

## What is it?

In the event producers wish to reduce their PPO contract obligations, one of their contract options is to complete a contract assignment form. Assignment forms, available from the CWB, need to be completed whether assigning all or a portion of the contracted tonnage to another producer. The contract number and tonnage to be transferred must be specified on the form and signed by the assignor (producer transferring the contract) and the assignee (producer taking over the contract).

The form can be faxed or mailed back to the CWB.

When an assignment form is requested, the CWB will forward two copies of the statement of information and the terms and conditions of the contract being assigned to ensure the assignee is fully aware of the contract details. The assignor is responsible for providing the assignee a copy of the statement and terms. As part of the transaction the assignee must be provided with the documents and must sign-off on the assignment form. The CWB will confirm the assignment to both parties upon processing.

A new contract will be generated and a statement of information will be mailed to the assignee along with a copy of the contract. The assignor will receive an updated contract, indicating the reduced tonnage. If the contract was completely transferred, the assignor will receive a statement of information indicating that the contract has zero tonnes remaining. Assignments must be a minimum of 20 tonnes and whole tonnes, unless it is the balance of the contract. If the balance outstanding is less than 20 tonnes, it can be transferred only as a single transaction.

The force majeure clause of a contract cannot be assigned. The assignor must pay the \$3 per tonne fee before the assignment can be completed.

If the contract is a Basis Payment Contract (BPC) or a Daily Price Contract (DPC) that is partially priced, the unpriced portion is transferred first. If the assignment involves a BPC that has been rolled, the \$1 per tonne roll fee transfers to the assignee.

The assignment cost is \$15 per transaction, and will be charged to the assignor. The administration fee is deducted from their future CWB payments. Producers wanting to assign their PPO commitments can contact the CWB for possible matching opportunities, but are responsible for completing their own assignment.

### Example

On May 15 Bob signs a BPC for 500 tonnes of CWRS. In September he encounters reduced yields and only has 400 tonnes of total CWRS production. Bob finds a neighbor who wants the benefits of a BPC and is willing to sign up 100 tonnes of production. Bob contacts the CWB to arrange the transfer of 100 tonnes of his BPC to his neighbor. The CWB sends Bob the forms, who along with his neighbor, signs and returns them to the CWB. The assignment of 100 tonnes of Bob's BPC contract to his neighbor is complete. Bob pays the \$15 administration fee and now has a BPC commitment of 400 tonnes.

Call the CWB at  
1-800-275-4292  
to arrange  
your assignment.