

## **Guide K – Decommissioning (section 45.1 of the OPR)**

Section 45.1 of the OPR states:

**45.1 (1)** If a company proposes to decommission a pipeline or part of one, the company shall submit an application for the decommissioning to the Commission.

(2) The company shall include in the application the reasons, and the procedures that are to be used, for the decommissioning.

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

- the proposed decommissioning 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.

### **K.1 Filing Requirements**

#### **General Requirements**

Provide the following:

1. A complete description of the pipelines and facility(ies) being decommissioned. 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 decommissioning application.
2. Appropriately scaled map(s) or site plan(s) which show the locations and dimensions of the pipeline right of way and the facility(ies) to be decommissioned.
3. The GPS data coordinates of the locations of pipeline right of way and facility(ies) to be decommissioned.
4. A description of known temporary workspace required for decommissioning 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 decommissioning of the pipeline and facility(ies), including a description of any adjacent facilities that are impediments to physical abandonment.

7. Indicate whether any service would be terminated as a result of the proposed decommissioning. 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 decommissioning of the facilities versus discontinuation of service have been considered;
  - c) alternatives to the decommissioning of the facilities were considered (including physical and tolling alternatives) and that decommissioning 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 decommissioning activities have been completed. If this is not the case, provide evidence justifying why not.
8. An explanation of the decommissioning method options (decommissioning 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>1</sup>, environment and economics were identified, considered and managed.
9. A description of the proposed physical activities to be carried out to decommission the pipeline and facility(ies).
10. Proposed schedule for the various decommissioning activities, including any reclamation, to be conducted.
11. A description of the type, frequency and duration of monitoring to be conducted of the facilities that will remain in-place.
12. Provide the anticipated timing of future abandonment activities for each pipeline and facility being decommissioned.

#### Guidance – General Requirements

Companies should demonstrate how they are planning for eventual abandonment of decommissioned facilities. An application for abandonment must be filed for all CER-regulated facilities when they have reached their end of life, including those facilities that have been previously decommissioned.

Refer to [Guidance notes for the Decommissioning Provisions under the OPR](#) in determining the circumstances under which a decommissioning application may be appropriate.

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<sup>1</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.).

If the decommissioning activities are similar to the activities being undertaken at the time of the abandonment, refer to Guide B.2 - Applications to Abandon.

Refer to Guide B.2.1 – Economics and Finance, Guidance in regards to termination of service.

## Engineering

Provide the following:

1. Confirm the following, and provide an explanation of how the results were/will-be achieved and maintained:
  - 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;
  - a description of the potential soil subsidence, pipe exposure, water conduit, corrosion, and pipe collapse effects for pipelines to be decommissioned in place, and a plan to monitor these potential effects;
  - equipped with signage;
  - a description of the fill material, if used, 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; and
  - a plan for maintaining adequate depth of cover and adequate spacing for existing and future land use, as informed by the company’s environmental and socio-economic assessment and engagement activities.
2. In the event that cathodic protection is not maintained, identify and justify if ground bed anodes will be removed or left in place.

### Guidance – Engineering

Note, for the purposes of engineering related to decommissioning, the CER requires most of the same elements of abandonment under CSA Z662 and CSA Z341, as applicable.

The company should explain how the integrity of remaining engineered facilities and structures, regulated by the CER or not, will be impacted and those impacts managed while the decommissioned pipeline and/or facility remains in place.

## 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. The description should indicate whether or not the proposed decommissioning is located on federal lands<sup>2</sup>.
2. Complete the environmental and socio-economic interactions (Table 1) set out in this guide.
3. Provide an environmental and socio-economic assessment 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 CER's [Filing Manual](#).
4. 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(s) and associated facilities, including CER-assigned Remediation Event Number(s).
5. 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 investigation of 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.
6. Provide an Environmental Protection Plan (EPP), or a description of the environmental protection procedures and measures that will be implemented during the decommissioning, remediation, and reclamation activities to avoid or minimize potential adverse environmental and socio-economic effects. The level and detail of information should commensurate with the nature and scale of the project.
7. Provide a monitoring plan outlining how the decommissioned pipelines and facilities will be monitored for the period of time between decommissioning and abandonment.

Guidance – Environmental and Socio-economic Assessment

- As noted in the [section A.2.4 of the Filing Manual](#) 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 decommissioning-in place or removal of the pipelines.

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<sup>2</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 [Filing Manual](#).
- For pipeline segments which are being proposed to be decommissioned in place, the following information should be considered in the assessments provided:
  - the potential environmental and socio-economic effects that may result from the decommissioning activities;
  - the potential environmental and socio-economic effects that may result from the decommissioned pipelines and facilities remaining in place in place over the long-term; and
  - the environmental and socio-economic risks of the decommissioned 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 decommissioned 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).
- 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](#)).

## 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 decommissioning 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:

- a description of any issues or concerns for each decommissioning method(s) identified;
  - how input from the engagement activities was considered in determining the proposed decommissioning method(s);
  - a description of how the applicant has addressed or will address any concerns or issues raised and when;
  - a description of any concerns or issues raised that will not be addressed and why; and
  - 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 evidence in the application of sufficient notification of the application filing to the CER.
  3. Provide a plan for how consultation with potentially impacted persons and communities, landowners or Indigenous peoples will be maintained during the period of time between decommissioning and abandonment.

## **Lands**

Describe any land rights proposed to be acquired for the decommissioning, 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 more information, refer to Guide A.4 of the Filing Manual.

## **Economics and Finance**

### *Decommissioning Costs*

Describe the methodology and assumptions used to estimate costs. Identify and describe any associated section 183 or 214 applications. Provide a level of detail and technical description appropriate to allow regulators, the public, and others to understand the estimates to a reasonable level.

As decommissioning is not the final stage in the lifecycle of a CER-regulated pipeline, provide estimates of average annual future costs for any activities to be done after the decommissioning.

Provide estimates of:

- any future costs, in current year dollars, associated with maintaining these facilities in a decommissioned state, up until the commencement of the final abandonment of these and nearby facilities.
- the costs to complete the abandonment of these facilities, including recognition of costs of post abandonment activities (i.e., for any facilities proposed to be left in

the ground, the costs of monitoring and contingent remediation of any discoveries of contamination or subsidence).

Explain if and how the estimate to abandon the entire pipeline system has been adjusted for the decommissioning of these facilities, and any related impact to the pipeline system's total cost estimate for the abandonment of those facilities that remain.

For more information, refer to [RH-2-2008](#), [MH-001-2012](#), [MH-001-2013](#) and the [4 March 2010 Revisions to the Base Case](#).

### *Liability Exposure*

As decommissioning is not the final stage in the lifecycle of CER-regulated pipelines, the description of future liabilities should include:

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

Describe the methodology and assumptions used to estimate costs. Identify and describe any associated section 183 or 214 applications. Provide a level of detail and technical description appropriate to allow regulators, the public, and others to understand the estimates to a reasonable level.

### *Financing*

Provide confirmation that funding is available for the decommissioning work, and funding will continue to be available to fund the future final abandonment, including updated description of any funding, financial guarantees or other arrangements designed to cover these costs.

If the pipeline will still be providing service to third party shippers, describe 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; and
- a statement regarding the extent of shippers' and other parties' support for any toll increase.

Explain how this decommissioning plan compares to the abandonment plan for these facilities or this site.

### *Accounting*

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.

## **K.2 Applications to Access Funds from the Trust to Fund Abandonment**

Refer to Guide B, Abandonment, section B.3 for information on accessing funds for decommissioning activities.

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**Table 1 – 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								

Proposed New Guide K, CER Filing Manual

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)								