



File 4400-W005-11
12 December 2003

Mr. Duane D. Rae
Vice President, Regulatory, Lands and Business Development
Duke Energy Gas Transmission
BC Pipeline and Field Services Divisions
Suite 2600, East Tower, Fifth Avenue Place
425 – 1st Street, SW
Calgary, AB T2P 3L8
Facsimile (604) 699-1585

Dear Mr. Rae:

**Westcoast Energy Inc., carrying on business as Duke Energy Gas Transmission Canada
(Westcoast) - Application for Interim and Final Tolls for Transmission Effective 1
January 2004**

The National Energy Board has considered Westcoast's application dated 1 December 2003 for interim and final tolls for mainline transmission services to be in effect commencing 1 January 2004.

The Application indicates that Westcoast intends to engage in discussions with its stakeholders in an attempt to reach a negotiated settlement regarding final tolls and that it anticipates that it will be in a position to update the Board on the progress of these discussions early in the New Year.

In respect of the request for approval of interim tolls at the level of the applied-for final tolls, the Board notes the magnitude of the associated increases in tolls when compared to those that were approved for 2002 and 2003 and the absence of any indication that Westcoast's stakeholders have been consulted on or agreed to the interim tolls. Accordingly, the Board is of the view that the comments of interested parties ought to be considered in respect of the applied-for interim tolls. The Board also recognises that there may be insufficient time before 1 January 2004 for interested parties to consider the application for interim tolls and submit comments to the Board.

Therefore, the Board has decided that the current tolls for 2003, which were approved by Order TG-07-2003, will apply on an interim basis effective 1 January 2004 until such time as the Board has obtained and considered the comments, if any, of interested parties regarding the interim tolls. Attached is Order TGI-6-2003 giving effect to the decision of the Board. Further direction regarding a process for final 2004 tolls will be forthcoming.

.../2

The Board invites Westcoast's stakeholders to submit comments to the Board and to Westcoast as to the appropriateness of the applied-for interim tolls by Tuesday, 23 December 2003. Westcoast will have until Tuesday, 6 January 2004 to file and serve reply comments, if any, with the Board and those parties who filed comments. Upon consideration of the filed submissions, the Board will determine the continued appropriateness of the approved interim tolls and notify parties appropriately.

Westcoast is directed to serve forthwith a copy of this letter on interested parties to TG-2-2002, members of Westcoast's Toll and Tariff Task Force, and all shippers on the Westcoast system.

Yours truly,

A handwritten signature in black ink, appearing to read 'Michel L. Mantha', with a long horizontal line extending to the right.

Michel L. Mantha
Secretary



ORDER TGI- 6 -2003

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

IN THE MATTER OF an application by Westcoast Energy Inc. (Westcoast) dated 1 December 2003 for approval of interim and final tolls for the twelve month period commencing 1 January 2004 pursuant to Part IV of the Act, filed with the Board under Files 4400-W005-11 and 4200-W005-16.

BEFORE the Board on 11 December 2003.

WHEREAS Westcoast has filed an application on 1 December 2003 for approval under subsection 19(2) and Part IV of the Act for interim and final transmission tolls to become effective on 1 January 2004;

AND WHEREAS the Board is satisfied that the issuance of an interim order is in the public interest;

IT IS ORDERED pursuant to subsection 19(2) and paragraph 60 (1)(b) that

1. Westcoast shall charge, on an interim basis, effective 1 January 2004, the final tolls for 2003 filed with the Board on 3 December 2003.
2. The interim tolls allowed in accordance with this order shall remain in effect until they are replaced by tolls approved by the Board in a subsequent or amending toll order.

NATIONAL ENERGY BOARD

A handwritten signature in black ink, appearing to read 'Michel L. Mantha', with a long horizontal line extending to the right.

Michel L. Mantha
Secretary