



450 - 1 Street SW  
Calgary, Alberta T2P 5H1

Tel: (403) 920-2918  
Fax: (403) 920-2347  
E-mail: julie\_kemp@transcanada.com

December 1, 2015

National Energy Board  
517 Tenth Avenue SW  
Calgary, Alberta  
T2R 0A8

Filed Electronically

**Attention: Ms. Sheri Young, Secretary of the Board**

Dear Ms. Young:

**Re: TransCanada Keystone Pipeline GP Ltd., as general partner on behalf of  
TransCanada Keystone Pipeline Limited Partnership (Keystone)  
Filing of Keystone Pipeline System NEB Tariff No. 17 (Toll Schedule)**

Pursuant to Section 60(1)(a) of the *National Energy Board Act*, Keystone files the enclosed Toll Schedule to be effective on January 1, 2016. The Toll Schedule sets out revised tolls applicable to the transportation on the Keystone Pipeline System from Hardisty, Alberta to the international boundary near Haskett, Manitoba for ultimate delivery to the United States at Wood River or Patoka, Illinois; Cushing, Oklahoma; and Port Arthur, Texas.

In accordance with Term Shippers'<sup>1</sup> Contracts, Keystone is revising the variable portion of the committed tolls as a result of estimating a change in its operating, maintenance and administration costs for 2016. As indicated at Footnote 3 of the Toll Schedule, a variable toll true-up will occur after the end of each calendar year.

Keystone is also revising the uncommitted tolls as they are comprised of both fixed and variable components. In accordance with the methodology approved in NEB Decision OH-1-2007<sup>2</sup> and reflected in the Toll Schedule, the uncommitted toll for service to Wood River or Patoka is 120% of the sum of the 5-year fixed toll and the applicable variable toll. In accordance with the methodology approved in NEB Decision OH-1-2008<sup>3</sup> and also reflected in the Toll Schedule, the uncommitted toll for service to Cushing is 120% of the sum of the 10-year fixed toll and the

---

<sup>1</sup> Capitalized terms used herein and not otherwise defined have the meanings set out in the Rules and Regulations in effect.

<sup>2</sup> NEB Reasons for Decision, TransCanada Keystone Pipeline GP Ltd., Application for Construction and Operation of the Keystone Pipeline, September 2007 (Decision OH-1-2007).

<sup>3</sup> NEB Reasons for Decision, TransCanada Keystone Pipeline GP Ltd., Facilities and Toll Methodology, July 2008 (Decision OH-1-2008).

applicable variable toll. In accordance with Keystone's December 16, 2013 Filing<sup>4</sup> to the Board reflecting the commencement of service to Port Arthur, the uncommitted toll for service to Port Arthur is the same as that applied to the existing service to Cushing.

Keystone encloses Attachments 1 and 2, being a black-line and clean copy, respectively, of the Toll Schedule. Keystone also encloses, for the Board's information, Attachment 3, which provides explanatory details for the revised toll calculations.

The filing is also made in accordance with NEB Decision MH-001-2013<sup>5</sup> with respect to the Keystone Abandonment Surcharge, which is also included in the Toll Schedule. The supporting information on the Abandonment Surcharge is provided in Attachment 4.

Keystone has provided notice to the applicable shippers of the estimated variable tolls in accordance with Term Shippers' Contracts. Keystone provides notice of this filing to Keystone Pipeline System shippers and interested parties.

Should the Board require additional information regarding this filing, please contact me by phone at (403) 920-2918 or by email at [julie\\_kemp@transcanada.com](mailto:julie_kemp@transcanada.com).

Yours truly,  
**TransCanada Keystone Pipeline GP Ltd.**

*Original signed by*

Julie Kemp  
Senior Regulatory Project Manager  
Regulatory

Attachments

cc: Keystone Pipeline System shippers and interested parties

---

<sup>4</sup> TransCanada Keystone Pipeline GP Ltd., as general partner on behalf of TransCanada Keystone Pipeline Limited Partnership (Keystone) Filing of Keystone Pipeline System NEB Tariff No. 10 (Toll Schedule) and NEB Tariff No. 11(Rules and Regulations), December 16, 2013. NEB Filing ID A55991.

<sup>5</sup> NEB Reasons for Decision, Set-aside and Collection Mechanism MH-001-2013 in Pipeline Abandonment Financial Issues, May 29, 2014, page 56.

**Attachment 1**  
**NEB Tariff No. 17**  
**Toll Schedule**

**Black-line Pages**

# **Keystone Pipeline System**

Petroleum Toll Schedule

Containing Tolls  
Applying to the Transportation of  
Petroleum

From Hardisty, Alberta

To the International Boundary at or near Haskett, Manitoba

Governed, except as otherwise provided, by the Keystone Pipeline System Rules and Regulations and NEB Tariff number in effect, and any amendments and supplements thereto and reissues thereof. Capitalized terms used herein and not otherwise defined have the meanings set out in such Rules and Regulations.

**Issued:**~~October 1, 2015~~  
**December 1, 2015**

**Issued by:**  
Trudy Eisele  
TransCanada Keystone Pipeline GP Ltd.,  
as general partner on behalf of  
TransCanada Keystone Pipeline Limited  
Partnership  
450 – 1<sup>st</sup> Street SW  
Calgary, Alberta T2P 5H1  
Canada

**Effective:**~~November 1, 2015~~  
**January 1, 2016**

**Compiled by:**  
Julie Kemp  
TransCanada Keystone Pipeline GP Ltd.,  
as general partner on behalf of  
TransCanada Keystone Pipeline Limited  
Partnership  
450 – 1<sup>st</sup> Street SW  
Calgary, Alberta T2P 5H1  
Canada  
(403) 920-2918  
(403) 920-2347 (fax)  
julie\_kemp@transcanada.com

**Uncommitted Tolls** <sup>(1)(6)</sup>

From Receipt Point of Hardisty, Alberta to Delivery Point of International Boundary at or near  
Haskett, Manitoba

(Tolls in Canadian Dollars per Cubic Metre)

<b>U.S. Destination</b>	<b>Light Crude</b>	<b>Heavy Crude</b>
Wood River or Patoka, Illinois	<del>14.347</del> 14.506	<del>16.325</del> 16.550
Cushing, Oklahoma	<del>16.222</del> 16.380	<del>18.199</del> 18.425
Port Arthur, Texas	<del>16.222</del> 16.380	<del>18.199</del> 18.425

**Committed Tolls** <sup>(2)(6)</sup>

From Receipt Point of Hardisty, Alberta to Delivery Point of International Boundary at or near  
Haskett, Manitoba

(Tolls in Canadian Dollars per Cubic Metre)

<b>U.S. Destination</b>	<b>Contract Term</b>	<b>Fixed</b>	<b>Variable <sup>(3)</sup></b>		<b>Total</b>	
		<b>Light and Heavy Crude</b>	<b>Light Crude</b>	<b>Heavy Crude</b>	<b>Light Crude</b>	<b>Heavy Crude</b>
Wood River or Patoka, Illinois	20 yr	7.782	<del>3.837</del> 3.969	<del>5.485</del> 5.673	<del>11.619</del> 11.751	<del>13.267</del> 13.455
Cushing, Oklahoma	10 yr	9.681 <sup>(5)</sup>	<del>3.837</del> 3.969	<del>5.485</del> 5.673	<del>13.518</del> 13.650	<del>15.166</del> 15.354
Cushing, Oklahoma	20 yr	9.342 <sup>(4)(5)</sup>	<del>3.837</del> 3.969	<del>5.485</del> 5.673	<del>13.179</del> 13.311	<del>14.827</del> 15.015
Port Arthur, Texas	20 yr	10.064	<del>3.837</del> 3.969	<del>5.485</del> 5.673	<del>13.901</del> 14.033	<del>15.549</del> 15.737

- (1) Uncommitted Tolls are applicable to a Non-Term Shipper and to a Term Shipper for volumes Tendered in excess of the Contract Volume in accordance with Term Shipper's Contract.
- (2) Committed Tolls are applicable to a Term Shipper and are charged in accordance with Term Shipper's Contract.
- (3) As set out in Term Shipper's Contract, a variable toll true-up will occur after commencement of service to the Cushing Delivery Point and after the end of each calendar year thereafter. The final variable toll will be determined by allocating actual costs incurred in operating the Pipeline System over the actual volumes tendered by all Shippers. To the extent that the final variable toll is less than (greater than) the estimated variable toll, the difference shall be refunded (charged) to Term Shipper, as the case may be, in accordance with Term Shipper's Contract.
- (4) Term Shippers with a contract Delivery Point at Patoka or Wood River seeking an Alternate Delivery Point at Cushing or Port Arthur will be charged the Cushing 20 yr fixed rate, in accordance with Term Shipper's contract.
- (5) Term Shippers with a contract Delivery Point at Cushing seeking an Alternate Delivery Point at Patoka or Wood River will be charged the Cushing fixed rate for the applicable Contract term, in accordance with Term Shipper's contract.

**Abandonment Surcharge**

(Charge in Canadian Dollars per Cubic Metre)

<b>For all Destinations</b>	<b>For all Crude Types</b>
Abandonment Surcharge	\$0.369

- (6) Abandonment Surcharge is applicable to all Shippers in accordance with the determination of the Abandonment Surcharge as set forth in the Rules and Regulations.

**Attachment 2**  
**NEB Tariff No. 17**  
**Toll Schedule**

**Clean Copy**

# **Keystone Pipeline System**

Petroleum Toll Schedule

Containing Tolls  
Applying to the Transportation of  
Petroleum

From Hardisty, Alberta

To the International Boundary at or near Haskett, Manitoba

Governed, except as otherwise provided, by the Keystone Pipeline System Rules and Regulations and NEB Tariff number in effect, and any amendments and supplements thereto and reissues thereof. Capitalized terms used herein and not otherwise defined have the meanings set out in such Rules and Regulations.

**Issued: December 1, 2015**

**Issued by:**

Trudy Eisele  
TransCanada Keystone Pipeline GP Ltd.,  
as general partner on behalf of  
TransCanada Keystone Pipeline Limited  
Partnership  
450 – 1<sup>st</sup> Street SW  
Calgary, Alberta T2P 5H1  
Canada

**Effective: January 1, 2016**

**Compiled by:**

Julie Kemp  
TransCanada Keystone Pipeline GP Ltd.,  
as general partner on behalf of  
TransCanada Keystone Pipeline Limited  
Partnership  
450 – 1<sup>st</sup> Street SW  
Calgary, Alberta T2P 5H1  
Canada  
(403) 920-2918  
(403) 920-2347 (fax)  
julie\_kemp@transcanada.com



**Uncommitted Tolls** <sup>(1)(6)</sup>

From Receipt Point of Hardisty, Alberta to Delivery Point of International Boundary at or near  
Haskett, Manitoba  
(Tolls in Canadian Dollars per Cubic Metre)

<b>U.S. Destination</b>	<b>Light Crude</b>	<b>Heavy Crude</b>
Wood River or Patoka, Illinois	14.506	16.550
Cushing, Oklahoma	16.380	18.425
Port Arthur, Texas	16.380	18.425

**Committed Tolls** <sup>(2)(6)</sup>

From Receipt Point of Hardisty, Alberta to Delivery Point of International Boundary at or near  
Haskett, Manitoba  
(Tolls in Canadian Dollars per Cubic Metre)

<b>U.S. Destination</b>	<b>Contract Term</b>	<b>Fixed</b>	<b>Variable</b> <sup>(3)</sup>		<b>Total</b>	
		<b>Light and Heavy Crude</b>	<b>Light Crude</b>	<b>Heavy Crude</b>	<b>Light Crude</b>	<b>Heavy Crude</b>
Wood River or Patoka, Illinois	20 yr	7.782	3.969	5.673	11.751	13.455
Cushing, Oklahoma	10 yr	9.681 <sup>(5)</sup>	3.969	5.673	13.650	15.354
Cushing, Oklahoma	20 yr	9.342 <sup>(4)(5)</sup>	3.969	5.673	13.311	15.015
Port Arthur, Texas	20 yr	10.064	3.969	5.673	14.033	15.737

- (1) Uncommitted Tolls are applicable to a Non-Term Shipper and to a Term Shipper for volumes Tendered in excess of the Contract Volume in accordance with Term Shipper's Contract.
- (2) Committed Tolls are applicable to a Term Shipper and are charged in accordance with Term Shipper's Contract.
- (3) As set out in Term Shipper's Contract, a variable toll true-up will occur after commencement of service to the Cushing Delivery Point and after the end of each calendar year thereafter. The final variable toll will be determined by allocating actual costs incurred in operating the Pipeline System over the actual volumes tendered by all Shippers. To the extent that the final variable toll is less than (greater than) the estimated variable toll, the difference shall be refunded (charged) to Term Shipper, as the case may be, in accordance with Term Shipper's Contract.
- (4) Term Shippers with a contract Delivery Point at Patoka or Wood River seeking an Alternate Delivery Point at Cushing or Port Arthur will be charged the Cushing 20 yr fixed rate, in accordance with Term Shipper's contract.
- (5) Term Shippers with a contract Delivery Point at Cushing seeking an Alternate Delivery Point at Patoka or Wood River will be charged the Cushing fixed rate for the applicable Contract term, in accordance with Term Shipper's contract.

**Abandonment Surcharge**

(Charge in Canadian Dollars per Cubic Metre)

<b>For all Destinations</b>	<b>For all Crude Types</b>
Abandonment Surcharge	0.369

- (6) Abandonment Surcharge is applicable to all Shippers in accordance with the determination of the Abandonment Surcharge as set forth in the Rules and Regulations.

**Attachment 3**  
**NEB Tariff No. 17**  
**Explanatory Information for**  
**Toll Calculations**

Capitalized terms used herein and not otherwise defined have the meanings set out in the Keystone Pipeline System Rules and Regulations and the Term Shippers' Contracts.

### **Committed Toll**

Committed Tolls are determined in accordance with Term Shippers' Contracts.

Fixed Toll – Fixed tolls are differentiated by length of Contract term.

Variable Toll – The variable toll calculations are based on expected costs and throughput on the Keystone Pipeline System for the period January 1, 2016 to December 31, 2016. The Operating, Maintenance and Administration (OM&A) costs are based on the direct and indirect costs that Carrier expects to incur to operate the Keystone Pipeline System during such period, allocated over estimated throughput. The forecast throughput is based on Contract Volumes and Keystone's estimate of uncommitted volumes for this period.

The following table provides the variable toll calculation:

### **Variable Toll Calculation**

<u>OM&amp;A Costs (\$MM)</u>	
Power	73.8
Operating & Maintenance	97.4
Property Tax	9.4
Total OM&A Costs	180.5
<u>Volumes (000s m<sup>3</sup>)</u>	
Light Volumes	3 491
Heavy Volumes	29 386
Total	32 877
Weighted m <sup>3</sup> kms (MM kms)	39 497
\$ / m <sup>3</sup> / 100 kms	0.4571
<u>Variable Toll (\$ / m<sup>3</sup>)</u>	
Light Crude	<b>3.969</b>
Heavy Crude	<b>5.673</b>

The estimated variable toll is subject to annual recalculation using actual costs and volumes, and audits as set out in the Term Shippers' Contracts.

**Uncommitted Toll – Wood River or Patoka, Illinois**

In accordance with the methodology approved in NEB Decision OH-1-2007, the Uncommitted Toll is 120% of the sum of the 5-year fixed toll and the applicable variable toll.

	<u>Light Crude (\$ / m<sup>3</sup>)</u>	<u>Heavy Crude (\$ / m<sup>3</sup>)</u>
Fixed Toll	8.119	8.119
Variable Toll	<u>3.969</u>	<u>5.673</u>
Total Committed Toll	12.088	13.792
Uncommitted Toll – Wood River or Patoka, Illinois	<b>14.506</b>	<b>16.550</b>

**Uncommitted Toll – Cushing, Oklahoma or Port Arthur, Texas**

In accordance with the methodology approved in NEB Decision OH-1-2008, the Uncommitted Toll is 120% of the sum of the 10-year fixed toll and the applicable variable toll. In accordance with Keystone's December 16, 2013 Filing to the Board, the Uncommitted Toll for service to Port Arthur, Texas is the same as that of the existing service to Cushing, Oklahoma.

	<u>Light Crude (\$ / m<sup>3</sup>)</u>	<u>Heavy Crude (\$ / m<sup>3</sup>)</u>
Fixed Toll	9.681	9.681
Variable Toll	<u>3.969</u>	<u>5.673</u>
Total Committed Toll	13.650	15.354
Uncommitted Toll – Cushing, Oklahoma or Port Arthur, Texas	<b>16.380</b>	<b>18.425</b>

**Attachment 4**  
**NEB Tariff No. 17**  
**Abandonment Surcharge**  
**Calculation**

In accordance with the approved methodology from the NEB Decision MH-001-2013, the Keystone Pipeline System 2016 Abandonment Surcharge is calculated by dividing the 2016 Annual Collection Amount (ACA) by the Total Forecasted 2016 Volume. There were no changes made to the ACA in 2016 and it will therefore remain unchanged at \$12.1 million, consistent with the 2015 ACA Compliance filing<sup>1</sup>. The Total Forecasted 2016 Volume is also expected to remain the same as the Total Forecasted 2015 Volume at 32 791 000 m<sup>3</sup>. Therefore, the 2016 Abandonment Surcharge remains unchanged at \$0.369/ m<sup>3</sup>. The calculations are show in detail below.

## CALCULATION OF ABANDONMENT SURCHARGE

**2016**

Annual Contribution Amount (\$ Millions)	12.1
Total Forecasted 2016 Volume (000 m <sup>3</sup> )	32 791
Abandonment Surcharge	$\frac{\text{Annual Contribution Amount}}{\text{Total Forecasted 2016 Volume}}$ $= 12,100,000 / 32,791,000$ $= \$0.369/\text{m}^3$

---

<sup>1</sup> TransCanada Keystone Pipeline GP Ltd., as general partner on behalf of TransCanada Keystone Pipeline Limited Partnership (Keystone) Compliance Filing—Collection Mechanism Filing and Statement of Investment Policies and Procedures (SIPP), November 25, 2014, NEB Filing ID A4F2Y5.