

Letter to the chair of Energy Resources Conservation Board from the Office of the Minister of Alberta Energy, mailed December 20th, 2007.

Dear Mr. McFadyen:

I would like to take this opportunity to congratulate you on your appointment as the new chair of the Energy Resources Conservation Board (ERCB) and to identify some of the expectations the Government of Alberta has for this important new regulatory body as we enter 2008.

In taking on this challenge, you are aware that Alberta's regulatory structure is at a crossroads. Given the expanding caseload and complexity of applications in recent years, it was time for the former Energy Utilities Board to evolve to keep pace with the changing needs of Albertans and industry.

The provincial government and all Albertans have high expectations that our renewed regulatory system is effective, responsive to concerns raised by directly affected landowners and interested third-parties, and promotes responsible development in the best interests of the public. Meeting these high expectations will require effective leadership within the board, which I am certain you are ready to provide.

As the ERCB is established and begins operation, we are confident that the ERCB will ensure that there will be real and meaningful opportunities to participate in the regulatory process, as the government assured landowners there would be while the *Alberta Utilities Commission Act* was before the Legislature.

Although that legislation focused on utilities regulation, many of the concerns related to electricity transmission hearings parallel the ones we have heard from Albertans regarding energy resource development.

Over the course of the next year, I wish the board success in the challenges that lie ahead. These challenges will no doubt include:

- Providing regulatory processes that ensure directly affected landowners are notified of proposed developments and that they understand the process through which they can express their views during regulatory proceedings.
- Ensuring that the public interest is considered in every application that comes before the ERCB.
- Adopting and following rules of practice that are clear, predictable and accessible for Albertans who wish to participate in the process. The public will need to be aware of any rules related to: how it is determined whether a landowner is directly affected by a proposed development; how interveners can participate in the regulatory process; and how intervener funding will be allocated.

In order to ensure that the transition from the Energy and Utilities Board into two new entities proceeds as smoothly as possible, I ask that you work closely with the chair of the Alberta Utilities Commission during the coming months. In establishing the new administrative systems and structure for the board, I also ask that you consider sharing corporate resources whenever possible and appropriate.

The Government of Alberta fully recognizes the importance of independence for our energy regulators as quasi-judicial, arms-length bodies. With this independence of course comes the responsibility to effectively apply the governing legislation in an open and transparent manner.

The creation of the two new regulatory bodies offers us a unique opportunity to refocus the way we approach applications for energy and utilities development in Alberta.

Albertans expect the ERCB to continue to demonstrate that our processes are open and responsive to their needs. In accepting the challenge of becoming the ERCB's chair, I am certain you will agree that Albertans expect and deserve no less.

Sincerely,
(signed by
Mel R. Knight
Minister
Alberta Energy)