

# **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 TRANS MOUNTAIN**

- 1. References:**
- i) Trans Mountain response to NEB information request 1.1(c)
  - ii) Trans Mountain response to NEB information request 1.4(a)

**Preamble:** In reference (i), Trans Mountain provides information about the number of months in each year from 2012 to 2016 in which barge capacity has been allocated to shippers in lot sizes of 80,000 to 100,000 bbls and greater than 100,000 bbls.

In NEB information request 1.4(a), Trans Mountain is requested to provide the capacities of those barges for which nominations were submitted to the barge subcategory since 2011. In reference (ii), Trans Mountain did not provide the capacities of the barges, but rather provided a range of the lot sizes loaded on to barges since 2011.

U.S. Oil seeks information from Trans Mountain about the number of and capacities of the barges that have been participating in the barge nomination process. U.S. Oil has only become aware of two barges other than the Drakes Bay barge – a barge previously being used by BP and a barge currently being used by STC – both of which U.S. Oil understands have capacities in excess of 166,000 bbls.

- Requests:**
- a) Please confirm that the capacity of the Drakes Bay barge is 85,000 bbls.
  - b) Please advise how many barges other than the Drakes Bay barge have transported volumes nominated in the barge subcategory since the beginning of 2012. Please provide the capacities of the other barges.

- c) Please advise of the number of months in each year from 2012 to 2016 that a lot size of 80,000 to 100,000 bbls was allocated to a barge other than the Drakes Bay barge. Please provide the capacity of each other barge.
- d) Please advise how many barges other than the Drakes Bay barge transported volumes nominated in the barge subcategory in 2016. Please provide the capacity of each barge.

**2. Reference:** Trans Mountain response to NEB information request 1.2

**Preamble:** Trans Mountain provides information about discussions and consultations with shippers in 2011 concerning the removal of the 80,000 bbl nomination limit from Rule 14.3. Trans Mountain refers to “a shipper using the barge subcategory at the time” indicating that “due to the restriction on volume nominated in the barge subcategory, the capacity allocated to the barge subcategory may be underutilized during months with 31 days (5,370 bpd x 31 days = 166,470 bbl) and that such unallocated capacity (an additional 3,235 bbl per barge) could be accommodated by existing barges”.

In a discussion on October 6, 2016, Trans Mountain told U.S. Oil that other shippers had petitioned Trans Mountain in 2011 to remove the nomination limit in the barge subcategory so that larger barges could make a single nomination for all of the available barge capacity.

- Requests:**
- a) Please confirm that, in 2011, Astra Energy Canada Inc. was using the barge subcategory to nominate (on behalf of U.S. Oil) volumes to the Westridge Dock for transportation via the Drakes Bay barge to the U.S. Oil Tacoma refinery.
  - b) Did Trans Mountain discuss with Astra Energy or U.S. Oil the potential impacts of removing the nomination limit (as opposed to increasing the nomination limit by an additional 3,235 bbls to 83,235 bbls)? If so, please provide details of the discussions.
  - c) Did any shipper(s) ask Trans Mountain to remove the nomination limit so that larger barges could make a single nomination for all of the capacity available in the barge subcategory? If so, please provide details of the discussions.
  - d) Please identify where in the record of the RH-2-2011 proceeding Trans Mountain sets out the rationale for and impacts of

removing the nomination limit on barges from Rule 14.3.

- e) Was the removal of the nomination limit on barges necessary in order to implement Firm Service to the Westridge Marine Terminal? If so, please explain why.

**3. Reference:** Trans Mountain response to NEB information request 1.3(a).

**Preamble:** Trans Mountain expects that the less prescriptive requirements provide a more efficient allocation of scarce capacity and encourages optional use of the Westridge Marine Terminal facilities.

- Requests:**
- a) Please advise of the number of months in each year from 2012 to 2016 in which a barge submitted a single nomination for all of the available capacity in the barge subcategory.
  - b) In each of the months from 2012 to 2016 in which a lot size greater than 100,000 bbls was allocated to a barge, how much capacity in the barge subcategory was left unutilized?
  - c) Have there been months in which a shipper nominated for and was allocated the entire capacity available in the barge subcategory but did not load the entire volume on to its barge? If so, please explain why this occurred and advise what happened to the unloaded volume.

**4. Reference:** Trans Mountain response to NEB information request 1.5.

**Preamble:** Trans Mountain states that its current allocation methodology requires a shipper to submit one nomination per vessel at a volume that does exceed the capacity of such vessel. With regard to the option of permitting an uncommitted shipper to submit a single nomination for a volume in excess of the crude oil capacity of its barge and to transport the volume in more than one loading window, Trans Mountain states this “defeats the purpose of using total bid value to allocate capacity among barge shippers”.

- Requests:**
- a) Please identify the specific provision(s) in Tariff No. 95 that prohibits U.S. Oil from submitting a single nomination for a volume in excess of the capacity of its Drakes Bay barge and transporting the volume in more than one loading window.

- b) Suppose that U.S. Oil was permitted to submit a single nomination for up to 5,370 bpd (up to 166,470 bbls in months with 31 days) and to transport the volume in two loading windows using the Drakes Bay barge. Please explain how this would defeat the purpose of using total bid value to allocate capacity among barge shippers.