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National Energy Board
Filing Manual

Note:

With this release, the Filing Manual has been updated to:

1. Section A.3.4 – Physical Projects - Financing
   • Add new guidance
2. Guide B – Abandonment
   • Add new guidance
   • Delete out of date text (housekeeping)
3. Guide P.1 – Tolls and Tariffs: Cost of Service
   • Add new guidance
   • Add new guidance
   • Delete out of date text (housekeeping)
5. Guide R – Transfer of Ownership, Lease or Amalgamation
   • Add new guidance
6. Chapter 7 – Referenced Documents – Section on Abandonment Funding and Planning
   • Add additional references

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## Glossary of Terms

**Abandon**
The permanent cessation of the operation of a pipeline which results in the discontinuance of service.

**Aboriginal**
Includes the Indian, Inuit and Métis peoples of Canada.

**Accountable Officer**
Person appointed as accountable officer under subsection 6.2(1) of the *National Energy Board Onshore Pipeline Regulations* [OPR s.1].

**Action Plans**
The competent minister is required to prepare one or more action plans based on the recovery strategy for a listed species. The action plan or plans and any amendments will be included in the public registry established under the *Species at Risk Act*.

**Adverse Effect**
The impairment of or damage to the environment or the health of humans, or damage to property or loss of reasonable enjoyment of life or property.

**Allowance for Funds Used During Construction (AFUDC)**
An amount allowed to be included in the construction costs of a project or the cost of funds used during the period of construction when a utility undertakes to construct its own facilities.

**Baseline Information**
The state of the environment, or environmental or socio-economic setting for a particular element providing a reference point for the element, with which to compare future conditions, and potential project effects.

**Base Year**
A period, usually a calendar year, of the most recent twelve consecutive months of actual data.

**Booked Amount**
The final amount recorded in the appropriate account under the *Gas Pipeline Uniform Accounting Regulations or the Oil Pipeline Uniform Accounting Regulations*.

**Contaminant**
A substance that is present or released in the environment at an amount, concentration, level or rate that results in or may result in an adverse effect.

**Critical Habitat**
The habitat that is necessary for the survival or recovery of a listed wildlife species and that is identified as the species’ critical habitat in the recovery strategy or in an action plan for the species. [*Species at Risk Act* s.2(1)]
• provide sufficient information to demonstrate that abandonment of the project will return the right of way to a state comparable with the surrounding environment;

• be developed in consultation with the persons or groups potentially affected; and

• provide the estimated total cost to abandon, as well as the Collection Period over which revenue will be accumulated (if proposing a trust as a set-aside mechanism for abandonment funding).

• determine the significance of any effects remaining following mitigation, including the significance of cumulative effects.

A.2.6.2 Mitigation Measures

Filing Requirements – Mitigation Measures

1. Describe the standard and project specific mitigation measures and their adequacy for addressing the project effects, or clearly reference specific sections of company manuals that provide mitigation measures. Ensure that referenced manuals are current and filed with the NEB.

   • If more than one mitigation measure is proposed as a possibility for any particular effect, provide the applicable criteria for selecting the mitigation to use, or describe how measures would be combined to mitigate against a single effect.

   • If new mitigation measures are to be used, provide any test results or a technically-based rationale for their use and describe how their effectiveness will be evaluated.

   • Ensure mitigation measures are appropriate for the scale of impacts predicted.

   • If project effects cannot be avoided, mitigation must reduce or compensate for them.

   • Where an applicant hires a third party to prepare its ESA, provide a statement committing to adopting and implementing all mitigation recommendations included in the ESA. Explain any mitigation recommendations not adopted and provide alternative approaches, as appropriate.

   • Identify the conditions of approvals or permits required by other regulatory bodies related to the mitigation of environmental or socio-economic effects.

2. Ensure that commitments about mitigative measures will be communicated to field staff for implementation through an Environmental Protection Plan (EP Plan). An EP Plan might be simple and concise for smaller, less complex projects but for certain projects (see guidance below), the NEB may require a comprehensive EP Plan. An EP Plan must include all environmental commitments specific to the project and include or cross-reference other plans and programs relied on. Describe any plans or programs that may be used to mitigate potential effects (e.g., waste management plans, invasive species plans, horizontal directional drill contingency plans, heritage resource discovery contingency plans, etc.).

FYI – Reminder…

See Section 1.6 - Previously Filed Material, for guidelines on referring to information already filed with the Board.
3. Describe plans and measures to address potential effects of accidents and malfunctions during construction and operation of the project (see guidance under Identification and Analysis of Effects, Accidents and Malfunctions in Subsection A.2.6). Under the OPR and associated guidance material, companies are required to have a Security Management Program and an Emergency Management Program (see Section 3.3). These programs must be submitted or referenced for each application.

**Guidance - Mitigation Measures**

Mitigation measures are:
- developed during a project’s feasibility study;
- developed during project design;
- defined in the project plan;
- refined as the ESA progresses and the project’s predicted environmental and socio-economic effects become more certain; and
- may be standard or project-specific measures.

The identification and analysis of effects and mitigation measures may be presented together.

**Mitigation Options**

At the application stage of the proposed project, many mitigation measures may still be tentative, subject to further detailed design and to site-specific environmental conditions. For these cases, the ESA must describe:
- the different mitigative options available and being considered; and
- the criteria that would be used for selecting the actual mitigation to be implemented.

Including the options and selection criteria for contingency measures in an EP Plan may avoid having to submit variance applications to the NEB if changes in field conditions require use of construction alternatives.

**FYI – Reminder…**

In some cases, the proposed route or site, route segments, facility design or construction methods may themselves be forms of environmental mitigation when compared to alternative routing, design or construction methods. This may be demonstrated in the application’s discussion of alternatives (see Subsections 4.2.2 and A.2.3) by:
- identifying which design features and construction methods are considered to be mitigation;
- identifying any alternatives that were considered to these features or methods and the proposed routing; and
- providing a comparative analysis of the mitigation measures considered.

**Construction Methods**

An applicant must justify its proposed construction method and why this method is the best alternative. Applicants should consider construction methods that minimize environmental and socio-economic effects while allowing for safe and efficient installation of a pipeline. For
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<td>Comprehensive market analysis with justification that incremental or new volumes will be absorbed. Evidence that downstream facilities are physically able to receive incremental volumes.</td>
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<td>• Description of the sources and methodology used to derive the estimates.</td>
<td>• Justification that pipeline capacity is appropriate.</td>
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<td>• Pipelines with contracted capacity: a detailed description of the transportation contract arrangements underpinning the projected throughput.</td>
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<td>• Description of the sources and methodology used to derive these estimates.</td>
<td>• Other: forecast of projected throughput by commodity, receipt location and delivery point.</td>
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<td>Fewer shippers</td>
<td>Comprehensive market description and assurance of demand for incremental volumes. Assurance that downstream facilities are physically able to receive incremental volumes.</td>
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<td>• Before expansion.</td>
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<tr>
<td></td>
<td>• Description of the sources and methodology used to derive these estimates.</td>
<td>• Incremental capacity added and total capacity following expansion.</td>
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<td></td>
<td>Contractual Arrangement(s):</td>
<td>• Justification that the additional capacity is appropriate.</td>
<td></td>
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<tr>
<td></td>
<td>• A description of any relevant supply arrangements.</td>
<td>Contractual Arrangement(s):</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Local Connection</td>
<td>New Pipeline (smaller project)</td>
<td>• Pipelines with contracted capacity: evidence of the transportation contract arrangements underpinning the projected throughput.</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Expansion (smaller project)</td>
<td>• Other: forecast of projected throughput by commodity, receipt location and delivery point.</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
A.3.4 Financing

Goals
The application provides a discussion of the following points:
• the applicant’s ability to finance the proposed facilities;
• the method of financing the facilities;
• any changes to the financial risk of the company associated with its intended method of financing the facilities;
• the impact of the proposed facilities on the applicant’s abandonment cost estimate and the collection of these costs; and
• the toll impact of the proposed facilities including the extent of any cross-subsidization.

Filing Requirements

1. Provide evidence of the ability to finance the proposed facilities.
2. Indicate the estimated toll impact for the first full year that the facilities are expected to be in service.
3. Confirm shippers have been apprised of the project and associated toll impact. Provide a summary of their concerns, if any, and the plans to address these concerns.
4. Provide a discussion on how the applicant will address the impact of the proposed facilities on funding for abandonment;
5. For applications with significant toll impacts, provide additional toll details for:
   • existing facilities;
   • the aggregate of existing and proposed facilities; and
   • the first five years that the proposed facilities are forecast to be in service.

Guidance
The NEB needs sufficient information to allow it and interested parties to understand the application and the impacts on third parties, and to make a decision. The information provided should demonstrate that the applied-for project is financially sound given the approved toll methodology and that it is not being cross-subsidized in an inappropriate manner.

While the NEB would find the information identified in the filing requirements to be satisfactory in most instances, it may be necessary to provide further information. In general, more detailed
information should be provided for projects that are greater in complexity and scope. Examples of factors that could affect the complexity and scope of a project include the:

- toll impact of the proposed facilities;
- proposed toll design methodology;
- level of market power held by the applicant, including its affiliates;
- number of shippers on the system;
- number of third parties that could be affected by the proposed facilities and the level of effect on these parties; and
- the financial risk assumed by the applicant.

Determine the level of information to include for each filing requirement based on the factors described above, and provide any additional information that would be pertinent.

**Finance Information**

Evidence that the applicant has the ability to finance the proposed facilities should include, but not be limited to:

- a description of the intended methods and sources of financing the proposed facilities;
- a description of any financing already in place; and
- a description of any restrictive provisions concerning future financing, any changes in capital structure, the impact on interest coverage ratios and other factors that could affect the financing of the proposed facilities.

**Toll Details**

Toll details will include:

- the annual toll impact;
- where tolls are cost-based, the cost of service and rate base by main elements;
- where tolls are not cost-based, the revenues from and costs of providing service by main elements;
- the method and rates of depreciation by plant accounts, if different from those approved by the NEB; and
- if not already filed with the NEB, copies of the relevant additional tariffs, transportation contracts or operating agreements associated with the new facilities.

**Abandonment Funding Information**

In 2008 the National Energy Board identified the following issue: What is the optimal way to ensure that funds are available when abandonment costs are incurred?

The Board determined, in the RH-2-2008 Reasons for Decision, that abandonment costs are a legitimate cost of providing service and are recoverable upon Board approval from users of the
system. The Board also stated that landowners will not be liable for costs of pipeline abandonment.

All pipeline companies regulated under the National Energy Board Act are required to comply with the Board’s decisions regarding abandonment funding.

Applicants with existing NEB-regulated facilities must use their Board-approved Abandonment Cost Estimate to calculate the annual amount to be set aside. Each Applicant must use the specific methodology that was approved for it by the Board in the MH-001-2013 Reasons for Decision.

For Group 1 companies, calculate the change in Abandonment Cost Estimate relative to the total Board-approved Abandonment Cost Estimate for this system.

For Group 2 companies, calculate the change in Abandonment Cost Estimate relative to the total Abandonment Cost Estimate for all your NEB regulated pipelines.

Information on abandonment funding should include the following:

- Current Board-approved Abandonment Cost Estimate.
- Change these proposed facilities will have on the Board-approved Abandonment Cost Estimate.
- Description on how you intend to address the change in your Abandonment Cost Estimate (i.e. how will this impact your set aside mechanism, collection mechanism, tolls or tariffs).

Applicants new to the Board’s regulation require approval of the Abandonment Cost Estimate for the proposed facilities, as well as a process and mechanism for setting-aside abandonment funds. Information on abandonment funding should include the following:

- Proposed Abandonment Cost Estimate for the facilities.
- Description on how you intend to set-aside funds (either a trust, letter of credit, or surety bond) and a draft copy of the proposed set-aside mechanism;
  - If using a trust, a proposed trustee for the trust, and a description of whether or not the trustee is regulated under the Trust and Loan Companies Act; and
- Description on how you intend to collect the funds.

A.3.5 Non-NEB Regulatory Facility Approvals

Goal
The application includes information on other regulatory processes that are being undertaken with respect to the project.
Filing Requirements

Confirm that all non-NEB regulatory approvals required to allow the applicant to meet its construction schedule, planned in-service date and to allow the facilities to be used and useful are or will be in place.

If any of the approvals referred to in #1 may be delayed, describe the status of those approval(s) and provide an estimation of when the approval is anticipated.

Guidance

The NEB requires information regarding the status of all required federal, provincial and municipal approvals or authorizations to be reasonably assured that there are no issues before other regulators that would prevent or delay either the construction or use of the applied-for facilities. Updates on status may also be provided after an application has been submitted.

A.4 Lands Information

Goals

The application includes accurate documentation on land areas, land rights, the service of notice, the land acquisition process, and includes sample agreements and notices.

A.4.1 Filing Requirements – Land Areas

Ensure the land documentation includes the following:
• the width of the RoW including the locations where the width varies;
• the locations and dimensions of known temporary work space required for the project or, if locations are not known, a drawing showing the typical dimensions of the temporary work space required for road, watercourse and other crossings, storage areas and camps; and
• the locations and dimensions of any new lands required for all associated facilities.

Guidance – Land Areas

A description of the requirements and rationale for both temporary and permanent lands allows the Board to assess the appropriateness of the land areas. The description should include the dimensions of the:
• RoW;
• temporary working space;
• valve sites;
• cathodic beds;
• pole lines;
• access roads;
• meter stations; and
• facilities such as compressor or pumping stations.
Describe the location and distance of any changes to RoW width and the reasons for the change.

Where new lands under any type of agreement are not required for the project, this should be clearly stated in the application and no further land area information needs to be filed.

### A.4.2 Filing Requirements – Land Rights

1. Provide a description of the type of land rights proposed to be acquired for the project and related facilities.

2. Provide a description of the nature and relative proportions of land ownership along the proposed route (i.e., freehold, Crown or public lands).

3. Where no new land rights are required, provide a description of the existing land rights that allow for the project.

### Guidance – Land Rights

The description of the land rights will inform the Board and landowners of the different types of land rights needed for the project (e.g., option, easement, fee simple, statutory RoW, temporary work space, permit or licence, etc.) and the areas where existing land rights allow for the project.

A description of the land ownership informs the Board of the land acquisition areas and agreements required for the project.

### Appropriate Dispute Resolution (ADR)

The Board fosters open and respectful discussion between parties affected by NEB regulated projects to settle issues that may arise between parties throughout the project lifecycle. The Board recognizes that a range of interest-based dispute resolution techniques, appropriate to the circumstance, are available and may be effective in dealing with such issues and disagreements. Interest-based techniques should be considered as alternative or complementary to traditional regulatory or litigated processes, such as the Detailed Route Hearing, and at the earliest opportunity for best results.

Parties are encouraged to consider ADR in their project planning and as soon as possible to resolve issues and manage conflict. Board staff with ADR specialization are available to assist stakeholders identify and design dispute resolution processes appropriate to their unique needs at any stage of the project.

### A.4.3 Filing Requirements – Lands Acquisition Process

1. Provide a description of the proposed process for acquiring the lands required for the project.

2. Provide the timing of acquisition and the current status of acquisition.

3. Provide the status of service of notices on all owners of lands to be acquired pursuant to subsection 87(1) of the NEB Act.
Guide B – ABANDONMENT FUNDING AND APPLICATIONS TO ABANDON

B.1 Funding for Abandonment

All pipeline companies are required to follow the National Energy Board Onshore Pipeline Regulations, which include a systematic approach to pipeline management, including abandonment. Those regulations require all NEB-regulated pipeline companies to establish, implement and maintain a management system that, among other things, integrates a pipeline company’s operational activities with its management of financial resources to meet its obligation to abandon its pipeline system. A systematic approach requires a pipeline company to have a documented organizational structure that sets out accountabilities, roles and responsibilities in relation to pipeline abandonment.

Companies’ management of financial resources includes the proactive management of their obligations relating to the set aside and collection of abandonment funds. The Onshore Pipeline Regulations require pipeline companies to, as part of their management system, establish and implement a process for, among other things:

- Regular review of objectives and targets required to meet companies’ obligations to abandon a pipeline (assumptions would be refined as more detailed plans and assessments are developed);
- Identifying and managing any change that could affect pipeline abandonment, including financial aspects of pipeline abandonment (for example, changes to the assumptions underlying pipeline abandonment such as various pipeline segments or sets of facilities that may be abandoned on different timelines);
- Evaluating and managing the risks associated with, among other things, the financial aspects of pipeline abandonment;
- The internal and external communication of information relating to pipeline abandonment; and
- Identifying the documents required for the pipeline company to meet its obligation to abandon a pipeline.

Goal

As of 1 January 2015, NEB-regulated pipeline companies must have a process and mechanism in place that will provide adequate funds to pay for pipeline abandonment. Companies should also institute governance practices relating to pipeline abandonment, which are one component of the systematic approach required by the National Energy Board Onshore Pipeline Regulations.

B.1.1 Cost Estimates

Companies are required to file their abandonment cost estimates for Board approval. Companies’ filings should also include a description of the methodology and assumptions used to estimate costs. Provide a level of detail and technical description appropriate to allow a person to form a reasonable understanding the estimates to a reasonable level. See Chapter 7 Referenced Documents, Abandonment Funding and Planning for documents that describe cost categories,
abandonment assumptions and methodologies that have been used by companies and/or approved by the Board in the past.

**B.1.2 Protection of Funds**

Pipeline companies must establish a trust or provide a letter of credit issued by a bank listed in Schedule 1 of the *Bank Act*, or a surety bond supplied by a surety company regulated by the Office of Superintendent of Financial Institutions. A model trust agreement, letter of credit and surety bond can be found in Reasons for Decision MH-001-2013. For information on accessing abandonment funds included in a letter of credit or surety bond, see the appropriate checklists and Table B-1 or Table B-2 below.

**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. Companies are encouraged to consult Chapter 7: Referenced Documents, Abandonment Funding and Planning, for reference documents issued by the Board in regards to trusts. In particular, Appendix VI of the MH-001-2013 Reasons for Decision sets out Indicative Terms for companies proposing trusts. These should be viewed as the substantive minimum requirements that must be incorporated into a trust agreement. The Board has also issued subsequent compliance decisions regarding companies filing trusts.

**B.1.2.2 Letter of Credit**

If a company is using a letter of credit to set-aside funds, the financial instrument must meet the criteria included in the checklist below. To obtain funds please fill out the information included in Table B-1 or Table B-2.

**Letter of Credit Checklist:**

- **Physical letter filed with the Board:** Ensure that the physical letter of credit is filed with the Board and not a draft.
- **Amount:** The letter of credit must be equal to a company’s approved Abandonment Cost Estimate (ACE). The Board does not allow growing letters of credit.
- **Beneficiary:** The beneficiary must be identified as “Her Majesty the Queen in Right of Canada as represented by the National Energy Board”;
- **Duration:** The letter of credit must automatically renew on an annual basis (on 1 January each year) 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;
- **Notification:** The beneficiary must be notified by fax and registered mail (to the attention of the Secretary of the Board) 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).

Source: (Reasons for Decision MH-001-2013, Adobe Page 111 and 112 of 176)

**B.1.2.3 Surety Bond**

If a company is using a surety bond to set-aside funds, the financial instrument must meet the criteria included in the checklist below.

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 National Energy Board”;
- The term of the bond must be indefinite. The bond may have a form of evergreen provision that automatically renews the bond unless notice of termination is given;
- The 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 bond must be structured as an on demand instrument. This may be accomplished by requiring the surety to pay the 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 bond must reference the underlying regulatory obligations of the principal. For pipeline abandonment, the bond should reference the *National Energy Board Act*, RH-2-2008 Reasons for Decision, the Board document approving the pipeline company’s cost estimate, and the MH-001-2013 Reasons for Decision; 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 Board. If these options are set out in the bond, then the Board must have the discretion to choose among them.

Source: (Reasons for Decision MH-001-2013, Adobe Page 113 of 176)

**B.1.3 Regular Reporting**

All companies must file an annual update with respect to abandonment funding by 31 January of each year. The annual reporting form for companies using a trust can be found in Appendix XV of Reasons for Decision MH-001-2013. The annual reporting form for companies using a letter of credit or surety bond can be found in Appendix XVI of Reasons for Decision MH-001-2013.
B.2 Applications to Abandon (NEB Act paragraph 74(1)(d) and OPR s.50)

Section 50 of the OPR states:

50. A company shall include in an application made under section 74 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.

Goal
The application must include the rationale for the abandonment and the measures to be employed in the abandonment as well as evidence that:

• the proposed abandonment will be carried out in a technically safe manner;
• potential environmental, socio-economic, economic and financial effects are identified and addressed; and
• all landowners and other persons potentially affected are sufficiently notified and have their rights protected.

B.3 Filing Requirements - Engineering

1. Confirm abandonment activities will follow the requirements of the latest version of CSA Z662.

2. Provide:
   • a rationale for the abandonment;
   • a complete description of the facilities being abandoned;
   • an assessment of the potential safety hazards related to the facility abandonment and the mitigative actions planned to reduce such hazards; and
   • a plan outlining how the facility will be prepared for abandonment and how it will be monitored, if necessary, during its abandonment.

3. Pipeline abandonment details – please refer to the Engineering Section in Guide K – Decommissioning

B.4 Filing Requirements - Environment and Socio-Economic Assessment

Additional information...
An ESA is required for applications for abandonment. See Section A.2 in Guide A for filing requirements in addition to those in this Guide.
1. Describe the different ecological settings found at the project location and identify the different land uses that are or will be in place, if known.

2. Identify the ecological settings (identified in 1) in which each of the project components to be abandoned is located.

3. Describe and justify the methods that will be used to clean up any contamination found at the project component sites and:
   • quantify the amount of contamination that may exist;
   • describe special handling techniques that will be used; and
   • identify regulatory requirements that will be followed for cleanup and disposal.

4. For each project component, describe:
   • how and when it will be abandoned;
   • how the environment will be reclaimed; and
   • how the abandonment is appropriate for the ecological setting where it is located.

5. Use an appropriate level of detail and technical description to allow regulators, the public and others to thoroughly understand what is being proposed.

6. Describe any regulatory requirements for reclamation and remediation and how these requirements will be met.

7. Identify historical spills and releases that have occurred on the area to be abandoned.

**B.5 Filing Requirements - Economics and Finance**

See Chapter 7: Referenced Documents, Abandonment Funding and Planning for documents related to estimating costs of abandonment, including provision for post-abandonment funding.

1. Provide details of the costs associated with the proposed abandonment, including details of any estimated costs for post abandonment monitoring and contingency.

2. Confirm that funding is and will be available to finance the proposed abandonment project, and explain how funding will be available for post-abandonment activities (both monitoring and coverage of any future events).

3. Provide the original book cost of the facilities and accumulated depreciation to the retirement date.

4. 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), including details of whether the retirement is ordinary or extraordinary.
B.6 Filing Requirements - Lands Information

1. Describe the location and the dimensions of the existing RoW and facility lands that would be affected by the abandonment.

2. Provide a map or site plan of the pipeline or facility to be abandoned.

3. Identify the locations and dimensions of known temporary work space required for the abandonment.

4. Describe any easement proposed to be acquired for the abandonment, including the location and dimensions of the easement;

5. Provide a record of public consultation activities that have been undertaken for the abandonment. This record should include a description of:
   • all discussions with landowners regarding the easement;
   • a summary of any issues or concerns identified by the landowner regarding the easement, surrendering of the easement or the lands proposed to be acquired; and
   • how the applicant proposes to address any concerns or issues raised by potentially affected people or landowners or an explanation as to why no further action is required.

6. Provide the details of any reclamation plans developed in consultation with landowners affected by the proposed abandonment.

7. If any easement will be surrendered:
   • identify the lands where easement will be surrendered;
   • describe the contingency plans that will be put in place to protect the landowner should subsequent land issues arise following the abandonment of the facility and surrender of the easement; and
   • file evidence to demonstrate that affected landowners have been advised of the proposed abandonment and that if the Board approves the abandonment, the Board will no longer have jurisdiction over the pipeline.

Guidance

*Environment and Socio-Economic*

*Abandonment Plan*

An application to abandon the operation of a pipeline could include an abandonment plan tailored to the individual project and should include input from interested parties such as:

• landowners;
• aboriginal groups;
• occupants;
• land managers;
• lessees;
• municipal agencies (federal or provincial);
• shippers; and
• upstream and downstream users.

If an abandonment plan is shared with interested parties, any comments from these stakeholders should be considered and, where appropriate, incorporated into the plan.

Environmental, safety and land-use issues may all be considered in the application. The application may also address reclamation of sites where surface facilities have been or will be removed and the management of any pipeline components that will be maintained in a deactivated state.

**Abandonment-in-Place or Removal of Pipeline**

Assessments and studies should be provided to support the choice between abandonment-in-place or removal of the pipeline. If the pipeline is to be removed, assess the impact of the removal on the environment. If the pipeline is to be abandoned in place, refer to CSA Z662.

**Additional Information**

The following discussion papers were authored collectively by the NEB, Alberta Energy and Utilities Board, Canadian Energy Pipeline Association and Canadian Association of Petroleum Producers and provide guidance on responsible abandonment and methods of approach:


In 2009, the NEB’s Land Matters Consultation Initiative, a public forum to discuss various landowners concerns, generated a report, in part identifying the need for clarification on how pipeline abandonment is monitored. This report is available on the NEB website (http://www.neb-one.gc.ca/prtcptn/pplnbndnmnt-eng.html)

Additional information can also be obtained in the CCME *National Guidelines for Decommissioning Industrial Sites*, available on the CCME website (http://www.ccme.ca/files/Resources/csm/pn_1074_e.pdf)

**Economics and Finance**

**Abandonment Costs**

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

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.

**Liability Exposure**
The description of future liabilities should include:
- 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.

**Provisions for Post-Abandonment**
- Provide a description about the mechanisms to be used to set-aside funds for post-abandonment activities.
- Provide information for landowners regarding access to funds.
- Provide estimates of average annual future costs for post-abandonment activities, as well as the number of years for which the company believes it is to be responsible for such activities.

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

**Next Steps....**
File the completed application. Applicants are encouraged to include the completed relevant checklists from Appendix I.
Additional information...

Pursuant to subsection 60(1) of the National Energy Board Act (the Act), all companies may only charge tolls specified in a tariff that has been filed with the Board and is in effect or that have been approved by an order of the Board.

Pipeline companies regulated by the Board are divided into two groups for financial regulation purposes. Group 1 companies are generally identified as those with extensive systems under the Board’s jurisdiction, whereas those with lesser operations are designated as Group 2 companies. Companies may be designated as Group 1 either in the Board’s Gas Pipeline Uniform Accounting Regulations or Oil Pipeline Uniform Accounting Regulations (collectively, the G/OPUAR), or by direction of the Board. Group 1 companies are listed in section P.6 of this Guide.

A Group 1 pipeline company not regulated on a complaint basis (see footnote 5 in Guide R) that has not reached a negotiated settlement with its interested parties is regulated on a cost-of-service basis and is required to provide the information outlined in the filing requirements within sections P.1 to P.5 of this guide.

If a company has reached a negotiated settlement with its interested parties, the filing requirements are outlined in the Revised Guidelines for Negotiated Settlements of Traffic, Tolls and Tariffs dated 12 June 2002.

For Group 2 companies, the requirements are outlined in section P.6 of this guide, Regulation of the Traffic, Tolls and Tariffs of Group 2 Companies.

All companies must comply with the Board’s RH-2-2008 Reasons for Decision. A summary of the filing requirements in respect of this decision is included in section P.7, Abandonment Costs.

This guide addresses:

• cost of service;
• rate base;
• financial statements;
• cost of capital; and
• tolls and tariffs.

Level of Detail

The information required for these applications will generally vary with the complexity of the issues and the degree of change from previously approved applications. Some factors to consider in determining the amount of information to provide include:

• the proposed toll design methodology;
• the number of shippers on the system;
• the level of market power held by the applicant, including its affiliates; and
• the size of the toll increase or decrease.
Definitions
In general, the accounting terminology used in this portion of the manual is defined in either the Gas Pipeline Uniform Accounting Regulations (GPUAR) or the Oil Pipeline Uniform Accounting Regulations (OPUAR), as appropriate.

Goals
The tolls and tariffs application includes a discussion of the following points:
- the revenue requirement that the applicant is seeking to recover in its tolls and how the revenue requirement is determined;
- the applied-for toll design and tolls, including evidence that the tolls are just and reasonable and not unjustly discriminatory; and
- any revisions to the applicant’s tariff.

P.1 Cost of Service

Filing Requirements
1. Describe the steps that were taken with interested parties to discuss issues and to attempt to reach a negotiated settlement.

2. Provide a summary schedule of the total cost of service (i.e., total revenue requirement), showing booked amounts for the base year, and projected amounts for the current year and test year, as well as year-to-year changes for the following cost components:
   - operating, maintenance and administrative expenses;
   - transmission by others;
   - depreciation and amortization of plant;
   - income taxes;
   - taxes other than income taxes;
   - miscellaneous revenues;
   - return on rate base;
   - deferred items; and
   - other items.

3. Provide an analysis of each cost component of the cost of service listed above, showing, by major cost category:
   - the total booked amounts for the base year;
   - the current year projection; and
   - the test year projection.

   Provide explanations for significant year-to-year increases or decreases.
Where costs result from an allocation between regulated and non-regulated business entities, the analysis must include:

- the gross costs;
- the costs allocated to each of the regulated entities;
- the total costs allocated to the non-regulated entities;
- a description of the cost allocation methodology; and
- an explanation of the appropriateness of the allocation methodology.

4. For any deferral account, provide schedules showing the derivation and monthly accumulation of balances and the calculation of any carrying charges, indicating which amounts are actual and which are estimated.

5. Provide a schedule reconciling the additions to the plant accounts with additions to income tax Capital Cost Allowances for the base, current and test years.

6. Provide a schedule detailing the changes in the deferred tax balance for the base, current and test years.

7. Provide the estimated total cost to abandon, as well as the Collection Period over which revenue will be accumulated. (See Chapter 7: Referenced Documents, Abandonment Funding and Planning, for related guidance).

**Guidance**

**Major Cost Category Information**

Provide information for major cost categories at a sufficient level of detail to allow intervenors to assess the reasonableness of the costs. The Board expects the application to include at least the following:

- For municipal taxes, provide a schedule comparing base, current and test year amounts by province, breaking down variances into amounts due to changes in:
  - mill rates;
  - reassessments; and
  - facility additions.
- For income tax, provide schedules for the income tax provisions of each of the base, current and test years, with cross-references to supporting schedules as applicable, showing:
  - the derivation of the utility income after tax;
  - the carrying charges on deferrals;
  - the effective income tax rate;
  - the Capital Cost Allowances;
  - the disallowable expenses;
  - the interest portion of the allowance for funds used during construction (AFUDC);
• the utility capital and non-capital losses carried forward;
• the Large Corporation Tax; and
• other significant items.

• For salaries and wages, provide cost schedules for the base, current and test years, with explanations of changes from year to year, detailing the following:
  • general salary increases;
  • merit increases;
  • promotions and progressions;
  • management incentive compensation;
  • severance payments;
  • staffing levels (full time equivalents, if appropriate);
  • any allocation methodology; and
  • other relevant factors.

Support the cost schedules with schedules showing the number of permanent and temporary employees (or full time equivalents) for each period.

For oil pipelines, provide:
• schedules of fuel and power costs, for the base, current and test years, that illustrate the derivation of the energy requirements and corresponding costs; and
• a schedule showing the derivation of a five-year historical oil loss or gain as a percentage of receipts of oil or other products transported through the pipeline system.

**Abandonment Funding**

See Chapter 7: Referenced Documents, Abandonment Funding and Planning for documents that describe the requirements for pipeline abandonment cost estimates, set-aside and collection mechanisms and other Board direction regarding abandonment funding.

**Foreign Currency**

Where a transaction occurred in a foreign currency, include a description of the method used to derive the exchange rate that was applied.

**Transactions Involving an Affiliate**

Where contracted services are either from or to an affiliate, provide the details of the transactions, including evidence that the cost of the contracted services is reasonable.
13. **Capital Issuances**: The application shall include a description, for the past five years, of any debt, equity, and other capital issuances, their net/gross proceeds, and description of their use.

14. **Summary Schedule**: The application shall include a summary schedule for the year(s) covered by the application, showing the requested rates of return for each class of capital (if applicable), deemed capital structure (if applicable) and derivation of the return on rate base.

15. **Fair Return Standard**: The application shall explicitly demonstrate how the applied-for total return on capital meets all requirements of the fair return standard by describing the extent to which the applied-for return:
   - is comparable to the return available from the application of the invested capital to other enterprises of like risk (the comparable investment requirement);
   - enables the financial integrity of the regulated enterprise to be maintained (the financial integrity requirement); and
   - permits incremental capital to be attracted to the enterprise on reasonable terms and conditions (the capital attraction requirement).

**P.5 Tolls and Tariffs**

**Filing Requirements**

1. Provide a concise description of the regulated pipeline system and operations, including a system map showing any toll zones or delivery areas.

2. Describe the applied-for toll design and explain any changes in the toll design from that previously approved by the NEB, including:
   - a description of the classes or types of services offered;
   - the method used to allocate costs to major pipeline functions and to classify costs between fixed and variable costs;
   - details of the cost allocation units used to derive the proposed test year tolls;
   - the method used to allocate costs to toll zones or areas, customers and classes or types of service, and the details and bases for such allocations; and
   - for oil pipelines, supporting information and calculations to illustrate the determination of toll differentials for each product type or charges for special services.

3. Provide a comparative schedule of test year revenues for each class or type of service under the existing and the proposed tolls.

4. Describe requested tariff revisions together with the rationale for the revisions with schedules comparing the proposed changes to existing tariff sheets.
Guidance
Include sufficient information to allow the NEB to assess whether the proposed tolls are just and reasonable and not unjustly discriminatory. The application should also include evidence that the proposed tolls are designed to recover the requested revenue requirement, including funding required for abandonment.

For a pipeline company with a complex toll design, include sufficient information to fully explain the toll design for the test year, with a focus on changes from that previously approved by the NEB. Provide detailed information and schedules to explain:

• the allocation units used in the toll design, including contract and throughput volumes for each customer and class of service where appropriate; and

• the methods used to allocate costs to various customers, toll zones and delivery areas.

Next Steps....
File the completed application. Applicants are encouraged to include the completed relevant checklists from Appendix I.

P.6 Regulation of the Traffic, Tolls and Tariffs of Group 2 Companies
Any pipeline company regulated by the Board which is not a Group 1 company is considered to be a Group 2 company. The following companies are designated as Group 1 companies:

Natural Gas
Alliance Pipeline Ltd.
Foothills Pipe Lines Ltd.
Gazoduc Trans Québec & Maritimes Inc.
Maritimes & Northeast Pipeline Management Ltd.
NOVA Gas Transmission Ltd.
TransCanada PipeLines Limited
Westcoast Energy Inc.

Oil and Products
Enbridge Pipelines Inc.
Enbridge Pipelines (NW) Inc.
Kinder Morgan Cochin ULC
Trans Mountain Pipeline ULC
Trans-Northern Pipelines Inc.
TransCanada Keystone Pipeline GP Ltd.

All other pipeline companies regulated by the Board are Group 2 companies for traffic, tolls, tariff and financial regulation.

Tolls and Tariffs
The financial regulation of Group 2 companies is normally carried out on a complaint basis, with a consequent reduction in financial reporting requirements.
Group 2 companies are not normally required to provide the detailed information to support a tariff filing required of Group 1 companies. The Board regulates the traffic, tolls and tariffs of Group 2 companies on a complaint basis. Group 2 companies are required to include in their tariffs the following explanatory note:

The tolls of the Company are regulated by the National Energy Board on a complaint basis. The Company is required to make copies of tariffs and supporting financial information readily available to interested persons. Persons who cannot resolve traffic, toll and tariff issues with the Company may file a complaint with the Board. In the absence of a complaint, the Board does not normally undertake a detailed examination of the Company’s tolls.

It is the responsibility of a Group 2 company to provide its shippers and interested parties with sufficient information to enable them to determine whether a complaint is warranted. Upon receipt of a written complaint, an application under Part IV of the Act or on its own initiative, the Board may decide to examine a toll and to make the toll interim, pending completion of this examination. In this circumstance, the Board may request additional information including some or all of the information required of Group 1 companies as specified in sections P.1 through P.5 in Guide P of the Board’s Filing Manual.

**Accounting Requirements and Financial Reporting**

The Board has exempted all Group 2 companies from the requirement to keep their books of account pursuant to the code of accounts prescribed in the G/OPUAR. The Board only requires that Group 2 companies maintain separate books of account in Canada in a manner consistent with generally accepted accounting principles and file audited financial statements within 120 days after the end of each fiscal year. Such statements should provide details of revenue and costs associated with the regulated pipeline. Where a Group 2 company operates a joint venture pipeline, it is required to disclose in its audited financial statements its beneficial share of revenue and costs associated with the regulated pipeline and to file a gross operating statement for the joint venture pipeline indicating whether, and if so by whom, this statement has been audited.

In some instances, the Board has granted relief from the requirement to file financial statements. These instances have primarily concerned small shipper-owned pipelines with no direct dealings with third parties. A Group 2 company may apply for similar relief explaining the particular circumstances which would justify an exemption from this requirement.

The Board has exempted Group 2 companies from the **Toll Information Regulations**. The Board does not require Group 2 companies to provide periodic financial information, such as quarterly surveillance reports, for the purpose of monitoring the financial performance of these companies. As circumstances dictate, the Board may perform an audit of the company’s records.

Whether they charge tolls or not, Group 2 companies are required to report to the NEB on funding for abandonment. See Chapter 7: Referenced Documents, Abandonment Funding and Planning for future guidance on details of pipe location, abandonment plans and cost estimates, as well as Collection Period.
P.7 Abandonment Costs

As of 1 January 2015 NEB-regulated pipeline companies must have a mechanism in place that will provide adequate funds to pay for pipeline abandonment. Pipeline companies must establish a trust or provide a letter of credit issued by a bank listed in Schedule 1 of the Bank Act, or a surety bond supplied by a surety company regulated by the Office of Superintendent of Finance Institutions. A model trust agreement, letter of credit and surety bond can be found in the MH-001-2013 Reasons for Decision.

A company’s application should include any changes related to abandonment funding. Provide a discussion and justification of these changes, including any changes related to the total cost estimated for abandonment, the manner which the funds will be set-aside, and how the funds are to be collected, including the pace of collecting funds.

Companies are encouraged to consult Chapter 7: Referenced Documents, Abandonment Funding and Planning, to learn more about the principles, estimation methods, filing formats and other expectations regarding funding abandonment.
Guide R – Transfer of Ownership, Lease or Amalgamation
(NEB Act Paragraph 74(1)(a), (b) and (c))

An application filed pursuant to paragraph 74(1)(a), (b), or (c) is usually followed by one or more of the following applications:

- review or amend an NEB decision, pursuant to section 21 of the NEB Act;
- leave to open, pursuant to section 47 of the NEB Act;
- addition to or modification of facilities, pursuant to sections 52 or 58 of the NEB Act; or
- tolls and tariffs, pursuant to Part IV of the NEB Act.

The information that is required for this portion of the application will be made available to the Board from two sources:

- the company divesting the facilities; and
- the company acquiring the facilities.

Goal

The application includes information describing:

- the nature of the transaction that invokes section 74 of the NEB Act and the facilities involved;
- the new owner and operator; and
- the intended use of the facilities as well as any changes in the conditions of service offered.

Filing Requirements

The company divesting of the facilities must provide the following information:

1. Describe the nature of the transaction (i.e., is the transaction a transfer of ownership, lease or amalgamation).

2. Provide a map or maps of the pipeline and the relevant upstream and downstream facilities, and identify any pipeline facility that could become stranded as a result of the transaction.

3. Provide a confirmation that a copy of the records set out in section 10.4 of CSA Z662-11 and section 56(e) to 56(g) of the OPR have been provided to the new owner of the facilities.

4. The estimated cost to abandon the facilities.

The company acquiring the new facilities must provide the following information:

1. Identify the new owner and operator of the pipeline including the appropriate contact information.

2. The original cost of the asset, depreciation and net book value.

3. The purchase price of the asset.
4. Describe the intended long-term use of the facilities.

5. Describe any changes in the conditions of service offered on the pipeline, including the estimated toll impact.

6. If the records set out in section 10.4 of CSA Z662-11 and section 56(e) to 56(g) of OPR do not exist, the applicant is to provide a plan detailing how it will acquire the information/records necessary to maintain and operate the facilities safely.

Guidance

Circumstances of Application

NEB Regulated to NEB Regulated

When the pipeline is already regulated by the Board, an Order or a Certificate of Public Convenience and Necessity would have been issued once the Board had determined that the facilities:

• would be constructed and operated in a safe and an environmentally sound manner; and
• were required for the present and future public convenience and necessity.

As a result, when a transaction involving the sale, conveyance, lease, purchase or amalgamation of an NEB-regulated pipeline is to occur, the Board needs assurance that, notwithstanding any changes in operation or configuration that are expected to occur, it would continue to be in the public interest to operate the facilities.

Both companies involved in the transaction are required to apply to the Board for leave to proceed with the transaction. It is strongly suggested that the companies jointly make the application. Subsequent to receiving leave from the Board to effect the transaction, the companies must notify the Board when the transaction has been completed. At this time, the company acquiring the facilities must apply under section 21 of the NEB Act (see Guide O) to have the existing Order or Certificate amended to reflect the transaction.

If the operation of the pipeline is to be changed, the acquiring company must also meet the requirements of the relevant section(s) of the OPR or PPR and possibly either section 52 or section 58 of the NEB Act.

Group 1 pipeline companies not regulated on a complaint basis may be required to apply under Part IV of the NEB Act if tolls and tariffs matters need to be addressed (see Guide P, Tolls and Tariffs).

13 In 1985, for financial regulatory purposes, the Board divided the pipeline companies under its jurisdiction into two groups: Group 1 companies with more extensive systems; and Group 2 companies that operate smaller systems. The decision also stated that Group 2 pipeline companies were to be regulated using the complaint approach. The Board has also decided to use the complaint approach for certain Group 1 pipelines.

Under the complaints approach, the pipeline is responsible for providing shippers and other interested parties with sufficient information to enable them to ascertain whether the tolls are reasonable. Tariffs, once filed with the Board, automatically become effective and are presumed to be just and reasonable unless a complaint is filed and the Board is convinced that it needs to examine the tolls.
Non-NEB Regulated to NEB Regulated
The acquiring company is required to submit the application and should apply concurrently under either section 58 or section 52 of the NEB Act (see Guide A), as if the pipeline was a new facility, for authorization to operate the pipeline. This would provide the Board with the information it requires to approve the pipeline and grant an order or certificate. The company may also be required to apply concurrently under section 47 for leave to open (see Guide T).

NEB Regulated to Non-NEB Regulated
The company divesting the pipeline is required to submit the application. Information provided in the application should satisfy the Board that the public interest would not be harmed by the transaction. The divesting company should also apply for the revocation or amendment, as appropriate, of the existing certificate or order.

Transaction Details
If possible, provide:
• the certificate or order numbers for the NEB-regulated pipeline and related facilities; or
• copies of the equivalent documentation issued by the present regulator of the pipeline if not NEB-regulated.

Otherwise, provide the:
• legal name of the pipeline;
• location; and
• complete description of the pipeline and related facilities and the products to be carried.

In addition to providing the information identified above, also provide the:
• proposed date of the transaction;
• method of financing; and
• the operating status of the pipeline.

New Owner Information
Provide:
• the complete legal names of the proposed new company owner of the pipeline;
• if the owner is different from the operator, the name of the operator and the relationship between the owner and the operator;
• contact information for both the owner and the operator;
• a copy of the Certificate of Incorporation; and
• verification whether the province of incorporation is different from where the company will be carrying on business for the pipeline.
Maps
The map or maps should:
• allow the reader to locate the pipeline geographically within a larger region, for example, a province;
• include relevant details of upstream, downstream and surrounding facilities to enable the Board to understand the relative importance and role of the subject pipeline;
• identify the appropriate regulator if any of the relevant facilities are not NEB-regulated; and
• indicate stranded or potentially stranded facilities.

Long-Term Use
If the long-term use is different from the present use of the pipeline, the acquiring company should provide a description of plans for the future use of the facility.

Changes
If there are to be any changes to the condition of service offered by the pipeline:
• include a description of the status of the pipeline, (i.e., whether the pipeline is presently in operation, deactivated or abandoned);
• explain any changes to the type of service, or terms and conditions of service; and
• describe how these changes would affect the operation of the pipeline.

Describe any and all changes to who is financially responsible for liabilities related to the pipeline.

If a toll, tariff or negotiated settlement is presently in effect, describe any changes to the toll or tariff, other than change in ownership. If no toll, tariff or negotiated settlement is presently in effect but third party shippers are anticipated to require service on the pipeline, file a proposed tariff.

Group 1 pipeline companies not regulated on a complaint basis may be required to apply under Part IV of the NEB Act if tolls and tariffs matters need to be addressed (see Guide P, Tolls and Tariffs).

Abandonment Funding
Provide:
• the total Abandonment Cost Estimate of the facilities being sold or transferred;
• a proposal by the seller for its existing letter of credit, surety bond or trust for abandonment funding;
• a draft copy of the purchaser’s letter of credit, surety bond, or trust agreement for setting-aside abandonment funds;
if using a trust to set-aside funds, the dollar amount of abandonment funds that will be in the purchaser’s trust upon its establishment;

if using a trust, a proposed trustee for the trust, and a description of whether or not the trustee is regulated under the Trust and Loan Companies Act;

if using a trust, a description of how the purchaser intends to collect, or contribute, funds to the trust, as applicable.

See Chapter 7 Referenced Documents, Abandonment Funding and Planning for documents that describe the requirements for pipeline abandonment cost estimates, set-aside and collection mechanisms and another Board direction regarding abandonment funding.

Next Steps....

File the completed application. Applicants are encouraged to include the completed relevant checklists from Appendix I.
## Guide A – A.4 Lands Information

<table>
<thead>
<tr>
<th>Filing #</th>
<th>Filing Requirement</th>
<th>In Application? References</th>
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</table>

### A.4.1 Land Areas

1. • Width of right-of-way and locations of any changes to width
   • Locations and dimensions of known temporary work space and drawings of typical dimensions
   • Locations and dimensions of any new lands for facilities

### A.4.2 Land Rights

1. The type of lands rights proposed to be acquired for the project.
2. The relative proportions of land ownership along the route of the project.
3. Any existing land rights that will be required for the project.

### A.4.3 Lands Acquisition Process

1. The process for acquiring lands.
2. The timing of acquisition and current status.
3. The status of service of section 87(1) notices.

### A.4.4 Land Acquisition Agreements

1. A sample copy of each form of agreement proposed to be used pursuant to section 86(2) of the NEB Act.
2. A sample copy of any proposed fee simple, work space, access or other land agreement.

### A.4.5 Section 87 Notices

1. A sample copy of the notice proposed to be served on all landowners pursuant to section 87(1) of the NEB Act.
2. Confirmation that all notices include a copy of Pipeline Regulation in Canada: A Guide for Landowners and the Public.

### A.4.6 Section 58 Application to Address a Complaint

1. The details of the complaint and describe how the proposed work will address the complaint.
Guide B – Abandon – (paragraph 74(1)(d) of the NEB Act and section 50 of the OPR)

<table>
<thead>
<tr>
<th>Filing #</th>
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</thead>
<tbody>
<tr>
<td>B.1 Engineering</td>
<td>1. Confirm abandonment activities will follow the requirements of the latest version of CSA Z662.</td>
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<td></td>
<td>2. • A complete description of facilities being abandoned. • An assessment of the potential safety hazards related to facility abandonment and mitigative actions planned to reduce such hazards • A plan outlining how the facility will be prepared for abandonment and how it will be monitored, if necessary</td>
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<td>B.2 Environment and Socio-Economic Assessment</td>
<td>ESA (or environmental and socio-economic assessment)</td>
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<td></td>
<td>1. The different ecological settings found at the project location and different land uses in place.</td>
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<td></td>
<td>2. Identify the ecological settings (identified in 1) in which each of the project components to be abandoned is located.</td>
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<td></td>
<td>3. Methods to be used to cleanup any contamination found at the project component sites and:</td>
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<td>• The amount of contamination that exists • Special handling techniques that will be used • Regulatory requirements to be followed for cleanup and disposal.</td>
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<td>4. For each project component:</td>
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<td></td>
<td>• how and when it will be abandoned • how the environment will be reclaimed • how the abandonment is appropriate for the ecological setting where it is located.</td>
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<td></td>
<td>5. Use of appropriate level of detail to allow regulators, public and others to understand what is being proposed.</td>
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<td>8.</td>
<td>A detailed calculation of the 13-point or 24-point average amount of common equity projected for the test year.</td>
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<td>9.</td>
<td>A schedule in tabular form for each issue of common shares in the last five fiscal years.</td>
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<td>10.</td>
<td>A schedule in tabular form with respect to common equity of the applicant for each of the last five fiscal years.</td>
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<tr>
<td>11.</td>
<td>Where an application is to establish or change capital structure, include a detailed discussion of business risks including market, supply, operating and physical and regulatory and political risks.</td>
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<td>12.</td>
<td>If a significant part of the applicant’s capital is obtained from an affiliated company as defined in the Regulations, information with respect to the debt, preferred share and common share capital of that affiliated company, and • A copy of the latest prospectus issued by the affiliated company • A chart showing the relationship between the applicant and the affiliated company in terms of share ownership and financial obligations • Information in respect of the affiliated company as listed in requirement 10.</td>
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<td>13.</td>
<td>Where applicable, a thorough discussion of the extent to which the consolidated capital structure is relevant to the determination of a deemed capital structure for the Board-regulated operations of the pipeline, including supporting information.</td>
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**P.5 Tolls and Tariffs**

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<th>Filing Requirement</th>
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<tbody>
<tr>
<td>1.</td>
<td>Concise description of pipeline system &amp; operations, including system map showing toll zones and delivery areas.</td>
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<td>2.</td>
<td>Describe applied-for toll design, with rationale for any proposed changes.</td>
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<tr>
<td>3.</td>
<td>Comparative schedule of test year revenues for each class/type of service under existing and proposed tolls.</td>
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<td>4.</td>
<td>Describe any tariff revisions with rationale for revisions and comparative schedules showing proposed changes to existing tariff sheets.</td>
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<td>P.7 Abandonment</td>
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<td>1. Description of any changes related to the total cost estimated for abandonment, the manner in which the funds will be set-aside, and how the funds are to be collected.</td>
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Guide Q – Export and Import Authorizations

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<tr>
<td></td>
<td>Natural Gas (including LNG) Export License Applications</td>
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<tr>
<td>1.</td>
<td>The source and volume of gas proposed to be exported.</td>
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<tr>
<td>2.</td>
<td>Description of gas supplies, including Canadian gas supply, expected to be available to the Canadian market (including underlying assumptions) over the requested licence term.</td>
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<tr>
<td>3.</td>
<td>Description of expected gas requirements (demand) for Canada (including underlying assumptions) over the requested licence term.</td>
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<tr>
<td>4.</td>
<td>Implications of the proposed export volumes on the ability of Canadians to meet their gas requirements.</td>
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</table>
# Guide R – Transfer of Ownership, Lease or Amalgamation

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### Company Divesting of the Facilities

1. The nature of the transaction.

2. A map of the pipeline and the relevant upstream and downstream facilities, identifying any facility that could become stranded.

3. Confirmation that a copy of the records have been provided to the new owners of the facility.

4. Estimated cost to abandon the facilities.

5. Proposal for the existing set-aside mechanism for abandonment funding which applies to the facilities.

### Company Acquiring the New Facilities

1. The new owner and operator of the pipeline including contact information.

2. The original cost of the asset, depreciation and net book value.

3. The purchase price of the asset.

4. The intended long-term use of the facilities.

5. Any changes in the conditions of service offered, including estimated toll impact.

6. A plan detailing how the applicant will acquire the information/records necessary to maintain and operate the facilities safely.

7. Draft copy of the proposed set-aside mechanism (If suing trust, indicate proposed trustee.)