interest.

## **Section VI: Other Information**

### **A. Cooperation with Other Government and Regulatory Departments and Agencies**

#### ***Northern Pipeline Agency (NPA)***

The Board provides technical and administrative assistance to the NPA, which, pursuant to the *Northern Pipeline Act*, has primary responsibility for overseeing the planning and construction of the Canadian portion of the proposed Alaska Natural Gas Transportation System by Foothills Pipe Lines Ltd. Mr. Kenneth W. Vollman, Chairman of the NEB, serves as Administrator and Designated Officer of the NPA.

#### ***Transportation Safety Board of Canada (TSB)***

While the NEB has exclusive responsibility for regulating the safety of oil and gas pipelines under federal jurisdiction, it shares the responsibility for investigating pipeline incidents with the TSB. The roles and responsibilities of each body with regard to pipeline accident investigations are outlined in an MOU between the two Boards.

#### ***Human Resources Development Canada (HRDC)***

The Board has an MOU with HRDC to coordinate safety functions under the COGO Act and the NEB Act. This MOU applies to all Board-regulated pipelines and associated facilities.

#### ***Natural Resources Canada (NRCan)***

The Board has an MOU with NRCan to reduce duplication and increase cooperation between the agencies. This MOU covers items such as data collection and development, the enhancement of energy models and special models, and the provision of advice on frontier resources and operations in areas where NRCan has administrative responsibilities under the CPR Act.

A second MOU exists with NRCan by which the Board provides advice and assistance to NRCan and the provinces of Newfoundland and Nova Scotia in drafting federal and provincial versions of regulations which pertain to the offshore areas under joint resource management accords.

#### ***Indian and Northern Affairs Canada (INAC)***

The Board has an MOU with INAC to reduce duplication and increase cooperation between the agencies. This MOU covers items such as data collection and development, and the provision of advice on frontier resources and operations in areas where INAC has administrative responsibilities under the CPR Act. When projects under the Board's jurisdiction trigger the CEA Act and are proposed to cross Indian reserves as defined in the *Indian Act*, the Board

contacts INAC as a potential responsible authority. The Board may receive expert advice from INAC to address specific issues and discuss mitigative measures on Indian reserves.

### ***Prairie Farm Rehabilitation Administration (PFRA)***

PFRA provides input to Board-regulated projects that may traverse federal land administered under the *Prairie Farm Rehabilitation Act*. PFRA may, as a responsible authority, evaluate a company's proposed mitigative measures for a project in relation to soils, reclamation and rehabilitation in the provinces of Manitoba, Saskatchewan and Alberta. The Alliance pipeline provides a good example of the Board and the PFRA working cooperatively on a project, under the CEA Act.

### ***Canadian Environmental Assessment Agency (CEAA)***

The Board consults with CEAA on various issues and projects relating to the CEA Act. Specific approaches for carrying out project environmental assessments are often discussed with the Agency, as is the general administration of the CEA Act and Regulations.

### ***Health Canada***

Health Canada may be contacted by the Board when a project has the potential to affect human health. Health Canada may provide expert advice to the Board pursuant to the CEA Act.

### ***Environment Canada***

Environment Canada often provides expert advice to the Board on projects that could affect areas of its responsibility such as migratory birds. Advice is normally provided to the Board when an application triggering the CEA Act is before the Board.

### ***Fisheries and Oceans Canada (DFO)***

DFO is responsible for the protection of fish and fish habitat, and is often contacted to examine applications as a responsible authority under the CEA Act. When a project is proposed to cross water courses that support fish and fish habitat, DFO will provide advice on specific mitigative measures that it deems appropriate. The Board and DFO jointly review projects in which both are responsible authorities, to ensure that projects are not likely to result in significant adverse environmental effects.

### ***Statistics Canada***

The Board has an MOU with Statistics Canada to provide statistics on exports and imports of natural gas, natural gas liquids, petroleum and electricity.

### ***Yukon Territory Department of Economic Development (DED)***

The Board has a contract with Yukon DED to provide expert technical advice and assistance in the regulation of oil and gas operations in the Yukon, and to provide information and data management advice and services related to those operations.

### ***Alberta Energy and Utilities Board (AEUB)***

The Board has an MOU with the AEUB on Pipeline Incident Response. The agreement provides for mutual assistance and a faster and more effective response by both boards to pipeline incidents in Alberta.

The Board and the AEUB continue to maintain their common reserves database for oil and gas reserves in Alberta. Both boards are committed to developing more efficient methods for maintaining estimates of reserves and to exploring other opportunities for cooperation.

### ***British Columbia Ministry of Energy and Mines (MEM)***

The Board and the British Columbia MEM have fully implemented their agreement to maintain a common reserves database for oil and gas reserves in British Columbia. Both agencies are committed to developing more efficient methods for maintaining estimates of reserves and to exploring other opportunities for cooperation.

### ***Ontario Energy Board (OEB)***

The Board is pursuing its Electronic Regulatory Filing (ERF) initiative as a joint venture with the OEB and 20 other key participants in the regulatory arena. The ERF project will result in a fully functional electronic system for the creation, exchange, use and reuse of regulatory information. Cooperation with the OEB will ensure the project's applicability in both jurisdictions.

### ***Saskatchewan Department of Energy and Mines***

Preliminary discussions with the Saskatchewan Department of Energy and Mines have been held regarding establishment of a common reserves database.

## **B. Other Agency Reports**

NEB 1998 Annual Report and Appendices (web site: <http://www.neb.gc.ca>)

## C. Legislation Administered and Associated Regulations

The following provides a listing of Acts, Regulations and Rules under which the Board operates or has responsibilities.

### Acts

<i>National Energy Board Act</i>	RS 1985, c. N-7
<i>Canada Oil and Gas Operations Act</i>	SC 1992, c. 35
<i>Canada Petroleum Resources Act</i>	RS 1985, c. 36(2nd Supp.)
<i>Canadian Environmental Assessment Act</i>	SC 1992, c. 37
<i>Canada Labour Code</i>	RS 1985, c. L-2
<i>Energy Administration Act</i>	RS 1985, c. E-6
<i>Northern Pipeline Act</i>	RS 1985, c. N-26

### Regulations Pursuant to the National Energy Board Act

<i>National Energy Board Cost Recovery Regulations</i>	SOR/91-7
<i>National Energy Board Export and Import Reporting Regulations</i>	SOR/95-563
<i>Gas Pipeline Uniform Accounting Regulations</i>	SOR/83-190
<i>Oil Pipeline Uniform Accounting Regulations</i>	CRC, Vol. XI, c.1058
<i>Oil Product Designation Regulations</i>	SOR/88-216
<i>Onshore Pipeline Regulations</i>	SOR/89-303
<i>National Energy Board Part VI (Oil and Gas) Regulations</i>	SOR/96-244
<i>National Energy Board , Electricity Regulations</i>	SOR/97-130
<i>National Energy Board Pipeline Crossing Regulations, Part I</i>	SOR/88-528
<i>National Energy Board Pipeline Crossing Regulations, Part II</i>	SOR/88-529
<i>Power Line Crossing Regulations</i>	SOR/95-500
<i>National Energy Board Substituted Service Regulations</i>	SOR/83-191
<i>Toll Information Regulations</i>	SOR/79-319
<i>National Energy Board Order No. MO-62-69</i>	CRC, Vol. X1, c.1055
<i>National Energy Board Rules of Practice and Procedure, 1995</i>	SOR/95-208
<i>Pipeline Arbitration Committee Procedures</i>	SOR/86-787

### Regulations Pursuant to the Canada Oil and Gas Operations Act

<i>Canada Oil and Gas Certificate of Fitness Regulations</i>	SOR/96-114
<i>Canada Oil and Gas Diving Regulations</i>	SOR/88-600
<i>Canada Oil and Gas Drilling Regulations</i>	SOR/79-82
<i>Canada Oil and Gas Installations Regulations</i>	SOR/96-118
<i>Canada Oil and Gas Geophysical Operations Regulations</i>	SOR/96-117
<i>Canada Oil and Gas Production and Conservation Regulations</i>	SOR/90-791
<i>Canada Oil and Gas Operations Regulations</i>	SOR/83-149
<i>Oil and Gas Spills and Debris Liability Regulations</i>	SOR/87-331



## **Regulations Pursuant to the Canadian Environmental Assessment Act**

<i>Law List Regulations</i>	SOR/94-636
<i>Inclusion List Regulations</i>	SOR/94-637
<i>Comprehensive Study List Regulations</i>	SOR/94-638
<i>Exclusion List Regulations</i>	SOR/94-639
<i>Federal Authorities Regulations</i>	SOR/96-280
<i>Regulations Respecting the Coordination by Federal Authorities of Environmental Assessment Procedures and Requirements</i>	SOR/97-181
<i>Projects Outside Canada Environmental Assessment Regulations</i>	SOR/96-491

## **Regulations Pursuant to the Mackenzie Valley Resource Management Act**

<i>Preliminary Screening Requirement Regulations</i>	SOR/99-12
<i>Exemption List Regulations</i>	SOR/99-13
<i>Mackenzie Valley Land Use Regulations</i>	SOR/98-429

## **Regulations Pursuant to the Canada Labour Code Part II**

<i>Canada Occupational Safety and Health Regulations</i>	SOR/86-304
<i>Oil and Gas Occupational Safety and Health Regulations</i>	SOR/87-612
<i>Safety and Health Committees and Representatives Regulations</i>	SOR/86-305

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Brenda Kenny	Business Leader, Applications
John McCarthy	Business Leader, Operations
Terrance Rochefort	Business Leader, Commodities
Judith Hanebury	General Counsel
Michel Mantha	Secretary of the Board
Peter Schnell	Team Leader, Planning and Reporting
Elizabeth Arden	Website Administrator

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