

## Guide B - Abandonment

The first section, Guide B.1, is about information requirements applicable to all CER-regulated pipeline companies. These information requirements are largely financial in nature.

The second section, Guide B.2, concerns the information needed to be filed for the physical activity of abandoning a pipeline.

The final section, Guide B.3, provides information requirements for those companies wanting to apply to access funds held in Abandonment Trusts.

### B.1 Funding for Abandonment

CER-regulated pipeline companies must have a process and mechanism in place that will provide adequate funds to pay for pipeline abandonment. Companies are also expected to institute governance practices relating to pipeline abandonment, which are one component of the systematic approach required by the OPR.

#### B.1.1. Cost Estimates

Companies are required to file their Abandonment Cost Estimates (ACE) for Commission's approval. Any changes to an ACE must also be approved by the Commission. Companies must include Tables A-1 through A-4 from the National Energy Board's letter dated [4 March 2010](#), along with a description of the methodology and assumptions used to estimate costs. A level of detail and technical description should be provided to understand the estimate and its reasonableness. The Commission will regularly review ACE (at least every five years) to verify that any material changes to the pipeline system are reflected in the abandonment cost estimate, and that an appropriate level of funds is being set aside.

#### B.1.2 Protection of Funds

Pipeline companies are required to have a set-aside mechanism in place that will provide adequate funds to pay for pipeline abandonment. The set-aside mechanism must be filed with the CER, and approved by the Commission. Pipeline companies must establish a trust or provide a letter of credit issued by a bank listed in Schedule 1 of the *Bank Act*<sup>1</sup>, or a surety bond supplied by a surety company regulated by the Office of Superintendent of Financial Institutions. A model trust agreement can be found in Reasons for Decision [MH-001-2013](#). Models of a letter of credit and surety bond can be found on the CER's website under [Financial Regulation of Group 2 Pipeline Companies](#).

##### B.1.2.1 Trusts

A trust can be a suitable mechanism to set aside funds for pipeline abandonment. However, the question of whether any particular trust is suitable depends on the terms and conditions that govern the trust. In its Reasons for Decision [MH-001-2013](#), the National Energy Board set out the Indicative Terms for companies proposing to use a trust in Appendix VI, PDF pages 135-139. Companies using trusts must file a statement of investment policies and procedures for Commission approval, the minimum requirements for which can be found in Section 3.4.1 on PDF page 61 of Reasons for Decision [MH-001-2013](#).

Companies proposing to collect abandonment funds from shippers to be set aside in the trust must file a tariff application, which includes their annual contribution amount, for Commission approval. The requirements are set out in Section 6.1.2 of Reasons for Decision [MH-001-2013](#) on PDF page 118.

##### B.1.2.2 Letter of Credit

If a company is using a letter of credit in regard to their funding for abandonment, the financial instrument must meet the criteria included in the checklist below. Companies must file the letter of credit with the CER for approval by the Commission.

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<sup>1</sup> [Bank Act, S.C. 1991, c.46, schedule 1.](#)

Letter of Credit Checklist:

- Ensure that the physical letter of credit is filed with the CER. It must be the original signed letter of credit and not a duplicate copy nor a draft.
- Amount: The letter of credit must be equal to a company's approved ACE. Growing letters of credit are not allowed.
- Beneficiary: The beneficiary must be identified as "Her Majesty the Queen in Right of Canada as represented by the Canadian Energy Regulator or any successor administrative body";
- The letter of credit must reference the underlying regulatory obligations of the principal. For pipeline abandonment, the letter of credit should reference the CER Act, RH-2-2008 Reasons for Decision, the MH-001-2013 Reasons for Decision, and the Commission document approving the pipeline company's cost estimate;
- Duration: The letter of credit must automatically renew on an annual basis without notice or amendment, and without a maximum number of renewals;
- Issuer: The issuer of the letter of credit must be a Canadian chartered bank set out on Schedule 1 to the *Bank Act*;
- Access to funds: The full amount of the letter of credit must be payable to the Beneficiary on demand upon presentation of the letter of credit at the bank's main Calgary branch. Alternatively, presentation of documents can be made by fax<sup>2</sup> where there is not a Calgary, Alberta branch;
- Notification: The Beneficiary must be notified by fax and registered mail (to the attention of the Secretary of the Commission) at least 60 days before the letter of credit may be cancelled or not renewed. Upon notification the Beneficiary must be entitled to draw the entire amount of the letter of credit; and
- Additional terms: The letter of credit must be irrevocable, non-transferable and non-assignable, and must be subject to the International Chamber of Commerce Uniform Customs and Practice for Documentary Credits, 2007 revision (UCP600).<sup>3</sup>

### B.1.2.3 Surety Bond

If a company is using a surety bond in regard to their funding for abandonment, the financial instrument must meet the criteria included in the checklist below. Companies must file the surety bond with the CER for approval by the Commission.

Surety Bond Checklist:

- The surety must be regulated by the Office of the Superintendent of Financial Institutions (OSFI);
- The Obligee must be the "Her Majesty the Queen in Right of Canada as represented by the Canadian Energy Regulator or any successor administrative body";
- The term of the surety bond must be indefinite. The surety bond may have a form of evergreen provision that automatically renews the surety bond unless notice of termination is given;
- The surety bond must be terminable by the surety providing 60 days' notice, with the Obligee then having a further 60 day period to make a written demand of the surety;
- The surety bond must be structured as an on-demand instrument. This may be accomplished by requiring the surety to pay the surety bond amount upon receiving a written demand of the Obligee consistent with the form of bond provided to the Ontario Minister of the Environment under Part XII of the *Environmental Protection Act* (Ontario);
- The surety bond must reference the underlying regulatory obligations of the principal. For pipeline abandonment, the bond should reference the *Canadian Energy Regulator*

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<sup>2</sup> The CER will periodically consider whether alternative methods of presentation and notification are acceptable, generally concurrent with the timing of the review of abandonment cost estimates.

<sup>3</sup> The CER will consider updates to UCP600 when they are available, to be addressed concurrent with the timing of the review of abandonment cost estimates.

*Act*, RH-2-2008 Reasons for Decision, the NEB or Commission document approving the pipeline company's cost estimate, and the Reasons for Decision [MH-001-2013](#); and

- The surety may fulfill its obligations under the bond by: (i) remedying the default, (ii) completing the pipeline company's abandonment obligations, or (iii) paying the bond balance to the CER. If these options are set out in the surety bond, then the CER must have the discretion to choose among them.

### **B.1.3 Regular Reporting**

All companies must file an annual update with respect to abandonment funding. The annual reporting form for companies using a trust must be filed by 30 April each year and can be found here: [Reporting Form – Companies using Trusts for Set-aside mechanism](#). The annual reporting form for companies using a letter of credit or surety bond must be filed by 31 January and can be found here: [Reporting Form – Companies using Set-aside mechanisms other than Trusts, and Exempt Companies](#).

## **B.2 Applications to Abandon (CER Act subsection 241(1) and OPR section 50)**

Section 50 of the OPR states:

- 50.** A company shall include in an application made under section 241 of the Act for leave to abandon a pipeline or a part of one, the reasons, and the procedures that are to be used, for the abandonment.

The application must include the rationale for the abandonment project, the method(s) of abandonment, and the measures to be employed as well as evidence that:

- the proposed abandonment will be carried out in a safe manner;
- potential environmental, socio-economic, lands, economic and financial effects are identified; and
- sufficient notification has been given to all owners and users of lands, including landowners, Indigenous communities, and other persons who anticipate that their lands are/may be potentially affected.

### **B.2.1 Filing requirements and guidance**

#### **General Requirements**

Provide the following:

1. A complete description of the pipeline(s) and facility(ies) being abandoned. For pipelines, this must include, but not be limited to, the history of products carried, length, diameter, wall thickness and coating type. Companies should consider any other information that is relevant to the pipeline and its operation that would assist the Commission in assessing the abandonment application.
2. Appropriately scaled map(s) or site plan(s) which shows the locations and dimensions of the pipeline right of way and the facility(ies) to be abandoned.
3. The GPS data coordinates of the locations of pipeline right of way and the facility(ies) to be abandoned.
4. A description of known temporary workspace required for abandonment activities, including location and dimensions.
5. Photomosaic maps or alignment sheet(s) which show the pipeline right of way and facility(ies) overlain on satellite or aerial imagery and any areas of temporary workspace. If not available, provide photographs showing facilities and at sufficient intervals to show the full length of the right of way.
6. Reasons for abandonment of operation of the pipeline and facility(ies).
7. An explanation of the abandonment method options (abandonment in-place, removal, segmentation, fill) considered, and rationale for the chosen option(s), including how such factors as land use, safety, potentially affected peoples and communities, property,

impacted and potentially impacted engineered structures<sup>4</sup>, environment and economics were identified, considered and managed.

8. A description of the proposed physical activities to be carried out to abandon the pipeline and facility(ies).
9. Proposed schedule for the various abandonment activities to be conducted, including any reclamation, to be conducted.
10. A description of the type, frequency and duration of monitoring to be conducted of the facilities that will remain in place.

## Engineering

Provide the following:

1. For pipelines to be abandoned in place or removed, confirmation that the abandonment activities will follow the requirements of the latest version of CSA Z662.
2. For pipelines to be abandoned in place, confirm or provide the following:
  - no internal pressure remaining;
  - purged and cleaned and left in a state of minimal residual contamination, including the pipe cleaning procedures and standards to be used;
  - left in a state where road, railway or utility crossings are not at significant and unmanaged risk of disturbance due to settlement;
  - equipped with signage;
  - a description of the fill material to be used for railway and road crossings, if applicable (abandonment in place with special treatment), including where along the pipeline fill material will be used and why;
  - a description of the potential soil subsidence, pipe exposure, water conduit, corrosion, and pipe collapse effects for pipelines to be abandoned in place, including anticipated duration to failure, and a plan to monitor these potential effects; and
  - a plan for maintaining adequate depth of cover for existing and future land use, as informed by the company's environmental and socio-economic assessment and engagement activities.
3. In the event that cathodic protection is not maintained, identify and justify if ground bed anodes will be removed or left in place.
4. A description of ruptures, leaks and other loss of containment incidents that have occurred on the pipeline and the facility(ies), including the dates and volumes of the substance releases.
5. Confirmation that abandonment activities and the abandoned pipeline will not impact engineered structures (e.g., roads, utilities, infrastructure, drainage, modified slopes, foundations).

### Guidance – Engineering

Companies may be required to submit a plan that identifies, evaluates, and manages all hazards and risks associated with the abandonment activity and for areas where the pipeline is abandoned in place, including a description of the controls used to address these hazards and risks. The plan shall include a cleaning plan for any pipeline that will be abandoned in place.

CSA Z662 contains requirements for abandonment of pipeline systems. This standard is referenced in the OPR and must be adhered to as such. Companies are advised that the standard is updated on an ongoing basis and to remain current in their adherence to the requirements.

CSA Z341 contains requirements for abandonment of underground formations used for the storage of hydrocarbons.

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<sup>4</sup> “engineered structures” include foundations (buildings, bridges, towers, rail beds, etc.), slope stability structures, water drainage structures, and crossings of other infrastructure (powerlines, other pipelines, telecom systems, etc.).

## Environmental and Socio-economic Assessment

1. Describe the ecological and socio-economic setting found at the project location. For projects that are situated in a forested or native prairie setting, additional detailed baseline vegetation information may be required.
2. The description should indicate whether or not the proposed abandonment is located on federal lands<sup>5</sup>.
3. Using the Table 1 of this guide:
  - i. Categorize the pipeline right of way by land use (for example, agricultural lands, forested lands, native prairie, developed lands, wetlands, watercourse crossings). If any known or reasonably foreseeable development is anticipated for any part of the right of way, include these areas in the table; and
  - ii. For each land-use segment of the pipeline, provide a high-level assessment of the potential short-term and long-term environmental and socio-economic effects on each valued environmental and socio-economic component that may result from the pipeline being abandoned in place and/or removed, regardless of the preferred abandonment method.
4. For the preferred abandonment method(s), complete the environmental and socio-economic interactions table (see Table 2 of this guide).
5. Provide an environmental and socio-economic assessment for the preferred abandonment method when the circumstances outlined in Table A-1 of the [Filing Manual](#) indicate that additional detailed biophysical and socio-economic information is required. The filing requirements are outlined in Table A-2 (Biophysical Elements) and Table A-3 (Socio-Economic Elements) of the [Filing Manual](#).
6. Provide a copy of the Phase I Environmental Site Assessment (ESA) conducted for the pipeline right of way and associated facility(ies), as per the guidance in the most recent version of CSA Standard Z768. The Phase I ESA should identify all areas of known and potential soil contamination, and include an evaluation of the status of any existing contamination currently documented or contamination previously remediated, as per the most recent version of CER's [Remediation Process Guide](#). Provide a list of previously reported contaminated sites along the pipeline right of way and associated facility(ies), including CER-assigned Remediation Event Number(s).
7. If the results of the Phase I ESA indicate that a Phase II ESA is warranted, provide a copy of a Phase II ESA plan that describes the procedures to be implemented for investigating all existing or potential contamination identified in the Phase I ESA, including sampling methodology. The Phase II ESA should be conducted as per the guidance provided in the most recent version of CSA Standard Z769-00, Phase II Environmental Site Assessment.
8. Provide an Environmental Protection Plan (EPP), or a description of the environmental protection procedures and measures that will be implemented during the physical abandonment, remediation, and reclamation activities to avoid or minimize potential adverse environmental and socio-economic effects. The level and detail of information should be commensurate with the nature and scale of the project.
9. Describe the desired goal(s) for reclamation, including restoration (where applicable), for the entire length and width of the pipeline right of way and facility sites (not just limited to the physical disturbance sites), and provide a plan for how the environment will be reclaimed to achieve the desired goal(s).
10. Provide a preliminary Reclamation Monitoring Plan which describes the reclamation/restoration parameters to be monitored, the criteria that will be used to monitor the success of those parameters, and the monitoring methods that will be used. Describe the criteria for when adaptive or corrective actions will be implemented, and provide a schedule of when monitoring will be conducted and the results reported to the CER.

### Guidance – Environmental and Socio-economic Assessment

- As noted in the [Filing Manual](#) section A.2.4 Level of Detail, the depth of analysis should be commensurate with the nature of the project and the potential for effects.
- Assessments and studies should be provided to support the selection of abandonment in place or removal of the pipeline.

<sup>5</sup> See definition of “federal lands” in section 2 of the [Impact Assessment Act](#); and refer to sections 81 and 84 of the [Impact Assessment Act](#)

- Where a detailed environmental and socio-economic assessment is required, refer to Tables A-2 and A-3 of the [Filing Manual](#).
- For pipeline segments which are being proposed to be abandoned in place, the following information should be considered in the assessments provided (including the required Tables 1 and 2 of this guide):
  - the potential environmental and socio-economic effects that may result from the abandonment activities (including reclamation);
  - the potential environmental and socio-economic effects that may result from the abandoned pipeline remaining in place over the long-term; and
  - the environmental and socio-economic risks of the abandoned pipeline remaining in place (e.g., water conduit effect, pipeline exposure, ground subsidence) and the mitigation measures to be implemented to reduce those risks (e.g., segmentation, fill), including an explanation of how those measures will sufficiently reduce the risks identified.
- The environmental and socio-economic assessment should include a discussion of alternative means that were considered to reduce any potential greenhouse gas emissions of the project, and how the preferred option was chosen (for example, alternatives to venting gas).
- If cathodic protection systems are proposed to be abandoned in place, the assessment should include consideration of the potential effects that may result from that infrastructure remaining in place over the long term (e.g., soil and groundwater contamination potential).
- For projects that may traverse through the Environment and Climate Change Canada (ECCC)-designated critical habitat, the CER expects applicants to consider that critical habitat when determining reclamation goals. In these cases, additional restoration measures (e.g., tree planting, access control measures) may be warranted to align the goals with the relevant ECCC Recovery Strategy or Action Plan for that species. Applicants should consult with ECCC and appropriate provincial authorities regarding the proposed project prior to application submission.
- Once contamination has been confirmed by analytical testing, a notice of contamination must be submitted to the CER as soon as possible in accordance with the CER's [Remediation Process Guide](#).
- The EPP, or the environmental protection procedures, should include a contingency plan to be implemented in the event that previously unidentified contamination is identified (including measures to be implemented in accordance with the CER's [Remediation Process Guide](#)).
- A condition on the Abandonment Order may be imposed to require the applicant to file reclamation/restoration monitoring reports after the completion of physical abandonment activities. The time period for required reporting can vary and is dependent upon the method of abandonment, mitigation measures applied and nature of the environmental setting. Projects requiring a longer period of time to reach reclamation/restoration goals may be required to submit monitoring reports of greater scientific rigour or over a longer time period.

## Engagement

The CER expects applicants to perform engagement activities for all projects depending upon the respective project scope. Companies must justify the extent of engagement carried out for each project. In designing engagement activities, companies can refer to Chapter 3.4 of the [Filing Manual](#).

1. Provide a summary of the engagement activities that have been undertaken for the abandonment project, with potentially impacted persons and communities, including:
  - owners and users of lands;
  - Indigenous peoples and communities;
  - occupants;
  - land managers (Crown);
  - federal, provincial or municipal agencies or levels of government;

- shippers; and
- other commercial third parties who could be affected by the project.

The summary of engagement should include, at minimum:

- i. a description of any issues or concerns for each abandonment method(s) identified;
  - ii. how input from the engagement activities was considered in determining the proposed abandonment method(s);
  - iii. how input from the engagement activities was considered in the development of the applicant's preliminary reclamation plan;
  - iv. a description of how the applicant has addressed or will address any concerns or issues raised and when;
  - v. a description of any concerns or issues raised that will not be addressed and why; and
  - vi. a description of any outstanding concerns, including how the applicant intends to address any outstanding concerns, or an explanation as to why no further steps will be taken.
2. Provide any details of consultation undertaken for developing reclamation plans.
  3. Provide evidence in the application of sufficient notification of the application filing to the CER.

### **Lands**

1. Describe any land rights proposed to be acquired for the abandonment, including the location and dimensions of the land rights. Provide a description of the land tenure along the right of way, including the approximate length of the pipeline segments that are located respectively along freehold, Federal or Provincial Crown land. For a description of types of land rights, refer to Guide A.4 of the [Filing Manual](#).
2. If any land acquisition agreements will be disposed;
  - i. identify the locations where land acquisition agreements will be disposed
  - ii. identify the proposed timing of disposition and process to notify landowners; and,
  - iii. describe the process available to the landowner should subsequent land issues or concerns arise following the abandonment of the facility and disposition of the easement.

### **Economics and Finance**

1. Provide details of the estimated costs associated with the proposed abandonment, including details of any estimated costs for long-term maintenance and monitoring, as well as contingency funds for unforeseen events, of any pipelines abandoned in place<sup>6</sup>.
2. Confirm that funding is and will be available to finance the proposed abandonment project, and indicate how the proposed abandonment project will be funded (through the trust, tolls or other).
  - a. If funding is through the abandonment trust, indicate whether applying to access the abandonment trust in this application or in a subsequent application.
    - i. If applying to access the abandonment trust to pay for the abandonment activities in this application, provide the information required for accessing a trust found in section B.3.
  - b. Explain how funding will be available for both monitoring and in the event of any unforeseen events.
3. Indicate whether any service would be terminated as a result of the proposed abandonment. If a commercial party or other user could be negatively impacted by the termination of service, provide evidence that:
  - a. the Company has been responsive to the needs, inputs, and concerns of commercial parties or other users;
  - b. the relative impacts to all parties from the abandonment of the facilities versus continuation of service have been considered;

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<sup>6</sup> These activities correspond to Cost Category 3b in Table A3, Revision to Preliminary Base Case Assumptions, set out in the RH-2-2008 Reasons for Decision.

- c. alternatives to the abandonment of the facilities were considered (including physical and tolling alternatives) and that abandonment is the optimal outcome; and
  - d. impacted parties will be able to wait until *after* the Commission issues its decision on the application to make any potentially costly, irreversible choices to continue their business operations after abandonment activities have been completed. If this is not the case, provide evidence justifying why not.
4. Provide the original book cost of the facilities and accumulated depreciation to the retirement date.
    - a. Describe whether the retirement is ordinary or extraordinary.
    - b. Explain any impact on remaining ratebase, providing accounting details as outlined in the *Gas Pipeline Uniform Accounting Regulations* (GPUAR) or *Oil Pipeline Uniform Accounting Regulations* (OPUAR).
  5. Provide, along with supporting documentation, any relevant exemptions the Applicant has been granted by the Commission with respect to 3 or 4 above.

Guidance – Economics and Finance

*Abandonment Costs*

Describe the methodology and assumptions used to estimate costs. Provide a level of detail and technical description appropriate to allow regulators, the public, and others to understand the estimates to a reasonable level.<sup>7</sup> For example, where pipe is proposed to be left in the ground, describe plugging intervals and costs. Where facilities are proposed to be removed, identify the costs for dismantling and removal, reclamation, any remediation, and, where relevant, the costs and expected proceeds from salvage activities, including the timing of receipts of salvage proceeds.

In addition, include information for the topics below in your submission:

*Liability Exposure*

A description of future liabilities including:

- the types of each liability and an estimate of the associated cost; and
- a statement of which abandonment work is associated with a legal obligation and which work is not.

*Financing*

The confirmation that funding is and will continue to be available to fund the abandonment should include:

- an explanation of the economic feasibility of the abandonment; and
- the expected toll treatment and toll impact, including:
  - an explanation of how the tolls were determined;
  - the expected impact, if any, on shippers and other parties;
  - a statement regarding the extent of shippers' and other parties' support for any toll increase; and
  - describe any funding, financial guarantees or other arrangements designed to cover these costs.

If applying to access the trust, see guidance under section B.3.

*Provisions for long-term monitoring and maintenance activities*

- Provide a description of the mechanisms to be used to set aside funds for these activities.
- Provide information for landowners regarding the company's intent to access the trust.

<sup>7</sup> See Chapter 7 Referenced Documents, Abandonment Funding and Planning for documents that describe cost categories that the CER has found useful in examining cost estimates.

- Provide estimates of average annual future costs, in current year dollars, for these activities, as well as the number of years for which the company believes it is to be responsible for such activities.

#### *Termination of Service*

In addition to the information required and guidance provided in Chapter 3.5, if the application would result in the termination of service currently provided to any party, and a commercial party or other user could be negatively impacted by the termination of service, provide the following:

- A description of the process used to assess and identify facilities for abandonment on the pipeline system. In addition, describe how this process was developed (including the consultations that informed the process), how it provides shippers or other users with the ability to meaningfully plan for and mitigate the impacts of potential terminations of service, how it has been communicated to parties and how it ensures equitable treatment of shippers and other users across the pipeline system.
- Sufficient detail to demonstrate that the proposed abandonment construction schedule does not create unnecessary uncertainty for impacted commercial parties or other users, so as to require them to make costly, irreversible choices to continue their operations prior to a Commission decision on the abandonment application.

#### *Accounting Treatment*

The GPUAR or OPUAR prescribe the accounting treatment for both ordinary and extraordinary retirements, including informing the CER if the gain or loss on an extraordinary retirement is material.

### **B.2.2 Reference documents – physical and technical issues related to abandonment**

The National Energy Board, in 2009, published a Land Matters Consultation Initiative report which recommended that knowledge gaps on the physical issues of pipeline abandonment be addressed. Det Norske Veritas (DNV) was commissioned to conduct a literature review regarding the current understanding worldwide with respect to the physical and technical issues associated with onshore pipeline abandonment and use the results of the literature review to critically analyze and identify gaps in current knowledge, and make recommendations as to potential future research projects that could help to fill those gaps ([DNV Scoping Study](#)).

Canadian Energy Pipeline Association and Petroleum Technology Alliance Canada (PTAC) have established the Pipeline Abandonment Research Steering Committee to guide and direct innovation and applied research, technology development, demonstration, and deployment to address knowledge gaps summarized in the DNV Scoping Study. Following are the studies that have been completed and can be found on the [PTAC website](#).

1. Understanding the Mechanisms of Corrosion and their Effects on Abandoned Pipelines
2. Frost Heave Effects on Pipeline Exposure Rates
3. Decomposition of Pipe Coating Materials in Abandoned Pipelines
4. Cleaning of Pipelines for Abandonment
5. Water Conduit Effect in Abandoned Pipelines
6. Review of Previous Pipeline Abandonment Program – TransCanada Peace River Mainline
7. Potential Impact of Power Lines on Corrosion of Abandoned Pipelines
8. Analysis of Pipeline Exposure Data and Scoping Review of Exposure Scenarios
9. Review of Previous Pipeline Abandonment Program – Phase 3 Abandonment on Farmland
10. Risk-Based Decision Making Framework for Pipeline Abandonment

### **B.3 Applications to Access Funds from the Trust to Fund Abandonment**

In the [MH-001-2013 Reasons for Decision](#), the National Energy Board re-affirmed that funds set aside for pipeline abandonment purposes can be made available for abandonments, decommissioning and deactivation. Below is the information required when submitting an application to access funds from a trust.

1. Provide a justification for requesting access to funds from the trust. Include:
  - a. Why other revenue is not sufficient to undertake the work;
  - b. The impact on future tolls or abandonment surcharges, relative to other funding options; and
  - c. Any impacts on the abandonment cost estimate and annual contribution amount from removing funds for end of life work.
2. Provide the actual costs of the project, broken down by cost category and abandonment activity, as reflected in Table A3 and A4 of the [MH-001-2013 Reasons for Decision](#).
3. Describe the accounting treatment that will be used for net salvage (salvage value less end of life costs), if any, and any associated impacts on rate base.
4. Provide an explanation of the impact on the coverage for other future costs of remaining activities needed to complete abandonment.
5. Provide an abandonment funding plan, which includes:
  - a. Preliminary timelines for abandonment activities;
  - b. Preliminary plans for drawing on the funds, including cash needs;
  - c. A preliminary forecast of the annual balance of funds to be set aside each year; and
  - d. In circumstances where abandonment activities are not anticipated prior to the end of the collection period, adequate market information to justify the use of the same collection period for all components of the system.
6. If the costs were for decommissioning activities, confirm that the activities done during decommissioning will not be need to be repeated at time of abandonment and therefore the costs that have been incurred will not be need to be repeated.
7. If the decommissioning/abandonment activities are completed, provide all relevant approvals for those activities.

**Table 1: Comparison of predicted effects from Abandoning in place and removal**

Valued Component	Land-use									
	E.g. Forested		E.g. Native Prairie		E.g. Wetlands		E.g. Watercourse crossings		E.g. Developed lands	
	Effects of Abandon in place	Effects of Removal	Effects of Abandon in place	Effects of Removal	Effects of Abandon in place	Effects of Removal	Effects of Abandon in place	Effects of Removal	Effects of Abandon in place	Effects of Removal
Physical and Meteorological Environment										
Soil and Soil Productivity										
Vegetation										
Water Quality and Quantity										
Fish and Fish Habitat										
Wetlands										

Wildlife and Wildlife Habitat										
Species at Risk, or Species of Special Status, and Related Habitat										
Air Emissions and GHG Emissions										
Acoustic Environment										
Human Occupancy and Resource Use										
Heritage Resources (both Crown and private lands)										
Navigation and Navigation Safety										

Indigenous Traditional Land and Resource Use										
Socio and Cultural Well-Being										
Human Health or Aesthetics										
Infrastructure and Services										
Employment and Economy										
Rights of Indigenous peoples										
Accidents and Malfunctions										
Effects of the Environment on the Project										

Other (please specify)										
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**Table 2 – Environmental and Socio-Economics Interactions Table**

<b>Element</b>	<b>Interaction (Yes or No)</b>	<b>Status of element – specific study or survey (complete, underway, date expected , or underway)</b>	<b>Description of potential effects</b>	<b>Mitigation will be implemented to address potential adverse effects (Yes or No)</b>	<b>Description of mitigation to be applied</b>	<b>Description of residual effects after mitigation, including the spatial and temporal extent of the effects</b>	<b>Specify if there will likely be an interaction between the predicted residual effects of the project and the effects of other projects or activities that have been or will be carried out (Yes or No). If Yes, describe the cumulative effects.</b>	<b>Monitoring Plan and Details</b>
Physical and Meteorological Environment								
Soil and Soil Productivity								
Vegetation								
Water Quality and Quantity								
Fish and Fish Habitat								
Wetlands								
Wildlife and Wildlife Habitat								

Species at Risk, or Species of Special Status, and Related Habitat								
Air Emissions and GHG Emissions								
Acoustic Environment								
Human Occupancy and Resource Use								
Heritage Resources (both Crown and private lands)								
Navigation and Navigation Safety								
Aboriginal Traditional Land and Resource Use								
Socio and Cultural Well-Being								

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Human Health or Aesthetics								
Infrastructure and Services								
Employment and Economy								
Rights of Indigenous peoples								
Accidents and Malfunctions								
Effects of the Environment on the Project								
Other (please specify)								