

Bulletin 2015-34

December 17, 2015

Confirmation of the Transfer of Pipeline Records to Be Added to the Licence Transfer Application

Effective April 1, 2016, the Alberta Energy Regulator (AER) is amending its pipeline licence transfer application process to require written confirmation that records required by *CSA Z662: Oil and Gas Pipeline Systems* and Part 4 of the *Pipeline Rules* have been maintained by the seller (transferor) of the pipeline licence and have been transferred to the purchaser (transferee) of the licence as of the effective date of the licence transfer.

Under existing regulatory requirements, AER pipeline licensees are required to conduct activities such as inspections, testing, monitoring, and assessments to manage pipeline integrity and safety and maintain records of these activities. AER pipeline licensees must also retain records of pipeline incidents and failure investigations. Whenever a pipeline is sold, all records that exist for that pipeline must be transferred to the new owner. If relevant records are lost, damaged, destroyed, or incomplete, the pipeline must be proven to be fit for service through an engineering assessment.

The AER will be adding the two statements below to the licence transfer application in its Digital Data Submission (DDS) system. Both the transferor and the transferee of a pipeline licence must agree to the statements before the AER will process an application to transfer a pipeline licence.

- **Transferor statement:** The transferor hereby confirms that it has collected and retained all records required under the *Pipeline Rules* and *CSA Z662*. The transferor confirms that it has provided these records to the transferee by the effective date of the licence transfer.
- **Transferee statement:** The transferee hereby confirms that it has received all records required to be collected and retained under the *Pipeline Rules* and *CSA Z662* from the transferor. The transferee is responsible for producing these records on request by the AER. Failure to do so constitutes a noncompliance of AER requirements.

Confirmation by the transferor and transferee of an AER pipeline licence of the transfer of records does not impose any new or additional requirements since pipeline licensees are already required to maintain the records mandated under the *Pipeline Rules* and *CSA Z662*. Rather, the confirmation is intended to ensure that the transfer of all required records to the new licensee occurs before the pipeline licence transfer application is processed and approved by the AER.

The AER will conduct compliance monitoring to ensure that these records have been transferred. Licensees who fail to produce these records are considered to be in noncompliance with AER

requirements. Depending on the situation, the AER may suspend operation of the pipeline pending completion of an engineering assessment that demonstrates that the pipeline is fit for its intended purpose and service.

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To answer some of the questions that you may have on these new additions to the licence transfer application, we have added to our frequently asked questions on licence transfers on our website, www.aer.ca. Look under Abandonment & Reclamation > Liability Management > Frequently Asked Questions. If you still have questions, contact David Helmer at 403-297- 6861 or david.helmer@er.ca.

<original signed by>

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