Regulatory Agenda

The period covered in this Regulatory Agenda is the month of March 2005

Alberta's Ultimate Potential For Conventional Natural Gas

On 9 March 2005, the National Energy Board and the Alberta Energy and Utilities Board jointly released a report entitled *Alberta's Ultimate Potential for Conventional Natural Gas*.

The report estimates that Alberta's ultimate potential for marketable conventional natural gas is 6 276 billion cubic metres (223 trillion cubic feet). The report shows that 2 838 billion cubic metres

(101 trillion cubic feet) of conventional natural gas remains to be developed. Of that amount, there is 1 104 billion cubic metres (39 trillion cubic feet) discovered and 1 734 billion cubic metres (62 trillion cubic feet) undiscovered. Data from 320 000 wells drilled to December 2004 was used to arrive at the numbers.

NEB Workshop 2005

The Board will be hosting the NEB Workshop 2005 from 6 to 8 June 2005 in the Calgary Telus Convention Centre. Attendance at the Workshop is free, but you must register by 27 May 2005.

People who have an interest in the NEB, such as representatives of NEB-regulated companies; municipal, provincial and federal agencies; and industry associations, will want to attend this event.

There are five key goals for the Workshop: to communicate, to refine initiatives, to consult, to inform and to enhance. In keeping with the theme for the event, *collaborating for regulatory*

improvement, the Workshop will be highly interactive. We are looking to participants to provide us with insight and ideas for regulatory improvement.

The sessions have been split up into seven streams: (i) Regulatory Initiatives, (ii) Internal Initiatives, (iii) Environmental Protection, (iv) Safety Management, (v) Integrity Management, (vi) Emergency Management and (vii) Human Environment.

For more information, visit our Web site at www.neb-one.gc.ca/EngagingCanadians.

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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Pipeline Safety and Environment Performance

On 29 March 2005, the Board released a report entitled *Focus on Safety and Environment – A Comparative Analysis of Pipeline Performance* 2000-2003.

The safety performance of pipeline companies regulated by the Board continues to compare well with that of other companies whose performance is monitored by other provincial, national and international organizations.

The report provides details on the safety performance of Board-regulated oil and gas pipelines for the calendar years 2003, 2002, 2001 and 2000. The Board identified six key indicators that provide meaningful measures of the safety performance of pipeline companies. These key indicators include fatalities, injury frequencies, ruptures, unauthorized activities on the right of way, liquid hydrocarbon releases and gas releases.

Public Hearing Applications

Hearing Decision Pending

1. TransCanada PipeLines Limited (TCPL) – 2004 Tolls, Phase II – RH-2-2004 (File 4200-T001-19)

The Board held a public hearing from 29 November 2004 to 4 February 2005 (22 days) in Calgary on Phase II of an application from TCPL for approval of new tolls it may charge on its mainline system for the period 1 January to 31 December 2004. Phase II of the hearing dealt with cost of capital matters.

Hearings Scheduled

 Enbridge Pipelines Inc. (Enbridge) – Spearhead Pipeline and a Reversal Pipeline Project – RH-1-2005 (File 4200-E101-6)

The Board will hold a public hearing commencing on 7 April 2005 in Calgary on two applications from Enbridge for the implementation of Non-Routine Adjustments. The first application is to enable Enbridge to recover, in its Canadian pipeline tolls, US\$10 million per year for five years related to the extension of service on the Spearhead Pipeline which runs from Chicago, Illinois to Cushing, Oklahoma. The second application is to enable Enbridge to recover, in its Canadian pipeline tolls, US\$10 million per year for five years to support a Mobil Pipe Line Company initiative to reverse the flow of its 508 millimetre (20 inch) pipeline which runs from Patoka, Illinois to Corsicana. Texas.

2. Chevron Canada Limited (Chevron Canada) and Chevron Standard Limited, Neste Canada Inc. and Chevron Canada Limited (Chevron/Neste) – Priority Destination – MH-2-2005 (Files 4755-T099-3 and -4)

The Board will hold a public hearing commencing on 12 September 2005 in Calgary on two

applications for orders designating Chevron Canada's refinery at Burnaby, British Columbia to be a priority destination for the unapportioned delivery of crude oil and isooctane on Terasen Pipelines (Trans Mountain) Inc.'s pipeline system. The first application is for delivery of crude oil by Chevron Canada, and the second application is for delivery of isooctane by Chevron/Neste.

Chevron Canada is requesting a priority designation for the unapportioned delivery from Edmonton to Burnaby of up to 5 500 cubic metres per day of crude oil during periods that nominations would otherwise be apportioned. Chevron/Neste are requesting priority designation of unapportioned delivery from Edmonton to Burnaby of up to 2 400 cubic metres per day of isooctane during periods that nominations would otherwise be apportioned.

3. New Brunswick Power Transmission Corporation (NB Power) – International Power Line (IPL) – Detailed Route Hearing – MH-1-2005 (File 2200-N102-1-2)

The Board will hold a public hearing commencing 9 May 2005 in St. Stephen, New Brunswick in response to opposition concerning portions of the proposed detailed route of the NB Power IPL. The objections were filed by eight landowners on the power line route from Lepreau to St. Stephen.

The issues to be discussed at the hearing are limited to (i) the best possible detailed route of the IPL and (ii) the most appropriate methods and timing of construction.

The Board issued a certificate to NB Power in the fall of 2003 approving the construction and operation of the 95.5 kilometre, 345 kV IPL from the existing transmission terminal at the Point Lepreau Generating Station to a point on the Maine-New Brunswick border west of St. Stephen. A public hearing was held in Saint John in March 2003.

4. Imperial Oil Resources Ventures Limited (Imperial), Mackenzie Valley Aboriginal Pipeline Limited Partnership, ConocoPhillips (North) Limited, Shell Canada Limited and ExxonMobil Canada Properties – Mackenzie Gas Project (Files 3200-J205-1, 2520-C-19-4, 2620-C-19-7, 2620-C-12-7 and 2620-C-20-7)

On 24 November 2004, the Board scheduled for public hearing five applications from Imperial Oil Resources Ventures Limited and other applicants for the Mackenzie Gas Project in Northern Canada. The proponents of the Mackenzie Gas Project are Imperial Oil Resources Ventures Limited,

Mackenzie Valley Aboriginal Pipeline Limited Partnership, Imperial Oil Resources Limited, ConocoPhillips Canada (North) Limited, ExxonMobil Canada Properties and Shell Canada Limited. The Board will announce at a later time the dates and locations of its public hearing.

The Mackenzie Gas Project includes a pipeline to transport natural gas to northern Alberta, a pipeline to transport natural gas liquids to Norman Wells, N.W.T., three onshore natural gas fields, a gathering system to transport production from the three fields, and a processing facility in the Inuvik, N.W.T. area where natural gas liquids would be separated from the natural gas for shipping. Other related facilities include compressor stations and a heater station.

Non-Public Hearing Applications

Electricity Matter

Matter under Consideration

1. Constellation New Energy, Inc. (Constellation) – Electricity Export (File 6200-C382-1)

On 11 February 2005, Constellation applied for approval to export up to 7 000 000 megawatt-hours of combined firm and interruptible energy per year for a period of 10 years.

Frontier Matters

Matters Completed

1. Paramount Resources Ltd. – Drill a Well

On 1 March 2005, Paramount was given approval, pursuant to section 83.(1) of the *Canada Oil and Gas Drilling Regulations* (COGDR), to drill the well Cameron 2F-73.

2. Paramount Resources Ltd. – Alter the Condition of a Well

On 3 March 2005, Paramount was given approval, pursuant to subsection 19(3) of the *Canada Oil and Gas Production and Conservation Regulations* (COGPCR), to alter the condition of the well Fort Liard O-35.

3. Canadian Natural Resources Ltd. – Well Termination Record

On 10 March 2005, Canadian Natural was given approval, pursuant to sub-section 203(1) of the COGDR, of the *Well Termination Record* for the well North Liard N-61.

4. Paramount Resources Ltd. - Drill a Well

On 17 March 2005, Paramount was given approval, pursuant to section 83.(1) of the COGDR, to drill the well Cameron 2M-73.

5. Paramount Resources Ltd. – Alter the Condition of two Wells

On 18 March 2005, Paramount was given approval, pursuant to subsection 19(3) of the COGPCR, to alter the condition of the wells Cameron H-03 and Cameron C-16.

6. Paramount Resources Ltd. – Alter the Condition of a Well

On 24 March 2005, Paramount was given approval, pursuant to subsection 19(3) of the COGPCR, to alter the condition of the well Cameron 2F-73.

7. Paramount Resources Ltd. – Alter the Condition of a Well

On 29 March 2005, Paramount was given approval, pursuant to subsection 19(3) of the COGPCR, to alter the condition of the well Cameron F-19.

Gas Matters

Matters Completed

1. ProGas Limited (ProGas) – Amend a Gas Sale Agreement and Natural Gas Export Licence GL-161 (Files 7200-P038-8-1 and 7200-P038-8-2)

On 3 March 2005, the Board approved an application dated 27 January 2005 from ProGas for approval to amend the pricing provisions in a gas export sales contract between ProGas and Orchard Gas Corporation, as agent for MASSPOWER and Granite State Gas Transmission Inc., underpinning natural gas exports under Licence GL-161. MASSPOWER is a cogeneration facility located in Massachusetts and Granite State re-sells the gas to affiliated local distribution companies in Massachusetts, New Hampshire, and Maine. The Board also approved ProGas' application to reduce the term of Licence GL-161 to terminate on 1 April 2009 rather than 1 April 2011.

Under Licence GL-161, ProGas is authorized to export up to 708 200 cubic metres (25 million cubic feet) of natural gas per day near Iroquois, Ontario.

ProGas Limited (ProGas) – Amend a
 Gas Sales Contract – Licence GL-270
 (Files 7200-PO38-12-1 and 7200-PO38-12-2)

On 10 March 2005, the Board approved an application dated 10 January 2005 from ProGas to amend the pricing provision in the gas export sales contract with Great Plains Natural Gas Company (Great Plains) underpinning natural gas exports under Licence GL-270. Great Plains is a local distribution company serving a number of communities located in northern Minnesota and Wahpeton in North Dakota. Under Licence GL-270, ProGas is currently authorized to export up to 370 000 cubic metres (13.1 million cubic feet) per day of natural gas at Emerson, Manitoba to Great Plains.

Matter Pending

3. EnCana Corporation (EnCana) – Replacement of a Gas Sale Agreement – Licences GL-284 and GL-285 (Files 7200-E112-1-1 and 7200-E112-1-2)

On 23 December 2004, EnCana applied for approval of a gas sale agreement entitled the *Cross-Border Commodity Purchase & Sale Agreement* that would replace the original gas sale agreement dated 1 January 1994 underpinning natural gas export Licences GL-284 and GL-285. Under Licences GL-284 and GL-285, EnCana is authorized to export approximately 1.6 billion cubic metres (55.2 billion cubic feet) and 1.0 billion cubic metres (35.2 billion cubic feet), respectively, in any consecutive 12-month period ending 31 October. On 3 February 2005, the Board sent a letter to EnCana requesting additional information.

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.

Matters Pending

 806026 Alberta Ltd. – Pesh Creek Pipeline Loop (File 3400-Z007-4)

On 15 December 2004, 806026 Alberta Ltd. applied for approval to construct 16.5 kilometres of 273.1 millimetre (10 inch) natural gas pipeline loop known as the Pesh Creek Pipeline Loop. The Pesh Creek Pipeline Loop will tie into the existing Pesh Creek Pipeline in British Columbia and to the existing Pesh Creek Pipeline and meter station in Alberta. The Pipeline Loop will be constructed almost entirely within, or adjacent to, the existing Pesh Creek Pipeline corridor. The pipeline will transport natural gas from the existing Duke Energy Field Services Canada Ltd.'s Peggo gas processing facility in d-83-C/94-P-8 in northeastern British Columbia to the existing NOVA Gas Transmission Ltd. Shekilie River North meter station at 10-04-119-12 W6M in northwestern Alberta. The estimated cost of the project is \$4,587,000 and the proposed in-service date is the spring of 2005.

3. TransCanada PipeLines Limited (TCPL) – Les Cèdres Loop (File 3400-T001-238)

On 28 February 2005, TCPL applied for approval to construct 21.3 kilometres of 914 millimetre (36 inch) pipeline loop from mainline valve 147A in the Municipality of Saint-Télesphore, Quebec to MLV 148 in the Municipality of Les Cèdres, Quebec (Les Cèdres Loop). The proposed Les Cèdres Loop, together with the capacity provided by the existing mainline facilities, will be needed to enable TCPL to transport the natural gas required for a new gas-fired cogeneration plant being constructed at Bécancour, Québec. The estimated cost of the project is \$44.1 million and the proposed in service date is 1 November 2006.

4. Montreal Pipe Line Limited (MPL) and Shell Canada Products Limited, on behalf of Shell Canada Products (Shell) – Sale and Purchase of Pipelines (Files 3400-M003-29 and 3400-S179-1)

On 8 March 2005, MPL and Shell jointly applied for leave for MPL to sell and Shell to purchase MPL's interest in certain portions of three delivery lines currently servicing the Shell refinery in Montréal, Quebec. The portions of the pipelines that Shell will purchase are all located on the Shell refinery property. MPL will retain ownership of the portions of the pipelines which are not located on the Shell refinery property.

5. EnCana Border Pipelines Limited (EnCana) and 1057533 Alberta Ltd. – Sale and Purchase of a Pipeline (Files 3400-E125-3 and 3400-Z011-1)

On 10 March 2005, EnCana and 1057533 Alberta Ltd. jointly applied for leave for EnCana to sell and 1057533 Alberta Ltd. to purchase the Monchy Pipeline Facilities. The facilities include a natural gas meter station located approximately one kilometre from the Village of Monchy, Saskatchewan and 750 metres of 219.1 millimetre (eight inch) pipeline extending directly south from the meter station to the Canada-United States border. The facilities were originally constructed by Canadian-Montana Pipe Line Corp. in 1999.

Safety

1. Safety Advisory NEB SA 2005-01, Faulty Equipment (File 9700-A000-1-30)

On 3 March 2005, the Board issued a safety advisory regarding the hazards associated with the use of faulty tools and equipment. The safety advisory results from an incident were a fuel line of a jumping jack caught fire while it was being used to compact clay around a piping manifold at an oil transmission facility. The cause of this incident was the use of defective equipment.

Traffic, Tolls and Tariffs Matters

Matters Completed

1. Enbridge Pipelines Inc. (Enbridge) – Interim Tolls for Line 9 (File 4400-E101-6)

On 9 March 2005, the Board approved an application dated 9 February 2005 from Enbridge for approval of interim tolls for transportation service on Line 9 for the period 1 April to 30 June 2005.

2. TransCanada Pipelines Limited (TCPL) – Resolutions of the 2005 Toll Task Force (Files 4775-T001-1-14, 4775-T001-1/05-1, 4400-T001-25-1, 4200-T001-20 and 4775-T001-1/05-2)

On 9 and 10 March 2005, the Board approved applications dated 10 February 2005 from TCPL for approval of resolutions of the 2005 Toll Task Force as described below.

| Resolution No. | Subject | | |
|----------------|---|--|--|
| 01.2005 | Amendments to the Short Term Firm Transportation Toll Schedule and Short Term Firm Transportation Pro Forma Contract. Purpose - to align the tariff with existing business practices. | | |
| 02.2005 | Amendments to Firm Transportation Service - Toll Schedule and General Term and Conditions. Purpos - to incorporate alternate receipt points as a feature of firm service. | | |
| 03.2005 | Amendments to Firm Transportation Toll Schedule and General Terms and Conditions. Purpose - to apply winter diversion priority on a year-round basis to all diversions. | | |

3. TransCanada Pipelines Limited (TCPL) – Resolutions of the 2005 Toll Task Force (File 4775-T001-1/05-03)

On 30 March 2005, the Board approved an application dated 17 February 2005 from TCPL for approval of resolutions of the 2005 Toll Task Force as described below.

| Resolution No. | Subject | | |
|----------------|---|--|--|
| 07.2005 | Amendments to the Storage Transportation Service (STS) Toll Schedule and STS Pro Forma Contract. Purpose - to clarify that Firm Transportation service linked to STS must be long-haul; introduce an excess withdrawal fee; modify the STS commodity billing process to align with operating practice; allow STS shipper to inject gas under Interruptible Transportation or Short Term Firm Transportation contracts, from an STS shipper's market to storage under specified circumstances; and allow conversion of STS to the proposed STS-Linked. | | |
| 08.2005 | New STS-Linked Toll Schedule and STS-Linked Pro Forma Contract and amendments to the Firm Transportation Service Toll Schedule. Purpose - to provide STS shippers with injection rights in an unbundled scenario. | | |

The Board also approved amendments to the General Terms and Conditions and Transportation Access Procedures as a consequence of the amendment to the STS Toll Schedule and the new STS-Linked Toll Schedule proposed in the above resolutions.

Matters Pending

4. TransCanada Pipelines Limited, BC System (TCPL) – Final Tolls for 2004 (File 3400-T054-2004-1)

On 27 October 2004, TCPL requested that the Board order that the 2004 interim rates authorized by Order TGI-10-2003 for the BC System are final tolls.

On 22 November 2004, the Board informed TCPL that it had decided to postpone its decision on the application pending the disposition of the Canadian Association of Petroleum Producers' application for review of the Board's RH-2-2004 Phase I Decision (see item 1 under *Appeal and Reviews, Reviews Pending* below).

5. TransCanada PipeLines Limited (TCPL) – Resolutions of the 2005 Toll Task Force (File 4200-T001-20)

On 3 March 2005, TCPL applied for approval of a resolution of the 2005 Toll Task Force as described below.

| Resolution No. | Subject | | |
|----------------|---|--|--|
| 05.2005 | Negotiated Settlement of 2005 Mainline Tolls. On 17 March 2005, the Board sought comments from interested parties on the application. | | |

6. TransCanada Pipelines Limited (TCPL) – Resolution of the 2005 Toll Task Force (File 4775-T001-1-15)

On 17 February 2005, TCPL applied for approval of a resolution of the 2005 Toll Task Force as described below.

| Resolution No. | Subject | | |
|----------------|---|--|--|
| 06.2005 | Fuel Gas Incentive Program effective 1 November 2004 to 31 October 2005. Purpose - to comply with a Board direction in the RH-2-2004, Phase I Reasons for Decision. | | |

7. Trans-Northern Pipelines Inc. (TNPL) – 2005 Tolls (File 4200-T002-12)

On 1 March 2005, TNPI applied for approval of final tolls for 2005 effective 1 January 2005. TNPI stated that its transportation revenue requirement for 2005 will increase to approximately \$60.2 million as compared to the calculated transportation requirement of \$35.9 million in 2004. Average tolls for 2005 will decrease by 0.6 percent as compared to those approved for 2004.

On 9 March 2005, the Board approved an application dated 7 March 2005 to continue to charge the interim tolls which were approved by Order TOI-4-2005 until such time as final tolls for 2005 are approved by the Board.

On 17 March 2005, the Board sought comments from interested parties on the application.

Appeal and Reviews

Appeal Pending

1. Sumas Energy 2, Inc. (SE2) – Application for Leave to Appeal a Board Decision

SE2 applied to the Federal Court of Appeal for leave to appeal the Board's 4 March 2004 decision in which it denied an application from SE2 to construct the Canadian portion of an 8.5 kilometre international power line originating at the Canada/ United States international boundary near Sumas, Washington and running to a BC Hydro substation in Abbotsford, British Columbia.

On 16 July 2004, the Court granted SE2's application to appeal the Board's decision.

Reviews Pending

1. Canadian Association of Petroleum Producers (CAPP) – Review of RH-2-2004, Phase I Reasons for Decision – TransCanada PipeLines Limited's (TCPL) 2004 Tolls (File 4200-T001-19-R)

On 12 November 2004, CAPP applied for a review of the Board's RH-2-2004, Phase I Reasons for Decision with respect to TCPL's 2004 Mainline Tolls. CAPP stated that the Board committed errors that raise doubt as to the correctness of its decision. The errors relate to the determinations made by the Board concerning:

- (a) approving tolls for Non-Renewable Firm Transportation Service to be determined on a biddable basis:
- (b) allowing TCPL to include all forecast longterm incentive compensation costs in its 2004 cost of service; and,
- (c) allowing TCPL to recover through tolls certain regulatory and legal costs relating to review and appeal proceedings.

2. Coral Energy Canada Inc. and Cogenerators Alliance (Applicants) – Review of RH-2-2004, Phase I Reasons for Decision – TransCanada PipeLines Limited's (TCPL) 2004 Tolls (File 4200-T001-19-R)

On 11 January 2005, the Applicants applied for review and variance of the Board's RH-2-2004, Phase I Reasons for Decision with respect to TCPL's 2004 Mainline Tolls. The Applicants asked for a review and variance of the Decision on the following issues:

- (a) the arrangements entered into by TCPL pursuant to the Waste Heat Agreements and the Compressor Operating Agreement; and,
- (b) TCPL's applied-for Operation, Maintenance and Administration costs for the 2004 test year.

The Applicants stated that the Board committed errors of law that make certain determinations in the Phase I Decision incorrect. Specifically the Board erred by:

- (a) adopting a decision-making procedure that inappropriately shifted the burden of proof onto intervenors, thereby compromising the Board's consideration of the evidence; and.
- (b) breaching the legal duty of fairness by failing to provide adequate reasons for its decisions.

Amendments to Regulations

Regulatory Initiatives Pursuant to the National Energy Board Act

1. Cost Recovery Regulations – Electricity – Review (File 175-A000-72-2)

The Board has decided to undertake a review of the *National Energy Board Cost Recovery Regulations* as they relate to the allocation of costs within the electricity industry. This decision was made following a request from some of the stakeholders.

As part of the review, the Board held an all-day workshop on 9 December 2004 in Calgary, Alberta. The summary of the workshop is available on the Board's Web site. The Board will hold further meetings with the industry in the Spring of 2005.

National Energy Board Damage Prevention Regulations

On 7 February 2005, the Board informed interested parties that it has completed the initial development phase of the above-noted Regulations. The Regulations have been submitted to the Department of Justice for review and analysis prior to pre-publication in the *Canada Gazette*, Part 1. The Draft Regulations dated October 2004 are available on the Board's Web site under *Acts and Regulations*.

Regulatory Initiatives Pursuant to the Canada Oil and Gas Operations Act

3. Canada Oil and Gas Diving Regulations and Guidance Notes

For more information on this matter, refer to item 4 under *Amendments to Regulations and Rules* in the May 2001 issue of the *Regulatory Agenda*.

4. The Canada Oil and Gas Drilling Regulations and the Canada Oil and Gas Production and Conservation Regulations

For more information on this matter, refer to item 5 under *Amendments to Regulations and Rules* in the May 2001 issue of the *Regulatory Agenda*.

5. The Canada Oil and Gas Geophysical Operations Regulations

For more information on this matter, refer to item 6 under *Amendments to Regulations* in the October 2004 issue of the *Regulatory Agenda*.

Regulatory Initiative Pursuant to the Canada Labour Code

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

For more information on this matter, refer to item 6 under *Amendments to Regulations and Rules* in the February 2003 issue of the *Regulatory Agenda*.

Administrative Matters

Appointment

On 22 March 2005, the Minister of Natural Resources Canada appointed Patricia McCunn Miller as a Member of the Board for a term of seven years.

Ms. McCunn Miller, a lawyer by training, was born in Montréal, educated in Ottawa, and has practiced extensively in Alberta. She has some 20 years of experience in regulatory and energy matters gained in both the public and private sectors.

She served as counsel with Macleod Dixon from 1984 to 1987, worked at the Alberta Petroleum Marketing Commission from 1987 to 1996 where she advanced to General Counsel and Corporate Secretary, became Vice-President and General Counsel at ESBI Alberta Ltd. in 1999, after which she was employed by PanCanadian/EnCana as Vice-President, Environment and Regulatory Affairs.

She served recently as Vice-Chair of the National Round Table on the Environment and the Economy as well as being involved in an executive capacity with a number of energy and climate change committees.

Living and Working Near Pipelines: Landowner Guide 2005

On 1 March 2005, the Board issued an updated version of the above-noted document and it is available on our Web site under *Safety & Environment*.

Regulatory Improvement Workshop – NEB Strategic Plan 2005-2008

On 22 March 2005, the Board made public the Facilitator's Report of the Regulatory Improvement Workshop held on 8 November 2004. The purpose of the Workshop was to engage with people representing a range of interests in NEB matters to gain a better understanding of their challenges and any actions the Board might take to address them.

The Board also issued the Board's Strategic Plan 2005-2008. It was finalized with input from stakeholders who participated in the Regulatory Improvement Workshop.

Scheduled Energy Market Assessments (EMA) 2005-2006

1. Outlook for Electricity Markets 2005-2006

This EMA will provide an assessment of electricity markets in Canada with emphasis on the main drivers influencing current and near-term trends in generation, demand, pricing, capacity additions and trade. As a result of the assessment, the key issues facing the industry will be identified and discussed. The report is expected to be released in June 2005.

2. Conventional Natural Gas Resources of British Columbia: An Assessment of Ultimate Potential

The British Columbia Ministry of Energy and Mines jointly with the NEB will be assessing the ultimate potential of conventional natural gas resources of British Columbia. The report is expected to be released in September 2005.

3. Short-term outlook for Natural Gas and NGLs 2000-2006

This EMA will examine supply, demand, inventories, prices, etc., of natural gas and natural gas liquids from 2000 and provide an outlook to 2006. The report is expected to be released in October 2005

4. Short-term outlook for Canadian Crude Oil to 2006

This EMA will present the Board's views on crude oil and petroleum product supply, prices and markets to 2006. The report is expected to be released in October 2005

5. Short-term Canadian Natural Gas Deliverability, 2005-2007

This EMA will examine the factors which affect Canadian natural gas supply in the short-term and present an outlook for deliverability through to the year 2007. Factors examined include trends in industry activity and the production characteristics of gas wells. The report is expected to be released in October 2005.

6. Natural Gas for Power Generation: Issues and Implications

This EMA will examine the fastest growing segment of the North American natural gas market with emphasis on Canada. It would provide an outlook for future demand and related issues/implications for transportation services, storage and gas prices. The report is expected to be released in December 2005.

7. Renewable and Alternative Sources of Power

This EMA will address alternative and renewable technologies. Interest in alternative and renewable technologies, such as fuel cells, solar cells, wind, biomass, small-hydro and "clean coal," as credible

supplemental energy sources continue to grow in Canada. Demand reduction (or demand response) programs may also be considered an energy source. The report is expected to be released in February 2006.

Instructions for Filing

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

Applications – Copies Required to be Filed

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

Communication Numbers

General Information:

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For telephone numbers of Board Members and key staff, see our Web site under the heading *About Us, Our People.*

National Energy Board Michel L. Mantha Secretary

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Appendix I

Section 58 Applications

Gas Pipelines

| Applicant | File/Order | Application | Est. Cost |
|----------------------------------|--|--|-----------|
| Consumers' Gas (Canada) Ltd. | Files: 3200-Z009-1 and 3200-C283-1 Order: XG-Z009-06-2005 | Application dated 17 September 2004; approved on 3 March 2005. Change the name in several Board orders from Consumers' Gas (Canada) Limited to 2193914 Canada Limited. | N/A |
| | Files: 3200-Z009-1 and 3200-C283-1 Order: XG-Z009-07-2005 | Application dated 17 September 2004; approved on 3 March 2005. Change the name in several Board orders from Consumers' Gas (Canada) Limited to 2193914 Canada Limited. | N/A |
| TransCanada PipeLines Limited | File: 3400-T001-236 Order: XG-T001-08-2005 | Application dated 7 January 2005; approved on 3 March 2005. Contaminant sampling and remediation program 2005, Station 25. | 1 630 000 |
| Westcoast Energy Inc. | File: 2400-W005-345 Order: XG-W005-10-2005 | Application dated 20 January 2005; approved on 8 March 2005. Replace the lining and increase the containment capacity of the drain pond at the Fort Nelson Gas Plant in B.C. | 100 000 |
| | File: 3400-W005-344 Order: XG-W005-09-2005 | Application dated 19 January 2005; approved on 7 March 2005. Upgrade four flare sites in the Fort Nelson gathering area. | 411 000 |
| | File: 3400-W005-346 Order: XG-W005-11-2005 | Application dated 9 February 2005; approved on 16 March 2005. Reconfigure the Milligan Peejay Pipeline and deactivate a section of the Milligan Peejay Extension pipeline North of Fort St. John, B.C. | 520 000 |

Oil Pipelines

| Applicant | File/Order | Application | Est. Cost |
|---------------------------------|--|---|-----------|
| Enbridge Pipelines (NW) Inc. | File: 3400-E102-11 Order: XO-E102-04-2005 | Application dated 4 January 2005; approved on 24 March 2005. Five projects. | 326 000 |

Appendix II

Other Filings

| Company | Date | Filing | |
|---|----------|---|--|
| TransCanada PipeLines Limited | 2 March | File 3400-T001-239 – Section 58 – 2005 Contaminant Sampling and Remediation Program - Station 130. | |
| Maritimes & Northeast Pipeline | 3 March | File 4750-M124-2004-4 – Filing of Annual Surveillance Report for the year ended 31 December 2004. | |
| Westcoast Energy Inc. | 3 March | File 4775-W005-1-1 – Framework for Light-handed Regulation: Amendment of toll schedules effective 1 November 2004, 1 February and 1 March 2005. | |
| Martimes & Northeast Pipeline | 9 March | File 4775-M124-1-1 – Fuel retainage percentage effective 1 April 2005. | |
| Foothills Pipe Lines Ltd. | 14 March | File 4750-F006-2004-1 – Revised Annual Surveillance Report for the year ended 31 December 2004. | |
| Foothills Pipe Lines Ltd. | 14 March | File 4750-F006-2 – General and Administration Expenses Report for the year ended 31 December 2004. | |
| Enbridge Pipelines Inc. | 15 March | File 3402-E101-3-8 – Construction planned under Section 58 Streamlining Order XG/XO-100-2002. | |
| Enbridge Pipelines Inc. | 15 March | File 3402-E101-2-2004 – Report of Annual Expenditures under Section 58 Streamlining Order XG/XO-100-2000 and XG/XO-100-2002 for the year 2004. | |
| Reliant Energy Services Canada. Ltd. | 15 March | File 6200-R034-1 – Application to revoke electricity export Orders EPE-201 and EPE-202. | |
| Westcoast Energy Inc. | 16 March | File 3402-W005-3-10 – Listing of the Section 58 projects which were undertaken during 2004 under Streamlining Order XG/XO-100-2002. | |
| Maritimes & Northeast Pipeline | 17 March | File 4750-M124-2004-4 – Revised Annual Surveillance Report for the year ended 31 December 2004. | |
| Husky Oil Limited | 21 March | File 3400-H046-3-1 – Amend Order XO-H046-21-2004 to approve a change in construction schedule for the eight kilometre Border Crude Oil Pipeline Expansion from the fall of 2004 to the spring and summer of 2005. | |
| Express Pipeline Ltd. | 21 March | File 3400-E092-7 – Leave to open two new Hardisty tanks and associated piping approved under Order XO-E092-07-2004. | |
| Westcoast Energy Inc. | 22 March | File 3400-W005-347 – Section 58 – Application to replace approximately 126 metres of 660 millimetre pipeline within the Alaska Highway right-of-way at approximately kP 41.2 in Fort St. John, B.C. | |
| Westcoast Energy Inc. | 22 March | File 3402-W005-3-10 – Notification under Streamlining Order XG/XO-100-2002 to install high capacity filter units at the Pine River Gas Plant. | |
| Westcoast Energy Inc. | 24 March | File 3400-W005-348 – Section 58 – Replace the C and D train monoethanolamine storage tank at the Fort Nelson Gas Plant. | |
| Westcoast Energy Inc. | 24 March | File 4200-W005-17 – Application for approval of final tolls for Zones 3 and 4 to become effective on 1 January 2005. | |

Appendix II

Other Filings (continued)

| Pembina North Limited Partnership | 24 March | File 4710-P099 – Audited Financial Statements for the year ended 31 December 2004. |
|---------------------------------------|----------|---|
| Wascana Pipelines System | 24 March | File 4775-P102-1-1 – Toll Schedule for the transportation of crude petroleum effective 1 April 2005. |
| Montreal Pipe Line Limited | 25 March | Files 3402-M003-2-2004 and 4710-M003 - 2004 – Audited Financial Statements for the year ended 31 December 2004. |
| Souris Valley Pipeline Limited | 29 March | File 4710-S161 – Audited Financial Statements for the years ended 31 December 2003 and 2004. |
| Westcoast Energy Inc. | 30 March | File 4775-W005-1-1 – Framework for Light-handed Regulation: Amendment of Toll Schedules effective 1 April 2005. |
| BP Canada Energy Resources Company | 30 March | File 4775-B065-1-2 – Windsor Storage Facility Joint Venture - Tariff No. 8 for tolls effective 1 April 2005. |
| Express Pipeline Ltd. | 31 March | File 4775-E092-1-1 – Tariff Nos. 53, 54, 55, 56 and 57 for tolls effective 1 April 2005. |
| TransCanada PipeLines Limited | 31 March | File 4200-T001-20 – Filing of Interruptible Transportation Pricing Study in accordance with the Board' decision in RH-1-2002. |

Profile

The National Energy Board is a federal regulatory tribunal that was created on 2 November 1959 by an Act of Parliament.

The Board's regulatory powers under the *National Energy Board Act* include the granting of authorizations for the exportation of oil, natural gas and electricity, the certification of interprovincial and international pipelines and 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 and Skills Development Canada to administer Part II of the *Canada Labour Code*.

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