1 INTRODUCTION

In accordance with Part 4 of the Pipeline Act, Centrica Canada Limited (Centrica) submitted Application No. 1247777 to the Alberta Energy and Utilities Board (EUB/Board) on November 6, 2001, for approval to construct and operate a sweet gas pipeline and a sweet oil effluent pipeline from Legal Subdivision 9, Section 1, Township 56, Range 21, West of the 4th Meridian (LSD 9-1-56-21W4M) to a tie-in point at LSD 9-12-56-21W4M. The sweet gas pipeline would have a 60.3 millimetre (mm) outside diameter (OD), while the oil effluent pipeline would be 88.9 mm OD, with both pipelines approximately 1.55 kilometres (km) in length and set in a common ditch.

Several area residents and landowners directly affected by the proposed pipelines raised concerns about the routing of the subject pipelines and Centrica’s lack of willingness to agree to remove the pipelines when the wells are abandoned.

The Board directed that Application No. 1247777 be considered at a public hearing, and a prehearing meeting was scheduled to provide direction on procedural and other matters.

The Board held a prehearing meeting in Nisku, Alberta, on April 5, 2002, before Board Members A. J. Berg, P.Eng. (Presiding Member), J. R. Nichol, P.Eng., and G. J. Miller. Those who appeared at the prehearing meeting, along with a list of abbreviations used in the decision are set out below.

THOSE WHO APPEARED AT THE PREHEARING MEETING*

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<tr>
<th>Principals and Representatives (Abbreviations Used in Report)</th>
<th>Witnesses</th>
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<tr>
<td>Centrica Canada Limited (Centrica)</td>
<td>S. Munro</td>
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<tr>
<td>T. Cholowski, D. and A. Guenette, and R. Prochnau (the Intervener Group)</td>
<td>A. Hull</td>
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<td>Alberta Energy and Utilities Board staff</td>
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<tr>
<td>G. Perkins, Board Counsel</td>
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<tr>
<td>L. Wilson-Temple</td>
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<td>S. Cartwright</td>
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* Mr. Yaworski, an adjacent landowner, attended the meeting as an interested party; however, he did not formally register as a participant.
2   •   EUB Decision 2002-040 (April 9, 2002)

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Neither party identified a need to adopt any special procedures for the hearing; both welcomed having a reasonable schedule established, which would include a period for making information requests (IRs) to the other party. They both believed that the IR process would be most helpful if it occurred after initial submissions were made.

Centrica and the Intervener Group made comments as to their respective availability for a hearing and to the time needed to file and reply to submissions. Both parties were agreeable to holding the hearing in the Edmonton-Fort Saskatchewan area.

The Intervener Group also identified two late concerns it would like to see addressed. It raised the issue of impeded drainage on the proposed pipeline right-of-way and expected Centrica to address this concern. The Intervener Group also discussed needing some certainty about local interveners’ costs, as this could affect the ability of some landowners residing outside of Alberta to participate in the hearing.

Centrica responded to the second concern by indicating that it would reimburse reasonable costs of affected parties who wished to participate in the hearing based on the EUB’s Guidelines for Energy Cost Claims (Guide 31A). It encouraged the participants to select a spokesperson per family to represent their concerns.

3 BOARD DIRECTION

The Board accepts the views of the parties respecting the scope of the issues to be discussed at the hearing and expects both parties to be ready to present evidence on the issues identified above. The Board emphasizes the importance of the parties filing and presenting complete, concise, and relevant information that will assist the Board in reaching its decision on the application. With respect to the issue of pipeline removal, the Board requests each of the parties to include in its submissions to be filed in these proceedings a discussion of the Board’s authority and jurisdiction, if any, to direct the removal of a pipeline or portion of a pipeline.

With respect to the potential for alternative pipeline routes suggested by the Intervener Group, the Board strongly encourages the earliest possible exchange of specifics on this issue in order to ensure that other potentially affected parties can be identified and that any alternatives can be fully evaluated.

The Board notes the willingness of both parties to create a statement of facts agreed upon, which would assist in ensuring that the hearing remains focused on unresolved issues.

Regarding the two additional issues raised by the interveners at the prehearing, the Board will expect Centrica to provide information regarding the effects of the pipeline right-of-way on drainage and the mitigating measures it proposes to take. Respecting local interveners’ costs, the Board has a well-established discipline in reviewing cost claims and notes Centrica’s acknowledgment of the status of the landowners as local interveners and its commitment to agree with reasonable costs.

The Board notes that there was little discussion on the proposed venue for the hearing. The Board believes it appropriate to hold the hearing proximate to Centrica’s facilities and near the affected landowners and residents.
Therefore, the Board has determined that the hearing will be held on Thursday, June 20, 2002, in the Edmonton-Fort Saskatchewan area at a venue to be determined. All interveners to the proceeding must be present at the commencement of the hearing to register their appearance. A hearing notice will be issued to all parties in due course.

The Board has considered the comments of the parties and directs that the following schedule be adhered to:

**Monday, May 6, 2002**  
Submissions by Centrica and the Intervener Group be filed, including discussion of the issue of pipeline removal

**Thursday, May 16, 2002**  
Information requests exchanged between the parties and the Board

**Friday, May 31, 2002**  
Responses due to the information requests

**Friday, June 7, 2002**  
Additional/final submissions due, including “statement of agreed-upon facts”

**Wednesday, June 19, 2002**  
Site visit (further details to be provided)

**Thursday, June 20, 2002**  
Hearing commences

### 4 OTHER MATTERS—APPROPRIATE DISPUTE RESOLUTION (ADR)

The Board notes the interest and willingness of both the parties to consider further negotiations and the potential to engage the EUB’s Appropriate Dispute Resolution (ADR) process. The Board is advised that Centrica and the Intervener Group will appraise their opportunities for discussion in more detail after the initial submission deadline of May 6, 2002. The Board encourages the parties to continue working together to resolve their issues.

DATED at Calgary, Alberta, on April 9, 2002.

**ALBERTA ENERGY AND UTILITIES BOARD**

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A. J. Berg, P.Eng.  
Presiding Board Member

<Original signed by>  
J. R. Nichol, P.Eng.  
Board Member

<Original signed by>  
G. J. Miller  
Board Member