



Shell Canada Limited

**Applications for New and Amended Sour Gas Pipelines
Moose/Jumping Pound Fields**

**Prehearing Meeting Decision
June 24, 2004**

ALBERTA ENERGY AND UTILITIES BOARD

Decision 2004-050: Shell Canada Limited—Applications for New and Amended Sour Gas Pipelines, Moose/Jumping Pound Fields

Prehearing Meeting Decision

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ALBERTA ENERGY AND UTILITIES BOARD

Calgary Alberta

**SHELL CANADA LIMITED
APPLICATIONS FOR NEW AND
AMENDED SOUR GAS PIPELINES
MOOSE/JUMPING POUND FIELDS**

**Prehearing Meeting
Decision 2004-050
Applications No. 1320488 and 1329127**

1 INTRODUCTION

Applications

Shell Canada Limited (Shell) applied to the Alberta Energy and Utilities Board (EUB/Board) for a permit to construct a new sour gas pipeline and to increase the hydrogen sulphide (H₂S) content of an existing pipeline. Shell is also applying for associated fuel gas pipelines to be installed in the same right-of-way. The pipeline will be constructed between the Bragg Creek area and the Cochrane area.

Application No. 1320488

Shell submitted an application in accordance with Part 4 of the *Pipeline Act* for approval to construct and operate a natural gas pipeline system between the Moose Mountain Compressor Station at legal subdivision (LSD) 13, Section 22, Township 22, Range 6, West of the 5th Meridian to a pipeline tie-in point at Shell's Junction "B" located at LSD 3-13-25-6W5M (see [Figure 1](#)). The proposed pipeline would be about 39 kilometres (km) in length, with a maximum outside diameter of 219.1 millimetres (mm), and would transport natural gas with 250 moles per kilomole (mol/kmol) (25.0 per cent) H₂S. The pipeline would start at a point about 14 km southwest of Bragg Creek and tie into an existing pipeline at a point about 18 km southwest of Cochrane.

Application No. 1329127

Shell submitted an application in accordance with Part 4 of the *Pipeline Act* to amend about 9.5 km of an existing pipeline. This pipeline would transport natural gas from Shell's Junction "B" at LSD 3-13-25-6W5M to Shell's Jumping Pound gas plant at LSD 13-13-25-5W5M. The pipeline would have a maximum outside diameter of 323.9 mm and would transport natural gas with 250 mol/kmol (25.0 per cent) of H₂S. The pipeline would start at a point about 18 km southwest of Cochrane and would tie into the Jumping Pound gas plant about 9 km southwest of Cochrane.

2 PREHEARING MEETING

As the proposed right-of-way for the new pipeline would transect the West Jumping Pound community, a number of residents, landowners, and other interested parties expressed concerns about the proposed project in response to the Notice for Objections sent by the EUB.

Having regard for the unresolved concerns, the Board directed that the subject applications be considered at a public hearing. The Board further decided that before scheduling a hearing, it

would be useful to obtain additional information from the interested parties and Shell to ensure that the public hearing would be conducted in the most efficient and effective manner possible. Consequently, the EUB held a prehearing meeting in Canmore, Alberta, on June 9, 2004, before Presiding Board Member J. R. Nichol, P.Eng., and Acting Board Members W. G. Remmer, P.Eng., and F. R. Rahnama, Ph.D.

At the prehearing meeting, the Board received input from the applicant and interested parties on a number of issues, including

- the scope and purpose of the hearing,
- relevant issues to be examined,
- timing and location of the public hearing,
- procedures, and
- participant roles.

The Board did not hear evidence, submissions, or arguments pertaining to the merits of the applications or objections; these will be heard at the public hearing.

Those who spoke at the prehearing meeting on behalf of a group of interested parties or on their own behalf are listed in [Appendix 1](#).

Since all input from parties was received at the prehearing meeting, for purposes of this decision the Board considers the record to have closed on June 9, 2004.

3 IDENTIFICATION OF ISSUES

The Board considers all of the issues raised at the prehearing to be relevant for consideration at the upcoming public hearing. However, the Board does not consider the following list to be exhaustive and does not preclude the consideration of other issues at the proceeding, depending upon their relevance. The issues that the Board will hear at the hearing are

- need for the applied-for pipelines
 - (including proliferation)
- pipeline route selection
- health and safety
 - (including air emissions, adequacy of the emergency response plan, and risk)
- environmental impacts
 - (including disturbance of the land surface, vegetation, and weeds)
- integrity of existing infrastructure
 - (In this regard, evidence and argument will be limited to the incremental and cumulative risk associated with this project; this will not be a review of the existing licences.)
- Shell's public consultation program
- impacts to surface uses along the right-of-way
- property values
 - (In this regard, evidence and argument will be limited to the potential impact on property values, as the matter of compensation is addressed by the Surface Rights Board)

- noise
 - (The Board will consider evidence and argument regarding any incremental noise impacts related to this project.)
- roads
 - (The Board will hear matters pertaining to the road issues in the West Jumping Pound community; however, the scope will be limited to access and egress as it relates to maintenance and emergency response. The Board recognizes that a process is currently under way to deal with the issue of joint road usage and therefore finds that this matter should not be considered at the hearing.)

4 PARTICIPATION AT THE PUBLIC HEARING

4.1 Standing

In identifying who may participate at a public hearing, the Board is governed first by Section 26 of the *Energy Resources Conservation Act (ERCA)*, which provides that those persons whose rights may be directly and adversely affected by the approval of an energy facility are entitled to an opportunity to lead evidence, cross-examine, and give argument—in short, to full participation at a hearing, or “standing.”

Others who may not be able to meet the standing test (for example, those persons not situated in the designated proximity to a proposed facility) are not afforded these participation rights by the statute. However, it is the long-standing practice of the Board that should a hearing be held, it will allow those persons who would otherwise not have standing to participate to some extent at a public hearing, provided that they offer relevant information. Determination of the level of participation of such parties will be made on a case-by-case basis. However, funding to cover costs, as described below, is not normally available to persons who may participate but who do not have standing.

Shell did not contest the standing of those that appeared at the prehearing meeting. The Board finds that those parties that participated in the prehearing meeting, listed in [Appendix 1](#), are entitled to full participation at a hearing, i.e., standing.

The Board cautions that participation at the public hearing is also predicated on persons complying with the EUB’s *Rules of Practice* regarding the presentation of evidence and procedural matters. For example, persons who do not file their own evidence and that of their experts by the prescribed deadlines (as more particularly outlined below) may be denied the opportunity to provide that evidence at the hearing. It is important that parties respect the deadlines established by the Board in order to provide fairness to all parties that are participating in the proceeding and to maintain an orderly and efficient process leading to the oral hearing.

4.2 Local Intervener Costs

Parties that are entitled to participate at a public hearing under Section 26 of the *ERCA* may also qualify for funding so that they may effectively and efficiently present their interventions. Such funding is referred to as “local intervener costs” and is provided for under Section 28 of the *ERCA*. This section grants the Board the discretion to award costs to participants that have an

“interest in land” that may be directly and adversely affected by the approval of an energy project. When such awards are given, the Board directs the applicant company to pay the costs.

The Board notes the following regarding costs:

- A finding of local intervener status does not automatically mean that the Board will approve all or any costs incurred by any specific local intervener.
- Costs must be shown to be reasonable and necessary to the intervention, as well as meet the requirements of Part 5 of the Rules of Practice.
- The Board must also find that the intervention added to its understanding and appreciation of the relevant issues before costs or a part of them are approved.
- Duplication of effort on common issues by two or more interveners or excessive representation on issues that are clearly common to a number of participants will not likely result in more than one set of costs being approved in the absence of special circumstances.
- Parties are advised to review Part 5 of the Rules of Practice and Guide 31A: Guidelines for Energy Cost Claims to acquaint themselves with the cost regime administered by the Board.

The Board strongly encourages individuals who share a common purpose and concerns to pool their resources and present a collective intervention. Such pooled interventions are usually effective and efficient, as they eliminate duplication of effort and costs that may occur when several individual residents present essentially the same intervention.

The Board’s policies provide for an advance of costs in relation to which the Board notes the following:

- Parties should show that an advance payment of forecast expenditures is essential in preparing and presenting a submission.
- Parties must also show that they do not have the financial resources to initially retain necessary consultants and bear other related costs.
- An award of advance funding is subject to the Board’s posthearing assessment of whether an individual’s or group’s costs are reasonable and directly and necessarily related to the intervention.
- Costs awarded in advance of a hearing are paid by the applicant company and form part of the overall costs of an intervention.
- If the Board approves overall costs in an amount that is less than the sum advanced prior to the hearing, the individual or group must repay the difference.
- An application for an advance of costs must be made pursuant to Section 50 (demonstrating need for financial assistance to address relevant issues) and Section 51 (filing budget of anticipated costs in the proceeding) of the *Rules of Practice*.

At the prehearing meeting, the panel did not hear any requests to rule on the issue of advance funding for any of the participants.

5 PROCEDURAL MATTERS

At the prehearing meeting, the Board did not hear any requests for a deviation from the EUB’s normal hearing procedures or sitting times. While the issue of existing energy development in

the area arose at the prehearing, all parties were clear that they were not requesting a formal review of existing licences. As such, the Board will deal with matters related solely to the subject applications and intends to follow the usual procedures for a hearing as outlined in the *Rules of Practice*.

6 LOCATION AND TIMING OF THE HEARING

The panel heard several suggestions for a venue for the hearing in the vicinity of the proposed project. Possible venues include Bragg Creek, Jumping Pound Community Hall, Nakoda Lodge, and Cochrane. The panel has chosen to hold the hearing in Cochrane at the Cochrane Rancho House.

At the prehearing meeting, the parties were in general agreement about the timing of the hearing, with the applicant requesting the hearing be set for late August or early September and one intervener requesting late September or October. The remaining participants did not indicate a preference. As such, the Board has set the hearing to commence on September 14, 2004.

In addition to the hearing date, the applicant also suggested that an information request (IR) process may be beneficial with the understanding that it would not delay the hearing date. The intervening parties were silent on the need for an IR process.

An IR process allows written questions and answers to be exchanged by the parties to a hearing and may assist parties in gaining a greater understanding of one another's positions. IRs are intended to clarify evidence already filed with a view to making the actual hearing more efficient, as the IRs form part of the evidence at the hearing. Sections 27, 28, and 29 of the *Rules of Practice* outline the procedure for making an IR.

In this case, the Board will allow participants with standing to file IRs with Shell if they choose. Shell will have the opportunity to file a response to the intervening submissions before the hearing commences.

In determining the schedule, the Board has taken into account the timing for the release of this report and the scheduled hearing date. Accordingly, the Board directs that the following schedule regarding IRs and submissions be followed:

Table 1. Filing Schedule

Item	Date
Interveners file IRs	July 16, 2004
Shell responds to IRs	July 30, 2004
Interveners file submissions	August 20, 2004
Shell files a response to the interveners' submissions	September 3, 2004
Hearing commences	September 14, 2004

The Board will issue a formal notice of hearing in due course and send a copy of the notice directly to each party that may be directly and adversely affected and to those that have

expressed an interest in the proceedings. In addition, the notice will be published in the *Canmore Leader* and the *Cochrane Times*.

Dated in Calgary, Alberta, on June 24, 2004.

ALBERTA ENERGY AND UTILITIES BOARD

[Original signed by]

J. R. Nichol, P.Eng.
Presiding Member

[Original signed by]

W. G. Remmer, P.Eng.
Acting Board Member

APPENDIX 1 HEARING PARTICIPANTS

**Principals and Representatives
(Abbreviations used in report)****Witnesses**

Shell Canada Limited (Shell)

S. H. T. Denstedt
J. P. Jamieson

Husky Oil Operations Limited

D. M. Todesco

J. Clarkson

G. S. Fitch

J. and S. Thorogood

M. and A. Madore

M. and J. Donnelly

M. Donnelly

J. Bateman and B. Bateman

J. Bateman

J. Skirrow

J. Skirrow

G. Timm

G. Timm

(by written submission only)

Alberta Energy and Utilities Board staff

J. P. Mousseau, Board Counsel

J. Webb, Board Counsel

G. McClenaghan

P. Romanchuk

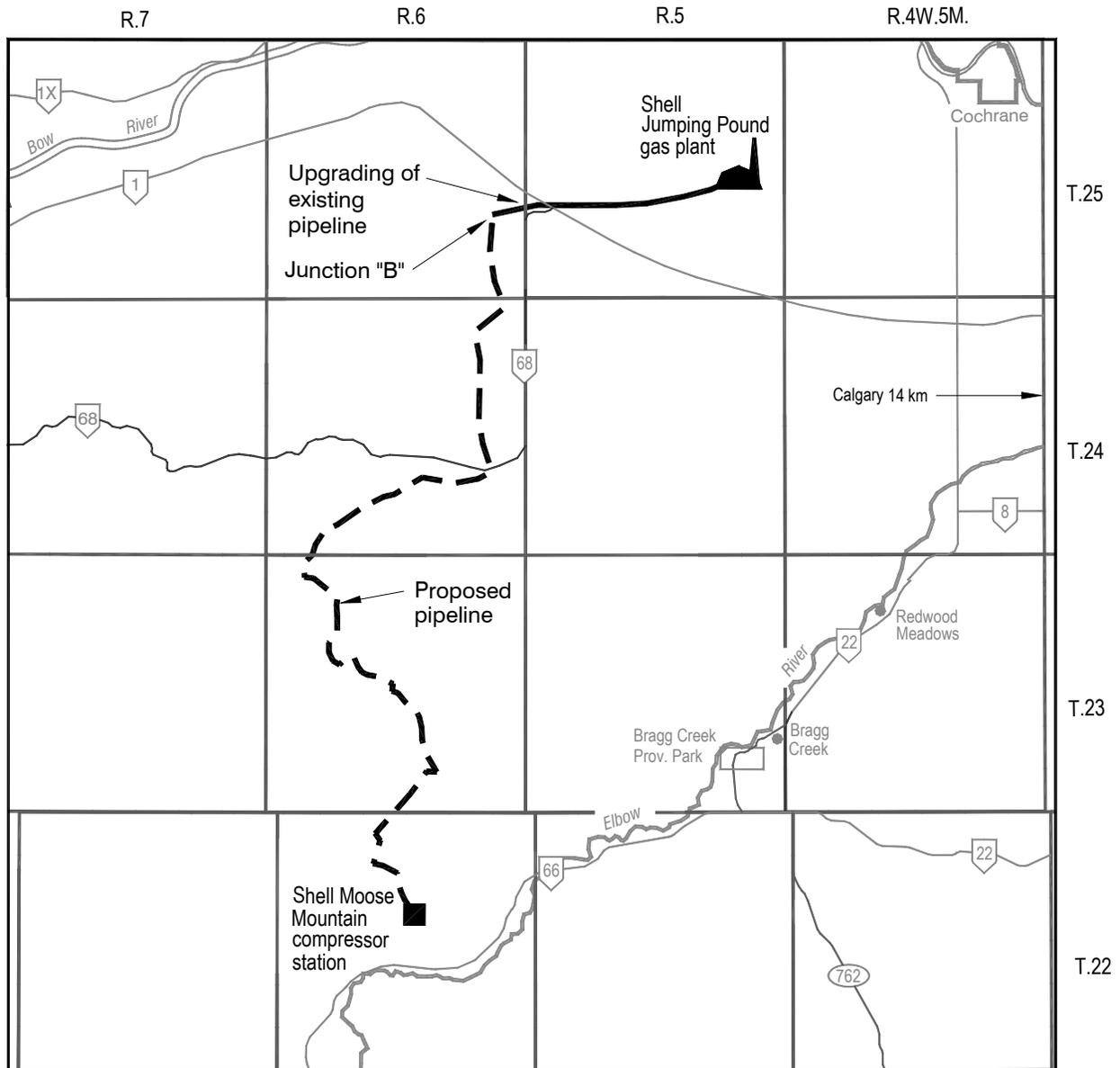


Figure 1. Project map