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BRITISH COLUMBIA
UTILITIES COMMISSION

ORDER
NUMBER P-4-95

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AN ORDER IN THE MATTER OF the Pipeline Act
R.S.B.C. 1979, c. 328, as amended

and

An Application by Trans Mountain Enterprises of British Columbia Limited
for Approval of Permanent Tolls on its Jet Fuel Pipeline

BEFORE: M.K. Jaccard, Chairperson; and)
L.R. Barr, Deputy Chairperson) May 25, 1995

O R D E R

WHEREAS:

- A. In its March 25, 1994 Decision and Order No. P-2-94, the Commission issued directives upon which Trans Mountain Enterprises of British Columbia Limited ("TME") would calculate tolls for its Jet Fuel Pipeline. It also outlined procedures upon which TME would file quarterly monitoring reports and apply for revised rates whenever the current forecast rate of return on equity differed from the approved rate by more than 2 percent ("the trigger mechanism"); and
- B. The Commission, by Order No. P-2-95, approved for TME, permanent 1995 Tolls on the Jet Fuel Pipeline effective January 1, 1995; and
- C. On May 8, 1995 TME informed the Commission and interested parties that the current forecast rate of return on equity would exceed the approved rate of return on equity by more than 2 percent and the trigger mechanism would require a rate revision effective April 1, 1995. TME requested that its current tolls be deemed interim as of April 1, 1995; and
- D. On May 15, 1995 TME applied to the Commission for approval of a permanent toll reduction of 5.5 percent, effective April 1, 1995, based on the latest estimates of throughput, operating expenses and rate base and a revised rate of return on equity ("the Application"); and
- E. The Application requested approval of a filing procedure, as agreed to by TME and the Shippers at the Jet Fuel Shippers' Committee meeting held on September 20, 1994, whereby the tolls on the TME Jet Fuel Pipeline are deemed to be interim as of the first day of the second, third and fourth quarter of each year pending the calculation of an updated forecast rate of return on equity; and
- F. On May 19, 1995 the Vancouver Airport Facilities Corporation ("the Airlines") requested information from TME regarding the revised throughput estimates that were incorporated in the Application; and
- G. The Commission has reviewed the Application and the Airlines' Information Request and finds that the Application is in accordance with the requirements of Section 44 of the Pipeline Act ("the Act").

NOW THEREFORE the Commission orders as follows:

1. The Commission approves the filing procedure whereby the tolls on TME's Jet Fuel Pipeline are deemed to be interim as of the first day of the second, third and fourth quarter of each year pending the calculation of an updated forecast rate of return on equity. The Commission will only issue Orders in this regard when a toll application is filed.
2. The Commission directs that the current tolls on TME's Jet Fuel Pipeline are interim as of April 1, 1995.
3. The Commission approves, pursuant to the Act, the Application for a 5.5 percent toll reduction on the Jet Fuel Pipeline, on an interim basis effective April 1, 1995.
4. The Commission directs TME to respond to the Airlines' Information Request by June 2, 1995. The Airlines are to make any further submissions to the Commission on the Application by June 12, 1995 and TME to provide its comments by June 19, 1995.
5. TME is to file with the Commission a tariff sheet that reflects the interim toll reduction effective April 1, 1995.

DATED at the City of Vancouver, in the Province of British Columbia, this 26th day of May, 1995.

BY ORDER



Dr. Mark K. Jaccard
Chairperson