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**BRITISH COLUMBIA
UTILITIES COMMISSION**

**ORDER
NUMBER** P-6-07

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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 the 2007 Western System Tolls - Filing Extension

BEFORE: L.F. Kelsey, Panel Chair and Commissioner October 16, 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 "Western System Tolls"); and
- B. The Western System Tolls requested 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. 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 proposed that the existing toll be made interim for a period of up to three months until such time that it had concluded its negotiations with Plateau; and
- D. Plateau filed a response to Husky's letter of complaint on June 25, 2007. Plateau reported that the ongoing toll negotiations with Husky were consistent with the Commission's toll methodology (the "Methodology") in the June 26, 2001 Plateau Decision (the "Decision") and approved by Commission Order No. P-2-02. As of June 27, 2007, Husky had not withdrawn its letter of complaint; and

- E. Commission Order No. P-4-07 established the proposed customer tolls as interim and refundable, effective July 1, 2007 and directed 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 were also instructed to report to the Commission by August 16, 2007 on the outcome of the negotiations; and
- F. On August 16, 2007, Husky and Plateau confirmed that negotiations between the Parties were held regarding the proposed toll increase (the “Reports”); and
- G. In its Report, Plateau also informed the Commission that the Company had been negotiating under the “implicit understanding” that the scope of the negotiations were limited to whether or not Plateau had complied with the Methodology in the Decision. In addition, Plateau stated that Husky’s contention that the Decision did not govern the determination of replacement tolls was an impediment to further negotiations and requested that the Commission provide direction on the appropriate scope for continued negotiations; and
- H. In a letter dated August 28, 2007, Chevron Canada Limited stated that it did not share Plateau’s “implicit understanding” that negotiations would be limited to whether or not Plateau complied with the Methodology; and
- I. On August 30, 2007, the Commission informed Plateau that, in view of the approved negotiated tolls for 2002 to 2007 being higher than the 2001 tolls established in the Decision, the Commission did not consider that the current toll negotiations should be limited to the Methodology in the Decision. The Commission also extended the deadline for negotiations to September 30, 2007 and directed Plateau to file negotiated tolls by October 15, 2007, if the negotiations were successful. If the negotiations were unsuccessful, the Company was directed to file a toll application by October 31, 2007; and
- J. On October 5, 2007, Plateau informed the Commission that the Company was unable to negotiate a settlement regarding 2007 Western System tolls. Plateau also requested an extension of the deadline for filing the 2007 Western System Tolls application (“Western System Application”) from October 31, 2007 to November 30, 2007 (the “Application”); and

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K. The Commission has considered the Application and considers that an extension to the deadline for filing the Western System Application is warranted.

NOW THEREFORE pursuant to Sections 44 and 52 of the Pipeline Act, the Commission orders as follows:

1. The Commission approves the Application to extend the deadline for filing the Western System Application from October 31, 2007 to November 30, 2007.
2. The interim and refundable tolls approved by Commission Order No. P-4-07 shall continue in effect subject to the Western System Application being filed by November 30, 2007.
3. If the Western System Application is not filed by November 30, 2007, the interim tolls approved by Commission Order No. P-4-07 will be rescinded and new interim tolls established on a prospective basis.
4. Plateau is to provide all Shippers on the Western System with a copy of this Order.

DATED at the City of Vancouver, in the Province of British Columbia, this 16th day October 2007.

BY ORDER

Original signed by

L.F. Kelsey,
Panel Chair and Commissioner