
From: Carson, Andrew [Andrew.Carson@irvingoil.com]
Sent: October 24, 2012 8:21 AM
To: Part Consultation
Cc: Bridges, Rob; Clinton, Chris
Subject: Part VI Oil and Gas Consultation (Ad-GA-ActsLeg-Fed-NEBA-Amend 0101)

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 (Ad-GA-ActsLeg-Fed-NEBA-Amend 0101)

Thank you for the opportunity to provide comments on the oil and gas-related amendments contained in the *Jobs, Growth and Long-Term Prosperity Act*. While this letter does not provide specific feedback in response to each of the issues list in your letter dated September 20, 2012, we nonetheless appreciate the opportunity to provide our company's perspective on a few key issues.

Surplus Test for Oil and Gas Exports

In principle, we do not object to the implementation of a surplus test for both oil and natural gas exports so long as the operation of this test is predictable and does not bring undue complication or uncertainty to the regulatory approval process.

We also wanted highlight the fact that Canadian crude oil and natural gas may ultimately cross the border with the United States by means other than pipeline. Increasingly, we see alternative transportation methods such as rail cars for crude oil and long-haul trucks bearing compressed natural gas (CNG) leaving Canada and we expect this type of non-pipeline transportation to continue to grow in the coming years. We believe there should a presumption of surplus relative to volumes of crude oil and natural gas planned for export from Canada via rail or truck; quite simply, these volumes will be insufficient to materially impact any reasonable formulation of a surplus test and can realistically be disregarded as part of a surplus test calculation. Again, a presumption of surplus would address this concern and provide greater regulatory certainty to all market participants.

Similarly, to the extent that a market monitoring role is required in connection with oil and natural gas export license assessments, we would suggest that it may be practicable for the NEB to implement a rebuttable assumption of surplus for market monitoring purposes. A market participant may always file a complaint to rebut this assumption or otherwise indicate a concern, but this general approach to market monitoring would limit this function to situations where attention is warranted and limit the potential complications associated with a potential exporter having to satisfying a Fair Market Access (FMA) test.

Information Requirements

We also note that we have no objections to any changes that would require less frequent reporting or the furnishing of less information in support of licence applications.

Once again, we thank you for this opportunity to provide comments and look forward to understanding how the NEB regulatory system may be changed in the future.

Kind regards,

Andy Carson
Director, Government Relations & Regulatory Affairs

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Many thanks.

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Merci.