

NATIONAL ENERGY BOARD

Trans Mountain Pipeline ULC (Trans Mountain)

**Complaint by
U.S. Oil & Refining Co. (U.S. Oil) Respecting the Allocation of Capacity
Among Uncommitted Shippers Nominating to Barges**

NEB File OF-Tolls-Group1-T260-2016-02

**INFORMATION REQUESTS OF U.S. OIL
TO SHELL TRADING CANADA (STC)**

- 1. Reference:** STC letter dated October 27, 2016
- Preamble:** STC states that, since Tariff No. 86 came into effect approximately 5 years ago, barges with larger capacity have been available, and Nomination of a larger barge under the terms of the Tariff is in complete compliance with the requirements of the Tariff and represents a competitive behavior one would expect to see in the crude oil marketplace.
- Requests:**
- a) Please advise when STC first nominated for capacity in the barge subcategory.
 - b) What is the capacity of each barge that has been used to transport volumes nominated by STC in the barge subcategory over the last five years?
 - c) Did STC have discussions with Trans Mountain, prior to Tariff No. 86 coming into effect, about removing the nomination limit in the barge subcategory? If so, please provide details of the discussions.
 - d) Please explain how the nomination of a larger barge represents a “competitive behavior”. In particular, please describe the competitive advantage that is gained by using a larger barge.
- 2. Reference:** STC response to NEB information request 1.1(i)
- Preamble:** STC maintains that there is greater efficiency and less risk of negative impact to capacity by loading one large barge as opposed to two smaller barges and that any opportunity to take

advantage of efficiencies of economies of scale should be taken advantage of in order to maximize the value of capacity for the entire industry.

- Requests:**
- a) Did STC advocate for removal of the barge subcategory nomination limit in 2008 when the capacity allocated to the Westridge Dock was increased to accommodate one additional tanker and one additional barge per month? If not, why not.
 - b) Are there any circumstances in which STC believes that it would be appropriate to allocate barge capacity to smaller barges as opposed to a larger barge? If so, please describe such circumstances.

3. **Reference:** STC response to NEB information request 1.2

Preamble: STC states that, if the 80,000 barrel nomination limit were to be reinstated, a 160,000 barrel barge could either submit two nominations to fill the barge or submit one nomination and factor in the dead freight when determining the bid price and that, in either case, the shipper would have to assume the most conservative scenario where the 160,000 barrel barge would be only half utilized.

- Requests:**
- a) What is the distance of barge travel from the Westridge Marine Terminal to the Shell Puget Sound Refinery?
 - b) Has STC previously used a larger barge (~160,000 barrels) to transport ~80,000 barrels to the Shell Puget Sound Refinery?
 - c) Have there been months from 2012 to 2016 in which STC has submitted a nomination for less than the available capacity in the barge subcategory? If so, why has it done so?