

## **Draft Joint Cost Recovery Guidelines**

### **Canada-Newfoundland and Labrador Offshore Petroleum Board**

5<sup>th</sup> Floor, TD Place, 140 Water Street  
St. John's, NL A1C 6H6  
709-778-1400 [www.cnlopb.ca](http://www.cnlopb.ca)

### **Canada-Nova Scotia Offshore Petroleum Board**

8<sup>th</sup> Floor, TD Centre, 1791 Barrington Street  
Halifax, NS B3J 3K9  
902-422-5588 [www.cnsopb.ns.ca](http://www.cnsopb.ns.ca)

**December 2015**



*Guidelines Prescribing the Time and Manner for Recovering Costs and Services Provided by the Canada-Newfoundland and Labrador Offshore Petroleum Board and the Canada-Nova Scotia Offshore Petroleum Board*

**Introduction**

The Government of Canada shares the responsibility for the management of frontier and offshore petroleum-related work or activities with the Government of Nova Scotia and the Government of Newfoundland and Labrador in accordance with an Accord that each province has signed with the Government of Canada. Such joint management is achieved through the establishment of: the Canada-Nova Scotia Offshore Petroleum Board which regulates petroleum-related activities in the Canada-Nova Scotia Offshore Area and the Canada-Newfoundland and Labrador Offshore Petroleum Board which regulates the Canada-Newfoundland and Labrador Offshore Area. For the purposes of this guidance, these areas will be referred to collectively as the “Offshore Areas”.

The Mandate of these Boards is to ensure that petroleum-related work and activity is conducted in a manner that complies with the statutory and regulatory requirements of *Canada-Newfoundland and Labrador Atlantic Accord Implementation Act*, the *Canada-Newfoundland and Labrador Atlantic Accord Implementation Newfoundland and Labrador Act*, the *Canada-Nova Scotia Offshore Petroleum Resources Accord Implementation Act*, and the *Canada-Nova Scotia Offshore Petroleum Resources Accord Implementation (Nova Scotia) Act* (“the Accord Acts”).

In 2016, the *Energy Safety and Security Act* (Bill C-22) and mirror provincial versions will come into force. These bills resulted in amendments to the *Accord Acts* and increase the transparency, predictability, and enforceability of cost recovery for regulatory activities. These amendments included the authority to create new regulations to allow regulators to recover from industry the costs associated with regulating offshore oil and gas activity.

These Guidelines replace the Canada-Newfoundland and Labrador Offshore Petroleum Board's Cost Recovery Policy and the Canada-Nova Scotia Offshore Petroleum Board's Cost Recovery Guidelines (April 1999). They have been developed to provide assistance and guidance to industry and operators in understanding the requirements of the *Accord Acts* (“the Acts”) respecting cost recovery and how those financial requirements can be met. This guidance may be amended from time to time to reflect the Boards' expectations and best industry practice. All legislative references are the federal versions of the *Accord Acts* for ease of the reader.

## **Structure of This Document**

This document provides guidance for each section of the *Canada-Newfound and Labrador Offshore Petroleum Cost Recovery Regulations and the Canada-Nova Scotia Offshore Petroleum Cost Recovery Regulations (Cost Recovery Regulations)*. The text of each Regulation appears in bold and the guidance immediately follows.

Throughout this document, the term “Board” will be used to represent the Canada-Newfoundland and Labrador Offshore Petroleum Board or the Canada-Nova Scotia Offshore Petroleum Board.

## **Board Contacts**

If you have any questions, please contact:

### *Canada-Newfoundland and Labrador Offshore Petroleum Board*

140 Water Street, 5<sup>th</sup> Floor TD Place  
St. John's, NL A1C 6H6 Canada

Contact: Director of Administration and Industrial Benefits

Phone: 709-778-1400

Email: [costrecovery@cnlopb.ca](mailto:costrecovery@cnlopb.ca)

### *Canada-Nova Scotia Offshore Petroleum Board*

1791 Barrington Street, 8<sup>th</sup> Floor TD Centre,  
Halifax, NS B3J 3K9 Canada

Contact: Director, Regulatory Affairs & Finance

Phone: 902-422-5588

Email: [costrecovery@cnsopb.ns.ca](mailto:costrecovery@cnsopb.ns.ca)

## **Communication and Payment**

For the purposes of these Guidelines, all communication will be done with the applicant or operator. All invoices will be sent to the applicant or operator. It is the applicant or operator's responsibility to communicate with its partners and to ensure proper payment is received by the stated due date.

## Table of Contents

Interpretation_____	1
Part 1 - Regulatory Activity Plan Charges_____	2
Estimated Annual Charge_____	2
Quarterly Invoicing_____	3
Annual Charge Adjustment_____	4
Part 2 – Formula Fees_____	4
Interpretation_____	4
Formulas_____	5
Part 3 – Geodata Centre_____	8
Part 4 – Other Charges_____	10
Part 5 – General_____	11
Interest_____	11
Remittance of Fees and Charges_____	12
Part 6 – Transitional and Coming Into Force _____	12
Transitional Provision_____	12
Coming Into Force_____	13
Appendix 1 – Board Payment Information_____	14

## INTERPRETATION

---

---

1. The following definitions apply in these Regulations.

**“Accord Acts”** means the *Canada-Newfoundland and Labrador Atlantic Accord Implementation Act*, the *Canada-Newfoundland and Labrador Atlantic Accord Implementation Newfoundland and Labrador Act*, the *Canada-Nova Scotia Offshore Petroleum Resources Accord Implementation Act*, and the *Canada-Nova Scotia Offshore Petroleum Resources Accord Implementation (Nova Scotia) Act* (“*the Accord Acts*”)

**“actual full cost”** means the full cost confirmed by the Board’s audited financial statements.

**“direct regulatory activities”** means the activities, such as assessing applications, issuing licences, granting approvals and authorizations, verifying and enforcing compliance with the Act and providing information, products and services, that are required for the Board to fulfil its regulatory responsibilities.

**“indirect regulatory costs”** means the costs of activities that support direct regulatory activities of the Board such as office accommodation, supplies and equipment, professional services, communications, travel, management, training, administration, human resources services, finance, information technology services, hardware and software, the preparation of documents (including policies, standards, guidelines, procedures and notices) and the provision of technical expertise (including the updating of regulations) to the Federal Minister or the Provincial Minister at that Minister’s request.

**“project”** means the work or the activity referred to in paragraph 138(1)(b) of the *Canada-Newfoundland and Labrador Atlantic Accord Implementation Act*, paragraph 134(1)(b) of the *Canada-Newfoundland and Labrador Atlantic Accord Implementation Newfoundland and Labrador Act*, paragraph 142(1)(b) of the *Canada-Nova Scotia Offshore Petroleum Resources Accord Implementation Act*, and paragraph 135(1)(b) of the *Canada-Nova Scotia Offshore Petroleum Resources Accord Implementation (Nova Scotia) Act* .

---

---

These definitions will apply in these Guidelines. Please note that the Accord Acts definition was changed to include the full title of the four Acts for the Offshore Areas. The definition of project was changed to reflect the respective sections of the Accord Acts.

**PART 1 - REGULATORY ACTIVITY PLAN CHARGES**

---

**ESTIMATED ANNUAL CHARGE**

---

- 2. For each new project relating to development, production, abandonment, exploratory drilling or multi-year or complex seismic programs in respect of petroleum operations, on receipt of a project description or letter of intent, the Board must**
- a) prepare a regulatory activity plan and estimate the total number of units of time necessary to be spent in the fiscal year on direct regulatory activities for the project;**
  - b) calculate the estimated annual charge payable by an applicant or operator for that fiscal year by determining the estimated full cost, excluding costs considered under other cost recovery methods, of implementing the regulatory activity plan that is prepared for the project; and**
  - c) notify each applicant or operator, in writing, of the regulatory activity plan and the estimated annual charge payable.**
- 

2.1 For each new project related to development, production, abandonment, exploratory drilling or multi-year or complex seismic programs, the Board will notify each applicant or operator, in writing, of the regulatory activity plan (RAP) and the estimated annual charge payable no later than thirty (30) days after receipt of a project description or letter of intent, which is in a format satisfactory to the Board.

2.2 The RAP is the sum of:

- the product of the estimated total number of units of time necessary to be spent in the fiscal year on direct regulatory activities for the project multiplied by the Board's effective daily rate.
- other Board costs, excluding costs considered under other costs recovery methods, of implementing the RAP. Examples include the use of a third party external expert for technical review, advice or auditing services.

2.3 Payments received after the due date will be charged interest as per Section 14 of the *Cost Recovery Regulations*.

---

- 3. For each existing project that was previously under a regulatory activity plan, after confirmation of the Board's budget in any given fiscal year, the Board must**
- a) prepare a new regulatory activity plan and estimate the total number of units of time necessary to be spent in the fiscal year on direct regulatory activities for the project;**
  - b) calculate the estimated annual charge payable by an applicant or operator for that fiscal year by determining the estimated full cost, excluding costs considered under other cost recovery methods, of implementing the new regulatory activity plan that is prepared for the project; and**
  - c) notify each applicant or operator, in writing, of the regulatory activity plan and the estimated annual charge payable.**
-

- 3.1 For existing projects, the Board will notify each applicant or operator, in writing, of the new RAP and the estimated annual charge payable no later than July 15 of each year.
- 3.2 The RAP is the sum of:
- the product of the estimated total number of units of time necessary to be spent in the fiscal year on direct regulatory activities for the project multiplied by the Board's effective daily rate.
  - other Board costs, excluding costs considered under other costs recovery methods, of implementing the RAP. Examples include the use of a third party external expert for technical review, advice or auditing services.
- 3.3 Payments received after the due date will be charged interest as per Section 14 of the *Cost Recovery Regulations*.

---

**4. If an applicant or operator proposes changes to its project that are not reflected in the regulatory activity plan, the Board may recalculate the estimated annual charge for that project and adjust the payable amount accordingly.**

---

- 4.1 If the applicant or operator changes its project and if these changes were not addressed in the original project description or letter of intent, the applicant or operator must submit a revised project description or letter of intent. At its discretion, the Board will assess the revisions and determine if a recalculation of the estimated annual charge is required. The Board will notify each applicant or operator, in writing, of the revised RAP and the estimated annual charge payable no later than thirty (30) days after receipt of a revised project description or letter of intent, which is in a format satisfactory to the Board.
- 4.2 Payments received after the due date will be charged interest as per Section 14 of the *Cost Recovery Regulations*.

---

**QUARTERLY INVOICING**

- 5. (1) The Board must, on a quarterly basis, prepare and send an invoice for an amount equal to 25% of the estimated annual charge payable to each applicant or operator who has been notified under paragraph 2(c) or 3(c).**  
**(2) Within 30 days after the date of the invoice, the applicant or the operator must pay the amount invoiced.**

- 
- 5.1 Applicants or operators may remit their fee payment by cheque or electronically in Canadian funds to each Board. Payments received after the due date will be charged interest as per Section 14 of the *Cost Recovery Regulations*.
- 5.2 Payment instructions for each Board are found in Appendix 1.

---

---

**ANNUAL CHARGE ADJUSTMENT**

6. (1) Each year, following the end of the fiscal year, the Board must, for each project under a regulatory activity plan,
- a) calculate the actual full cost of implementing the regulatory activity plan;
  - b) calculate the charge adjustment, if any, by subtracting the estimated annual charge, calculated in accordance with paragraph 2(b) or 3(b), from the actual full cost; and
  - c) notify the applicant or the operator in writing of the amount of the actual full cost and the amount of the charge adjustment.
- (2) If the actual full cost calculated under paragraph (1)(a) is
- a) less than the estimated annual charge, the difference is credited to the applicant's or operator's account and must be refunded as a credit on the next invoice; or
  - b) greater than the estimated annual charge, the Board must invoice the applicant or the operator for an amount equal to the difference and the applicant or the operator must pay that amount within 30 days after the date of the invoice
- 
- 

- 6.1 The Board will adjust the charges in circumstances where the Board requires an increase to their budget and has submitted a revised budget request to governments and received approval. Applicants and operators will be notified in writing of any changes to cost recovery fees.
- 6.2 At the end of the fiscal year, the Board will calculate their Actual Full Cost, which is defined as the full cost confirmed by the Board's audited financial statements. This Actual Full Cost will be compared to the Board's estimated annual expenditures based on its approved budget at the beginning of the year. Any additional costs directly related to a project but not included in the RAP estimated annual charge described in Sections 2 and 3, excluding costs considered under other costs recovery methods, will be charged to the applicant/operator.
- 6.3 The Boards will recalculate the effective rate based on Actual Full Cost and recalculate each project's RAP charges based on this revised effective rate.

---

---

**PART 2 - FORMULA FEES**

---

---

**INTERPRETATION**

7. In this Part,
- a) base units of time are the number of units of time spent by the Board
    - (i) for the assessment of applications,
    - (ii) to verify an applicant's or operator's compliance with regulatory requirements, or
    - (iii) to undertake any other work that is related to a specific activity and that is generally foreseeable;
  - b) variable units of time are the additional number of units of time spent by the Board to undertake direct regulatory activities required for a specific activity that can be attributed to particular characteristics of the activity;
  - c) the heavy burden coefficient is equal to the additional number of units of time spent by the Board to undertake direct regulatory activities as a result of non-compliance with the Act,



negligence or lack of effort by an applicant or operator in responding to any of the Board’s questions during an application process or activity; and

- d) the effective rate is equal to the sum of the costs incurred by the Board’s undertaking of all direct regulatory activities and of the Board’s indirect regulatory costs minus the sum of the costs incurred by the Board’s undertaking of regulatory activities that are not recovered by the Board and divided by the total number of units of time spent by the Board for those direct regulatory activities.

- 
- 7.1 At the discretion of the Board, the heavy burden coefficient will be used on a case by case basis and is a retroactive charge. The applicant or operator will be notified in writing when the Board implements this coefficient together with reasons for its application. If the heavy burden coefficient is required, it will be used as a multiplier for the formula fee. An invoice will be sent to the applicant or operator with the revised formula fee amount.
- 7.2 The Heavy Burden Coefficient may be required in order to ensure that project proponents who fall under a formula fee do not create undue burden and unreasonable costs to the Boards. This would only be used in exceptional circumstances where a proponent is clearly exercising lack of effort or not complying with regulatory requirements, and where this in turn causes an unacceptable use of resources by the Boards over and above those normally required to administer a similar type of project.
- 7.3 Payments received after the due date will be charged interest as per Section 14 of the *Cost Recovery Regulations*.

---

**FORMULAS**

8. (1) The fees for the activities set out in the table to this subsection are determined by the formula

$$A \times D$$

where

A is the base units of time; and

D is the effective rate.

**TABLE**

---

Item	Activity
1.	Application for a declaration of significant discovery
2.	Application for a declaration of commercial discovery
3.	Application for a significant discovery licence
4.	Application for a licence for subsurface storage
5.	Application for a production licence
6.	Application for an amendment to a licence or a consolidation of licences
7.	Registration of a transfer
8.	Registration of a security notice
9.	Registration of an interest
10.	Recording of a notice
11.	Registration of an instrument other than a transfer or security notice
12.	Application for an extension, by order, of the term of a production licence
13.	Application for allowable expenditures

---

(2) The fees for the activities set out in column 2 of the table to this subsection are determined by the formula

$$A \times C \times D$$

where

- A is the base units of time;
- C is the heavy burden coefficient; and
- D is the effective rate.

TABLE

Item	Column 1	Column 2
	Category of Activity	Activity
1.	Geological operations authorization (with field work)	Geochemical study
2.	Geophysical (without field work)	Geophysical study
3.	Geological (without field work)	Purchase of geological studies
4.	Geological (without field work)	Isotope age dating
5.	Geological (without field work)	In-house geological studies
6.	Geological (without field work)	Petrography
7.	Geological (without field work)	Paleontological or palynological study
8.	Geological (without field work)	Other geophysical activity
9.	Annual compliance fee	All geophysical projects

(3) The fees for the activities set out in column 2 of the table to this subsection are determined by the formula

$$(A + B) \times (C \times D)$$

where

- A is the base units of time;
- B is the variable units of time per primary vessel or aircraft multiplied by the number of primary vessels or aircraft used in a project;
- C is the heavy burden coefficient; and
- D is the effective rate.

**TABLE**

<b>Item</b>	<b>Column 1</b>	<b>Column 2</b>	<b>Column 3</b>
	<b>Category of Activity</b>	<b>Activity</b>	<b>Variable</b>
1.	Geophysical operations authorization (with field work)	2-D seismic reflection survey (primary activity)	Primary vessel
2.	Geophysical operations authorization (with field work)	3-D seismic reflection survey (primary activity)	Primary vessel
3.	Geophysical operations authorization (with field work)	4-D seismic reflection survey (primary activity)	Primary vessel
4.	Geophysical operations authorization (with field work)	Seafloor gravity survey (primary activity)	Primary vessel
5.	Geophysical operations authorization (with field work)	Seismic refraction survey (primary activity)	Primary vessel
6.	Geophysical operations authorization (with field work)	Controlled source electromagnetic survey	Primary vessel
7.	Geophysical operations authorization (with field work)	Other geophysical program	Primary vessel
8.	Geophysical operations authorization (with field work)	Aeromagnetic survey (primary activity)	Aircraft
9.	Geotechnical authorization (seabed survey)	Piston core	Primary vessel
10.	Geotechnical authorization (seabed survey)	Shallow seismic, seabed survey	Primary vessel

No guidance is required.

**9. Before the beginning of each fiscal year, the Board must publish, by electronic or other means that is likely to reach applicants and operators, the base units of time, the variable units of time and the effective rate for each activity set out in the tables to section 8.**

9.1 On an annual basis, upon confirmation of the Board’s budget for the fiscal year by the federal and respective provincial Governments, the Board will publish the base units of time, the variable

units of time for each activity set out in the tables to Section 8 and the effective rate in the locations outlined below.

- 9.2 When calculating the respective cost recovery fee, the Board will apply the base units of time, variable units of time and effective rate that is published on the respective Board's website at the time of application.

*For the Canada-Newfoundland and Labrador Offshore Petroleum Board:*

*It will be posted on the Canada-Newfoundland and Labrador Offshore Petroleum Board's website [www.cnlopb.ca](http://www.cnlopb.ca) in a document titled "The Canada- Newfoundland and Labrador Offshore Petroleum Board Cost Recovery Fees Schedule for the \_\_\_\_ - \_\_\_\_ Fiscal Year"*

*For the Canada-Nova Scotia Offshore Petroleum Board:*

*It will be posted on the Canada-Nova Scotia Offshore Petroleum Board's website [www.cnsopb.ns.ca](http://www.cnsopb.ns.ca) in document called "The Canada-Nova Scotia Offshore Petroleum Board Cost Recovery Fees Schedule for the \_\_\_\_ - \_\_\_\_ Fiscal Year"*

- 
- 10. (1) On the submission of an application in respect of an activity set out in either table to section 8, the applicant must pay to the Board the fee determined in accordance with that section.**
- (2) If the Board uses a heavy burden coefficient to calculate an additional charge in respect of an activity, the Board must invoice the applicant or the operator and the applicant or operator must pay that amount to the Board within 30 days after the date of the invoice.**
- 

- 10.1 An activity will not be permitted to occur if the applicant does not pay the required cost recovery fee for that activity.
- 10.2 If a heavy burden coefficient invoice is not paid by the required date, the activity may be suspended until payment is received. Payments received after the due date will be charged interest as per Section 14 of the *Cost Recovery Regulations*.

---

**PART 3 - GEODATA CENTRE**

---

- 11. In this Part, the daily access rate is the rate established and published by the Board by electronic or other means that is likely to reach applicants and operators.**
- 

- 11.1 The daily access rate will be based on the costs associated with the time required by the respective Board to prepare physical samples for viewing or to complete other related requests.

The daily access rate does not capture access to the digital geoscience data, which will remain available at no additional cost.

- 11.2 On an annual basis, upon confirmation of the Board's budget for the fiscal year by the federal and respective provincial Governments, the Board will publish the daily access rate as described in Part 3 of the *Cost Recovery Regulations* in the following locations:

*For the Canada-Newfoundland and Labrador Offshore Petroleum Board:*

*It will be posted on the Canada-Newfoundland and Labrador Offshore Petroleum Board's website [www.cnlopb.ca](http://www.cnlopb.ca) in a document titled "The Canada- Newfoundland and Labrador Offshore Petroleum Board Cost Recovery Fees Schedule for the \_\_\_\_ - \_\_\_\_ Fiscal Year"*

*For the Canada-Nova Scotia Offshore Petroleum Board:*

*It will be posted on the Canada-Nova Scotia Offshore Petroleum Board's website [www.cnsopb.ns.ca](http://www.cnsopb.ns.ca) in document called "The Canada-Nova Scotia Offshore Petroleum Board Cost Recovery Fees Schedule for the \_\_\_\_ - \_\_\_\_ Fiscal Year"*

- 11.3 Applicants or operators should remit their respective daily access rate fee prior to using the Board's Geodata Centre. Payment instructions for each Board is found in Appendix 1.

---

**12. Any person, except a person requesting access for an academic purpose, the Federal Minister and the Provincial Minister, who accesses a physical sample at the geodata centre must pay the daily access rate for each day the sample is accessed.**

---

- 12.1 A person who is requesting access to the geodata centre for an academic purpose, the Federal Minister or the Provincial Minister may be asked to provide proof of their academic or government credentials to the Board. The form of proof could be in the form of an employee or student identification card, letter of permission or project description document. Failure to provide the required identification will result in the Board applying the daily access fee to gain access to the geodata centre.

- 12.2 For further information please contact each Board's respective geodata centre:

*For the Canada-Newfoundland and Labrador Offshore Petroleum Board:*

Canada-Newfoundland and Labrador Offshore Petroleum Board  
Core Storage and Research Centre  
30-32 Duffy Place  
O'Leary Industrial Park  
St. John's, NL A1B 4M5 Canada

For the Canada-Nova Scotia Offshore Petroleum Board:

Canada-Nova Scotia Offshore Petroleum Board  
Geoscience Research Centre  
201 Brownlow Avenue, Suite 27  
Dartmouth, NS B3B 1W2 Canada  
Phone: (902) 468-3994  
Email – [costrecovery@cnsopb.ns.ca](mailto:costrecovery@cnsopb.ns.ca)

---

## PART 4 - OTHER CHARGES

---

- 
13. The Board may require reimbursement for 100% of its costs for activities that are not set out in Parts 1 to 3 and that are related to the following:
- a) any verification of compliance under the Act involving travel to another location by the Board's staff;
  - b) the Oil and Gas Committee;
  - c) any technical analysis or process review that is related to a specific project and that is requested by an applicant or operator;
  - d) any public review, hearing or inquiry that is related to a specific project and that is required or initiated by the Board;
  - e) a participant funding program that is part of an environmental assessment conducted under the *Canadian Environmental Assessment Act, 2012*; and
  - f) information, products or services that are requested by a person.
- 

13.1 It is recommended that an applicant or operator send a letter of intent to the Board requesting a specific activity noted in Section 13 of the *Cost Recovery Regulations*. The Board will notify each applicant or operator, in writing, no later than thirty (30) days after receipt of a letter of intent, which is in a format satisfactory to the Board. The Board's response will include a cost estimate and where applicable, any relevant information about the Board's travel policies.

13.2 All invoices for other charges must be paid no later than thirty (30) days after receipt. If the applicant or operator does not remit payment in the proper form by the required date, interest will be charged as stated in Section 14 of the *Cost Recovery Regulations*.

13.3 The following are the Board's practices for cost recovering 100% of its costs for for activities listed in Section 13. Please contact the respective Board with any questions.

- a) **any verification of compliance under the Act involving travel to another location by the Board's staff** - *The applicant or operator will be invoiced after the travel is completed. Board staff must travel as per the respective Board's travel policy.*
- b) **the Oil and Gas Committee** - *The applicant or operator will be invoiced after the Oil and Gas Committee work is completed or billed during the process if it is prolonged and costs are*

*substantial. The Oil and Gas Committee must travel as per the respective Board's travel policy.*

- c) **any technical analysis or process review that is related to a specific project and that is requested by an applicant or operator** - *The applicant or operator will be invoiced after the technical analysis or process review is completed or billed during the process if it is prolonged and costs are substantial.*
- d) **any public review, hearing or inquiry that is related to a specific project and that is required or initiated by the Board** - *The applicant or operator will be invoiced after the public review, hearing or inquiry is completed or billed during the process if it is prolonged and costs are substantial. Any travel must be as per the respective Board's travel policy.*
- e) **a participant funding program that is part of an environmental assessment conducted under the Canadian Environmental Assessment Act, 2012** - *The applicant or operator will be invoiced after the Proponent is reimbursed for their approved expenses as per their Contribution Agreement or billed during the process if it is prolonged and costs are substantial.*
- f) **information, products or services that are requested by a person**- *The applicant or operator will be invoiced after the work is completed or billed during the process if it is prolonged and costs are substantial.*

13.4 Payments received after the due date will be charged interest as per Section 14 of the *Cost Recovery Regulations*.

---

## PART 5 - GENERAL

---

---

### INTEREST

---

**14. Interest on an amount owing to the Board must be calculated and compounded monthly at the rate of 1.5% and is payable and accrues during the period beginning on the due date and ending on the day before the day on which the payment is received by the Board.**

---

- 14.1 If the applicant or operator does not remit payment in the proper form by the required date, interest will be charged as stated in Section 14 of the *Cost Recovery Regulations*.
- 14.2 For outstanding invoices related to regulatory activity plan or formula fees, the related authorization may be suspended or revoked due to non-payment.

---

---

**REMITTANCE OF FEES AND CHARGES**

**15. For the purposes of section 30.3 of the Act, the fees and charges obtained in accordance with these Regulations must be remitted on a quarterly basis subject to the Board's operational requirements.**

---

- 15.1 The Canada-Newfoundland and Labrador Offshore Petroleum Board will remit cost recovery fees in equal proportions to the Receiver General for Canada and to the Newfoundland Exchequer Account.
- 15.2 The Canada-Nova Scotia Offshore Petroleum Board will remit cost recovery fees in equal proportions to the Receiver General for Canada and to the Nova Scotia Minister of Finance.
- 15.3 Amounts representing recovery of unbudgeted, out-of-pocket expenses of the Board, are not remitted to Governments, but are retained by the Board to offset the unanticipated and unbudgeted expenses.

---

**PART 6 - TRANSITIONAL AND COMING INTO FORCE**

---

---

---

**TRANSITIONAL PROVISION**

**16. (1) Section 3 does not apply to a project that relates to development, production, abandonment, exploratory drilling or multi-year or complex seismic programs if the applicant or operator has paid 100% of the Board's estimated costs for the project for the fiscal year in which these Regulations come into force.**

**(2) All existing projects relating to development, production, abandonment, exploratory drilling or multiyear or complex seismic programs that are under the Board's regulatory authority before these Regulations come into force and that do not have a regulatory activity plan are considered to have been previously under a regulatory activity plan for the purposes of section 3.**

---

- 16.1 Any active authorizations or projects affected during this transition time will receive a letter from the Board notifying them of any transition plans related to the applicable cost recovery fees.



---

---

**COMING INTO FORCE**

**17. These Regulations come into force on the day on which section 74 of the *Energy Safety and Security Act* comes into force but if they are registered after that day, they come into force on the day on which they are registered.**

---

---

17.1 For the Canada-Newfoundland and Labrador Offshore Petroleum Board and the Canada-Nova Scotia Offshore Petroleum Board, these Guidelines will come into effect on April 1, 2016.

## Appendix 1- Board Payment Information

### For the Canada-Newfoundland and Labrador Offshore Petroleum Board:

Cheques should be made out to the “Canada-Newfoundland and Labrador Offshore Petroleum Board” and mailed to:

Canada-Newfoundland and Labrador Offshore Petroleum Board  
140 Water Street, 5<sup>th</sup> Floor TD Place,  
St. John’s, NL A1C 6H6 Canada

The invoice or statement remittance stub should be enclosed with your payment.

Electronic payment instructions are listed below. As the procedures to pay electronically vary among financial institutions, applicants or operators who intend to do so should consult with their institution. Note that applicants or operators are responsible for their financial institutions’ processing charges.

### Wire and Direct Deposit Payment – Canadian Currency

Bank Name:	The Royal Bank of Canada 226 Water Street, St. John's, NL A1C 5N5 Canada
SWIFT:	ROYCCAT2 / US Routing # 021000021
Bank Number:	0003
Transit Number:	09453
Beneficiary Account No.:	104 5350
Beneficiary Name:	Canada-Newfoundland and Labrador Offshore Petroleum Board or C-NLOPB
Email Payment Notification to:	costrecovery@cnlopb.ca

For the Canada-Nova Scotia Offshore Petroleum Board:

Cheques should be made out to the “Canada-Nova Scotia Offshore Petroleum Board” and mailed to:

Canada-Nova Scotia Offshore Petroleum Board  
1791 Barrington Street, 8<sup>th</sup> Floor TD Centre,  
Halifax, NS B3J 3K9 Canada

The invoice or statement remittance stub should be enclosed with your payment.

Electronic payment instructions are listed below. As the procedures to pay electronically vary among financial institutions, applicants or operators who intend to do so should consult with their institution. Note that applicants or operators are responsible for their financial institutions’ processing charges.

**Wire and Direct Deposit Payment – Canadian Currency**

Bank Name:	Royal Bank of Canada 1871 Hollis Street, Suite 100, Halifax, NS B3J 0C3 Canada
SWIFT:	ROYCCAT2
Bank Number:	003
Transit Number:	00003
Beneficiary Account No.:	1084839
Beneficiary Name:	Canada-Nova Scotia Offshore Petroleum Board or CNSOPB
Email Payment Notification to:	costrecovery@cnsopb.ns.ca