



File 4775-T054-2003-1  
21 October 2003

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

Dear Ms. Bélanger

**TransCanada PipeLines Limited (TransCanada) B.C. System  
2003 Rates and Tariff Amendments  
Status Report and Request for Final 2003 Rates  
Board Order TGI-5-2002  
Board File No. 4775-T054-2003-1**

The National Energy Board acknowledges receipt of the aforementioned letter from TransCanada dated 29 September 2003. In its letter, TransCanada indicates that since the RH-1-2002 Decision was released on 31 July 2003, TransCanada has reviewed the relevant findings in the context of its B.C. System. As a result, TransCanada has determined that the B.C. System 2003 revenue requirement, as applied for on 12 December 2002, should be reduced by approximately \$600,000 or about 0.05 cents per GJ. TransCanada proposes to defer adjustment for this variance to the determination of the B.C. System's 2004 Rates. Accordingly, TransCanada requests that the Board approve, as final, the 2003 interim rates authorized for the B.C. System under Order TGI-5-2002.

TransCanada indicates that it expects this approach to be satisfactory to the Canadian Association of Petroleum Producers (CAPP) and to Chevron Canada Resources Ltd. (Chevron), the only two parties who had expressed concerns with initial application dated 12 December 2002.

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The Board also acknowledges receipt of letters from Chevron dated 30 September 2003 and CAPP dated 6 October 2003 in which both parties withdrew their objections to the TransCanada 12 December 2002 application, on the basis of the proposal contained in TransCanada's 29 September 2003 letter.

The Board has decided to approve TransCanada's application dated 12 December 2002 for Final 2003 Rates on TransCanada's B.C. System, subject to the 2004 Revenue Requirement being adjusted to reflect the reductions outlined in TransCanada's letter of 29 September 2003. Please see attached Order TG-5-2003, which gives effect to this decision.

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

Yours truly,

A handwritten signature in black ink, appearing to read "Mantha", with a long horizontal flourish extending to the right.

Michel L. Mantha  
Secretary

Attachment



**ORDER TG-5-2003**

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

**AND IN THE MATTER OF** an application filed with the National Energy Board under File 4775-T054-2003-1 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 20 October 2003.

**WHEREAS** by application dated 12 December 2002, TransCanada sought approval from the Board for the Effective Rates and Charges to be applied for service on its B.C. System from 1 January 2003 through to 31 December 2003 and for certain amendments to the B.C. System Gas Transportation Service Documents (Application);

**AND WHEREAS** the Board received a complaint with respect to this Application dated 20 December 2002 from the Canadian Association of Petroleum Association (CAPP) with respect to the Effective Rates and Charges;

**AND WHEREAS** the Board received a complaint with respect to this Application dated 20 December 2002 from Chevron Canada Resources (Chevron) with respect to the Effective Rates and Charges;

**AND WHEREAS** on 27 December 2002, the Board issued Interim Toll Order TGI-5-2002, the effect of which was to approve the proposed Effective Rates and Charges set out in TransCanada's Application on an interim basis, effective 1 January 2003 pending a final decision by the Board;

**AND WHEREAS** by letter dated 29 September 2003, TransCanada (i) indicated that it had determined that the B.C. System 2003 applied-for revenue requirement should be reduced by approximately \$600,000, or about 0.05 cents per GJ; (ii) proposed to defer adjustment for this variance to the determination of the B.C. System's 2004 Rates; and (iii) requested that the Board approve, as final, the 2003 interim rates authorized for the B.C. System under Order TGI-5-2002;

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**AND WHEREAS** Chevron and CAPP submitted letters dated 30 September 2003 and 6 October 2003 respectively, in which both parties withdrew their objection to TransCanada's Application on the basis of the TransCanada letter of 29 September 2003;

**THEREFORE, IT IS ORDERED**, pursuant to paragraph 60(1)(a) and Part IV of the Act, that:

1. TransCanada's B.C. System 2003 Interim Rates, which were made effective under Toll Order TGI-5-2002, be made Final.
2. TransCanada shall include, in its application for 2004 Rates for the B.C. System, a credit reflecting the reduction in 2003 revenue requirement contained in its 29 September 2003 letter, along with applicable carrying charges and schedules containing the detailed calculations supporting the precise amount of the reduction.

NATIONAL ENERGY BOARD



Michel L. Mantha  
Secretary

**ORDER TG-5-2003**