



National Energy  
Board

Office national  
de l'énergie

# LAND ACQUISITION AGREEMENTS



## ISSUE: COMPENSATION FOR SIGNING LAND ACQUISITION AGREEMENTS

Landowners play a vital role in the development of Canada's energy resources. The National Energy Board (NEB or Board) has about 73,000 kilometres of pipelines under its jurisdiction – almost enough to wrap around the Earth twice. Add to that about 1,400 kilometres of power lines, which is about the distance between Edmonton and Winnipeg. The NEB's regulations, standards, and

programs play a critical role in making our pipeline transportation systems and international power lines safe, secure, accessible, competitive, and environmentally responsible.

### What is a Land Acquisition Agreement?

If a company requires the use of private lands for its project, it acquires the necessary land rights through a land acquisition agreement, frequently referred to as an easement or right-of-way agreement.

### Does a landowner receive compensation for signing an easement?

Yes. The landowner receives compensation from the company for a negotiated amount of money. This money could be paid in a lump sum or in annual or periodic payments over a period of time. Annual or periodic payments are reviewed every five years.

### Who decides how the compensation is paid?

The *National Energy Board Act* specifies that it is at the option of the landowner to select either the lump sum form of payment or the annual or periodic form of payment.

### **NEB Act – Paragraphs 86(2) (a) and (b):**

#### **Form of agreement**

**(2)** A company may not acquire lands for a pipeline under a land acquisition agreement unless the agreement includes provision for

a) compensation for the acquisition of lands to be made, at the option of the owner of the lands, by one lump sum payment or by annual or periodic payments of equal or different amounts over a period of time;

b) review every five years of the amount of any compensation payable in respect of which annual or other periodic payments have been selected;

## What if the landowner and company cannot agree on the amount of compensation?

The NEB often refers parties to Pipeline Arbitration Secretariat within Natural Resources Canada, to seek assistance in resolving matters of compensation. When a landowner and a pipeline company cannot agree on the amount of compensation, either the company or the landowner may apply to the Minister of Natural Resources to receive the services of a negotiator, or to have the dispute settled by arbitration.

## Need Help or More Information?

**Contact the NEB: Toll Free: 1-800-899-1265**

Land Matters Group  
[lmg@neb-one.gc.ca](mailto:lmg@neb-one.gc.ca)

Damage Prevention  
[DPinfo@neb-one.gc.ca](mailto:DPinfo@neb-one.gc.ca)

Appropriate Dispute Resolution  
[ADR-MRD@neb-one.gc.ca](mailto:ADR-MRD@neb-one.gc.ca)

**Contact Natural Resources Canada for compensation inquiries: Telephone: 343-292-6216**

**Pipeline Arbitration Secretariat**

Email: [PAS-SAP@NRCan-RNCan.gc.ca](mailto:PAS-SAP@NRCan-RNCan.gc.ca)

Website: <http://www.nrcan.gc.ca/energy/infrastructure/natural-gas/pipeline-arbitration-secretariat/5907>

