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BRITISH COLUMBIA
UTILITIES COMMISSION

ORDER
NUMBER P-6-95

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IN THE MATTER OF the Pipeline Act
R.S.B.C. 1979, c. 328, as amended

and

An Application by Suncor Inc. - Resources Group
for Approval of Tolls - Blueberry to Taylor Pipeline

BEFORE: M.K. Jaccard, Chairperson; and)
L.R. Barr, Deputy Chairperson) November 2, 1995

O R D E R

WHEREAS:

- A. On September 25, 1994 Suncor Inc. - Resources Group ("Suncor") filed with the Commission for approval Revised Crude Petroleum Tariff No. 121 for the Blueberry to Taylor Pipeline with rates to be effective October 1, 1994. The application requested a change from postage-stamp rates of \$2.85/m³ to rates ranging from \$3.62 to \$5.57/m³ at the various receiving points of the pipeline. The tariff revision incorporated a revaluation of the pipeline from an historic cost to a market value and the use of a postage-stamp and distance-based methodology; and
- B. The Commission, by Order No. P-5-94, approved the Revised Crude Petroleum tariff rates effective October 1, 1994 subject to review by the Commission in the event of a complaint being filed within 30 days of the date of the Order and prospectively thereafter; and
- C. On December 22, 1994 Anderson Exploration Ltd. (formerly Home Oil Company Limited) ("Anderson") complained about the magnitude of the tariff increase and stated that it was not consulted by Suncor prior to the filing of the tariff revision. Anderson requested that the Commission delay calling for written submissions to allow Suncor and its Shippers to negotiate a settlement; and
- D. The Commission accepted the Complaint and Suncor and its Shippers negotiated for a number of months on various proposals of revenue requirements and rate structure. On July 7, 1995 Canadian Natural Resources Limited ("Canadian") complained about the change from postage-stamp to distance-based tolls. On July 24, 1995 Poco Petroleums Ltd. ("Poco") and Chevron Canada Resources ("Chevron") complained about the magnitude of the tariff increases and the change from postage-stamp rates. The complaints by Canadian and Poco were withdrawn on August 4, 1995; and
- E. On October 16, 1995 Commission staff held a meeting with Suncor and its Shippers in Calgary, Alberta with the intent of resolving the Anderson and Chevron complaints; and
- F. On October 30, 1995 Suncor informed the Commission that it had successfully negotiated with all of its Shippers except for Northridge Petroleum Marketing Inc. ("Northridge") for a tariff that would be effective from October 1, 1994 to December 31, 1995 with rates ranging from \$2.38 to \$5.14/m³. Northridge complained on October 30, 1995 about the reasonableness of the Pipeline's revenue requirement; and

- G. On November 1, 1995 Northridge withdrew its complaint and requested the Commission to take an active role in setting the revenue requirements on subsequent tariff revisions commencing January 1, 1996; and
- H. The Commission has considered Suncor's negotiated settlement and finds that it is in accordance with the requirements of Part 7 of the Pipeline Act.

NOW THEREFORE the Commission orders as follows:

1. The Crude Petroleum Tariff No. 121, approved by Order No. P-5-94, is repealed as a result of the subsequent complaints.
2. The Commission approves the revised tariffs as submitted by Suncor on October 30, 1995 with an effective date of October 1, 1994. Suncor is to file a revised Crude Petroleum Tariff consistent with its October 30, 1995 negotiated settlement for Commission approval.
3. Tolls recovered by Suncor in excess of the approval given by this Order are to be refunded to the Shippers on the Blueberry to Taylor Pipeline with interest calculated at the average prime rate of Suncor's principal bank.
4. Suncor is to provide each Shipper on the Pipeline with full and complete cost information in the determination of the Pipeline's 1996 revenue requirements.

DATED at the City of Vancouver, in the Province of British Columbia, this *20th* day of November, 1995.

BY ORDER



Dr. Mark K. Jaccard
Chairperson