

Finding solutions.



APPROPRIATE DISPUTE RESOLUTION (ADR) plays an important role in how the Energy Resources Conservation Board (ERCB) fulfills its mandate to regulate Alberta's energy resources in the public interest. Through ADR, Albertans and energy companies find unique solutions to balance different interests.

For more than a decade, the ERCB has offered the ADR program to affected parties when concerns and objections persist despite negotiations between landowners and companies. ADR is also used to resolve issues between the companies themselves. ADR directly engages the two sides, allowing parties to develop a clear understanding of each other's issues and interests, prompting them to work collaboratively to reach outcomes that both can support.

By entering into the ADR process, industry and landowners have the opportunity to successfully negotiate concerns

about most proposed energy activities. Of the 36,829 applications the ERCB received in 2010, 477 objection letters were received that were linked to 956 applications.

Some of the parties who had objections turned to ADR. In 2010, 109 ADR files were initiated and 103 completed—80 of these were resolved by the ERCB ADR team, which in turn led to the cancellation of nine scheduled hearings. ADR is a straightforward and cost-effective process; in fact, the money and time saved by avoiding the hearing process is substantial. The benefits of ADR surpass merely resolving issues. ADR discussions can foster trust among participants that can endure the lifespan of an energy development. Companies that train their staff to negotiate effectively and work closely with landowners before submitting an application experience better relationships with the broader community and a smoother regulatory process.

ADR BACKGROUND

When is ADR used?

The ERCB's ADR program is used when concerns and objections remain outstanding following negotiations between landowners and companies or between two companies (C2C). Most disputes resolved by ADR relate to proposed facility applications (wells, pipelines, and plants). To a lesser extent, ADR also assists in C2C equity applications, such as spacing, pooling, rateable take, and common carrier or processor.

ADR directly involves the parties, who work collaboratively to reach mutually agreeable solutions. ADR helps the sides develop a clear understanding of their issues and interests and then facilitates ways to resolve the issues.

The two main components of the ADR program are ERCB staff facilitation and third-party assistance from ADR professional service providers and mediators. ERCB staff assist parties to understand regulatory requirements and facilitate meetings to reach mutually agreeable options. Staff facilitation usually occurs before a company files an application but after the company has attempted to resolve stakeholder concerns. Staff normally assist through direct meetings and by speaking with each of the involved parties.

Third-party assistance

Third-party professional service providers and mediators are used in more complex and/or multiparty disputes to develop mutually beneficial outcomes. They may be used when there are concerns about deadlines, disputes that involve multiple parties, or difficulties engaging other parties exist. The first step in involving third-party professionals is a preliminary meeting when the parties, assisted by the third-party professional and ERCB staff, discuss procedures and agree on how to move forward. This often involves mediation. In these situations, preliminary meetings are increasingly important and result in many successfully resolved disputes.

ADR options sometimes deal with confidential matters. It should be noted that ERCB staff involved in these matters do not participate in any related hearings.



DEVELOPMENTS DURING THE PAST YEAR

The ADR team falls under the ERCB's Field Surveillance Operations Branch (FSOB). Four team members are situated in field centers across Alberta, while Team Leader Anna Rose is based in the Calgary head office, allowing her to maintain relationships with the various departments relied upon for information, as well as FSOB leadership. Our newest team member is located in the Midnapore Field Center; the goal is to provide a local presence or be within a day's drive of our clients whenever possible.

The ADR team was involved in mediating a few disputes involving First Nations groups. Such files can be complex and ADR staff continually strive to learn more about this area to better assist the parties in resolving disputes. Experience has shown that learning about communities and cultures before entering into an ADR meeting is extremely beneficial. The team looks forward to broadening its knowledge of Alberta's diverse cultures.






The majority of 2010 ADR files related to proposed well site applications. Among the issues landowners continue to raise are past experiences, visual impacts, water concerns, and surface well site locations. In addition, the ADR team strives to keep current on emerging technologies used by industry in an effort to better understand the issues that may arise from these advances.

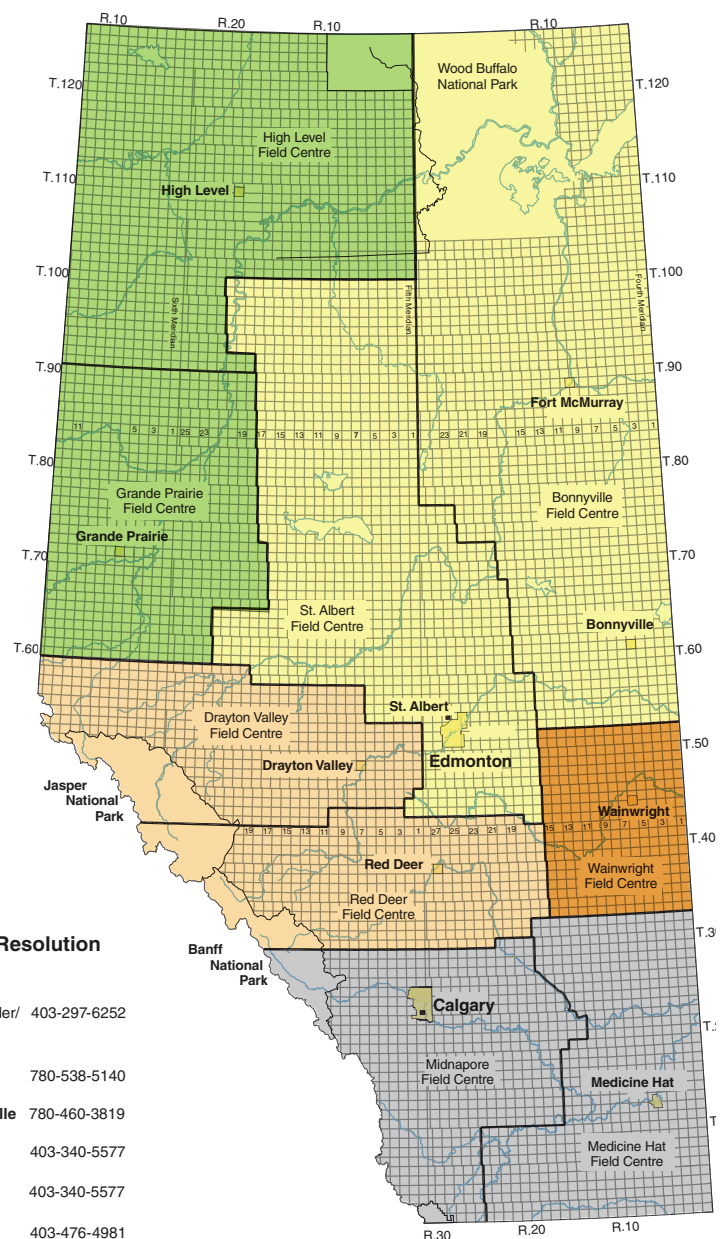
The team continues to teach an introductory ADR level 1 and an advanced ADR level 2 courses to ERCB staff interested in dispute resolution. The goal is to improve communication skills, which ultimately assists staff in maintaining good relationships with the public and industry. The curriculum is being updated in an effort to improve the courses in 2011. The ADR team also facilitates internal and stakeholder meetings when requested.

CALL US

We invite you to call 403-297-6252 if you have any questions or comments about this report.

Appropriate Dispute Resolution (ADR) Contacts

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2010 APPLICATION SUMMARY

Applications registered 36,829

Objection letters received 477*

Hearings scheduled 36

**Total Hearings cancelled;
cancelled due to ADR** 25
9

Hearings held 11

Total ADR files completed 103

ERCB facilitations 96

ERCB facilitations resolved 80

ERCB facilitations resolution rate 83%

Third-party mediations completed 7

Third-party mediations resolved 4

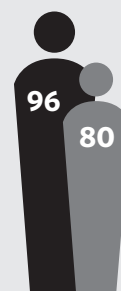
Third-party resolution rate 57%

C2C facilitations or third party mediations 3

Total resolved 3

Resolution rate 100%

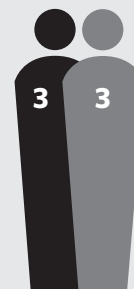
ERCB Facilitations



Third-party Mediations



C2C Meetings



*477 objections letters were received in 2010 that were linked to 956 applications. The reduction of objection letters from 2009 to 2010 is the result of a system redesign. Of those 477 objections letters, 85 were dismissed, 110 were resolved through ADR, a hearing, on their own, or the application was withdrawn. Also, 34 objections were ongoing, 248 objections did not have an application associated with the objection and/or the objection expired after a year timeframe as it was not associated to an application.



ADR cases completed



Cases resolved