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**BRITISH COLUMBIA
UTILITIES COMMISSION**

**ORDER
NUMBER** P-2-07

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

and

**An Application by Trans Mountain (Jet Fuel) Inc.
for Approval of Tolls and Accelerated Depreciation**

BEFORE: L.F. Kelsey, Panel Chair and Commissioner
L.A. Zaozirny, Commissioner June 13, 2007

ORDER

WHEREAS:

- A. On June 5, 2007, Trans Mountain (Jet Fuel) Inc. ("TMJ", "Company") applied to the British Columbia Utilities Commission ("Commission") pursuant to Section 44 of the Pipeline Act (the "Act") for an Order approving the adjustment of the Company's tolls for the transportation of turbine (jet) fuel to the Vancouver International Airport ("YVR") and to the Burnaby Terminal of the Company's parent, Kinder Morgan Canada Holdings ULC ("KMC"). The Company seeks to increase its tolls effective January 1, 2008 to permit TMJ to recover depreciation of the jet fuel and related facilities (the "Jet Fuel System") and abandonment costs over the 5- year economic life of the assets (the "Application"); and
- B. The jet fuel transported to YVR by TMJ is purchased by Vancouver Airport Fuel Facilities Corporation ("VAFFC"), which is owned by a consortium of airlines flying out of YVR; and
- C. YVR recently published the Master Plan 2027 Technical Report, a 20-year plan which forecasts increased jet fuel consumption and a supply shortfall. Two of the three options short-listed to meet the forecasted supply shortfall represent a complete bypass of the Jet Fuel System; and

- D. In March 2007, VAFFC purchased land consistent with the jet fuel barging facility bypass option. The Company is of the opinion that the barging bypass will be capable of serving VAFFC's entire forecasted requirements after 2012 at a lower delivered cost of fuel than the Jet Fuel System; and
- E. TMJ has proposed a written regulatory schedule on page 4 of its Application with a procedural conference to be held on June 14, 2007; and
- F. The Commission, in its desire to deal efficiently with the Application, has determined that a Pre-hearing Conference should be established.

NOW THEREFORE the Commission orders as follows:

1. A Pre-hearing Conference will be held before the Commission Panel on June 20, 2007 commencing at 9:00 a.m. in the Commission Hearing Room on the 12th Floor, 1125 Howe Street, Vancouver, B.C. to address procedural matters which will include, but not be limited to, the following:
 - identification of principal issues arising from or related to the Application,
 - process options for review of the Application, including,
 - ~ oral public hearing
 - ~ negotiated settlement process
 - ~ written hearing
 - ~ or, as appropriate, some combination of the above
 - timetable (information requests, responses, intervenor evidence, etc.),
 - location(s) of the proceeding, and
 - other matters that will assist the Commission to efficiently review the Application.

After the Pre-hearing Conference, the Commission will issue a further procedural order and regulatory agenda for the review of the Application.

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2. The Application, together with any supporting materials, will be made available for inspection at the offices of TMJ, 2700 – 300 5th Avenue SW Calgary, Alberta T2P 5J2, on the Commission's web site at <http://www.bcuc.com>, and at the British Columbia Utilities Commission, Sixth Floor, 900 Howe Street, Vancouver, B.C., V6Z 2N3.
3. Intervenor or Interested Parties should register with the Commission, in writing or electronic submission, by Monday, June 18, 2007, and advise whether they intend to attend the Pre-hearing Conference. Intervenor should specifically state the nature of their interest in the Application and identify generally the nature of the issues that they may intend to pursue during the proceeding and the nature and extent of their anticipated involvement in the review process.
4. Intervenor intending to apply for participant assistance must submit a budget estimate by Thursday, July 12, 2007, consistent with the Commission's Participant Assistance/Cost Award Guidelines and Order No. G-15-04. Copies are available upon request or can be downloaded from the Commission's web site at <http://www.bcuc.com>.
5. TMJ is to provide a copy of this Order to all of its Shippers, interested parties and participants in TMJ's F2007 Toll Settlement by 4:00 p.m. on June 14, 2007.

DATED at the City of Vancouver, in the Province of British Columbia, this 13th day of June 2007.

BY ORDER

Original signed by:

L.F. Kelsey
Panel Chair and Commissioner