

National Energy
Board



Office national
de l'énergie

File OF-Tolls-Group1-W102-2008-03 01
4 November 2008

Mr. Mel Thorp
Director, Regulatory Affairs
Spectra Energy Transmission
BC Pipeline and Field Services Divisions
Fifth Avenue Place, East Tower
Suite 2600, 425 – 1st Street SW
Calgary, AB T2P 3L8
Facsimile 403-699-1585

Dear Mr. Thorp:

**Westcoast Energy Inc., carrying on business as Spectra Energy Transmission
("Westcoast") Application for Approval of 2008 to 2010 Transmission Toll
Settlement**

The Board has considered Westcoast's application filed 27 August 2008 pursuant to Part IV of the *National Energy Board Act* and the Board's Revised Guidelines for Negotiated Settlements of Traffic, Tolls and Tariffs (the "Guidelines") dated 12 June 2002, for approval of a three-year toll settlement (the "Settlement"), which sets final tolls for 2008 for mainline transmission service and establishes a methodology for fixing the 2009 and 2010 tolls in Zones 3 and 4.

Under the Guidelines, the Board considers the views of interested parties in deciding how to proceed in determining whether or not the Settlement is in the public interest and if tolls are just and reasonable. By letter dated 7 October 2008 the Board invited comment from interested parties on the Settlement and associated tolls. The Board received comments from the Canadian Association of Petroleum Producers (CAPP) and the Export Users Group ("EUG"), both in support of the 27 August 2008 application and Settlement, and has received no comments or expressions of opposition. After examining the matter, the Board concludes that the Settlement is in the public interest and the resultant tolls are just and reasonable. The attached Order TG-03-2008 gives effect to this decision.

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Westcoast is directed to serve a copy of this letter and the attached Order on Settlement Stakeholders, members of Westcoast's Toll and Tariff Task Force, all shippers on the Westcoast system and any other interested parties to the application.

Yours truly,

AnneMarie Erickson

for

Claudine Dutil-Berry
Secretary of the Board

Attachment



ORDER TG-03-2008

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., carrying on business as Spectra Energy Transmission (Westcoast), dated 27 August 2008 for approval of a three-year negotiated settlement for the period commencing 1 January 2008 pursuant to Part IV of the Act and the Board's Revised Guidelines for Negotiated Settlements of Traffic, Tolls and Tariffs, filed with the Board under file OF-Tolls-Group1-W102-2008-03 01

BEFORE the Board on 4 November 2008.

WHEREAS on 30 November 2007 Westcoast filed an application for approval of 2008 interim tolls for mainline transmission services in Zones 3 and 4;

AND WHEREAS on 18 December 2007 the Board issued Order TGI-03-2007 approving the interim tolls filed with the Board on 30 November 2007 and outlined in TTTF Issue Resolution Sheet 2007-07;

AND WHEREAS on 15 May 2008 Westcoast advised the Board that it had reached an agreement in principle on the terms of a transmission toll settlement;

AND WHEREAS on 15 May 2008 Westcoast filed an application pursuant to subsection 21(1) and Part IV of the Act to revise interim tolls approved by Order TGI-03-2007;

AND WHEREAS on 22 May 2008 the Board issued Order TGI-01-2008 approving revised interim tolls to become effective on 1 June 2008;

AND WHEREAS on 27 August 2008 Westcoast filed an application for approval of a three-year negotiated settlement for the period commencing 1 January 2008 pursuant to Part IV of the Act and the Board's Revised Guidelines for Negotiated Settlements of Traffic, Tolls and Tariffs dated 12 June 2002;

AND WHEREAS on 30 September 2008 Westcoast filed a letter confirming the negotiation of performance measures regarding the Customer Service Incentive Program as described in Article 8 of the Settlement;

AND WHEREAS on 7 October 2008 the Board invited comment from interested parties on the Settlement and associated tolls, receiving comments from the Canadian Association of Petroleum Producers and the Export Users Group, both in support of the 27 August 2008 application and Settlement, and has received no comments or expressions of opposition;

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AND WHEREAS on 22 October 2008 Westcoast advised the Board of a clerical error in the 27 August 2008 application and Settlement and filed revised Term Differentiated Rates for 2009 and 2010 which were reviewed and agreed on by the Settlement Stakeholders;

AND WHEREAS the Board has considered Westcoast's application dated 27 August 2008 and comments received, with reference to the Board's Revised Guidelines for Negotiated Settlements of Traffic, Tolls and Tariffs;

AND WHEREAS the Board is satisfied that Westcoast's applied-for tolls for 2008 for Zones 3 and 4 and methodology for fixing 2009 and 2010 tolls as set out in the application and Settlement are just and reasonable;

IT IS ORDERED pursuant to Part IV of the Act, that:

1. Westcoast shall charge 2008 mainline transmission tolls for Zones 3 and 4 and establish 2009 and 2010 tolls in accordance with its application and Settlement;
2. the depreciation rates set out in Appendix D of the Settlement are approved for the term of the Settlement;
3. Westcoast shall maintain, for accounting and toll making purposes, the deferral accounts referred to in the Settlement and which are required to give effect to the Settlement over the term of the Settlement and dispose of the balances in such deferral accounts from time to time in accordance with the terms of the Settlement;
4. the Settlement is approved as filed;
5. Order TGI-01-2008, which authorized tolls that Westcoast may charge on an interim basis effective 1 June 2008, is revoked and the tolls thereunder are hereby disallowed; and
6. Westcoast is directed to refund or recover that part of 2008 interim tolls charged under Orders TGI-03-2007 and TGI-01-2008 by Westcoast from 1 January 2008 to when 2008 final tolls approved by this Order are effective, that is either greater or less than the tolls determined by the Board to be just and reasonable in this Order, together with carrying charges on the amounts so refunded or recovered calculated in accordance with the Settlement.

NATIONAL ENERGY BOARD

AnneMarie Erickson

for

Claudine Dutil-Berry
Secretary of the Board

TG-03-2008