

In instances where an operator has requested the removal of an assets and it has been agreed by both operators that the asset is genuinely redundant and that removal is the appropriate course of action, an agreement needs to be made between the parties as to how the cost of the work will be split. This will be done using the following logic:

1. Determine if there is any regulatory funding in place to decommission the asset. If so then this should dictate who will bear the financial responsibility for the work.
2. If there is no regulatory funding in place, the asset owner will propose a cost contribution proposal factoring in which costs (maintenance and other) will be avoided through decommissioning. That proposal can be challenged and if an agreement is not ultimately forthcoming would result in an independent decision maker being appointed to confirm how the cost of the work will be split. A basic example of this is outlined below:

Total Cost for Asset Decommissioning	£500,000
On-going Maintenance Cost for Asset Owner	£10,000 per year for 5 years
Asset Owner Proposal for Contribution to Decommissioning	£10,000 x 5 years = £50,000