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**BRITISH COLUMBIA
UTILITIES COMMISSION**

**ORDER
NUMBER** G-38-06

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**IN THE MATTER OF
the Utilities Commission Act, R.S.B.C. 1996, Chapter 473**

and

**An Application by Canadian Natural Resources Limited
for an Exemption from Part 3 of the Utilities Commission Act
Covering the Transportation and Processing of Natural Gas**

BEFORE: L.F. Kelsey, Commissioner) April 7, 2006

O R D E R

WHEREAS:

- A. Order in Council No. 16, 2001 empowered the Commission to issue an Order exempting Williams Energy Canada Inc. ("Williams Canada") from regulation under the Utilities Commission Act ("the Act"). The Commission, by Order No. G-13-01, approved for Williams Canada an exemption from Part 3 of the Act, except for Sections 24 and 25, for the West Stoddart plant and facilities; and
- B. On August 24, 2003, Williams Canada advised the Commission that it had sold the West Stoddart plant and facilities to Canadian Natural Resources Limited ("CNRL") effective July 1, 2003, and requested that the Commission rescind the exemption that was granted by order No. G-13-01; and
- C. On August 25, 2003, CNRL applied under Section 88(3) of the Act for an exemption from Part 3 of the Act for the West Stoddart plant and facilities, which CNRL will use to transport or process natural gas, effective July 1, 2003; and
- D. On September 11, 2003, the Commission rescinded the exemption given to Williams Canada by Order No. G-59-03; and

- E. The Commission has considered the CNRL application and is satisfied that an Order under Section 88(3) of the Act exempting the West Stoddart plant and gathering facilities in British Columbia, which CNRL has purchased from Williams Canada, from the requirements under Part 3 properly conserves the public interest; and
- F. On March 30, 2006 the Lieutenant Governor in Council issued Order in Council No. 201, 2006 (the “Order in Council”) as Appendix of this Order, giving approval to the Commission to exempt CNRL from certain provisions of the Act for the purpose and subject to the terms set out in the attached draft Order of the Commission; and
- G. The Commission may find it is in the public interest to exempt a CNRL transportation or processing facility that is not listed in Appendix 1 to the draft Order attached to the Order in Council after CNRL advises the Commission in writing, that it will begin to use the facility to transport or process natural gas for others; and
- H. Section 99 of the Act provides that the Commission may reconsider, vary or rescind an Order made by it.

NOW THEREFORE the Commission orders as follows:

1. Pursuant to Section 88(3) of the Act, the Commission approves an exemption for CNRL from Part 3 of the Act for the West Stoddart facilities that CNRL uses to transport or process natural gas for others, and as set out in the attached Appendix 1, effective April 7, 2006.
2. Facilities listed in Appendix 1 will continue to be subject to the Act on a complaint basis, with a complaint taking a form similar to that of an application by an interested party under the Common Carrier and Common Processor sections of Part 4 of the Act.
3. CNRL is directed to advise the Commission, in writing, of any facility that is not listed in Appendix 1 and which CNRL intends to use to transport and process natural gas for others, so that the Commission on finding that the exemption of such facility is in the public interest can, by Order, issue a revised Appendix 1.

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4. CNRL is responsible for the safe and proper operation of its facilities consistent with the requirements of the Pipeline Act and other regulatory requirements.
5. CNRL is directed to file an annual report for each exempted facility in the form set out in Appendix 3, or as the Commission may otherwise require, and to distribute copies to the shippers using the facilities.
6. CNRL is directed to pay fees to the Commission in the amounts that the Commission determines are required to defray costs associated with the CNRL facilities.

DATED at the City of Vancouver, in the Province of British Columbia, this 11th day of April 2006.

BY ORDER

Original signed by

L.F. Kelsey
Comissioner

Attachments

CANADIAN NATURAL RESOURCES LIMITED

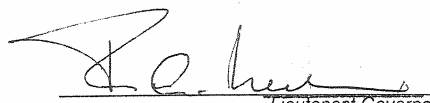
**Transportation and Processing Facilities in British Columbia
Exempted from Part 3 of the Act**

West Stoddart area – all pipelines, plant and related facilities.

Order in Council No. 201, which is attached as Appendix 2

PROVINCE OF BRITISH COLUMBIA
ORDER OF THE LIEUTENANT GOVERNOR IN COUNCIL

Order in Council No. **201**, Approved and Ordered **MAR 30 2006**


Lieutenant Governor
Administrator

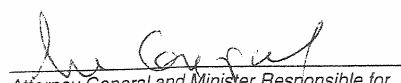
Executive Council Chambers, Victoria

On the recommendation of the undersigned, the ~~Lieutenant Governor~~ ^{Administrator}, by and with the advice and consent of the Executive Council, orders that approval is given to the British Columbia Utilities Commission to exempt Canadian Natural Resources Limited from the provisions of the *Utilities Commission Act* for the purpose and subject to the terms set out in the attached draft order of the British Columbia Utilities Commission.

BCUC Log # 14250
RECEIVED

MAR 31 2006

Routing ced to Comm staff
ISC to handle


Attorney General and Minister Responsible for
Multiculturalism


Presiding Member of the Executive Council

(This part is for administrative purposes only and is not part of the Order.)

Authority under which Order is made:

Act and section:- Utilities Commission Act, R.S.B.C. 1996, c. 473, s. 88 (3)

Other (specify):-

February 15, 2006

ANNUAL REPORTING REQUIREMENTS

Complaint Oversight of Companies that Transport or Process Gas for Others

A Report is required for each separate, significant Pipeline system or processing facility.

(Companies are to file Reports within 90 days after fiscal year-end)

1.0 Previous Year Actuals

- Facility name, location, function, capacity.
- Any significant changes in capacity during the year.
- Throughput during the year.
- Names, addresses for CNRL and contact name and telephone number for each shipper.