

**BRITISH COLUMBIA
UTILITIES COMMISSION**

**ORDER
NUMBER P-8-08**

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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 and 2008 Western System Tolls

BEFORE: L.F. Kelsey, Panel Chair
and Commissioner October 28, 2008
P.E. Vivian, Commissioner

O R D E R

WHEREAS:

- A. On October 5, 2007 Plateau Pipe Line Ltd. ("Plateau", the "Company") informed the Commission that the Company, Husky Oil Operations Limited ("Husky") and Chevron Canada Limited ("Chevron") (collectively the "Parties") were unable to reach a negotiated settlement regarding the Western System Tolls to be effective July 1, 2007. In accordance with Commission Order P-6-07, Plateau filed the 2007 Western System Tolls Application (the "Application") on November 30, 2007; and
- B. Commission Order P-4-07 established the proposed Western System Tolls as interim and refundable, effective July 1, 2007:
 - A \$5.51/m³ toll increase from \$5.69/m³ to \$11.20/m³ for crude oil deliveries from Taylor to Prince George,
 - A \$8.48/m³ toll increase from \$8.75/m³ to 17.23/m³ for crude oil deliveries from Taylor to Kamloops; and
- C. Commission Order P-8-07 established a Public Hearing Process for the review of the Application, set a Regulatory Agenda and Timetable for the proceeding and, based on submissions received in response to Letter L-99-07, directed that the proceeding exclude material from the Negotiations as exhibits; and
- D. The Regulatory Agenda and Timetable were amended by Letters L-4-08, L-7-08, L-12-08, L-34-08, L-36-08 and Orders P-1-08 and P-6-08; and

- E. The review of the Application included three rounds of Commission Information Requests and two rounds of Intervenor Information Requests to Plateau. The review of the Application also included one round of Commission and Plateau Information Requests on Intervenor evidence; and
- F. On March 13, 2008, Plateau informed the Commission that it had reached an agreement in principle with Husky regarding the tolls on the Western System for deliveries at its Prince George refinery; and
- G. On March 28, 2008, Plateau submitted to the Commission an executed copy of the settlement agreement between Plateau and Husky that applies to tolls for deliveries to Husky's Prince George refinery from July 1, 2007 to February 29, 2012 (the "Toll Settlement Agreement"); and
- H. By Letter L-28-08, the Commission directed Chevron to provide responses to twenty-three of Plateau's Information Requests by June 30, 2008. On June 25, 2008, Plateau informed the Commission that it resumed settlement discussions with Chevron and requested that the Commission extend the June 30, 2008 deadline by 30 days; and
- I. On September 4, 2008, Plateau advised the Commission that a new service was being offered on the Western System, on a long-term basis, for deliveries from Taylor to Kamloops (the "Full Path Long-Term Service") and also filed the terms of its settlement with Chevron (the "Toll Settlement F.P."). Plateau requested that the Commission approve:
 - 1. The Full Path Long-Term Service;
 - 2. The Toll Settlement F.P.;
 - 3. The Toll Settlement Agreement;
 - 4. The as filed tolls, which would apply to volumes delivered by Plateau on the Western System subject to the settlement agreements; and
- J. Plateau also requested that the Commission cancel the direction in Letter L-28-08 requiring Chevron to provide responses to twenty-three of Plateau's Information Requests; and
- K. The Commission has reviewed the Application and submissions and considers that approval is warranted.

NOW THEREFORE the Commission orders as follows:

- 1. The Commission cancels the direction to Chevron to provide responses to twenty-three of Plateau's Information Requests in Letter L-28-08.

2. The Commission cancels the request for Submissions from the Applicant and Intervenors on the Requirement for an Oral Hearing and Proposed dates for Written Argument, scheduled for June 16, 2008, established by Order P-6-08.
3. The following tolls are approved for volumes delivered from Taylor to Prince George:
 - (a) \$11.20/m³ from July 1, 2007 to February 29, 2008
 - (b) \$9.00/m³ from March 1, 2008 to February 28, 2009
 - (c) \$9.36/m³ from March 1, 2009 to February 28, 2010
 - (d) \$9.73/m³ from March 1, 2010 to February 28, 2011
 - (e) \$10.12/m³ from March 1, 2011 to February 29, 2012
4. The following tolls are approved for volumes delivered from for volumes delivered from Taylor to Kamloops:
 - (a) \$13.93/m³ from July 1, 2007 to December 31, 2007
 - (b) \$16.15/m³ from January 1, 2008 to December 31, 2008
5. The Toll Settlement Agreement is approved.
6. The Full Path Long-Term Service is approved.
7. The Toll Settlement F.P. is approved.
8. The difference between the F2009 interim tolls and permanent tolls, which is not dealt with under the Toll Settlement Agreement, Full Path Long-Term Service or the Toll Settlement F.P., is subject to refund with interest at the average prime rate of Plateau's principal bank.
9. Any shipper wishing to subscribe to the Full Path Long-Term Service is able to do so for 15 days following issuance of this Order.
10. Plateau is to file permanent tariff sheets that are in accordance with this Order.
11. The approval of the Toll Settlement Agreement, Full Path Long-Term Service and the Toll Settlement F.P. are subject to review in the event of a complaint to the Commission.

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12. Plateau is to provide a copy of this Order to all Shippers on the Western System and Interested Parties to the Application.

DATED at the City of Vancouver, in the Province of British Columbia, this 28th day October 2008.

BY ORDER

Original signed by:

L.F. Kelsey
Panel Chair and Commissioner