

Energy

ACCOUNTABILITY STATEMENT

The Business Plan for the three years commencing April 1, 2002 was prepared under my direction in accordance with the *Government Accountability Act* and the government's accounting policies. All of the government's policy decisions as of February 26, 2002 with material economic or fiscal implications of which I am aware have been considered in preparing the Business Plan.

The Ministry's priorities outlined in the Business Plan were developed in the context of the government's business and fiscal plans. I am committed to achieving the planned results laid out in this Business Plan.

[original signed]

Murray Smith, *Minister of Energy*
February 27, 2002

INTRODUCTION

Albertans own their oil, natural gas, and mineral resources. The Ministry of Energy manages the development of these resources in a responsible manner, within a framework of sustainable development, that maximizes investment in resource development and benefits for Albertans. The Ministry consists of the Department of Energy (the Department), and the Alberta Energy and Utilities Board (EUB).

DEPARTMENT OF ENERGY

VISION

Alberta's competitive environment attracts investment in its energy and mineral resources, for the benefit of present and future Albertans.

MISSION

Optimize the sustained contribution from Alberta's energy and mineral resources in the interests of Albertans.

CORE BUSINESSES

The Department has responsibility for a diverse resource development portfolio that includes natural gas, conventional oil, oil sands, petrochemicals, electricity, coal, and minerals.

The Department's core businesses are:

- ◆ **Securing benefits for Albertans** - Secure Albertans' share and benefits from energy and mineral resource development.
- ◆ **Resource Development** - Ensure Alberta's energy and mineral resources remain competitive, and attractive to investment and development.
- ◆ **Awareness and understanding** - Increase Albertans awareness of energy and mineral resource development and related policies, and the significance of these resources to Alberta's economy.
- ◆ **Energy for Albertans** - Ensure Alberta consumers have a choice of reliable and competitively priced energy.

The Department has responsibility for a diverse resource development portfolio that includes natural gas, conventional oil, oil sands, petrochemicals, electricity, coal, and minerals. To effectively manage the development of these commodities, the department has organized itself around eight business lines. This structure builds knowledge and strengthens communication between Alberta Energy business areas, and Alberta's resource industries. Importantly, this structure also allows for the direct allocation of resources and fiscal accountability by each business line and the direct linkage of department spending with revenues generated by each of the business lines.

The department's business lines are:

- ◆ Natural Gas
- ◆ Oil
- ◆ Oil Sands
- ◆ Petrochemical
- ◆ Coal and Minerals
- ◆ Electricity
- ◆ Tenure
- ◆ Resource Land Access and Aboriginal Affairs.

PERFORMANCE MEASURES

The department's business plan focuses on outcome measures. This is consistent with Government's direction of shifting from measuring the activities of government, to measuring the outcomes or effects of its activities. Department outcomes are the desired collective effect of our actions, processes, programs and outputs on the Alberta public - the owners of Alberta's resources, and the energy and mineral industry who develop the resources on their behalf. The department's performance measures track our progress towards achieving these outcomes.

While the department does not directly control outcomes, it does attempt to achieve desired results through the actions and outputs of its various programs. External factors outside the department's control, such as market prices for commodities, will affect the department's ability to achieve an outcome.

The following goals, strategies and performance measures have been established for each of the Department's core businesses.

CORE BUSINESSES, GOALS, AND STRATEGIES

CORE BUSINESS #1: SECURING BENEFITS FOR ALBERTANS - Secure Albertans' share and benefits from energy and mineral resource development.

GOAL	KEY STRATEGIES
<p>Goal 1.1 Optimize Albertans' resource revenue share and benefits from the development of their energy and mineral resources over the long term.</p>	<ul style="list-style-type: none"> ◆ Ensure Albertans continue receiving their share of resource revenue within a fiscal regime (royalties, bonuses, taxes, rentals) that responds to changing industry, government, public and economic conditions. ◆ Ensure Alberta's royalty regime is competitive and provides predictability and certainty to industry to encourage continued investment in, and development of, Alberta's resources. ◆ Directly manage and support, in-house, those department information management systems that are critical to ensuring that Albertans continue to receive their share of resource revenues. ◆ Ensure business continuity through development, testing and maintenance of plans for the resumption of all business processes and associated personnel, information, infrastructure, and equipment.
PERFORMANCE MEASURES	

- ◆ **Sharing the Profits from Resource Development** - *Target: 20% to 25% of industry's annual net operating revenue*
Alberta's resource development system is intended to capture a fair share of the revenue from the development of resources, for the benefit of Albertans, while encouraging continued investment in and development of Alberta's resources. For oil and natural gas, an indicator of this balance is the portion of industry's annual net operating revenue that is paid to the Crown as royalty.

Revenue Share (Three year moving average- calendar year)

Actual				Estimate	Forecast	Target		
1996	1997	1998	1999	2000	2001	2002	2003	2004
23%	23%	23%	21%	21%	21%	20-25%		

Source: Developed from information in Energy Update published by ARC Financial Corp.

- ◆ **Crown Revenue Assurance** - *Target: To ensure the completeness and accuracy of Albertans resource revenues - audit adjustments to be less than 2.0%.*
The department audits Crown resource revenues and allowable costs to ensure these are complete, accurate and fairly valued. As a result of these audits, adjustments may be made resulting in a refund or the assessment of additional revenue. This performance measure expresses the annual total dollar value of audit adjustments as a percentage of reported Department of Energy resource revenues. It is a measure of industry's understanding of, and compliance with, Alberta's resource revenue regime.

PERFORMANCE MEASURES							
Indicator	Actual			Forecast	Target		
	1998-99	1999-2000	2000-01	2001-02	2002-03	2003-04	2004-05
Audit Adjustments as a Percentage of Department Resource Revenues (three-year moving average)	2.0%	2.2%	1.7%		Less than 2.0%		

Source: Compliance and Assurance, Department of Energy

Notes: Resource revenues are based on the fiscal revenues as reported in the externally audited Annual Report. Audit adjustments are accumulated on the basis of completed audits in the current year. These audits consist of prior year's filings subject to the limitations of the *Mines and Minerals Act*.

CORE BUSINESS #2: RESOURCE DEVELOPMENT - Ensure Alberta's energy and mineral resources remain competitive, and attractive to investment and development

GOAL	KEY STRATEGIES
<p>Goal 2.1 Advance the competitiveness of Alberta's energy and mineral resources.</p>	<ul style="list-style-type: none"> ◆ Work with Aboriginal communities, resource developers, stakeholders and other levels of government to implement the Aboriginal Policy Framework and create opportunities for Aboriginal people to participate equitably in the resource economy of Alberta. [CM - Aboriginal Policy Initiative] ◆ Work with Alberta Environment, Alberta Sustainable Resource Development and others to streamline regulations and approval processes for energy and mineral resource development, while maintaining and enhancing environmental and safety standards. ◆ Assess the current and future state of Alberta's resource commodities in the global marketplace, and identify opportunities to grow Alberta's resource market share and increase value to Albertans. ◆ Advocate for Alberta's energy and mineral development and jurisdictional interests nationally and internationally. [CM - Economic Development Strategy] ◆ Position and market Alberta as the 'hub' for northern gas transportation to markets. ◆ Advocate and encourage resource-upgrading opportunities in Alberta. [CM - Economic Development Strategy] ◆ Advocate for optimal tolls, tariffs and access to pipelines and wires that transport Alberta energy resources to North American markets. ◆ Work with resource developers and other government ministries to identify future labour and infrastructure needs and maintain workplace health and safety [CM - Economic Development Strategy]
<p>Goal 2.2 Secure future energy supply and benefits for Albertans, within a growing and competitive global energy marketplace.</p>	<ul style="list-style-type: none"> ◆ Develop a long-term energy strategy and policy options based on an assessment of the long-term energy outlook (completed in 2001-2002), consultation with Albertans and industry, and recommendations arising from the Future Summit. [CM - Economic Development Strategy] ◆ Work with Alberta Environment to identify the implications of climate change proposals, and develop policies that support an effective response, while maintaining Alberta's competitiveness and economic advantages. ◆ Work with other ministries to develop Alberta's natural resources in a sustainable, integrated, and environmentally responsible manner through the Integrated Resource Management (IRM) process. ◆ Ensure full energy and mineral resource development opportunity costs are considered in land use decisions. ◆ Analyze economics and implement changes, where appropriate, to the fiscal and tenure regimes to encourage further development of conventional and non-conventional resources. [CM - Economic Development Strategy] ◆ Provide strategic research direction to the Alberta Energy Research Institute (AERI) and other research institutions aimed at improving recovery from conventional energy resources or enabling development of non-conventional and alternative energy sources. ◆ Encourage field demonstration projects, and application of technology aimed at improving the economic recovery of energy resources, reducing emissions, and sequestration of CO₂. ◆ Work with other ministries and industry to ensure the security of Alberta's energy resources and infrastructure.

PERFORMANCE MEASURES

- ◆ **Resource Competitiveness** - the department is presently developing a new performance measure that will assess the competitiveness of Alberta's energy resources.
- ◆ **Energy Resource Portfolio Diversification** - *Target: Sustain energy production through diversification*
This measure reflects the need for increasing diversification of Alberta's energy resource portfolio to meet future energy demands. Supply, to meet a growing future demand, will require utilization of a full range of conventional and non-conventional fossil energy resource assets and the development of alternative energy sources of supply. Refinement of performance measures and targets will depend on the direction provided by the long-term energy strategies currently under development. In the interim two measures have been adopted:
 - ◆ Completion, by April 2003, of a long term energy strategy and policy options which will identify long term prospects and opportunities for the development of Alberta's energy resources.
 - ◆ Diversification of Alberta's energy resources. The shift from conventional oil and natural gas resources to non-conventional sources such as oil sands and coalbed methane reflects the opportunities industry has seized to diversify Alberta's energy resource base.

	Baseline 2000	Estimate 2001	Targets			Outlook 2010*
			2002	2003	2004	
Oil Production						
Conventional	50%	49%	42%	36%	33%	30% *
Non-conventional (oil sands, pentanes / condensate)	50%	51%	58%	64%	67%	70% *
Natural Gas Production						
Conventional	100%	100%	99.7%	99.5%	99.0%	92% **
Non-conventional (enhanced coalbed methane, tight sands gas)	0%	0%	0.3%	0.5%	1.0%	8% **
Electricity Production						
Conventional (coal, gas fired, co-generation)	91%	91%	90%	90%	90%	N/A
Non-conventional (renewable)	9%	9%	10%	10%	10%	N/A

Source: * Alberta's Reserves 2000, Supply and Demand Outlook 2010 Alberta Energy and Utilities Board

** Department of Energy

CORE BUSINESS #3: AWARENESS AND UNDERSTANDING - Increase Albertans awareness of energy and mineral resource development and related policies, and the role these resources play in Alberta's economy.

GOAL	KEY STRATEGIES
Goal 3.1 Increase public awareness about Alberta's energy and mineral sectors.	<ul style="list-style-type: none"> ◆ Increase public awareness of Alberta's energy and mineral resources, industry practices and the importance and economic significance of the energy and mineral sectors, today and in the future. ◆ Inform Albertans about the opportunities for a continuing supply of Alberta's energy and mineral resources from conventional and non-conventional sources

PERFORMANCE MEASURE

- ◆ **Albertans' Understanding of Alberta's Energy and Mineral Resources and their Economic Significance** - *Target: To increase Albertans awareness and understanding of energy resources.*
As resource owners Albertans need to be aware of Alberta's supply of energy and mineral resources and the importance of these resources to Alberta's economy and society. Alberta Energy will focus on improving Albertans knowledge through improved communication and information.

	Baseline	Targets		
	2001-02	2002-03	2003-04	2004-05
Albertans overall knowledge of the role of energy and mineral resources in Alberta's economy	46%	Increasing over time		60 %or higher

Source: IPSOS Reid Survey, Sept. 2001

CORE BUSINESS #4: ENERGY FOR ALBERTANS - Ensure Alberta consumers have a choice of reliable and competitively priced energy.

GOAL	KEY STRATEGIES
<p>Goal 4.1 Establish a competitive market framework, which provides competitively priced energy for Albertans.</p>	<ul style="list-style-type: none"> ◆ Work with industry and consumer groups to increase the competitiveness of wholesale electricity markets. [CM - Economic Development Strategy] ◆ Enable and foster a competitive retail market for electricity and natural gas to provide Alberta consumers with choice, innovative services and competitive prices. ◆ Provide consumers, industry and other government agencies with clear and timely communication of changes in the natural gas and electric industries. ◆ Develop and implement effective policy, legislation and processes to ensure open and competitive markets. ◆ Ensure that the electricity transmission and distribution systems are reliable, and sufficient, and provide fair and open access. ◆ Work with other ministries and industry to encourage energy conservation, and the choice of a range of energy sources, including renewable and non-renewable.

PERFORMANCE MEASURE

- ◆ **New Power Generation**- *Target: Alberta's net supply of electricity will increase through industry investment.*
Growth in electricity capacity is an indication of investor confidence in the new competitive market. Additional supply will be needed to meet Alberta's growing demand for electricity.

Indicator	Baseline	Forecast	Targets					
	2000	2001	2002		2003		2004	
	Total	Total	Total	Average Annual Growth	Total	Average Annual Growth	Total	Average Annual Growth
Supply(MW)	9,318	9,900	10,300	400	10,700	400	11,100	400
Peak Demand (MW)	7,785	8,035	8,285	250	8,535	250	8,785	250
Margin (MW)	1,533	1,865	2,015	150	2,165	150	2,315	150

Source: Alberta Energy, Oct. 2001. MW = Megawatts

- ◆ **Electricity Restructuring** - *Target: Alberta will remain a leader in implementing deregulation in the electricity marketplace.*
The RED (Retail Electricity Deregulation) Index compiled by the Center for the Advancement of Energy Markets (CAEM), ranked Alberta as number one in North America in July, 2001 for electric industry restructuring performance. Alberta obtained a score of 68/100 points. A total of 64 U.S. and Canadian jurisdictions were assessed in 2001.

Indicator	Baseline	Targets				
	2001	2002	2003	2004	2005	
CAEM RED Index Ranking of Alberta In North America	1	Top 5	Top 5	Top 10*	Top 10*	

* Due to the increasing number of jurisdictions actively pursuing deregulation, this is not a reflection of a decrease in quality from the current target.

PERFORMANCE MEASURE

The RED Index measures 22 attributes or indicators to evaluate how jurisdictions are progressing on electricity restructuring. Five of these key indicators are particularly relevant to Alberta and their scores are shown below:

Indicators		Alberta Score/ Total Score July 2001
Deregulation Plan	A general policy framework is in place to implement restructuring.	100%
Consumer Education	To benefit from open market competition and customer choice, consumers need information and education.	50%
Generation Market Structure	The market structure is privately owned and deregulated.	100%
Customer Billing	There is one bill for service.	100%
Customer (load) Switching	Percentage of customers (or load) that have actually switched energy suppliers.	50%

- ◆ **Annual Residential Natural Gas Reference Price** - *Target: Annual average residential natural gas price is less than the annual average national residential price.*

This measure compares the price Albertans are paying with other jurisdictions by comparing the Annual Average Alberta Residential Natural Gas Reference Price (ARGRP) with the Annual Average National Residential Natural Gas Reference Price (NRGRP). To remain competitive Alberta's price should not exceed the national price.

The Alberta Average Residential Gas Reference Price is determined using an average of the delivered cost of natural gas from the major utilities to Alberta residents. The average cost is determined annually and excludes taxes and franchise fees. The National Average Residential Gas Reference Price excludes Alberta and is determined using an average of the delivered cost of natural gas from utilities serving major cities across Canada including: Toronto, Sarnia, Regina, Vancouver, Winnipeg excluding taxes and franchise fees.

	Actual 2001	Target			
		2002	2003	2004	2005
*Alberta Annual Average ARGRP(\$/GJ)	7.79	Annual ARGRP not to exceed Annual NRGRP			
*National Annual Average NRGRP(\$/GJ)	10.07				

Source: Alberta Energy

* Data available for the period of March - December 2001.

ORGANIZATIONAL CAPACITY AND EFFECTIVENESS

The Department and the Ministry recognize the challenge and importance of maintaining and building organizational capacity to respond to changing future business and economic circumstances affecting the development of Alberta's energy and mineral resources. A separate Department Organizational Capacity goal has been established to address this requirement.

GOAL	KEY STRATEGIES
Goal 5.1 Build an organizational environment for success.	<ul style="list-style-type: none"> ◆ Fiscal - Align the Department's organization, processes and budget with the strategic direction of our business. ◆ Resources: <ul style="list-style-type: none"> ◆ Implement human resource strategies aimed at improving staff knowledge, competencies and skill sets, including customer service. Attract, retain and invest in developing expert staff. ◆ Safeguard the Department's staff and physical assets through development, testing and maintenance of plans for emergency preparedness, prevention, response, and evaluation. ◆ Knowledge and Information: <ul style="list-style-type: none"> ◆ Maximize the strategic benefits of information assets through improved access, usefulness and usage by stakeholders. ◆ Continued enhancement to information management through the implementation of increased electronic service delivery (e-Business) processes. ◆ Continue to participate in cross government initiatives to maximize shared information management delivery opportunities within Government ◆ Cross-Ministry- Support and participate in cross-Ministry initiatives.

PERFORMANCE MEASURES

◆ **Industry Satisfaction** - *Target: 80% by 2003.*

The Department monitors industry satisfaction to identify opportunities for improvement and ensure services keep pace with changing requirements in the resource sectors. Industry satisfaction is an indication of staff competence, knowledge, satisfaction and service. The Department applies the Government of Alberta's service excellence framework, focusing on courteous, competent and timely service to clients. The Department's satisfaction ratings are:

Survey Year	Average Satisfaction	Reliability
1998	75%	+/- 4.5% at a 95% confidence interval
1999	79%	+/- 4.1% at a 95% confidence interval
2000	76%	+/- 3.8% at a 95% confidence interval
2001	81%	+/- 3.9% at a 95% confidence interval
2002	80%	95% confidence interval
2003	80%	95% confidence interval
2004	80%	95% confidence interval

Source: Environics West surveys

In 1998, a Citizens First survey was conducted by Erin Research Inc. to establish a benchmark of Canadian public and private sector services. The average general ratings for public sector services were 47% and for private sector services were 60%.

◆ **Information Management (IM)** - *Target: Increase the business value of information to industry.*

Information is a strategic asset created and used to effectively and efficiently develop Alberta's energy and mineral resources. To operate in an increasingly global business environment, where partnerships and information sharing is a key to success, use of information technology to deliver business products/services and manage information is essential to remain competitive. Elements to be assessed will include: systems availability, accuracy, timeliness of information, security, and ease of use of services

Indicator	2001 Baseline	2002 Target	2003 Target	2004 Target
Industry Satisfaction with energy and mineral development information management	To be established in March 2002	To be set once baseline survey completed		

ALBERTA ENERGY AND UTILITIES BOARD

INTRODUCTION

The Alberta Energy and Utilities Board (EUB) is an independent, quasi-judicial agency of the Government of Alberta with responsibility to regulate the safe, responsible, and efficient development of Alberta's energy resources: oil, natural gas, oil sands, coal, and electrical energy; and the pipeline and transmission lines to move the resources to market. The EUB also regulates rates and terms of service of investor-owned gas, electric, and water utility services in Alberta, as well as the major intra-Alberta gas transmission system.

The EUB is continuing to focus on seven strategic areas, which further build, reinforce and strengthen our business. These strategic areas are Landowner and Industry Relations, Applications and Hearing Processes, Information Management, Investing in People, Public Safety and Compliance, Utility Regulation, and Conservation.

VISION

The EUB will continue to build a regulatory framework that inspires public confidence.

MISSION

Our role is to ensure that the discovery, development and delivery of Alberta's resources and utilities services takes place in a manner that is fair, responsible and in the public interest.

CORE BUSINESSES

The EUB's core businesses, which are interrelated, are:

- ◆ **Adjudication and Regulation** - The EUB adjudicates matters related to utilities and energy within Alberta and ensures that the development, transportation and monitoring of the province's energy resources are in the public interest.
- ◆ **Applications** - The application process includes, processing and ruling on new applications for energy and utility activities or amending existing approvals. Applications are needed to ensure utility rates are fair and reasonable and energy activities are carried out in the public interest.
- ◆ **Surveillance and Enforcement** - The EUB maintains a rigorous surveillance and enforcement process for energy and utility facilities. With input from industry, government and the public, this broad function encompasses reviewing industry compliance, data, records and inspections and responding to the results of this work.
- ◆ **Information and Knowledge** - The legislated information and knowledge responsibility of the EUB includes the collection, storage, analysis, appraisal and dissemination of information. Open access to information allows the EUB, industry, government and the public to make informed decisions about energy and utility matters.

ALBERTA ENERGY AND UTILITIES BOARD - CORE BUSINESSES, GOALS, AND STRATEGIES

CORE BUSINESS #1: ADJUDICATION AND REGULATION - Adjudicate and decide on matters relating to the development, transportation and monitoring of energy resources and utility rates and service.

Landowner and Industry Relations

GOAL	KEY STRATEGIES
Goal 1.1 Prompt and appropriate resolution of landowner, public and industry conflicts in the energy sector.	<ul style="list-style-type: none"> ◆ Expand field staff's facilitative role to improve landowner/public/industry relations. This includes working with stakeholders to develop and implement alternatives for dispute resolution. [CM - Aboriginal Policy Initiative]

PERFORMANCE MEASURES

- ◆ **Percent of Applications Filed Without Landowner/Public Objections** - Target: By 2002-03, maintain 95% of applications filed without objection related to new facilities.

Maintain the percentage of applications filed without objections relating to new energy and utility facilities and resource development applications.

	Actual 2000-01	Estimate 2001-02	Targets		
			2002-03	2003-04	2004-05
% of applications filed without landowner/public objections	N/A	95%	95%	95%	95%

- ◆ **Percent of Objections Resolved Related to New Facilities** - Target: By 2002-03, maintain 90% of objections resolved without a hearing.

Maintain the percentage of objections resolved, relating to new energy and utility facilities and resource development applications, prior to hearing. This measures the ability to facilitate and resolve landowner and public objections through mechanisms other than the hearing process.

	Actual 2000-01	Estimate 2001-02	Targets		
			2002-03	2003-04	2004-05
% of applications, with landowner/public objections; resolved without a hearing	N/A	85%	90%	90%	90%

- ◆ **Percent of Complaints Responded to in a Timely Manner** - Target: By 2003-04, 87% of complainants are satisfied with the EUB response in a timely manner.

The previous two measures address new facilities. To provide information on existing facilities, this measures the response time of the EUB in responding to operational compliance complaints received by field surveillance with respect to existing facilities. As a result of the Public Safety and Sour Gas Recommendations, public awareness will be increasing. We anticipate the number of complaints will rise, however, we are continuing to target for 2002-05 the same level of response to complainants.

	Actual 2000-01	Estimate 2001-02	Targets		
			2002-03	2003-04	2004-05
% of complainants satisfied with the EUB response in a timely manner	87%	83%	85%	87%	87%

Hearing Process

GOAL	KEY STRATEGIES
Goal 1.2 Stakeholders accept that the hearing procedures and the decision making process are timely, fair and objective.	<ul style="list-style-type: none"> ◆ Ensure a tripartite team is responsible and accountable for the hearing from the start to finish including the development of any action plan. This team will consist of the Panel Chair, Counsel and Hearing Coordinator. ◆ Conduct focus/test groups and or peer reviews on a sample of decisions for process procedures and quality. Establish a baseline measure and in 2002-05 evaluate the results against the baseline measure. ◆ Continue the implementation of mentoring and education programs to encourage communication and working together with other departments to improve the process.

PERFORMANCE MEASURES

- ◆ **Timeliness of Hearing Decisions** - Target: Maintain 95% of decisions issued in 90 days or less from the end of the hearing. This indicator measures application and hearing process timelines to improve efficiency of the hearing procedures and the decision making process and provide consistent timelines to affected parties.

	Actual 2000-01	Estimate 2001-02	Targets		
			2002-03	2003-04	2004-05
% of decisions in 90 days or less from the end of the hearing	94%	95%	95%	95%	95%

Utility Regulation

GOAL	KEY STRATEGIES
Goal 1.3 Provide effective utility regulation that allows for an orderly, fair and transparent development of electric and gas infrastructure and markets in Alberta.	<ul style="list-style-type: none"> ◆ Develop and implement standards for financial and service level scrutiny of utilities and a position paper or guideline respecting Performance Based Regulations (PBR) and Negotiated Settlement Process (NSP).

PERFORMANCE MEASURES

- ◆ **Power Plant Applications Turnaround Time** - Target: For 2002-05 meet the Board's commitment to case manage the power plant application process to 12 to 18 months for coal fired plants.

We are anticipating an increase in activity in power plant applications and have committed to improving efficiency of turnaround times, particularly for coal fired plants. This measure monitors that commitment.

	Actual 2000-01	Estimate 2001-02	Targets		
			2002-03	2003-04	2004-05
Application turn around time for coal fired plants	N/A	12-18 months	12-18 months	12-18 months	12-18 months

CORE BUSINESS #2: APPLICATIONS - Process and rule on new applications for energy and utility activities or amend existing approvals.

Applications Process and Conservation

GOAL	KEY STRATEGIES
Goal 2.1 The application processes are simple, transparent and timely.	<ul style="list-style-type: none"> ◆ Ensure that safety, conservation, equity, and public interest priorities remain incorporated in the application process. ◆ By 2002-03, establish a standard path process for resource applications. ◆ Establish efficiency targets for applications in 2002 and implement electronic solutions to streamline the processes with support from industry. ◆ Examine application requirements and processes for relevance and streamlining opportunities to ensure continuous improvement.

PERFORMANCE MEASURES

- ◆ **Application Turnaround Time** - Target: For 2002-05, maintain 3 - 3.5 working days (average) for routine facility applications. This measure is an indicator of the efficiency of the EUB's application-handling processes for routine facility applications.

	Actual 2000-01	Estimate 2001-02	Targets		
			2002-03	2003-04	2004-05
Application turnaround time for routine facility applications	3.2 calendar days	3-3.5 working days	3-3.5 working days	3-3.5 working days	3-3.5 working days

CORE BUSINESS #3: SURVEILLANCE AND ENFORCEMENT - Ensure industry compliance with regulatory requirements.

Public Safety and Compliance

GOAL	KEY STRATEGIES
Goal 3.1 Ensure industry complies with regulatory requirements.	<ul style="list-style-type: none"> ◆ Complete incorporation of recommendations of the Provincial Advisory Committee on Public Safety and Sour Gas. ◆ Continue surveillance focus on high-risk operations, problem operators and areas of intense development, to address public concerns with energy operators. ◆ Support the Alberta Environment initiative to develop a cumulative effects management strategy for the mineable oil sands area of northeastern Alberta. ◆ Review HVP (High Vapour Pressure) pipeline safety and integrity regulations and policies. Identify and incorporate changes into the EUB's regulatory framework. ◆ Develop and implement surveillance information management and compliance reporting systems to ensure compliance, and cost effective and efficient surveillance.

PERFORMANCE MEASURES

- ◆ **Non-compliance Reduction** - *Target: By 2004-05 reduce the percentage of major and serious unsatisfactory incidents of non-compliance to regulatory requirements related to field inspections to 3%.*

This indicator measures our ability to ensure industry's compliance with regulatory requirements. By monitoring industry compliance with regulatory requirements, it ensures public safety and environmental protection.

	Actual 2000-01	Estimate 2001-02	Targets		
			2002-03	2003-04	2004-05
% of major and serious unsatisfactory incidents of non-compliance related to field inspection results	3.3%	4%	3.5%	3.1%	3%

- ◆ **Flaring and Venting Reduction** - *Target: Reduction in solution gas flared and vented in accordance with current and future Clean Air Strategic Alliance recommendations.*

This measure demonstrates the effectiveness of regulatory requirements and industry practices in achieving an appropriate degree of conservation of solution gas by reducing flaring and future flaring and venting. It is estimated that new voluntary targets will be established by CASA in 2002-2003. There are no previous voluntary targets for solution gas vented.

	Actual 2000-01	Target 2001-02	Targets		
			2002-03	2003-04	2004-05
Reduction in solution gas flared (over 1996 levels)	38%	25%	Under review by CASA		
Reduction in solution gas vented	N/A	N/A			

- ◆ **Public Safety and Sour Gas Recommendations** - *Target: By 2003-04, incorporate 90% of the recommendations into the EUB Business Plans for implementation.*

This indicator monitors our progress and ability to improve regulatory requirements, which protect the public and environment.

	Estimate 2001-02	Targets		
		2002-03	2003-04	2004-05
Incorporate PSSG Committee recommendations into EUB Business Plans for implementation	30% (26)	60% (52)	90% (78)	N/A

CORE BUSINESS #4: INFORMATION AND KNOWLEDGE - Ensure the availability of energy, mineral resource and utility information.

GOAL	KEY STRATEGIES
<p>Goal 4.1 Stakeholders will have access to accurate, comprehensive and current information that is readily available.</p>	<ul style="list-style-type: none"> ◆ Maximize the strategic benefits of information assets through increased access, usefulness and usage by stakeholders. ◆ Implement an outsourced facility for storing and providing web-access to electronic versions of historical microfiche/microfilm records by 2003-04. ◆ Align information delivery strategies and methods with the 'One-Window' Gateway to Government initiative to examine shared opportunities. ◆ Enhance capabilities to geographically access and depict information. ◆ Revise processes, formats, and language for improved access to, and enhanced sharing of, information with both internal and external stakeholders. ◆ Develop and implement a comprehensive communication plan to include the formation of an information office within the EUB to provide the public with accurate, reputable and neutral information by January 2003. ◆ Work with other government agencies offering programs and services aimed at youth to provide public safety awareness associated with energy development to youth in high energy activity regions of the province. [CM - Children and Youth Initiative]

PERFORMANCE MEASURES

- ◆ **Data Migration** - Target: 100% of business data elements residing on the mainframe will be migrated by 2002-03 to the data warehouse on the client/server platform, making all data accessible to staff.

This measure monitors our progress to migrate data on the mainframe and thus improve access to information and usage by internal stakeholders.

	Actual 2000-01	Estimate 2001-02	Targets		
			2002-03	2003-04	2004-05
Percentage of business data elements migrated to the data warehouse	70%	70%	100%	N/A	N/A

- ◆ **Increase Stakeholders Satisfaction** - Target: For 2002-03 establish a baseline measure of stakeholders satisfied with EUB information. In 2003-05 evaluate the results of stakeholders satisfaction against the baseline measure.

This indicator measures our ability to provide useful and reliable information to stakeholders to assist in long term planning and aid in making more informed decisions.

GOAL

KEY STRATEGIES

<p>Goal 4.2 Provide an accurate picture of reserves, supply and demand to support applications and long term planning, and provide information to enhance the understanding of Alberta's energy and mineral resource base.</p>	<ul style="list-style-type: none"> ◆ Develop and maintain a complete picture of energy resources and reserves including credible estimates of ultimate potential. <ul style="list-style-type: none"> ◆ 2000-01 Coal reserves report ◆ 2001-02 Bitumen reserves database ◆ 2002-03 Ultimate potential study for natural gas ◆ 2002-03 New insitu reserves estimates for oil sands ◆ 2003-04 Ultimate potential for crude oil ◆ Ensure oil sands reserves information is accurately communicated to relevant international bodies. ◆ Develop annual supply/demand forecasts for the above energy sectors. [CM - Economic Development Strategy] ◆ Participate with the Department of Energy in the development of an energy outlook resources plan for Alberta. [CM - Economic Development Strategy] <ul style="list-style-type: none"> ◆ 2003-04 Integrated energy and mineral resources plan ◆ Complete a mineral mapping plan of northern Alberta for stakeholders use.
--	--

PERFORMANCE MEASURES

- ◆ **Increase Stakeholders Satisfaction** - Target: For 2002-03 establish a baseline measure of stakeholders satisfied with EUB energy resources information to include Ultimate Gas Potential report, Crude Bitumen Atlas and Reserves Supply/Demand report. In 2003-05 evaluate the results of stakeholders' satisfaction against the baseline measure.

This indicator measures our ability to provide useful and reliable resource information to stakeholders to assist in long term planning and aid in making more informed decisions.

- ◆ **Development of Mapping Information** - Target: Development of one surficial map at 1:250,000 scale per year (approximately 5% of coverage in area) beginning 2002-03.

This indicator measures our progress to provide additional mineral resource information and expand the understanding of Alberta's mineral resource base.

	Actual 2000-01	Estimate 2001-02	Targets		
			2002-03	2003-04	2004-05
Surficial map coverage per year for the northern half of the province	0	143 townships	143 townships	143 townships	143 townships

ORGANIZATIONAL CAPACITY AND EFFECTIVENESS

The EUB recognizes the challenge and importance of maintaining and building organizational capacity to respond to changing future business and economic circumstances affecting the development of Alberta's energy and mineral resources. A separate EUB Organizational Capacity section has been established to address this requirement.

Investing in People and Information Management

GOAL	KEY STRATEGIES
<p>Goal 5.1 Build an organizational environment for success.</p>	<p>Financial</p> <ul style="list-style-type: none"> ◆ Facilitate to ensure administration, management, and accountability mechanisms are in place to enable the EUB to effectively manage its business. This includes: <ul style="list-style-type: none"> ◆ Business planning ◆ Preparation and reporting of financial information ◆ Safeguarding of assets ◆ Prepare and complete the Business Resumption Plan. ◆ Support the committee established to review the industry/government funding model of the EUB. <p>Human Resources</p> <ul style="list-style-type: none"> ◆ Continue to hold compensation position at market competitive levels. ◆ Develop and implement leadership process plan. ◆ Implement enhanced staffing strategies to ensure that highly qualified staff is in place. <ul style="list-style-type: none"> ◆ Ensure staff diversity [CM - Aboriginal Policy Initiative] ◆ Establish core business requirements and targets for contingent work force to enable the EUB to proactively address changing manpower requirements. <p>Information Management</p> <ul style="list-style-type: none"> ◆ Maximize the strategic benefits of information assets through improved access, usefulness and usage by internal stakeholders. ◆ Modernize information management through the implementation of electronic service delivery (e-business) processes. ◆ Examine shared information management delivery opportunities within Government.

PERFORMANCE MEASURES

- ◆ **Staff Retention** -Target: By 2004-05 contain the level of regrettable staff turnover to 225 person years. Regrettable turnover is defined as all terminations other than retirements, board initiated terminations, resignation of individuals with performance issues where documentation of the issue is in place and resignations or terminations of individuals in positions targeted for downsizing.

The goal is to contain the level of regrettable staff turnover to ensure that the required appropriate resources are retained by the organization. The compensation program is aided by the development of human resource systems, which fosters continual learning, development and succession in achieving this objective. The year 2000-2001 was an exceptionally low year compared to previous years regrettable turnover when the EUB lost many mid career technical staff. Targets for regrettable turnover for 2002-05 are lower than 1999-2000 and prior years.

	Actual 2000-01	Estimate 2001-02	Targets		
			2002-03	2003-04	2004-05
Person years of regrettable turnover	167	275	275	250	225

- ◆ **Increase Internal Stakeholders Satisfaction**- Target: For 2001-02 establish a baseline measure of internal stakeholders satisfied with information management services. In 2002-05 evaluate the results of stakeholders' satisfaction against the baseline measure. This indicator measures our ability to provide information management services to EUB internal stakeholders.

Expense by Core Business

(thousands of dollars)

	Comparable 2000-01 Actual	Comparable 2001-02 Budget	Comparable 2001-02 Forecast	2002-03 Estimates	2003-04 Target	2004-05 Target
EXPENSE						
Business Areas						
Coal and Minerals	492	970	1,005	1,113	1,113	1,113
Electricity	3,501	6,217	6,713	6,479	6,479	6,479
Natural Gas	29,039	34,063	34,081	32,935	33,102	33,102
Oil	7,666	8,712	8,553	8,354	8,354	8,354
Oil Sands	1,919	4,542	3,986	4,693	4,693	4,693
Petrochemical	640	940	854	966	966	966
Resource Land Access and Aboriginal Affairs	8,905	10,350	9,702	10,338	10,338	10,338
Tenure	9,952	9,758	9,222	9,484	9,484	9,484
Information and Knowledge	24,861	32,168	29,614	30,395	32,750	32,750
Applications	17,758	22,977	21,152	21,767	23,652	23,652
Surveillance and Enforcement	17,758	22,978	21,153	21,768	22,743	22,743
Adjudication and Enforcement	10,655	13,787	12,692	13,060	11,826	11,826
Orphan Well Abandonment	8,479	7,500	7,500	4,000	4,000	4,000
MINISTRY EXPENSE	141,625	174,962	166,227	165,352	169,500	169,500

Ministry Statement of Operations

(thousands of dollars)

	Comparable 2000-01 Actual	Comparable 2001-02 Budget	Comparable 2001-02 Forecast	2002-03 Estimates	2003-04 Target	2004-05 Target
REVENUE						
Non-Renewable Resource Revenue						
Natural Gas and By-Products Royalty	7,199,915	5,494,000	3,795,000	2,573,000	2,678,000	2,463,000
Crude Oil Royalty	1,500,324	881,000	924,000	469,000	310,000	214,000
Synthetic Crude Oil and Bitumen Royalty	711,875	300,000	218,000	78,000	75,000	83,000
Bonuses and Sales of Crown Leases	1,158,697	845,000	953,000	609,000	554,000	493,000
Rentals and Fees	147,380	170,000	151,000	142,000	135,000	129,000
Coal Royalty	11,831	11,000	15,000	12,000	11,000	13,000
Alberta Royalty Tax Credit	(143,839)	(165,000)	(124,000)	(169,000)	(136,000)	(131,000)
Total Non-Renewable Resource Revenue	10,586,183	7,536,000	5,932,000	3,714,000	3,627,000	3,264,000
Freehold Mineral Rights Tax	255,968	253,000	224,000	127,000	133,000	126,000
Investment Income	2,352	1,700	1,450	1,400	1,400	1,400
Industry Levies and Licences	48,332	67,651	67,651	65,991	67,511	67,511
Internal Government Transfers	-	-	-	-	-	-
Other Revenue	10,885	7,473	5,673	5,773	5,773	5,773
MINISTRY REVENUE	10,903,720	7,865,824	6,230,774	3,914,164	3,834,684	3,464,684
EXPENSE						
Program						
Ministry Support Services	2,862	2,448	2,448	2,383	2,383	2,383
Resource Development and Management	59,116	73,068	71,633	71,863	72,111	72,111
Energy Regulation	71,032	91,911	84,611	87,071	90,971	90,971
Orphan Well Abandonment	8,479	7,500	7,500	4,000	4,000	4,000
Valuation Adjustments and Other Provisions	136	35	35	35	35	35
MINISTRY EXPENSE	141,625	174,962	166,227	165,352	169,500	169,500
Gain (Loss) on Disposal of Capital Assets	-	-	-	-	-	-
NET OPERATING RESULT	10,762,095	7,690,862	6,064,547	3,748,812	3,665,184	3,295,184

Consolidated Net Operating Result

(thousands of dollars)

	Comparable 2000-01 Actual	Comparable 2001-02 Budget	Comparable 2001-02 Forecast	2002-03 Estimates	2003-04 Target	2004-05 Target
Ministry Revenue	10,903,720	7,865,824	6,230,774	3,914,164	3,834,684	3,464,684
<i>Inter-ministry consolidation adjustments</i>	(291)	-	-	-	-	-
Consolidated Revenue	10,903,429	7,865,824	6,230,774	3,914,164	3,834,684	3,464,684
Ministry Program Expense	141,625	174,962	166,227	165,352	169,500	169,500
<i>Inter-ministry consolidation adjustments</i>	(291)	-	-	-	-	-
Consolidated Program Expense	141,334	174,962	166,227	165,352	169,500	169,500
Gain (Loss) on Disposal of Capital Assets	-	-	-	-	-	-
CONSOLIDATED NET OPERATING RESULT	10,762,095	7,690,862	6,064,547	3,748,812	3,665,184	3,295,184