

SIXTH FLOOR, 900 HOWE STREET, BOX 250
VANCOUVER, B.C. V6Z 2N3 CANADA
web site: <http://www.bcuc.com>



**BRITISH COLUMBIA
UTILITIES COMMISSION**

**ORDER
NUMBER** P-1-04

TELEPHONE: (604) 660-4700
BC TOLL FREE: 1-800-663-1385
FACSIMILE: (604) 660-1102

**IN THE MATTER OF
the Pipeline Act, R.S.B.C. 1999, c. 364**

and

**An Application by Terasen Pipelines (Jet Fuel) Inc.
for Approval of 2003 and 2004 Tolls on the Jet Fuel Pipeline**

BEFORE: L.A. Boychuk, Commissioner)
L.F. Kelsey, Commissioner) March 18, 2004

O R D E R

WHEREAS:

- A. On December 18, 2002, Terasen Pipelines (Jet Fuel) Inc. ["Terasen (Jet Fuel)"], filed an application to set interim tolls, effective January 1, 2003, that incorporate a decrease of 4.37 percent from the current 2002 Tolls, and would be subject to further negotiations with its Shippers; and
- B. The Commission, by Order No. P-4-02, approved for Terasen (Jet Fuel), interim tolls on the Jet Fuel Pipeline effective January 1, 2003, as filed in its December 18, 2002 application, pursuant to Section 44 of the Pipeline Act, subject to review in the event of a complaint; and
- C. On August 22, 2003, the Vancouver Airport Fuel Facilities Corporation ("the Airlines") filed a complaint stating that there was no reasonable expectation of a settlement and requested that the Commission direct Terasen (Jet Fuel) to file its 2003 toll application; and
- D. By letter dated September 17, 2003 Commission staff requested a report on the activities that occurred since the issuance of Order No. P-4-02 and Terasen (Jet Fuel)'s expectations for concluding negotiations; and
- E. By letter dated October 21, 2003, Terasen (Jet Fuel) provided its Shippers with a proposal that the 2003 tolls be set as final for the year and an expected revenue shortfall of \$167,000 be carried forward to 2004. No letters of acceptance of the proposed tolls were received by the Commission; and

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- F. On February 4, 2004 Terasen (Jet Fuel) responded to a December 19, 2003 Shipper's counter proposal. The pipeline agreed with the Shippers that the interim 2003 tolls should be considered as final tolls for the year. The letter requested concurrence from the Shippers that the interim 2003 tolls be ruled as final and that Terasen (Jet Fuel) will then request that the Commission declare the current tolls as being interim effective as of January 1, 2004 ("the Application"); and
- G. Letters of concurrence were received from Chevron Canada Limited, Petro-Canada Products, Shell Canada Products Limited, Imperial Oil Limited and the Airlines to the Terasen (Jet Fuel)'s February 4, 2004 toll proposal.
- H. The Commission has reviewed the Application and finds that approval is warranted.

NOW THEREFORE pursuant to Section 44 of the Pipeline Act the Commission orders as follows:

1. The Commission approves for Terasen (Jet Fuel) that the interim tolls on the Jet Fuel Pipeline established by Order No. P-4-02 are permanent effective January 1, 2003, subject to review in the event of a complaint.
2. The Commission approves for Terasen (Jet Fuel) that the current tolls on the Jet Fuel Pipeline are interim effective January 1, 2004, subject to review in the event of a complaint.
3. The Commission will accept, subject to timely filing by Terasen (Jet Fuel), an amended Turbine Fuel Tariff that reflects the permanent tolls effective January 1, 2003 and interim tolls effective January 1, 2004 approved by this Order. A copy of the Order and approved Tariff is to be sent to all Shippers on the Jet Fuel Pipeline.

DATED at the City of Vancouver, in the Province of British Columbia, this 23rd day of March 2004.

BY ORDER

Original signed by:

Lori A. Boychuk
Commissioner