

April 8, 2011

Ms. Anne-Marie Erickson  
Secretary of the Board  
National Energy Board  
444 – 7<sup>th</sup> Avenue SW  
Calgary, AB T2P 0X8

Dear Ms. Erickson

**Trans Mountain Pipeline ULC on behalf of Trans Mountain Pipeline LP  
(Trans Mountain) application dated March 31, 2011 for approval of a negotiated  
toll settlement for 2011 (2011 NTS) and related Orders pursuant to Part IV of the  
National Energy Board Act.**

On February 28, 2011, by letter ruling, the National Energy Board (Board) denied Trans Mountain's request to approve its negotiated toll settlement for 2011-2015 (2011-15 NTS), filed with the Board on November 25, 2010.<sup>1</sup>

In response to Trans Mountain's 2011-15 NTS application, the Alberta Department of Energy (ADOE) filed two letter submissions with the Board, dated January 7, and January 14, 2011, expressing concern regarding Trans Mountain's toll settlement negotiation processes. In response, Trans Mountain committed to include the ADOE in commercial negotiations on a go-forward basis.<sup>2</sup>

By letter dated March 31, 2011, Trans Mountain filed an application with the Board seeking approval of a negotiated toll settlement for 2011 (2011 NTS). Trans Mountain's application describes the 2011 NTS as a successful negotiation between Trans Mountain, the Canadian Association of Petroleum Producers (CAPP) and Chevron Canada Resources. Trans Mountain's application also describes the 2011 NTS as a comprehensive settlement for the determination of tolls.<sup>3</sup> The ADOE notes that several interested parties have filed letters in support of the 2011 NTS.

<sup>1</sup> National Energy Board Letter Ruling, February 2011, National Energy Board Files OF-Tolls-Group1-T260-2010-03 01 and OF-Tolls-Group1-T260-2010-04 01.

<sup>2</sup> Trans Mountain Letter, dated January 14, 2011, at page 7, National Energy Board Files OF-Tolls-Group1-T260-2010-03 01 and OF-Tolls-Group1-T260-2010-04 01.

<sup>3</sup> Trans Mountain Application dated March 31, 2011, at page 1, National Energy Board Land Matters Consultation Initiative, Streams including 3.

Appendix 3 to Trans Mountain's application sets out the negotiation and consultation process. Although paragraph 5 to Appendix 3 may suggest that the ADOE became involved in the toll settlement negotiation processes as an interested party on March 23, 2011, the ADOE wishes to be clear in advising that Trans Mountain had in fact taken earlier efforts to involve the ADOE as to the progression of 2011 NTS negotiations.<sup>4</sup>

The 2011 NTS has been negotiated over a relatively short period of time since the Board's February 28 decision. The ADOE is encouraged by Trans Mountain's efforts to include the ADOE in negotiation developments throughout the month of March, including the opportunity to ask and hear questions asked during the 2011 NTS open house.<sup>5</sup>

The ADOE does not oppose the Board's approval of the 2011 NTS but continues to express its preference that negotiation processes for oil pipeline toll settlements are open and inclusive of all interested parties. The ADOE believes that this could be achieved through the establishment of pipeline specific stakeholder consultation groups to discuss tolling issues as described in the ADOE's letters dated January 7 and 14, 2011. The ADOE anticipates that it will file comments respecting negotiation processes relating to other oil pipeline toll settlements as may be filed for approval with the National Energy Board.

Should you have any questions, please contact the undersigned at (403) 297 – 4427.

Sincerely,

C. King  
Counsel



cc: Ms. Brenda M. McClellan  
Director, Regulatory Affairs  
Trans Mountain Pipeline LP  
Suite 2700, 300 – 5<sup>th</sup> Avenue SW  
Calgary, AB, T2P 5J2  
Facsimile: (403) 514 – 6622

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<sup>4</sup> Trans Mountain Application dated March 31, 2011, Attachment 3, Negotiation and Consultation Process, paragraphs 1 to 5.

<sup>5</sup> Trans Mountain Application dated March 31, 2011, Attachment 3, Negotiation and Consultation Process, paragraph 6 to 8.