



# National Energy Board

2002-2003  
Estimates

Part III – Report on Plans and Priorities

Canada

## The Estimates Documents

Each year, the government prepares Estimates in support of its request to Parliament for authority to spend public monies. This request is formalized through the tabling of appropriation bills in Parliament. The Estimates, which are tabled in the House of Commons by the President of the Treasury Board, consist of three parts:

**Part I – The Government Expenditure Plan** provides an overview of federal spending and summarizes both the relationship of the key elements of the Main Estimates to the Expenditure Plan (as set out in the Budget).

**Part II – The Main Estimates** directly support the *Appropriation Act*. The Main Estimates identify the spending authorities (votes) and amounts to be included in subsequent appropriation bills. Parliament will be asked to approve these votes to enable the government to proceed with its spending plans. Parts I and II of the Estimates are tabled concurrently on or before 1 March.

**Part III – Departmental Expenditure Plans** which is divided into two components:

- (1) **Reports on Plans and Priorities (RPPs)** are individual expenditure plans for each department and agency (excluding Crown corporations). These reports provide increased levels of detail on a business line basis and contain information on objectives, initiatives and planned results, including links to related resource requirements over a three-year period. The RPPs also provide details on human resource requirements, major capital projects, grants and contributions, and net program costs. They are tabled in Parliament by the President of the Treasury Board on behalf of the ministers who preside over the departments and agencies identified in Schedules I, I.1 and II of the *Financial Administration Act*. These documents are tabled in the spring and referred to committees, which then report back to the House of Commons pursuant to Standing Order 81(4).
- (2) **Departmental Performance Reports (DPRs)** are individual department and agency accounts of accomplishments achieved against planned performance expectations as set out in respective RPPs. These Performance Reports, which cover the most recently completed fiscal year, are tabled in Parliament in the fall by the President of the Treasury Board on behalf of the ministers who preside over the departments and agencies identified in Schedules I, I.1 and II of the *Financial Administration Act*.

The Estimates, along with the Minister of Finance's Budget, reflect the government's annual budget planning and resource allocation priorities. In combination with the subsequent reporting of financial results in the Public Accounts and of accomplishments achieved in Departmental Performance Reports, this material helps Parliament hold the government to account for the allocation and management of public funds.

© Her Majesty the Queen in Right of Canada, represented by the Minister of Public Works and Government Services, 2002

Available in Canada through your local bookseller or by mail from Canadian Government Publishing (PWGSC)  
Ottawa, Canada K1A 0S9

Telephone: 1-800-635-7943  
Internet site: <http://publications.pwgsc.gc.ca>

Catalogue No. BT31-2/2003-III-14

ISBN 0-660-61823-0



National Energy  
Board

Office national  
de l'énergie

## **2002 - 2003 Estimates**

### **Part III - Report on Plans and Priorities**

---

Kenneth W. Vollman  
Chairman  
National Energy Board

---

The Honourable Herb Dhaliwal, P.C., M.P.  
Minister  
Natural Resources Canada



## Table of Contents

<b>Section I: Messages</b> .....	1
Chairman's Message .....	1
<b>Section II: Raison d'être</b> .....	3
2.1 Mandate, Roles and Responsibilities .....	3
2.2 Purpose .....	4
2.3 Vision .....	4
<b>Section III: Strategic Outcome</b> .....	5
3.1 Introduction .....	5
3.2 Planning Context .....	5
3.3 Plans and Priorities .....	8
Goal 1: NEB-regulated facilities are safe and perceived to be safe. ....	9
Goal 2: NEB-regulated facilities are built and operated in a manner that protects the environment and respects individuals' rights. .	13
Goal 3: Canadians derive the benefits of economic efficiency. ....	16
Goal 4: The NEB meets the evolving needs of the public to engage in NEB matters. ....	18
<b>Section IV: Organization</b> .....	21
4.1 Strategic Outcome and Business Line .....	21
4.2 Accountability .....	21
4.3 Departmental Planned Spending .....	23
<b>Section V: Annexes</b> .....	25
Table 5.1 Sources of Respendable and Non-Respendable Revenue .....	25
Table 5.2 2002-2003 Net Cost of Program for the Estimate Year .....	25
Table 5.3 Regulatory Initiatives .....	26
Table 5.4 Collective Initiatives .....	28
<b>Section VI: Other Information</b> .....	33
References and Board Web Site .....	33
Clients and Stakeholders .....	34



# Section I: Messages

## Chairman's Message

It is my pleasure to present the *Report on Plans and Priorities* of the National Energy Board (the Board or the NEB).

The Board's corporate purpose is to *promote safety, environmental protection and economic efficiency in the Canadian public interest while respecting individuals' rights and within the mandate set by Parliament in the regulation of pipelines, energy development and trade*. In fulfilling this purpose, our vision is that *we will be a respected leader in safety, environmental and economic regulation*.

In striving to deliver results to Canadians we have developed, over the past several years, a planning and reporting framework that provides a basis for clear direction, performance evaluation and continuous improvement. While our priorities continue to be established by the pursuit of the same four corporate goals, changes in the business environment and public expectations require that we assess, on an ongoing basis, the suitability of previously planned actions and how these might need to be altered to provide results.

With respect to our first goal, that *NEB-regulated facilities are safe and perceived to be safe*, our key strategy remains the move towards goal-oriented regulation. A new concern has arisen following the catastrophic events of 11 September 2001. The Board has begun to work with other government departments and agencies and the energy industry on the increased need for security of energy infrastructure under the Board's jurisdiction. I believe that the goal-oriented safety management systems, which we have actively promoted in the companies we regulate, are well suited to accommodating any resulting new requirements. Changes have been proposed to the *National Energy Board Act* that would support the Board in its promoting a safe and secure energy infrastructure.

The second goal is that *facilities are built and operated in a manner that protects the environment and respects individuals' rights*. Consistent with Goal 1, a key strategy is the movement towards goal-oriented regulation with a view to improving industry's ownership of environmental performance. Improvements in assessment processes and auditing of required environmental management programs will improve performance as measured by compliance during the construction phase and major releases to land, air, or water during the operations phase. The Board will continue to carefully monitor and address landowner complaints.

To achieve our third goal, that *Canadians derive the benefits of economic efficiency*, the Board has consistently adopted the premise that efficiency is best achieved by the operation of competitive markets, where these are applicable. Two major strategies will be followed in the pursuit of this goal. First, we will continue to monitor and publicly report on near-term energy market developments and the longer-term outlook.

An important lesson of the past year has been the increasing volatility of energy prices and the impact this can have on the prospects for energy investments and consumer well being. We anticipate continued volatility and we will report on the implications for the industry and consumers. Second, we will continue to anticipate and prepare for emerging regulatory issues and events. Examples of these are the need to augment the Board's range of options to resolve disputes that may come before it, and the need to continue preparation for a proposal for a natural gas pipeline from the North.

The fourth goal is that the *NEB meets the evolving need of the public to engage in NEB matters*. Our key strategy will be to appropriately employ a variety of processes to meet the diverse needs of NEB stakeholders, particularly aboriginal peoples and landowners. Implementation of this strategy will require us to build our internal capacity, better understand public engagement needs, and remove barriers to effective public participation. At the same time, the Board will continue its efforts toward meeting the standards for the Government On-Line and the Service Improvement initiatives.

Continued concerns about safety and the environment, energy market developments and the need to effectively address a diverse range of public interests in NEB processes will undoubtedly provide challenges over the planning period. This plan provides a framework to address these challenges and to measure success in delivering results to Canadians. The Board looks forward to this undertaking.

Kenneth W. Vollman  
Chairman



## Section II: Raison d'être

### 2.1 Mandate, Roles and Responsibilities

The main functions of the National Energy Board (NEB or Board) are set forth in the *National Energy Board Act* (NEB Act). The Board has all the powers vested in a superior court of record<sup>1</sup> with regard to attendance at hearings, the swearing in and examination of witnesses, the production and inspection of documents and the enforcement of its orders. The NEB Act provides for up to nine permanent Board Members. Most oral hearings are conducted by three Members, who constitute a quorum of the Board, with one acting as Presiding Member. The Board's regulatory decisions and the reasons for them are issued as public documents.

The Board has regulatory powers under the NEB Act, the *Canada Oil and Gas Operations Act* (COGO Act) and certain provisions of the *Canada Petroleum Resources Act* (CPR Act) for oil and gas exploration and activities on frontier lands not otherwise regulated under joint federal/provincial accords. The Board's mandate includes the provision of expert technical advice to the Canada-Newfoundland and Canada-Nova Scotia Offshore Petroleum Boards, Natural Resources Canada (NRCan) and Indian and Northern Affairs Canada.

Furthermore, the Board has specific responsibilities under the *Northern Pipeline Act* and the *Energy Administration Act*. In addition, Board inspectors are appointed Health and Safety officers by the Minister of Labour to administer Part II of the *Canada Labour Code* as it applies to facilities regulated by the Board.

The Board also has an advisory function and may, on its own initiative, hold inquiries and conduct studies on specific energy matters as well as prepare reports for the information of Parliament, the federal government and the general public. The NEB Act requires that the Board keep under review matters relating to all aspects of energy supply, production, development and trade that fall within the jurisdiction of the federal government. In addition, the Board carries out studies and reports at the request of the Minister of Natural Resources.

As a matter of key public interest, the Board has long been responsible for conducting environmental assessments of energy projects within its jurisdiction. Additionally, since 1995, the Board has specific responsibilities under the *Canadian Environment Assessment Act* (CEA Act). Pursuant to the NEB Act and the COGO Act, the Board's environmental responsibilities span three distinct phases: evaluating potential environmental effects of proposed projects; monitoring and enforcement of terms and conditions during and after construction; and monitoring and regulation of ongoing operations.

---

<sup>1</sup> This means, for example, that evidence before the Board is given under oath, subpoenas can be issued for the attendance of witnesses and the orders of the Board can be enforced.

## **2.2 Purpose**

The Board's corporate purpose is to promote safety, environmental protection and economic efficiency in the Canadian public interest while respecting individuals' rights and within the mandate set by Parliament in the regulation of pipelines, energy development and trade.

## **2.3 Vision**

The Board's vision is to be a respected leader in safety, environmental and economic regulation.

The structure of the Board is shown in Section IV of this report. Additional information on the background and operations of the NEB may be found at the Board's Web Site, [www.neb-one.gc.ca](http://www.neb-one.gc.ca).

## Section III: Strategic Outcome

### 3.1 Introduction

The NEB has one strategic outcome:

**Provide Canadians with social and economic benefits through regulation of specific parts of the Canadian energy industry (oil, gas and electricity).**

The two main responsibilities associated with achieving this outcome are:

1. To regulate, in the public interest, those areas of the oil, gas and electricity industries relating to:
  - the construction and operation of international and interprovincial pipelines;
  - the construction and operation of international and designated interprovincial power lines;
  - traffic, tolls and tariffs of international and interprovincial pipelines;
  - exports of oil, gas and electricity and imports of gas and oil; and
  - oil and gas activities on frontier lands not subject to a federal/provincial accord.
2. To provide advice to the Minister of Natural Resources on the development and use of energy resources.

### 3.2 Planning Context

In establishing its plans and priorities, the NEB must be cognizant of evolving social and economic trends that may influence how it carries out its responsibilities and delivers results to Canadians. A number of important trends and developments are discussed below.

#### *Energy Markets*

Energy prices have been extremely volatile in the last year. In January 2001, natural gas spot prices reached record highs; by September, prices had fallen precipitously. Similarly, world oil prices increased rapidly in early 2001 and fell back considerably in the latter part of the year. In some regions, notably Alberta, electricity prices declined from the unprecedented, high levels attained in late 2000 and early 2001.

Volatile energy prices result in rapid changes in the industry's investment plans and may affect the industry's capability, in the near term and longer term, to meet the energy needs of Canadians. This, in turn, can quickly and dramatically affect the NEB's workload. When prices are high and cash flow is strong, both the production (including

exploration and development) and transportation sectors tend to undertake new projects, while the converse is true when prices are low.

Most industry analysts expect that energy prices will continue to fluctuate, particularly in the North American natural gas market. Price volatility also affects energy users throughout the country and raises overall public interest in the energy sector; this increases the expectations on the NEB to monitor and report on the functioning of Canadian energy markets.

Another source of uncertainty for energy markets in the near term is the outlook for the North American economy. Even before the events of 11 September 2001, forecasters were predicting slowing growth over the next year and that trend is now evident. Depending on the speed of economic recovery this may affect the outlook for energy demand and consequently, the requirements for industry infrastructure.

Finally, the restructuring of electricity markets continues across North America. This is expected to have significant impacts on inter-regional trade and thus, has implications for Canadian electricity exports and requirements for new international power lines.

### *Industry Expectations*

Companies who are considering making substantial investments in energy projects are increasingly calling for a clear regulatory framework. For example, a major pipeline from the Canadian North would cost several billion dollars and the project proponents desire a regulatory process that provides them with clear regulatory requirements. A predictable regulatory process reduces the risk to investors and, in turn, can reduce the cost of financing.

Similarly, the profitability of small projects is very dependent upon their ability to quickly generate cash flow. In these cases, project proponents desire a quick turnaround of their applications. A delay in approval of a month may easily delay the commencement of a project for a year, due to wildlife or seasonal considerations affecting construction.

Whether a project is large or small, industry prefers, to the extent possible, to deal with one regulatory process rather than multiple processes by multiple agencies. With increased activity in frontier areas, such as the North and offshore Nova Scotia, companies are finding that they must deal with complex regulatory processes that involve numerous agencies. This situation provides the impetus for the NEB to negotiate with other regulatory agencies to coordinate and streamline the regulatory processes and find creative solutions meeting each agency's requirements, but not unduly burden project proponents.

### *Public Expectations*

While industry is seeking a reduced regulatory burden, the public has growing expectations of regulatory bodies to ensure that the public interest, particularly with respect to environmental protection and public safety, is adequately safeguarded. Canadians want to have a voice in matters that affect them and want to be engaged in decision-making processes. Interest in matters that come before the NEB is growing on many different levels, including for example: individual landowners concerned about a pipeline crossing their land; communities concerned about how their air quality will be affected by an electric power line and the associated power plant; aboriginal groups concerned about the protection of their rights to land use; and northern groups who are concerned that projects bring benefits to their communities as well as gas buyers in the south. As a result of the growing needs of Canadians to participate, the NEB is challenged to develop processes that allow for full public consultation.

### *Pipeline Security*

The pipeline industry in Canada maintains an excellent safety record. However, the events of 11 September 2001 have raised concerns about the security of Canadian natural gas and oil pipelines. Canadians expect to be protected from the risks of gas line ruptures or leaks from oil line failures. The NEB must continue to promote safety and security through programs aimed at managing the integrity of pipeline systems and delivering appropriate emergency response.

### *Financial Regulation of Pipelines*

From 1995 to 2000, most of the major pipelines under NEB jurisdiction settled their tolls through negotiated settlements with their shippers, thereby largely eliminating the need for public hearings on tolling matters. These settlements were reached in an era when there was very little competition between pipelines. In the last few years, with the construction of the Alliance Pipeline, the Maritimes and Northeast Pipeline, the Vector Pipeline, and the Southern Crossing project in British Columbia, the Canadian natural gas pipeline industry has become more competitive. In 2001, the Board conducted five regulatory proceedings on toll matters, which included pricing, access and competition issues.

The Board expects that, due to the diverse interests of shippers, it will be increasingly difficult for parties to resolve disputes amongst themselves. Thus, it is likely that the Board will be called upon to contribute toward dispute resolutions and achieve outcomes in the public interest.

## *Regulatory Processes*

To date, the Board has primarily relied on traditional quasi-judicial approaches to resolving disputes between parties. There is increasing interest in alternative dispute resolution mechanisms, which include various forms of mediation. Such alternatives may be preferred to traditional litigation in a public hearing because they may, under certain circumstances, produce better and more timely results, at less cost. The NEB will need to develop a competency in providing alternative dispute resolution mechanisms over the next few years to better ensure that disputes between parties under its jurisdiction are resolved in an effective manner.

## *Management Initiatives*

The NEB is an active partner with the Treasury Board Secretariat on major change initiatives of the Government of Canada. Section 3.3 of this report identifies specific actions over the next three years with respect to the Service Improvement Initiative and Government of Canada On-Line. These actions occur in the context of the Board's efforts to meet the evolving needs of the public to engage in NEB matters (Goal 4).

The Board will also continue its commitment to integrate Modernizing Comptrollership into the strategic agenda for NEB by raising the awareness of operational managers and financial specialists. As well, the Board will continue to work with Treasury Board and other central agencies as a vanguard department on the Travel Modernization Project.

### **3.3 Plans and Priorities**

To achieve results for Canadians over the period of this three-year plan, the Board will employ four corporate strategies:

- move toward goal-oriented regulation;
- monitor and report publicly on energy markets and their functioning;
- anticipate and prepare for emerging issues and upcoming applications; and
- enable Canadians to effectively participate in Board matters.

The following provides a description of the key elements of the NEB's plans and priorities. Readers will note that the Board uses the term "goals" instead of "priorities." In essence, however, the two terms (goals and priorities) may be used interchangeably.

The "plans" for each goal are described using the following format:

**Planning Context** describes the specific social and economic/commercial conditions that are, or may be, cause for the NEB to undertake specific actions

<b>Gaps</b>	a gap identifies the difference between an actual (current) situation and the desired result
<b>Strategies</b>	that will be employed to reduce or eliminate gaps
<b>Performance Measures</b>	indicators of success
<b>Major Actions</b>	that are planned to carry out the strategies, and thus reduce or eliminate gaps

<p><b>Goal 1: NEB-regulated facilities are safe and perceived to be safe.</b></p>
-----------------------------------------------------------------------------------

**Planning Context**

The NEB’s goal is to see that pipelines and other activities regulated by the NEB, are safe and perceived by the public to be safe. This goal has two different challenges, which require different approaches.

The public expects pipelines and facilities to be safe and secure. The NEB has been tracking the number of pipeline ruptures for nearly ten years and has observed a steady decline. In 1994, there were six ruptures while only one rupture occurred in each of 1999 and 2000. The number of pipeline incidents and ruptures increased in 2001; however, the number of incidents is still in line with the previous three-year averages. In the Board’s area of jurisdiction related to the *Canadian Oil and Gas Operations Act*, a tragic accident claimed the life of a seismic crew worker in March 2001. These events have underlined the importance of the Board’s role in evaluating and managing the safety of NEB-regulated facilities and operations.

Quality and Environmental Management systems, such as ISO 9000, ISO 14000, or other similar systems, are the central ingredient in the *Onshore Pipeline Regulations, 1999* (OPR-99) and other goal-oriented NEB regulations currently under development. Recognizing the value of management systems, the Board is in the process of developing and implementing its Safety and Environmental Management System (SEMS). SEMS will help focus and integrate the Board’s safety and environmental efforts which directly contribute to the safety of NEB-regulated facilities.

The NEB Safety Performance Indicator initiative, launched in the spring of 2001, provided the Board with an opportunity to obtain benchmark safety data and compare the safety of NEB-regulated companies to companies regulated by other agencies. Responding companies indicated support for the initiative; however, due to some initial

challenges, benchmark safety data are not yet available. These challenges are in the process of being resolved.

Secondly, the Canadian public continues to maintain a high level of interest in pipeline safety. To maintain public confidence it is important that the Board provide transparent access to relevant information and demonstrate that it understands public concerns.

The inherent risks from pipelines can be effectively managed through competent design, construction, and maintenance practices. As designer, builder and operator, a company has the greatest control over a facility and, as such, has the primary responsibility for the safety of that facility. While the primary onus for safety rests with industry, government plays a significant role in promoting safety by ensuring a regulatory framework is in place that encourages companies to maintain or improve their performance.

Goal-oriented regulation is an important step in allowing industry to address the risks and improve the overall level of safety in a cost-effective way. Goal-oriented regulations establish the desired outcomes and provide some flexibility in how companies achieve them. At the same time, the Board promotes the use of high quality technical standards which have proven themselves over time, specifically, CSA Standards Z662 Oil and Gas Pipeline Systems.

In 2001, the Board continued the implementation of a comprehensive auditing program based on the goal-oriented OPR-99. The OPR-99 Auditing Program evaluates the management systems of NEB-regulated companies and, through audit findings, identifies opportunities for improvement. In environmental and safety audits conducted to date, there have been no significant safety issues identified that required immediate attention. The NEB believes that a combination of goal-oriented and prescriptive elements will ensure the onus for performance remains properly with the companies.

Following the events of 11 September 2001, the Board has worked with industry and other federal, provincial and related agencies to ensure that all the necessary measures to enhance the security of the energy infrastructure are taken. Surveys of pipeline companies indicate that security precautions have been increased on all major systems.

The ability of stakeholders to effectively participate in Board matters regarding safety is crucial to the success of Goal 1. In March 2001, following a number of fires on an NEB-regulated sulphur pipeline, the Board issued an order directing Westcoast Energy Inc. (Westcoast) to cease operating the pipeline pending further order from the Board. In April, the Board held a public hearing to determine: whether the pipeline may be safely operated; whether the Board should order the company to repair, reconstruct or alter part of the pipeline in order to ensure that it may be safely operated; and, if conditions should be imposed to ensure the safe operation of the associated gas plant facilities.



The Board heard extensive evidence over the course of the hearing regarding the pipeline and the company's operational procedures. It also heard from landowners and area residents who expressed concern about the facilities and the company's lack of communication with them.

Following the hearing, the Board denied Westcoast permission to reopen the pipeline until all safety issues had been resolved. The Board directed Westcoast to provide a comprehensive action plan to the Board to ensure safe operation of the pipeline. Westcoast filed its plan in July and after examining the plan and comments from interested parties the Board decided that, subject to meeting certain conditions, Westcoast could reopen the pipeline for operation. It was reopened for operation in December 2001.

In 2001, producer groups announced that they were continuing to conduct feasibility studies for a major natural gas pipeline from the Mackenzie Delta, while owners of natural gas on the north slope of Alaska had announced that they were studying the feasibility of bringing gas to the southern markets. Despite the current volatility in the oil and gas markets, many industry analysts still believe it will be necessary to develop frontier resources.

As a result of recent land sales, exploration activity in the Mackenzie Delta/Beaufort Sea and the Central Mackenzie areas remains active. Extensive geophysical programs were conducted in 2000-2001 and again in 2001-2002 in the Mackenzie Delta/Beaufort Sea area. The drilling of exploration wells is on the increase based on the results of the geophysical programs. Activity in the Central Mackenzie area remains steady with both geophysical programs and exploration drilling. Exploration and production activities are also occurring in the southern Territories near the hamlet of Fort Laird.

British Columbia has an interest in developing potential energy reserves off its Pacific coast and it believes environmental and aboriginal rights issues can be resolved. While Canada allows drilling off the Atlantic Coast, it has had a moratorium on exploration off the Pacific Coast since 1972.

As a consequence of the national increase in exploration activity, the potential for incidents has also increased. The NEB must ensure that it has the resources to monitor companies' performance in maintaining high levels of safety in all regions.

## **Gaps**

- collection and management of information regarding the security of NEB-regulated pipelines and facilities
- delivery of a comprehensive OPR-99 Audit Program
- lack of information in the public domain regarding the safety performance of NEB-regulated facilities

## Strategies

- move towards goal-oriented regulation to improve industry's ownership of safety performance
- enable Canadians to effectively participate in Board matters through efficient and transparent Board processes

## Performance Measure

- number of pipeline ruptures and incidents

## Major Actions

### 2002-2003

- Ensure appropriate security plans and procedures are in place for NEB-regulated facilities.
- Complete the internal 2002 Safety and Environmental Management Systems (SEMS) Gap Analysis and undertake to close identified management system gaps.
- Improve public knowledge and understanding regarding the safety of pipeline facilities and relative safety performance.
- Revise and develop new regulations to continue to move towards goal-oriented regulation.

### 2003-2004

- Enable the Board to better manage, analyze, and report information regarding pipeline safety performance.
- Maintain SEMS within the NEB business planning cycle.
- Continue to move towards goal-oriented regulation.

### 2004-2005

- Continue to move toward goal-oriented regulation.
- Maintain SEMS within the NEB business planning cycle.

## Goal 1: Net Planned Spending (\$ millions)

<b>Planned Spending 2002-2003</b>	Planned Spending 2003-2004	Planned Spending 2004-2005
<b>7.4</b>	7.2	7.2

<p><b>Goal 2: NEB-regulated facilities are built and operated in a manner that protects the environment and respects individuals' rights.</b></p>
---------------------------------------------------------------------------------------------------------------------------------------------------

### **Planning Context**

Goal 2 expresses the Board's strong commitment to protection of the environment and respect for individuals' rights. In 2001, the Board made significant progress in defining credible and relevant performance measures to indicate that NEB-regulated facilities are built and operated in a manner that protects the environment.

The first measure, achievement of desired end results (DER), recognizes that the construction or improvement to a pipeline facility may have an effect on the environment; however, this effect can be mitigated. The Board will measure compliance and the success of mitigative measures by monitoring the companies to evaluate the achievement of DER, as defined within the conditions placed on project approvals.

In contrast to new construction, existing facilities should have no major releases to the environment (air, land or water). The second measure tracks the number of major releases. Of note, two significant releases occurred in 2001, discharging approximately 3 900 cubic metres of crude oil. The Board is monitoring the company's efforts towards remediation.

Reporting on Goal 2 is part of the continuing implementation of the NEB Safety and Environmental Management System (SEMS). Based on the principles of ISO 14001, an internationally recognized standard for environmental management systems, SEMS helps to focus and integrate the Board's safety and environmental efforts. In 2001, the Board merged existing environmental and safety management programs resulting in several improvements to internal NEB processes.

In accordance with OPR-99, a number of environmental management system audits were conducted in 2001. These audits evaluated how NEB-regulated companies are applying management system principles to improve protection of the environment. Results indicate that the majority of larger companies have management systems in place and recognize the value of systematic processes. Although current OPR-99 audits have focussed on operating facilities, there is potential to expand audits to include supporting processes addressing environmental assessment and the construction of NEB-regulated facilities.

Companies must file an application pursuant to the NEB Act for the construction and operation of an international power line, including an assessment of the associated environmental effects pursuant to the *Canadian Environmental Assessment Act* (CEA

Act). The year 2001 saw an increase in applications for international power lines and this trend is expected to continue in 2002. Challenges associated with processing these applications were mostly related to lack of clarity surrounding federal and provincial jurisdiction and responsibilities and scoping the projects appropriately for environmental assessment purposes. In the coming years, the Board expects to more clearly define the regulatory framework and information requirements with respect to international power lines and related electricity projects.

The NEB also continues to deal with an increasing number of applications for exploration and production activity in the Canadian North. The Board is preparing for applications under the *NEB Act*, the *Canada Oil and Gas Operations Act*, and the *Canadian Petroleum Resources Act* and actively working with other regulators to clarify and streamline, where possible, northern regulatory processes. In May 2001 an agreement was reached with other regulators to develop a draft framework for a single environmental assessment process for northern pipeline proposals.

In conjunction with other federal departments and agencies, the NEB participated in the 5-year review of the CEA Act and is positioning itself to incorporate proposed changes into Board practices.

The second part of Goal 2 observes the importance of Board processes and practices respecting individuals' rights. A comprehensive survey of landowners was completed in 2001 in an effort to evaluate satisfaction with the NEB environmental assessment processes and satisfaction with the land reclamation efforts of pipeline companies. Results from surveys and feedback from stakeholder consultations will enable the Board to evaluate internal processes and constructively identify opportunities for improvement.

### **Gaps**

- delivery of a comprehensive OPR-99 Audit Program
- delivery of an internal Safety and Environmental Management System (SEMS) for the purpose of continual improvement
- appropriately positioned to deal with Northern pipeline issues, including aboriginal issues, and traditional ecological knowledge (TEK) matters
- management of the regulatory framework surrounding the environmental impacts of international power lines and related electricity projects
- lack of information in the public domain regarding environmental performance of NEB-regulated facilities

### **Strategies**

- move towards goal-oriented regulation to improve industry's ownership of environmental performance

- anticipate and prepare for emerging issues and upcoming applications such as renewed activity in the Canadian North and international power lines
- enable Canadians to effectively participate in Board matters through efficient and transparent Board processes

**Measures**

- DER achieved regarding environmental conditions placed on NEB facility approvals
- number of major releases into the environment

**Major Actions**

**2002-2003**

- Report on Goal 2 utilizing key analytical and communication tools such as ESIMS (Environmental and Safety Information Management System) and the Internet.
- Complete the internal 2002 SEMS Gap Analysis and close any identified gaps in the NEB’s management system.
- Continue consultations regarding renewed activity in the Canadian North.
- Define the regulatory framework for international power lines and related electricity projects.
- Broaden and expand consultation opportunities with stakeholders such as landowners and aboriginal communities for the purpose of building environmental knowledge and clarifying expectations.

**2003-2004**

- Maintain and improve the SEMS within the NEB business planning cycle.
- Continue to move towards goal-oriented regulation.

**2004-2005**

- Maintain and improve the SEMS within the NEB business planning cycle.
- Continue to move towards goal-oriented regulation.

**Goal 2: Net Planned Spending (\$ million)**

<b>Planned Spending 2002-2003</b>	<b>Planned Spending 2003-2004</b>	<b>Planned Spending 2004-2005</b>
<b>10.4</b>	<b>10.0</b>	<b>10.0</b>

### **Goal 3: Canadians derive the benefits of economic efficiency.**

#### **Planning Context**

The Board influences economic efficiency through: 1) making regulatory decisions; 2) providing energy market information; and 3) improving the efficiency of regulatory processes.

The Board has established clear objectives for the outcomes it wishes to promote. First, the Board strives to promote an efficient natural gas and oil pipeline infrastructure that meets the needs of its shippers, through its regulatory decisions on applications for new pipeline facilities and for tolls and tariffs. The Board also ensures that exports of natural gas, oil, natural gas liquids and electricity do not occur to the detriment of Canadian energy users by satisfying itself that Canadians always have access to Canadian-produced energy on terms and conditions which are at least as favourable as those available to export buyers.

Second, the Board strives to keep Canadians informed on a timely basis about the functioning of Canadian energy markets. While the Board does not attempt to predict future outcomes in energy markets, its market analyses help many Canadian businesses and energy users make decisions with a better understanding of energy markets.

The volatile energy pricing environment, particularly for natural gas, and the restructuring of electricity markets result in increased demands for the Board to inform Canadians about the functioning of energy markets on a timely basis. Further, due to differences in regional markets across the country, the Board must ensure it understands the energy needs of all Canadians and the impacts of price volatility in all markets. This requires the Board to increase its market networking and monitoring efforts from the West Coast to Atlantic Canada. The NEB is an expert regulatory tribunal and, in order to make informed decisions, it must have a thorough understanding of the markets in which it has regulatory responsibilities.

Third, the Board strives to provide the fastest possible turnaround time of applications that come before it, while diligently fulfilling its responsibility to protect the public interest. The Board ensures that its application processes are efficient by: engaging in dialogue with industry; clarifying the Board's expectations; implementing new approaches based on goal-oriented regulation; negotiating with other agencies to ensure, to the extent possible, that regulatory processes are harmonized and avoid duplication; and by pro-actively preparing for major applications.

As discussed in Section 3.2, there are a number of drivers impacting the Board's regulatory program under Goal 3. Increased competition in the industry is leading to a more fractious environment in which parties are increasingly turning to the Board to

resolve disputes. While this may result in a direct increase in the Board's hearing workload, the nature of the disputes and dissatisfaction with the highly litigious nature of the hearing process requires the Board to develop new processes to resolve disputes.

The Board is also responsible for authorizing electricity exports. Following a federal court decision in March 2001, which overturned an NEB approval of a blanket electricity export authorization for BC Hydro, the Board has faced a regulatory challenge in appropriately considering the environmental impacts associated with these types of exports. Under a blanket authorization, the specific terms under which the exports will occur (e.g., the specific source of the production to be exported) may not be known, which may pose difficulties in assessing the environmental impact.

### **Gaps**

- lack of adequate information and assurances that the natural gas market is functioning properly and that gas supplies will be sufficient
- the perception in some regions that the NEB does not have an adequate appreciation of consumer perspectives on energy market issues
- lack of a sufficient range of options to help industry resolve disputes
- application processing times have been increasing beyond that expected by applicants and the NEB
- clarification of the regulatory framework surrounding the environmental impact of electricity exports under blanket exports

### **Strategies**

- monitor and report publicly on energy markets and their functioning
- pro-actively prepare for regulatory change
- explore and develop new ways to streamline the application processes

### **Performance Measures**

- evidence that Canadian energy and transportation markets are working well
- application processing times are maintained or reduced

### **Major Actions**

#### **2002-2003**

- Provide updates on the functioning of energy markets.
- Complete the public consultations for a comprehensive report on the outlook for energy supply, demand and pricing in Canada (the supply/demand report) and publish the report.
- Continue preparation for a hearing on an application for a natural gas pipeline from the North.

- Explore and implement new regulatory approaches to resolve industry disputes (e.g., alternative dispute resolution).
- Implement new approaches to processing applications (e.g., creation of guidance materials for applicants to expedite their provision of required information to the Board).
- Define the regulatory framework for assessing the environmental impact of blanket electricity exports (e.g., modifications to the Board’s Memorandum of Guidance pertaining to electricity exports).

**2003-2004**

- Provide updates on the functioning of energy markets.
- Commence a hearing on a natural gas pipeline from the North.
- Implement new regulatory approaches as appropriate.

**2004-2005**

- Provide updates on the functioning of energy markets.
- Complete a hearing on a natural gas pipeline from the North.
- Implement new regulatory approaches as appropriate.

**Goal 3: Net Planned Spending (\$ million)**

<b>Planned Spending 2002-2003</b>	Planned Spending 2003-2004	Planned Spending 2004-2005
<b>11.0</b>	10.5	10.5

**Goal 4: The NEB meets the evolving needs of the public to engage in NEB matters.**

**Planning Context**

This past year marked a turning point for the Board with respect to Goal 4. Since its inception, the Board has provided numerous opportunities for the public to participate in the regulatory decision-making process. However, it has become evident that interested parties may face barriers to effective participation in Board processes.

The Public Engagement Project launched during the year provided the momentum for the Board’s initial work in this area. The first deliverable from the project was a set of public engagement principles. These principles of accessibility, clarity, inclusiveness and



responsiveness will guide the Board’s future efforts in engaging the public in NEB matters.

Another specific activity during the year resulted in clarifying the Board’s desired end state for Goal 4, which is that the Board effectively and appropriately employ a variety of processes that meet the public’s need for engagement in NEB matters. To achieve this end state, three objectives were identified:

<b>Objective 1</b> Build internal capacity	<b>Objective 2</b> Understand public engagement needs	<b>Objective 3</b> Remove barriers
-----------------------------------------------	----------------------------------------------------------	---------------------------------------

With respect to these objectives, gaps were defined between the actual/current situation and the desired result. Then specific measures and actions were identified, within an overall strategy, to evaluate the Board’s progress in addressing these gaps and thus achieving the objectives.

### **Gaps**

- consistent demonstration of a consultative culture with respect to all the Board’s internal and external activities
- clear understanding of the varied needs of the public and the ability to effectively meet these needs (while ensuring the integrity of the Board’s decision-making processes)
- existence of artificial or unnecessary barriers to participation for members of the public with legitimate interests

### **Strategy**

- the Board effectively and appropriately employs a variety of processes that meet the public’s need for engagement in NEB matters

### **Performance Measures**

- the breadth of public engagement mechanisms employed by the Board (including alternate dispute resolution techniques, pre-hearing conferences, public information sessions)
- the number of new technologies used to improve access to NEB processes and information
- extent to which the Board consults with target groups leading to collaboration on “guides to public engagement” (potential target groups include aboriginal peoples, landowners, hearing participants and other affected stakeholders)
- stakeholder satisfaction with NEB processes and information services (as measured by feedback mechanisms such as the landowner survey, hearing questionnaires and reader feedback cards)

## Major Actions

### 2002-2003

- Implement a public engagement program that meets the diverse needs of stakeholders, particularly aboriginal peoples and landowners. Further development of public engagement mechanisms through the NEB's Alternative Dispute Resolution (ADR) Project and Aboriginal Consultation Project.
- Implement a comprehensive communications strategy that supports the NEB's public engagement program and fosters a cultural change in order to meet the evolving needs of the public to engage in NEB matters.
- Adopt the government's standards ("common look and feel") on the Board's Web Site while continuing efforts towards meeting standards for Government On-Line.
- Continue to strategically measure awareness, accessibility and satisfaction with Board services, information and processes.
- Integrate electronic filing into the day-to-day business processes of the Board.

### 2003-2004

- Identify opportunities to further enhance the Public Engagement Program, including new ADR mechanisms, and review of the Early Public Notification guidelines that are provided to regulated companies.
- Reassess landowner satisfaction with the Board's services, information and process as well as their interaction with regulated companies.
- Continue efforts to meet requirements for Government On-Line and the Service Improvement Initiative.

### 2004-2005

- Measure stakeholder satisfaction with Board services under the Service Improvement Initiative.
- Publish Guidance Notes to assist companies in meeting NEB expectations for Early Public Notification programs.

### Goal 4: Net Planned Spending (\$ million)

Planned Spending 2002-2003	Planned Spending 2003-2004	Planned Spending 2004-2005
5.7	5.5	5.5

## Section IV: Organization

### 4.1 Strategic Outcome and Business Line

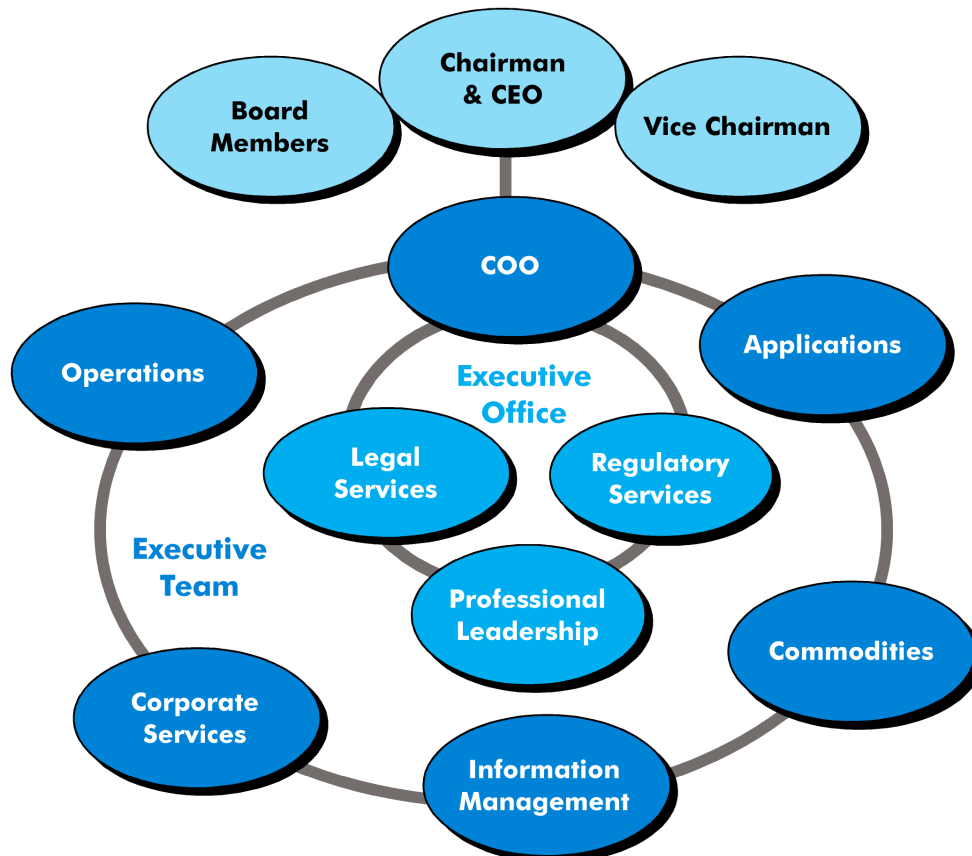
The Board has one strategic outcome - “Provide Canadians with social and economic benefits through regulation of specific parts of the Canadian energy industry (oil, gas and electricity)” and one business line - “Energy Regulation and Advice.” Planned spending is \$34.5 million in 2002-2003.

### 4.2 Accountability

The Board is structured into five business units, reflecting major areas of responsibility: Applications; Commodities; Operations; Corporate Services and Information Management. In addition, the Executive Office includes three other units to provide specialized services: Legal Services, Professional Leaders and Regulatory Services.

The reporting structure to the Chairman & CEO is as follows:

#### NEB Organizational Structure



## **Business Unit Descriptions**

### **Applications**

The Applications Business Unit is responsible for the processing and assessment of regulatory applications submitted under the NEB Act. These fall primarily under Parts III and IV of the NEB Act, corresponding to facilities, tolls and tariffs. Applications is also responsible for other matters such as the financial surveillance and audits of NEB-regulated pipelines and addressing landowner concerns. The Business Leader of Applications is accountable for this Unit.

### **Commodities**

The Commodities Business Unit is responsible for assisting the Board in fulfilling its mandate through energy industry and marketplace surveillance, including the outlook for the demand and supply of energy commodities in Canada, 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 exports of gas, oil and natural gas liquids, imports of natural gas and the disposition of applications concerning electricity exports and international power lines. The Business Leader of Commodities is accountable for this Unit.

### **Operations**

The Operations Business Unit is accountable for safety and environmental matters pertaining to facilities under the NEB Act and the COGO Act. It also has responsibilities under the CPR Act and Canada Labour Code. It conducts safety and environmental inspections and audits, investigates accidents, monitors emergency response procedures, regulates the exploration and development of hydrocarbon resources in non-accord frontier lands, and develops regulations and guidelines with respect to the above. The Business Leader of Operations is accountable for this Unit.

### **Corporate Services**

The Corporate Services Business Unit is responsible for providing those services necessary to assist the Board in its management of human, materiel and financial resources. The Business Leader of Corporate Services is accountable for this Unit.

### **Information Management**

The Information Management Business Unit is responsible for developing and implementing an information management strategy for the Board and disseminates the information required by external stakeholders. The Business Leader of Information Management is accountable for this Unit.

## Executive Office

The Executive Office is responsible for the Board's overall capability and readiness to meet strategic and operational requirements including legal advice for both regulatory and management purposes, maintaining and enhancing technical expertise within the Board in the economic, environmental and engineering fields, and hearing administration and regulatory support.

### 4.3 Departmental Planned Spending

Expenditures and human resource requirements for the planning period are summarized in the following table:

**Table 4.1 Departmental Planned Spending**

(\$ millions)	Forecast Spending 2001-2002	<b>Planned Spending 2002-2003</b>	Planned Spending 2003-2004	Planned Spending 2004-2005
Energy Regulation and Advice				
Budgetary Main Estimates	29.9	<b>31.4</b>	31.4	31.4
<b>Total Main Estimates</b>	29.9	<b>31.4</b>	31.4	31.4
Adjustments*	3.2	<b>3.1</b>	1.8	1.8
<b>Net Planned Spending</b>	33.1**	<b>34.5</b>	33.2	33.2
Less: Non-respendable revenue	30.0	<b>35.2</b>	34.5	34.5
Plus: Cost of services received without charge	5.1	<b>5.1</b>	5.1	5.1
<b>Net Cost of Program</b>	8.2	<b>4.4</b>	3.8	3.8
<b>Full Time Equivalents</b>	286	299	299	299

\* Adjustments are to accommodate approvals obtained since the Main Estimates and are to include Budget initiatives, Supplementary Estimates, etc.

\*\* Reflects the forecast of total net planned spending to the end of the fiscal year.



## Section V: Annexes

**Table 5.1 Sources of Respendable and Non-Respendable Revenue**

(\$ millions)	Forecast Revenue 2001-2002	<b>Planned Revenue 2002- 2003</b>	Planned Revenue 2003- 2004	Planned Revenue 2004-2005
<b>National Energy Board</b>				
Energy Regulation and Advice	30.0	<b>35.2</b>	34.5	34.5
<b>Total Non-Respendable Revenue</b>	30.0	<b>35.2</b>	34.5	34.5

**Table 5.2 2002-2003 Net Cost of Program for the Estimate Year**

(\$ millions)	<b>Total</b>
Net Planned Spending (Total Main Estimates plus adjustments as per the Planned Spending table)	<b>34.5</b>
<i>Plus: Services received without charge</i>	
Accommodation provided by Public Works and Government Services Canada (PWGSC)	<b>3.6</b>
Contributions covering employer's share of employees' insurance premiums and expenditures paid by TBS	<b>1.4</b>
Workmen's compensation, cost recovery audit costs and miscellaneous costs provided by other departments	<b>0.1</b>
	<b>5.1</b>
<i>Less: Non-respendable Revenue</i>	<b>35.2</b>
2002-2003 Net Program Cost (Total Planned Spending)	<b>4.4</b>

**Table 5.3: Regulatory Initiatives<sup>1</sup>**

<b>Regulatory Instrument</b>	<b>Planned Results</b>
<i>Processing Plant Regulations</i>	<p>Less prescriptive, more goal-oriented regulations for NEB-regulated facilities.</p> <p>More onus placed on companies for facility safety and increasing the importance of audits by the regulator.</p>
<i>National Energy Board Pipeline Crossing Regulations, Parts I &amp; II; and the Damage Prevention Regulations</i>	<p>Less prescriptive, more goal-oriented regulations for NEB-regulated facilities, to more effectively address safety in the proximity of pipelines.</p>
<i>National Energy Board Cost Recovery Regulations</i>	<p>Regulations that are considered to provide a fair distribution of the NEB's operational costs.</p>
<i>Canada Oil and Gas Diving Regulations; Newfoundland Offshore Area Petroleum Diving Regulations; and Nova Scotia Offshore Area Petroleum Diving Regulations</i>	<p>Less prescriptive, more goal-oriented regulations for activities under the <i>Canada Oil and Gas Operations Act</i>.</p> <p>To mirror regulations under the Accord Implementation Acts.</p> <p>Updated and harmonized regulations for diving activities in support of oil and gas programs in frontier lands.</p>
<i>Canada Oil and Gas Drilling and Production Regulations; Newfoundland Offshore Area Oil and Gas Drilling and Production Regulations; and Nova Scotia Offshore Area Oil and Gas Drilling and Production Regulations</i>	<p>Amalgamation of <i>Canada Oil and Gas Production and Conservation Regulations</i> and <i>Canada Oil and Gas Drilling Regulations</i>.</p> <p>Updated and streamlined administration.</p>
<i>Onshore Pipeline Regulations, 1999</i>	<p>Modifications to the existing Regulations arising from experience and authority gained on pressure vessels and pressure piping matters.</p>

<sup>1</sup> The regulations noted here are those that are currently being worked upon at the National Energy Board and are expected to come into force over the three-year (2002 to 2005) reporting period of this Report on Plans and Priorities.



<p><i>Oil and Gas Occupational Safety and Health Regulations</i></p>	<p>Updated regulations to conform with the <i>Canada Occupational Safety and Health Regulations</i> under the <i>Canada Labour Code</i>.</p>
<p><i>Omnibus Changes to Frontier Regulations</i></p>	<p>Incorporation of recommendations made by the Standing Joint Committee for the Scrutiny of Regulations on numerous regulations under the COGO Act and under the Accord Implementation Acts.</p>
<p><i>Canada Oil and Gas Certificate of Fitness Regulations; the Nova Scotia Offshore Certificate of Fitness Regulations; and the Newfoundland Offshore Certificate of Fitness Regulations</i></p>	<p>Updated regulations to include an additional certifying authority and definitions for onshore and offshore areas.</p>
<p><i>Canada Offshore Oil and Gas Installation Manager Regulations; Newfoundland Offshore Oil and Gas Installation Manager Regulations; and Nova Scotia Offshore Oil and Gas Installation Manager Regulations</i></p>	<p>New regulations that are acceptable to the accord area provinces regarding qualification of Offshore Installation Managers.</p>

**Table 5.4 Collective Initiatives**

This table summarizes the collective initiatives of the NEB. These are accomplished for the most part by the utilization of existing resources. Any incremental costs would be negligible.

<b>Initiative</b>	<b>Goal of the Initiative</b>	<b>List of Partners</b>	<b>Planned Results</b>
1. Memorandum of Understanding (MOU) with Mackenzie Valley Environmental Impact Review Board (MVEIRB)	Enhanced cooperation and timeliness of environmental assessments, wholly and partly in the Mackenzie Valley.	NEB, MVEIRB	Streamline environmental assessment processes for northern projects; and mutual assistance in technical matters.
2. MOU with Natural Resources Canada (NRCan), Energy Sector (Energy Policy Branch)	Strengthen the analytical capacity of both organizations; achieve efficiencies and economies.	NEB, NRCan	Cooperate in sharing energy market data and information; developing energy supply and demand models; and undertaking energy market studies.
3. MOU with NRCan Energy Sector, (Energy Resources Branch)	Enable energy resource development and conservation, on specific lands pursuant to the COGO Act and CPR Act.	NRCan, NEB	Provide technical services as required with respect to the regulation of oil and gas exploration, development and pipelines.
4. MOU with Indian and Northern Affairs Canada (INAC)	Enable energy resource development and conservation in specific areas pursuant to the COGO Act and the CPR Act.	INAC, NEB	Provide technical services as required with respect to the regulation of oil and gas exploration, development and pipelines.
5. Yukon Territory Department of Economic Development (DED), Services Agreement	Enable energy resource development and conservation pursuant to the <i>Canada Yukon Oil and Gas Accord</i> .	DED, NEB	Provide technical services as required with respect to oil and gas exploration, development and pipelines.

6. Northern Pipeline Agency (NPA)	Ensure that respective responsibilities with respect to the <i>Northern Pipeline Act</i> are discharged.	Department of Foreign Affairs and International Trade, NRCan, NEB	Provide advice and technical assistance to the NPA as required.
7. Canadian Environmental Assessment Agency (CEAA)	Cooperate to ensure that respective mandates with respect to environmental protection are achieved and reduce any duplication of regulatory processes.	Environment Canada, NEB	Participate in implementing any legislated changes to the CEA Act, resulting from the 5-year Review, over the planning period.
8. British Columbia Ministry of Energy and Mines (BCMÉM), Common Reserves Data Base	Commitment to maintain the reserves data base and pursue other areas of cooperation.	BCMÉM, NEB	Reduce duplication of effort and provide consistency of information to Canadians with respect to energy resources and reserves.
9. Alberta Energy and Utilities Board (EUB), Common Reserves Data Base	Commitment to maintain the reserves data base and pursue other areas of cooperation.	EUB, NEB	Reduce duplication of effort and provide consistency of information to Canadians with respect to energy resources and reserves.
10. National Association of Regulatory Utility Commissioners (NARUC), U.S.	Promote understanding of regulatory issues in North America.	NEB, other Canadian and U.S. regulators	Organize, attend and speak at NARUC events.  Promote learning among NARUC members.
11. Cooperation with U.S. Federal Energy Regulatory Commission (FERC)	Enhance information exchange and regulatory expertise in the North American context.	FERC, NEB	Cooperate in sharing regulatory expertise and experience.
12. MOU with Mexican regulatory body (CRE)	Enhance information exchange and regulatory expertise in the North American context.	CRE, NEB	Cooperate in sharing regulatory expertise and experience.
13. Cooperation with other countries	Promote, through informal means, understanding of regulatory issues throughout the world.	NEB, other countries	Increased knowledge of global regulatory issues.

14. Electronic Regulatory Filing (ERF) Initiative, maintaining contact with other government committees and working with companies	Improve the efficiency of the regulatory process and access to information, and encourage public engagement in NEB proceedings.	Ontario Energy Board (OEB), Canadian Radio and Telecommunications Commission (CRTC), E-Filing Project Advisory Committee (EPAC), NEB	Implement the ERF system and processes.  Collaborate with other government regulatory bodies towards long-term development of a common set of e-filing tools and techniques.
15. MOU with the Canadian Transportation Safety Board (TSB)	Roles and responsibilities of each body are stipulated regarding investigations of pipeline incidents.	TSB, NEB	Undertake collaborative investigations and provide mutual assistance.  Utilize resources efficiently.
16. MOU with the EUB on Pipeline Incident Response	Mutual Assistance in relation to incidents within Alberta.	EUB, NEB	Faster and more effective response.
17. Common approach to oil and gas regulations on frontier lands	Identification of issues and commitment to work cooperatively on matters of mutual interest.	NEB, Canada-Newfoundland Offshore Petroleum Board (C-NOPB), Canada-Nova Scotia Offshore Petroleum Board (CNSOPB), NRCan	Common position on release of seismic data.  Parallel processing and adaptation of frontier regulations.  Move toward goal-oriented regulation for frontier lands.
18. Letter Agreement on provision of advice and technical assistance with respect to frontier lands	Organizations to achieve efficiencies and economies.	NEB, C-NOPB, CNSOPB	Provision of inspection officers by the CNSOPB for the Sable Offshore Energy Project.
19. Working level discussions on pipeline safety and environmental issues	Enhanced cooperation and common treatment of issues of mutual interest.	NEB, EUB, British Columbia Oil and Gas Commission, Saskatchewan Dept. of Energy and Mines, Technical Standards and Safety Authority (Ontario), Board of Commissioners of the Public Utilities Board of New Brunswick, Nova Scotia Public Utilities Board	Identify issues.  Discuss approaches.  Draft documents toward common solutions.

20. Canadian Coalbed Methane Forum	Cooperation between industry and governments for the safe and efficient development of this resource in Canada	NEB, BCMEM, Geological Survey of Canada, Alberta Geological Survey, various industry and service companies	Better understanding of technical and regulatory impediments to the development of this potentially large gas resource.
21. MOU with Human Resources Development Canada (HRDC) Respecting Application and Enforcement of the <i>Canada Labour Code</i>	Achieve efficiencies and economies in the effective inspection and audit of federally-regulated pipeline companies' health and safety programs, and strengthen the technical capacity of both agencies relating to health and safety matters.	HRDC, NEB	<p>Cooperate in sharing health and safety information and enforcement data.</p> <p>Develop effective regulations and regulatory requirements.</p> <p>Undertake comprehensive inspections and audits.</p>



## **Section VI: Other Information**

### **References and Board Web Site**

The Acts and Regulations under which the National Energy Board operates or for which it has responsibilities may be referenced at the Board Web Site, [www.neb-one.gc.ca](http://www.neb-one.gc.ca), under Publications.

For further information about the National Energy Board, contact:

National Energy Board  
444 Seventh Avenue SW  
Calgary, Alberta T2P 0X8

Telephone: (403) 292-4800  
Facsimile: (403) 292-5503  
Internet: [www.neb-one.gc.ca](http://www.neb-one.gc.ca)

Kenneth W. Vollman	Chairman
Judith Snider	Vice-Chairman
Ga�etan Caron	Chief Operating Officer
Sandy Harrison (Acting)	Business Leader, Applications
Terrance Rochefort	Business Leader, Commodities
John McCarthy	Business Leader, Operations
Valerie Katarey	Business Leader, Corporate Services
Byron Goodall	Business Leader, Information Management
Judith Hanebury	General Counsel
Michel Mantha	Secretary of the Board
Peter Schnell	Team Leader, Planning and Reporting

## **Clients and Stakeholders**

### **Companies Under the Board's Jurisdiction**

Group 1 Pipeline Companies  
Group 2 Pipeline Companies  
Commodity Pipelines  
Licence, order and permit holders

### **Federal Departments and Agencies**

Canadian Environmental Assessment Agency  
Environment Canada  
Fisheries and Oceans Canada  
Human Resources Development Canada  
Indian and Northern Affairs Canada  
Natural Resources Canada  
Northern Pipeline Agency  
Parks Canada  
Transportation Safety Board of Canada  
Mackenzie Valley Environmental Impact Review Board

### **Provincial Agencies**

Policy departments and energy regulatory agencies in all Canadian provinces

### **Offshore Boards**

Canada-Newfoundland Offshore Petroleum Board  
Canada-Nova Scotia Offshore Petroleum Board

### **General Public**

### **Landowners Affected by Pipeline Construction and Operations**

### **Shippers**

### **Industry Associations**

### **Non-Government Organizations**