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**BRITISH COLUMBIA
UTILITIES COMMISSION**

**ORDER
NUMBER** P-2-06

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**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 2006 Tolls on the Jet Fuel Pipeline**

BEFORE: L.F. Kelsey, Commissioner
L.A. Zaozirny, Commissioner November 20, 2006

O R D E R

WHEREAS:

- A. On November 15, 2006, Terasen Pipelines (Jet Fuel) Inc. ("Terasen (Jet Fuel)") filed a summary of the toll agreement it had reached with its Shippers on setting final 2006 tolls in accordance with the directions in Commission Order No. P-1-06 (the "2006 Toll Application"); and
- B. Commission Order No. P-1-06 approved the current tolls for Terasen (Jet Fuel) as interim, effective February 1, 2006 and anticipated that the setting of 2006 tolls could be resolved either through negotiation with a settlement agreement to be filed by October 16, 2006 or by Terasen (Jet Fuel) filing a 2006 permanent toll application by November 1, 2006 to be reviewed in a public hearing. By Letter No. L-64-06, the Commission extended the filing deadline by two weeks at Terasen (Jet Fuel)'s request; and
- C. The 2006 Toll Application requests that:
- The current tolls which were set as interim, effective February 1, 2006 be made permanent, effective February 1, 2006.
 - The permanent toll for deliveries to Terasen (Jet Fuel)'s Burnaby Terminal decrease from \$0.899/m³ to \$0.843/m³, effective December 1, 2006 and the permanent toll for deliveries from Terasen (Jet Fuel)'s Burnaby Terminal to the Vancouver International Airport increase from \$2.024/m³ to \$2.345/m³, effective December 1, 2006.
 - A 2005 Revenue Shortfall of \$128,000 and a 2006 Revenue Shortfall of \$251,000 is to be recovered by a toll surcharge over the next 12 months or until the amount is extinguished. A 2005 toll surcharge of \$0.130/m³ and a 2006 toll surcharge of \$0.255/m³ is to be effective on December 1, 2006. Once extinguished, the surcharges are to end immediately but, as it will be difficult to time the termination of the surcharges, Terasen (Jet Fuel) is proposing that a measure of +/- 1 percent or approximately \$4,000 be used to determine that all revenues have been collected and no further refund or surcharge is required; and

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- D. Terasen (Jet Fuel) provided a copy of the 2006 Toll Application to its Shippers and no complaints have been received by the Commission on the 2006 Toll Application; and
- E. The Commission has reviewed the 2006 Toll Application and finds that the setting of 2006 tolls 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) the current tolls on the Jet Fuel Pipeline as permanent, effective February 1, 2006, subject to review in the event of a complaint within 60 days of this Order.
2. The Commission approves for Terasen (Jet Fuel) the 2006 tolls, the 2005 toll surcharge, the 2006 toll surcharge and the method of collecting the 2005 and 2006 toll surcharges as proposed in the 2006 Toll Application, effective December 1, 2006 on the Jet Fuel Pipeline, subject to review in the event of a complaint within 60 days of this Order.
3. The Commission will accept, subject to timely filing by Terasen (Jet Fuel), an amended Turbine Fuel Tariff that reflects the permanent tolls, effective February 1, 2006 and December 1, 2006, as approved by this Order. A copy of the Order and approved Tariff is to be sent to all Terasen (Jet Fuel) Shippers on the Jet Fuel Pipeline.

DATED at the City of Vancouver, in the Province of British Columbia, this 22nd day of November 2006.

BY ORDER

Original signed by:

L.F. Kelsey
Commissioner