

Energy

ACCOUNTABILITY STATEMENT

This Business Plan for the three years commencing April 1, 2001 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 at April 3, 2001 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*
April 10, 2001

INTRODUCTION

Albertans own their oil, 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:

- Secure Albertans' share and benefits from energy and mineral resource development.
- Ensure the competitiveness of Alberta's energy and mineral resources.
- Develop and communicate energy and mineral resource policies.
- Ensure Alberta consumers have a choice of reliable and affordable energy.

To effectively deliver its core businesses, the Department has organized its operations by commodities. This alignment builds knowledge and business relationships with industry and strengthens communication. The Department's areas of commodity expertise are:

- Gas,
- Oil,
- Oil Sands,
- Petrochemicals,
- Coal and Minerals,
- Electricity, and
- Tenure

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

CORE BUSINESSES, GOALS, AND STRATEGIES

Note: [CM] denotes response to cross-ministry priorities

CORE BUSINESS # 1: SECURE ALBERTANS' SHARE AND BENEFITS FROM ENERGY AND MINERAL RESOURCE DEVELOPMENT.

GOAL #1	KEY STRATEGIES
Optimize Albertans' resource revenue share and benefits from the development of their resources over the long term.	<ul style="list-style-type: none"> Ensure Albertans continue receiving their royalty share with a royalty regime and features that respond to changing industry, government and economic conditions.

PERFORMANCE MEASURES

- Sharing the Profits from Resource Development – Target: 20% to 30%.
Alberta's resource development system is intended to balance two key objectives:
 - To capture a fair share of the revenue from the development of resources, for the benefit of Albertans.
 - To encourage continued investment in and development of Alberta's resources.

For the core resources of 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.

Three year moving average	1995 Actual	1996 Actual	1997 Actual	1998 Actual	1999 Estimate	2000 Target	2001 Target	2002 Target	2003 Target
(calendar year)	22%	23%	23%	23%	23%	20-30%	20-30%	20-30%	20-30%

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

- The Department will explore expansion of this measure to cover other commodities, where appropriate.
- Further performance measures to address the complete and accurate collection of revenue will be explored.

CORE BUSINESS # 2: ENSURE THE COMPETITIVENESS OF ALBERTA'S ENERGY AND MINERAL RESOURCES.

GOAL #2	KEY STRATEGIES
Advocate for the removal of barriers to the development of energy and mineral resources in Alberta.	<ul style="list-style-type: none"> Ensure full energy and mineral resource development opportunity costs are considered in land use decisions, such as protected areas. Develop a socially responsible resource access policy that will ensure access to energy and mineral resources while respecting competing demands on these resources. Work with resource developers and other government ministries to ensure future labour and infrastructure needs are identified. [CM - Economic Development Strategy] Work with Aboriginal communities, resource developers, stakeholders and other levels of government to create opportunities for Aboriginal people to participate equitably in the resource economy of Alberta. [CM - Aboriginal Policy Initiative] Participate with other government ministries in the streamlining of regulations and approval processes for the development of resources. Encourage protection of the environment and workplace health and safety in Alberta's energy and mineral industries. 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]

PERFORMANCE MEASURES

- Approval of mineral development strategy by 2001-02.
- Two additional Natural Resource Initiatives completed in 2001-02.
- Regulatory approval processes streamlined by 2003-04.
- Further performance measures will be explored for the next business plan.

GOAL #3	KEY STRATEGIES
<p>Advance the competitiveness of Alberta's energy and mineral resources.</p>	<ul style="list-style-type: none"> • Complete an analysis of commodities to better understand 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. • Promote Alberta's energy and mineral development interests both nationally and internationally in partnership with other ministries. [CM - Economic Development Strategy] • Advocate and pursue resource upgrading opportunities in Alberta.
PERFORMANCE MEASURES	
<ul style="list-style-type: none"> • Complete competitive commodity analysis by 2001-02. • Subsequent performance measures to be developed. 	

GOAL #4	KEY STRATEGIES
<p>Provide strategic research direction to achieve long term energy and mineral development goals.</p>	<ul style="list-style-type: none"> • Identify priority needs where research and technology development are required to improve recovery from conventional resources or enable development of non-conventional and alternative sources (e.g. clean coal, CO2, and coalbed methane technologies). • Work in partnership with industry, government and research stakeholders to identify and secure sufficient levels of funding and infrastructure to support a range of applied research and development, technology pilots and field demonstrations. [CM - Economic Development Strategy] • Support development of mechanisms for the critical review of research and development technical results, allocation of resources and assessment of economic viability.
PERFORMANCE MEASURES	
<ul style="list-style-type: none"> • Priority areas identified by Department of Energy by 2001-02. • Leveraged research funding from industry and federal stakeholders. • Further performance measures will be explored. 	

CORE BUSINESS #3: DEVELOP AND COMMUNICATE ENERGY AND MINERAL RESOURCE POLICIES.

GOAL #5	KEY STRATEGIES
<p>Prepare a long term energy outlook for Alberta that secures supply and benefits and positions Alberta within a broader North American energy marketplace.</p>	<ul style="list-style-type: none"> • Develop a long term energy policy and strategy options in consultation with Albertans and industry. [CM - Economic Development Strategy]
PERFORMANCE MEASURES	
<ul style="list-style-type: none"> • Consultation completed, energy policy developed for Minister's consideration by the end of 2001-02. • Subsequent performance measures to be developed once policy approved. 	

GOAL #6	KEY STRATEGIES
<p>Inform Albertans about the opportunities for a continuing supply of Alberta's energy and mineral resources from conventional and non-conventional sources.</p>	<ul style="list-style-type: none"> • Lead a strategy for natural gas, crude oil, coal and mineral extraction that supports Alberta's economic and population growth. [CM - Economic Development Strategy] • Enable public awareness of resource extraction management practices (e.g., sour gas, clean burning coal, etc.) and the importance and economic significance of the energy and mineral sector.

PERFORMANCE MEASURES

- **Albertans Understanding of Resource Supply** – *Target: To increase their understanding by 2003-04.*
As resource owners Albertans need to understand current and future supply of energy and mineral resources.

	2001-02 Target	2002-03 Target	2003-04 Target
Percentage of Albertans surveyed who understand energy and mineral supply	Establish baseline	Increasing over time	70%

CORE BUSINESS #4: ENSURE ALBERTA CONSUMERS HAVE A CHOICE OF RELIABLE AND AFFORDABLE ENERGY.

GOAL #7	KEY STRATEGIES
<p>Establish a customer choice framework for providing stable, affordable energy for Albertans.</p>	<ul style="list-style-type: none"> • Work with industry and consumer associations to increase the competitiveness of wholesale electricity markets. [CM - Economic Development Strategy] • Enable and foster a competitive retail market for electricity to provide Alberta consumers with choice, innovative services and competitive prices. • Provide clear and timely communication of changes in the natural gas and electric industries to consumers, industry and other government agencies. • Develop and implement effective policy, legislation and processes to shield consumers from unexpected significant increases in the market price of natural gas while preserving competitive free-markets in natural gas. • Increase investment by industry in the construction of new electricity generation capacity in Alberta. • Examine and facilitate development of clean coal technologies for electricity generation. • Ensure that the electricity transmission and distribution system is reliable, and provides fair and open access to users and value to consumers.

PERFORMANCE MEASURES

- Implement Bill 1, the Natural Gas Price Protection Act, effective July 1, 2001.
- Performance measures on gas and electricity price to be developed.
- **New Power Generation** – *Target: To increase investment in new power generation in Alberta.*
Growth in new power generation to supply electricity is an indication of investor confidence in the new competitive generation market and the ability to meet a growing demand for electricity in the Province. The Department of Energy is undertaking initiatives to support and accelerate the construction of new electricity generation capacity in Alberta.

	2000-01 Actual Total	2001-02 Target Total	2001-02 Target Average Annual Growth	2002-03 Target Total	2002-03 Target Average Annual Growth	2003-04 Target Total	2003-04 Target Average Annual Growth
Peak Demand (MW)	7,785	8,035	250	8,285	250	8,535	250
Peak Supply (MW)	9,318	9,718	400	10,118	400	10,518	400
Excess (MW)	1,533	1,683	150	1,833	150	1,983	150

Megawatts – MW

Source: Electricity Business Unit, March, 2001

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. Effective management of internal resources including financial resources, human resources, knowledge and information is essential to the ability of the Department to achieve its core business goals. A separate Department Organizational Capacity goal has been established to address this requirement.

ORGANIZATIONAL CAPACITY AND EFFECTIVENESS

GOAL #8	KEY STRATEGIES
<p>Build an organizational environment for success.</p>	<ul style="list-style-type: none"> • Fiscal - Align the Department's organization, processes and budget with the strategic direction of our business and culture. Manage the Department in an effective and affordable manner. • People - Implement human resource strategies aimed at improving staff knowledge, competencies and skill sets, including customer service. Attract, retain and invest in developing expert staff. • Knowledge and Information - Adopt a strategic approach to information/knowledge to ensure these assets are carefully developed, managed and shared in support of business decision making. Invest in enhanced information technology systems and transformation to e-business. • Cross-Government – Support and participate in cross government 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 level
	1999	79%	+/- 4.1% at a 95% confidence level
Target	2003	80%	95% confidence level

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%.

- Satisfaction survey to be reviewed for expansion to ensure priority areas covered off.
- Further measures of organizational effectiveness employing benchmarking will be explored.

ALBERTA ENERGY AND UTILITIES BOARD

INTRODUCTION – CONTINUING TO BUILD CONFIDENCE

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.

During the development of last year's (2000-2003) business plan, the EUB considered the changing regulatory environment and developed a plan that prepared us for our future directions by targeting areas of greatest need. We proposed to rebuild, reinforce and strengthen our business by focussing additional resources into four key pressure areas: Landowner & Industry Relations, Applications & Hearing Processes, Information Management (IT Reinvestment) and Investing in People (Human Resource Development).

These four key areas remain a part of our long-term focus and represent *continuing directions* for 2001-2004. However, through our ongoing process of strategic planning, we have further refined our business plan, capturing three additional *directions to build on*: Public Safety & Compliance, Utility Regulation, and Conservation.

The seven directions identified in this plan will guide us on our path to becoming an even better organization— one that is more accountable and capable of addressing priority issues. These directions reinforce the EUB's mission, vision and values, and they will guide us closer to where we need to be.

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.

VISION

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

CORE BUSINESSES

The EUB's core businesses are:

- **Adjudication and Regulation:** Adjudicate and decide on matters relating to the development and transportation of energy resources and utility rates.
- **Applications:** Ensure energy resource development is in the public interest. The application process includes handling, processing and ruling on new applications for energy and utility activities or amending existing approvals.
- **Surveillance and Enforcement:** Ensure public safety and environmental protection through regulatory requirements, surveillance and enforcement.
- **Information and Knowledge:** Ensure the availability of energy and mineral resource information to support responsible development.

CORE BUSINESSES, GOALS, AND STRATEGIES

CORE BUSINESS #1: ADJUDICATION AND REGULATION – ADJUDICATE AND DECIDE ON MATTERS RELATING TO THE DEVELOPMENT AND TRANSPORTATION OF ENERGY RESOURCES AND UTILITY RATES.

CONTINUING DIRECTIONS - LANDOWNER AND INDUSTRY RELATIONS

GOAL #1	KEY STRATEGIES
Prompt and satisfactory resolution of landowner and industry conflicts	<ul style="list-style-type: none"> Expand field staff's facilitative role to improve landowner/public/industry relations. [CM–Aboriginal Policy Initiative] Continue surveillance focus on high-risk operations, problem operators and areas of intense development, to address public concerns with energy operators. Work with stakeholders to develop and implement alternatives for dispute resolution. [CM - Aboriginal Policy Initiative]

PERFORMANCE MEASURES

- Percent of Objections Resolved Related to New Facilities** – *Target: 85% of objections resolved without hearing.*
Improve the percentage of objections resolved, relating to new facilities and resource development applications (non-routine applications), prior to hearing.

	2000-01	2001-02	2002-03	2003-04
% of objections resolved without hearing	80%	85%	85%	85%

- Percent of Incidents Resolved Related to Existing Facilities** – *Target: 87% of incidents resolved to the satisfaction of the complainant.*
Assist industry in improving the satisfactory resolution of operational compliance complaints received by field surveillance with respect to existing facilities.

	2000-01	2001-02	2002-03	2003-04
% of incidents resolved to the satisfaction of the complainant	80%	83%	85%	87%

- Solution Gas Production Conservation / Flaring Reduction** – *Target - Reduction in solution gas flared (over 1996 levels) in accordance with current and future Clean Air Strategic Alliance (CASA) recommendations.*
Measures show the effectiveness of regulatory requirements and industry practices in achieving an appropriate degree of conservation of solution gas and environmental protection by reducing flaring.

DIRECTIONS TO BUILD ON - UTILITY REGULATION

GOAL #2	KEY STRATEGIES
<p>Develop efficient processes for effective utility regulation in the transition to deregulation.</p>	<ul style="list-style-type: none"> • Ensure adequate resourcing to issue quality decisions within the required timeframes and to achieve the appropriate mix of expertise to fulfil our changing role. • Continue consultation with Department of Energy and other stakeholders to ensure completion of all regulatory milestones needed to support deregulation transition. • Devote adequate resources towards developing standards for financial and service level scrutiny of utilities. • Develop an effective mechanism to report results of financial and service level scrutiny. • Develop or revise position paper or guideline respecting Performance Based Regulations (PBR) and Negotiated Settlement Process (NSP).

PERFORMANCE MEASURES

- **Timeliness of Decisions** - *Target: Quality decisions delivered within the legislative timeframes.*
Further performance measures are being developed.

CORE BUSINESS #2: APPLICATIONS – ENSURE ENERGY RESOURCE DEVELOPMENT IS IN THE PUBLIC INTEREST. THE APPLICATION PROCESS INCLUDES HANDLING, PROCESSING AND RULING ON NEW APPLICATIONS FOR ENERGY AND UTILITY ACTIVITIES OR AMENDING EXISTING APPROVALS.

CONTINUING DIRECTIONS - APPLICATIONS AND HEARING PROCESSES

GOAL #3	KEY STRATEGIES
<p>Timely and efficient application and hearing processes.</p>	<ul style="list-style-type: none"> • Devote qualified staff resources, and improve scheduling to enhance efficiency of decision process. • Ensure that conservation, equity, and public interest priorities remain incorporated in the adjudicative process. • Examine application requirements and processes for relevance and streamlining opportunities.

PERFORMANCE MEASURES

- **Timeliness of Hearing Decisions** – *Target: By 2002 - 2003, reduce the time required, from the end of a hearing to a decision, to 90 days or less.*
This indicator measures our ability to improve application and hearing process timelines while continuing to provide a fair and responsible regulatory environment.

	2000-01	2001-02	2002-03	2003-04
% of decisions issued in less than 90 days from the end of the hearing	90%	95%	100%	100%

- **Application Turnaround Time** – *Target: 3 - 3.5 working days (average) for routine facility applications.*
Application turnaround time is an indicator of the efficiency of the EUB’s application-handling processes.

CORE BUSINESS #3: SURVEILLANCE AND ENFORCEMENT – ENSURE PUBLIC SAFETY AND ENVIRONMENTAL PROTECTION THROUGH REGULATORY REQUIREMENTS, SURVEILLANCE AND ENFORCEMENT.

DIRECTIONS TO BUILD ON - PUBLIC SAFETY AND COMPLIANCE

GOAL #4	KEY STRATEGIES
Facilities comply, standards are adequate and the public is safe.	<ul style="list-style-type: none"> • Set priorities considering committee recommendations, such as Sour Gas Advisory Committee report. • Review standards and ensure they meet accepted definition of “adequate”. • Establish information system to track inspection results and surveillance activity. • Implement updated policies and procedures to address ongoing pipeline corrosion issues by April 2002. • Complete regulatory review on oil spill preparedness by April 2002. • Issue regular reports on the implementation of appropriate Sour Gas Advisory Committee recommendations. • Review emergency response guidelines for industry and government and develop new emergency response planning guide for upstream petroleum industry by April 2002. • Update and maintain EUB internal emergency response capabilities.

PERFORMANCE MEASURES
<ul style="list-style-type: none"> • The Percentage of Industry Compliance with Established Standards - <i>Target: To be developed.</i> The EUB will review HVP (High Vapor Pressure) pipeline safety and integrity with external stakeholders, then identify and incorporate measures into the EUB’s regulatory framework that assures public safety by April 2002. • The Adequacy of Emergency Response Plans: - <i>Target: To be developed.</i> Conduct one emergency response exercise per co-op for oil spill preparedness, for an annual total of 20 exercises. • The EUB will assess the level of public confidence in the regulatory process through annual input from representative stakeholders.

CORE BUSINESS #4: INFORMATION AND KNOWLEDGE – ENSURE THE AVAILABILITY OF ENERGY AND MINERAL RESOURCE INFORMATION TO SUPPORT RESPONSIBLE DEVELOPMENT.

CONTINUING DIRECTIONS - INFORMATION MANAGEMENT

GOAL #5	KEY STRATEGIES
Information management that meets the industry standard and stays up-to-date.	<ul style="list-style-type: none"> • Develop an organizational vision for information management. • Implement the Information Technology Architectural plan. • Complete migration of all business data to a data warehouse. • Implement a facility for storing electronic versions of records. • Develop capabilities for operating in an e-business environment.

PERFORMANCE MEASURES

- **IT Strategy for Data Migration** – *Target: 100% of business data elements residing on the mainframe will be migrated by 2003 to the data warehouse on the client/server platform, making all data accessible to staff.*

	2000-01	2001-02	2002-03	2003-04
% of elements migrated to data warehouse	30%	65%	100%	100%

- **Implement Electronic Business Processes** – *Target: To streamline and improve the efficiency of the administrative aspects of the application process.*

	2001-02	2002-03	2003-04
e-business development	Web-based registry implemented	Systems evaluated and pilot implemented	Electronic application filing and approval

DIRECTIONS TO BUILD ON – CONSERVATION

GOAL #6	KEY STRATEGIES
<p>Achieve economic conservation, ensuring long-term planning is supported by an accurate picture of supply and demand.</p>	<ul style="list-style-type: none"> • Provide a complete picture of energy resources and reserves for oil, gas, natural gas liquids, crude bitumen and coal. • Develop supply/demand forecasts for oil, gas, natural gas liquids, crude bitumen and coal. [CM - Economic Development Strategy] • Lay the foundation for a Provincial Resource Development Plan (i.e., an integrated energy and mineral resources plan, supporting Alberta's long-range resource development strategy). [CM - Economic Development Strategy] • Implement new resource conservation policies (for gas over bitumen, insitu oil sands (SAGD), mineable oil sands and conventional oil and gas). [CM - Economic Development Strategy]

PERFORMANCE MEASURES

- **An Accurate Picture of Supply and Demand is Available** - *Target: By 2004 ensure information required to support long-term planning is available.*

A key part of the EUB mandate is to strive for the right balance between resource conservation and profitable development. The availability of accurate information is critical to effective conservation and long-term planning.

Short-term energy supply/demand forecasts integrated with annual reserves update for crude oil, bitumen, natural gas, natural gas liquids and coal will provide a single comprehensive reserves/supply picture.

Supply and demand information development

2001-02	2002-03	2003-04
	Ultimate potential for natural gas	Conservation policies for emerging issues
Bitumen reserves database	New insitu reserves estimates for oil sands areas	Ultimate potential for crude oil reserves
		Integrated energy and mineral resources plan

The EUB and the Ministry recognize the challenge and importance of maintaining and building human resources to deliver effective programs and services. A separate EUB goal has been established to address this requirement.

CONTINUING DIRECTIONS - INVESTING IN PEOPLE

GOAL #7	KEY STRATEGIES
<p>Focus on expertise renewal and retention to meet human resources needs now and in the future.</p>	<ul style="list-style-type: none"> • Perform skills inventory and gap analysis by March 2001. • Implement staffing strategies by September 2002 (e.g., contract employment). • Develop and support learning plans by March 2002. • Set compensation at competitive levels, using market competitive practices. • Develop leadership programs by December 2001. • Implement field staff renewal plan to counteract expertise lost through attrition.

PERFORMANCE MEASURES

- **Staff Retention** - *Target: Significant reduction in staff turnover*
 The goal is to reduce staff turnover to a target of not more than 50% of that experienced in 1997 and 1998 (1,250 person-years). The development of human resource systems which foster continual employee learning, development and succession will aid in retaining staff that ultimately benefit the EUB.

	2000-01	2001-02	2002-03	2003-04
Person years of turnover	500	400	300	300

- **Field Staff Renewal** - *Target: Hire new field staff to demonstrate that the EUB is taking prompt action to address the concerns of industry, landowners and the citizens of Alberta.*
 The goal is to expand the field surveillance program to re-establish public confidence in the inspections program, enhance our facilitation role and to implement a field staff succession plan in preparation for anticipated retirements.

	2000-01	2001-02	2002-03	2003-04
Field - New Hires (FTEs)	12	6	6	6

Expense by Core Business

(thousands of dollars)

	Comparable 1999-2000 Actual	Comparable 2000-01 Budget	Comparable 2000-01 Prelim. Actual	2001-02 Estimates	2002-03 Target	2003-04 Target
EXPENSE						
Commodity Areas						
Coal and Minerals	663	1,008	1,008	1,318	1,321	1,322
Electricity	17,115	11,811	11,811	14,516	14,572	14,588
Gas and Petrochemicals	20,622	32,453	31,286	33,837	34,007	34,389
Oil	11,101	10,538	10,538	11,165	11,533	12,148
Oil Sands	2,707	3,167	3,167	5,563	5,577	5,582
Tenure	7,519	8,143	8,143	9,225	9,245	9,251
Energy Regulation	64,942	76,671	76,077	91,911	94,001	95,521
Orphan Abandonment	3,286	3,200	10,282	7,500	4,000	4,000
Environmental Affairs	1,875	-	-	-	-	-
MINISTRY EXPENSE	129,830	146,991	152,312	175,035	174,256	176,801

Ministry Statement of Operations

(thousands of dollars)

	Comparable 1999-2000 Actual	Comparable 2000-01 Budget	Comparable 2000-01 Prelim. Actual	2001-02 Estimates	2002-03 Target	2003-04 Target
REVENUE						
Non-Renewable Resource Revenue						
Natural Gas and By-Products Royalty	2,440,712	2,323,000	7,083,000	5,494,000	3,710,000	3,276,000
Crude Oil Royalty	1,072,614	632,000	1,453,000	881,000	475,000	340,000
Synthetic Crude Oil and Bitumen Royalty	426,108	469,000	784,000	300,000	323,000	451,000
Bonuses and Sales of Crown Leases	743,392	650,000	1,147,000	845,000	555,000	480,000
Rentals and Fees	140,959	157,000	159,000	170,000	170,000	152,000
Coal Royalty	14,644	14,000	11,000	11,000	10,000	9,000
Alberta Royalty Tax Credit	(188,028)	(197,000)	(158,000)	(165,000)	(132,000)	(124,000)
Total Non-Renewable Resource Revenue	4,650,401	4,048,000	10,479,000	7,536,000	5,111,000	4,584,000
Freehold Mineral Rights Tax	133,599	135,000	261,000	253,000	217,000	171,000
Investment Income	1,724	1,000	1,500	1,700	1,700	1,700
Industry Levies and Licences	48,500	62,167	51,667	67,651	65,581	67,101
Internal Government Transfers	8,200	-	-	-	-	-
Other Revenue	10,827	4,800	7,033	7,473	7,223	7,223
MINISTRY REVENUE	4,853,251	4,250,967	10,800,200	7,865,824	5,402,504	4,831,024
EXPENSE						
Program						
Ministry Support Services	2,374	2,551	2,551	2,521	2,521	2,521
Resource Development and Management	59,268	64,534	63,367	73,068	73,699	74,724
Energy Regulation	64,942	76,671	76,077	91,911	94,001	95,521
Orphan Abandonment	3,286	3,200	10,282	7,500	4,000	4,000
Valuation Adjustments and Other Provisions	(40)	35	35	35	35	35
MINISTRY EXPENSE	129,830	146,991	152,312	175,035	174,256	176,801
Gain (Loss) on Disposal of Capital Assets	-	-	-	-	-	-
NET OPERATING RESULT	4,723,421	4,103,976	10,647,888	7,690,789	5,228,248	4,654,223

Consolidated Net Operating Result

(thousands of dollars)

	Comparable 1999-2000 Actual	Comparable 2000-01 Budget	Comparable 2000-01 Prelim. Actual	2001-02 Estimates	2002-03 Target	2003-04 Target
Ministry Revenue	4,853,251	4,250,967	10,800,200	7,865,824	5,402,504	4,831,024
<i>Inter-ministry consolidation adjustments</i>	(8,200)	-	(454)	-	-	-
Consolidated Revenue	4,845,051	4,250,967	10,799,746	7,865,824	5,402,504	4,831,024
Ministry Program Expense	129,830	146,991	152,312	175,035	174,256	176,801
<i>Inter-ministry consolidation adjustments</i>	5,724	-	(454)	-	-	-
Consolidated Program Expense	135,554	146,991	151,858	175,035	174,256	176,801
Gain (Loss) on Disposal of Capital Assets	-	-	-	-	-	-
CONSOLIDATED NET OPERATING RESULT	4,709,497	4,103,976	10,647,888	7,690,789	5,228,248	4,654,223

