



File OF-AF-PCE 03
25 October 2013

To: Attached Distribution List

**Abandonment Cost Estimates – Group 2 company filings
Update on the Board's Assessment of the abandonment cost estimates filed by
Group 2 companies**

Background

As part of the RH-2-2008 Reasons for Decision, the Board included a Five-year Action Plan, which it later amended on 1 June 2012. The Action Plan required Group 2 companies to submit an abandonment cost estimate by 30 November 2011 and a Set-Aside and Collection Mechanism by 31 May 2013.

On 14 February 2013 the Board issued the MH-001-2012 Reasons for Decision, addressing the abandonment cost estimates of Group 1 companies, as well as a letter to Group 2 companies (NEB filing number A50479). In this letter, companies' abandonment cost estimates were placed in one of three categories: Category A, Category B or Not Filed. The Board indicated that it was satisfied with the cost estimates filed by companies in Category A. The Board required further follow up for companies in Category B and the Not Filed category.

On 13 June 2013 the Board issued a revised list of companies in Category A, Category B and Not Filed. In that letter the Board also issued Information Requests to companies in Category B. The Board has assessed the responses these Information Requests and also the filings that have been made subsequent to its 13 June 2013 letter. Appendix 1 provides updated tables showing the Board's categorization of all Group 2 companies.

Companies previously in the Not Filed category

The Board has received three filings from companies previously in the Not Filed category. The Board has placed these filings in either Category A or B, as shown below.

.../2

Company	Category	Next Step
DR Four Beat Energy Corp.	Category A	
Seaview Energy Inc. (C/O Spyglass Resources Corp.) [Spyglass]	Category B	Information Request 2 – see Appendix 2
Tamarack Acquisition Corp.	Category A	

Spyglass is directed to respond to Information Request (IR) 2 (included in Appendix 2) by **noon on 8 November 2013**. Spyglass need only respond to the IR specifically addressed to it.

The Board reminds companies that remain in the Not Filed category that abandonment cost estimate filings were due to the Board on 30 November 2011 and Set-Aside and Collection Mechanism filings on 31 May 2013. The Board also reminds companies that the direction in the RH-2-2008 Reasons for Decision applies to all companies regulated under the *National Energy Board Act*. Accordingly any companies that have not made these filings are out of compliance with Board direction. The Board directs companies to file an abandonment cost estimate by **noon on 8 November 2013**.

Companies previously in Category B

The following table shows the revised categorization of companies that were previously in Category B and next steps, if required. The Board has decided to provide specific direction to certain companies, as indicated in the following table. The Board has issued a separate letter for those companies. The Board requires further information from Canadian Natural Resources Limited, ISH Energy Limited, Twin Rivers Paper Company Inc. and Vantage Pipeline Canada ULC. IR 2 is included in Appendix 2. Responses to the IRs are due by **noon on 8 November 2013**. Companies need only respond to the IRs specifically addressed to them.

Company	Category	Next Step
1057533 Alberta Ltd. – Harvest Operations Hay	Category A	
Altagas Holdings Inc. for and on behalf of Altagas Pipeline Partnership	Category B	Board direction – see separate Board letter
ARC Resources	Category A	
Canadian Natural Resources Limited	Category B	Information Request 2.1 – See Appendix 2
Enbridge Bakken Pipeline Company Inc.	Category A	
Husky Oil Operations Limited	Category B	Board direction – see separate Board letter
ISH Energy Limited	Category B	Information Request 2.2 – See Appendix 2
Manitoba Hydro on behalf of Minell Pipelines Ltd.	Category A	
Spur Border Pipelines Ltd.	Category B	Board direction – see separate Board letter
Twin Rivers Paper Company Inc.	Category B	Information Request 2.5 – See Appendix 2
Vantage Pipeline Canada ULC	Category B	Information Request 2.4 – See Appendix 2

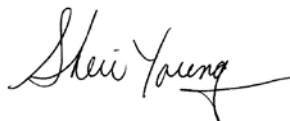
Updates to Abandonment Cost Estimates

The Board notes that a number of companies provided an updated abandonment cost estimate when they filed their Collection Mechanism filings. These companies, and their categorizations, are as follows:

Company	Category	Next Step
2193914 Ontario Limited	Category A	
Enbridge Pipelines (Westspur) Inc.	Category A	
Enbridge Southern Lights GP Inc. on behalf of Enbridge Southern Lights LP	Category A	
FortisBC Inc.	Category A	
Many Islands Pipe Lines (Canada) Limited	Category A	
Niagara Gas Transmission Limited	Category A	
St. Clair Pipelines Management Inc.	Category A	
Vector Pipelines Limited Partnership	Category A	

If you have any questions about this letter, please contact Danielle Moffat, at 403-299-2786 or toll free 1-800-899-1265 or Danielle.moffat@neb-one.gc.ca.

Yours truly,



Sheri Young
Secretary of the Board

Attachments

1. Appendix 1 - Categorization tables
2. Appendix 2 - Information requests
3. Appendix 3 - Distribution list

Appendix 1 – Categorization Tables

Category A

Company	Pipeline System
1057533 Alberta ltd.	Harvest Operations Monchy, Saskatchewan Harvest Operations Shekilie Harvest Operations Hay Gething Source Water Pipeline Harvest Operations Hay
2193914 Canada Limited	
6720471 Canada Ltd.	Pierson Pipeline
ARC Resources Ltd.	
Bonavista Energy Corporation	Orders: A0-002-XG-004-1992 A0-002-XG-T097-009-2003 AO-002-XG-T097-034-2003 AO-002-XG-T097-001-2003
BP Canada Energy Resources Company on behalf of Dome Kerrobert Pipeline (now owned by Plains Midstream ULC) and Provident Midstream LP	Kerrobert Pipeline
BP Canada Energy Resources Company (now owned by Plains Midstream ULC)	Windsor Storage Facility JV
Burlington Resources Canada (Hunter) Ltd.	Kelly 4" Hiding Creek Tie-in Project East Ring Border Pipeline Project Noel Sales 16" Ring Border Hiding Creek 6" Hiding Creek 4" Hiding Creek 8" Hiding Creek 10" Chinook Ridge 4" Station U 10"
Canadian Montana Pipeline Company Ltd.	Carway Line
Centra Transmission Holdings Inc.	
Champion Pipe Line Corporation Limited	
Chief Mountain Gas Co-op Ltd.	
County Of Vermilion River No. 24 Gas Utility	
Crescent Point Resources Ltd.	Orders: XG-12-90 XG-N150-6-2000 XG-R040-10-2003
Delphi Energy Corporation	

Company	Pipeline System
Dome NGL Pipelines Ltd. (now owned by Plains Midstream ULC)	Dome Pipeline Systems
Dome NGL Pipelines Ltd. (now owned by Plains Midstream ULC)	Sarnia Downstream Pipeline
DR Four Beat Energy Corp.	
E.B. Eddy Company (now owned by Domtar Inc.)	
Emera Brunswick Pipeline Company Ltd.	Brunswick Pipeline
Enbridge Bakken Pipeline Company Inc.	Bakken Pipeline
Enbridge Southern Lights GP Inc. on behalf of Enbridge Southern Lights LP	
Enbridge Pipelines (Westspur) Inc.	Westspur System
Encana Corporation	Deep Panuke Pipeline Tupper-Hythe fuel gas pipeline Mid Tupper sweet gas pipelines
Enerplus Corporation acting on behalf of The Enerplus Partnership	
Express Pipeline Ltd.	
ExxonMobil Canada Properties	Sable Joint Venture
FortisBC Huntington Inc.	
Glencoe Resources Ltd.	
Imperial Oil Resources Limited	
Kaiser Exploration Ltd.	Orders: A0-1-XO-A10-4-93 (filed as FOFO-K-39-2006-01-01) AO-1-XG-K039-14-2006 (Fuel Gas, Solution Gas and High Pressure Gas)
Keyera Energy Ltd.	Order: XG-M94-59-84
Lone Pine Resources Canada Ltd.	Ojay Pipeline
Manitoba Hydro on behalf of Minell Pipelines Ltd.	Minell Pipeline
Many Islands Pipe Lines (Canada) Limited	
Montreal Pipe Line Limited	18" and 24"
Murphy Oil Company Ltd.	Tupper Pipeline
Niagara Gas Transmission Limited	Cornwall Link Rockcliffe Orleans
Northern Blizzard Resources Inc.	
NOVA Chemicals on behalf of Genesis Pipeline Canada Ltd.	Genesis Lines 16A, 18, 19, 20, 20 A&B, and 39
NOVA Chemicals	NOVA Chemicals (Canada) Ltd. (NCCL) Line 31
Nuvista Energy Ltd.	
Omimex Canada Limited	Reagan Line

Company	Pipeline System
ONEOK Rockies Processing Company (Canada) Ltd.	
Paramount Transmission Ltd.	Cameron Hills Trans Border Pipeline
Pembina Energy Services Inc.	Taylor to Boundary Lake
Pengrowth Corporation	Cactus Bodo
Penn West Petroleum Ltd.	Compeer Pipeline Esther Injection Well Wildboy Esther Fusillier Esther Court Chinchaga
Plains Midstream ULC	Aurora Bodo Milk River Wascana Wapella
Pouce Coupé Pipeline Ltd.	Pouce Coupe Pipeline Northwest System Northern System
Ruger Energy Inc.	Alsask Pipeline
Shell Canada Products	Salmon A, B, C, D
Shiha Energy Transmission	Shiha Liard Pipeline
Spectra Energy Empress Management in respect of the Petroleum Transmission Company	
Spectra Energy Midstream Canada L.P.	
Souris Valley Pipeline Limited	Carbon Dioxide Pipeline
St. Clair Pipelines Management Inc.	
Sunoco Pipeline Inc.	
Talisman Energy Inc.	Compass Pipeline
Tamarack Acquisition Corp.	
TAQA North Ltd.	Chinchaga Beau Pipelines East Chinchaga Pipeline South Chinchaga Tie-in Burnt Cabin Creek (Chinchaga)
Tundra Oil & Gas Limited for and on behalf of Tundra Oil & Gas Partnership	
Union Gas Limited	Detroit River/Windsor 1 & 2
Vector Pipeline Limited Partnership	Vector
Veresen Energy Infrastructure Inc.	Tupper-Hythe Mid Tupper – Sour Tupper South Tupper South Loop
Yoho Resources Inc.	Boundary Lake Area Pipeline

Category B

Company	Pipeline System
Altagas Holdings Inc. for and behalf of Altagas Pipeline Partnership	
Canadian Natural Resources Limited	
Husky Oil Operations Limited	
ISH Energy Limited	ISH Desan Pipeline
Seaview Energy Inc. (C/O Spyglass Resources Corp.)	Boundary Lake Pipeline
Twin Rivers Paper Company Inc.	
Vantage Pipeline Canada ULC	Vantage Pipeline

Not Filed

Abitibi-Consolidated Company of Canada (C/O Resolute Forest Products)
Mid-Continent Pipelines Ltd. (C/O Many Islands Pipe Lines (Canada) Limited
Portal Municipal Gas Company Canada Inc.
Revenue Canada-Customs And Excise (C/O Canadian Border Services Agency)
Terra Energy Corp.

Appendix 2 – Information Requests

Table of Contents

Information Request No. [2]	10
Canadian Natural Resources Limited (CNRL)	10
2.1 Abandonment Cost Estimate	10
ISH Energy Limited (ISH)	10
2.2 Abandonment Cost Estimate	10
Seaview Energy C/O Spyglass Resources Corp. (Spyglass)	11
2.3 Abandonment Cost Estimate	11
Vantage Pipeline Canada ULC (Vantage)	12
2.4 Abandonment Cost Estimate	12
Twin Rivers Paper Company Inc. (Twin Rivers)	12
2.5 Abandonment Cost Estimate	12

Information Request No. [2]

Canadian Natural Resources Limited (CNRL)

2.1 Abandonment Cost Estimate

- Reference:**
- i) CNRL Abandonment Cost Estimate Filing dated 1 December 2011, ([A37355](#)), (pages 1 and 4);
 - ii) Board letter dated 13 June 2013, Information Requests, ([A52396](#)) (page 10);
 - iii) CNRL response to NEB Information Requests, ([A52665](#)), (page 1).

Preamble: In reference i) CNRL provided an abandonment cost estimate for all of its' NEB-regulated facilities. The total estimate was \$1,350,250. CNRL provided a combined Table A-1 for its pipeline systems.

In reference ii) the Board issued Information Requests (IR's) to CNRL with parts a), b), and c). Part a) requested an explanation of the methodology used to develop the unit costs for abandonment.

In reference iii) CNRL provided Table A-4 to respond to the Board's IR, rather than providing specific responses to parts a), b) and c) of reference ii). Table A-4 included an abandonment cost estimate for each of its pipeline systems. The Board calculates the cumulative total of the estimates as \$326,000.

The Board requires further information in respect of CNRL's abandonment cost estimate.

- Request:**
- a) Reconcile the total cost estimate provided in reference i) with the cumulative total that was calculated as a result of reference iii).
 - b) Provide a response to part a) of the request in reference ii).
 - c) Provide Table A-1 for each pipeline system mentioned in reference iii).

ISH Energy Limited (ISH)

2.2 Abandonment Cost Estimate

- Reference:**
- i) ISH Abandonment Cost Estimate Filing dated 1 December 2011, ([A35783](#)) (page 7);
 - ii) NEB Information request 1.6, ([A52396](#)), (page 11);
 - iii) ISH response to NEB information request 1.6, ([A52904](#)), page 2.

Preamble: In reference i), ISH provided an abandonment cost estimate. In that filing ISH stated that it has 98 km of pipe.

In reference ii) the Board asked ISH some information requests.

In reference iii) ISH responded to the Board's information requests. ISH stated that it has 98 km of 168 mm OD (6" OD). ISH did not provide the land use that this pipe is located on.

The Board requires further information.

Request: a) Which land use category(s) listed in Table A-1 is the ISH pipe located on?

Spyglass Resources Corp. (Spyglass)

2.3 Abandonment Cost Estimate

Reference: i) RH-2-2008 Reasons for Decision, ([A40277](#)), (page 41, pdf page 47);
ii) Board letter dated 4 March 2010, Tables A-1 to A-4, ([A40276](#)), (pages 23- 27, pdf pages 25-29);;
iii) Board letter dated 21 December 2010, Revised Table A-3, ([A40275](#));
iv) Spyglass response to NEB Gr 2 COM 1 IR 1.2 and 1.3, ([A54350](#)), (page 1).

Preamble: In reference i), the Board stated that "...the Panel recommends that, as a prerequisite to considering any proposals to defer collection or set aside of funds, companies be required to submit information on a pipeline-specific basis".

References ii) and iii) include tables A-1 to A-4. The Board also indicates that it expects companies to use these tables to develop their abandonment cost estimates to the extent possible, or to justify why they are unable to do so.

In reference iv) Spyglass states that it estimates its abandonment cost to be less than \$45 000.

Request: a) Provide tables A-1 to A-4 from references iii) and iv) for your cost estimate of \$45 000 (referred to in reference ii).

Vantage Pipeline Canada ULC (Vantage)

2.4 Abandonment Cost Estimate

- Reference:**
- i) Vantage Abandonment Cost Estimate filing as part of OH-3-2011, ([A2G6Y2](#));
 - ii) RH-2-2008 Reasons for Decision, ([A40277](#)), (page 3, pdf page 9);
 - iii) Board letter dated 4 March 2010, Tables A-1 to A-4, ([A40276](#)), (pages 23- 27, pdf pages 25-29);
 - iv) Board letter dated 21 December 2010, Revised Table A-3, ([A40275](#)).

Preamble: In reference i) Vantage provided a preliminary project abandonment plan and cost estimate.

In reference ii) the Board published a five-year action plan related to abandonment funding. Step 7 in the action plan is “Group 2 companies each prepare and file an estimate of abandonment costs and the amount required to be set aside using either the Base Case or pipeline-specific assumptions”.

The Board requires further information in respect of Vantage’s abandonment cost estimate.

- Request:**
- a) Confirm that the cost estimate in reference i) is meant to fulfill the requirement under RH-2-2008 to file an abandonment cost estimate.
 - b) If a) is not confirmed, provide an abandonment cost estimate for the Vantage pipeline, including tables A-1 to A-4 from references iii) and iv).
 - c) If a) is confirmed, provide an explanation of the methodology used to develop the unit costs for all of the cost categories.

Twin Rivers Paper Company Inc. (Twin Rivers)

2.5 Abandonment Cost Estimate

- Reference:**
- i) Twin Rivers Information Request response dated 20 August 2013, response b, ([A53675](#)), (page 2);
 - ii) NEB Reasons for Decision MH-001-2012, ([A50478](#)), (page 24, pdf page 36).

Preamble: In reference i) Twin Rivers stated that its steam and commodity pipelines contain no chemicals or other hazardous materials that cause any environmental concerns, thus no incidents related to the pipelines after abandonment are expected.

Twin Rivers also stated that the above-ground facilities are on land that is

owned by either Twin Rivers or the City of Edmundston.

In reference ii) the Board stated that it finds it not conclusive that subsidence for medium and large diameter pipelines would be negligible.

The Board requires further information in respect of Twin Rivers' abandonment cost estimate.

Request:

- a) Confirm that the right of way of all of Twin Rivers' pipelines is all owned by either Twin Rivers or the City of Edmundston.
- b) Confirm that Twin Rivers has consulted with the City of Edmundston regarding its abandonment cost estimate. Provide a discussion of any concerns expressed by City of Edmundston, and how these concerns were resolved.
- c) If Twin Rivers cannot provide the confirmation and discussion in b), provide an explanation of how Twin Rivers plans to consult with the City of Edmundston or why Twin Rivers does not plan to consult with the City of Edmundston.
- d) Provide a discussion of the potential for subsidence on Twin Rivers' medium diameter pipe. Include a discussion on the above-ground effects if the pipeline were to subside.

Appendix 3 - DISTRIBUTION LIST

Mr. Darren Long
Manager of Facilities
1057533 Alberta Ltd., a subsidiary of Harvest Operations Corp.
Suite 2100, 330 5th Avenue SW
Calgary, AB
Facsimile: 403-265-3490

Ms. Tania Persad
Senior Legal Counsel
2193914 Canada Limited/ Niagara Gas Transmission Limited
Niagara Gas Transmission Limited
500 Consumers Road
North York ON M2J 1P8
Facsimile: 416-495-5994

Mr. Neil Guay
Director, Regulatory Projects
Altagas Holdings Inc. for and behalf of Altagas Pipeline Partnership
Calgary Place
1700, 355 4th Avenue SW
Calgary AB T2P 0J1
Facsimile: 403-691-7576

Mr. Jeff Wickens, Manager, Environment and Regulatory
Ms. Angela Driscoll, Regulatory Advisor
ARC Resources Ltd.
Suite 1200, 380 4th Avenue SW
Calgary AB T2P 0H7
Facsimile: 403-509-6560

Ms. Connie Michael, Manager Fixed Infrastructure, Prairie Region
Canadian Border Services Agency
Revenue Canada- Customs and Excise
100 269 Main Street
Winnipeg, MB R3C 1B3
Facsimile: 204-984-7561

Mr. Nelson Lord
Canadian Natural Resources Limited
Suite 2500, 855 2nd Street SW
Calgary AB T2P 4J8
Facsimile: 403-517-7350

DR Four Beat Energy Corp.
Mr. Michael Siemer
President
DR Four Beat Energy Corporation
17401 SE County Road 475
Summerfield, FL 34491
catsiemer@aol.com

Mr. Steve Minotakis
Chief Financial Officer
DR Four Beat Energy Corporation
1717 Regal Mist Loop
Trinity, FL 34655
Facsimile 727-255-5107

Mr. Kevin Screen
VP Production & Operations
Tamarack Valley Energy Ltd.
Bow Valley Square 4
3100, 250 6th Avenue SW
Calgary, AB T2P 3H7
Facsimile: 403-263-5551

Ms. Margery Fowke, Senior Regulatory Counsel
Mr. Robert F. Smith
Enbridge Bakken Pipeline Company Inc., Enbridge Pipelines (Westspur) Inc., Enbridge Southern
Lights GP Inc. on behalf of Enbridge Southern Lights LP, Vector Pipeline Limited
30th Floor
425 1st Street SW
Calgary AB T2P 3L8
Facsimile: 403-231-7380

Mr. Don Lemna
Manager, Regulatory Affairs
Husky Oil Operations Limited
707 8th Avenue SW
Box 6525, Station D
Calgary AB T2P 3G7
Facsimile: 403-298-7464

Ms. Linda Beaton
Senior Engineer
ISH Energy Limited
900 McFarlane Tower
700 4th Avenue SW
Calgary AB T2P 3J4
Facsimile: 403-265-1792

Mr. Daniel Arndt
Production Tech
Lone Pine Resources Canada Ltd.
1100 640 5th Avenue SW
Calgary, AB T2P 3G4
Facsimile: 403-292-8001

Ms. Marilyn Wappel
Senior Legal Counsel
Many Islands Pipe Lines (Canada) Limited
Mid-Continent Pipelines Ltd.
1000 1777 Victoria Avenue
Regina SK S4P 4K5
Facsimile: 306-777-9877

Mr. Brent A. Czarnecki
Minell Pipeline Ltd
PO Box 815
Winnipeg MB R3C 2P4
Facsimile: 204-360-6147

Ms. Cindy Larsen
Portal Municipal Gas Company Canada Inc.
PO Box 37
Portal, ND 58772
Facsimile: 701-926-3601

Mr. Ryan Ellard
Resolute Forest Products, Abitibi-Consolidated Company of Canada
427 Mowat Avenue
Fort Frances, ON P9A 1YA
Facsimile : 807-274-8272

Ms. Dorothy Harris
Mr. Ken Younger
Spur Border Pipelines Ltd.
2400, 525 8 Avenue SW
Calgary AB T2P 1G1
Facsimile: 403-267-2440

Mr. Bob Guy
Mr. Rudy Vanderborgh
Spyglass Resources Corp.
Livingston Place, West Tower
1700, 250 2 Street SW
Calgary, AB T2P 0C1
Facsimile: 403-264-0085

Mr. Warren Reinisch
Manager, Upstream Regulation
St. Clair Pipelines Management Inc.
PO Box 2001
50 Kell Drive N.
Chatham ON N7M 5M1
Facsimile: 519-436-4643

Mr. Tim Lowe
Chief Executive Officer
Mr. Phil Nadeau
Twin Rivers Paper Company Inc.
82 Bridge Avenue
Madawaska Maine 04756
Facsimile: 877-288-8803

Mr. Rick Campbell
Terra Energy Corp.
Suite 970, 333 7th Avenue SW
Calgary, AB T2P 2Z1
Facsimile: 403-264-7189

Terry Killackey
Regulatory Project Manager
Vantage Pipeline Canada ULC
440, 521 3rd Avenue SW
Calgary, AB T2P 3T3
Facsimile :
tkillackey@mistralenergy.ca