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**BRITISH COLUMBIA
UTILITIES COMMISSION**

**ORDER
NUMBER** P-4-07

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IN THE MATTER OF
the Pipeline Act, R.S.B.C. 1996, Chapter 364

and

An Application by Plateau Pipe Line Ltd.
for Approval of 2007 Tolls for the Western System

BEFORE: L.F. Kelsey, Commissioner June 28, 2007

O R D E R

WHEREAS:

- A. On May 30, 2007 Plateau Pipe Line Ltd. ("Plateau") filed with the Commission an application for the approval of 2007 replacement tolls for crude oil deliveries from Taylor to Prince George and Taylor to Kamloops (the "Western System"), effective July 1, 2007 (the "Application"); and
- B. The Application requests approval of the following tariff and supplemental toll information, effective July 1, 2007:
 - A \$5.51/m³ toll increase for crude oil deliveries from Taylor to Prince George.
 - A \$8.48/m³ toll increase for crude oil deliveries from Taylor to Kamloops; and
- C. The Western System incurred a negative earned return of \$4.1 million in 2006; and
- D. Plateau forecasts a negative earned return of \$4.0 million in 2007 without the proposed toll increases; and
- E. Plateau has provided all Shippers and Producers on the Western System with a copy of the Application; and
- F. In the event of an objection by a shipper, Plateau requests that the Commission approve the proposed tolls on an interim basis until the completion of a fuller review of the process; and
- G. On June 15, 2007, Husky Oil Operations Limited ("Husky") filed a letter of complaint with the Commission regarding the proposed \$5.51/m³ toll increase for crude oil deliveries from Taylor to Prince George. Husky proposes that the existing toll be made interim for a period of up to three months until such time that it concludes its negotiations with Plateau; and
- H. On June 25, 2007, Plateau filed a response to Husky's letter of complaint. Plateau reports that the ongoing toll negotiations with Husky have been consistent with the Commission's toll methodology in the June 26, 2001 Plateau Decision and approved by Commission Order No. P-2-02. As of June 27, 2007, Husky has not withdrawn its letter of complaint; and

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- I. The Commission considered the submissions received from Plateau and Husky (the “Parties”) and has determined that interim tolls for 2007 and establishing a timetable for the negotiations between the Parties is warranted.

NOW THEREFORE pursuant to Section 44 of the Pipeline Act, the Commission orders as follows:

1. The Commission establishes the proposed customer tolls as interim and refundable, effective July 1, 2007.
2. The differences between the 2007 interim and permanent tolls that are determined by the Commission following consideration of this Application are subject to refund with interest at the average prime rate of Plateau’s principal bank as set out in a Commission Order that establishes permanent tolls for the Western System.
3. The Commission will allow one month for negotiations and directs Husky and Plateau (the “Parties”) to meet by July 9, 2007 to conduct negotiations regarding the proposed Taylor to Prince George toll increase. The Parties are to report to the Commission by August 16, 2007 on the outcome of the negotiations in general terms and the process they would suggest to move this matter forward.
4. Plateau is to provide all Shippers on the Western System with copies of this Order.

DATED at the City of Vancouver, in the Province of British Columbia, this 28th day June 2007.

BY ORDER

Original signed by

L.F. Kelsey
Commissioner