

Elk Valley expansions to meet increased demand

by Heather Ednie

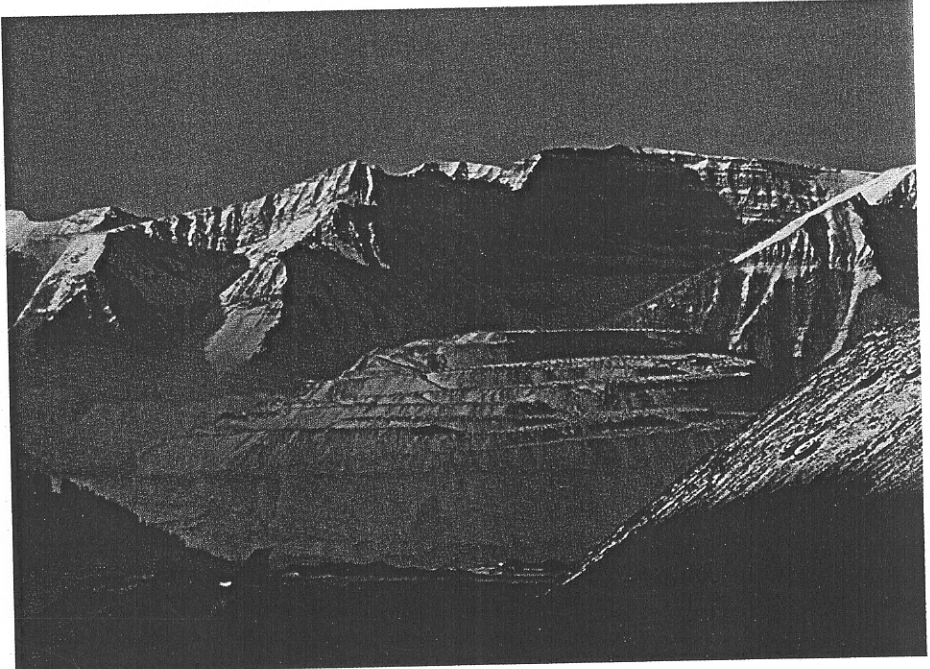
Demand for coal has increased substantially, resulting in great increases in Canadian production. Elk Valley Coal is no exception to the rule—optimization and expansion work is underway at most of the company's six operations to achieve a new production target of 30 million tonnes per year of saleable coal by 2007.

"We're incrementally increasing throughput at some of our operations," said Bill Foster, vice president, projects, Elk Valley Coal. "The increases are driven by the demand for steel. It's part of the tremendous growth seen in China—probably 300 million tonnes of steel produced there this year. There is an imbalance in the marketplace today, and hard coking coal is in short supply. For the immediate future the demand should continue—it's a cyclical business."

Elk Valley Coal owns five operations in the Elk Valley and one other near Hinton—Cardinal River Coal. Presently, one of the major expansion projects is at the company's flagship operation, Fording River, which was to be completed this summer. The two-phased expansion will bring Fording River production from 9.5 million tonnes per year to 10.5 million tonnes of metallurgical coal.

The first phase was in the plant operations. It included new equipment, such as larger cyclones to handle the increased volume, and mechanical drying rather than thermal. Phase two of the project is in the mine, where the company is adding an 80-yard shovel from P&H and eight 320-tonne trucks. The trucks are Haulpacs, which use an AC drive, similar to today's locomotives. Fording River helped develop that truck.

"We're in the process of converting all trucks to AC drives—it's a cleaner technology," said Foster. "You get rid of the brushes you have to continu-



Fording River overview

ously change in the other trucks. I expect we will see most manufacturers of electronic drive trucks switching to AC drives."

A similar expansion project is underway at the Elkview operation, aiming to increase production from six million to seven million tonnes per year. As well, opportunities for increases are being investigated at the Greenhills' operation.

Cardinal River is a new project, at a capital cost of \$120 million, which entered production this year. The operation will produce around three million tonnes by the fourth quarter.

"Add them all up, and we're producing saleable coal around the 30 million tonnes mark," said Foster.

Most of Elk Valley's coal goes overseas: 45 per cent to Asia, 32 per cent to Europe, 15 per cent to North America, and 8 per cent to South America. The company boasts about 700 million tonnes in reserves, and 3.5 billion tonnes in resources, mainly in British

Columbia. "If markets continue to increase substantially, we will look at additional production volume," Foster added.

Technology has been a primary driver of the company's business for a long time. "Equipment is bigger, more reliable, and you can be more competitive," Foster said. "We've prided ourselves on our technology development and we've helped OEMs develop new equipment. We have tremendous workforces at our operations—very highly skilled—and we depend on them. Our people are among industry's best."

The close proximity of the company's operations, and even closer working ties among the operators and management are contributors to Elk Valley's successes. Best practices are set and shared among the operations, so at the end of the day, every operation benefits from a vast pool of experience. It's this experience and continuous improvement that will keep Elk Valley Coal at the top of the international coal industry. ■