



IN THE MATTER OF
the Pipeline Act, R.S.B.C. 1996, c. 364

and

An Application by Plateau Pipe Line Ltd.
for Approval of 2002 to 2007 Tolls

BEFORE: P. Ostergaard, Chair)
R.D. Deane, Commissioner)
K.L. Hall, Commissioner) June 13, 2002
N.F. Nicholls, Commissioner)

O R D E R

WHEREAS:

- A. By Order No. P-3-01 and Commission Decision dated June 26, 2001, the Commission approved permanent tolls for crude oil deliveries from Taylor to Prince George and Taylor to Kamloops effective September 7, 2000 to December 31, 2000 and effective January 1, 2001; and
- B. By Commission letters dated August 7, 2001 and October 30, 2001, the Commission deferred processing of these permanent tariff pages and determined that interim tolls approved by Order No. P-6-00 would remain in force pending the determination of Plateau Pipe Line Ltd.'s ("Plateau's") application for Reconsideration and applications for Leave to Appeal Order No. P-3-01 and the Commission's Decision; and
- C. On April 11, 2002, the British Columbia Court of Appeal dismissed Plateau's application to vary the ruling of a Justice of the British Columbia Court of Appeal that had previously accepted the Commission's jurisdiction with respect to Order No. P-3-01 and the Commission's Decision of June 26, 2001; and
- D. On June 5, 2002, Plateau applied for permanent tolls (the "Application") effective July 1, 2002, in accordance with Settlement Agreements reached between Plateau and Husky Oil Operations Limited ("Husky") on the Taylor to Prince George segment of the pipeline (the "Husky Agreement") and between Plateau and producers and shippers on the Taylor to Kamloops pipeline (the "Kamloops Agreement"); and
- E. The Husky Agreement establishes a toll from Taylor to Prince George of \$5.00/m³ effective July 1, 2002 to December 31, 2004 and \$5.69/m³ effective January 1, 2005 to June 30, 2007. The Kamloops Agreement sets a toll from Taylor to Kamloops of \$8.75/m³ effective from the date deliveries to Kamloops resume, starting no later than July 1, 2002 and continuing to June 30, 2007; and
- F. The Husky Agreement accepts that Husky has paid and shall continue to pay a toll equal to the interim toll of \$4.16/m³ from September 7, 2000 to June 30, 2002. Plateau recognized that this toll is less than the approved permanent tolls and will not seek any retroactive payments to cover the difference; and
- G. The Application requested confirmation of the continuance of the Tariff Rules and Regulations for the transportation system as those which were in effect on July 31, 2000, with the exception of the tolls set out in the Settlement Agreements; and

- H. Letters of support to the Settlement Agreements were provided by Husky, which accounts for 100% of the crude oil volume movements delivered to Prince George, and by producers, shippers and the Canadian Association of Petroleum Producers, which represent or account for over 90% of the crude oil volume movements delivered to Kamloops; and
- I. The Commission has reviewed the Application and finds that approval of the Settlement Agreements is required.

NOW THEREFORE the Commission orders as follows:

1. Pursuant to Part 7 of the Pipeline Act, the Commission approves the Application, the Husky Agreement and the Kamloops Agreement as filed.
2. In accordance with Section 44 of the Pipeline Act and the Settlement Agreements, a permanent toll from Taylor to Prince George of \$5.00/m³ effective July 1, 2002 to December 31, 2004 and \$5.69/m³ effective January 1, 2005 to June 30, 2007 is approved. A permanent toll from Taylor to Kamloops of \$8.75/m³ is approved effective from the date deliveries to Kamloops resume and continuing to June 30, 2007.
3. The continuance of the Tariff Rules and Regulations is confirmed for the transportation system as those which were in effect on July 31, 2000, with the exception of the tolls set out in the Settlement Agreements.
4. Permanent rates approved by Commission Decision dated June 26, 2001 and Order No. P-3-01 are confirmed to be in effect although the Commission accepts the conditions of the Husky Agreement regarding payments by Husky based on a toll equal to the interim toll of \$4.16/m³ from September 7, 2000 to June 30, 2002.
5. The approval of this Application, the Husky Agreement and the Kamloops Agreement are subject to review in the event of complaint to the Commission.
6. Plateau is to file permanent tariff sheets that are in accordance with this Order.

DATED at the City of Vancouver, in the Province of British Columbia, this 13th day of June 2002.

BY ORDER

Original signed by:

Peter Ostergaard
Chair