



Change in Ownership Application

Pursuant to ~~Section 74~~ Paragraphs 181(1)(a) through (c) and Section ~~2169~~ of the ~~National~~ Canadian Energy Board Regulator Act (CER Act)

Please note that non-compliance with ~~s. 74~~ subsection 181(1) is designated as a violation set out in Schedule 1 of the *Administrative Monetary Penalties Regulations*. ~~Failure to apply for change in ownership could result in a monetary penalty or other enforcement. (SOR/2013-138).~~ Furthermore, ~~the purchaser or leaser may also be liable for a violation of s. 30 of the Act should they~~ a company must not operate a pipeline without unless there is a certificate or s. 58 order in force for the pipeline, and leave to open that pipeline has been granted, in accordance with subsection 180(1) of the CER Act or unless there is an order pursuant to section 214.

When to Use This Form

Use this form if:

- ~~you~~ You plan to sell, or otherwise transfer, or lease; or purchase a National Energy Board (NEB or the Board) regulated or otherwise acquire or lease; any pipeline, abandoned pipeline, or other facilities, either in whole or in part, that are regulated by the CER.
- ~~you~~ You plan to purchase, lease, or otherwise acquire a pipeline, abandoned pipeline, or other facility to transfer into NEB CER jurisdiction; or
- a company with a ~~NEB~~ CER-regulated pipeline facility or facilities plans to amalgamate with any other company.

The ~~Board wishes to remind~~ CER reminds companies that, in accordance with s. ~~74~~ 181 of the CER Act, a company shall not, ~~without leave of the Board~~ Commission, sell, transfer, lease, ~~or purchase, or acquire~~ any pipeline, or ~~enter into an agreement for amalgamation~~ amalgamate with any other company.

In order to comply with ~~s. 74~~ section 181 requirements, these activities require approval from the ~~Board~~ Commission *prior* to the transaction taking place. ~~As the Board cannot retroactively grant leave under s. 74, any application made after the transaction has already taken place would be a contravention of the provisions in section 74 of the Act.~~

How To Use This Form

- ▶ Replace pages 1 and 2 with a cover letter signed by the Applicant(s). ◀
- ▶ Replace blue text in the following table with your information. ◀

Electronically file the application (i.e., this completed form and all supporting documents) following the directions on the NEB's CER's website. See Filing With the National Energy Board under the CER Act.

Underlined text in this document is a hyperlink. Hold down the "Ctrl" key and click on the underlined word(s) to connect to the Board's CER's website.

The use of this form is voluntary, however all the information contained in the form must be accurately included in an application filed with the NEB CER. Failure to include in the application all of the information required by the Filing Manual may result in delays.

Ensure A Complete Application

Read the Instructions: For information, refer to the ~~Board's Filing Manual~~[CER's Filing Manual](#) online, particularly ~~Chapter 3~~[Chapter 3](#), *Common Information Requirements*, and ~~Guide R~~[Guide R](#), *Transfer of Ownership, Lease or Amalgamation*. Fill in all sections of the form as completely as possible. If you believe something is not applicable you must clearly justify why this is so.

~~Meet with NEB Staff, Arrange a pre-application meeting, if required: Companies and their representatives may meet with Board staff before filing an application. Board.~~ [CER](#) staff can answer your questions about the ~~Board~~[CER](#) and its application process. To arrange a ~~pre-application~~ meeting, please contact the ~~Applications~~[Energy Adjudication](#) Business Unit by ~~calling the Board toll free~~[email at 1-800-899-1265:Financial.Regulation@cer-rec.gc.ca](mailto:Financial.Regulation@cer-rec.gc.ca)

Provide Feedback: We welcome your feedback on this form. Your suggestions will help us make this form clearer and easier to use. Please provide feedback by ~~calling the Board toll free at 1-800-899-1265~~[.email to Financial.Regulation@cer-rec.gc.ca.](mailto:Financial.Regulation@cer-rec.gc.ca)

~~February 2015~~[August 2024](#) version



The Application		
1	Date:	Indicate the date the application is filed with the National <u>Canada</u> Energy Board (Board or NEB <u>Regulator</u> (<u>CER</u>).
2	Applicant:	The Board <u>CER</u> strongly encourages the purchaser and the seller to apply jointly, if both parties are NEB-regulated companies . Provide the full legal names of the Applicant(s) -- the purchaser and the seller -- including addresses, telephone numbers, fax numbers and the name(s) of authorized representatives. <u>Information of the purchaser is required when the facilities would leave, enter or stay in the CER's jurisdiction.</u>
3	Authorized Company:	Provide the full legal name of the company the Board authorized to, construct, and/or operate the pipeline.
4	Board <u>Order</u> Instrument (s):	Provide copies of the Board <u>Order</u> Instrument (s) which authorized the construction and operation of the facilities, as well as any related orders (e.g., Amending Orders.) The Applications <u>Energy Adjudication</u> Business Unit at the Board <u>CER</u> may help you identify the appropriate orders <u>Orders</u> prior to filing the application. If the pipeline is not currently regulated by the Board <u>CER</u> but is coming under Board <u>CER</u> jurisdiction, provide copies of the equivalent documentation issued by the present regulator or, if applicable, its predecessor.
5	Acquiring Company:	Provide the full legal name of the company or companies proposed to own and operate the pipeline. If the owner is different from the operator, include the name of the operator and describe the relationship between the owner and the operator.
6	Accountable Officer:	The acquiring company must appoint an accountable officer who has the authority over the company's human and financial resources required to establish, implement and maintain its management system and protection programs, and to ensure the company meets its obligations for safety, security and protection of the environment (National <u>Canadian</u> Energy Board <u>Regulator</u> <i>Onshore Pipeline Regulations</i> (OPR) subsection <u>section</u> 6.2). Provide the name of the accountable officer.
7	Corporate Status:	Describe the corporate structure <u>of the acquiring company</u> . Attach documentation of the corporate status such as a copy of the Certificate of Incorporation as an Appendix. Verify whether the province of incorporation is different from where the company will be carrying on business for the pipeline.

8	Action Sought:	<p>Indicate the relief the Applicant(s) would like the <u>BoardCommission</u> to grant, which will include at least one of the following:</p> <ul style="list-style-type: none"> grant leave for a company to sell, transfer or lease to any person its pipeline <u>or abandoned pipeline</u>, in whole or in part pursuant to paragraph 74181(1)(a) of the <u>CER Act</u>, and/or grant leave for a company to purchase, <u>acquire</u> or lease any pipeline <u>or abandoned pipeline, in whole or in part</u> from any person pursuant to paragraph 74181(1)(b) of the <u>CER Act</u>, and/or grant leave for a company to enter into an agreement for amalgamation<u>amalgamate</u> with any other company pursuant to paragraph 74181(1)(c) of the <u>CER Act</u>, and/or vary the original order made by the Board to change the name on the order to reflect the new owner/operator of the pipeline after the transaction is complete pursuant to section 2469 of the <u>CER Act</u>. <p><u>See Action Sought by Applicant for more information.</u> <u>See Action Sought by Applicant for more information.</u></p>
9	Reason for the application:	<p>Describe the nature of the transaction. Include relevant contracts or other supporting documentation as appendices. Explain any changes in ownership, which occurred between the issuance of the <u>BoardCommission's</u> or other regulator's authorization and the date of this application. <u>See Application or Project Purpose</u> <u>See Application or Project Purpose</u> for more information.</p>
Operations		
10	Management Systems and Programs Under the OPR:	<p>Sections 6.1 to 6.6 of the OPR detail the required elements of a company's management system. Confirm the acquiring company's management system will also coordinate the following <u>five</u>six programs:</p> <ul style="list-style-type: none"> Emergency Management Program (OPR section 32) Integrity Management Program (OPR section 40) Safety Management Program (OPR section 47) Security Management Program (OPR section 47.1) <u>Damage Prevention Program (OPR section 47.2)</u> Environmental Protection Program (OPR section 48) <p>Section 6.5 of the OPR lists a number of processes and requirements that must be a part of a company's management system and each of the <u>five</u>six programs. Consult the <u>Filing Manual</u>Filing Manual or <u>BoardCER</u> staff.</p>
11	Emergency Signage:	<p>Explain when emergency signage will be updated.</p>
12	Records	<p>The company divesting of the facilities must 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 OPR have been provided to the new owner of the facilities. If the records set out in section 10.4 of CSA Z662-11 and section 56(e) to 56(g) of <u>the OPR</u>, <u>1999 (SOR/99-294)</u> do not exist, the acquiring company must provide a plan detailing how it will acquire the information/records necessary to maintain and operate the facilities safely.</p>

Notification and ConsultationEngagement		
13	Consultation Program:Engagem ent Activities:	Describe <u>the outcomes of any engagement activities, including a list of all third partypotentially affected persons or groupsand communities who were consulted, engaged, a summary of the nature of anycomments and concerns expressed, and the applicant's response to <u>each of the comments and concerns as well as how ongoing concerns will be resolved.</u> If consultation wasengagement activities were not undertaken, provide justification of why it was not necessary to carry out a consultation programengagement activities with respect to the proposed change in ownership. See ConsultationSee <u>Engagement</u> for more information.</u>
14	Landowner Notification:	Explain how landowners will be notified of the change in ownership.
15	Commercial Third Parties:	Confirm that all commercial third parties, including third party shippers, who could potentially be affected in any way by the outcome of the application, have been notified, including the method used to notify those parties and any concerns raised. Provide a justification in the event that notification of commercial third parties was considered unnecessary. <u>See Notification of Commercial Third Parties for more information.</u> See Notification of Commercial Third Parties for more information.

The Pipeline		
16	Location:	For each pipeline provide the start and end points, the length by province, and the direction of flow. <u>Provide a map or maps that:</u> <ul style="list-style-type: none"> • <u>allow the reader to locate the pipeline geographically within a larger region, for example, a province;</u> • <u>include relevant details of upstream, downstream and surrounding facilities to enable the Commission to understand the relative importance and role of the subject pipeline;</u> • <u>identify the appropriate regulator if any of the relevant facilities are not CER-regulated;</u> • <u>indicate stranded or potentially stranded facilities; and</u> • <u>meet the requirements outlined in section 1.12 of the Filing Manual.</u>
17	Description:	Provide a complete description of each pipeline and related facilities and the products <u>currently carried and</u> to be carried.

18	Upstream and Downstream Facilities:	Describe the upstream and downstream facilities, and identify any pipeline facility that could become stranded as a result of the transaction. Provide a map or maps of the pipeline and related facilities, <u>including digital location data that meet the requirements outlined in section 1.12 of the Filing Manual.</u>
19	Specifications:	Provide the outside diameter and wall thickness of the pipeline.
20	Pipe Material:	Provide the pipe material, pipe material standard, pipe grade, the pipe manufacturing process and external coating type.
21	Maximum Operating Pressure:	Provide the maximum operating pressure of the pipeline.
22	Long term use:	Describe the intended long term <u>current</u> use of the facilities. If <u>Confirm that the</u> expected <u>expected</u> long-term use <u>will not change, or describe the expected long-term use if it</u> 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.
23	Operating Status:	Describe the status of the pipeline (<i>i.e.</i> , whether the pipeline is presently in operation, deactivated or decommissioned →). If the operating status has changed or will change, additional information or applications may be necessary. Consult the Filing Manual or Board staff. <u>Filing Manual or CER staff.</u>
24	Conditions of Service:	If, after the change in ownership, there are <u>will be</u> any changes to the conditions of service offered by the pipeline, then <u>explain any changes to the type of service, or terms and conditions of service; and describe the effect of these changes on the operation of the pipeline.</u> If conditions of service have changed or will change, additional information or applications may be necessary. Consult the Filing Manual or Board staff. <u>Consult the Filing Manual or CER staff.</u>

Financial Matters

25	Tolls and Tariffs:	If a toll, tariff or negotiated settlement is presently in effect, describe any planned changes to the toll or tariff, other than the change in ownership or negotiated settlement . 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.
26	Value:	Provide the original cost of the asset, accumulated depreciation, and the net book value.
27	Cost:	Provide the purchase price of the asset.
28	Financing:	Explain how the acquiring company will finance or pay for the <u>pipeline facility</u> and ongoing operations. For example, if the company has a credit rating with a major credit rating agency, provide it. <u>Include this information for the acquiring company even if the facilities would leave the CER's jurisdiction after the transaction.</u>
29	Abandonment Funding:	<ul style="list-style-type: none"> • Provide the total Abandonment Cost Estimate of the facilities being sold or transferred. • Provide a draft copy of the purchaser's letter of credit, surety bond, or trust agreement for abandonment funds. • <u>If the purchaser will use a trust:</u> <ul style="list-style-type: none"> ○ Provide the dollar amount of abandonment funds that will be in the purchaser's trust. ○ Describe how the purchaser intends to collect, or contribute, funds to the trust, as applicable. • Describe the intended actions, if any, of the seller for its existing letter of credit, surety bond or trust for abandonment funding. <p><u>For information regarding Abandonment Funding please see Reasons for Decision RH 2 2008, MH 001 2012, and MH 001 2013.</u></p> <p><u>For information regarding Abandonment Funding please see section A.3.4 of the Filing Manual, Abandonment Funding Information and Pipeline Abandonment (cer-rec.gc.ca).</u></p>
<u>30</u>	<u>Financial Resources:</u>	<ul style="list-style-type: none"> • <u>Provide the applicable absolute liability limit for the facilities;</u> • <u>Provide the applicable amount of financial resources required;</u> • <u>Provide the acquiring company's Financial Resources Plan.</u> <p><u>For more information on the CER's financial resource requirements see:</u></p> <ul style="list-style-type: none"> • <u>CER – Pipeline Financial Requirements Guidelines (cer-rec.gc.ca); and</u> • <u>Section A.3.4 Financing and Financial Resources of the Filing Manual.</u>

Jurisdiction

30	Changes to Jurisdiction:	<p>Most often, the pipeline is currently regulated by the NEBCER and will continue to be regulated by the NEBCER. If this is not the case, please describe the circumstances surrounding the transfer and why jurisdiction for the pipeline will change.</p> <p><u>The company selling or otherwise transferring or leasing out the facilities is required to apply for leave to sell and apply for the revocation or amendment, as appropriate, of the existing certificate or order.</u></p> <p><u>The application should include information about the acquiring company, including contact information and financial information demonstrating that the acquiring company has the ability to finance the ongoing operations of the pipeline (for example, by providing recent financial statements). The company should also provide confirmation that the regulator that would gain jurisdiction over the facilities has been notified of the transaction. Information provided in the application should satisfy the Commission that the public interest would not be harmed by the transaction.</u></p> <p>For pipelinesfacilities coming into NEBCER jurisdiction the acquiring company is required to submit the application. Apply concurrently under either section 58 or section 52 of the NEB Act (see Guide A183 or section 214 of the CER Act (see Guide A of the Filing Manual) for authorization to operate the pipeline, as if the pipeline were a new facility. You must also apply concurrently under section 47213 for leave to open (see Guide TGuide T of the Filing Manual or contact the BoardCER).</p> <p>If the change in ownership results in the seller having no remaining assets that are regulated by the NEBCER, please provide the BoardCER with notification in this section.</p>
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