



Files 4400-T054-1
4775-T054-1-1
23 December 2004

Ms. Céline Bélanger
Vice President, Regulatory Services
TransCanada PipeLines Limited
450 – 1st Street S.W.
Calgary, Alberta T2P 5H1
Facsimile (403) 920-2347

Dear Ms. Bélanger:

**TransCanada PipeLines Limited (TransCanada)
TransCanada B.C. System (B.C. System)
Interim Tolls effective 1 January 2005 and
Amendments to the B.C. System Gas Transportation
Service Documents (GTSD) (Application)**

The National Energy Board acknowledges receipt of TransCanada's Application dated 1 December 2004 Interim Rates and Charges on its B.C. System effective 1 January 2005, proposed Amendments to the B.C. System GTSD and a revision to certain depreciation rates.

PG&E, Cargill and Terasen by way of letters dated 16 December 2004 submitted to the Board that it is premature to allow TransCanada to amend its B.C. System Service Documents implementing conversion to energy units until the upstream Alberta system conversion is resolved. They point out that while the Alberta system and its shippers are currently discussing the energy conversion proposal, there are many issues not yet resolved and that changing the B.C. System in advance of resolution of this issue on the Alberta system would not serve the objective of ensuring alignment between the two systems.

The Board agrees with PG&E, Cargill and Terasen and will defer a decision on the request to convert the B.C. System to energy units for determining contractual quantities until such time as the Alberta system issues have been resolved and that system is able to convert to energy units and the stated objective of alignment of both systems can be accomplished. TransCanada is directed to provide, by 28 February 2005, a report on the status of the discussions about energy conversion currently underway with its Alberta system shippers, to the Board and TransCanada's shippers on both the Alberta and the B.C systems.

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The Board notes that no other comments have been received from shippers and interested parties. Accordingly, the Board has decided to approve the Application with the exception of TransCanada's request to permanently convert the B.C. system to energy units for determining contractual quantities effective 1 April 2005.

The Board reiterates that a decision to approve interim tolls is, in no way, a ruling by the Board as to the merits of any case presented by an applicant or by interested parties in an application to set final tolls.

TransCanada is directed to serve forthwith a copy of this letter and the attached Order TG-11-2004 on all of its B.C. System shippers and interested parties.

Yours truly,

A handwritten signature in cursive script, appearing to read "Charlene Gaudet". The signature is written in black ink and is positioned above the typed name of the signatory.

Michel L. Mantha
Secretary



ORDER TG-11-2004

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

AND IN THE MATTER OF an application filed with the
National Energy Board by TransCanada PipeLines Limited
(TransCanada) for its B.C. System for certain orders
respecting tolls specified in a tariff pursuant to paragraph
60(1)(a) and Part IV of the Act.

BEFORE the Board on 23 December 2004.

WHEREAS by Application dated 1 December 2004, TransCanada sought approval from the Board for Interim Rates and Charges to be applied for service on its B.C. System effective 1 January 2005, for certain amendments to the B.C. System Gas Transportation Service Documents (Application) and a revision to certain depreciation rates;

AND WHEREAS the Board is of the view that it is premature to allow TransCanada to amend its B.C. System Service Documents implementing conversion from volumetric to energy units until the upstream Alberta system conversion issues are resolved and that changing the B.C. System in advance of resolution of this issue on the Alberta system would not serve the objective of ensuring alignment between the two systems;

AND WHEREAS the Board has considered the Application and considers the Interim Rates and Charges for transportation service, amendments to the GTSD (other than the Energy Conversion issue) and the requested revised depreciation rates on the B.C. System to be just and reasonable;

THEREFORE, IT IS ORDERED pursuant to subsection 19(2) of the Act, that:

1. TransCanada shall charge Interim Rates and Charges reflecting the revenue requirement contained in its Application dated 1 December 2004 pending approval by the Board of Final Rates and Charges in respect of TransCanada's B.C. System for 2005.
2. TransCanada shall implement the changes to the GTSD (other than the Energy Conversion Issue) and revised depreciation rates as outlined in the Application dated 1 December 2004.

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3. TransCanada shall provide, by 28 February 2005, a report on the status of the discussions about energy conversion currently underway with its Alberta system shippers, to the Board and TransCanada's shippers on both the Alberta and the B.C systems.

NATIONAL ENERGY BOARD

A handwritten signature in black ink, appearing to read "Charlene Gaudet". The signature is written in a cursive, flowing style with large loops and a long tail that extends to the left.

Michel L. Mantha
Secretary