

## BULLETIN

Date	Subject	Notice
December 20, 2022	Revised Directive PNG025 in effect on January 1, 2023	BT2022-010

On December 20, 2022, a Minister's Order ([MRO 264/22](#)) was published to [www.saskatchewan.ca](http://www.saskatchewan.ca) authorizing *Directive PNG025: Financial Security Requirements* (Directive PNG025) to come into force **as of January 1, 2023**. This directive is a revised and renamed version of *Directive PNG025: Licensee Liability Rating (LLR) Program*. A copy of the revised Directive PNG025 can be found at [Directive PNG025: Financial Security Requirements](#).

Please note that the current version of Directive PNG025 as posted to [Prerequisites](#) at the Integrated Resource Information System (IRIS) webpage remains in effect until December 31, 2022.

The Ministry of Energy and Resources (ER) conducted stakeholder consultations on the revisions to Directive PNG025 during a four-week period from October 5, 2022 to November 2, 2022. Directive PNG025 has been completely redrafted to consolidate LLR requirements and to define rules in support of new programs introduced through *The Financial Security and Site Closure Regulations* (FSSCR).

As part of the amendments, the full title of Directive PNG025 has been changed from *Directive PNG025: Licensee Liability Rating (LLR) Program* to *Directive PNG025: Financial Security Requirements* to incorporate FSSCR rules and announce the FSSCR as the governing regulations. Other key updates include:

- A prescribed upper threshold for a prorated LLR for determining whether a security deposit is payable pursuant to a Proportional Risk Transfer (PRT) assessment;
- Multiplication of the reclamation liability by a factor of 10 (previously two) upon the transfer of an unassessed problem site;
- New rules pertaining to the refund of security deposits, featuring a new Appendix with a flowchart illustrating ER's refund policy;
- Rules in support of the Inactive Liability Reduction Program (ILRP), including applying for an Annual Reduction Target (ART), reporting expenditures for an ART and using security deposits toward ART obligations; and
- New requirements to supply Corporate Financial Information, which will be used by ER to better evaluate the financial capacity of licensees to meet end-of-life asset retirement obligations.

Please ensure that your organization is aware of and follows the requirements outlined in these regulations.

## Questions?

Information on the results of the consultation process can be found at [Notice of Accepted Amendments: Directive PNG025: Financial Security Requirements](#).

If you have any questions or concerns, contact the ER Service Desk at 1-855-219-9373 or [ER.servicedesk@gov.sk.ca](mailto:ER.servicedesk@gov.sk.ca).