

National Energy
Board



Office national
de l'énergie

File ATT-A-TQM 16 (4200-T028-16)
5 October 2005

Mr. Réjean Laforge
President
Trans Québec & Maritimes Pipeline Inc.
6300 Auteuil Avenue, Suite 525
Brossard (Québec) J4Z 3P2
Facsimile: (450) 462-5388

Dear Mr. Laforge:

**Trans Québec & Maritimes Pipeline Inc. (TQM)
2005 Tolls Application**

The National Energy Board has examined TQM's 2005 Tolls Application dated 23 September 2005 and has decided to approve the application as filed. Please find enclosed a copy of Order TG-05-2005 which gives effect to this decision.

TQM is directed to serve forthwith a copy of this letter and Order TG-05-2005 on all of the Interested Parties listed in its application.

Yours truly,

A handwritten signature in black ink, appearing to read 'Mantha'.

Michel L. Mantha
Secretary

Attachment



ORDER TG-05-2005

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 by Trans Québec & Maritimes Pipeline
Inc. (TQM) for certain orders respecting tolls specified in a
tariff pursuant to Part IV, Sections 59, 60, 64 and 65 of the Act
under File ATT-A-TQM 16 (4200-T028-16)

BEFORE the Board on 5 October 2005.

WHEREAS by application dated 23 September 2005, TQM sought approval from the Board, for the period 1 January 2005 to 31 December 2005, of fixed transportation tolls for the transmission of natural gas through its pipeline facilities;

AND WHEREAS by Order TGI-2-2004, the Board ordered TQM to charge, in respect of the transportation service provided by its facilities, interim tolls for the 2005 Test Year commencing 1 January 2005;

AND WHEREAS the rate of return on common equity was decreased from 9.56% in 2004 to 9.46% in 2005 pursuant to an annual adjustment mechanism originally approved by the Board in Order TG/TO-1-95, as amended;

AND WHEREAS the Board examined TQM's application and has decided to approve it as filed;

THEREFORE, IT IS ORDERED, pursuant to Sections 59, 60, 64 and 65 of the Act, that:

1. For accounting, toll-making and tariff purposes, TQM shall implement procedures conforming to its Application dated 23 September 2005 and with this Order.
2. Order TGI-2-2004, which authorized the tolls to be charged on an interim basis pending a final decision on the said application, is revoked and the tolls that were authorized to be charged thereunder are disallowed as of the date of this Order.

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3. TQM shall charge in respect of its transportation service provided to TransCanada PipeLines Limited, a monthly toll of \$7,206,750 for the period 1 January 2005 to 31 December 2005. This amount will allow recovery of the approved net revenue requirement of \$86,481,000 for the 2005 Test Year.
4. TQM shall charge Gaz Métro Limited Partnership (Gaz Métro), in respect of Transportation Storage (TS) service, a toll based upon the TS Tariff attached to the Transportation and Storage Service contract dated 17 March 1987, as amended 30 October 1995. The approved storage fee is \$3,875 per month.
5. TQM shall charge Gaz Métro, in respect of Storage Gas Transportation (SGT) service, a toll based upon the SGT toll design methodology approved in the RHW-1-96 Reasons for Decision with the revision that volumes forecast for the test year will be used. The approved SGT toll for the 2005 Test Year is \$1.55/10³m³ for deliveries to Trois-Rivières, \$7.39/10³m³ for deliveries to points located downstream of Trois-Rivières, and \$2.60/10³m³ for deliveries upstream of Saint-Nicolas.
6. TQM shall charge EBI Bio-Environment Inc., in respect of Biogas Transportation (BGT), a toll based upon the BGT toll design methodology approved by letter decision dated 15 August 2002. The BGT commodity toll for the 2005 Test Year for deliveries of Sainte-Geneviève-de-Berthier gas to Gaz Métro's markets is \$0.89/10³m³.
7. TQM shall collect from tollpayers the amount by which tolls set by this Order are different than the tolls charged by TQM under Board Order TGI-2-2004, together with carrying charges to be calculated using the approved rate of return on rate base for the 2005 Test Year (i.e., 7.53%).
8. The Board approves the rate base, rate of return on rate base, and the amortization and depreciation rates, as contained in TQM's Application, for the 2005 Test Year.
9. The Board approves the continuance of existing deferral accounts for the 2005 Test Year, with the exception of the PNGTS Extension Claim Deferral Account, which is discontinued. The Board also approves a deferral account to capture the variance between the estimated and the final costs of financing the redemption of Series G Bonds, which matured on 22 September 2005.
10. Those provisions of TQM's tariff and tolls or any portion thereof that are contrary to this Order are hereby disallowed.

NATIONAL ENERGY BOARD



Michel L. Mantha
Secretary