



File OF-Tolls-Group1-T260-2015-01 01  
29 April 2015

Ms. Heather Mark  
Director Financial Planning and Regulatory  
Kinder Morgan Canada Inc.  
2700, 300 - 5 Avenue SW  
Calgary, AB T2P 5J2  
Facsimile 403-514-6622

Dear Ms. Mark:

**Trans Mountain Pipeline ULC (Trans Mountain)  
Application for approval of 2015 Final Tolls**

The National Energy Board (Board) has received Trans Mountain's application dated 30 March 2015 for approval of 2015 Final Tolls. In its application, Trans Mountain also requested that the Board review and vary its 20 July 2006 decision regarding the disposition of the Westridge Dock Bid Premium.

**Review and Variance of the Board's decision regarding the disposition of the Westridge Dock Bid Premium**

On 20 July 2006, the Board issued a decision that required Trans Mountain to establish a deferral account for Westridge Dock Bid Premiums. Those premiums would then be refunded to toll payers in the following calendar year.

On 30 March 2015, Trans Mountain applied to review and vary the Board's 20 July 2006 decision pursuant to subsection 21(1) of the *National Energy Board Act*. Trans Mountain asked the Board to vary the 20 July 2006 decision to allow Trans Mountain to refund the 2014 premiums through toll surcredits over more than one calendar year. Trans Mountain asked that the surcredits for the premiums remain in effect until further order of the Board. Trans Mountain submitted the following changed circumstances in support of its request to review and vary the Board's 20 July 2006 decision:

1. The agreement (or non-opposition) of all parties to the proposed disposition;
2. The size of the premiums in relation to the remaining Revenue Requirement and the available time period in 2015 for its refund; and
3. Resulting from (1) and (2) above, the public interest and other parties' interests are served by smoothing the toll impact of the premium refund.

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Trans Mountain noted that, under the Board's 20 July 2006 decision, premiums collected annually are to be refunded to shippers in the year following collection. If that practice were to be applied to the remaining 2012 premiums and 2013 premiums and the 2014 premiums, it would exceed the remaining 2015 revenue requirement. Trans Mountain also noted that Shippers and Canadian Association of Petroleum Producers (CAPP) are interested in maintaining a level of toll stability from one year to the next.

### **Views of the Board**

The Board has reviewed Trans Mountain's submissions and notes that Trans Mountain reviewed its Application with Shippers and CAPP.

The Board finds that the unanticipated amount of premiums collected by Trans Mountain in 2014 (\$102.9 million) is a change in circumstances that has arisen since the Board's 20 July 2006 decision. For comparison, Trans Mountain collected and refunded about \$4.8 million in 2006, the first year premiums were collected. In these circumstances, the Board finds that Trans Mountain has raised a doubt about whether the Board's 20 July 2006 decision should apply to Trans Mountain's refund of premiums collected in 2014.

The Board accepts that varying its 20 July 2006 decision would smooth the toll impact of the premiums refund on Trans Mountain's tolls. Therefore, the Board has decided to vary its 20 July 2006 decision to allow Trans Mountain to refund the 2014 premiums as surcredits, and to allow such refund to extend beyond the end of 2014, as described in the 2015 Final Tolls application, until further order of the Board.

Distributions of premiums collected in any other year continue to be governed by the Board's direction in its 20 July 2006 decision.

### **2015 Final Tolls**

The Board is satisfied that Trans Mountain calculated its 2015 Final Tolls in accordance with the 2013 to 2015 Incentive Toll Settlement and that the 2015 Final tolls are just and reasonable. Trans Mountain reviewed its Application with Shippers and CAPP and no person opposed Trans Mountain's 2015 Final Tolls.

The attached Order TO-010-2015 approves NEB Tariff No. 96.

Trans Mountain is directed to serve a copy of this letter and the attached Order on shippers and interested parties.

Yours truly,

*Original signed by*

Sheri Young  
Secretary of the Board

Attachment



**ORDER TO-010-2015**

**IN THE MATTER OF** the *National Energy Board Act* (Act) and the regulations made thereunder; and

**IN THE MATTER OF** an application by Trans Mountain Pipeline ULC (Trans Mountain) dated 30 March 2015 for approval of the final tolls for 2015 effective 1 May 2015 and review and variance pursuant to sections 19, 21 and Part IV of the Act filed with the National Energy Board (Board) under File OF-Tolls-Group1-T260-2015-01 01.

**BEFORE** the Board on 29 April 2015.

**WHEREAS** on 13 March 2013 Trans Mountain applied for approval of its 2013 to 2015 Incentive Toll Settlement (2013-2015 ITS) and the Board approved the 2013-2015 ITS on 11 April 2013;

**AND WHEREAS** on 28 April 2014 the Board issued Order TO-005-2014, approving NEB Tariff No. 93 and allowing Trans Mountain to charge, on an interim basis effective 1 January 2015, tolls in effect on 31 December 2014 until final tolls are approved for 2015;

**AND WHEREAS** on 30 March 2015 Trans Mountain applied for Board approval of 2015 Final Tolls, as contained in NEB Tariff No. 96; NEB Tariff No. 96 tolls charged on 31 December 2015 continuing on an interim basis effective 1 January 2016; and that the Board review and vary its 20 July 2006 decision regarding the disposition of the Westridge Dock Bid Premium;

**AND WHEREAS** Trans Mountain's final tolls are calculated in accordance with the 2013-2015 ITS;

**AND WHEREAS** Trans Mountain stated that the 2015 Final Tolls have been reviewed by its Shippers and Canadian Association of Petroleum Producers (CAPP) and that no concerns were raised;

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**AND WHEREAS** Trans Mountain stated that it served a copy of its application and proposed tolls on its Shippers and all interested parties and no person filed comments with the Board on the application or the proposed final tolls;

**AND WHEREAS** the Board has determined that the 2015 Final Tolls are just and reasonable;

**AND WHEREAS** the Board has decided to vary its 20 July 2006 decision to allow Trans Mountain to refund the 2014 premiums as a surcredit, and to allow such refund to extend beyond the end of 2015, until further order of the Board;

**THEREFORE, IT IS ORDERED THAT**, pursuant to subsection 19(2), section 21 and Part IV of the Act:

1. The 2015 interim tolls pursuant to Order TO-005-2014 are approved as final for the period 1 January 2015 to 30 April 2015.
2. The applied-for tolls in NEB Tariff No. 96 are approved as final effective 1 May 2015.
3. Unless the Board orders otherwise, the tolls being charged on 31 December 2015 shall continue to be charged on an interim basis effective 1 January 2016 pending a Board decision on 2016 final tolls.
4. Trans Mountain will recover, in accordance with the 2013-2015 ITS and Trans Mountain's 2015 Final Tolls application dated 30 March 2015, that part of the tolls charged since 1 January 2015 under Order TO-005-2014, that is less than the tolls determined by the Board to be just and reasonable in this Order.

NATIONAL ENERGY BOARD

*Original signed by*

Sheri Young  
Secretary of the Board