

This proposed project has been estimated to cost in the range of \$500 million.

A distribution system expansion program (DSEP), launched by EMR Canada in early 1982, provides grants to utilities expanding into new market areas. During 1982, \$37 million was spent on some 380 projects.

In mid-1983, the TransQuébec & Maritimes (TQ&M) pipeline was still under construction to Québec City. Gas service was brought as far as Trois-Rivières in 1982 and was expected in Québec City in late 1983. The NEP update significantly changed this pipeline project. A \$500 million fund was made available to the gas distributor (Gaz Inter-Cité Québec) for the construction of the major laterals off the main transmission line. It was expected that gas would be brought into the Eastern Townships in 1983 and into the Lac St-Jean region in 1984.

TransCanada Pipeline Ltd. undertook a major construction program in 1982, expanding the capacity of its line across the Prairies and building the North Bay short cut in eastern Ontario. This short cut was a \$450 million, 400-km project which greatly shortened the distance gas must travel to reach new Quebec markets. It was brought into service in December 1982.

The projected Alaska Natural Gas Transmission System (ANGTS) was designed to deliver natural gas from Prudhoe Bay, Alaska through Canada to United States markets in the midwest (via an eastern leg) and California (via a western leg). Total length of the pipeline was expected to be more than 7 700 km. Arrangements had been made to pre-build the Canadian section of the pipeline facilitating the sale of Canadian gas to the US before construction began on the main line from Alaska. Albertan gas started flowing on October 1, 1981 to the US through the western leg. Construction of the 636-km eastern leg was completed and on September 1, 1982 shipments of gas via this line commenced. In April 1982 sponsors of ANGTS reconfirmed their commitment to the project. However, due to economic and marketing difficulties, the project has been delayed to late 1989.

Polar Gas is proposing to construct a Y-line connecting both Arctic islands (eastern) and Mackenzie Delta (western) gas reserves for delivery to southern Canadian markets. The earliest the project could start is 1990. Its facilities would extend over 5 000 km with a throughput estimated at 61 million cubic metres a day.

An Arctic pilot project (APP), sponsored by Petro-Canada, Nova, Dome Petroleum and Melville Shipping, was proposed to liquefy Eastern Arctic gas and ship the liquefied natural gas (LNG) by ice-breaking tankers to a port in Eastern Canada where it would be regasified. Originally, the ultimate destination of the gas was to be the US market, but by

late 1982 APP sponsors had examined the possibility of delivering gas to European markets. In mid-1982 TransCanada Pipeline Ltd. withdrew an application to the NEB to construct and operate the regasification terminal. APP sponsors asked that NEB hearings be rescheduled to address the northern component of the project separately, before the southern component is considered. The NEB decided to suspend indefinitely all hearings on the APP until project sponsors obtained more information on the destination of the natural gas.

In late September 1983 the report of a task force on pipeline construction costs was released. It dealt mainly with ways to minimize the costs of oil and gas pipeline construction. The study included the participation of pipeline companies, contractors, material suppliers, labour unions, oil and gas producers, and provincial, territorial and federal government departments and agencies.

11.6.2 Oil pipelines

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 Montréal. This network serves Canadian refineries from British Columbia to Quebec, inclusive, and US markets in the Puget Sound, midwest, and upper New York state areas.

Principal components are the trunk lines Interprovincial Pipe Line Ltd., and the Trans Mountain Pipe Line Co. Ltd. Both lines start in Edmonton and are fed crude oil by a network of gathering lines. Outside Alberta, the Interprovincial Pipe Line Ltd. receives and transports Saskatchewan and Manitoba crude oil eastward. Trans Mountain Pipe Line Ltd. operates westward and receives BC crude oil for delivery to Vancouver with subsidiary operating branch lines to refineries in the state of Washington.

In November 1981 the NEB provided Interprovincial Pipe Line (NW) Ltd. with authority to proceed with construction on a proposed 866-km pipeline from Norman Wells, NWT to Zama in northern Alberta. The line is to carry 1.6 million cubic metres a year of crude oil and natural gas liquids. The projected completion date for the line was mid-1985.

11.7 Coal

Canada first became a net exporter of coal in 1981, with a trade surplus of \$203 million. Then came a year of adjustment for the coal industry as the economic climate forced cutbacks and reduced activity in many sectors. Despite the adjustments, Canada strengthened its position as a net exporter of coal and in 1982 this trade surplus grew to \$244 million.

In 1982 total coal production was 42.8 megatonnes (million tonnes) valued at \$1,298 million, up 7.0% in volume from 40.1 megatonnes valued at \$1,073 million in 1981. Output totalled 39.3 megatonnes