



LETTER NO. L-67-95

ROBERT J. PELLATT
COMMISSION SECRETARY
VIA FACSIMILE

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December 27, 1995

Mr. R.C. Osborne
Vice President & General Manager
Federated Pipe Lines (Western) Ltd.
1600-324 8th Avenue S.W.
Calgary, Alberta
T2P 2Z5

Dear Mr. Osborne:

Re: Federated Pipe Lines (Western) Ltd.
Tariff Revision - Taylor to Kamloops Crude Oil Pipeline

The Commission has considered your request to amend tariffs on an interim basis effective January 1, 1996 in order to assist Federated's shippers and their customers in pricing crude oil. This interim tariff is an estimate of the permanent tariff revision that will be filed by Federated in February 1996, to be effective January 1, 1996, in accordance with the filing procedure and the incentive tolling methodology.

The Commission considers that sufficient notification can be provided to Federated's shippers, and their customers, by Federated informing its shippers by letter in November/December of each year of the expected tariff revision that will occur on January 1 based on preliminary adjustments through the incentive tolling methodology. The Commission requires Federated to provide this advance notification to its shippers on an annual basis.

As a result, the Commission does not believe that approval of the requested interim increase in tariffs as filed on December 13, 1995 for the Taylor to Kamloops pipeline is necessary.

The Commission requires that Federated provide a copy of this letter to the shippers on the Taylor to Kamloops Crude Oil Pipeline.

Yours truly,

A handwritten signature in black ink, appearing to read "R. Pellatt".

Robert J. Pellatt

PWN/ssc