



Regulatory Agenda

The period covered in this *Regulatory Agenda* is the month of January 2001

Mediation Practice Direction

The Board Seeks Comment on Mediation Practice Direction

The Board has a new initiative under way to explore how mediation can be used to resolve disputes during detailed route hearings for oil and natural gas pipelines.

The draft Mediation Practice Direction was sent out for comment during the week of 11 January to various landowners and industry stakeholders across the country. The document was prepared for a pilot project undertaken by the Board during a detailed route hearing for the Maritimes & Northeast Pipeline Management Ltd.'s Halifax and Saint John Laterals. During this project, both the company and landowners

expressed a high level of interest in resolving objections through mediation rather than the hearing process.

The Board is also seeking comments and suggestions for using alternative dispute resolution tools for other types of applications considered by the Board.

Comments that are received will be analyzed and once the Mediation Practice Direction has been finalized, mediation will be available to participants in detailed route hearings. Comments received on the use of alternate dispute resolution in other applications may lead to further discussion with stakeholders.

Public Hearing Applications

Hearing in Progress

- 1. Westcoast Energy Inc. (Westcoast) - Purchase a Pipeline - GHW-2-2000 (Files 3200-W005-10 and 3400-W005-258)**

The Board is holding a written public hearing on an application by Westcoast to purchase a

pipeline in the Maxhamish area of northeast British Columbia.

Westcoast proposes to purchase, from AEC Oil & Gas Co. Ltd. (AEC), approximately 67.6 kilometres (42 miles) of 323.9 millimetre (12 inch) pipeline and associated facilities. AEC built the pipeline

In This Issue

Preface

The purpose of this agenda is to provide information on the Board's activities. Except where otherwise noted, jurisdiction over the items listed in the agenda is exercised pursuant to the *National Energy Board Act*, R.S.C. 1985, c.N-7, as amended.

*"We promote Safety,
Environmental Protection and
Economic Efficiency"*

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during the winter of 1998/1999 to transport dehydrated hydrocarbon liquids. Westcoast plans to use the facility as a sour raw gas transmission pipeline.

Hearings Scheduled

1. *Murphy Canada Exploration Ltd. (Murphy) - Pipeline Construction - GH-1-2001 (File 3400-M085-1)*

The Board will hold a public hearing commencing on 15 February in Calgary, Alberta on an application by Murphy to construct and operate the Chinchaga Sales Gas Loop in Northern British Columbia and Alberta.

Murphy applied to construct a sales gas pipeline loop comprising approximately 17.2 kilometres (10.3 miles) of 323.8 millimetres (12 inches) pipeline beginning at the existing Pioneer Natural Resources Canada Inc. (PNRC) facilities in the Chinchaga area of British Columbia, 130 kilometres (80 miles) north of Fort St. John, and terminating at the PNRC compressor station, 130 kilometres (80 miles) northwest of Manning, Alberta. The estimated cost of the project is \$4.23 million and the proposed in-service date is 15 March 2001.

2. *Sumas Energy 2, Inc. (Sumas or SE2) - International Power Line (File 2200-S040-1)*

The Board held a preliminary hearing from 18 to 20 January in Abbotsford, British Columbia to consider various motions as follows:

- extending the deadline for filing interventions;
- environmental effects in Canada of Sumas' proposed power plant to be located in the U.S.;
- postpone the hearing on the issue of the environmental effects in Canada of Sumas' power plant;
- presentation of evidence and cross-examination of witnesses for the main hearing;
- time limit for Option 1 intervenors, not presenting expert evidence, for the presentation of their oral evidence; and,
- dates for Option 1 intervenors presenting expert evidence to file their written evidence and reports.

The Board's decisions on the above matters were as follows:

- the extension of the deadline for filing interventions was extended by one day;
- the Board postponed to 19 February the hearing to consider the issue of the environmental effects in Canada of Sumas' proposed power plant to be located in the U.S.;
- the Board changed the order for the presentation of evidence and the cross-examination of witnesses;
- the Board decided not to establish time limits for Option 1 intervenors to present their oral evidence;
- Option 1 intervenors wishing to call expert evidence or file reports must do so by 2 April 2001.

The Board's decisions have resulted in changes to the upcoming hearing schedule on the SE2 application to construct an international power line in British Columbia. The Board postponed to 19 February the preliminary hearing on a motion by Sumas concerning the environmental effects in Canada of Sumas' proposed power plant to be located in Sumas, Washington. The Board also rescheduled to 23 April the date for the commencement of the main public hearing to consider the application to construct the international power line.

SE2 applied to construct a 230 kilovolt power line originating in the United States and crossing the international boundary near Abbotsford. The proposed power line would extend approximately 8.5 kilometres (5.3 miles) from the border northward on the existing rights-of-way of Canadian Pacific Railway, the City of Abbotsford and BC Hydro to BC Hydro's Clayburn substation in Abbotsford.

The proposed facility would enable Sumas to transmit power from the international border through the Clayburn substation to the main electric grid which services British Columbia, Alberta and 11 western U.S. states.

3. *Enbridge Pipelines Inc. (Enbridge) - Pipeline Construction Terrace Expansion Phase II - OH-1-2000 (File 3200-E101-3)*

The Board will hold a public hearing commencing on 19 March in Calgary, Alberta on an application from Enbridge to construct oil pipeline facilities which comprise Phase II of its Terrace Expansion Program.

Enbridge applied to construct approximately 123 kilometres (76 miles) of 914 millimetre (36 inch) pipeline over three separate construction segments located between its Hardisty, Alberta terminal and its Kerrobert, Saskatchewan terminal. The applied-for facilities are the second phase of a multi-phase Terrace Expansion Program agreed upon by industry and Enbridge. Terrace Phase I was approved by the Board in 1998. The estimated cost of the expansion facilities is \$140 million and the proposed in-service date is the first half of 2002.

Proposed Hearing Application

1. Georgia Strait Crossing Pipeline Limited (GSCPL) - Preliminary Submission for the Proposed Georgia Strait Pipeline Crossing Project (GSX Project) (File 3200-G049-1)

On 7 March, GSCPL filed a preliminary environmental scoping submission regarding a proposed application to construct and operate a natural gas pipeline to Vancouver Island, British Columbia. The company expects to file an application early in 2001.

On 28 September, the Board decided to refer the GSX Project to the Minister of the Environment for a referral to a review panel. On 4 October, the Minister of the Environment announced that the GSX Project will be sent to an independent environmental assessment review panel.

The proposed pipeline would transport natural gas from Sumas, Washington to Duncan on Vancouver Island. The Canadian portion of the 406.4 millimetre (16 inch) pipeline would originate at a point on the international border in Boundary Pass, Strait of Georgia, and interconnect

with the existing Centra Gas British Columbia transmission system at a point south of Duncan, British Columbia. The Canadian portion of the pipeline would be approximately 50 kilometres (31 miles) in length, with approximately 37 kilometres (23 miles) being offshore and 13 kilometres (eight miles) onshore. The pipeline would have a capacity of 2.832 million cubic metres (100 million cubic feet) of natural gas per day. The estimated cost of the Canadian portion of the facilities is \$57 million and the planned in-service date is November 2002.

Hearings Adjourned and Postponed

1. St. Clair Pipelines (1996) Ltd. (St. Clair) - TransCanada Pipelines Limited (TCPL) - Pipeline Projects in Ontario - Canadian Millennium Pipeline Project - GH-1-2000 (Files 3200-S119-1 and 3200-T001-15)

For more information on this matter, refer to item 1 under *Hearing Applications, Hearing Adjourned* in the June 2000 issue of the *Regulatory Agenda*.

2. Mr. Robert A. Milne, 3336101 Ontario Limited, c.o.b. as Milne Crushing & Screening - MH-1-97

For more information on this matter, refer to item 1 under *Hearing Applications, Hearings Postponed* in issue No. 62 of the *Regulatory Agenda* dated 1 October 1997.

3. Crowsnest Pipeline Project - Natural Gas Pipeline

For more information on this matter, refer to item 1 under *Hearing Applications, Hearing Application Suspended* of issue No. 63 of the *Regulatory Agenda* dated 1 January 1998.

Non Hearing Applications

Electricity Matters

Matters Completed

1. Coral Energy Canada Inc. (Coral) - Electricity Export (File 6200-C362-1)

On 25 January, the Board approved an application dated 30 November 2000 from Coral for permits to export up to 1 000 megawatts and 5 000 gigawatt hours of firm power and energy and 5 000 gigawatt hours of interruptible energy per year for a period of 10 years (Permits EPE-173 and EPE-174).

2. NRG Power Marketing Inc. (NRG) - Electricity Export (File 6200-N083-1)

On 25 January, the Board approved an application dated 9 November from NRG for permits to export up to 1 000 megawatts and 2 000 gigawatt hours of firm power and energy and 1 000 gigawatt hours of interruptible energy per year for a period of 10 years (Permits EPE-171 and EPE-172).

Matters Under Consideration

3. *El Paso Merchant Energy, L.P. (El Paso) - Electricity Export (File 6200-E036-1)*

On 11 December 2000, El Paso applied for permits to export up to 1 000 megawatts of firm and interruptible power and up to 5 000 gigawatt hours of firm and interruptible energy per year for a period of 10 years.

4. *Independent Electricity Market Operator of Ontario (IMO) - Electricity Export (File 6200-J027-1)*

On 15 December 2000, IMO filed an application to export electricity as a border accommodation to provide emergency assistance to neighbouring jurisdictions in the United States for 25 years.

Natural Gas Matter

Matter Under Consideration

1. *Engage Energy Canada, L.P. (Engage) - Transfer of Several Gas Export Licences*

For more information on this matter, refer to item 4 under *Other Applications, Natural Gas Matters* in issue No. 70 the *Regulatory Agenda* dated 1 October 1999.

Pipeline Matters

Matter Completed

1. *Section 58 Applications*

The Board has approved applications under section 58 of the National Energy Board Act involving routine pipeline facilities or the construction of Pipelines not exceeding 40 kilometres in length. See Appendix I for details of the applications approved.

Matters Under Consideration

2. *AEC Suffield Gas Pipeline Inc. - Amber Energy Inc. - Natural Gas Pipeline Construction - Ekwon Pipeline Project (File 3400-A167-1)*

For more information on this matter, refer to item 7 under *Non Hearing Applications, Pipeline Matters* in issue No. 72 of the *Regulatory Agenda* dated 1 April 2000.

3. *Pouce Coupe Pipe Line Ltd. (Pouce Coupe) - Sale of Oil Pipelines (Files 3400-P123-2 and 3400-F72-1)*

On 25 July, Pouce Coupe applied for approval of the following: i) sell the Pouce Coupe pipeline to Pembina Partnership; ii) sell the Federated Pipe Lines (Northern) Ltd. (Federated) pipeline to Pembina Partnership; iii) sell both these newly acquired pipelines by Pembina Partnership to Pembina Northern LP; iv) replace the name Pouce Coupe in Board Order XO-1-89 with "Pouce Coupe as agent and general partner of Pembina Northern LP"; and v) transfer Certificate OC-42 from Federated Pipe Lines (Northern) Ltd. to "Pouce Coupe as agent and general partner of Pembina Northern LP". Pouce Coupe is a wholly-owned subsidiary of Pembina Corporation.

The Pouce Coupe facilities consists of 26 kilometres (16 miles) of 219 millimetre (eight inch) of oil pipeline extending from Dawson Creek, British Columbia to Bay Tree, Alberta. The Federated system consists of 172 kilometres (107 miles) of 273 millimetre (10 inch) of oil pipeline extending from Taylor, British Columbia to Belloy, Alberta.

On 11 August, the Board sent a letter to Pouce Coupe requesting additional information.

Traffic, Tolls and Tariff Matters

Matter Completed

1. *TransCanada Pipelines Limited (TCPL) - 2001 Interim Tolls (File 4400-T001-21)*

On 25 January, the Board approved TCPL's proposed interim tolls, effective 1 February, as contained in its application dated 7 December 2000, and confirmed on 21 December 2001 (AO-1-TGI-6-2000).

On 8 December, the Board had approved an application dated 7 December from TCPL for interim tolls effective 1 January 2001 (Order TGI-4-2000). Subsequent to its decision, the Board received two letters from interested parties which alleged certain irregularities concerning the Toll Task Force Procedures that were followed in arriving at the resolution regarding interim tolls. On 19 December, the Board decided to review its decision regarding the appropriate level of interim tolls for TCPL effective 1 January 2001. The Board decided that

TGI-4-2000 be rescinded and that a new toll order be issued which set interim tolls for one month (1 January to 31 January 2001) at the current toll level, that is the final 2000 tolls (Order TGI-6-2000).

The Board held a written process to decide the appropriate level of interim tolls to be in effect 1 February 2001.

Matters Under Consideration

2. Foothills Pipe Lines Ltd. (Foothills) on behalf of Foothills Pipe Lines (Alta.) Ltd., Foothills Pipe Lines (South B.C.) and Foothills Pipe Lines (Sask.) Ltd. - Year 2001 Operating and Maintenance Expense Budgets (File 4750-F6-2)

On 1 December 2000, Foothills applied, on behalf of the above noted subsidiaries, for approval of Operating and Maintenance Expense Budgets for the 12-month period ending on 31 December 2001.

On 21 December 2000, the Board advised Foothills that, before making a final decision on the applied-for budgets, it wished to consider Foothills' actual 2000 costs and the analysis of the 2000 operating and maintenance expense variances due to be filed with the Board by the end of February. Therefore, the Board decided to issue an interim order approving interim budgets for the year ending 31 December 2001 equal to 50 per cent of the budgets submitted (Order TGI-7-2000).

3. Murphy Oil Company Ltd. (Murphy) - Milk River Pipeline - Toll Complaint (File 4775-M23-1-2)

On 25 August 2000, PanCanadian Petroleum Limited, Alberta Energy Company Ltd., Crestar Energy Inc. and EOTT Energy Canada Limited Partnership, collectively known as the Bow River South Group (BRS), filed a complaint concerning the tolls charged by Murphy for transportation of crude oil on the Milk River pipeline. The Milk River pipeline is a crude oil system approximately 18 kilometres (11 miles) long connecting the Home Oil Manyberries pipeline, the Bow River pipeline and a Murphy truck terminal in Alberta to the CENEX pipeline in Montana.

BRS has filed their complaint after they had been unsuccessful in obtaining a satisfactory explanation for the derivation of the tolls charged on the Milk River pipeline.

On 31 August 2000, the Board decided to initiate a written proceeding to examine the tolls. The Board also decided that the existing tolls will, effective 1 September 2000, continue to be charged on an interim basis, pending a determination by the Board of just and reasonable tolls. On 26 September 2000, the Board, at the request of Murphy, extended the dates for the filing of submissions.

4. Trans Mountain Pipe Line Company Ltd. (TMPL) - Incentive Toll Settlement (ITS) 2001 - 2005 (File 4200-T004-8)

On 27 December 2000, the Board approved an application dated 12 December 2000 from TMPL for approval of interim tolls, effective 1 January (TOI-3-2000). The interim tolls were calculated in accordance with the principles agreed to and included in a Memorandum of Understanding dated 6 November 2000 between TMPL, the Canadian Association of Petroleum Producers (CAPP) and Chevron Canada Limited (Chevron) with respect to a second five-year ITS for the period 1 January 2001 to 31 December 2005.

On 19 December 2000, TMPL applied for approval of the ITS and tolls calculated in accordance with it. On 25 January, the Board decided to seek comments from interested parties on the ITS. Interested parties have until 8 February to file comments and TMPL has until 15 February to reply to any comments received.

Frontier matters

Frontier activities for December 2000 and January 2001

1. BP Canada Energy Company received approval on 19 January to "Alter Condition of a Well", pursuant to paragraph 80(1)(b) of the Canada Oil and Gas Drilling Regulations (COGDR), for the following wells:

Pan Am Pointed Mountain K-45A, and
Amoco A-4 Pointed Mountain A-55.

2. Canadian Forest Oil Ltd. received approval on 4 January for "Authority to Drill a Well", pursuant to section 83(1) of the COGDR, for the CDN Forest et al North Liard C-31A well.

3. Canadian Forest Oil Ltd. received approval on 12 January for the "Well Termination Record", pursuant to section 184 of the COGDR, for the CDN Forest et al North Liard C-31 well.

4. **Devlan Exploration Inc.** received approval on 25 January for "Authority to Drill a Well", pursuant to section 83 of the COGDR, for the following wells:
Devlan et al Ontaratue River L-48,
Devlan et al Tree River B-10, and
Devlan et al Thunder River E-65.
5. **Imperial Oil Resources Limited** received approval on 17 January, pursuant to paragraph 5(1)(b) of the *Canada Oil and Gas Operations Act*, to proceed with artificial lift conversions for the following wells:
Esso Norman Wells M-18X,
Esso Norman Wells K-22X,
Esso Norman Wells K-17X, and
Esso Norman Wells M-24X.
6. **Paramount Resources Ltd.** received approval on 12 December for "Authority to Drill a Well", pursuant to section 83 of the COGDR, for the Para et al Fort Liard N-01 well.
7. **Paramount Resources Ltd.** received approval on 20 December, pursuant to subsection 58(6) of the *Canada Oil and Gas Production and Conservation Regulations*, for the Para et al Fort Liard O-35 well.
8. **Paramount Resources Ltd.** received approval on 21 December to "Alter Condition of a Well", pursuant to paragraph 80(1)(b) of the COGDR, for the Para et al Fort Liard O-35 well.
9. **Paramount Resources Ltd.** was issued on 11 January a "Declaration of Commercial Discovery", pursuant to the Part II.1, Section 28.2 of the *National Energy Board Act* and Part IV, Section 35 of the *Canada Petroleum Resources Act*, with respect to certain lands operated by in the Cameron Hills area of the North West Territory.
10. **Paramount Resources Ltd.** received approval on 15 January for "Authority to Drill a Well", pursuant to section 83(1) of the COGDR, for the Para et al Fort Liard P-45 well.
11. **Paramount Resources Ltd.** received approval on 26 January, pursuant to paragraph 80(1)(b) of the COGDR, to re-complete the Para et al Fort Liard O-35 well.
12. **Petro-Canada Inc.** received approval on 30 January for "Authority to Drill a Well", pursuant to section 83 of the COGDR, for the PC Anderson Kurk M-15 well.
13. **Purcell Energy Ltd.** received approval on 21 December to "Alter Condition of a Well", pursuant to paragraph 80(1)(b) of the COGDR, for the Purcell et al Liard F-25A well 21 December 2000.
14. **Geological, geophysical or geotechnical operation** - eleven applications were approved pursuant to section 5.1(b) of the *Canada Oil and Gas Operations Act* as follows:

Company	Area	Operation ID	Date
Petro-Canada Inc.	Mackenzie Delta	9329-P028-003E	08 December 2000
Anderson Resources Ltd.	Mackenzie Delta	9329-A066-001E	15 December 2000
Devlan Exploration Inc.	Tree River	9229-D028-001E	18 December 2000
AEC West Ltd.	Mackenzie Delta	9329-A061-001E	21 December 2000
Burlington Resources Canada Energy Ltd.	Mackenzie Delta	9329-B063-001E	03 January 2001
Shell Canada Resources Limited	Mackenzie Delta	9329-S006-009E	03 January 2001
Chevron Canada Resources Limited	Mackenzie Delta	9329-C004-002E	17 January 2001
Northrock Resources Ltd.	Tertiary Creek	9229-N046-002E	17 January 2001
Canadian Natural Resources Limited	Colville	9229-C144-001E	19 January 2001
Canadian Natural Resources Limited	Colville	9233-C144-001E	23 January 2001
Petro-Canada Inc.	Mackenzie Delta	9329-P028-004E	25 January 2001

Appeals and Review

Appeals

Appeals Pending

1. ***Athabasca Chipewyan First Nation v. British Columbia Hydro and Power Authority (BC Hydro)***

The Athabasca Chipewyan First Nation filed an application with the Federal Court of Appeal for leave to appeal a decision of the Board dated 6 January 1999 in which it issued an export permit to BC Hydro to allow it to undertake certain export arrangements. The Appeal, together with No. 2 below, will be heard on 14 February.

2. ***British Columbia Wildlife Federation and the Steelhead Society of British Columbia (BC Wildlife et al.) v. British Columbia Hydro and Power Authority (BC Hydro)***

The BC Wildlife et al. filed an application with the Federal Court of Appeal for leave to appeal a decision of the Board dated 6 January 1999 in which it issued an export permit to BC Hydro to allow it to undertake certain export arrangements. The Appeal, together with No. 1 above, will be heard on 14 February.

3. ***Canadian Forest Oil Limited (Canadian Forest) v Chevron Canada Resources and Ranger Oil Limited (Chevron et al.)***

For more information on this matter, refer to item 1 under the heading *Appeals* of the 31 August 2000 issue of the *Regulatory Agenda*.

Review

Review Pending

1. ***Reservoir Safety Committee (RSC) - Review of Electricity Export Permits Issued to British Columbia Power Exchange Corporation (Powerex) and British Columbia Hydro and Power Authority (BC Hydro) (File 6200-B095-4-1)***

On 17 October, RSC applied for a review of electricity export permits EPE-118 and EPE-119 issued to Powerex and permits EPE-124, EPE-125, EPE-126 and EPE-127 issued to BC Hydro. In its application, RSC stated that since 1980, 11 drownings have occurred in BC Hydro's Carpenter Reservoir. This is a consequence of BC Hydro's refusal to provide adequate protection to workers and members of the public traveling through the Bridge River Generating Facility, located within the Carpenter Reservoir. RSC further stated that widespread citizen concern with the operation of the facility, has led to the formation of the RSC. RSC's goal is to effect significant safety related improvements to the facility. RSC requested that the Board rescind permits related to the export of electricity generated through BC Hydro's Bridge River Hydro Electric Facility until such time as the safety of workers and the traveling public can be assured.

On 19 December, the Board sent a letter to RSC advising that it will hold the application in abeyance until RSC has complied with section 44 of the *National Energy Board Rules of Practice and Procedure*, 1995, including notification to potentially interested persons.

Amendments to Regulations and Rules

1. ***Processing Plant Regulations (the Regulations) (File 185-A000-13)***

The Board is proposing new goal-oriented *Processing Plant Regulations* to complement the *Onshore Pipeline Regulations, 1999*. The Regulations, when promulgated, will govern the design, construction, operation, and abandonment of processing plants which are owned and operated by federally regulated companies and whose function is integral with respect to transportation. Such facilities are presently regulated under the *Onshore Pipeline Regulations, 1999*.

The draft regulations have been sent to the Department of Justice for examination under the *Statutory Instruments Act*.

2. ***National Energy Board Rules of Practice and Procedure, 1995 (the Rules) (File 341-A000-2)***

The Board is moving towards the implementation of Electronic Regulatory Filing (ERF). An analysis of the legal issues surrounding implementation of ERF has been prepared and is available on the Board's Internet site at www.neb.gc.ca under *Electronic Regulatory Filing, Other ERF Documents*.

Regulations under the *National Energy Board Act* and the *Canada Oil and Gas Operations Act* have been examined. The most extensive changes are to the Rules. Amendments to the Rules will enable parties to file all required regulatory documentation via electronic means. Changes to the other regulations are largely of an administrative nature.

3. National Energy Board Rules of Practice and Procedure, 1995 (the Rules) (File 185-A000-3)

On 18 December, the Board enacted amendments to the Rules to provide for reforms to the Rules respecting the mechanism by which a pipeline company may acquire an interest in lands. As a result, sections 55 and 56 of the Rules are being replaced. This amendment was published in the *Canada Gazette, Part II* on 3 January 2001 as instrument SOR/2001-30.

4. Canada Oil and Gas Diving Regulations (Diving Regulations) and Guidance Notes (File 2001-1)

The Board is proposing replacing the existing Diving Regulations with goal-oriented Diving Regulations. Instead of specifying various aspects of the diving operations, these new Regulations put the responsibility on the Operators to develop and demonstrate how their dive plan specifications and procedures meet the objectives of the Regulations.

The draft regulations have been sent to the Department of Justice for examination under the Statutory Instruments Act.

5. The Canada Oil and Gas Drilling Regulations (COGDR) and the Canada Oil and Gas Production and Conservation Regulations (COGPCR) (File 0406-14)

The above mentioned two regulations have been updated and re-structured into one Regulation entitled the *Canada Oil and Gas Drilling and Production Regulations* (the Regulations). The Regulations will establish the requirements for engineering, safety and environmental, and conservation of resources issues pertaining to the design, construction, operation and abandonment of exploration and production facilities under the *Canada Oil and Gas Operations Act*.

The draft regulations have been sent to the Department of Justice for examination under the *Statutory Instruments Act*.

6. National Energy Board Pipeline Crossing Regulations, Part II - Damage Prevention Regulations (File 185-A000-36)

The Board intends to replace the existing Pipeline Crossing Regulations, Part II with regulations targeted at damage prevention (to be known as Damage Prevention Regulations). The new regulations will regulate activities on or adjacent to pipeline rights of way under the Board's jurisdiction in the interest of the safety of the public and of the company's employees and the protection of property and the environment.

The Board expects to have draft regulations available for public comment in 2001.

7. National Energy Board Cost Recovery Regulations (CRR) - (Files 620-A000-8 and 175-A000-72)

The Board is proposing amendments to the CRR. The proposed amendments cover three policy changes to the existing regulations:

- (i) integration of commodity pipelines into the cost recovery scheme;
- (ii) creation of a special charge for greenfield pipelines; and
- (iii) creation of a cap on cost recovery charges equal to two per cent of the cost of service of a pipeline company.

The proposed amendments to the CRR were reviewed by the Department of Justice under the *Statutory Instruments Act*. On 21 December, the Board approved the final version of the regulations and authorized pre-publication in Part 1 of the *Canada Gazette*.

8. Regulations and Guidance Notes Pertaining to Canada Labour Code, Part II

The process of amending the *Canada Oil and Gas Occupational Safety and Health Regulations* pertaining to oil and gas activities, under the provisions of the *Canada Labour Code, Part II*, is continuing.

Administrative Matters

Documents Issued in January

Pamphlet

Living and Working Near Pipelines: Landowner Guide 2001 - Updated

Instructions for Filing

All correspondence with the Board should be addressed to the Secretary, National Energy Board, 444 Seventh Avenue SW, Calgary, AB T2P 0X8 – Fax (403) 292-5503.

Applications - Copies Required to be Filed

For a list of the number of copies required for the different types of applications, see our Internet site under the heading *Regulatory Updates*.

Communication Numbers

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Appendix I

Section 58 Applications

Gas Pipelines

Applicant	File/Order	Application	Est. Cost
Canadian Hunter Exploration Ltd.	File: 3400-C87-12) Order: XG-C87-82-2001	Application dated 3 January; approved on 18 January. Construct the 700 metre East Ring Boarder Pipeline from Alberta to British Columbia.	272 660
Consumers' Gas (Canada) Ltd.	File: 3400-C283-15 Under Review	Application dated 31 October. Construct a reinforcement tap installation in the City of Brampton. On 15 November, the Board requested additional information from Consumers'.	10 000
Duke Energy Canada Pipeline Ltd.	File: 3400-D28-2 Order: XG-D28-83-2001	Application dated 17 November; approved on 12 January. Construct a tie-in from the Kaiser pipeline to the Duke Energy West Doe Line.	10 000
Maritimes & Northeast Pipeline Management Ltd.	File: 3400-M124-9 Order: XG-M124-02-2001	Application dated 31 October; approved on 23 January. Construct custody transfer facilities for Semptra Atlantic Gas Inc. at Dartmouth, Nova Scotia.	1 370 000
	File: 3400-M124-10 Order: XG-M124-03-2001	Application dated 16 November; approved on 23 January. Construct custody transfer facilities for Semptra Atlantic Gas Inc. at New Glasgow, Nova Scotia.	1 230 000
	File: 3400-M124-8 Under Review	Application dated 29 September. Construct the Point Tupper Pressure Reducing Station facilities. On 21 December 2000 and 26 January 2001, the Board sent letters to M&NP requesting additional information.	2 000 000
Westcoast Energy Inc.	File: 3400-W5-263 Order: XG-W5-1-2001	Application dated 21 November; approved on 16 January. Replace and lower 110 metres of the Montney Pipeline at the St. John Creek crossing.	129 000
Westcoast Energy Inc.	File: 3400-W005-257 Under Review	Application dated 24 August. Modifications to the Laprise, Martin Wargen and Aitken Creek Extension pipelines. On 19 October, the Board requested additional information from Westcoast.	487 000

Oil Pipelines

Applicant	File/Order	Application	Est. Cost
Enbridge Pipelines Inc.	File: 3400-E101-30 Order: XO-E101-01-2001	Application dated 20 November 2000; approved on 19 January. Thirteen projects.	2 358 400
	Files: 3400-E101-32 & 33 Order: XO-E101-2-2001	Applications dated 5 January; approved on 26 January. Upgrade the Hilton Station and instal a pressure relief valve at the Clarkson Station, both in Ontario.	2 470 000

Profile

The National Energy Board is a federal regulatory tribunal that was created on 2 November 1959 by an Act of Parliament. Over the course of its history, it has played an important role in the development of Canada's energy sector.

The Board's regulatory powers under the *National Energy Board Act* include the granting of authorizations for the exportation of oil, natural gas and electricity, the certification of interprovincial and international pipelines and designated interprovincial and international power lines, and the setting of tolls and tariffs for oil and gas pipelines under federal jurisdiction.

In addition to its regulatory functions, the Board is responsible for advising the government on the development and use of energy resources.

The Act also requires that the Board keep under review the Canadian supply of all major energy commodities, with emphasis on electricity, oil,

natural gas, and the by-products derived from oil and natural gas, as well as the demand for Canadian energy in Canada and in export markets.

The Board's responsibilities under the *Canada Oil and Gas Operations Act* and certain provisions of the *Canada Petroleum Resources Act* encompass the regulation of exploration for and the development and production of oil and gas on Frontier Lands in a manner that promotes safety of the worker, protection of the environment, and conservation of hydrocarbon resources.

The Board also has specific responsibilities under the *Northern Pipeline Act* and the *Energy Administration Act*. In addition, Board inspectors have been appointed safety officers by Human Resources Development Canada to administer Part II of the *Canada Labour Code*.

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