

October 26, 2012

Sheri Young
Secretary of the Board
National Energy Board
444 – 7th Avenue SW
Calgary, AB T2P 0X8

Dear Ms. Young,

Re: Part VI Oil and Gas Consultation

File Ad-GA-ActsLeg-Fed-NEBA-Amend 0101

CAPP appreciates the opportunity to comment on changes to implement the changes recently made to the *NEB Act*. The Board has posed a number of questions and CAPP's comments take the form of responses to those questions. CAPP would be pleased to discuss these responses further should the Board have any further questions.

- 1. a)** What form should the test take for both oil and gas so that the Board can satisfy itself that there is a surplus of hydrocarbon products to be exported?

Response: The test should be the same for both oil and natural gas. The MBP is a flexible tool that can be applied to both oil and natural gas with modifications to take into account the evolution of North American energy markets since the MBP was developed. The FMA test is out of step with how the market operates and is unnecessary given the huge oil resource in Canada. Exports to offshore markets also call for modifications to improve the applicability of the MBP to different circumstances and conditions prevailing in global energy markets.

- i) If the Board were to retain a form of the MBP, what modifications should be made?

The MBP should be applied to both oil and natural gas.

The complaints procedure should be retained as should the EIA.

With regard to the EIA the applicant should have the option to submit its own EIA or rely on NEB supply or market studies or other similar NEB studies monitoring energy markets.

The EIA is described in Appendix A to the consultation document as follows:

“Export Impact Assessment (EIA): The focus of the EIA is to assist the Board in its determination of whether the Canadian energy market can adjust to incremental gas exports without causing Canadians difficulty in meeting their energy needs at prices determined in the market. The EIA sets out the impact of the proposed export on Canadian energy and natural gas markets.”

This would be reworded to apply to both oil and gas as follows:

“Export Impact Assessment (EIA): The focus of the EIA is to assist the Board in its determination of whether the Canadian energy market can adjust to incremental gas or, as the case may be, crude oil exports without causing Canadians difficulty in meeting their energy needs at prices determined in the market. The EIA sets out the impact of the proposed export on Canadian energy and natural gas or, as the case may be, crude oil markets.”

The purpose of complaints procedure should be aligned with the purpose of the EIA. The complaints procedure would be described as follows:

Complaints Procedure: The purpose of the Complaints Procedure is to provide an opportunity for Canadians to come forward if they are unable to meet their energy needs at prices determined in the market. The Board considers any complaint from Canadian natural gas market participants, or, as the case may be, crude oil market participants, that they are unable to meet their energy needs at prices determined in the market as a direct consequence of the proposed export.

The current language in the description of the complaints procedure regarding similar terms and conditions would be dropped as unnecessary given the evolution of natural gas and crude oil market, the variety of supply arrangements available to consumers of oil and natural gas, and the globalization of Canada's energy trade. The use of the word "fair" to modify market prices has been dropped as it is irrelevant to the surplus question and is also unnecessary in that market prices will be fair absent some market failure which would in any event be reflected in difficulty in acquiring supplies.

The public interest component of the MBP would be deleted to accord with the changes to the governing legislation.

ii) If the Board were not to retain a form of the MBP, what should replace it?

Response: Not applicable in light of the response to (i) above.

ii) What complaint procedure, if any, should be retained by the Board?

Response: See the response to (i) above.

1. b) What role should market monitoring play under the new NEB Act?

Response: The Board should continue to monitor and issue periodic studies including its Energy Market assessments and long term supply/demand studies. It would be helpful to potential export applicants to know what energy studies may be planned by the Board so advance information on the studies that are in the Board's schedule would be welcome.

2. What modifications, if any, are required to the information that applicants must submit in requesting an export licence?

Response: See Appendix A which is a copy of revised Part VI Regulations in track change. These proposed changes eliminate information that is not relevant to assessing the surplus under a modified MBP and the ongoing role of the Board under the NEB Act as amended. The distinction between types of crude oil could be dropped and all crude oil treated the same way. CAPP would note that there is an opportunity with these proposed revisions to the Part VI Regulations to further streamline and consolidate the information requirements for various commodities.

3. a) Would it be appropriate to modify the Part VI Oil and Gas Regulations to exempt natural gas imports from Board authorization?

Response: No. Natural gas export licences are likely to continue to be the subject of applications to the Board in coming years. The authorizations of natural gas imports provides a valuable tool to understand in a transparent and open manner the various means by which Canadians are able to and do satisfy their energy requirements.

3. b) What are the implications, if any, of removing a gas import authorization requirement?

Response: Maintaining the import authorization preserves a valuable tool for monitoring the dramatic changes occurring in natural gas markets particularly in North America.

4. a) Are there changes to the reporting requirements that should be considered?

Response: See Appendix B which is a copy of revised Reporting Regulations in track change. Quantities should be reported in the units of measurement used in actual commerce, for example, joules for natural gas rather than cubic metres.

4. b) What changes are required to accommodate exports or imports of gas in the form of liquefied natural gas?

Response: The proposed modified MBP, revised Part VI Regulations, and revised Reporting Regulations provide effective tools with sufficient flexibility for appropriate Board consideration of LNG export or import applications as well as the monitoring of same. CAPP notes that the Board has also been able to make case by case adjustments in requirements or conditions to authorizations as necessary to accommodate specific circumstances.

5. a) Is there value in applying a two year term to all short-term hydrocarbon export authorizations?

Response: Yes.

5. b) What are the issues that should be considered, market or other, in applying a similar term to all short-term hydrocarbon authorizations?

Response: None.

Please find attached two documents – one with CAPP’s proposed changes to the NEB Export and Import Regulations and the other, which documents CAPP’s proposed changes to the PART VI Regulations.

Sincerely,

A handwritten signature in blue ink, appearing to read "Beth Lau", is centered on the page.

Beth Lau

Manager, Supply & Markets

Attachments

CAPP’s Proposed changes to NEB Export & Import Reporting Regulations

CAPP’s Proposed changes to NEB Part VI Regulations

Appendix B
Proposed Changes to Reporting Regulations

Proposed Changes to the Regulations are Shown in Track-change

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National Energy Board Export and Import Reporting Regulations
SOR/95-563

NATIONAL ENERGY BOARD ACT

Registration 1995-11-28

Regulations Respecting the Returns and Information To Be Submitted by Persons
Exporting Oil, Gas or Electricity or Importing Gas

P.C. 1995-1992 1995-11-28

His Excellency the Governor General in Council, on the recommendation of the Minister of Natural Resources, pursuant to subsection 129(1)^{Footnote *} of the *National Energy Board Act*, is pleased hereby to approve the annexed *Regulations respecting the returns and information to be submitted by persons exporting oil, gas or electricity or importing gas*, made by the National Energy Board on October 31, 1995.

[Return to footnote *](#) S.C. 1990, c. 7, s. 42

SHORT TITLE

1. These Regulations may be cited as the *National Energy Board Export and Import Reporting Regulations*.

INTERPRETATION

2. In these Regulations,

“Act”

“Act” means the *National Energy Board Act*; (Loi)

“border accommodation transfer”

“border accommodation transfer” means a transfer of power or energy for the purpose of providing electricity to

(a) a person in a foreign country who lacks ready access to services from a power system in that country,

(b) an international work, or

(c) a person in a foreign country who has lost service from a power system in that country as a result of an emergency; (*transfert en vue d'un service frontalier*)

“electricity transfer”

“electricity transfer” means a transfer of any of the following classes, namely,

(a) a sale transfer, being a transfer of power or energy under a contract of sale,

(b) an equichange transfer, being an interchange of equal quantities of power or energy within a stated period,

(c) a storage transfer, being a transfer of energy banked for the time being in the form of water in a reservoir of another power system, with the expectation that equivalent energy will be returned at a later time,

(d) an adjustment transfer, being a transfer of power or energy to adjust energy account balances or to compensate for services rendered, or

(e) a carrier transfer, being a transfer of power or energy wheeled from one power system, through the circuits of another power system that acts as a carrier, for delivery to a third party or to the original power system; (*transfert d'électricité*)

“energy”

“energy” means the total quantity of energy in the form of electricity transmitted over a period of time, expressed in units of watt hours or multiples or sub-multiples of watt hours; (*énergie*)

“licence”

“licence” means a licence issued under Part VI of the Act; (*licence*)

“order”

“order” means an order authorizing the exportation, importation, exportation for subsequent importation or importation for subsequent exportation of gas or authorizing the exportation of oil issued by the Board under the *National Energy Board Act Part VI (Oil and Gas) Regulations*; (*ordonnance*)

“permit”

“permit” means a permit for the exportation of electricity issued under Part VI of the Act; (*permis*)

“power”

“power” means the rate of transferring electric energy, expressed in units of watts or multiples or sub-multiples of watts; (*puissance*)

“power system”

“power system” includes the generating stations, transformers, switching stations, transmission lines, substations, distribution lines and circuits necessary for the production, transmission and distribution of electricity; (*réseau d'électricité*)

“refined petroleum products”

“refined petroleum products” means

(a) oil recovered by the processing of oil sands,

(b) gasoline-type fuels for use in internal combustion engines,

(c) oil for use as a component in the blending of gasoline-type fuels referred to in paragraph (b),

(d) middle distillates, including the products commercially known as kerosene, stove oil, diesel fuel, furnace oil, diesel oil, gas oil, distillate heating oil, engine distillates and Nos. 1, 2, and 3 fuel oils,

(e) heavy fuels oils, including Nos. 4, 5 and 6 fuel oils, bunker “C” oil, “C” grade oil, residual fuel oil, heavy bunker oil, intermediate and thin bunker fuels and any blend of heavy fuel oils, and

(f) partially processed oil, whether commingled with crude oil or equivalent hydrocarbons or not. (*produits pétroliers raffinés*)

SOR/99-61, s. 1.

KEEPING RETURNS

3. A copy of each return required to be submitted to the Board pursuant to these Regulations shall be kept by the person submitting the return for a period of three years from the month to which the return relates.

GAS

[SOR/99-243, s. 1(E)]

4. Subject to sections 5 and 6, every holder of a licence or an order for the exportation, importation, exportation for subsequent importation or importation for subsequent exportation of gas shall submit to the Board, on or before the last day of each month or, as the Board may direct, the last day of a three month period, a return for the previous month that contains, for each licence or order, the following information set out by point of exportation or importation:

- (a) the licence number or order number;
 - (b) the total quantity exported or imported;
 - ~~— (c) the highest quantity exported or imported in any one day during the month;~~
 - ~~(d) the mode of transport used in the exportation;~~
 - ~~— (e) the average heating value of the gas exported or imported;~~
 - ~~— (e) the value or price, at the international border, of all gas exported or imported, expressed in Canadian currency;~~
 - ~~— (f) the name of the export customer of the gas exported or the name of the seller of the gas imported;~~
 - ~~— (g) the province in which the gas was produced for all gas exported and the country and state in which the gas was produced for all gas imported;~~
 - ~~— (h) the transportation costs associated with the gas exported;~~
 - ~~— (i) whether the exportation or importation of gas was firm or interruptible;~~
 - (j) the geographical region within a country of destination to which gas was exported or within a country of destination at the time of loading a cargo for export, or within Canada for gas that was imported; and
 - (k) the name and telephone number of the person who prepared the return.
- SOR/99-243, s. 2.

PROPANE AND BUTANES

5. Every holder of a licence or an order for the exportation of propane or butanes shall submit to the Board, on or before the last day of each month, a return for the previous month that contains, for each licence and order, the following information:

- (a) the licence number or order number;
 - (b) the total quantity exported;
 - ~~— (c) the export price of the propane and butanes at the point of loading or injection into a pipeline, expressed in Canadian currency;~~
 - (d) the province where the exportation occurs;
 - (e) the country to which the propane or butanes were exported and the destination within the importing country;
 - (f) the mode of transport used in the exportation;
 - ~~— (g) information respecting~~
 - ~~○ (i) the opening and closing inventory levels of the propane and butanes;~~
 - ~~○ (ii) the supply sources of the propane and butanes;~~
 - ~~○ (iii) the final disposition of the propane and butanes; and~~
 - ~~○ (iv) inter provincial transfers of the propane and butanes; and~~
 - (h) the name and telephone number of the person who prepared the return.
- SOR/99-243, s. 3.

ETHANE

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6. Every holder of a licence or an order for the exportation of ethane shall submit to the Board, on or before the last day of each month, a return for the previous month that contains, for each licence and order, the following information:

- (a) the licence number or order number;
 - (b) the province where the exportation occurs;
 - (c) the total quantity exported;
 - ~~(d) the total revenue generated by the exportation calculated at the point of loading or injection into a pipeline, expressed in Canadian currency;~~
 - (e) the destination of the exportation of the ethane;
 - (f) the mode of transport used in the exportation of the ethane; and
 - (g) the name and telephone number of the person who prepared the return.
- SOR/99-243, s. 4.

OIL

7. Every holder of a licence or an order for the exportation of oil shall submit to the Board, on or before the last day of each month, a return for the previous month that contains, for each licence and order, the following information:

- (a) the licence number or order number;
 - (b) in the case of oil other than refined petroleum products,
 - o (i) the crude oil stream exported,
 - o (ii) the consignee and destination of the oil within the importing country,
 - o (iii) the total quantity exported,
 - o (iv) the mode of transport used in the exportation, and
 - o (v) the point of sale,
 - ~~o (vi) the export price of the oil at the point of sale, expressed in Canadian currency, and~~
 - ~~o (vii) the marine freight cost of the cost, insurance and freight (CIF) sales, expressed in Canadian currency;~~
 - (c) in the case of refined petroleum products,
 - o (i) the type of petroleum product exported,
 - o (ii) the total quantity exported, expressed in cubic metres,
 - ~~o (iii) the export price at the point of loading or injection into a pipeline, expressed in Canadian currency;~~
 - o (iv) the province where the exportation occurs,
 - o (v) the mode of transport used in the exportation, and
 - o (vi) the country to which the products were exported and the destination within the importing country; and
 - (d) the name and telephone number of the person who prepared the return.
- SOR/99-243, s. 5.

ELECTRICITY

8. (1) Subject to subsection (2), every holder of a licence or permit for the exportation of electricity shall submit to the Board, on or before the 15th day of each month, a return for the previous month that contains, for each licence or permit, the following information:

- o (a) the quantities and dollar value, in Canadian currency, of electricity exported, by customer, by type (firm or interruptible) and by class of electricity transfer; and

- (b) the name and telephone number of the person who prepared the return.
- (2) Where a permit is issued authorizing, as a border accommodation transfer, the exportation of 1 000 kW or less of power to each customer served pursuant to the permit, the returns referred to in subsection (1) shall be submitted to the Board every six months.

UNITS OF MEASUREMENT

9. (1) For the purposes of these Regulations, all gas shall be measured in units of measurement that meet the requirements of the [Electricity and Gas Inspection Act](#), and

- (a) in the case of volume measurement, shall be expressed as the number of cubic metres the gas would occupy at the standard conditions, namely, at a temperature of 15°C and at an absolute pressure of 101.325 kPa; and
- (b) in the case of thermal measurement, shall be computed as the number of joules on a dry basis, where dry gas has a moisture content of less than 110 mg/m³.

(2) Where volume is measured under conditions of temperature and pressure other than the standard conditions described in paragraph (1)(a), the volume shall be converted to the equivalent under the standard conditions, in accordance with the Ideal Gas Laws, and shall be corrected for deviations from the Ideal Gas Laws in accordance with subsection (3), where the amount of the deviation exceeds one per cent.

(3) Correction for deviation from the Ideal Gas Laws shall be based on the tables published in American Gas Association (AGA) Report No. 3, *Orifice Metering of Natural Gas and Other Related Hydrocarbon Fluids*, as amended from time to time.

(4) Notwithstanding subsections (1) to (3), propane, butanes and ethane may be measured in liquid form, in which case the volume measurement shall be computed in cubic metres.

10. For the purposes of these Regulations, the units of measurement of liquids, other than liquids determined by the Board to be cryogenic liquids, shall be computed at a temperature of 15°C.

11. For the purposes of these Regulations, power and energy shall be measured in units of measurement that meet the requirements of the [Electricity and Gas Inspection Act](#)

Appendix A
Proposed Changes to NEB Act Part VI Regulations

Proposed Changes to the Regulations are Shown in Track-change

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National Energy Board Act Part VI (Oil and Gas) Regulations
SOR/96-244

NATIONAL ENERGY BOARD ACT

Registration 1996-04-30

Regulations for Carrying Into Effect the Provisions of Division I of Part VI of the
National Energy Board Act

P.C. 1996-626 1996-04-30

His Excellency the Governor General in Council, on the recommendation of the Minister of Natural Resources, pursuant to subsections 119.01(1)^{Footnote *} and 130(2) of the National Energy Board Act, is pleased hereby to make the annexed *Regulations for carrying into effect the provisions of Division I of Part VI of the National Energy Board Act*.

Return to footnote * S.C. 1990, c. 7, s. 34

SHORT TITLE

1. These Regulations may be cited as the National Energy Board Act Part VI (Oil and Gas) Regulations.

INTERPRETATION

2. In these Regulations,

“Act”

“Act” means the National Energy Board Act; (*Loi*)

“heavy crude oil”

“heavy crude oil” means a substance that has a density greater than 875.7 kg/m³ and is

(a) oil, other than refined petroleum products,

(b) a blend of oils, other than refined petroleum products, or

(c) a blend of oils, other than refined petroleum products, with refined petroleum products; (*pétrole brut lourd*)

“licence”

“licence” means a licence for the exportation or importation of oil or gas issued under Part VI of the Act; (*licence*)

“light crude oil”

“light crude oil” means a substance that has a density equal to or less than 875.7 kg/m³ and is

(a) oil, other than refined petroleum products,

(b) a blend of oils, other than refined petroleum products, or

(c) a blend of oils, other than refined petroleum products, with refined petroleum products; (*pétrole brut léger*)

“order”

“order” means an order authorizing the exportation, importation, exportation for subsequent importation or importation for subsequent exportation of gas or authorizing the exportation of oil that is issued by the Board under these Regulations; (*ordonnance*)

“refined petroleum products”

“refined petroleum products” means

- (a) oil recovered by the processing of oil sands,
 - (b) gasoline-type fuels for use in internal combustion engines,
 - (c) oil for use as a component in the blending of gasoline-type fuels referred to in paragraph (b),
 - (d) middle distillates, including the products commercially known as kerosene, stove oil, diesel fuel, furnace oil, diesel oil, gas oil, distillate heating oil, engine distillates and Nos. 1, 2 and 3 fuel oils,
 - (e) heavy fuel oils, including Nos. 4, 5 and 6 fuel oils, bunker “C” oil, “C” grade oil, residual fuel oil, heavy bunker oil, intermediate and thin bunker fuels and any blend of heavy fuel oils, and
 - (f) partially processed oil, whether commingled with crude oil or equivalent hydrocarbons or not. (*produits pétroliers raffinés*)
- SOR/99-443, s. 1.

PART I

GENERAL

Procedures for Applying For and Issuing Licences and Orders

3. In addition to the requirements of these Regulations, Part I of the *National Energy Board Rules of Practice and Procedure, 1995* applies in respect of the procedures to be followed in applying for and issuing a licence or an order.

4. The approval of the Governor in Council is required prior to the issuance of a licence for

- (a) the exportation of gas;
- (b) the importation of gas; ~~or~~
- (c) the exportation of ~~heavy crude oil;~~ ~~or~~
- ~~— (d) the exportation of oil other than heavy crude oil.~~

Conditions of Orders

5. [Repealed, SOR/2000-256, s. 1]

Suspension and Revocation of Orders

- 6.** (1) Subject to subsection (2), the Board may
- o (a) suspend an order if any term or condition of the order has not been complied with or has been contravened; or
 - o (b) revoke an order if the holder of the order refuses to comply with any term or condition of the order, or does not comply with any conditions imposed for the lifting of a suspension.
- (2) Before suspending or revoking an order, the Board shall send a notice to the holder of the order setting out the term or condition of the order that it is alleged the holder has not complied with, has contravened or has refused to comply with, and shall afford the person an opportunity to be heard.
- (3) Notwithstanding subsections (1) and (2), the Board may suspend or revoke an order on the application or with the consent of the holder of the order.

Inspections

- 7.** (1) A member of the Board or any person authorized by the Board in writing for the purpose may, in order to carry out an inspection in connection with the exportation or importation of oil or gas, at any reasonable time

- (a) enter any premises in which oil or gas is produced or recovered for export from Canada, is exported from Canada or is imported into Canada, or any place of business related to such production or recovery;
 - (b) inspect any instruments, devices, plant, equipment, books, records or accounts or any other thing used for or in connection with the exportation or importation of oil or gas; and
 - (c) conduct any tests that are necessary in order to carry out the inspection.
- (2) A person authorized by the Board to exercise the powers referred to in subsection (1) shall produce the authorization, when requested to do so during the exercise of those powers.
- (3) Every person who is the operator of or in charge of any premises or any thing referred to in subsection (1) shall permit a member of the Board or a person authorized by the Board to exercise the powers referred to in that subsection and shall assist the member or person in exercising those powers.

Units of Measurement

8. (1) For the purposes of these Regulations, all gas shall be measured in units of measurement that meet the requirements of the *Electricity and Gas Inspection Act*, and

- (a) in the case of volume measurement, shall be expressed as the number of cubic metres the gas would occupy at standard conditions, namely, at a temperature of 15°C and at an absolute pressure of 101.325 kPa; and
- (b) in the case of thermal measurement, shall be computed as the number of joules on a dry basis where dry gas has a moisture content of less than 110 mg/m³.

(2) Where volume is measured under conditions of temperature and pressure other than the standard conditions described in paragraph (1)(a), the volume shall be converted to the equivalent under the standard conditions, in accordance with the Ideal Gas Laws, and shall be corrected for deviations from the Ideal Gas Laws in accordance with subsection (3), where the amount of the deviation exceeds one per cent.

(3) Correction for deviation from the Ideal Gas Laws shall be based on the tables published in American Gas Association (AGA) Report No. 3, *Orifice Metering of Natural Gas and Other Related Hydrocarbon Fluids*, as amended from time to time.

(4) Notwithstanding subsections (1) to (3), propane, butanes and ethane may be measured in liquid form, in which case the volume measurement shall be computed in cubic metres.

9. For the purposes of these Regulations, the units of measurement of liquids, other than liquids determined by the Board to be cryogenic liquids, shall be computed at a temperature of 15°C.

PART II

GAS

DIVISION I

GAS OTHER THAN PROPANE, BUTANES AND ETHANE

Application

10. This Division applies to gas other than propane, butanes and ethane.

Exemption

11. Ethylene and propylene are exempt from the operation of Part VI of the Act.

Information to be Furnished by Applicants for Licences for Exportation

12. An applicant for a licence for the exportation of gas shall furnish to the Board all the information that is necessary for the Board to dispose of the application, including, unless otherwise authorized by the Board,

- (a) the terms that the applicant is requesting for the licence, including
 - o (i) the duration of the licence,
 - o (ii) the maximum daily, annual and term quantities of gas proposed to be exported,
 - o (iii) if applicable, the tolerance levels that are necessary to accommodate temporary operating conditions, and
 - o (iv) the points of exportation of the gas from Canada;
- (b) information respecting the applicant's gas supply supporting the proposed exportation, whether contractually dedicated or undedicated, including
 - o (i) a summary of the quantities of gas under contract to or owned by the applicant, ~~including daily and annual volumes, reserves and the termination date of every such contract, and~~
 - o (ii) a gas supply and demand balance for the reserves supporting the application identifying all firm contractual commitments supported by those reserves; a copy of each pro forma contract for each type of gas purchase contract;
- ~~(c) information respecting the export market to be served by the proposed exportation; the applicant's gas market, including~~
 - ~~o (i) details of the applicant's gas export sale, including~~
 - ~~• (A) a copy of every gas export sales contract for the proposed exportation,~~
 - ~~• (B) a detailed summary of the terms and conditions of every such contract, including the details of the matters referred to in Schedule I, substantially in the form set out therein, and~~
 - ~~• (C) the name of a person to whom questions respecting the details of every such contract may be directed, and~~
 - ~~o (ii) a description of the export market to be served by the proposed exportation;~~
- ~~(d) where the gas proposed to be exported is from a gas supply other than a contractually dedicated pool, field or area, a gas supply and demand balance for the reserves supporting the application, on both an aggregate and an annual basis for the duration of the proposed exportation, identifying all firm contractual commitments supported by those reserves;~~
- (e) details a general description of the transportation arrangements pertaining to the proposed exportation, including the movement of the gas in and outside Canada; and
 - ~~o (i) the details and status of all contractual arrangements for the movement of the gas in and outside Canada,~~
 - ~~o (ii) a copy of every transportation contract for the movement of the gas in Canada, and~~
 - ~~o (iii) a description of any existing or proposed gathering, storage or transmission facility, and of any new facility other than a gathering,~~

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- ~~storage or transmission facility, that is required to move the gas to market, whether the facility is, or will be, in or outside Canada;~~
- ~~—(f) information respecting the potential environmental effects of the proposed exportation and any social effects that would be directly related to those environmental effects;~~
- ~~(g) where the applicant does not rely on NEB energy supply or market studies, an assessment of the impact of the proposed exportation on Canadian energy and natural gas markets to determine whether Canadians are likely to have difficulty in meeting their energy requirements at fair market prices;~~
- ~~—(h) a copy of, or details of the status of, each approval or authorization of a federal, provincial or state government pertaining to

 - ~~○ (i) the removal of gas from a province,~~
 - ~~○ (ii) the importation of gas into the country of destination,~~
 - ~~○ (iii) transportation services,~~
 - ~~○ (iv) tariffs and tolls,~~
 - ~~○ (v) facilities,~~
 - ~~○ (vi) environmental reviews, and~~
 - ~~○ (vii) contractual arrangements necessary for the exportation of gas; and~~~~
- ~~—(i) a status sheet summarizing the contractual arrangements and regulatory approvals and authorizations, substantially in the form set out in Schedule II.~~
- ~~—SOR/2000-256, s. 2.~~

Information to be Furnished by Applicants for Licences for Importation

13. An applicant for a licence for the importation of gas shall furnish to the Board all the information that is necessary for the Board to dispose of the application, including, unless otherwise authorized by the Board,

- (a) the terms that the applicant is requesting for the licence, including
 - (i) the duration of the licence,
 - (ii) the maximum daily, annual and term quantities of gas proposed to be imported,
 - (iii) if applicable, the tolerance levels that are necessary to accommodate temporary operating conditions, and
 - (iv) the points of importation of the gas into Canada;
- (b) information respecting the applicant's gas supply supporting the proposed importation, including
 - ~~○ (i) a summary of the quantities of gas under contracts for the purchase of gas; including the total daily and annual volumes and reserves under those contracts, and the termination date for each of those contracts, and~~
 - (ii) a copy of each pro forma contract for each type of gas purchase contract;
- ~~—(c) information respecting the market to be served by the proposed importation; and applicant's gas market, including

 - ~~○ (i) details of the applicant's gas import purchase, including~~
 - ~~▪ (A) a copy of every gas import purchase contract for the proposed importation, and~~
 - ~~▪ (B) a detailed summary of the terms and conditions of every such contract, and~~
 - ~~○ (ii) a description of the market to be served by the proposed importation;~~~~

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(d) ~~details a general description~~ of the transportation ~~arrangements~~ pertaining to the proposed importation, including ~~the movement of the gas in and outside Canada.~~

- ~~○ (i) the details and status of all contractual arrangements for the movement of the gas in and outside Canada;~~
- ~~○ (ii) a copy of every transportation contract for the movement of the gas in Canada, and~~
- ~~○ (iii) a description of any existing or proposed gathering, storage or transmission facility, and of any new facility other than a gathering, storage or transmission facility, that is required to move the gas to market, whether the facility is, or will be, in or outside Canada;~~
- ~~— (e) information respecting the potential environmental effects of the proposed importation and any social effects that would be directly related to those environmental effects; and~~
- ~~— (f) a copy of, or details of the status of, each approval or authorization of a federal, provincial or state government pertaining to~~
 - ~~○ (i) the removal of gas from the country of production;~~
 - ~~○ (ii) the importation of gas into a province;~~
 - ~~○ (iii) transportation services;~~
 - ~~○ (iv) tariffs and tolls;~~
 - ~~○ (v) facilities;~~
 - ~~○ (vi) environmental reviews; and~~
 - ~~○ (vii) contractual arrangements necessary for the importation of gas.~~

SOR/2000-256, s. 3.

Terms and Conditions of Licences for Exportation and Importation

14. The following are matters in respect of which terms and conditions may be included in any licence for the exportation or importation of gas:

- (a) the duration of the licence;
- (b) the period within which the exportation or importation of the gas must commence in order for the licence to remain in effect;
- (c) the term quantities of gas that may be exported or imported;
- (d) the maximum quantities of gas that may be exported or imported, for any daily, monthly, annual or other appropriate period;
- (e) if applicable, any tolerance levels that are necessary to accommodate temporary operating conditions; and
- (f) the points of exportation of the gas from Canada or of importation of the gas into Canada; and
- ~~— (g) the environmental requirements that must be met for the licence to take or remain in effect.~~

SOR/2000-256, s. 4.

Orders for Exportation or Importation

15. Where the Board determines that an application for an order for the exportation or importation of gas contains all the information necessary to dispose of the application, the Board may issue an order authorizing a person

- (a) to export gas
 - (i) for a period not exceeding two years, or

- o (ii) for a period exceeding two years but not exceeding 20 years, in quantities of not more than 30,000 m³ per day;
- (b) to import gas
 - o (i) for a period not exceeding two years, or
 - o (ii) for a period exceeding two years but not exceeding 20 years, in quantities of not more than 30,000 m³ per day; or
- (c) to export gas for subsequent import or to import gas for subsequent export for a period not exceeding 25 years.

Terms and Conditions of Orders for Exportation or Importation

16. The following are matters in respect of which terms and conditions may be included in any order issued under section 15:

- (a) the duration of the order;
- (b) if applicable, the tolerance levels that are necessary to accommodate temporary operating conditions;
- ~~— (c) the requirement that the holder of the order must file with the Board, within a specified period, evidence of each approval or authorization of a federal, provincial or state government pertaining to

 - ~~o (i) the removal of gas from a province or the country of production;~~
 - ~~o (ii) the importation of gas into the country of destination or into a province;~~
 - ~~o (iii) transportation services;~~
 - ~~o (iv) tariffs and tolls;~~
 - ~~o (v) facilities;~~
 - ~~o (vi) environmental reviews; and~~
 - ~~o (vii) contractual arrangements necessary for the exportation or importation of gas;~~~~
- (d) where the order authorizes the exportation of gas,
 - o (i) the maximum daily, monthly, annual and term quantities of gas that may be exported,
 - o (ii) the points of exportation of the gas from Canada, and
 - o (iii) the period within which the exportation of gas must commence in order for the order to remain in effect; ~~and~~
 - ~~o (iv) the exportation of gas on a firm or interruptible basis;~~
- (e) where the order authorizes the importation of gas,
 - o (i) the maximum daily, monthly, annual and term quantities of gas that may be imported,
 - o (ii) the points of importation of the gas into Canada, and
 - o (iii) the period within which the importation of gas must commence in order for the order to remain in effect; ~~and~~
 - ~~o (iv) the importation of gas on a firm or interruptible basis;~~
- (f) where the order authorizes the exportation of gas for subsequent importation,
 - o (i) the maximum daily, monthly, annual and term quantities of gas that may be exported and subsequently imported,
 - o (ii) the points of exportation and subsequent importation of gas,
 - o (iii) the period within which the exportation and subsequent importation of gas must commence in order for the order to remain in effect, and

- ~~o (iv) the exportation and subsequent importation of gas on a firm or interruptible basis;~~
- o (v) the balancing of quantities to be exported and subsequently imported on a thermally equivalent basis; and
- ~~o (vi) the injection, storage and withdrawal of gas from storage facilities;~~
- (g) where the order authorizes the importation of gas for subsequent exportation,
 - o (i) the maximum daily, monthly, annual and term quantities of gas that may be imported and subsequently exported,
 - o (ii) the points of importation and subsequent exportation of gas,
 - o (iii) the period within which the importation and subsequent exportation of gas must commence in order for the order to remain in effect, and
 - ~~o (iv) the importation and subsequent exportation of gas on a firm or interruptible basis;~~
 - o (v) the balancing of quantities to be imported and subsequently exported on a thermally equivalent basis; and
 - ~~o (vi) the injection, storage and withdrawal of gas from storage facilities;~~
- ~~(h) the environmental requirements that must be met for the order to take or remain in effect; and~~
- (i) the requirement that the holder of the order comply with
 - o (i) the Act and any regulation made under it, and
 - o (ii) any order that applies to the holder of the order made under the Act.

SOR/2000-256, s. 5;

SOR/2001-120, s. 2.

~~Amendments to Gas Export Sales Contracts and Gas Import Purchase Contracts~~

~~—17. (1) In this section,~~

~~“gas export sales contract”~~

~~“gas export sales contract” means a contract, other than a third party contract, for the sale of gas between~~

- ~~o (a) the holder of a licence and the importer,~~
- ~~o (b) the holder of a licence and the vendor, where the holder or an affiliate or subsidiary of the holder is also the importer, or~~
- ~~o (c) the holder of a licence and the importer and between the holder and the vendor, where the holder is an affiliate or subsidiary of the importer and of the vendor; (contrat de vente de gaz à l’exportation)~~

~~“holder of a licence”~~

~~“holder of a licence” means the person who holds a licence for the exportation of gas; (titulaire d’une licence)~~

~~“importer”~~

~~“importer” means the importer of gas in the country of destination of the gas; (importateur)~~

~~“third party contract”~~

~~“third party contract” means a contract for the sale of gas contracted, under a gas export sales contract to a third party, by the holder of a licence or the importer of the gas, where~~

- ~~o (a) the sale to the third party is for a term of less than two years,~~
- ~~o (b) the importer is physically unable to take the gas for its market, and~~

- ~~(c) the gas export sales contract contains provisions allowing for the sale of the gas to a third party; (*contrat avec un tiers*)~~

~~“vendor”~~

~~“vendor” means the person from whom gas is purchased. (*vendeur*)~~

- ~~—(2) Unless otherwise authorized by the Board, the holder of a licence shall, within 30 days after execution, file with the Board a copy of every gas export sales contract pertaining to the exportation of gas authorized by the licence and of every amendment, agreement or change pertaining thereto.~~
- ~~—(3) The holder of a licence shall include with the copy filed pursuant to subsection (2) a detailed summary of every gas export sales contract and of every amendment, agreement or change pertaining thereto.~~
- ~~—(4) No holder of a licence shall, under the licence, export gas under a gas export sales contract, or an amendment, an agreement or a change in relation to the gas export sales contract, unless the contract, amendment, agreement or change has been approved by the Board in accordance with subsection (5).~~
- ~~—(5) The Board may approve a contract, amendment, agreement or change if the Board determines that gas will continue to be exported in accordance with the terms and conditions of the licence.~~
- ~~—(6) On the request of the Board, the holder of a licence shall file with the Board, within 30 days of its execution, a copy of any contract, and any amendment, agreement or change in relation to that contract, that pertains to the exportation of gas authorized by the licence, including any third party contract but excluding a gas export sales contract.~~
- ~~—(7) [Repealed, SOR/2000-256, s. 6]~~
- ~~—SOR/2000-256, s. 6.~~
- ~~—18. (1) In this section,~~

~~“exporter”~~

~~“exporter” means the exporter of gas in the country of production of the gas; (*exportateur*)~~

~~“gas import purchase contract”~~

~~“gas import purchase contract” means a contract, other than a third party contract, for the purchase of gas between~~

- ~~(a) the holder of a licence and the exporter, or~~
- ~~(b) the holder of a licence and the resale customer in Canada, where the holder or an affiliate or subsidiary of the holder is also the exporter; (*contrat d’achat de gaz d’importation*)~~

~~“holder of a licence”~~

~~“holder of a licence” means the person who holds a licence for the importation of gas; (*titulaire d’une licence*)~~

~~“third party contract”~~

~~“third party contract” means a contract for the sale of gas contracted, under a gas import purchase contract to a third party, by the holder of the licence or by the exporter of the gas, where~~

- ~~(a) the sale to the third party is for a term of less than two years,~~
- ~~(b) the holder of the licence is physically unable to take the gas for its market, and~~

- ~~o (c) the gas import purchase contract contains provisions allowing for the sale of the gas to a third party. (*contrat avec un tiers*)~~
- ~~— (2) Unless otherwise authorized by the Board, the holder of a licence shall, within 30 days after execution, file with the Board a copy of every gas import purchase contract pertaining to the importation of gas authorized by the licence and every amendment, agreement or change pertaining thereto.~~
- ~~— (3) The holder of a licence shall include with the copy filed pursuant to subsection (2), a detailed summary of every gas import purchase contract and of every amendment, agreement or change pertaining thereto.~~
- ~~— (4) No holder of a licence shall, under the licence, import gas under a gas import sales contract, or an amendment, an agreement or a change in relation to the gas import sales contract, unless the contract, amendment, agreement or change has been approved by the Board in accordance with subsection (5).~~
- ~~— (5) The Board may approve a contract, amendment, agreement or change if the Board determines that gas will continue to be imported in accordance with the terms and conditions of the licence.~~
- ~~— (6) On the request of the Board, the holder of a licence shall file with the Board, within 30 days of its execution, a copy of any contract, and any amendment, agreement or change in relation to that contract, that pertains to the importation of gas authorized by the licence, including any third party contract but excluding a gas import sales contract.~~
- ~~— (7) [Repealed, SOR/2000-256, s. 7]~~
- ~~— SOR/2000-256, s. 7.~~

DIVISION II

PROPANE, BUTANES AND ETHANE

Exemption

19. The following transactions are exempt from the operation of Part VI of the Act:

- (a) the importation of any propane, butanes or ethane;
- (b) the exportation of any propane, butanes or ethane, where
 - o (i) the exportation is for subsequent import, or
 - o (ii) the propane, butanes or ethane have previously been imported into Canada; and
- (c) the exportation of any propane where the propane is carried by motor vehicle in their own tanks for their consumption.

Information to be Furnished by Applicants for Licences for Exportation

20. An applicant for a licence for the exportation of propane, butanes or ethane shall furnish to the Board all the information that is necessary for the Board to dispose of the application, including, unless otherwise authorized by the Board,

- (a) the terms that the applicant is requesting for the licence, including
 - o (i) the duration of the licence,
 - o (ii) the maximum daily, monthly, annual and term quantities of propane, butanes or ethane proposed to be exported and the average heating values of those quantities, and
 - o (iii) the points of exportation of the propane, butanes or ethane from Canada;

(b) information respecting the applicant's propane, butanes or ethane supply supporting the proposed exportation, including

- o (i) a summary of the quantities of propane, butanes or ethane under contract and the average heating values of those quantities,
- ~~o (ii) a copy of every propane, butanes or ethane supply contract supporting the proposed exportation;~~
- ~~o (iii) the name and location of each pool, field or area that contributes to the propane, butanes or ethane supply of the applicant, details of the applicant's contracted or working interest therein and the name and location of the plant where propane, butanes or ethane are being produced;~~
- o (iv) an estimate of the reserves gas reserves and the volume of extractable propane, butanes or ethane in each pool, field or area that contributes to the propane, butanes or ethane supply of the applicant;
- ~~o (v) supporting data for each estimate referred to in subparagraph (iv);~~
- ~~o (vi) basic gas deliverability data for each pool, field or area that contributes to the propane, butanes or ethane supply of the applicant;~~
- ~~o (vii) a table showing total productive capacity, constrained only by existing and anticipated surface facilities, and~~
- ~~o (viii) a table showing the ways in which the applicant plans to produce gas from each pool, field or area that contributes to the propane, butanes or ethane supply of the applicant, in order to obtain quantities of propane, butanes or ethane necessary to meet the applicant's requirements for the duration of the licence;~~

~~— (c) information respecting the export market to be served by the proposed exportation; and~~

~~— applicant's propane, butanes or ethane market, including~~

- ~~o (i) details of the applicant's propane, butanes or ethane export sale and a copy of every export sales contract for the proposed exportation, and~~
- o (ii) a description of the export market to be served by the proposed exportation;

~~(d) details a general description of the transportation arrangements pertaining to the proposed exportation, including for the movement of the propane, butanes or ethane in and outside Canada.~~

- ~~o (i) the details and status of all contractual arrangements for the movement of the propane, butanes or ethane in and outside Canada;~~
- ~~o (ii) a copy of every transportation contract for the movement of the propane, butanes or ethane in Canada, and~~
- ~~o (iii) a description of any existing or proposed gathering, storage or transmission facility, and of any new facility other than a gathering, storage or transmission facility, that is required to move the gas to market, whether the facility is, or will be, in or outside Canada;~~

~~— (e) information respecting the potential environmental effects of the proposed exportation and any social effects that would be directly related to those environmental effects; and~~

~~— (f) a copy of, or details of the status of, each approval or authorization of a federal, provincial or state government pertaining to~~

- ~~○ (i) the removal of propane, butanes or ethane from a province;~~
- ~~○ (ii) the importation of propane, butanes or ethane into the country of destination;~~
- ~~○ (iii) transportation services;~~
- ~~○ (iv) tariffs and tolls;~~
- ~~○ (v) facilities;~~
- ~~○ (vi) environmental reviews; and~~
- ~~○ (vii) contractual arrangements necessary for the exportation of propane, butanes or ethane.~~

SOR/2000-256, s. 8.

Terms and Conditions of Licences for Exportation

21. The following are matters in respect of which terms and conditions may be included in any licence for the exportation of propane, butanes or ethane:

- (a) the duration of the licence;
- (b) the period within which the exportation of propane, butanes or ethane must commence in order for the licence to remain in effect;
- (c) the daily, monthly, annual and term quantities of propane, butanes or ethane that may be exported;
- (d) the points of exportation of the propane, butanes or ethane from Canada; and
- ~~— (e) the environmental requirements that must be met in order for the licence to take or remain in effect.~~

SOR/2000-256, s. 9.

Orders for Exportation

22. Where the Board determines that an application for an order for the exportation of propane, butanes or ethane contains all the information necessary to dispose of the application, the Board may issue an order authorizing a person

- ~~— (a) if the application is in respect of propane or butanes, to export propane, or butanes or ethane for a period not exceeding two years,~~
- ~~— of not more than one year; and~~
- ~~(b) where the application is in respect of ethane, to export ethane for a period not exceeding two years.~~

SOR/2000-256, s. 10.

Terms and Conditions of Orders for Exportation

23. The following are matters in respect of which terms and conditions may be included in any order issued under section 22:

- (a) the duration of the order;
- ~~— (b) the requirement that the holder of the order must file with the Board, within a specified period, evidence of each approval or authorization of a federal, provincial or state government pertaining to~~
 - ~~○ (i) the removal of propane, butanes or ethane from a province;~~
 - ~~○ (ii) the importation of propane, butanes or ethane into the country of destination;~~
 - ~~○ (iii) transportation services;~~
 - ~~○ (iv) tariffs and tolls;~~
 - ~~○ (v) facilities;~~
 - ~~○ (vi) environmental reviews; and~~

- ~~o (vii) contractual arrangements necessary for the exportation of propane, butanes or ethane;~~
 - (c) the period within which the exportation must commence in order for the order to remain in effect;
 - (d) the daily, monthly, annual and term quantities of propane, butanes or ethane that may be exported; and
 - (e) the points of exportation of the propane, butanes or ethane from Canada;
 - ~~(f) the environmental requirements that must be met in order for the order to take or remain in effect; and~~
 - (g) the requirement that the holder of the order comply with
 - o (i) the Act and any regulation made under it, and
 - o (ii) any order that applies to the holder of the order made under the Act.
- SOR/2000-256, s. 11;
SOR/2001-120, s. 3.

PART III

OIL

Exemption

24. The following transactions are exempt from the operation of Part VI of the Act:

- (a) the importation of any oil; and
- (b) the exportation of any oil
 - o (i) that is necessary to effect deliveries of oil by pipeline to consignees in accordance with normal pipeline operating practices,
 - o (ii) used for exploration, drilling and production operations in the offshore areas over which Canada exercises jurisdiction,
 - o (iii) carried by motor vehicles, aircraft, locomotives and ships in their own tanks for their consumption, or
 - o (iv) that has previously been imported into Canada, except where the oil is refined petroleum products.

Information to be Furnished by Applicants for Licences for Exportation

25. Every applicant for a licence for the exportation of oil, ~~other than a licence for the exportation of light crude oil or heavy crude oil,~~ shall furnish to the Board all the information that is necessary for the Board to dispose of the application, including, unless otherwise authorized by the Board,

- (a) the terms that the applicant is requesting for the licence, including
 - o (i) the duration of the licence,
 - o (ii) the daily, annual and term quantities of oil proposed to be exported, and
 - o (iii) the points of exportation of the oil from Canada;
- (b) information respecting the applicant's oil supply supporting the proposed exportation, including
 - o (i) a summary of the quantities of oil under every oil supply contract, and
 - ~~o (ii) a copy of every oil supply contract,~~
 - ~~o (iii) the name and location of each pool, field or area that contributes to the oil supply of the applicant and the details of the applicant's contracted or working interest therein,~~

- o (iv) an estimate of the oil reserves ~~in each pool, field or area~~ that contributes to the oil supply of the applicant,
- ~~o (v) supporting data for each estimate referred to in subparagraph (iv);~~
- o (vi) basic productive capacity data for each pool, field or area that contributes to the oil supply of the applicant, and
- ~~o (vii) a table showing anticipated annual production for each pool, field or area that contributes to the oil supply of the applicant, and the total annual production during the licence;~~
- ~~— (c) information respecting the export market to be served by the proposed exportation~~
 - ~~— applicant's oil market, including~~
 - ~~o (i) details of the applicant's oil export sale, including a copy of every oil export sales contract for the proposed exportation, and~~
 - ~~o (ii) a description of the export market to be served by the proposed exportation;~~
 - ~~— (d) details a general description of the transportation arrangements pertaining to the proposed exportation of oil, including the movement of the oil in and outside Canada; and a description of any existing or proposed gathering, storage or transmission facility, and of any new facility other than a gathering, storage or transmission facility, that is required to move the oil to market, whether the facility is, or will be, in or outside Canada;~~
 - ~~— (e) in the case of an application for the export of crude oil, where the applicant does not rely on NEB energy supply or market studies, an assessment of the impact of the proposed exportation on Canadian energy and crude oil markets to determine whether Canadians are likely to have difficulty in meeting their energy requirements at market prices.~~
 - ~~— (e) information respecting the potential environmental effects of the proposed exportation and any social effects that would be directly related to those environmental effects; and~~
 - ~~— (f) a copy of, or details of the status of, each approval or authorization of a federal, provincial or state government pertaining to~~
 - ~~o (i) the importation of oil into the country of destination;~~
 - ~~o (ii) transportation services;~~
 - ~~o (iii) tariffs and tolls;~~
 - ~~o (iv) facilities;~~
 - ~~o (v) environmental reviews; and~~
 - ~~o (vi) contractual arrangements necessary for the exportation of oil.~~

SOR/99-443, s. 2;

SOR/2000-256, s. 12.

~~**25.1** Every applicant for a licence for the exportation of light crude oil or heavy crude oil shall furnish to the Board all the information that is necessary for the Board to dispose of the application, including, unless otherwise authorized by the Board,~~

- ~~— (a) the terms that the applicant is requesting for the licence, including~~
 - ~~o (i) the duration of the licence;~~
 - ~~o (ii) the daily, annual and term quantities of oil proposed to be exported;~~
 - ~~and~~
 - ~~o (iii) the points of exportation of the oil from Canada;~~

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- ~~—(b) information respecting the applicant's oil market, including

 - ~~○(i) the details of the applicant's oil export sale, and~~
 - ~~○(ii) a copy of every oil export sales contract for the proposed exportation;~~~~
- ~~—(c) information respecting the potential environmental effects of the proposed exportation and any social effects that would be directly related to those environmental effects;~~
- ~~—(d) a copy of, or details of the status of, each approval or authorization of a federal, provincial or state government as pertaining to environmental reviews; and~~
- ~~—(e) a description detailing the manner in which the applicant

 - ~~○(i) has informed those persons who have declared an interest in buying oil for consumption in Canada of the quantities and grades of oil available for sale, and~~
 - ~~○(ii) has given those persons who have demonstrated an intention to buy oil for consumption in Canada, after having been so informed, an opportunity to purchase oil on terms and conditions, including price, as favourable as the terms and conditions specified in the application.~~~~

SOR/99-443, s. 3.

Licences for Exportation

26. (1) Subject to subsection (2), the Board may, ~~after holding a public hearing and after~~ obtaining the approval of the Governor in Council under section 4, issue a licence authorizing any person

- ~~○(a) to export heavy crude oil for a period exceeding two years but not exceeding 25 years; and~~
- ~~○(b) to export oil, other than heavy crude oil, for a period exceeding one year but not exceeding 25 years.~~

(2) The Board may issue a licence for the exportation of refined petroleum products, resulting from an oil processing arrangement of imported oil, for a period exceeding one year but not exceeding 25 years, ~~without holding a public hearing.~~

(3) For the purposes of subsection (2), "oil processing arrangement of imported oil" means a commercial arrangement whereby oil is imported for processing or refining at a refinery in Canada, and the refined petroleum products obtained or derived therefrom, or from a quantity of other oil determined by the Board to be comparable thereto, are to be exported from Canada.

Terms and Conditions of Licences for Exportation

27. The following are matters in respect of which terms and conditions may be included in any licence for the exportation of oil:

- (a) the duration of the licence;
- (b) the period within which the exportation of the oil must commence in order for the licence to remain in effect;
- (c) the total quantity of oil that may be exported; and
- (d) the points of exportation of the oil from Canada; and
- ~~—(e) the environmental requirements that must be met in order for the licence to take or remain in effect.~~

SOR/2000-256, s. 13.

Orders for Exportation

28. Where the Board determines that an application for an order for the exportation of oil contains all the information necessary to dispose of the application, the Board may issue an order authorizing a person

- ~~(a) to export heavy crude oil for a period not exceeding two years; or~~
- ~~(b) to export oil, other than heavy crude oil, for a period not exceeding one year.~~

Terms and Conditions of Orders for Exportation

29. The following are matters in respect of which terms and conditions may be included in any order issued under section 28:

- (a) the duration of the order;
- (b) the period within which the exportation of the oil must commence in order for the order to remain in effect;
- ~~(c) the requirement that a contract or an agreement that the holder of the order enters into for the exportation of oil for a period of more than one month must relieve the holder of the order of any obligation to export oil under the contract or agreement to the extent that exportations are restricted by or under an Act of Parliament or a prerogative of the Crown;~~
- (d) the total quantity of oil that may be exported;
- (e) the points of exportation of the oil from Canada; and
- ~~(f) the environmental requirements that must be met in order for the order to take or remain in effect; and~~
- (g) the requirement that the holder of the order comply with
 - o (i) the Act and any regulation made under it, and
 - o (ii) any order that applies to the holder of the order made under the Act.

SOR/2000-256, s. 14;

SOR/2001-120, s. 4.

SCHEDULE I

~~(Clause 12(e)(i)(B))~~

SUMMARY OF CONTRACT TERMS AND CONDITIONS

1. Canadian Seller:

- ~~(a) indicate the full corporate name.~~

2. U.S. Buyer:

- ~~(a) indicate the full corporate name.~~

3. Third-party Resale Agreements:

- ~~(a) indicate if the third party resale agreement mirrors the international export sales contract and vice versa; and~~
- ~~(b) if it does not, include a summary of the third party resale agreement.~~

4. Conditions Precedent:

- ~~(a) provide any conditions precedent, including the dates by which the conditions must be met.~~

5. Term:

Indicate

- ~~(a) the length of initial contract term;~~
- ~~(b) the commencement date;~~
- ~~(c) the expiration date; and~~
- ~~(d) any renewal or termination rights.~~

6. Delivery point:

Indicate

- (a) the point at which the Canadian seller sells to the U.S. buyer; and
- (b) the point at which the gas crosses the international boundary, if different from the point referred to in paragraph (a).

7. Contract Quantity

Indicate

- (a) in both metric and imperial units;
 - (i) the maximum daily quantity (MDQ);
 - (ii) the daily contract quantity (DCQ);
 - (iii) the monthly contract quantity (MCQ);
 - (iv) the annual contract quantity (ACQ), and
 - (v) the summer and winter quantities, and
- (b) the right to increase or decrease the contract quantity.

8. Pricing Provisions:

Provide, using the dollars and units of measurement used in the contract,

- (a) a general description of the pricing provisions (for example, a two-part price consisting of a demand charge and a commodity charge);
- (b) a description of the various components of the demand charge, the payment provisions, the adjustment provisions, and associated renegotiation or arbitration provisions;
- (c) a description of the commodity charge, including the base or reference price, pricing indices, fuel costs, the Gas Inventory Charge (GIC), any reservation or stand-by fees, any provision for multi-tier or incentive prices, and any associated renegotiation or arbitration provisions; and
- (d) other pricing provisions not included in paragraphs (a) to (c).

9. Take Provisions:

Indicate

- (a) the seller's obligations, including a description of monetary or volumetric penalties for non-performance, any provision for alternate sales rights, and any associated renegotiation or arbitration provisions; and
- (b) the buyer's obligations, including any provision for minimum daily, monthly, seasonal or annual takes, the *pro-rata* take provisions, the volumetric reduction provisions, the minimum bill provisions, the associated make-up rights, and any associated renegotiation or arbitration provisions.

10. Supply Security:

- (a) indicate whether there is a requirement on the part of the seller to provide audited financial statements and regular reports on reserve and deliverability data.

11. Force Majeure:

- (a) indicate the *force majeure* relief available to the seller and the buyer.

SCHEDULE H

(Paragraph 12(i))

STATUS SHEET FOR CONTRACTUAL ARRANGEMENTS AND REGULATORY APPROVALS AND AUTHORIZATIONS

1. Project data

- (a) Exporter:

- ~~—(b) Export Points:~~
- ~~—(c) Importer:~~
- ~~—(d) Maximum Daily Quantity:~~
- ~~—(e) Term:~~

~~2. All Applicable Transportation Arrangements~~

- ~~—(a) Upstream
 - ~~○(i) Transporter:~~
 - ~~○(ii) Availability of Capacity:~~
 - ~~○(iii) Contractual Arrangement:~~
 - ~~○(iv) Term:~~~~
- ~~—(b) Canadian Mainline
 - ~~○(i) Transporter:~~
 - ~~○(ii) Availability of Capacity:~~
 - ~~○(iii) Contractual Arrangement:~~
 - ~~○(iv) Term:~~~~
- ~~—(c) Downstream
 - ~~○(i) Immediate Downstream Transporter:~~
 - ~~○(ii) Availability of Capacity:~~
 - ~~○(iii) Contractual Arrangement:~~
 - ~~○(iv) Term:~~
 - ~~○(v) Further Downstream Transporter:~~
 - ~~○(vi) Availability of Capacity:~~
 - ~~○(vii) Contractual Arrangement:~~
 - ~~○(viii) Term:~~~~

~~3. Sales Arrangements~~

- ~~—(a) All Applicable Gas Sales Agreements
 - ~~○(i) Gas Purchaser:~~
 - ~~○(ii) Contractual Arrangement:~~
 - ~~○(iii) Term:~~~~
- ~~—(b) All Applicable Power Sales Agreements
 - ~~○(i) Power Purchaser:~~
 - ~~○(ii) Contractual Arrangement:~~
 - ~~○(iii) State Regulatory Approval:~~~~
- ~~—(c) All Applicable Thermal Sales Agreements
 - ~~○(i) Thermal Purchaser:~~
 - ~~○(ii) Contractual Arrangement:~~~~

~~4. Supply Arrangements~~

- ~~—(a) All Applicable Gas Supply Agreements
 - ~~○(i) Producer or Supply Aggregator:~~
 - ~~○(ii) Contractual Arrangement:~~
 - ~~○(iii) Term:~~
 - ~~○(iv) Contracted Volumes:~~~~

~~5. Regulatory Authorizations~~

- ~~—(a) Provincial Gas Removal Permit
 - ~~○(i) Provincial Removal Permit:~~
 - ~~○(ii) Date of Application:~~~~

- ~~○ (iii) Requested Term and Volume of Permit:~~
- ~~○ (iv) File Number:~~
- ~~○ (v) Date of Authorization:~~
- ~~○ (vi) Permit Number:~~
- ~~○ (vii) Expiry Date:~~
- ~~○ (viii) Term Volume:~~
- ~~— (b) DOE/FE Import Authorization~~
 - ~~○ (i) Applicant:~~
 - ~~○ (ii) Date of Application:~~
 - ~~○ (iii) Requested Term of Order:~~
 - ~~○ (iv) Hearing Order Number:~~
 - ~~○ (v) Date of Authorization:~~
 - ~~○ (vi) Order Number:~~
 - ~~○ (vii) Expiry Date:~~
- ~~— (c) Federal Energy Regulatory Commission Facility and Service Authorization~~
 - ~~○ (i) Applicant:~~
 - ~~○ (ii) Date of Application:~~
 - ~~○ (iii) Docket Number:~~
 - ~~○ (iv) Date of Authorization:~~
 - ~~○ (v) Order Number:~~
 - ~~○ (vi) Expiry Date:~~
- ~~— (d) State Public Service Commission Facility and Service Authorization~~
 - ~~○ (i) Applicant:~~
 - ~~○ (ii) Date of Application:~~
 - ~~○ (iii) File Number:~~
 - ~~○ (iv) Date of Authorization:~~
 - ~~○ (v) Order Number:~~
 - ~~○ (vi) Expiry Date:~~