On May 4, 1979, two agreements between the Government of Canada and Foothills Pipe Lines were signed committing Foothills to study the feasibility of constructing a pipeline connecting Mackenzie Delta gas reserves to the Alaskan Highway pipeline and to proceed with the pipeline in a timely manner. The agreements committed Foothills to provide capacity on the Alaskan Highway pipeline to accommodate Mackenzie Delta gas production.

In the US, the National Energy Plan was signed into law on November 9, 1978 setting the maximum price for natural gas produced from Prudhoe Bay and also allowing pricing on a rolled-in basis of the wellhead price and transportation costs of gas from that area. These pricing policies are considered essential to marketing Alaskan natural gas.

13.6.2 Transportation of oil

Canadian oil moves to markets through a network of oil pipelines extending from the oil fields of Western Canada to Vancouver, and east as far as Montreal. This network serves Canadian refineries in British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, and Quebec, as well as US markets in the Puget Sound, midwest, and upper New York state areas.

Prime components are the trunk lines of Interprovincial Pipe Line Ltd., Canada's largest oil pipeline, and the Trans Mountain Oil Pipe Line Co. Both lines start in Edmonton and are fed by a network of gathering lines transporting oil to the main trunk lines at that point. Outside Alberta, the Interprovincial pipeline receives and transports Saskatchewan and Manitoba crude oil.

Trans Mountain operates a pipeline system which carries crude and natural gas liquid from Edmonton and other points in Alberta and British Columbia to Burnaby, BC. A subsidiary operates branch lines to refineries in the state of Washington.

Another prime mover of oil from Alberta, the Aurora pipeline, with a length of only 1.6 km within Canada, receives crude oil and equivalent from the Rangeland gathering system for delivery to the Continental Pipeline Co. in the US which transports oil to Billings, Montana for refining and further shipment to points in the US midwest.

The Middle East oil embargo of the winter of 1973-74, coupled with frequent price increases of offshore oil, led the federal government to decide on a policy of energy self-reliance for Canada. As a result, in May 1975 the federal government reached an agreement with Interprovincial Pipe Line Ltd. to extend the Interprovincial system from Sarnia to Montreal to provide Montreal refineries with access to more secure domestic supplies of Canadian crude oil. The extension was completed in June 1976. During 1978, deliveries of Canadian crude oil to Montreal averaged 43 880 m^3/d or just over one-half of Quebec's crude oil requirements.

During 1978 construction of the Cochin pipeline was completed and deliveries began in September 1978. The pipeline stretches 3 058 km from Edmonton, through the US midwest, to Sarnia, Ont. The pipeline transports surplus Alberta ethane, ethylene, and propane to eastern Canadian and US markets.

Alberta Oil Sands Pipeline Ltd. completed construction of an oil pipeline for the transmission of synthetic crude oil from the Mildred Lake extraction plant of Syncrude Canada Ltd. to the International Pipe Line Ltd. terminal in Edmonton. Deliveries of synthetic crude began in September 1978.

13.7 Coal

Forecasts of Canadian coal production for the 1980s suggest that output will continue to increase.

If all projects under consideration go ahead, thermal coal consumption for the generation of electricity would approximately double by 1985. Exports of both coking and thermal coal are expected to increase, although at a less rapid rate than that of coking coal in the early 1970s. Sales to Japan are expected to continue to dominate exports, although sales to other countries should increase as coal producers continue the trend toward greater market diversification.