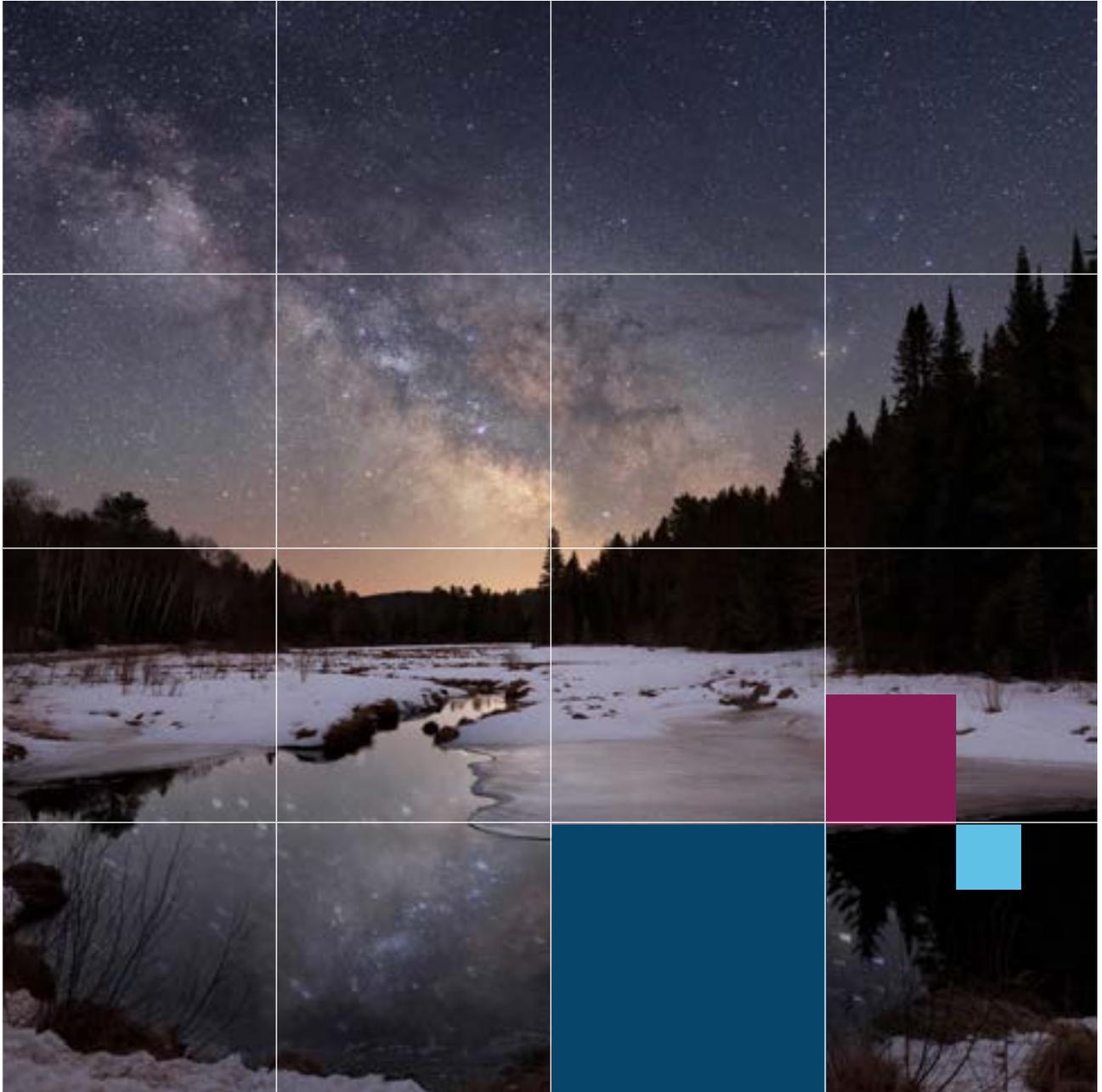




Canada Energy
Regulator

Régie de l'énergie
du Canada

2023-24 Annual Report of the Commission of the Canada Energy Regulator



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Cat No. NE2-25E-PDF
ISSN 2563-3171
Key title: Annual Report of the Commission of the Canada Energy Regulator.

This report is published separately in both official languages. This publication is available upon request in multiple formats.

Copies are available on request from:

The Publications Office
Canada Energy Regulator
Suite 210, 517 Tenth Avenue SW
Calgary, Alberta, T2R 0A8

E-Mail: publications@cer-rec.gc.ca
Fax: 403-292-5503
Phone: 1-800-899-1265

For pick-up at the office:
Library
2nd floor
Printed in Canada

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N° de cat. NE2-25F-PDF
ISSN 2563-318X
Key title: Rapport annuel... de la Commission de la Régie de l'énergie du Canada.

Ce rapport est publié séparément dans les deux langues officielles. On peut obtenir cette publication sur supports multiples, sur demande.

Demandes d'exemplaires:

Bureau des publications
Régie de l'énergie du Canada
517, Dixième Avenue S.-O., bureau 210
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Courrier électronique : publications@cer-rec.gc.ca
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Des exemplaires sont également disponibles à la bibliothèque
Deuxième étage
Imprimé au Canada



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2023-24 Message from the Lead

Commissioner

On behalf of the Commission of the Canada Energy Regulator (CER), I am pleased to submit to the Honourable Jonathan Wilkinson, Minister of Energy and Natural Resources, and to Canadians, the Commission's 2023-24 Annual Report.

The *Canadian Energy Regulator Act* (CER Act) establishes the Commission and defines its mandate. The Commission exercises its adjudicative functions in an independent manner, consistent with its status as a quasi-judicial tribunal, and in accordance with the CER's governance structure. This report is a full year account of the Commission's 2023-24 activities in fulfilling its mandate under the CER Act, as well as other legislation including the *Canada Oil and Gas Operations Act* and the *Canada Petroleum Resources Act*.

The Commission reached its full complement of seven Commissioners with the appointment of Commissioner Sandor Sajnovics on 1 May 2023. Commissioner Sajnovics brings a wealth of knowledge to the Commission including 15 years of experience as a lawyer and accountant in government and industry.

The CER will soon mark its fifth anniversary of replacing the National Energy Board. In keeping with the objectives set out in the CER Act's preamble, the Commission continues to make its adjudicative processes more inclusive and accommodating for Indigenous Peoples, stakeholders and the public, while simultaneously striving to meet the Act's legislated time limits to ensure predictable and timely decision-making. I am pleased to report that in 2023-24 the Commission met 100% of its legislated time limits.



As described more fully in the Report that follows, the Commission released 618 decisions this past year, covering a broad range of matters - from large energy infrastructure decisions, to tolls and tariffs, lands matters, routine trade permits and compliance verification decisions. The Commission continues to seek and implement improvements to its decision-making processes to make them more efficient, transparent and accessible, while assuring adjudicative fairness.

Occupying a significant portion of the Commission's work were decisions stemming from the final construction phases of the Trans Mountain Expansion Project, including numerous condition compliance filings, variances, lands matters, and orders granting leave to open segments of the pipeline.

The Commission also published its recommendation report with respect to the largest pipeline project application received to date under the CER Act, the NorthRiver Midstream NEBC Connector Project. On 18 October 2023, the Commission recommended to the Minister that the project be approved, subject to 49 conditions. The Governor in Council accepted the Commission's recommendation without any changes, and released its decision on 21 December 2023, within the legislated time limit.

This reporting year was noteworthy for the high volume of Commission work related to the regulation of tolls and tariffs. Whether processing applications, complaints, or proposed settlements, we had a busy year in our role as an economic regulator. The Commission issued decisions on Trans-Northern Pipelines Inc.'s Incentive Tolls Settlement Agreement, set preliminary interim tolls on the Trans Mountain Expansion System, and approved NOVA Gas Transmission Ltd.'s North Montney Mainline tolling methodology. The Commission also approved Enbridge's application for the Mainline Tolling Settlement, which was the subject of lengthy negotiations between the applicant and shippers. The settlement will apply through to December 2028.

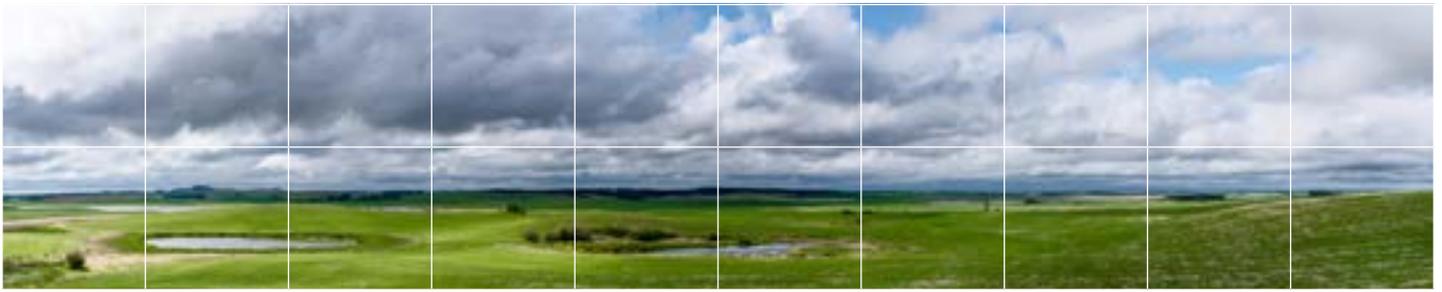
The Commission conducted its first hearing process under the Northwest Territories' *Oil and Gas Operations Act* (OGOA) and associated regulations since the CER's establishment. The Commission issued five decisions in relation to the Inuvialuit Energy Security Project. Additionally, two applications related to Imperial Oil's Norman Wells Operations are in progress.

I anticipate a busy 2024-25. The Commission expects at least two applications for large-scale pipeline projects and a steady stream of applications for smaller infrastructure. The Commission is currently seized with several major tolls and tariffs matters, including setting Trans Mountain's final interim tolls on its expanded pipeline system, and the ongoing review of TransCanada Keystone's proposed allocation of certain costs to shippers on its Keystone pipeline system.

I am proud of the work my colleagues undertook in 2023-24, which this report sets out in greater detail. We are committed to delivering decisions in the public interest on a fair and timely basis. In closing, I would note that we could not achieve these results without the important insights, knowledge, and critical support that CER staff provide us daily.

Original signed by

Mark Watton, Lead Commissioner
Canada Energy Regulator



Role of the Commission

The Commission renders decisions pursuant to its mandate as set out in the CER Act and other legislation. In its adjudicative role, it adheres to the purpose and provisions of the CER Act, while recognizing and respecting the rights of Indigenous Peoples protected by section 35 of the *Constitution Act, 1982*¹. The Commission adheres to the requirements found in Part III of the *Official Languages Act*², as well as the rules of natural justice and relevant jurisprudence.

The Commission is responsible for adjudicative decisions and operates as a quasi-judicial tribunal that is at arm's length from the Government of Canada. The Commission is part of the CER and, although its adjudicative role is independent, it contributes to the overall effective delivery of the CER's mandate, the CER's Strategic Priorities, and corporate outcomes, where applicable.

Pursuant to the CER Act, neither the Board of Directors nor the Chief Executive Officer may provide direction (nor advice, in the case of the Board) with respect to any decision, order, or recommendation that is made by the Commission or a Commissioner. Additionally, interactions with the CER's Indigenous Advisory Committee are governed by the Protocol for Protection of Adjudicative Independence.

The Commission has all the powers, rights and privileges vested in a superior court of record with respect to any matters within its jurisdiction. It can adjudicate (including on its own initiative) any matter where a person has done or failed to do anything required by the CER Act and can also inquire into any incident involving a pipeline or other CER-regulated facility.

The Commission has the power to make orders for the enforcement of its decisions. It may make rules for carrying out its work and managing its internal affairs, including rules respecting the powers, duties and functions of Commissioners; its procedures and practices; its sittings; and its decisions, orders, and recommendations.

The Commission consisted of six full-time Commissioners from 1 April to 30 April 2023, and seven full-time Commissioners from May 2023 to March 2024. Commissioners, including the Lead Commissioner and Deputy Lead Commissioner, are appointed by the Governor in Council. For more details on the CER's Commissioners, please refer to [Appendix A - Commissioner Biographies](#).

1 Indigenous Peoples has the meaning assigned by the definition of *aboriginal peoples* in subsection 35(2) of the *Constitution Act, 1982*, enacted as Schedule B to the *Canada Act 1982*, 1982, c. 11 (U.K.).

2 R.S.C., 1985, c.31 (4th Supp.).



2023-24 Work of the Commission

During 2023-24, the Commission released 618 decisions on applications related to pipelines, powerlines, tolls and tariffs, export licences, frontier exploration and production, leave to open orders and other matters that spanned the energy infrastructure lifecycle. Below is the 2023-24 summary of Commission decisions and recommendations:



Compared to the previous year, 2023-24 saw an increase in decisions pertaining to tolls and tariffs (23 versus 14) and frontier exploration and production (38 versus 11) categories, and a decrease in decisions released in the infrastructure category (48 versus 88). Of note, part of the overall reduction in decisions (618 versus 738) can be attributed to the fact that as of 29 August 2022, there is no longer a CER Act requirement to obtain import licenses and orders. The appendices to this report contain further information related to all Commission decisions and recommendations, and specific highlights are provided below.

Applications of significant public interest typically require oral and written steps to inform the Commission’s decision-making. During 2023-24, the Commission held its hearings in a variety of formats, emphasizing public access, efficiency and the specific needs of participants. Participants attended hearings in person, virtually, or a hybrid of both. Written submissions are available on the CER’s website, while the Commission’s oral hearings are typically streamed or broadcast, with published transcripts. The Commission will continue to be flexible and make use of technology to enhance public participation in the years ahead.

Depending on the requirements of the hearing, the Commission may choose to hold workshops and technical sessions, and both were conducted this fiscal year. These sessions aim to collect and clarify information, helping participants gain insights on a project's impacts and proposed mitigation strategies.

The Commission also receives oral Indigenous knowledge on various projects to better understand impacts on potentially affected First Nations, Inuit and Métis communities. The Commission makes best efforts to conduct these sessions in locations convenient for the participation of Indigenous Peoples. They may also be held in a virtual or hybrid format when requested.

In various decisions and reports this year, the Commission considered its duties and obligations in light of the *United Nations Declaration on the Rights of Indigenous Peoples Act* (UN Declaration Act) and the CER's commitment to Reconciliation. The Commission's regulatory processes enable deep consultation, as required, and support several key objectives of the UN Declaration Act. The Commission is committed to continuing to learn and evolve its processes to further support Reconciliation.

An overview of the more significant applications before the Commission in the past year is provided below. While these larger applications tend to generate more attention, a significant amount of Commission time is devoted to routine regulatory matters, which include various types of smaller infrastructure applications, ensuring compliance with conditions, permits for export, and addressing financial regulatory issues, to name a few.

Trans Mountain Expansion Project

As the Trans Mountain Expansion Project (TMEP) moved into the final stages of construction and sections of the 1,150 km pipeline were being completed and tested, the Commission authorized 18 leave to open orders and made numerous decisions on condition compliance-related matters (see [Appendix G](#)).

On 1 June 2023, Trans Mountain filed an application to establish tolls for the commencement of its service. The Commission approved the applied-for interim tolls, via a preliminary decision and established a process to complete the assessment of TMEP's Final Interim Tolls and expects that Trans Mountain's final tolls will be determined in accordance with its directions within the Final Interim Tolls Decision. This process will take place in 2024-25.

The Commission also received three applications for project variances related to geotechnical challenges along the TMEP pipeline route. These were related to issues identified with planned micro-tunneling in the Pipsell (Jacko Lake) area requiring a route deviation and horizontal directional drilling, and boring issues identified along a 2.3 km section between Hope and Chilliwack in British Columbia (Mountain 3 Horizontal Directional Drill Variance Application). The Commission initiated oral hearing processes for the variance applications, as further detailed in [Appendix C](#).

The Commission's approach to adjudication of these matters balanced the need to enable construction to be undertaken in a safe and efficient manner while taking into account potential impacts to the rights of Indigenous Peoples.

NorthRiver Midstream NEBC Connector Project

In 2023-24, the Commission recommended to the Governor in Council (GIC) the approval of NorthRiver Midstream NEBC Connector GP Inc.'s NEBC Connector Project. Portions of the NEBC project development area are located on traditional lands of Blueberry River First Nations and other Treaty 8 First Nations. Following a decision of the Supreme Court of British Columbia³ on cumulative effects, both Blueberry River First Nations and other Treaty 8 Nations were engaged in their own negotiations with the Province of British Columbia concurrent with the Commission's hearing.

The Commission designed the hearing process to consider feedback from various Indigenous communities, highlighting cumulative effects and mitigation strategies. This included considering recommendations provided by the CER Crown Consultation Coordinator. The Commission included innovative conditions in its recommendation to the GIC, such as recommending the establishment of an Indigenous Land Securement Fund for Crown lands in British Columbia and Alberta. The Commission also required the applicant to contribute to funds established as a result of the provincial and First Nations negotiations..

International Powerlines

Under section 247 of the CER Act, the Commission authorizes the construction and operation of international power lines. In 2023-24, the Commission issued a permit (under section 248 of the CER Act) for the Hertel-New York International Power Line, a 58 km, 400 kilovolt transmission line from Hertel substation in La Prairie, Québec to an interconnection point at the Canada-United States border located beneath the Richelieu River. The proposed project will provide the state of New York, United States, with up to 1250 megawatts of electricity and will be jointly owned by Hydro-Québec and the Mohawk Council of Kahnawà:ke.

Tolls and Tariffs

There was an increase in the number of tolls and tariffs applications and related Commission decisions in 2023-24. In addition to the TMEP interim tolls application mentioned previously, others are discussed below. Trans-Northern Pipelines Inc. (TNPI) applied to update its Incentive Tolls Settlement Agreement (ITSA) for its system that runs between Ontario and Québec. A two-day oral hearing was held in Calgary, Alberta in September 2023. The Commission released its decision on 19 December 2023, finding that the applied-for toll design would result in just and reasonable tolls. The Commission found the ITSA would likely reduce existing cross-subsidization and better support shippers paying for what they use compared to a rolled-in approach.

On 23 May 2023, NOVA Gas Transmission Ltd. (NGTL) applied to affirm the tolling methodology for its 204 km North Montney Mainline (NMML) in northeast British Columbia. The NMML will connect with the Coastal GasLink pipeline at the Willow Valley Interconnect (WVI), which is scheduled to be in service in April 2024, and will transport gas to LNG Canada Development Inc.'s export facility. The Commission previously required NGTL to reapply for a revised design for the NMML in the event of new significant market flows. The Commission determined that the tolling methodology proposed by NGTL was just and reasonable following the start of deliveries at the WVI.

The Commission also assessed Enbridge's application for the Mainline Tolling Settlement to determine the calculation of tolls for shippers through to December 2028. The Commission found that Enbridge conducted a fair and robust two-year negotiation process and engaged meaningfully with all impacted stakeholders, resulting in unanimous support, and meeting the requirements of the *Revised Guidelines for Negotiated Settlements of Traffic, Tolls and Tariffs*. The Commission found that the Settlement will result in tolls that are just and reasonable, and tolls and services that are not unjustly discriminatory.

3 *Yahey v. British Columbia*, 2021 BCSC 1287.

Abandonment Cost Estimates and Set-Aside Collection Mechanisms

As part of its oversight, the CER reviews companies' abandonment cost estimates (ACE) every five years. The CER also ensures that companies have the appropriate financial instruments in place to secure these funds (see [Appendix I](#)), known as Set-Aside and Collection Mechanisms (SAM COM), as part of this process. A five-year review cycle commenced in 2021. The Commission released a report on 15 June 2023 where it provided an updated base case used for calculating companies' ACEs and explained the new geographic information system based method used to calculate ACEs. On 27 March 2024, the Commission released a report providing companies with their final ACEs resulting from the ACE SAM COM review. The five-year review will continue into 2024-25 with the release of the Commission's decisions on the SAM COMs for companies using trusts to fund abandonment.

Canadians can be confident that the financial resources required to properly abandon CER-regulated pipelines have been, and continue to be, assessed and set aside for that purpose.



Frontier Exploration and Production

On 7 March 2024, the Commission approved the final application for the Inuvialuit Energy Security Project (IESP). Located in the Inuvialuit Settlement Region in the Northwest Territories, the IESP will convert natural gas into compressed natural gas, propane, and synthetic diesel that can be used for power and heat. This will reduce the area's dependence on imported fuel that is otherwise transported by truck or barges. This was one of five Commission authorizations granted for the project under the Northwest Territories' *Oil and Gas Operations Act*.

The Commission is currently assessing Imperial Oil Resources N.W.T. Ltd.'s requests under the *Canada Oil and Gas Operations Act*. Imperial requested to vary its Norman Wells Operations Authorization for a ten-year extension and to replace certain pipeline segments under the Mackenzie River (known as Line 490 Corridor Replacement Activities). Steps to hear these applications will include community engagement and oral Indigenous knowledge sessions.

Compensation Matters

The Commission remained seized with numerous land-related compensation matters. For these applications, the CER offers an alternative dispute resolution process where participants can come to an agreement outside of the adjudication process. However, if the alternative dispute resolution process is not used, or if an agreement is not otherwise reached, the compensation matter is adjudicated by the Commission using a formal hearing process. During the reporting period, eight compensation applications were filed with the CER. For information on the status of these applications, please see [Appendix H](#).



2024-25 Look Ahead

During the 2024-25 fiscal year, the Commission will continue to adjudicate tolls and tariffs applications presently before it. This includes hearings for the Final Interim Tolls for Trans Mountain and the TransCanada Keystone Pipeline GP Ltd. Compliance filing.

The Commission also expects to receive applications for the expansion of existing pipeline infrastructure, including two CER Act section 183 applications, and will continue to adjudicate compensation-related matters related to existing and proposed infrastructure developments. The Commission will continue to assess Imperial Oil Resources N.W.T. Ltd.'s requests under the *Canada Oil and Gas Operations Act* discussed above.

The five-year review of ACE and SAM COM will continue into 2024-25 with the release of the Commission's decisions on the set-aside and collection mechanisms for companies using trusts to fund abandonment. This work will mark the final phases of the review.

During the 2024-25 fiscal period, the Commission will seek additional efficiency improvements to its adjudication processes and will pilot measures to reduce the time between receiving an application under section 214 of the CER Act and determining its completeness. The Commission also plans to extend these efficiency measures to other types of applications, including those under section 183 of the CER Act.

Appendix A: Commissioner Biographies



Mark Watton, Lead Commissioner

Mark Watton was named Lead Commissioner in August 2022. He was first appointed as a Canada Energy Regulator (CER) Commissioner in 2019. Mark Watton has twenty-five years of experience in government and public policy development, litigation and regulatory law. First called to the bar in Ontario, he practiced as a litigator in the Toronto office of Fasken Martineau DuMoulin before relocating to Calgary to join the CER's predecessor, the National Energy Board, as legal counsel, where he advised on multiple major project applications. Before he was appointed a Commissioner with the CER, he held the position of Senior Legal Counsel with TC Energy. He has also worked in executive and policy advisory roles for numerous cabinet ministers in several federal government departments and the Prime Minister's office. He graduated from Dalhousie University Law School (LL.B.) with specializations in Marine Law and Business Law. Mr. Watton also holds a Bachelor of Social Sciences (Political Science) from the University of Ottawa and is a member of the Alberta Law Society.



Kathy Penney, Deputy Lead Commissioner

Kathy Penney was re-appointed as Commissioner in 2023. Ms. Penney has over 25 years of regulatory, environmental, health and safety (HSE) experience in the public and private sectors. She has expertise in environmental assessments, HSE assurance and compliance processes, quasi-judicial and federal government project hearings, community consultation, and engagement with Indigenous Peoples. Her career includes roles with Jacques Whitford, in Newfoundland and Labrador and in Western Canada, and with Royal Dutch Shell, both in Canada and in Australia. Prior to her appointment on the Commission of the CER, she was a permanent member of the Canadian Nuclear Safety Commission. Recently she was on the Assessment Review Board for the Rocky View County. She holds a Master of Science from the University of British Columbia and a Bachelor of Science from the University of Toronto. Ms. Penney is a Pearson College scholar and holds an Executive Management Certificate from Queen's University.



Mélanie Chartier, Commissioner

Mélanie Chartier was appointed as Commissioner in 2021. She is a lawyer with more than 20 years of experience in a variety of areas, including aboriginal, environmental, and administrative law, having practiced primarily with the Department of Justice. Ms. Chartier also served as a Member of the Immigration and Refugee Board of Canada from 2016 to 2019. Most recently, Ms. Chartier served as Crown Counsel at the Public Prosecution Service of Canada where she prosecuted regulatory offences. She is a passionate advocate for official languages and has occupied various roles promoting official languages within the federal public service as well as in her community. Ms. Chartier holds a Bachelor of Laws (civil) from Laval University, a Certificate of Qualification in common law from the National Committee on Accreditation, and a Master of Laws from the University of British Columbia, focused on the Crown's duty to consult with Indigenous Peoples.



Trena Grimoldby, Commissioner

Trena Grimoldby was appointed as a Commissioner in 2019. She has 20 years of experience in energy regulatory law and litigation. She has worked for provincial and federal regulators as well as energy companies and has also served as counsel to landowner and municipal clients on energy regulatory matters. Prior to her appointment as Commissioner, she previously served as Public Chairperson at the Insurance Councils Appeal Board of Alberta, and as in-house counsel to two multi-national energy companies, a midstream energy company, the Alberta oil and gas regulator, and in a private practice setting. She is the CER's representative at CAMPUT (the Association of Canada's Energy and Utility Regulators), where she is a member of the Executive Committee and Co-Chair of the 2024 CAMPUT Annual Conference in Calgary. She holds certifications in advanced adjudication for administrative agencies, boards and tribunals and in fundamentals of Indigenous Peoples and Canadian law from Osgoode Hall Law school, in regulatory delivery from the Florence School of Regulation at the European University Institute, and in co-management of natural resources from the University of British Columbia and the Haida Gwaii Institute. She is a member of the Law Society of Alberta, the Canadian Bar Association, the Canadian Council for Administrative Tribunals, the Canadian Institute for Administrative Justice, the American Energy Bar Association, and the Institute of Corporate Directors. She holds a Bachelor of Laws and a Bachelor of Arts (English) from the University of Alberta. She is Métis and of settler descent as well as bilingual in both official languages of Canada.



Wilma Jacknife, Commissioner

Wilma Jacknife was re-appointed Commissioner in 2023 and served as a temporary member of the National Energy Board until December 2018. She has more than 20 years of experience in practicing law, both in private practice and as legal counsel for Cold Lake First Nation in Alberta. She specializes in First Nations governance and law-making, consultation and negotiation of impact benefits agreements, business development, administrative law and employment and estates law. Ms. Jacknife also has participated in joint task forces to develop legislative frameworks for First Nations in Canada (*Specific Claims Tribunal Act, Indian Oil and Gas Act* and regulations). Ms. Jacknife holds a Doctor of Juridical Science in Indigenous Peoples Law and Policy and a Master of Laws in Indigenous Peoples Law and Policy from the University of Arizona – College of Law and a Bachelor of Laws from the University of British Columbia and two Bachelor of Art degrees from the University of Alberta.



Stephania Luciuk, Commissioner

Stephania Luciuk was re-appointed Commissioner in 2022. Prior to her appointment, Ms. Luciuk was in legal practice for over 20 years, with extensive experience in the energy sector, serving as in-house counsel at Imperial Oil Limited and Canadian Oil Sands Limited and in private practice with Macleod Dixon and Fasken Martineau DuMoulin. Her legal practice has spanned regulatory, commercial, and environmental work as well as engagement with Indigenous Peoples related to conventional / unconventional oil and gas development and pipelines. In 2017, Ms. Luciuk was appointed as an assistant professor in the Bissett School of Business at Mount Royal University. She also served part-time as a commissioner of the Appeals Commission for Alberta Workers' Compensation and as a mediator for the Provincial Court of Alberta. She is currently the CER representative to NARUC (the National Association of Regulatory Utility Commissioners). Ms. Luciuk holds a Juris Doctor from Osgoode Hall Law School at York University and a Master of Laws in international environmental law, focused on freshwater protection, from Dalhousie University.



Sandor Sajnovics, Commissioner

Sandor Sajnovics was appointed Commissioner in 2023. Mr. Sajnovics has over 15 years of experience as a lawyer and accountant in both government and industry, including roles involving compliance auditing and environmental, regulatory, and Indigenous law. He is a lawyer and accountant (CPA, CGA) and holds a Bachelor of Laws, a Bachelor of Arts in Economics and a Bachelor of Commerce all from the University of Manitoba. Prior to his appointment, Mr. Sajnovics was legal counsel for the Department of Justice, supporting Crown-Indigenous Relations and Northern Affairs Canada. He also previously served as general counsel for the South Calgary Primary Care Network, commission counsel for the Alberta Utilities Commission (AUC), legal counsel for KGHM International Ltd., legal counsel for Cenovus Energy Inc., and as a regulatory analyst and auditor at the Government of Alberta, Department of Energy.



Appendix B: Application Activity

The following charts include applications subject to a routine assessment process (where no one other than the applicant has expressed interest in providing input), and applications where the CER has established a public hearing process to receive input from people other than the applicant as part of its assessment process.

An application under the CER Act may be submitted with requests under several parts of the CER Act or Regulations. Each application submitted is counted only once in the table as received and only once as having a decision or recommendation issued.

The two visualizations below show the application activity for the CER for the fiscal year 2023-24.

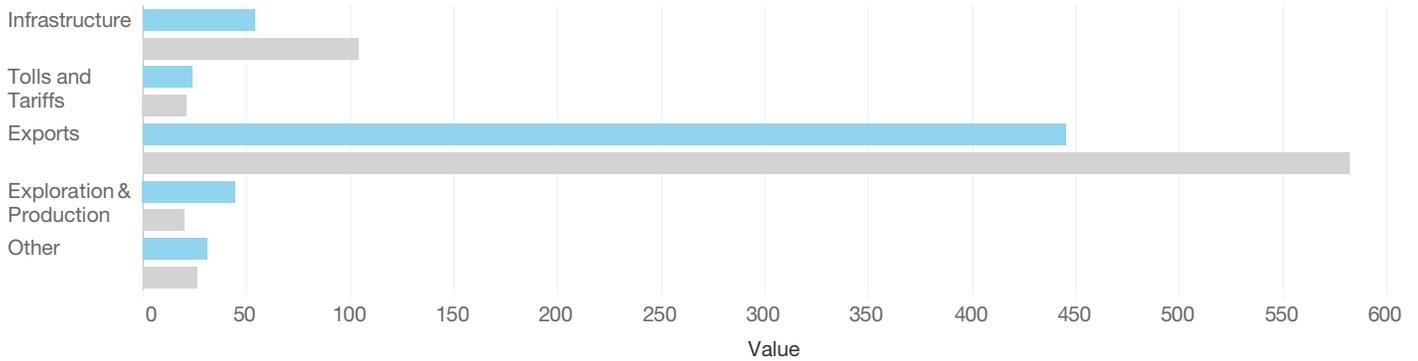
Visualization B.1 (Summary of Application Activity in 2023-24) is a high-level summary representation of the information in visualizations B.2 and B.3. It shows the grand total of all application activity.

Visualizations B.2 and B.3 (Detailed Application Activity in 2023-24 and Detailed Decision / Recommendation Activity in 2023-24) provide a detailed listing of all applications received, as well as decisions and recommendations issued in 2023-24.

Note: For both the Visualizations and the Detailed Application Activity information, import licenses and orders are no longer required under the CER Act and the category has been renamed to “Export” decisions. However, the 5-year average would still include import and export data from previous years.

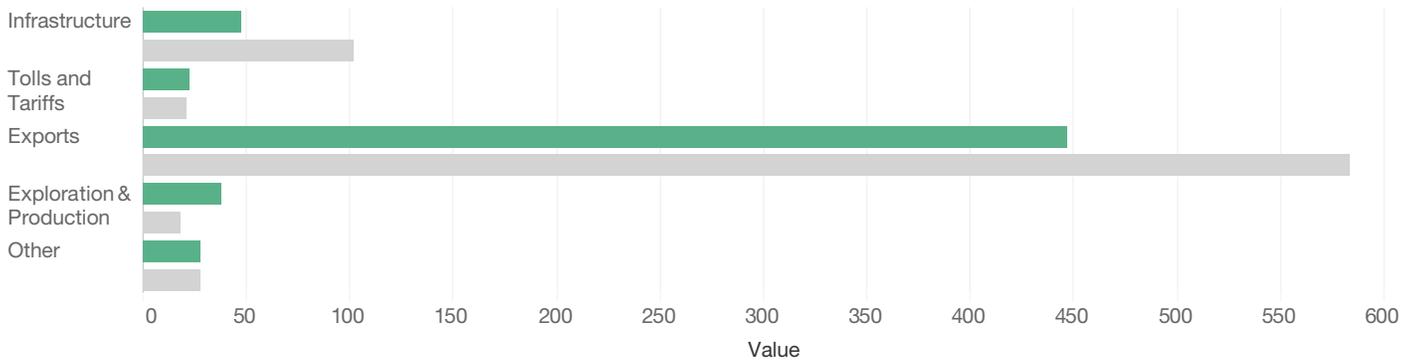
Visualization B.1 - Summary of Application Activity in 2023-24

Applications Received FY 2023-2024 vs 5-year average



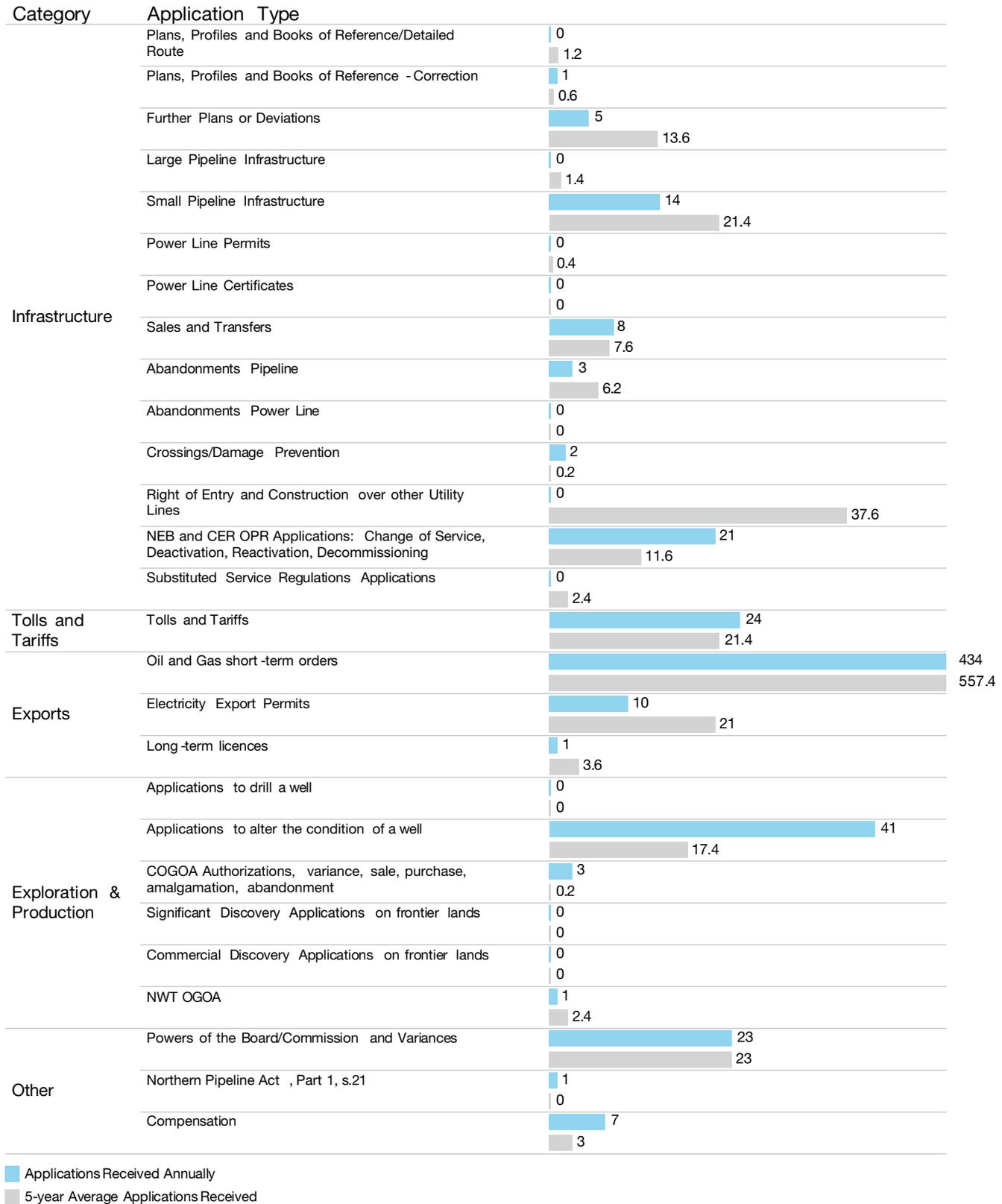
■ Number of Applications Received FY 2023-2024
 ■ 5-year Average Applications Received

Decisions or Recommendations Issued FY 2023-2024 vs 5-year average



■ Number of Decisions or Recommendations Issued FY 2023-2024
 ■ 5-year Average Decisions or Recommendations Issued

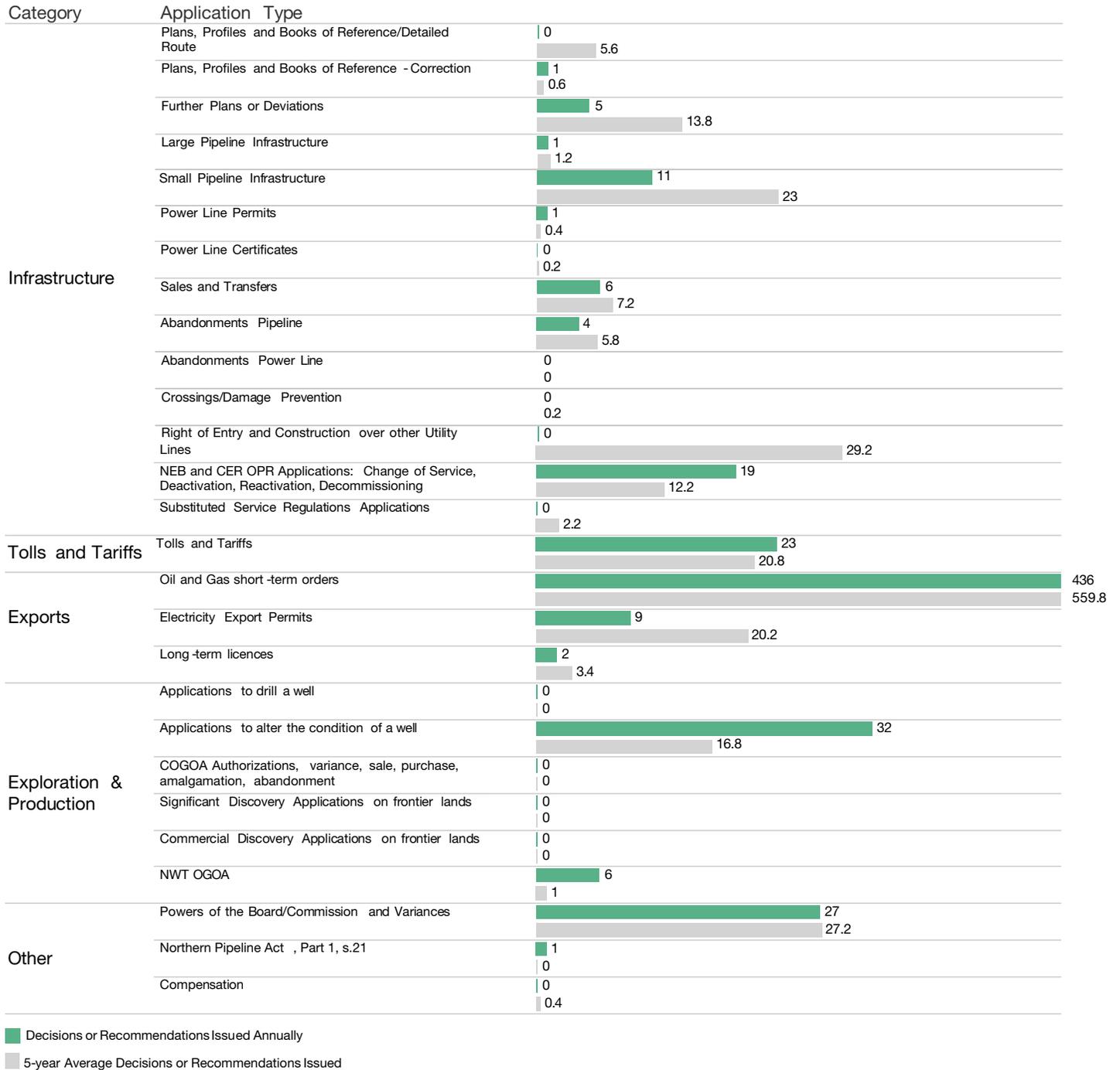
Visualization B.2 – Detailed Application Activity in 2023-24



Detailed Application Activity in 2023-24

| Category | Application Type | Number of applications received | 5-year average |
|-----------------------------------|--|---------------------------------|----------------|
| Infrastructure | Plans, Profiles and Books of Reference/Detailed Route | 0 | 1.2 |
| | Plans, Profiles and Books of Reference – Correction | 1 | 0.6 |
| | Further Plans or Deviations | 5 | 13.6 |
| | Large Pipeline Infrastructure | 0 | 1.4 |
| | Small Pipeline Infrastructure | 14 | 21.4 |
| | Power Line Permits | 0 | 0.4 |
| | Power Line Certificates | 0 | 0.0 |
| | Sales and Transfers | 8 | 7.6 |
| | Abandonments Pipeline | 3 | 6.2 |
| | Abandonments Power Line | 0 | 0.0 |
| | Crossings/Damage Prevention | 2 | 0.2 |
| | Right of Entry and Construction over other Utility Lines | 0 | 37.6 |
| | NEB and CER OPR Applications: Change of Service, Deactivation, Reactivation, Decommissioning | 21 | 11.6 |
| | <i>Substituted Service Regulations Applications</i> | 0 | 2.4 |
| Tolls and Tariffs | Tolls and Tariffs | 24 | 21.4 |
| Exports | Oil and Gas short-term orders | 434 | 557.4 |
| | Electricity Export Permits | 10 | 21.0 |
| | Long-term licences | 1 | 3.6 |
| Frontier Exploration & Production | Applications to drill a well | 0 | 0.0 |
| | Applications to alter the condition of a well | 41 | 17.4 |
| | COGOA Authorizations, variance, sale, purchase, amalgamation, abandonment | 3 | 0.2 |
| | Significant Discovery Applications on frontier lands | 0 | 0.0 |
| | Commercial Discovery Applications on frontier lands | 0 | 0.0 |
| | NWT OGOA | 1 | 2.4 |
| Other | Powers of the Board/Commission and Variances | 23 | 23.0 |
| | <i>Northern Pipeline Act, Part 1, s.21</i> | 1 | 0.0 |
| | Compensation | 7 | 3.0 |

Visualization B.3 – Detailed Decision/Recommendation Activity in 2023-24



Detailed Decision/Recommendation Activity in 2023-24

| Category | Application Type | Number of Decisions or Recommendations issued | 5-year average |
|-----------------------------------|--|---|----------------|
| Infrastructure | Plans, Profiles and Books of Reference/Detailed Route | 0 | 5.6 |
| | Plans, Profiles and Books of Reference – Correction | 1 | 0.6 |
| | Further Plans or Deviations | 5 | 13.8 |
| | Large Pipeline Infrastructure | 1 | 1.2 |
| | Small Pipeline Infrastructure | 11 | 23.0 |
| | Power Line Permits | 1 | 0.4 |
| | Power Line Certificates | 0 | 0.2 |
| | Sales and Transfers | 6 | 7.2 |
| | Abandonments Pipeline | 4 | 5.8 |
| | Abandonments Power Line | 0 | 0.0 |
| | Crossings/Damage Prevention | 0 | 0.2 |
| | Right of Entry and Construction over other Utility Lines | 0 | 29.2 |
| | NEB and CER OPR Applications: Change of Service, Deactivation, Reactivation, Decommissioning | 19 | 12.2 |
| | <i>Substituted Service Regulations Applications</i> | 0 | 2.2 |
| Tolls and Tariffs | Tolls and Tariffs | 23 | 20.8 |
| Exports | Oil and Gas short-term orders | 436 | 559.8 |
| | Electricity Export Permits | 9 | 20.2 |
| | Long-term licences | 2 | 3.4 |
| Frontier Exploration & Production | Applications to drill a well | 0 | 0.0 |
| | Applications to alter the condition of a well | 32 | 16.8 |
| | COGOA Authorizations, variance, sale, purchase, amalgamation, abandonment | 0 | 0.0 |
| | Significant Discovery Applications on frontier lands | 0 | 0.0 |
| | Commercial Discovery Applications on frontier lands | 0 | 0.0 |
| | NWT OGOA | 6 | 1.0 |
| Other | Powers of the Board/Commission and Variances | 27 | 27.2 |
| | <i>Northern Pipeline Act, Part 1, s.21</i> | 1 | 0.0 |
| | Compensation | 0 | 0.4 |

Appendix C: Summary of Released Commission Decisions, Recommendations and In Progress Hearing Applications

The Commission adjudicates a multitude of matters under the CER Act. These range from smaller facilities applications, such as those assessed under section 214 of the CER Act, abandonment of facilities that are no longer required, land matters complaints, compensation matters and large-scale pipeline projects assessed under section 183 of the CER Act, to decisions on shipper complaints, company tolls hearings, abandonment cost estimates and electricity permits and certificates.

The Commission's processes are fair, inclusive, transparent and efficient. The Commission exercises its powers and performs its duties and functions in a manner that respects the Government of Canada's commitments with respect to the rights of the Indigenous Peoples and offers meaningful engagement opportunities to stakeholders. This keeps Canada's energy infrastructure safe, protects people and the environment, and enhances Canada's global competitiveness.

2023-24 Commission Decisions and Recommendations

Decision Reports and Recommendations are the result of larger, more formal proceedings (such as applications under section 183 of the CER Act, tolls and tariff applications, etc.). Decisions and recommendations issued by the Commission from 1 April 2023 to 31 March 2024 are described below.

Pipeline Infrastructure:

NorthRiver Midstream NEBC Connector GP Inc. – NEBC Connector Project

Recommendation: The Commission found that the project is, and will be, required by the present and future public convenience and necessity, and recommended that the GIC approve the application. The Commission set out 49 conditions, including several related to offsets to reduce the project's contribution to cumulative effects in the development area, including on fish and fish habitat, wildlife and wildlife habitat, and traditional land and resources, which are all impacted by existing cumulative effects. GIC approval to issue a Certificate of Public Convenience and Necessity was granted on 21 December 2023 with no changes to the recommended conditions.

Background: The NEBC Connector project consists of two parallel, 215-km small-diameter pipelines transporting natural gas liquids and condensate from an existing facility 25 km northwest of Wonowon, British Columbia to a riser site in the Gordondale area of Alberta. Roughly 91% of the route parallels existing linear disturbances. During the hearing process, three workshops were held with participants regarding process design, cumulative effects assessment, and the development of NorthRiver's offset plan. Oral hearings were held to hear Indigenous knowledge, cross-examination, and argument. When the hearing process concluded, 26 intervenors were registered, including 21 Indigenous communities, four government departments, and one landowner. The CER's Crown Consultation Coordinator also actively participated in the hearing process providing recommendations for consideration by the Commission, the majority of which were addressed in the Commissions' Recommendation to the GIC. The GIC, in its approval, made no additions or changes to conditions.

Hearing Order number: OH-001-2022

The Commission released its Recommendation Report on 18 October 2023.

Governor in Council approval: 21 December 2023

Order number: Certificate OC-067 and Order XO-003-2023

REGDOCS File number: [Filing [C26744](#)]

Panel of Commissioners: K. Penney (Presiding), M. Watton, W. Jacknife

Pipeline Variances:

Trans Mountain Pipeline ULC – Trans Mountain Expansion Project – Certificate of Public Convenience and Necessity OC-065 – Section 211 Deviation Application for Plan, Profile and Book of Reference (“PPBoR”) Sheet M002-PM03011-014

Decision: The Commission approved the 1.3 km pipeline route deviation in the Pípsell (Jacko Lake) area of British Columbia.

Background: Trans Mountain applied for the revised route after encountering significant technical challenges with micro-tunnelling along a portion of the previously approved route. To accommodate these geotechnical challenges, Trans Mountain proposed changing the construction method from micro-tunnelling to a combination of conventional open trench and horizontal directional drilling, which required a change to 1.3 km of the route. The revised route and location of the proposed work holds spiritual and cultural significance to Stk’emlúpsenc te Secwépemc Nation (SSN), who opposed the application. The Indigenous Caucus of the Indigenous Advisory and Monitoring Committee for the Trans Mountain Expansion and Existing Pipeline filed a letter of comment. In considering the application, the Commission conducted an expedited process involving written submissions and requested process steps from SSN and Trans Mountain, and information requests between the two parties and from the Commission. A three-day oral hearing was held in Calgary, Alberta at which the Commission heard Indigenous knowledge from SSN, as well as cross-examination and argument by the two parties. The Commission made a number of technical findings on the feasibility of micro-tunnelling, considered the balancing of societal interests, the accommodation of SSN’s rights and interests, the impact of the UN Declaration, and ultimately found that the deviation was required based on the available evidence.

Hearing Order number: n/a

The Commission released its decision on 25 September 2023. The Commission released its reasons on 20 October 2023.

Order number: AO-003-OPL-003-2020

REGDOCS File number: [Filing [C26807](#)]

Panel of Commissioners: K. Penney (Presiding), S. Luciuk, M. Watton

Trans Mountain Pipeline ULC – Application for Variance of Pipe Diameter, Coating and Wall Thickness Trans Mountain Expansion Project – Mountain 3 Horizontal Directional Drill Section 69 of the Canadian Energy Regulator Act

Decision: The Commission denied Trans Mountain’s request to vary Schedule A of Certificate OC-065 with respect to the diameter, wall thickness and coating of pipe in an approximately 2.3 km section between Hope and Chilliwack, British Columbia on the Black Pines to Burnaby Tank Terminal segment of the Trans Mountain Expansion Project (TMEP).

Background: In its variance application and subsequent argument, Trans Mountain requested a decision by 30 November 2023 to advance the timely completion of the Mountain 3 Horizontal Directional Drill (HDD) and the overall TMEP. The Commission conducted an expedited process and held a one-day oral hearing. Trans Mountain proposed its contingency option of installing NPS 30 pipe within the 2.3 km HDD segment (rather than the approved NPS 36 pipe), as the HDD was very challenging due to the hardness of the rock and the complexity of a 2.3 km HDD. Trans Mountain submitted that progress of the 48-inch reaming operation was unpredictable, with a risk of tool loss and additional delay, and the Mountain 3 segment was on the critical path for the TMEP in-service date. The Commission found that Trans Mountain did not demonstrate adherence to its Quality Management Plan as filed under Condition 9 of the Certificate and did not demonstrate it could have full in-line inspection capability at the start of operation.

Hearing Order number: n/a

The Commission released its decision on 5 December 2023. The Commission released its reasons on 20 December 2023.

Order number: n/a

REGDOCS File number: [Filing [C27768](#)]

Panel of Commissioners: K. Penney (Presiding), T. Grimoldby, S. Sajnovics

Trans Mountain Pipeline ULC – Trans Mountain Expansion Project – Certificate of Public Convenience and Necessity OC-065 (the “Certificate”) – Application for Variance and Condition Relief under the Certificate

Decision: The Commission approved Trans Mountain’s application pursuant to section 190 to vary Schedule A of Certificate OC-065 with respect to the diameter, wall thickness and coating of pipe in an approximate 2.3 km section between Hope and Chilliwack, British Columbia, on the Black Pines to Burnaby Tank Terminal segment of the TMEP, subject to conditions. The Commission also granted Trans Mountain’s request for relief to adhere to the Quality Management Plan filed under Condition 9 of the Certificate.

Background: In its 14 December 2023 variance application, Trans Mountain requested a decision by 9 January 2024 to avoid delays to the TMEP and in consideration of significant consequences to Trans Mountain and third parties. In response, the Commission conducted an expedited process for the application and held a one-day oral hearing. Trans Mountain re-proposed its contingency option of installing NPS 30 pipe within the 2.3 km HDD segment (rather than the approved NPS 36 pipe) and reaffirmed that during construction of the Mountain 3 HDD crossing, it encountered several complex challenges, including hard rock conditions (causing premature tooling wear) and the presence of multiple fractured areas within the bedrock (allowing high rates of water ingress). If it proceeded with its plan to install NPS 36 pipe, there was significant risk that the borehole would become compromised, or that the HDD would fail altogether, causing an approximate two-year delay in the schedule. In its December variance application, Trans Mountain offered additional evidence regarding the technical challenges, impact on design and operation, and its quality management processes. In its decision, the Commission found

that the variance application and subsequent submissions satisfactorily addressed the Commission's concerns around in-line inspection capability and material quality.

Hearing Order number: n/a

The Commission released its decision on 12 January 2024. The Commission released its reasons on 31 January 2024.

Order number: AO-012-OC-065

REGDOCS File number: [Filing [C28265](#)]

Panel of Commissioners: K. Penney (Presiding), T. Grimoldby, S. Sajnovics

International Power Lines:

Hydro-Québec Hertel-New York Interconnection Line – Application for Permit (Section 248 of the Canadian Energy Regulator Act)

Decision: The Commission granted the relief sought by Hydro-Québec and issued electricity Permit EP-306 pursuant to section 248 of the CER Act. The Permit contained 23 conditions.

Background: On 8 July 2022, Hydro-Québec (HQ) submitted an application for a permit to build and operate an underground, direct current, 400 kV transmission line approximately 58 km long, from the Hertel substation in La Prairie, Québec to an interconnection point at the Canada-US border under the Richelieu River. The Project is in Québec and most of the Hydro-Québec system is regulated provincially. The Québec government approved the Project in June 2023. The CER has jurisdiction over the transmission lines which cross international boundaries. The Commission issued permit EP-306 for the Project in July 2023 which included 23 conditions. The Project was supported by the Mohawk Council of Kahnawà:ke who entered into a memorandum of understanding to negotiate a final agreement under which the Mohawk Council of Kahnawà:ke would become a joint owner with HQ of the Québec portion of the Project. Once the Project is complete, the Project will provide electricity to New York state.

Hearing Order number: n/a

Permit number: EP-306

REGDOCS File number: [Filing [C25602](#)]

Panel of Commissioners: M. Chartier (Presiding), T. Grimoldby, S. Luciuk

Tolls and Tariffs Decisions:

Trans-Northern Pipelines Inc. (TNPI) – Application for Approval of Incentive Tolls Settlement Agreement

Decision: The Incentive Tolls Settlement Agreement (ITSA) was approved 19 December 2023 and included consideration of TNPI's Ontario – Quebec pipeline configuration which is separated into two segments (Montreal, Quebec to Toronto, Ontario and Nanticoke, Ontario to Toronto, Ontario).

Background: TNPI first sought an agreement with shippers, guided by the CER's *Guidelines for Negotiated Settlements of Traffic, Tolls and Tariffs*. No agreement was reached, resulting in the application. Two TNPI shippers participated as intervenors in the hearing: Imperial Oil, who supported the ITSA proposal, and Suncor Energy, who opposed it. Two other shippers did not participate as intervenors in the hearing, but Shell provided a letter

of support. The Commission found that the ITSA would result in just and reasonable tolls. The two-segment toll design would likely reduce existing cross-subsidization and better adhere to the fundamental tolling principle of having shippers pay for what they use compared to a rolled-in approach. Tolls will now be determined for each segment of the system rather than the current approach where all shippers are charged tolls based on costs of the entire TNPI System. In addition, the Commission found that the ITSA tolls are generally competitive with marine and rail alternatives.

Hearing Order number: RH-001-2023

The Commission released its reasons and decision and order on 19 December 2023.

Order number: TO-002-2023

REGDOCS File number: [Filing [C27751](#)]

Panel of Commissioners: K. Penney (Presiding), T. Grimoldby, S. Luciuk

NOVA Gas Transmission Ltd. (NGTL) – Application for the Reaffirmation of the North Montney Mainline Tolling Methodology

Decision: On 27 March 2024, the Commission approved NGTL's North Montney Mainline (NMML) tolling application.

Background: NGTL filed an application on 23 May 2023 for the reaffirmation of the NMML Tolling Methodology, which was filed in compliance with Condition 2 of the 20 March 2020 Order TG-002-2020. Condition 2 requires that NGTL must re-apply to the Commission for approval of a revised tolling methodology on the NMML if, over the operating life of the NMML, some or all of the gas transported on the NMML is delivered to new large markets, such as the LNG market on the Pacific coast. NGTL's proposal is to connect NMML with the Coastal GasLink pipeline at the Willow Valley Interconnect (WVI) with an in-service date of April 2024. As the Coastal GasLink will transport gas to LNG Canada Development Inc.'s export facility on the west coast, an application was required from NGTL. Final argument was held in Calgary, Alberta on 9 January 2024. The Commission determined that the tolling methodology proposed by NGTL was just and reasonable following the start of deliveries at the WVI. The Commission imposed additional consultation conditions on NGTL as well.

Hearing Order number: RH-003-2023

The Commission released its decision on 27 March 2024.

Order number: TG-002-2024

REGDOCS File number: [Filing [C29055](#)]

Panel of Commissioners: S. Luciuk (Presiding), T. Grimoldby, S. Sajnovics

Review and Variance Application of TransCanada Keystone Pipeline GP Ltd. (Keystone) concerning the Decision in the RH-005-2020 Hearing

Decision: On 26 July 2023, the Commission dismissed the application, finding that Keystone did not, on a *prima facie* basis, raise a doubt to the correctness of the RH-005-2020 Decision.

Background: On 23 January 2023, Keystone filed an application seeking a review and variance regarding the Commission's decision on Phase 1 of the RH-005-2020 proceeding. The application asserted the Commission erred in its decision concerning the recovery of certain costs. The decision required Keystone to remove costs from its Variable Tolls, including certain Drag Reducing Agent expenses. Keystone, in its 23 January 2023 application, alleged that there was doubt as to the correctness of the RH-005-2020 decision and filed the review and variance application. As part of the adjudicative process, the Commission invited comments from interested persons and received letters from Phillips 66 Canada Ltd., Cenovus Energy Inc., Imperial Oil Ltd., and HF Sinclair Refining Marketing LLC, all of whom opposed Keystone's review and variance application.

Hearing Order number: AO-001-RH-005-2020

The Commission released its reasons and decision on 26 July 2023.

REGDOCS File number: [Filing [C25670](#)]

Panel of Commissioners: T. Grimoldby (Presiding), S. Luciuk, M. Chartier

Frontier Exploration and Production:

Inuvialuit Energy Security Project (IESP) Ltd. – Applications under Hearing Order MH-002-2022:

- Early Site Works application, filed 24 June 2022
- Well Workover application, filed 29 July 2022
- Energy Centre (installation and operation) application, filed 30 September 2022

Decisions: Three authorizations were granted under Hearing Order MH-002-2022 which included Commission approval of the IESP's Early Site Works application and Well Workover application on 28 June 2023, and approval of the Energy Centre (installation and operation) application on 7 March 2024.

Other decisions related to the project made during the fiscal year included the Development Plan amendment (from liquid natural gas to compressed natural gas), approved 22 June 2023 and the TUK M-18 well approval authorization, approved 23 February 2024.

Background: The IESP involves constructing a gas plant (Energy Centre) that will convert natural gas into compressed natural gas and synthetic diesel for regional use in the Town of Inuvik and Hamlet of Tuktoyaktuk, reducing dependence on imported fuel trucked or barged in from southern Canada. The Project is located approximately 16 km south of Tuktoyaktuk in the Northwest Territories, within the Inuvialuit Settlement Region, on Inuvialuit private lands. The Inuvialuit own and administer the surface and subsurface interests on the private lands for the IESP and Indigenous communities provided unanimous support for the Project. Regulated under the Northwest Territories' *Oil and Gas Operations Act* and associated regulations, the Project was the first public hearing held by the Commission under this act. The IESP also involved Development Plan decisions and was also reviewed by the Inuvialuit Environmental Impact Screening Committee under the *Inuvialuit Final Agreement*, whose decision on the Project was released in 2021, prior to the applications being filed with the Commission.

Hearing Order number: MH-002-2022

The Commission released its decisions on 28 June 2023 and 7 March 2024.

Order numbers: OA-1414-001, OA-1414-002, OA-1414-003

REGDOCS File number: [Filings [C25240](#), [C25800](#), [C28698](#)]

Panel of Commissioners: M. Watton (Presiding), K. Penney, W. Jackknife

In Progress Hearing Applications

The following are applications that were being assessed by the Commission in 2023-24 that will result in future Decisions or Recommendations:

Tolls and Tariffs:

TransCanada Keystone Pipeline GP Ltd. – Compliance Filing to the RH-005-2020 Decision

Section: Part 3, section 230 CER Act

Background: On 14 December 2022, the Commission issued its decision on Phase 1 of the RH-005-2020 proceeding, which considered a complaint from Phillips 66 Canada Ltd. and Cenovus Energy Inc. regarding Keystone’s proposed tolls. The accompanying Toll Order TO-005-2022 directed Keystone to recalculate and refile tolls for the years 2020 and 2021 to remove certain Drag Reducing Agent (DRA) expenses, capital-related costs, and carrying charges. Keystone made the TO-005-2022 compliance filing on 14 April 2023, which included a proposed methodology to allocate DRA expense to different uses of DRA. The Commission established a process to consider the compliance filing, which includes cross-examination and oral argument in Summer 2024.

Hearing Order number: AO-001-RH-005-2020

REGDOCS File Number: [Filing [C24055](#)]

Panel of Commissioners: T. Grimoldby (Presiding), S. Luciuk, M. Chartier

Trans Mountain Pipeline ULC – Application for Approval of Interim Commencement Date Tolls and Other Matters related to the Transportation of Petroleum on the Expanded Trans Mountain Pipeline System

Section: Part 1, section 67 and Part 3, section 230 CER Act

Background: On 1 June 2023, Trans Mountain applied for approval of interim tolls and other matters associated with the transportation of petroleum on the expanded Trans Mountain pipeline system. The interim tolls will apply on the Trans Mountain pipeline system starting on the commencement date of the expanded system. On 30 November 2023, the Commission issued a preliminary decision which focused on a narrower set of issues and commenced a process to consider more detailed submissions and a broader range of issues related to establishing the Final Interim Tolls (FIT). The FIT hearing is ongoing and is expected to conclude in 2025.

Hearing Order number: RH-002-2023

REGDOCS File Number: [Filing [C24695](#)]

Panel of Commissioners: M. Watton (Presiding), K. Penney, S. Luciuk

Abandonments:

Westcoast Energy Inc. – Application for the Pointed Mountain Pipeline Abandonment Project

Section: Part 3, section 241 CER Act

Background: Westcoast is seeking to abandon the Pointed Mountain pipeline, which consists of an approximately 55 km, 508 millimetre (20 inch) pipeline crossing the Yukon Territory, Northwest Territories, and British Columbia borders.

Hearing Order number: MH-004-2022

REGDOCS File Number: [Filing [C17537](#)]

Panel of Commissioners: M. Chartier (Presiding), T. Grimoldby, S. Luciuk

Frontier Exploration and Production:

Imperial Oil Resources N.W.T. Limited – Norman Wells Operations Application for Variance of Operations Authorization OA-1210-001

Section: Section 5 *Canada Oil and Gas Operations Act*

Background: In its Operations Authorization (OA) Variance Application, Imperial is seeking to extend the current term of the OA for an additional ten years (to the end of 2034) to allow for the continuation of Imperial's operations at the Norman Wells Operations.

Hearing Order number: OH-001-2023

REGDOCS File Number: [Filing [C27037](#)]

Panel of Commissioners: S. Luciuk (Presiding), M. Watton, K. Penney, S. Sajnovics

Imperial Oil Resources N.W.T. Limited – Application for Line 490 Corridor Replacement Activities - Norman Wells Operations - Authorization OA-1210-001

Section: Section 5 *Canada Oil and Gas Operations Act*

Background: Imperial is requesting approval to conduct pipeline replacement of five lines between Goose and Bear Islands using horizontal directional drilling as the construction method. The replacement activities include drilling a single hole between Goose and Bear Islands, approximately 610 to 762 millimetres in diameter (24 to 30 inches) and approximately 1.0 to 1.5 km in length. The span of the single bore hole, which is located beneath the Mackenzie River, is approximately 0.6 km at the drill location between the two islands.

Hearing Order number: OH-001-2023

REGDOCS File Number: [Filing [C28320](#)]

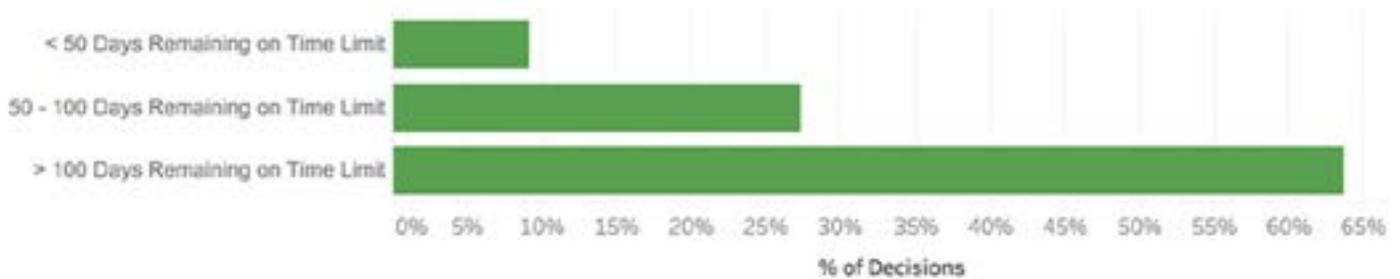
Panel of Commissioners: S. Luciuk (Presiding), M. Watton, K. Penney, S. Sajnovics

Appendix D: Time Limits

2023-24 Time Limits

The following graphic and table show applications which were subject to time limits for processing as per the CER Act. All time limits were met in 2023-24.

Percentage of Decisions – Grouped by Days Remaining on Time Limit



Under the CER Act, the Lead Commissioner must set a time limit for certain types of applications. The time limit must not exceed the maximum number of days stated in the CER Act. The Commission must complete its assessment and make its recommendation or decision within this time limit. The standard time limits set by the Lead Commissioner can be found on the CER [website](#).

Applications processed subject to time limits:

| Legislation | Application Type | Time Limit | Application | Days from Completeness to Decision Issued | Decision |
|---------------|--|------------------------------------|---|---|------------------------|
| CER Act s 214 | Small Pipeline Infrastructure - Category C | 300 days from application complete | Westcoast Energy Inc. - Upper South Taylor Hill Horizontal Directional Drill Pipe Replacement | 106 | C23949 |
| CER Act s 214 | Small Pipeline Infrastructure - Category B | 210 days from application complete | Twin Rivers Paper Company Inc. – Application for the relocation of Pulp and White Water Pipelines under Section 214 | 85 | C24451 |
| CER Act s 214 | Small Pipeline Infrastructure - Category B | 210 days from application complete | NOVA Gas Transmission Ltd. – Application for the Willow Valley Interconnect | 44 | C24537 |
| CER Act s 214 | Small Pipeline Infrastructure - Category C | 300 days from application complete | Trans Mountain Pipeline ULC - Application for the Coquihalla Crossing No. 10 Replacement Project | 58 | C24788 |
| CER Act s 214 | Small Pipeline Infrastructure - Category B | 210 days from application complete | NOVA Gas Transmission Ltd. - Mildred Lake West Sales Meter Station Project | 70 | C25451 |

| Legislation | Application Type | Time Limit | Application | Days from Completeness to Decision Issued | Decision |
|---------------|--|------------------------------------|--|---|------------------------|
| CER Act s 214 | Small Pipeline Infrastructure - Category B | 210 days from application complete | Westcoast Energy Inc. - Trutch Creek HDD Pipe Replacement Project | 84 | C25609 |
| CER Act s 183 | Large Pipeline Infrastructure | 450 days from application complete | NorthRiver Midstream NEBC Connector GP Inc. – NEBC Connector Project | 413 | C26744 |
| CER Act s 214 | Small Pipeline Infrastructure - Category A | 130 days from application complete | NOVA Gas Transmission Ltd. - Wilkin Lake Receipt Meter Station Project | 37 | C27689 |
| CER Act s 214 | Small Pipeline Infrastructure - Category C | 300 days from application complete | NOVA Gas Transmission Ltd. – Application for the Grande Prairie Mainline Loop No. 4 (Valhalla North Section) and Berland River Compressor Station C3 Unit Addition | 115 | C27795 |
| CER Act s 214 | Small Pipeline Infrastructure - Category A | 130 days from application complete | TransCanada PipeLines Limited – Regina South Meter Station Project | 42 | C28060 |
| CER Act s 214 | Small Pipeline Infrastructure - Category A | 130 days from application complete | NOVA Gas Transmission Ltd. - Iosegun Sales Meter Station Project | 35 | C28407 |

Appendix E: Leave to Open Orders Issued

Under the CER Act, a company requires permission from the Commission before opening a pipeline or a section of pipeline for the transmission of hydrocarbons or any other commodity. The Commission may grant leave under section 213 of the CER Act (formerly section 47 of the *National Energy Board Act*) if satisfied that the pipeline can be safely opened for transmission. Applications for this leave are made after approved construction is complete and the company can demonstrate that the facility can begin operations safely. Note that companies may apply for partial leaves to open if, for example, the pipeline is being constructed in phases or sections. The Commission may also, by order, exempt a company under section 214 of the CER Act from the requirement to file a leave to open application.

The table below shows the number of Leave to Open Orders issued in the 2023-24 fiscal year, by company.

| Company | Number of Leave to Open Orders |
|--|--------------------------------|
| Foothills Pipe Lines (South B.C.) Ltd. | 2 |
| NOVA Gas Transmission Ltd. | 11 |
| Trans Mountain Pipeline ULC | 18 |
| TransCanada PipeLines Limited | 1 |
| Twin Rivers Paper Company Inc. | 1 |
| Zibi Community Utility | 1 |
| Grand Total | 34 |

Appendix F: Commission Safety and Environment Oversight Orders and Directions

The following table summarizes the Commission orders, sometimes referred to as Safety Orders, and directions that were issued in 2023-24. The Commission can issue these orders pursuant to section 95 of the CER Act, to ensure the safety and security of persons and facilities and/or for the protection of property or the environment.

Many orders will remain in effect for several years, in which case CER staff will continue to monitor compliance with the order. It is necessary to keep these restrictions in place until such time the Commission is of the opinion that the company has sufficiently addressed underlying issues.

There were two variances to an existing order and one all company order issued in 2023-24. All Commission order and directions can be found on the [Compliance and Enforcement website](#) under “Commission Order and Directions”.

| Order Number | Date Issued | Company | Description/Reason for Order/Direction | Resulting Action/Status |
|------------------------|-------------|------------------------------|--|---|
| AO-010-SO-T217-03-2010 | 2024-03-12 | Trans-Northern Pipeline Inc. | Variance order. Trans-Northern Pipeline Inc. – Application for raising of restricted maximum operating pressure (MOP), pursuant to Condition 4.f of the order. | The Commission granted TNPI’s application to raise the restricted MOP for the NPS 20 Clarkson to Toronto Airport on the basis that it met condition requirement. |
| AO-009-SO-T217-03-2010 | 2023-09-06 | Trans-Northern Pipeline Inc. | Variance order. Trans-Northern Pipeline Inc. – Application to delay repairs of weld anomaly until the end of 2023. | The delay of the work would not likely jeopardize the integrity of the pipeline, therefore the CER rescinded Order AO-006-SO-T217-03-2010 and replaced it with Order AO-009-SO-T217-03-2010 to enable TNPI to delay the repairs until the end of 2023. TNPI confirmed the repairs and compliance with the condition of Order AO-009-SO-T217-03-2010, on 4 December 2023. No outstanding conditions remained for this order. |

| | | | | |
|-------------|------------|--|--|---|
| MO-015-2023 | 2023-06-28 | All holders of authorizations to build and operate pipelines | A new edition of the Canadian Standards Association (CSA) Z662 Oil & Gas Pipeline Systems Standard (Z662), was published in June of 2023. The CER is of the view that this edition of the standard, in its introduction of the optional Safety Class approach, contains changes that have not yet been demonstrated to consistently provide suitable levels of safety for certain activities that might be encountered in the operation of the pipeline. | Until the Safety Class approach has been demonstrated to consistently provide suitable levels of safety, the Commission will need to oversee its use and requires certain information to assess whether a particular intended use of the Safety Class approach will provide a suitable level of safety. |
|-------------|------------|--|--|---|

Appendix G: Post-Approval Condition Compliance Filings

The CER expects that companies identify and mitigate risks before they begin a project. When a risk is identified during the assessment of an application, the Commission may impose project-specific conditions to reduce risks, prevent harm, promote safety, and protect the environment.

If a project is approved, the CER will oversee the construction and operation of the project through a variety of post-approval matters, that inform safety and environmental oversight. Commission decisions will normally contain a list of conditions. Conditions can require submission of documents for filing, in which case the company submits their filing, which will be evaluated by CER staff. Conditions can require submission of documents for approval, in which case the Commission assesses and either approves or rejects the filing through a regulatory decision. The Commission made over 130 post approval-decisions in 2023-2024. Please note that a decision could include numerous condition filings, so the number of approved filings would be higher than this number.

The table below shows the number of post-approval filings in relation to each project received for the reporting year 2023-24.

| Project Name | Number of Company Documents Filed in Post-Approval Compliance |
|---|---|
| Trans Mountain Expansion Project (OH-001-2014) | 826 |
| 2021 NGTL System Expansion Project (GH-003-2018) | 70 |
| Authorization to complete Early Site Works, Well Workover and Installation, Operation of IESP Energy Centre (MH-002-2022) | 56 |
| NGTL West Path Delivery 2023 Project (GH-002-2020) | 39 |
| Construction of North Corridor Expansion Project (GH-002-2019) | 35 |
| Lake Erie Connector Project (EH-001-2015) | 22 |
| Manitoba Minnesota Transmission Project (EH-001-2017) | 20 |
| Line 3 Replacement Program (OH-002-2015) | 13 |
| 2017 NGTL System Expansion (GH-002-2015) | 12 |
| Construction of Edson Mainline Expansion Project (GH-001-2019) | 11 |
| TQM Reinforcement and Asset Purchase (GH-001-2020) | 8 |
| Peace River Mainline Abandonment (MH-002-2017) | 6 |
| Vantage Pipeline Project (OH-3-2011) | 5 |
| T-South Expansion and Reliability Project (GHW-002-2018) | 4 |
| Wyndwood Pipeline Expansion Project (GH-001-2017) | 3 |
| Keystone XL Pipeline (OH-1-2009) | 3 |
| Coquihalla Crossing No. 10 Replacement Project | 3 |
| Westover Facility Project | 2 |
| North Montney Project (GH-001-2014) | 2 |

| Project Name | Number of Company Documents Filed in Post-Approval Compliance |
|---|--|
| Line 21 Segment Replacement Project (MH-001-2017) | 2 |
| Reactivate the Relief Line between Lines 5, 78B and 95 into Tank 202 at Sarnia Terminal | 1 |
| Reactivate the Pembina Nipisi Line Connection at Edmonton Terminal | 1 |
| Decommission the Deep Valley North Section of the 2021 NGTL System Expansion Project | 1 |
| Abandon the Cypress Merryflat Pipeline (MHW-008-2019) | 1 |
| Sundre Crossover (GH-002-2017) | 1 |
| Smoky River South Sales Meter Station | 1 |
| North Central Corridor Remediation Project | 1 |
| NGTL West Path Delivery 2022 Project | 1 |
| NEBC Connector Project (OH-001-2022) | 1 |
| Leismer Ethane Extraction Plant Tie in | 1 |
| Kaybob South Lateral Deactivation Project | 1 |
| Geraldton Meter Station Expansion Project | 1 |
| Foothills Zone 8 West Path Delivery 2023 Project | 1 |
| Foothills Zone 8 West Path Delivery 2022 Project | 1 |
| Construction of Groundbirch Mainline Loop (Sunrise Section) | 1 |
| Albersun Horse River HDD Replacement | 1 |
| Many Islands Pipe Lines (Canada) Limited Macklin Compressor Station | 1 |
| Hidden Lake and Hidden Lake North Cooler Additions | 1 |
| Exemption Order for the NPS 16 Marten Hills Producer Tie In Rehabilitation Project | 1 |
| Grand Total | 1161 |

Appendix H: Compensation Applications

The table below reflects the compensation hearing applications filed and being dealt with by the Commission during 2023-24. Compensation hearing applications filed with the CER can be found on the CER's [public registry](#).

| Status of Application as of 31 March 2024 | Number of Applications |
|---|------------------------|
| Hearing process initiated | 2 |
| Hearing process resumed after an abeyance | 2 |
| On hold at the request of the applicant | 6 |
| Withdrawn | 2 |
| Hearing process adjourned at request of the applicant | 1 |
| Preliminary comment process | 3 |
| Grand Total | 16 |

Appendix I: Abandonment Funding

All pipeline companies regulated by the CER are obligated to adhere to the *Canadian Energy Regulator Onshore Pipeline Regulations*. These regulations encompass a systematic approach to pipeline management, including provisions for abandonment. In addition, the CER oversees applications for pipeline abandonment under section 241 of the CER Act, ensuring that companies allocate sufficient funds to cover future abandonment costs (section 242 of the CER Act). Companies are actively responsible for proactively managing their obligations related to setting aside and collecting abandonment funds.

As part of its oversight, the CER periodically reviews companies' abandonment cost estimates - typically every five years to ensure that appropriate financial instruments are in place to secure these funds.

Companies using Letters of Credit or Surety Bonds

Table I.1 lists those companies that use a letter of credit or surety bond to fund their abandonment cost estimate or have been exempt from setting aside abandonment funds.⁴ The table includes the amount and type of each associated financial instrument, the previous abandonment cost estimate, and the new abandonment cost estimate issued on 27 March 2024. The Commission gave companies until 8 May 2024 to file amended or replacement letters of credit or surety bonds based on the new abandonment cost estimates, inflated to 2028 dollars.⁵

Table I.1

| Company | Financial Instrument | Previous Abandonment Cost Estimate (\$) | Financial Instrument Value (\$) | Abandonment Cost Estimate Issued on 27 March 2024 (\$) |
|---|----------------------|---|---------------------------------|--|
| 1057533 Alberta Ltd. | LOC | 855,173 | 855,173 | 9,051,590 |
| 2670568 Ontario Ltd. | SB | 171,694 | 171,694 | 420,153 |
| 6720471 Canada Ltd. | LOC | 45,000 | 45,000 | 983,805 |
| AltaGas Holdings Inc. for and on behalf of AltaGas Pipeline Partnership | SB | 1,875,849 | 1,875,849 | 3,443,563 |
| ARC Resources Ltd. | LOC | 1,893,204 | 1,893,204 | 4,702,652 |
| Astara Energy Corp. | LOC | 80,156 | 80,156 | 367,799 |
| Bonavista Energy Corporation | LOC | 18,185 | 18,185 | 132,435 |
| Campus Energy Partners Operations Inc. | SB | 17,462,044 | 17,462,044 | 36,555,125 |
| Canada Border Services Agency | Exempt | 4,417 | N/A | 231,307 |

4 The Commission or National Energy Board had previously granted exemptions to certain companies from holding a set-aside mechanism. In issuing new abandonment cost estimates on 27 March 2024, the Commission continued some of these exemptions but not others. Table I.1 lists these as "Exempt" or "Previously Exempt," respectively.

5 The Commission's Part 1 report in the Five-Year Review of Abandonment Cost Estimates and Set-Aside and Collection Mechanisms 2021 ([C24949](#)) changed the requirement for companies that use letters of credit or surety bonds. Previously, the Commission allowed companies to maintain a letter of credit or surety bond in the amount of the abandonment cost estimate. Starting in May 2024, letters of credit and surety bonds will have to cover 10.4 per cent more than the value of the new abandonment cost estimates (the impact of 2 per cent annual inflation from 2023 to 2028).

| Company | Financial Instrument | Previous Abandonment Cost Estimate (\$) | Financial Instrument Value (\$) | Abandonment Cost Estimate Issued on 27 March 2024 (\$) |
|---|----------------------|---|---------------------------------|--|
| Canadian Natural Resources Limited | SB | 1,649,028 | 1,649,028 | 17,904,070 |
| Canadian-Montana Pipe Line Company | SB | 293,740 | 300,000 | 503,051 |
| Canlin Energy Corporation | LOC | 101,557 | 101,557 | 1,661,771 |
| Cenovus Energy Inc. | LOC | 10,233,571 | 10,233,571 | 12,163,422 |
| Champion Pipe Line Corporation Limited | LOC | 14,009,422 | 14,009,422 | 15,558,872 |
| Chief Mountain Gas Co-op Ltd. | Previously Exempt | 2,764 | N/A | 105,915 |
| County of Vermilion River No. 24 Gas Utility | Previously Exempt | 8,288 | N/A | 153,743 |
| Crescent Point Energy Corp. | LOC | 346,878 | 346,878 | 945,835 |
| Enercapita Energy Ltd. | LOC | 1,527,861 | 1,527,861 | 1,604,276 |
| Energy Transfer Operations GP LLC on behalf of Sunoco Pipeline LP | SB | 1,003,925 | 1,003,925 | 1,227,668 |
| ExxonMobil Canada Properties ⁶ | LOC | 15,719,000 | 15,719,000 | 12,876,056 |
| FortisBC Huntingdon Inc. | LOC | 115,754 | 115,754 | 140,321 |
| Gear Energy Ltd. | LOC | 217,155 | 217,155 | 416,262 |
| Great Lakes Pipeline Canada Ltd. | LOC | 12,586,000 | 12,586,000 | 18,513,363 |
| ISH Energy Ltd. | LOC | 3,046,924 | 3,046,924 | 10,709,332 |
| Kiwetinohk Energy Corp. | LOC | 362,000 | 362,000 | 559,876 |
| LBX Pipeline Ltd. | LOC | 3,198,336 | 3,198,336 | 3,478,042 |
| Lignite Pipeline Canada Corp. | SB | 1,426,320 | 1,426,320 | 632,046 |
| Many Islands Pipe Lines (Canada) Limited | Previously Exempt | 116,675,433 | N/A | 72,322,991 |
| Minell Pipeline Limited | Previously Exempt | 880,000 | N/A | 6,904,292 |
| NorthRiver Midstream G and P Canada Pipelines Inc., as general partner and on behalf of NorthRiver Midstream G and P Canada Pipelines Limited Partnership | LOC | 1,462,274 | 1,462,274 | 2,683,698 |
| Obsidian Energy Ltd. | LOC | 922,150 | 922,150 | 450,019 |
| Omimex Canada, Ltd. | LOC | 146,743 | 132,950 | 46,958 |
| Ovintiv Canada ULC | SB | 5,977,940 | 5,977,940 | 14,099,354 |

6 The amount listed for ExxonMobil Canada Properties includes cash of \$78,595 held by the CER, due to the cashing of the letter of credit from Mosbacher Operating Ltd., one of the joint venture partners for the CER-regulated assets.

| Company | Financial Instrument | Previous Abandonment Cost Estimate (\$) | Financial Instrument Value (\$) | Abandonment Cost Estimate Issued on 27 March 2024 (\$) |
|--|----------------------|---|---------------------------------|--|
| Pembina Energy Services Inc. | LOC | 6,004,973 | 6,004,973 | 9,025,817 |
| Pembina Prairie Facilities Ltd. | LOC | 31,102,297 | 31,102,297 | 62,504,286 |
| Pieridae Alberta Production Ltd. | LOC | 332,477 | 332,477 | 565,257 |
| Pine Cliff Border Pipelines Limited | LOC | 704,000 | 704,000 | 5,591,726 |
| Pine Cliff Energy Ltd. | LOC | 127,250 | 127,250 | 410,312 |
| Pipestone Energy Corp. | LOC | 11,600 | 11,600 | N/A ⁷ |
| Portal Municipal Gas Company Canada Inc. | Exempt | 760 | N/A | 333 |
| Pouce Coupé Pipe Line Ltd. (Northwest System) | LOC | 172,343 | 172,343 | 469,667 |
| Prospera Energy Inc. | LOC | 90,726 | 90,726 | 196,209 |
| SCL Pipeline Inc. | LOC | 259,288 | 259,288 | 430,330 |
| Shiha Energy Transmission Ltd. | LOC | 192,026 | 192,026 | 2,482,597 |
| Spartan Delta Corp. | LOC | 54,000 | 54,000 | 221,543 |
| Steel Reef Infrastructure Corp. | SB | 2,906,136 | 2,906,136 | 7,525,318 |
| Strathcona Resources Ltd. | LOC | 291,292 | 291,292 | 752,868 |
| Surge Energy Inc. | LOC | 31,795 | 31,795 | 1,603,781 |
| Tamarack Acquisition Corp. | LOC | 43,980 | 43,980 | 374,008 |
| TAQA NORTH by its managing partner TAQA NORTH Ltd. | LOC | 1,450,075 | 1,450,075 | 1,515,511 |
| Tidewater Midstream and Infrastructure Ltd. | LOC | 2,176,365 | 2,176,365 | 3,446,936 |
| Tundra Oil & Gas Limited for and on behalf of Tundra Oil & Gas Partnership | LOC | 72,812 | 72,812 | 290,790 |
| Twin Rivers Pulp Ltd. | Previously Exempt | 0 | 0 | 2,875,261 |
| Veresen Energy Pipeline Inc. | LOC | 3,326,412 | 3,326,412 | 4,937,088 |
| Veresen NGL Pipeline Inc. | LOC | 1,761,889 | 1,761,889 | 2,662,203 |
| Vermillion Energy Inc. | LOC | 241,490 | 242,000 | 551,811 |
| Whitecap Resources Inc. | LOC | 1,255,752 | 1,255,752 | 1,951,439 |
| Yoho Resources Inc. | LOC | 50,000 | 50,000 | 205,026 |
| Zibi Community Utility | LOC | 268,070 | 268,070 | 214,200 |

⁷ Due to a confirmed amalgamation between Strathcona Resources Ltd. and Pipestone Energy Corp. (C28035), the Commission did not issue a new abandonment cost estimate to Pipestone Energy Corp. Instead, the Commission included Pipestone Energy Corp.'s assets in Strathcona Resources Ltd.'s new abandonment cost estimate issued on 27 March 2024.

Companies using Trusts

Table I.2 lists those companies that use a trust to fund their abandonment cost estimate. The table includes each company's previous abandonment cost estimate, collection period, the trust balance as of 31 December 2022,⁸ and the new abandonment cost estimate issued on 27 March 2024. The collection periods shown were under review as of 31 March 2024. The Commission will issue its final decision on updated collection periods in fiscal year 2024-25 in Part 2 of the Five-Year Review of Abandonment Cost Estimates and Set-Aside and Collection Mechanisms 2021. Companies will then have to update the annual amount that they contribute to their trusts, based on their new abandonment cost estimates and collection periods.

Table I.2

| Company | Previous Abandonment Cost Estimate (\$) | Collection Period (Years) ⁹ | 2022 Close Balance (\$) (Actual) | Abandonment Cost Estimate Issued on 27 March 2024 (\$) |
|---|---|--|----------------------------------|--|
| 2193914 Canada Limited | 6,689,261 | 35 | 1,369,000 | 12,860,075 |
| Alliance Pipeline Ltd., as general partner for and on behalf of Alliance Pipeline Limited Partnership | 364,940,000 | 40 | 78,996,739 | 587,731,326 |
| Aurora Pipe Line Company Ltd. | 57,840 | 40 | 15,360 | 349,413 |
| Centra Transmission Holdings Inc. | 22,226,090 | 40 | 7,315,000 | 30,803,647 |
| Emera Brunswick Pipeline Company Ltd. | 12,781,000 | 20 | 6,607,000 | 36,252,444 |
| Enbridge Bakken Pipeline Company Inc., on behalf of Enbridge Bakken Pipeline Limited Partnership | 22,300,000 | 25 | 5,226,000 | 31,367,962 |
| Enbridge Gas Inc. | 103,187 | FF | 90,434 | 235,799 |
| Enbridge Pipelines (NW) Inc. | 45,000,000 | 12 | 20,485,000 | 98,945,130 |
| Enbridge Pipelines Inc. | 1,743,200,000 | 40 | 331,536,000 | 2,446,585,854 |
| Enbridge Southern Lights GP Inc. on behalf of Enbridge Southern Lights LP | 177,900,000 | 40 | 30,455,000 | 261,845,974 |
| Express Pipeline Ltd. | 99,300,000 | 40 | 16,498,007 | 86,891,525 |
| Foothills Pipe Lines Ltd. | 244,720,000 | 30 | 72,604,000 | 380,687,059 |
| Genesis Pipeline Canada Ltd. | 3,114,576 | 40 | 2,093,285 | 9,662,436 |
| Kinder Morgan Utopia Ltd. | 1,104,300 | 21 | 259,135 | 1,311,608 |
| Kingston Midstream Virden Limited | 3,169,331 | 40 | 1,121,000 | 10,507,662 |
| Kingston Midstream Westspur Limited | 51,931,666 | 25 | 10,994,000 | 76,222,688 |
| Maritimes & Northeast Pipeline Management Ltd. | 166,800,000 | 20 | 97,804,800 | 187,467,344 |
| Milk River Pipeline Ltd. | 2,751,021 | 40 | 901,332 | 7,379,616 |
| Montreal Pipe Line Limited | 19,873,239 | 40 | 5,471,756 | 61,371,755 |

For financial instruments, LOC = letter of credit; SB = surety bond

⁸ Company annual trust filings, containing 2023 year closing balances, are due on 30 April 2024.

⁹ Prior to the Five-Year Review of Abandonment Cost Estimates and Set-Aside and Collection Mechanisms 2021, three trusts were fully funded based on their previous abandonment cost estimates. Accordingly, the collection period is listed as "FF" for these companies (i.e., "fully funded"). The Commission has given these companies until 8 May 2024 to confirm that their trust balance is equivalent to or greater than their new abandonment cost estimate or, in the alternative, submit information about future annual contributions (e.g., collection period).

| Company | Previous Abandonment Cost Estimate (\$) | Collection Period (Years) ⁹ | 2022 Close Balance (\$) (Actual) | Abandonment Cost Estimate Issued on 27 March 2024 (\$) |
|---|---|--|----------------------------------|--|
| Niagara Gas Transmission Limited | 6,871,346 | 35 | 1,393,000 | 7,890,583 |
| NorthRiver Midstream Canada Partner Limited, as general partner and on behalf of NorthRiver Midstream Canada LP | 1,001,761 | 40 | 205,359 | 2,593,319 |
| NOVA Gas Transmission Ltd. | 2,535,333,000 | 30 | 707,019,000 | 5,203,697,226 |
| PKM Cochin ULC | 28,000,000 | 20 | 12,265,350 | 105,855,977 |
| Plains Midstream Canada ULC | 47,596,710 | 40 | 12,267,546 | 210,402,113 |
| Pouce Coupé Pipe Line Ltd. (Northern System) | 13,750,779 | 15 | 6,128,864 | 20,913,245 |
| Pouce Coupé Pipe Line Ltd. (Pouce Coupé System) | 4,014,587 | 15 | 1,890,316 | 7,183,125 |
| Souris Valley Pipeline Limited | 3,309,572 | FF | 3,925,708 | 5,944,404 |
| St. Clair Pipelines Ltd. | 1,359,792 | 35 | 368,109 | 1,094,243 |
| Trans Mountain Pipeline ULC | 367,820,000 | 35 | 92,266,304 | TBD ¹⁰ |
| Trans Québec and Maritimes Pipeline Inc. | 115,494,596 | 25 | 36,445,000 | 162,399,840 |
| TransCanada Keystone Pipeline GP Ltd. | 268,100,000 | 25 | 83,192,000 | 412,604,118 |
| TransCanada PipeLines Limited | 2,904,930,000 | 25 | 1,148,560,000 | 4,133,159,254 |
| Trans-Northern Pipelines Inc. | 87,020,000 | 40 | 25,302,245 | 160,818,666 |
| Vector Pipeline Limited on behalf of Vector Pipeline Limited Partnership | 8,500,000 | 35 | 1,270,000 | 7,702,872 |
| Westcoast Energy Inc. (Transmission System) | 363,600,000 | 40 | 73,399,315 | 854,191,998 |
| Westcoast Energy Inc. (Gathering and Processing System) | 446,100,000 | FF | 42,348,649 | 18,520,357 |
| Westover Express Pipeline Limited | 34,588,117 | 38 | 5,732,000 | 49,821,242 |

For the collection period, FF = Fully Funded

¹⁰ The process to finalize Trans Mountain Pipeline ULC's new abandonment cost estimate will continue in fiscal year 2024-25, within Part 2 of the Five-Year Review of Abandonment Cost Estimates and Set-Aside and Collection Mechanisms 2021.

Appendix J: Financial Resources Requirements

The CER Act requires companies operating oil and gas pipelines to set aside financial resources to cover the costs of any unintended or uncontrolled release from a pipeline, such as a spill. The financial resources sections of the CER Act reinforce the “polluter pays” principle. Companies are required to maintain financial resources that, at a minimum, match the absolute liability limit applicable to the company. The *Pipeline Financial Requirements Regulations* (Regulations), which came into force in July 2019, set out absolute liability limits for CER-regulated companies. These absolute liability limits range from \$200 million to \$1 billion for oil pipelines, \$10 million to \$200 million for gas pipelines, and \$5 to \$10 million for other commodity pipelines, depending on factors such as pipeline capacity, diameter, and commodity transported.

The Regulations outline the specific types of financial instruments that the Commission may order companies to maintain, as well as the minimum portion of the financial resources required to be readily accessible to the company. The financial resource types prescribed by the Regulations are as follows:

- Insurance policy;
- Escrow agreement;
- Letter of credit;
- Line of credit;
- Participation in a pooled fund, as referred to in subsection 139(1) of the CER Act;
- Parent company guarantees;
- Surety bond or pledge agreement, or indemnity bond or suretyship agreement;
- Cash or cash equivalents.

The Regulations also state that only authorized in-service pipelines will be considered in the determination of a company’s absolute liability class. Therefore, those pipelines that are not in service are currently exempt from filing an absolute liability limit and financial resources plan.

To ensure compliance with the Regulations, the CER developed filing guidance, and required all companies to file financial resources plans for evaluation. These plans set out the financial resources each company has available to respond to releases and demonstrate how companies meet the financial resources requirements in the CER Act and Regulations. If the plans are insufficient, the Commission has the authority to order companies to maintain additional financial resources.

CER Regulated Companies Financial Resource Plan Evaluation Status:

| Company | Class | Absolute Liability Limit (ALL) | Status of Financial Resource Plan Filing |
|--|----------------|--------------------------------|--|
| 1057533 Alberta Ltd. | Oil Class 3 | \$200,000,000 | Conditionally approved |
| 2193914 Canada Limited | Gas Class 1 | \$200,000,000 | Approved |
| 2670568 Ontario Limited | Not Applicable | | |
| 6720471 Canada Ltd. | Gas Class 4 | \$10,000,000 | Approved |
| Alliance Pipeline Ltd., on behalf of Alliance Pipeline Limited Partnership | Gas Class 1 | \$200,000,000 | Approved |
| Altgas Holdings Inc. for and on behalf of AltaGas Pipeline Partnership | Not Applicable | | |
| ARC Resources Ltd. | Gas Class 2 | \$50,000,000 | Approved |
| Astara Energy Corp. | Gas Class 2 | \$50,000,000 | Approved |
| Aurora Pipeline Company Ltd. | Oil Class 2 | \$300,000,000 | Approved |
| Bonavista Energy Corp. | Not Applicable | | |
| Campus Energy Partners Operations Inc. | Gas Class 1 | \$200,000,000 | Under Review |
| Canada Border Services Agency | Gas Class 4 | \$10,000,000 | Approved |
| Canadian Natural Resources Ltd. | Oil Class 2 | \$300,000,000 | Approved |
| Canadian-Montana Pipe Line Corporation | Gas Class 2 | \$50,000,000 | Approved |
| Canlin Energy Corporation | Not Applicable | | |
| Cenovus Energy Inc. | Oil Class 2 | \$300,000,000 | Conditionally approved |
| Centra Transmission Holdings Inc. | Gas Class 2 | \$50,000,000 | Approved |
| Champion Pipe Line Corporation Limited | Gas Class 2 | \$50,000,000 | Approved |
| Chief Mountain Gas Co-op Ltd. | Gas Class 4 | \$10,000,000 | Approved |
| County of Vermilion River No. 24 Gas Utility | Gas Class 4 | \$10,000,000 | Approved |
| Crescent Point Energy Corp. | Gas Class 3 | \$50,000,000 | Approved |
| DR Four Beat Energy Corp. | Not Applicable | | |
| Emera Brunswick Pipeline Company Ltd. | Gas Class 1 | \$200,000,000 | Approved |
| Enbridge Bakken Pipeline Company Inc., on behalf of Enbridge Bakken Pipeline Limited Partnership | Oil Class 2 | \$300,000,000 | Approved |
| Enbridge Gas Inc. | Gas Class 2 | \$50,000,000 | Approved |
| Enbridge Pipelines (NW) Inc. | Oil Class 3 | \$200,000,000 | Approved |
| Enbridge Pipelines Inc. | Oil Class 1 | \$1,000,000,000 | Approved |
| Enbridge Southern Lights GP Inc. on behalf of Enbridge Southern Lights LP | Oil Class 2 | \$300,000,000 | Approved |
| Enercapita Energy Ltd. | Gas Class 2 | \$50,000,000 | Approved |
| Energy Transfer Operations GP LLC on behalf of Sunoco Pipeline LP | Gas Class 2 | \$50,000,000 | Approved |
| Express Pipeline Ltd. | Oil Class 1 | \$1,000,000,000 | Approved |
| ExxonMobil Canada Ltd. | Not Applicable | | |

| Company | Class | Absolute Liability Limit (ALL) | Status of Financial Resource Plan Filing |
|---|----------------|---------------------------------------|---|
| Foothills Pipe Lines Ltd. | Gas Class 1 | \$200,000,000 | Approved |
| FortisBC Huntingdon Inc. | Gas Class 1 | \$200,000,000 | Under Review |
| Forty Mile Gas Co-op | Not Applicable | | |
| Gear Energy Ltd. | Not Applicable | | |
| Genesis Pipeline Canada Ltd. | Oil Class 2 | \$300,000,000 | Conditionally approved |
| Glencoe Resources Ltd. | Not Applicable | | |
| Great Lakes Pipeline Canada Ltd. | Gas Class 1 | \$200,000,000 | Approved |
| ISH Energy Ltd. | Oil Class 3 | \$200,000,000 | Approved |
| Kinder Morgan Utopia Ltd. | Oil Class 2 | \$300,000,000 | Approved |
| Kingston Midstream Virden Limited | Not Applicable | | |
| Kingston Midstream Westspur Limited | Oil Class 2 | \$300,000,000 | Conditionally approved |
| Kiwetinohk Energy Corp. | Not Applicable | | |
| LBX Pipeline Ltd. | Oil Class 2 | \$300,000,000 | Approved |
| Lignite Pipeline Canada Corp. | Gas Class 2 | \$50,000,000 | Approved |
| Many Islands Pipe Lines (Canada) Ltd. | Gas Class 1 | \$200,000,000 | Approved |
| Maritimes & Northeast Pipeline Management Limited | Gas Class 1 | \$200,000,000 | Approved |
| Milk River Pipeline Ltd. | Oil Class 2 | \$300,000,000 | Approved |
| Minell Pipeline Ltd. | Gas Class 2 | \$50,000,000 | Approved |
| Montreal Pipe Line Limited | Oil Class 2 | \$300,000,000 | Approved |
| Niagara Gas Transmission Limited | Gas Class 1 | \$200,000,000 | Approved |
| NorthRiver Midstream Canada Partner Limited, as general partner and on behalf of NorthRiver Midstream Canada LP | Gas Class 2 | \$50,000,000 | Approved |
| NorthRiver Midstream G and P Canada Pipelines Inc., as general partner and on behalf of NorthRiver Midstream G and P Canada Pipelines Limited Partnership | Gas Class 1 | \$200,000,000 | Approved |
| NOVA Gas Transmission Ltd. | Gas Class 1 | \$200,000,000 | Approved |
| Obsidian Energy Ltd. | Not Applicable | | |
| Omimex Canada, Ltd. | Not Applicable | | |
| Ovintiv Canada ULC | Gas Class 2 | \$50,000,000 | Approved |
| Pembina Energy Services Inc. | Gas Class 2 | \$50,000,000 | Approved |
| Pembina Prairie Facilities Ltd. | Gas Class 2 | \$50,000,000 | Approved |
| Pleridae Alberta Production Ltd. | Gas Class 2 | \$50,000,000 | Under Review |
| Pine Cliff Border Pipelines Ltd. | Gas Class 2 | \$50,000,000 | Under Review |
| Pine Cliff Energy Ltd. | Gas Class 2 | \$50,000,000 | Under Review |
| PKM Cochin ULC | Oil Class 2 | \$300,000,000 | Approved |
| Plains Midstream Canada ULC | Oil Class 1 | \$1,000,000,000 | Approved |

| Company | Class | Absolute Liability Limit (ALL) | Status of Financial Resource Plan Filing |
|---|-------------------------|---------------------------------------|---|
| Portal Municipal Gas Company Canada Inc. | Gas Class 4 | \$10,000,000 | Approved |
| Pouce Coupé Pipe Line Ltd. | Oil Class 2 | \$300,000,000 | Approved |
| Prospera Energy Inc. | Not Applicable | | |
| SanLing Energy Ltd | Not Applicable | | |
| SCL Pipeline Inc. | Gas Class 2 | \$50,000,000 | Approved |
| Shiha Energy Transmission Ltd. | Not Applicable | | |
| Souris Valley Pipeline Limited | CO2 or Water Class | \$5,000,000 | Approved |
| Spartan Delta Corp. | Not Applicable | | |
| St. Clair Pipelines Management Inc. on behalf of St. Clair Pipelines L.P. | Gas Class 1 | \$200,000,000 | Approved |
| Steel Reef Pipelines Canada Corp. | Gas Class 2 | \$50,000,000 | Approved |
| Strategic Oil & Gas (Strategic Transmission) | Not Applicable | | |
| Strathcona Resources Ltd. | Gas Class 3 | \$50,000,000 | Approved |
| Surge Energy Inc. | Gas Class 3 | \$50,000,000 | Approved |
| Tamarack Acquisition Corp. | Not Applicable | | |
| TAQA North Ltd. | Not Applicable | | |
| Terra Energy Corp. | Not Applicable | | |
| Tidewater Midstream and Infrastructure Ltd. | Gas Class 2 | \$50,000,000 | Under Review |
| Trans Mountain Pipeline ULC | Oil Class 1 | \$1,000,000,000 | Approved |
| Trans Québec and Maritimes Pipeline Inc. | Gas Class 1 | \$200,000,000 | Approved |
| TransCanada Keystone Pipeline GP Ltd. | Oil Class 1 | \$1,000,000,000 | Approved |
| TransCanada Pipelines Limited | Gas Class 1 | \$200,000,000 | Approved |
| Trans-Northern Pipelines Inc. | Oil Class 2 | \$300,000,000 | Under Review |
| Tundra Oil & Gas Limited | Oil Class 3 | \$200,000,000 | Approved |
| Twin Rivers Pulp Ltd. | Other Commodity Class 1 | \$10,000,000 | Under Review |
| Vector Pipeline Limited on behalf of Vector Pipeline Limited Partnership | Gas Class 1 | \$200,000,000 | Approved |
| Veresen Energy Pipeline Inc. | Gas Class 1 | \$200,000,000 | Approved |
| Veresen NGL Pipeline Inc. | Gas Class 2 | \$50,000,000 | Approved |
| Vermilion Energy Inc. | Not Applicable | | |
| Westcoast Energy Inc. | Gas Class 1 | \$200,000,000 | Approved |
| Westover Express Pipeline Ltd. | Oil Class 2 | \$300,000,000 | Approved |
| Whitecap Resources Inc. | Oil Class 2 | \$300,000,000 | Approved |
| Yoho Resources Inc. | Not Applicable | | |
| Zibi Community Utility | CO2 or Water Class | \$5,000,000 | Approved |

Appendix K: Abbreviations

ACE SAM COM

Abandonment Cost Estimates and Set-Aside and Collection Mechanisms

ALL

Absolute Liability Limit

CER

Canada Energy Regulator

CER Act

Canadian Energy Regulator Act, S.C. 2019, c.28, section 10

COGOA

Canada Oil and Gas Operations Act

Commission

Commission of the Canada Energy Regulator

FIT

Final Interim Tolls

DRA

Drag Reducing Agent

GIC

Governor in Council

HDD

Horizontal Directional Drill

HQ

Hydro-Québec

IESP

Inuvialuit Energy Security Project

ITSA

Incentive Tolls Settlement Agreement

MOP

Maximum Operating Pressure

NEB

National Energy Board

NGTL

NOVA Gas Transmission Ltd.

NMML

North Montney Mainline

NPA

Northern Pipeline Act

OA

Operations Authorization

OGOA

Oil and Gas Operations Act

OPR

Canadian Energy Regulator Onshore Pipeline Regulations

SSN

Stk'emlúpsenc te Secwépemc Nation

TMEP

Trans Mountain Expansion Project

TNPI

Trans-Northern Pipelines Inc.

UN Declaration Act

United Nations Declaration on the Rights of Indigenous Peoples Act

US

United States

WVI

Willow Valley Interconnect

To Learn More about the CER

| | | |
|------------------------------------|--|---|
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