



National Energy
Board

Office national
de l'énergie

Compensation For Easements



Quick Facts

- A land agreement is a legal contract between the persons who signed it and remains on title, even if the property or facility changes ownership.
- The NEB does not require a final signed copy of a land agreement to be filed with the Board
- As long as the agreement complies with section 86 of the NEB Act, the company and landowner can negotiate for other items to be included in the land agreement, or for specific wording to be used.

Under the NEB Act, landowners are entitled to compensation from companies for the use of private property for pipeline or power line facilities. This includes when the company acquires permanent land rights, as well as other access to private lands.

Compensation is also to be provided for any damages caused by the company as a result of activities associated with their facilities. This could include:

- damages to the lands
- impacts to the landowner
- impacts to business operations related to the lands

Examples of impacts could include: trees that are cut down due to construction, crop loss, noise or other inconveniences.

The company may also offer to minimize inconveniences or address the impacts by means other than monetary compensation.

Offers for easement compensation are typically based upon a detailed statement of value of the lands required. These offers can rely upon generally accepted appraisal methodologies, such as fair market value.

The company's offer may also provide details for options on the method of payment for the easement which can be either; at the option of the landowner:

- Annual or periodic payments of equal or different amounts over a period of time - for this option, the payment schedule and amounts must be reviewed every five (5) years; or
- A one-time lump sum payment



The decision rests with the landowner to select which method of compensation they would prefer. The NEB Act does not prescribe the amount to be paid or the payment schedule.

While negotiating with the company on compensation matters, landowners can provide their own supporting information such as an appraisal, receipts, studies or reports.

Should the landowner and the company be unable to conclude an agreement on compensation at any time during the lifecycle of the project, either party may apply to the Minister of Natural Resources (NRCan) to request the services of a negotiator, or to have the dispute settled by arbitration. The decision of the NRCan arbitration committee is binding and is enforceable in a court of law. Parties are referred to the Pipeline Arbitration Secretariat within Natural Resources Canada given that the NEB does not have the authority to decide on matters pertaining to compensation

In the end, if the landowner and the company cannot reach an agreement, the company can seek a 'Right of Entry Order' from the Board for the right to enter the lands associated with an approved project. Whether the landowner objects to the issuance of an Order or not, the landowner can submit written comments to the Board regarding the terms and conditions that the company has requested in its application. If an Order is issued, the landowner will be paid an advance on the compensation amount, even if the final amount is yet to be determined.

If assistance is required to resolve these types of concerns, the NEB can provide qualified staff to help landowners reach a mutually acceptable outcome with the company.

Need Help or More Information?

NEB Filing Manual

NEB Landowner Guide

For Compensation matters, contact Natural Resources Canada Pipeline Arbitration Secretariat, Email: NRCan.PAS-SAP.RNCan@canada.ca, [Website](http://www.nrb.ca), Telephone: 343-292-6216

Web: www.neb-one.gc.ca

E-mail: info@neb-one.gc.ca

Phone: 403-292-4800

Toll Free: 1-800-899-1265

National Energy Board
517 Tenth Avenue SW
Suite 210
Calgary, Alberta T2R 0A8

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