



# National Energy Board

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## Reasons for Decision

**Interprovincial Pipe Line Company, a division  
of Interhome Energy Inc.**

**Trans Mountain Pipe Line Company Ltd.**

**Trans-Northern Pipelines Inc.**

**December 1990**

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**A Review of Toll Adjustment  
Procedures**

# **National Energy Board**

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In the Matter of

**Interprovincial Pipe Line Company, a division  
of Interhome Energy Inc.**

**Trans Mountain Pipe Line Company Ltd.**

**Trans-Northern Pipelines Inc.**

A Review of Toll Adjustment Procedures

**December 1990**

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# Table of Contents

<b>Abbreviations</b> .....	(ii)
<b>Recital and Submitters</b> .....	(iii)
<b>Overview</b> .....	(iv)
<b>1. Background</b> .....	1
<b>2. Schedule for the Toll Application Review Process</b> .....	3
<b>3. Filing Requirements for Toll Applications</b> .....	9
3.1 Advance Filing Requirements .....	9
3.2 Timetables .....	11
3.3 Interested Party Lists .....	13
3.4 Trigger Mechanisms .....	14
3.5 Mid-Year Toll Adjustments .....	19
3.6 Supporting Information .....	21
3.7 Requirements for Class 3 Applications .....	22
<b>4. Service Requirements</b> .....	26
4.1 Application-Related Documents .....	26
4.2 Surveillance-Reporting Documents .....	28
4.3 Section 58 Applications .....	30
<b>5. Disposition</b> .....	32
Trans Mountain Pipe Line Company Ltd. ....	48

## Appendices

I Classes of Toll Applications for IPL, TMPL, and TNPI .....	33
II Board letter to IPL initiating a review of toll adjustment procedures .....	34
III Order TO-7-90 (IPL) .....	36
IV Order TO-8-90 (TMPL) .....	42
V Order TO-9-90 (TNPI) .....	49

## Abbreviations

the Act	<i>National Energy Board Act</i>
the Airlines	Air Canada and Canadian Airlines International Ltd.
APMC	Alberta Petroleum Marketing Commission
the Board, NEB	National Energy Board
CPA	Canadian Petroleum Association
IPAC	Independent Petroleum Association of Canada
IPL	Interprovincial Pipe Line Company, a division of Interhome Energy Inc.
Ontario	Minister of Energy for Ontario
Quebec	le Procureur général du Québec
ROE	rate of return on equity
the Rules	draft NEB Rules of Practice and Procedure dated 21 April 1987
TMPL	Trans Mountain Pipe Line Company Ltd.
TNPI	Trans-Northern Pipelines Inc.

## Recital and Submitters

IN THE MATTER OF the *National Energy Board Act* (“the Act”) and the regulations made thereunder; and

IN THE MATTER OF a review of the toll adjustment procedures which apply to Interprovincial Pipe Line Company, a division of Interhome Energy Inc., Trans Mountain Pipe Line Company Ltd., and Trans-Northern Pipelines Inc.

BEFORE:

R. Priddle	Chairman
J.-G. Fredette	Vice Chairman
R.B. Horner, Q.C.	Member
W.G. Stewart	Member
A.B. Gilmour	Member
A. Côté-Verhaaf	Member
M.J. Musgrove	Member
C. Bélanger	Member
R. Illing	Member
K.W. Vollman	Member

SUBMITTORS:

Pipeline Companies:

Interprovincial Pipe Line Company, a division of Interhome Energy Inc.  
Trans Mountain Pipe Line Company Ltd.  
Trans-Northern Pipelines Inc.

Interested Parties:

The Airlines: Air Canada and Canadian Airlines International Ltd.  
Alberta Petroleum Marketing Commission  
Canadian Petroleum Association  
Independent Petroleum Association of Canada  
Minister of Energy for Ontario  
le Procureur général du Québec

## Overview

NOTE: This overview is provided solely for the convenience of the reader and does not constitute part of this Decision or the Reasons, to which readers are referred for the detailed text.)

There are three classes of toll applications which IPL, TMPL, and TNPI can file with the Board. Classes 1 and 2 are processed through written submission whereas Class 3 normally requires an oral hearing. The criteria for determining the "Class" of an application, as well as the procedures for processing each type, are outlined in individual Board Orders for each of the three companies.

### Schedule for the Toll Application Review Process

The Board has decided that the following deadlines and steps shall apply for processing Class 1 and 2 applications:

Step	Class 1 Applications		Class 2 Applications	
	# Calendar Days	(Cumulative)	# Calendar Days	(Cumulative)
Filing of Application	-	0	-	0
Interested Party Information Requests to Applicant	10	10	21	21
Applicant to Reply to Interested Party Information Requests	7	17	14	35
Interested Party Information Due	7	24	14	49
Applicant Replies Due	7	31	11	60
New Tolls to Take Effect	19	50	45	105

### Advance Filing Requirements

IPL, TMPL, and TNPI are required to file their Class 1 and 2 toll applications 50 and 105 days, respectively, in advance of new tolls taking effect. Filings in respect of new or special tariffs shall continue to be filed 60 days in advance of their effective dates.

### Timetables

As part of their toll applications, IPL, TMPL, and TNPI shall include a timetable setting out specific dates associated with the processing of the application. Starting with the date on which it intends to file and serve the application, the applicant shall determine the dates in the timetable based upon the general timeframes described in the toll adjustment orders. If one of the deadlines falls on a weekend or statutory holiday, it shall be deemed to fall on the following working day and all subsequent

deadlines shall be adjusted accordingly. The timetable so determined by the applicant will be considered final unless otherwise directed by the Board.

### **Interested Parties Lists**

Applicants shall include with their toll applications a list of the interested parties upon whom the application is served. If there are changes to the interested party list the companies are required to file revised lists with the Board, whether or not an application has been filed with the Board.

### **Trigger Mechanisms**

The current trigger mechanisms for all three companies will remain in place at this time. The Board has decided not to adopt procedures for a formal mid-year review of the companies' projections. TMPL's trigger measurement, both the criterion and the level, will be re-examined in the context of its next Class 3 toll application.

The toll adjustment procedures for IPL and TNPI do not specify a lower level at which applications must be filed. No restrictions will be put in place which would prohibit a company from filing an application if its trigger is not activated; as well, the rights of interested parties to request a Board review of a particular company's tolls will not be restricted even if the company's forecast is within the permissible range. However, the Board advises the companies that they should, when deciding whether to file an application for higher tolls, give the same consideration in tolerating under-earnings as the Board does for over-earnings, that is to avoid too frequent changes in tolls.

### **Mid-Year Toll Adjustments**

The reference in IPL's and TNPI's procedures to the time allowed for filing a toll application (i.e. "concurrent with the surveillance reporting or within twenty days when requested by the Board") has been deleted.

The manner in which tolls are to be calculated pursuant to a mid-year toll adjustment application is described in the revised toll adjustment procedures orders as follows:

“The application shall contain tolls based on projections of the revenue requirement and throughput for the full calendar year, in the same manner as tolls that are calculated for a full forward test year. When approved, tolls so calculated shall apply for the remainder of that year or until revised by the Board.”

### **Supporting Information**

The wording in the toll adjustment procedures has been amended to state that when a toll adjustment is in respect of a forward test year, actual or forecast results for the current year are required to be shown, complete with explanations for any significant variances from the approved levels.

### **Requirements for Class 3 Applications**

The Board has decided not to adopt a fixed frequency for Class 3 applications, and has also decided not to place a limit on the amount of construction costs or toll increase which can be processed in



Class 2 applications. Also, the variation in interest rates since a company's last toll hearing will not be a criterion for requiring a Class 3 toll application.

With respect to rate of return matters, the current wording in the toll adjustment orders with respect to the requirement for Class 3 toll applications shall remain unchanged until such time as specific procedures for adjusting rate of return on rate base in the context of a Class 2 application can be put in place for each of IPL, TMPL, and TNPI. Such procedures will be considered in the companies' next Class 3 toll applications.

### **Application-Related Documents**

The toll adjustment orders have been amended to require that the applicant file with the Board and serve on each interested party all interested parties' information requests along with the applicant's response thereto. For those documents which affect parties' next steps in the review process, service shall be concurrent with the filing to the Board.

### **Surveillance Reporting Documents**

IPL, TMPL, and TNPI are required to provide a copy of both their quarterly surveillance reports and their monthly throughput reports to the Board's offices in both Calgary and Ottawa and to have copies of the reports, covering the most recent two-year period, available for public viewing at their head offices. In the case of TMPL the publicly-available monthly throughput report shall contain aggregate information to eliminate any sensitive, company-specific information. The company's more detailed monthly report shall continue to be provided to the Board's Ottawa office.

In the circumstances where a company has a mid-year toll application before the Board, the company shall also serve a copy of the reports on its interested parties.

### **Section 58 Applications**

IPL, TMPL, and TNPI are required to serve summaries of their section 58 applications on any parties who request it. On request, the companies shall also provide a copy of specific applications to parties who may wish to examine an application in more detail.

# Chapter 1

## Background

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Interprovincial Pipe Line Company, a division of Interhome Energy Inc. ("IPL"), Trans Mountain Pipe Line Company Ltd. ("TMPL"), and Trans-Northern Pipelines Inc. ("TNPI") are Group 1 oil pipeline companies. Specific procedures for the adjustment of tolls have been established for these companies which allow for expedited toll adjustments without an oral hearing. The current toll adjustment procedures, as well as surveillance reporting requirements, are set out in orders TO-4-85, TO-5-85, and TO-6-85, all as amended, for IPL, TMPL, and TNPI respectively. The procedures list criteria for classifying the companies' toll applications as either Class 1, 2, or 3, and specify the manner in which each of these types of applications will be processed by the National Energy Board ("the Board"). For convenience, the criteria are provided in Appendix I.

The current toll adjustment procedures were put in place following the Board's consultation with industry in 1985. The procedures are structured in a similar manner to those which were initially introduced for IPL (Order TO-4-80) and Cochin Pipe Lines Ltd. (Order TO-3-80) in 1980. Cochin Pipe Lines Ltd. has since been put on a complaint basis for toll regulation. With a few exceptions explained further in these Reasons for Decision, the current toll adjustment procedures for IPL, TMPL, and TNPI are identical. They have undergone only minor modifications since their implementation in 1985.

Recently, the Board has become aware that the existing toll adjustment procedures pose several difficulties, not only for the Board, but for the pipeline companies themselves and particularly for the interested parties with respect to applications not heard by way of an oral hearing. This may be due, in part, to the increasing complexity of and controversy over the issues raised in these applications.

On 29 January 1990 the Board initiated a formal written review of the procedures for IPL, TMPL, and TNPI wherein parties were invited to comment on the continued appropriateness of the toll adjustment procedures for all three companies. The Board listed four specific areas of concern regarding the toll adjustment procedures but indicated that parties could also address any other relevant matters. All parties were given the opportunity to provide their comments and to reply to the comments of other parties. A copy of the Board's letter to IPL is provided as Appendix II. Similar letters were also sent to TMPL and TNPI.

Comments were received from the pipeline companies themselves, as well as from Air Canada and Canadian Airlines International Ltd. ("The Airlines"), the Alberta Petroleum Marketing Commission ("APMC"), the Canadian Petroleum Association ("CPA"), the Independent Petroleum Association of Canada ("IPAC"), the Minister of Energy for Ontario ("Ontario"), and le Procureur général du Québec ("Québec"). Reply comments were received from IPL, TMPL, the Airlines, APMC, and CPA.

On 23 August 1990 the Board implemented, on an interim basis pending the Board's completion of its review of the toll adjustment procedures, advance filing requirements of 45 days for Class 1 applications, and 90 days for Class 2 applications.

The Board's review of the procedures was based on the premise that the basic structure of the existing toll adjustment procedures is generally sound and that it should be retained. The various concerns

raised by parties, their suggestions for improving the toll application process, and the Board's views and decisions are presented in this report.

# Chapter 2

## Schedule for the Toll Application Review Process

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### Current Practice

The current procedures for Class 1 toll applications allow interested parties 5 days from the filing date of the application with the Board to submit a request to the applicant for additional information. The applicant is required to respond to these information requests "forthwith". Interested parties have 10 days from the day the application is filed with the Board to submit to the Board and serve on the applicant a submission in respect of the application. The applicant then has 5 days from the receipt of any such submission to file a reply.

The current procedures for Class 2 applications provide 10 days for interested party information requests (to which the applicant must respond "forthwith"), and 20 days from the day the application was filed with the Board for submitting comments. The applicant has 10 days from the receipt of any comments to respond to them.

In respect of its own requests for information, the Board ordinarily specifies a date by which the responses are required. The Board's information requests are generally issued independently of the timeframes given to interested parties. For example, it has generally taken the Board approximately three weeks to issue its information requests in respect of Class 2 applications. The Board also occasionally issues additional requests for information.

The opportunity for interested party participation in the Class 1 and 2 process was an issue specified by the Board.

### *Submittor Views*

The three pipeline companies submitted that the timeframes provided by the current toll adjustment procedures are adequate. IPL endorsed the current practice that, if a party requires additional time for a certain step, the Board considers the request on a case-by-case basis and extends the deadlines accordingly. To facilitate the process, IPL also proposed reviewing the significant reasons for its applied-for toll attachments with its interested parties prior to filing its Class 1 or 2 applications with the Board. IPL expressed concern over extending the overall time required for processing toll applications. This is discussed further in section 3.1.

TMPL submitted that, if procedural changes cannot be instituted to make the processing of applications more workable, then it would consider the alternative of extending the timeframes. TMPL's primary concern was that toll adjustments be effected within delineated timeframes to minimize the need for interim tolls.

All interested parties agreed that, in one way or another, the current toll adjustment procedures provide insufficient opportunity for their participation. IPAC submitted that

an additional deficiency of the current system is that interested parties' submissions may be due without the parties having responses to their information requests. As well as amending the deadlines for interested party participation, IPAC supported a process whereby the pipeline companies would consult with industry prior to a toll application being filed, although it did not suggest that such a process be made mandatory.<sup>1</sup>

Tables 2-1 and 2-2 which follow show the timeframes recommended by parties. Blanks appear in the tables where a party did not address a particular timeframe.

In its reply comments, IPL reiterated its concerns regarding leadtimes for filing applications, but submitted that it would not object to extending the timeframes for filing information requests and submissions to 7 and 10 working days for Class 1 submissions to 7 and 10 working days for Class 1 and 2 applications, respectively, providing the *overall* timeframes remain unchanged. IPL submitted that the timeframes proposed by APMC and IPAC are unreasonable.

In its reply comments, CPA submitted that with the improved communication suggested by IPL, and with the recently-improved communications with TMPL, there may actually be an overall reduction in the time required to implement new tolls, notwithstanding the modestly longer timeframes suggested by CPA for interested party participation in the toll application review process.

In addition to the existing procedural steps, IPAC recommended that the opportunity be given to parties to submit reply comments in instances where they have introduced new evidence or made recommendations. APMC suggested that a deadline be specified by which an applicant must provide an updated throughput forecast, and the Airlines suggested that a party who has made an information request should not be required to carry out the next step until all of the information requested has been provided. Furthermore, the Airlines proposed that if any step is reopened by an interested party or by the Board (e.g. through an additional information request), notice should be given to all parties and time for processing the next step should be delayed accordingly. The Airlines also submitted that a material amendment should be treated as a new application. In their reply submission, the Airlines commented on the use of working days versus calendar days. The Airlines suggested that the use of working days may invite misunderstanding, but cautioned that in using calendar days, timeframes must be of sufficient length to accommodate holidays. The Airlines noted IPL's proposal to provide advance information with respect to its toll applications, and submitted that the other companies should be encouraged to do the same.

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<sup>1</sup> IPAC used the term "consultation" in the sense of advance notice, not negotiated settlement.

**Table 2-1**  
**Class 1 Timeframes Recommended by Submitters**

	<b>Existing</b>	<b>Airlines</b>	<b>APMC</b>	<b>CPA</b>	<b>IPAC</b>	<b>Ontario</b>	<b>Quebec</b>
Interest Party Information Requests to Applicant	5 days	not less than 14 days	10 working days min.	7 working days	10 days	leave as is	10 days
Applicant Responses to Interest Party Information Requests	"forthwith"	not less than 14 days	10 working days min.	5 working days	5 days		
Interest Party Submissions	10 days <sup>1</sup>	not less than 14 days	10 working days min.	5 working days	5 days		20 days <sup>1</sup>
Applicant's Reply Comments	5 days	not less than 14 days	10 working days min.		5 days		

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<sup>1</sup> From the date the application is filed. All other times shown are sequential, from the deadline of the previous step.

**Table 2-2**  
**Class 2 Timeframes Recommended by Submitters**

	<b>Existing</b>	<b>Airlines</b>	<b>APMC</b>	<b>CPA</b>	<b>IPAC</b>	<b>Ontario</b>	<b>Quebec</b>
Interest Party Information Requests to Applicant	10 days	not less than 14 days	15 working days min.	10 working days	20 days	15 days	15 days
Applicant Responses to Interest Party Information Requests	"forthwith"	not less than 14 days	15 working days min.	10 working days	10 days		
Interest Party Submissions	20 days <sup>1</sup>	not less than 14 days	15 working days min.	10 working days	10 days		30 days <sup>1</sup>
Applicant's Reply Comments	10 days	not less than 14 days	15 working days min.		5 days		

In its reply comments, IPL submitted that there is no need to implement APMC's proposal of a final date for filing updated throughput forecasts. IPL indicated that unless there are major changes to its forecast subsequent to the filing of its application, the forecast included in its application represents its final position.

***Views of the Board***

It is likely that most interested parties do not have staff dedicated to the review of toll applications and that, in addition, where the interested party is an association it must consult with its members to form its position. The current timeframes are expressed in terms of calendar days and, depending on the timing of an application, weekends, and holidays can fall into the already-short timeframes. All of these factors lead the Board to conclude that the present opportunity provided for interested party participation is insufficient. In addition, the inconsistency in the terms of reference used in the Orders to describe the current deadlines contributes to problems in interpreting the deadlines. Because the Board values interested party participation in the toll application review process, these parties must be given *reasonable* opportunity to provide input. This can be accomplished by extending the deadlines for participation, and describing them in clear, defined terms.

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<sup>1</sup> From the date the application is filed. All other times shown are sequential, from the deadline of the previous step.

Some parties advocated the use of calendar days in expressing deadlines while others preferred working days. The Board agrees with the Airlines that the use of working days can cause confusion, as working days may differ between provinces and between companies. Therefore, the deadlines should continue to be described in terms of calendar days.

The Board does not support the Airlines’ suggestion that deadlines be suspended until each step is complete and all information received. Notwithstanding the opportunity given to interested parties to participate in the toll application review process, the prime responsibility for ensuring that tolls are just and reasonable remains with the Board. While it is appropriate that the Board attempt to issue its information requests within the timeframes provided to interested parties, the Board cannot restrict itself to following strict deadlines for obtaining essential additional information. However, interested parties’ comments, for example, should not necessarily be delayed because of any further information requests issued by the Board, or by the lateness of another party’s submission. An interested party’s comments should reflect that party’s own concerns (on which they have the opportunity to question the applicant), and not simply parallel the concerns of the Board or other parties. Of course, if any significant further information is obtained from an applicant pursuant to a subsequent information request, it is the Board’s prerogative to allow interested parties to comment thereon. This, however, should be considered on a case-by-case basis and the Board does not believe that the general timeframes in the Orders should reflect this.

The toll adjustment orders should not require updated throughput forecasts to be provided by a specified date. Further, interested parties need not be given the right of reply, even if they have made specific recommendations which run counter to the applicant’s proposals. It should remain up to the applicant to have the final word in support of its case.

**Decision**

**The following deadlines shall apply to the processing of Class 1 and Class 2 applications:**

Step	Class 1 Applications		Class 2 Applications	
	# Calendar Days (Cumulative)		# Calendar Days (Cumulative)	
Filing of Application	-	0	-	0
Interested Party Information Requests to Applicant	10	10	21	21
Applicant to Reply to Interested Party Information Requests	7	17	14	35



Interested Party Submissions Due	7	24	14	49
Applicant Replies Due	7	31	11	60

# Chapter 3

## Filing Requirements for Toll Applications

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### 3.1 Advance Filing Requirements

#### Current Practice

The current toll adjustment procedure orders require that a Class 1 toll application be filed with the Board at least 30 days prior to the effective date of the new tolls. A 60-day lead time is required for Class 2 toll applications, and for new or special tariff. No lead time is specified for Class 3 applications. The processing of the latter type of application is governed by the draft *NEB Rules of Practice and Procedure* dated 21 April 1987 ("the Rules").

The effectiveness and continued appropriateness of the timeframes for processing Class 1 and 2 toll applications was an issue specified by the Board.

#### *Submittor Views*

The three pipeline companies submitted that the current 30-day and 60-day timeframes for processing Class 1 and 2 applications, respectively, are sufficient. IPL suggested that there must be a balancing of the need for a procedure which enables parties to perform a thorough review with the need for timely tolls and minimal cost of the review process. In respect of applications for a forward test year, IPL submitted that an extension of the timeframe for filing applications would cause the company's forecasts to be that much less reliable. In respect of applications filed mid-test year, IPL suggested that an extended timeframe would cause an exacerbation of the company's over or under-earnings. As indicated earlier, TMPL expressed concern with the use of interim tolls, explaining that interim tolls make it difficult for the company to report and to project financial results.

In its reply comments, TMPL reiterated its view that the present timeframes for Class 1 and 2 applications are adequate, but suggested that should the Board find it appropriate to extend the timeframes for Class 2 applications, the allowed time should not exceed 75 days. TMPL submitted that a timeframe longer than 75 days would have an unacceptable effect on the accuracy of the company's forecasts. The company submitted that diminished accuracy could increase the need for subsequent amendments to an application, which would complicate and possibly further extend the processing time.

While some interested parties did not comment specifically on the timeframes for processing the applications, others did note that if the opportunity for their participation is extended (as discussed in Chapter 2), the timeframes for processing must be extended accordingly. CPA recognized that its suggested provisions for interested party input would likely extend the timeframes for processing applications to 40-45 and 75-80 calendar days for Class 1 and 2 applications, respectively. Ontario suggested that the timeframe for processing Class 2 applications should be extended by at least the increase in time which it recommended for interested party information

requests (i.e. 5 days), but submitted that the current 30-day timeframe for Class 1 applications is adequate. APMC suggested 60 and 90 days, respectively, for Class 1 and 2 applications. The Airlines suggested that the use of interim tolls can eliminate the need for having rigid time periods for application processing. The Airlines submitted that interim tolls should be implemented when an application for a change in tolls is made. In their reply comments, the Airlines submitted that if a problem exists with the use of interim tolls, it lies with the adjustments which are made after the interim period, and not with the interim tolls themselves. The Airlines suggested that the disposition of variances between interim and final tolls on a prospective basis, as has been done for IPL, avoids the problems associated with retroactive adjustments and that the use of the prospective methodology for TMPL and TNPI merits examination. In their reply comments IPL criticized the Airlines' suggestion regarding increased use of interim tolls, referring to the difficulty interim tolls cause.

### ***Views of the Board***

Interested parties must be given the opportunity to participate in the toll application review process in a meaningful way. Given that the Board has decided to extend the various processing deadlines, it follows that the overall timeframes for processing applications must be extended accordingly.

The Board is aware of the ramifications of extending the timeframes for processing applications. With respect to toll applications filed in advance of a new test year, the forecasts may be that much less accurate. However, the Board notes that in the case of Class 3 applications, these are usually filed considerably in advance of a test year. Therefore, extending the deadlines from the current 30 and 60 days for Class 1 and 2 applications, respectively, should not seriously impair the forecasts. A company can, within reason, update its forecasts during the review process without necessarily causing delays in the processing of the application. A possible added benefit of extending the lead times for filing toll applications in advance of a test year is that the Board will be in a better position to approve tolls by 1 January of the test year, thereby reducing the need for interim tolls.

With respect to toll adjustment applications filed mid test year, lengthening the processing time may exacerbate the under or over-earnings which are causing the need for the application. The use of interim tolls, however, makes the significance of this issue debatable. For example, in respect of TMPL and TNPI the Board has, under various circumstances, implemented interim tolls at the outset of the toll application review process.

The Board does not support the Airlines' suggestion that, as a rule, a company's tolls should be made interim immediately upon application. As TMPL has pointed out, interim tolls create uncertainty with respect to a company's ability to forecast, and to report on financial results. The Board believes that it should retain its discretion and continue to consider the merits of interim tolls for each company on a case-by-case basis.

The Board believes that the following timeframes would be appropriate for the processing of applications:

Class 1:

From Chapter 2, the cumulative timeframe approved from the filing of an application to the date when all replies are received is 31 days. Allowing reasonable time from that date for the Board to consider the application and release its decision in both English and French would result in an overall timeframe of 50 days.

Class 2:

From Chapter 2, the cumulative timeframe approved from the application filing to the date when final replies are received is 60 days. Allowing 45 calendar days from that date for the Board to consider the application and release its decision in both English and French would result in an overall timeframe of 105 days.

New or special tariffs:

The Board's experience with this type of filing is limited, and the review necessitated by a "new or special" tariff could vary considerably from case to case. Therefore, at this time, the Board does not propose changing the 60-day timeframe for these filings. New or special tariffs can be dealt with on a case-by-case basis. On occasion the Board has accepted a leadtime shorter than 60 days for these filings.

### **Decision**

**IPL, TMPL and TNPI are required to file their Class 1 and 2 toll applications 50 and 105 days, respectively, in advance of new tolls taking effect. Filings in respect of new or special tariffs shall continue to be filed 60 days in advance of their effective dates.**

## **3.2 Timetables**

### **Current Practice**

As discussed in Chapter 2, the current toll adjustment procedures describe various deadlines for the processing of Class 1 and 2 applications. The Board does not generally issue a more specific timetable for the applications when they are filed.

Recently, however, when the Board has granted extensions to the deadlines described in the procedures it has, for example in the case of IPL, outlined specific dates for each of the steps remaining in the review process.

In its letter inviting interested party comments the Board suggested that it would, upon receipt of a toll application, issue a timetable setting out specific dates for each of the deadlines which are described in general terms in the toll adjustment procedures.

### ***Submitters Views***

TMPL recommended that a procedural timetable be considered at a shippers' meeting prior to the applicant filing its toll application. If a timetable can be agreed upon, it would be forwarded to the Board with the recommendation that the Board adopt it. If one cannot be agreed upon, TMPL would support the Board prescribing a timetable which reflects the timeframes described in the toll adjustment orders.

TNPI and IPL supported the procedure whereby the Board would issue a timetable upon receipt of a Class 1 or 2 toll application, guided by the general timeframes of the toll adjustment orders.

CPA recommended that the applicant be the party to develop the timetable, and that the timetable be submitted to the Board with the toll application. CPA suggested that in the event the timetable is not acceptable to the Board, the latter could adjust it as necessary. In its reply comments, CPA reiterated this position, emphasizing that its proposal would avoid the time which would be lost in the process if the Board creates the timetable.

The Airlines suggested that, in order for the Board's issuance of a timetable to be effective, the toll orders should specify that no steps are required to be taken by parties (i.e. time does not "start running") until the timetable has been issued, and that such a timetable would be issued in respect of every Class 1 and 2 application. The Airlines also suggested that as each step in the review process is completed (e.g. all information requests have been served; all responses have been received, etc.), the Board issue a written statement to this effect. In its reply comments, IPL submitted that the timetable itself would enable all parties to know when one stage is complete, and that the Board could adjust the timetable as required if a deadline is missed. In its reply comments, the Airlines explained that it had no objection to the setting of fixed dates in a timetable, but referred the Board to its proposal that deadlines for parties be "suspended" until all information for a particular step is gathered.

Ontario supported the concept of a specific timetable for Class 2 applications, but submitted that it is not necessary for Class 1 applications. APMC supported the concept of the Board issuing a timetable and, as noted in Chapter 2, suggested that the timetable include a date by which the applicant must file a final revised throughput forecast. The APMC submitted that when determining the schedule, the Board would have the flexibility to take into account the complexity of each application and the comments from interested parties on the proposed timetable. IPAC also supported the concept of the Board publishing a "procedural order" to clarify deadlines, so long as documents are received, not just sent, by the specified dates.

### ***Views of the Board***

During the processing of Class 1 and 2 toll applications, the Board occasionally receives queries from parties on the various deadlines. The concept of issuing a timetable received general support from all parties. Such a timetable would, for a given toll application, reduce uncertainty by setting out specific dates for each of the deadlines which are described in more generic terms in the toll adjustment procedure

orders. It would provide a similar level of guidance to parties as Directions on Procedure which are issued in respect of oral hearings.

The timetable does not necessarily have to be issued by the Board itself. If they are given the format for the timetable, the applicants can be directed to translate the general timeframes of the toll adjustment orders into specific dates for a particular application. This should save time, as the Board would not have to first receive the application, go through the process of determining dates, and then have the timetable served on interested parties. If the applicant itself determines the dates, guided by the toll adjustment orders, the timetable can accompany the application. This should alleviate the Airlines' concern regarding when time starts running. Of course, if for some reason, the Board finds fault with the dates determined by the applicant, it can advise parties accordingly. In addition, if the Board subsequently extends the deadline for any step, it could issue a revised timetable.

### **Decision**

**As part of their toll applications, TMPL, and TNPI shall include a timetable setting out the specific dates associated with the processing of the application. Starting with the date on which it intends to give and serve the application, the applicant determine the dates in the timetable based upon the general timeframes described in the toll adjustment orders. If a deadline falls on a weekend or statutory holiday, it shall be deemed to fall on the following working day and all subsequent deadlines shall be adjusted accordingly. The timetable so determined by the applicant will be considered final unless otherwise directed by the Board. The format for the timetable in appended to the new toll adjustment procedure order for each company.**

## **3.3 Interested Party Lists**

### **Current Practice**

The current toll adjustment orders require the pipeline companies to serve their Class 1 and 2 applications, as well as various other documents, on each shipper and on each person identified as an "interested person" in the most recent list published thereof, or in the most recent Order of the Board or amendment thereto fixing the tolls to be charged by the applicant. Interested parties are also required to serve their submissions on each such interested person. The Board does not maintain a master list of each company's interested parties.

#### *Submitter Views*

In its reply comments, IPL indicated that it is prepared to include a list of its interested parties in its toll adjustment applications.

TMPL suggested that an interested party list should be approved prior to a company's filing of an application, so that "key" parties can be identified and served concurrently with any filings to the Board.

Quebec recommended that the Board issue a list of interested persons upon receiving a toll application. CPA also stressed the importance of the companies maintaining current interested party lists, and recommended that the companies provide updated lists to the Board and to all interested parties.

### *Views of the Board*

Because the toll adjustment procedures require that parties serve documents on the other interested parties to an application, an awareness of the identity of the interested parties is required and the Board believes that this can be accomplished if the applicant includes, in each of its toll applications, a list of the parties on whom the application is being served. Between applications, the companies should file with the Board any amendments to their interested party lists. These revisions need not be served on interested parties.

TMPL appeared to be suggesting that only a subset of what are currently termed "interested parties" should be considered as truly participating in the toll application process and concurrently be served the relevant documents. The Board does not support TMPL's proposal because although not all parties may be seen to be "actively" participating, they may indeed be monitoring the review process. As such, they should retain the opportunity to review all documents in as timely a fashion as other parties.

### **Decision**

**Applicants shall include with their toll applications a list of the interested parties upon whom the application is served. If there are changes to the interested party list the companies are required to file revised lists with the Board, whether or not an application has been file with the Board.**

## **3.4 Trigger Mechanisms**

### **Current Practice**

Pursuant to Orders TO-4-85 and TO-6-85, IPL and TNPI, respectively, are required to file an application for new tolls when it is forecast that their rate of return on equity ("ROE") for the calendar year will *exceed* that approved by the Board at the most recent toll hearing by more than two percentage points.

Pursuant to Order AO-3-TO-5-85, TMPL is required to file an application for new tolls when it is forecast that its transportation revenue in the calendar year will *vary* by four percent or more from the approved transportation revenue upon which its tolls are based.

The continued appropriateness of the trigger mechanisms for toll adjustments was an issue specified by the Board.

### *Submittor Views*

IPL expressed satisfaction with its current "trigger" of two percentage points in ROE. IPL submitted that ROE is the only measurement suitable as a trigger because it takes into account the effect of all variances from the approved forecasts. IPL also indicated that the two percentage points represents a zone of reasonableness within which IPL is provided an incentive to control costs. The company indicated furthermore that, notwithstanding that the procedures specify that a toll application is required when the ROE is expected to *exceed* the threshold, IPL has applied the same threshold level for making applications in situations where it projects that it will under-earn. In its reply comments IPL submitted that if its ROE were projected to be within the two percentage point range of the approved level, the onus would be on the applicant to justify the need for a toll adjustment and the Board should judge each application on its own merits.

IPL submitted that, even without the requirements in the toll adjustment procedures for filing applications, it has a duty to ensure that its rates remain reasonable. IPL showed that over the period 1986 to 1989, it has earned the ROE approved by the Board (simple averaging of rates). The company submitted that any attempt to refine the procedures further would likely only result in more frequent applications thereby increasing toll instability and regulatory burden.

TNPI submitted that its two percentage point ROE trigger appears to be fair and reasonable. In this regard TNPI noted that the amount of acceptable variation should not be reduced, given the monthly throughput fluctuations which it can experience. In its view, a more restrictive trigger could lead to toll instability.

TMPL initially submitted that its toll adjustment trigger mechanism remains appropriate. In its reply comments, TMPL noted the position of various interested parties "urging" the adoption of a uniform trigger mechanism. In the company's view, there are no compelling reasons for changing the current trigger mechanism, "other than perhaps the intrinsic appeal of uniformity itself".

TMPL continues to believe that a trigger mechanism based on transportation revenue is appropriate for Class 1 applications in that the factors which can be addressed in such applications relate directly to the company's revenue requirement. In this regard, TMPL noted that its ROE undoubtedly is affected by changes in the company's annual revenue; however, its ROE is also affected by factors which are outside the scope of a Class 1 application (e.g. rate base, cost of service). As such, the company submitted that variations from the approved revenue requirement remain the appropriate trigger for Class 1 toll applications.

Concerning the appropriate trigger for Class 2 applications, TMPL saw no obvious shortcomings in continuing to use its transportation revenue trigger. However, TMPL agreed that ROE variation would be a workable trigger in the context of these applications. Should the Board find that ROE is a more appropriate trigger mechanism, TMPL agreed with CPA that the specific trigger levels may vary between companies.

Ontario submitted that it considers the existing trigger mechanisms to be reasonable.



The Airlines expressed general satisfaction with the trigger mechanisms for IPL and TNPI, although they noted that in the case of TNPI the specific tolls for deliveries to the airports may in fact be unjust without the system-wide trigger being activated. Having said that, the Airlines recommended that no adjustment be made at this time to the trigger mechanisms of either TNPI or IPL.

With respect to TMPL, the Airlines submitted that the current trigger mechanism is not effective. Although the trigger is currently expressed in terms of transportation revenue<sup>1</sup>, the Airlines noted TMPL's actual rates of return on equity for 1988 and 1989, 17.87 percent and 17.64 percent, respectively versus an approved rate of 14.00 percent. In light of these actual results for the last two years, the Airlines submitted that the level of TMPL's trigger should be reduced. The Airlines also recommended that, within the scope of at least each Class 3 application, the applicant should have to justify the continued appropriateness of its trigger mechanism.

CPA also expressed reservations about TMPL's trigger mechanism. CPA asserted that there is no compelling reason why the trigger mechanism for all three companies should not be the same. CPA supported a trigger mechanism based on ROE and, to that end, a threshold level which balances the rights of all parties and which results in a reasonable frequency of toll adjustments. CPA suggested that the specific threshold levels should be addressed for each pipeline individually in their next Class 3 application. In its reply comments, CPA submitted that some of the other parties' suggestions with respect to trigger mechanisms may in fact affect the financial risk of the pipeline if adopted. Given its view that Class 3 toll proceedings are likely to occur for these companies in the near term, CPA submitted that no major changes need be made to the mechanisms at this time, and it stressed that the whole issue of trigger mechanisms should be subject to a pipeline-specific review during a Class 3 proceeding.

APMC indicated a preference for generic trigger mechanisms which would apply to particular classes of applications, and which would not differ by pipeline. APMC recommended that the trigger include both an upper and a lower limit, but that the absolute value of the trigger should be determined on a pipeline-specific basis. Furthermore, APMC recommended in its reply comments that the upper or lower limits of the trigger mechanism should have to be breached before a toll application could be filed. APMC supported CPA's position that the appropriate level of the trigger should be considered at the companies' next Class 3 toll proceedings.

IPAC criticized the trigger mechanism for IPL which only requires that an application be filed when the company's ROE is expected to exceed the approved level by more than two percentage points. It suggested that the absence of a lower limit allows the company full discretion in situations of under-earning to file for higher tolls and that

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<sup>1</sup> In its submission, the Airlines stated that TMPL's trigger mechanism is based on variation in throughput, expressed in cubic metre-kilometres. The Board notes that this was the former criterion for TMPL, replaced by the criterion of transportation revenue effective 1 January 1989.

this one-way switch results in skewed distribution of risk. In this regard, IPAC recommended that the trigger mechanisms for IPL have a lower limit, consistent with TMPL. IPAC stated furthermore that the Board should prohibit these companies from filing toll applications unless their revised forecasts for a given year produce results outside of the "triggering range".

IPAC also suggested that, because projections of ROE are generated by the companies themselves, the companies have too much control over whether the requirement for a toll application is actually triggered. IPAC recommended that the companies should provide forecasts which would be subject to Board and interested party scrutiny and that, only following such a review, would a toll application be required if the accepted forecast indicates that the threshold will be exceeded. In their reply comments, IPL submitted that a two-stage process already exists in that it files updated forecasts with the Board on a monthly and quarterly basis. IPL also stated that its monthly and quarterly projections are always the company's best estimates, and that they would serve as the basis of a mid-year toll application if one were required.

### *Views of the Board*

The Board concurs with the position put forward by CPA that "fine-tuning" of the trigger mechanism process is all that is required at this time. The Board is satisfied that, in the cases of IPL and TNPI, ROE continues to be a reasonable trigger. There was general agreement among the parties on this point.

TMPL's trigger, which is related to variations in transportation revenue, was the subject of considerable debate in the submissions of interested parties. While not persuaded that a change to TMPL's trigger is warranted at this time, the Board believes that the idea of using the same type of criterion for all companies (i.e. ROE) bears examination. Given the time that has passed since TMPL's toll adjustment procedures were introduced, a review of the continued appropriateness of TMPL's trigger mechanism is warranted. In keeping with the suggestions made by interested parties, such a review could take place in the context of TMPL's next Class 3 toll application.

The Board does not believe that a lower limit needs to be incorporated into IPL's and TNPI's trigger mechanisms at this time. In this regard, the Board is of the view that the introduction of a lower limit for IPL and TNPI would have a bearing on the financial risk of these companies and potentially could have an impact on the allowed ROE; such a hypothesis, should be addressed, where warranted, in a company's Class 3 toll application. Further, a lower limit is not required for either IPL or TNPL, in that the decision to file a toll adjustment application when a company is under-earning should be left up to the company's discretion. In this regard, IPL stated that, during the 10-year period under which it has been subject to toll adjustment procedures, it has not filed either a Class 1 or 2 toll application when its forecast ROE has been within plus or minus two percentage points of the approved level.

With respect to prohibiting toll applications when forecasts are within the trigger boundary, a pipeline company should not necessarily be restricted as to when it can

file toll adjustment applications. However, if a company chooses to file an application when its projected ROE (or other trigger) is within the zone of reasonableness set for the company, the onus would be on the company to justify any change to its approved tolls. In the same vein, interested parties should not be precluded from voicing a complaint concerning a particular company's tolls even if the projected ROE, for instance, was within the specified limit. Under either scenario, the complaining party would have to provide the Board with sufficient evidence in support of its case. The Board wishes to reiterate the advice similar to that which it gave in IPL's Order TO-4-80 which stated that "a suitable criterion for determination of the desirability or necessity for such an adjustment of tolls is the variation in rate of return on equity by more than two percentage points *below* or *above* the rate approved by the Board at the most recent rate hearing"(emphasis added). In the covering letter to that Order the Board commented on whether the two percentage point criterion was rigid such that it would preclude the company from filing a toll application if its forecast rate of return on equity fell within the range. The Board stated that "the guideline of a two percentage point range is, however, intended to avoid too frequent changes in tolls and it is hoped that this consideration would be as much in the Company's thinking where the forecast rate of return is below that allowed as it would be in the mind of the Board where it is higher than the allowed return".

With respect to the possibility of examining the trigger mechanisms not only at the companies' next toll hearings but also at each subsequent Class 3 toll application, the Board believes that the trigger mechanism of TMPL (both criterion and level) should be addressed at the company's next toll hearing. However, the Board rejects the notion of earmarking the appropriateness of trigger levels for examination in each company's Class 3 toll hearing. Any interested party can raise the issue in the context of a particular hearing, if it finds that the circumstances so warrant.

IPAC's suggestion of a mid-year review of the companies' projections by all parties would only serve to increase regulatory burden. The Board has adequate resources to judge the reasonableness of the forecasts submitted by the companies and to decide whether a toll adjustment is required. The companies' surveillance reports are available to the public and if an interested party has a specific problem with the projections contained therein, it can bring it to the Board's attention.

### **Decision**

**The current trigger mechanisms for all three companies will remain in place at this time and the Board will not adopt a formal mid-year review of the companies' projections. TMPL's trigger measurement, both the criterion and the level, will be re-examined in the context of its next Class 3 toll application.**

**The toll adjustment procedures for IPL and TNPI do not require that a lower level be specified at which applications must be filed. No restrictions will be put in place which would prohibit a company from filing an application if its trigger were not activated; as well, the rights of interested parties to request a Board review of a particular company's tolls will not be restricted even if the company's**

**forecast is within the permissible range. However, the Board advises the companies that they should, when deciding whether to file an application for higher tolls, give the same consideration in tolerating under-earnings as the Board does for over-earnings, that is to avoid too frequent changes in tolls.**

### **3.5 Mid-Year Toll Adjustments**

#### **Current Practice**

The toll orders for IPL and TNPI require that an application for new tolls be made when it is forecast that the trigger mechanisms will be exceeded, and they currently state that the application shall be filed concurrently with the throughput surveillance reporting pursuant to the orders, or within 20 days when so requested by the Board. The most recent amendment of TMPL's toll adjustment procedure order (AO-3-TO-5-85) simply requires that an application be made "when it is forecast" that the company's trigger will be activated.

With respect to the manner in which tolls are calculated pursuant to a mid-year toll application, the wording in the toll adjustment procedure orders differs somewhat for the three companies. Nevertheless, the current practice for all three companies is to base the new tolls on a forecast of the throughput and revenue requirement for the entire test year (i.e. tolls are calculated on the same basis as those for the year starting 1 January, but are simply based on the more up-to-date forecasts which become available during the test year). The result is that a company charges what are, in hindsight, the more appropriate tolls for the test year, but only from a certain date onward; any over or under-earnings from the period prior to the toll adjustment remain with the company, since the new tolls are not designed to compensate for them.

#### ***Submittor Views***

In its reply comments, IPL supported CPA's position that the wording of the toll orders should be clarified to reflect current practice.

In its reply comments, TMPL submitted that the existing methodology for calculating mid-year toll adjustments results in an accurate realization of allowed earnings when measured over an adequate period of time. TMPL provided a table to show that over the last eight-year period, its mainline transportation revenues have, on a cumulative basis, exceeded the allowed revenues by only \$82,000.

CPA noted the different wording between the three toll adjustment orders, and recommended that in the interests of clarity and consistency, the wording be revised. CPA's position was that new tolls should be calculated on the basis of calendar-year data and applied on a prospective basis for the remainder of the calendar year, and that the tolls should remain in effect until revised tolls are approved.

IPAC suggested that, unlike the current practice, tolls set mid-way through a test year should take into account any under or over-earnings from the first part of the test year (similar to the calculations which are performed when a company has been on interim tolls and any difference between the interim tolls and the ultimately-approved tolls is disposed of on a prospective basis). In their reply comments, both IPL and TMPL

rejected IPAC's proposal, arguing that it would amount to retroactive rate-making. TMPL also submitted that IPAC's suggestion could cause instability in the spot export markets and an inequitable allocation of risk between shippers and the company when the pipeline is operating at or near capacity.

### *Views of the Board*

The current wording of the IPL and TNPI orders require that a company prepare a toll application within a month, so that it is filed concurrently with the throughput report which forecasts that the company's tolerance level will be exceeded. The orders also require that a company compile a toll application within 20 days when so required by the Board. These tight filing requirements were created to minimize the variances in earnings caused by throughput fluctuations. However, the timing requirements should be removed to be consistent with the more recent wording of TMPL's order. The words "when it is forecast" are sufficient to indicate that an application must be filed whenever a monthly throughput report *or* a quarterly surveillance report shows that the trigger will be exceeded. In instances where the Board requires a company to prepare an application, the Board can specify a filing date.

With respect to the method of calculating mid-year toll adjustments, CPA's position is consistent with how these toll adjustments have been determined. IPAC's suggestion for calculating mid-year toll adjustments is not viable since the recognition of over or under-earnings would amount to retroactive ratemaking, unless a company's tolls were designated as interim. The wording in the toll adjustment orders should be revised so that it is consistent between all three companies, and so that it reflects actual practice.

### **Decision**

**The reference in IPL's and TNPI's orders to the time allowed for filing a toll application (e.g. "concurrent with the throughput surveillance reporting or within twenty days when requested by the Board") has been deleted.**

**The manner in which tolls are to be calculated pursuant to a mid-year toll adjustment application, as described in paragraph 5 of the toll orders, has been amended to read as follows:**

**"The application shall contain tolls based on projections of the revenue requirement and throughput for the full calendar year, in the same manner as tolls that are calculated for a full forward test year. When approved, tolls so calculated shall apply for the remainder of that year or until revised by the Board."**

## 3.6 Supporting Information

### Current Practice

The toll adjustment orders describe briefly the type of information currently required to be filed by applicants in support of Class 1 and 2 applications. Basically, applicants are required to provide, for each item of expense, the amount previously approved by the Board and the adjustment currently requested (yielding the forecast amount), accompanied by explanations and justification for variances from the previously-approved figures. For forward test years, the companies are required also to include “current year results”.

#### *Submitters Views*

IPAC suggested that, in addition to the information currently required of applicants, the latest actuals available, together with projections of the current year actuals, should be compared with the requested amounts, together with explanations for variances. IPAC also submitted that zero-based budgeting should be introduced.<sup>1</sup>

CPA suggested that applicants should provide adequate information in their initial application so as to virtually eliminate the need for information requests. CPA recommended that applicants be required to provide "full details and justification" for any variances from the figures most recently approved by the Board.

In its reply comments, IPL submitted that interested parties can request that the applicant calculate any specific variances from previous actuals or current-year forecast actuals.

#### *Views of the Board*

IPAC’s suggestion regarding forecasts of the current-year actuals is comparable to the requirement which already exists, vis-à-vis providing current-year results. There may be some confusion, however, as to the intent of this requirement. For instance, when a company files a toll application in October for a forward test year, it does not yet have its current-year results. This may explain why IPL and TMPL do not normally include this information in their applications (TNPI does provide actuals, or projected actuals along with its proposed figures, but does not normally compare them to the approved levels). Applicants should be required to continue to provide details with respect to current-year information in instances of forward test years. Having approved, actual, and applied-for data should improve the quality of analysis which can be performed.

With respect to IPAC’s suggestion of requiring a comparison of applied-for amounts to the latest year’s actuals, this information can be obtained through information requests for those specific items which may be contentious.

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<sup>1</sup> Zero-based budgeting refers to creating a budget "from scratch", or from the minimum level at which operations can continue. This contrasts with "incremental budgeting" where the focus lies only with the increases or decreases from a previous spending level.

## Decision

**The wording in the toll adjustment procedures has been amended to state that when a toll adjustment is in respect of a forward test year, actual or forecast results for the current year are required to be shown, complete with explanations for any significant variances from the approved levels.**

### 3.7 Requirements for Class 3 Applications

#### Current Practice

The current toll adjustment procedures specify that a Class 3 toll application is required when an applicant wishes to change any of the following: i) the rate of return on rate base authorized by the Board; ii) the method of calculation of the allowance for income taxes; and iii) the policies or principles approved by the Board at any previous hearing. It is also the Board's prerogative to require a Class 3 toll application in other circumstances. Class 3 applications usually require an oral public hearing.

In practice, notwithstanding the wording of the toll adjustment orders, the Board has permitted changes to TMPL's and TNPI's rates of return on rate base through Class 2 toll applications, where such revisions have reflected changes to the weighted average cost of debt and, in the case of TNPI, adjustments to its forecast *actual* capital structure. Accordingly, in its letter of 29 January 1990, the Board requested parties' views on formally changing the toll adjustment orders to allow changes to rate of return on rate base in Class 2 applications, where the changes do not involve a change to the ROE or deemed common equity ratio.

#### *Submittor Views*

IPL submitted that the overall rate of return should not be allowed to change as a result of a Class 2 application. It submitted that all the components comprising rate of return on rate base should be examined together in the context of a Class 3 toll application, arguing that it is not appropriate to revise certain components in isolation. In its reply comments, IPL also noted that the increased complexity which would be introduced to the Class 2 process could have the potential of increasing the overall timeframe required for processing this type of application. In addition, IPL submitted that any recommendations regarding additional criteria for Class 3 applications (such as a fixed frequency, or criteria regarding capital additions) should be rejected. The company noted that the Board has the discretion to require a public hearing whenever it believes one is required. It also noted that the company has the prerogative of initiating a Class 3 application, and that interested parties can also file complaints with the Board.

TMPL and TNPI supported a revision to the toll adjustment procedures to permit changes in rate of return on rate base in a Class 2 application. TMPL submitted that changing its overall rate of return for factors other than its ROE and deemed common equity ratio would result in an overall rate that more accurately reflects its actual cost

of debt, without requiring a Class 3 application. TNPI viewed changes to rate of return on rate base, excluding ROE, as matters of fact.

In its reply comments, TMPL rejected the idea of imposing additional criteria to trigger Class 3 applications (as was suggested by IPAC in its comments). TMPL was concerned that such criteria could seriously undermine the negotiated settlement process as the degree of co-operation may be reduced if parties expect that a full Class 3 application is required regardless of the outcome of their negotiations. Like IPL, TMPL noted that it is open for the Board to require a Class 3 application at any time, and that interested parties can request that the Board exercise this power. TMPL submitted that this flexibility would be lost if a specific trigger mechanism for Class 3 applications were implemented.

CPA and Ontario submitted that it would be inappropriate to consider any changes to rate of return other than by full scrutiny pursuant to a Class 3 application. In this regard, CPA supported IPL's position that rate of return on rate base should not be reviewed in isolation from consideration of ROE and the debt/equity ratio. APMC supported allowing changes to rate of return in a Class 2 application, provided that the increased complexity in this type of application is taken into account in setting the timeframes allowed interested parties. The Airlines suggested that if rate of return on rate base is to be revised pursuant to Class 2 applications, the methodology for making such a revision be approved first as part of a Class 3 hearing for each company.

In contrast with the Board's suggestion of relaxing the criteria which prompt a Class 3 application, APMC and IPAC suggested that there should be *additional* conditions requiring that a Class 3 application be filed. These parties suggested that there are substantial benefits associated with the scrutiny of a Class 3 proceeding and that, accordingly, an unlimited amount of time should not be allowed to pass between hearings. IPAC recommended that the procedures specify that Class 3 applications are to be filed at a minimum every three years. IPAC also submitted that additional criteria for triggering Class 3 applications may be necessary, such as if the applied-for toll increase exceeds a certain percentage, or if interest rates deviate a certain amount from the rate in effect when the rate of return was established. IPAC provided no insight as to an appropriate level for these criteria.

APMC suggested that Class 3 applications should be required every two years. APMC also suggested that an upper limit be placed on the amount of capital additions that can be processed via Class 2 applications within a specified period of time. APMC suggested that the absolute level be set individually for each pipeline.

In their reply comments, the Airlines submitted that there is a need to hold public hearings at reasonable intervals, and to review the effect on tolls of significant changes in facilities in a public forum. However, the Airlines suggested that rather than setting additional, fixed criteria for hearings, the Board should continue to use its discretion.



### *Views of the Board*

An oral hearing is a better forum for earning complex or contentious issues than written proceedings. However, the passage of time does not automatically create issues which need to be dealt with in an oral public hearing. This, combined with the desire to reduce the regulatory burden, leads the Board to question the idea of creating a fixed timetable for requiring Class 3 applications. The current toll adjustment procedures already allow interested parties to request that an oral hearing be held to consider any Class 1 or 2 toll application which has been filed with the Board. It was, in fact, this provision which IPAC invoked initially in respect of IPL's Class 2 toll application for 1990 tolls. In addition, parties may, at any time, make cases to the Board regarding the tolls of a company under its jurisdiction. In considering whether to hold a hearing the Board might take into account, among other things, the passage of time since the company's last toll hearing. However, the Board prefers to retain this discretion rather than setting a specific frequency for Class 3 applications.

With respect to rate base additions, it is not viable to specify a set amount, for each pipeline company, which would trigger the need for a Class 3 application. Although the projects included in a toll application may be numerous and costly in total, no specific "issue" is automatically created by the size of the additions. In addition, it is possible that some or all of the additions will already have been scrutinized in a public forum pursuant to Part III of the *National Energy Board Act* (the "Act"). APMC's concern may actually lie more with the process used to scrutinize section 58 construction applications than with the toll application process (the matter of section 58 applications is discussed in section 4.3). The size of a requested toll increase or the amount of variation in interest rates should not, on their own, necessarily precipitate a Class 3 hearing.

With respect to the possibility of amending the toll adjustment procedures to allow, by means of a Class 2 application, a revision to the rate of return on rate base, the Board expected parties to comment on the appropriateness of adjusting a particular company's capital structure for noncontroversial known facts. Not surprisingly, TMPL and TNPI supported this suggestion, as changes to their overall rates of return have been made in recent Class 2 toll applications, reflecting changes to rate base (and thus capitalization) in the case of TMPL and forecast actual capital structure in the case of TNPI. While IPL is properly interpreting the Class 2 toll adjustment procedures (i.e. not requesting adjustments to its overall rate of return in the Class 2 process), changes to the overall rates of return for TMPL and TNPI have been made by the Board in the recent past without any controversy. Nonetheless, the Board recognizes the concerns of IPL that there are circumstances where it may be inappropriate to consider changes to the overall rate of return absent a concurrent review of all of the components of a company's capital structure. CPA and Ontario supported IPL in this regard.

APMC and the Airlines provided guarded support for the notion of changing rate of return in the context of a Class 2 application. APMC had no problem with the idea *per se*, as long as the toll adjustment procedures reflected the increased complexity involved in such a review and ensured that all parties had sufficient time and information to participate in the process effectively. If the Board were to increase the

timeframes associated with Class 2 toll applications from their current levels, some of APMC's concerns may be alleviated. However, increased timeframes alone will not reduce the concerns of parties who believe the rate of return on rate base should only be examined in the context of a Class 3 toll application. The Airlines commented that there may be a number of areas that need to be examined via a Class 3 hearing before a particular company's rate of return on rate base can be changed. In its view, before a pipeline can change its rate of return on rate base in the context of a Class 2 application, the company should first have the detailed methodology for such a revision approved as part of a Class 3 application.

Notwithstanding the reservations of some parties in this matter, the idea of updating certain components of rate of return on rate base in the Class 2 process has merit. The Board believes that a formal procedure should be examined for each of IPL, TMPL and TNPI in their next Class 3 toll applications. While procedures for these companies should be examined at their next Class 3 applications, in the interim TMPL and TNPI should continue to update their overall rates of return on rate base in the manner adopted in the past few Class 2 toll adjustment applications.

#### **Decision**

**The Board will not adopt a specific frequency for Class 3 applications and will not place a limit on the amount of construction costs or toll increase which can be processed in Class 2 applications. Further, the variation in interest rates since a company's last toll hearing will not be a criterion for requiring a Class 3 toll application.**

**With respect to rate of return matters, the current wording in the toll adjustment orders respecting the requirement for Class 3 toll applications will remain unchanged until such time as specific procedures for adjusting rate of return on rate base in the context of a Class 2 application can be put in place for each of IPL, TMPL, and TNPI following examination in the hearing of each company's next Class 3 toll application.**

# Chapter 4

## Service Requirements

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### 4.1 Application-Related Documents

#### Current Practice

Currently, the toll Orders require that Class 1 and 2 applications be filed with the Board and concurrently served on interested parties. Interested parties' submissions and the applicant's reply thereto are required to be filed with the Board and served on interested parties. Interested party information requests are required only to be filed with the Board and served on the applicant. The applicant's responses are required only to be filed with the Board and served on the interested party who requested the information. In its information requests, the Board directs the applicant to serve copies of the request and its responses thereto on all interested parties.

#### *Submittor Views*

In its reply comments, IPL noted that interested parties may not know if another party or the Board has made an information request. IPL submitted that requiring parties who serve information requests on the applicant to also serve a copy on all other interested parties would avoid the delay resulting from the applicant distributing the information request with its reply.

TMPL suggested that an interested party list should be approved by the Board prior to the company filing a Class 1 or 2 application and that "key" parties should be identified so that they can be served concurrently with any filings to the Board.

Noting that the current deadlines are expressed in number of days from the date of filing with the Board, the Airlines suggested that the Orders stipulate that the means of service on parties should be no less rapid than the means of filing with the Board and that, in addition, the means of service and filing should be stated in the documents. The Airlines also observed that interested persons may not know that other parties or the Board have made information requests and, in an effort to comply with their fixed deadlines, may make submissions without benefit of the forthcoming information. CPA submitted that companies should be required to serve their documents in the same manner and at the same time as the filing with the Board.

#### *Views of the Board*

With respect to the extent of service stipulated by the Orders, the Board notes that the current practice of limiting the service of documents on other parties applies only to instances where the other parties are not given express opportunity to respond to these items. However, this system results in parties having an incomplete record related to the application. In order for the parties to make well-informed comments on an application, the procedures should be such that all parties have a complete record. With respect to IPL's suggestion that interested parties should be required to serve a copy of their information requests on *all* parties, this may be too onerous a

requirement, and may discourage the "smaller" parties from participating. In addition, the usefulness of the parties having the information request, ahead of the responses, is questionable. When an applicant responds to information requests, be they those of the Board or of interested parties, the company usually includes the questions with its responses. Therefore, if these responses and information requests are required to be served on all interested parties (rather than just on the requesting party), all parties would have a complete record on which to base their submissions. Such a procedure would be comparable to that followed with respect to Board information requests, where the applicant is required to serve a copy of the Board's information request, along with its responses thereto, on all interested parties.

The Board notes the Airlines' comment that parties occasionally make submissions only to discover subsequently that responses to other parties information requests are forthcoming. This phenomenon should be remedied by improved service requirements as discussed in this chapter, and improved timeframes for applicant responses to interested party requests, and for interested party submissions as discussed in Chapter 2.

With respect to the timing of service the Board notes that the Orders already specify that Class 1 and 2 applications are to be served on interested parties concurrently with the filing to the Board. The Board reminds parties that concurrent service means that parties being served *receive the document the same day as the Board does*. With respect to other documents, all parties do not necessarily require them before proceeding to the next procedural step (e.g. interested party submissions, and the applicant's reply thereto). In these instances it is arguable whether service of the document to all parties needs to be concurrent with the filing to the Board and the affected party. While all parties' records should be complete, the Board does not believe that service of documents, where they do not necessitate a response from other parties, needs to be concurrent with the filing to the Board. However, where a party's next step in the review process is affected by its receipt of documents up to that time, service of those documents should be concurrent with their filing to the Board. This would apply to the service on all parties of applicant replies to information requests, and service on the applicant of interested party information requests and submissions. Parties should note that pursuant to subsection 8(4) of the Rules the date of service shall be the date of actual receipt by the person upon whom the document is required to be served.

TMPL's proposal regarding "key" interested parties is inappropriate, since it presumes that a party will be inactive in the processing of a particular application simply because it may not have been active in the past. TMPL's proposal is similar, though, to establishing a list of intervenors once an application has been filed. However, the usefulness of establishing intervenors versus interested parties for Class 1 and 2 applications does not merit the time which this step would take (parties would have to be given time initially to review the application in order to determine whether or not to intervene; they would have to file their intervention; the Board would then have to establish a list of intervenors; only then would review of the application begin in earnest).

## Decision

**The toll adjustment procedures have been amended to require that the applicant file with the Board and serve on each interested party the interested parties' information requests along with the applicant's response thereto. For those documents which affect parties' next steps in the review process, service will be concurrent with the filing to the Board. Accordingly, the word "concurrently" has been added to the relevant sections of the toll adjustment procedures orders.**

## 4.2 Surveillance-Reporting Documents

### Current Practice

The toll adjustment orders specify two types of surveillance reports to be filed with the Board - quarterly surveillance reports and monthly throughput reports. These reports are not required to be served on interested parties. On 14 December 1989 the Board indicated to companies that in addition to the Board's Ottawa office, a company's quarterly surveillance reports and its annual financial forecast, if a toll application has not been submitted, are to be filed, at the same time, with the Board's office in Calgary and also made available for viewing at the company's head office. The Board considered, but rejected the idea of requiring the companies to mail copies of the reports to any interested parties. The Board did not address the filing of monthly throughput reports.

### *Submitter Views*

In its reply comments, IPL submitted that its monthly throughput reports do not need to be made available to the extent that the quarterly reports are. IPL submitted that the type of information contained in the throughput reports is contained in the quarterly reports and, if a significant throughput variance were projected between quarterly reports, a Class 1 application would be filed with the Board and served on interested parties.

In its reply comments, TMPL indicated that it would be concerned if it were required to serve the monthly throughput reports which it files with the Board on interested parties. TMPL explained that these reports contain proprietary information whereas its "public" throughput forecasts, such as those contained in its toll applications, reflect aggregated data as much as possible. The company stated that it would be concerned about deviating from the current reporting practice without first attaining the agreement of all shippers who may be affected.

CPA suggested that, like the quarterly reports, the monthly throughput reports should also be filed in both the Board's Calgary and Ottawa offices, and be made available at the companies' offices for public viewing.

IPAC requested that the Board require the companies to serve both the quarterly surveillance reports and the monthly throughput reports on interested parties. IPAC submitted that this should not pose a significant burden on the companies, and that it would streamline the information flow to interested parties (IPAC requested that, in the

event the Board does not broaden the service requirements, it clarify its earlier position and resolve a matter which has arisen between IPL and IPAC<sup>1</sup>). In their reply comments, the Airlines supported IPAC's request.

### ***Views of the Board***

Notwithstanding the limited amount of information contained therein, monthly throughput reports are as significant a part of a company's surveillance as are the quarterly reports. Therefore, the availability of the monthly reports should be expanded to be the same as the quarterly reports. With respect to the proprietary information contained in TMPL's monthly throughput reports, the company can compile aggregate data, in a similar fashion as it does for its quarterly surveillance reports and toll applications, to eliminate the sensitive data. The Board expects the company to continue filing with the Board's Ottawa office the more detailed report and also to include a report showing aggregate data. This latter report would be the report which the company would be required to file with the Board's office in Calgary and to make available for viewing at the company's head office.

The Board has considered IPAC's suggestion that the monthly and quarterly reports be served on interested parties on a regular basis. The Board is of the view that when a mid year toll application has been filed, the information contained in these reports is pertinent to the application and therefore should be made part of the record. To this end, when a mid year toll application is before the Board, the applicants should serve all interested parties with those reports. The Board has also considered IPAC's request that the Board resolve the issue between IPAC and IPL regarding the provision of IPL's surveillance reports to IPAC. Other than in the circumstances outlined above, the Board will not *require* the company to mail reports directly to any interested party. Therefore, the Board will not order IPL to provide the requested reports to IPAC. However, the Board's position does not preclude the company from providing copies if it so wishes.

### **Decision**

**IPL, TMPL and TNPI shall provide copies of both their quarterly surveillance reports and their monthly throughput reports to the Board's offices in both Calgary and Ottawa and have copies of the reports, covering the most recent two-year period, available for public viewing at their head offices. In the case of TMPL, the monthly throughput reports, which would be available to the public, shall contain aggregate information to eliminate any sensitive information, and the company's more detailed monthly reports shall continue to be provided to the Board's Ottawa office.**

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<sup>1</sup> IPAC requested that IPL send copies of its surveillance reports to IPAC. IPL declined, suggesting that in light of the Board's 14 December 1989 letter, it could not, as to do so would result in its interested parties being treated on an inconsistent basis.

**In the circumstance where a company has a mid-year toll application before the Board, the company shall also serve a copy of the reports on its interested parties.**

### **4.3 Section 58 Applications**

#### **Current Practice**

Applications pursuant to section 58 of the Act are currently filed only with the Board. At its discretion, the Board may require a company to serve copies on interested parties, or to set the application down for hearing. When approving section 58 applications, the Board specifies that costs incurred on the projects will be subject to review as part of the Board's responsibilities under Part IV of the Act before being authorized for inclusion in rate base. Often, the first opportunity for interested parties to review the projects exempted by the Board pursuant to section 58 applications is in a toll application.

#### *Submitter Views*

IPL proposed that it review its section 58 applications with interested parties prior to filing them with the Board. Upon filing the application with the Board, IPL would simultaneously provide copies to any interested parties who request them.

In its reply comments TMPL noted that, although IPAC had addressed in its comments the review process for capital expenditure applications, TMPL considered the matter to be outside the scope of this toll adjustment procedure review. The company stated that, in any event, it already reviews its annual capital plans at shipper meetings prior to filing section 58 applications with the Board and that it does not believe the process needs to be formalized.

CPA suggested that section 58 applications, like quarterly surveillance reports, be filed with the Board's offices in Calgary and Ottawa and be made available in the companies' offices for public review. CPA also suggested that copies should be provided to interested parties on request. IPAC submitted that at the time of Class 2 applications, facilities comprising a company's proposed additions to rate base may in fact already be in place, and that this shifts the onus to interested parties to justify why the expenditures should not be allowed in rate base. To alleviate this concern IPAC suggested the creation of a public review process for capital expenditures, separate from the toll application process, whereafter expenditures incurred in respect of the approved capital budget could be rolled into rate base without the need for further industry review. IPAC also commented on the manner in which applicants should present their proposed annual capital expenditures and their justification therefor. In its reply comments, IPL supported IPAC's suggestions, although it submitted that it would not always be possible to provide the type of analyses suggested by IPAC. In their reply submission, the Airlines noted IPL's proposal to provide advance information with respect to its facilities applications, and submitted that the other companies should be encouraged to do the same.

### *Views of the Board*

The Board understands the desire of interested parties to be better informed with respect to matters that may arise from section 58 applications and is of the view that interested parties should receive regular notice of these applications. However, the Board does not believe that parties should have an automatic right to comment on all section 58 applications. This is particularly so for section 58 applications focusing on pipeline integrity or safety, since allowing comment could result in undue delays in the construction of facilities required to provide safe, reliable and efficient service. Accordingly, the Board would expect parties to restrict their requests to obtain and to comment on only those section 58 applications involving new capacity or services.

The Board is of the view that those interested parties who so request should be provided a summary of section 58 applications. Parties wishing to examine a particular application may then request a copy from the company. Interested parties who wish to comment to the Board on a section 58 application should submit their comments; the Board will give such comments the appropriate consideration. The Board may, of course, on its own volition, solicit comments from interested parties on any particular section 58 application.

### **Decision**

**At the time IPL, TMPL or TNPI file a section 58 application with the Board, the company shall serve upon those parties who request to be so served a summary of the application setting out a brief description and the purpose of the proposed facilities. Interested parties wishing to examine a particular section 58 application may then request a copy from the applicant.**



# Chapter 5

## Disposition

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The foregoing chapters, together with Orders TO-7-90 for IPL, TO-8-90 for TMPL, and TO-9-90 for TNPI, constitute the Board's Reasons for Decision and Decision on the matter of toll adjustment procedures for these companies.

R. Priddle  
Chairman

J.-G. Fredette  
Vice Chairman

R.B. Horner, Q.C.  
Member

W.G. Stewart  
Member

A.B. Gilmour  
Member

A. Côté-Verhaaf  
Member

M.J. Musgrove  
Member

C.Bélanger  
Member

R. Illing  
Member

K.W. Vollman  
Member

Ottawa, Canada  
December 1990

# Appendix I

## Classes of Toll Applications for IPL, TMPL, and TNPI

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There are three classes of applications for toll adjustments. Class 1 and 2 applications usually do not require a formal public hearing; Class 3 applications usually require such a hearing.

CLASS 1 - This class of application permits adjustments to the tolls which are required because of significant changes in throughput and specific throughput-related costs from those approved in the most recent Board Decision.

CLASS 2 - This class of application permits adjustments to the revenue requirement and tolls which are required because of any significant changes in the cost of service from that approved in the most recent Board Decision, with the exception of those changes identified as requiring Class 3 applications.

CLASS 3 - This class of application is required when a company is applying to change any of the following:

- (i) the rate of return on rate base authorized by the Board;
- (ii) the method of calculation of the allowance for income taxes; and
- (iii) the policies or principles approved by the Board at any previous bearing.

## Appendix II

# Board letter to IPL initiating a review of toll adjustment procedures

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File: 1762-JI  
29 January 1990

### VIA TELECOPIER

Mr. D. B. MacDermott  
Vice President and General Counsel  
Interprovincial Pipe Line Company, a division of Interhome Energy Inc.  
P.O. Box 398  
Edmonton, Alberta  
T5J 2J9

Dear Mr. MacDermott:

Re: Continued Appropriateness of Toll Adjustment Procedures for:  
- Interprovincial Pipe Line Company, a division of Interhome Energy Inc. ("IPL");  
- Trans Mountain Pipe Line Company Ltd. ("TMPL"); and  
- Trans-Northern Pipelines Inc. (TNPI")

The current toll adjustment procedures for IPL, TMPL, and TNPI are prescribed by Board Orders TO-4-85, TO-5-85 and TO-6-85, respectively. The general procedures for all three companies are similar and, except for minor modifications, have been in place since 1985.

Recent experience with the processing of toll applications pursuant to the above-noted Orders indicates that there are difficulties with the procedures as evidenced, for example, by uncertainty regarding various deadlines, and the need to grant extensions. Consequently, the Board is initiating a review of the continued appropriateness of the current toll adjustment procedures for IPL, TMPL, and TNPI.

The Board invites IPL, TMPL and TNPI and interested parties to provide comments concerning the toll adjustment procedures. In providing comments the Board would like parties to address the following issues in addition to any other relevant matters:

- (1) The effectiveness and continued appropriateness of the timeframes for processing Class 1 and 2 toll applications (currently 30 and 60 days respectively), including the current provisions for interested party participation;
- (2) The merit of the Board issuing, upon receipt of a Class 1 or 2 toll application, a timetable setting out specific dates for the various processing steps (similar to a Directions on Procedure), guided by the more general timeframes which are described in the toll adjustment orders;
- (3) The appropriateness of amending the toll adjustment procedures to allow, by means of a Class 2 toll application, a revision to the rate of return on rate base where it excludes changes to rate of return on equity and deemed common equity ratio; and

(4) The appropriateness of the trigger mechanisms for toll adjustments.

IPL, TMPL, TNPI, and interested parties shall file their comments with the Board no later than 2 March 1990.

As soon as possible after 2 March the Board will issue a list of those parties who filed comments. Parties will then be required to serve a copy of their comments by 15 March 1990 on all parties on the list.

All parties shall file any reply comments with the Board no later than 29 March 1990.

The Board requires that IPL serve a copy of this letter by close of business on 2 February 1990 on its interested parties to toll matters.

Yours truly,

Marie Tobin  
Secretary

## Appendix III

### Order TO-7-90 (IPL)

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IN THE MATTER OF the *National Energy Board Act* ("the Act") and the Regulations made thereunder; and

IN THE MATTER OF the procedure to be followed by Interhome Energy Inc., which carries on its pipeline operations under the name "Interprovincial Pipe Line Company, a division of Interhome Energy Inc." ("IPL") for making application to the Board for adjustment of tolls and tariffs (Board File 1762-J1).

BEFORE the Board on 13 December 1990.

WHEREAS the Board issued Orders TO-4-85 and AO-1-TO-4-85 in respect of toll application procedures which apply to IPL;

AND WHEREAS the Board has reviewed the continued appropriateness of the procedures established by the said Orders and has considered the comments and reply comments of parties regarding those procedures;

AND WHEREAS the Board is of the view that certain alterations to the procedures are warranted;

IT IS ORDERED THAT:

1. The toll application procedures established by this Order shall apply to IPL.
2. New tolls shall be based on the cost of service for the calendar year in which the tolls are to be in effect.
3. There shall be three classes of applications for toll adjustments. Unless otherwise authorized by the Board, Class 1 and 2 applications will not require a formal oral hearing but Class 3 applications will require such a hearing.
  - (a) Class 1 -  
This class of application permits adjustments to the tolls which are required because of significant changes in throughput and specific throughput-related costs from those approved in the most recent Board Decision.
  - (b) CLASS 2 -  
This class of application permits adjustments to the revenue requirement and tolls which are required because of any significant changes in the cost of service from that approved in the most recent Board Decision, with the exception of those changes identified as requiring Class 3 applications.
  - (c) CLASS 3 -  
This class of application is required when the company is applying to change any of the following:
    - (i) the rate of return on rate base authorized by the Board;

- (ii) the method of calculation of the allowance for income taxes; and
- (iii) the policies or principles approved by the Board at any previous hearing.

4.(a) Applications for adjustment in tolls or tariffs shall be made to the Board as follows:

CLASS 1 -

by filing with the Board twenty (20) copies of revised tariffs and supporting data as prescribed in paragraph 6 of this Order and serving interested parties as prescribed in paragraph 7.

Applications are to be filed not later than fifty (50) days prior to the date on which the revised tolls are to be effective.

CLASS 2 -

by filing with the Board twenty (20) copies of revised tariffs and supporting data as prescribed in paragraph 6 of this Order and serving interested parties as prescribed in paragraph 7.

Applications are to be filed not later than one hundred and five (105) days prior to the date on which the revised tolls are to be effective.

CLASS 3 -

by application for a toll hearing, supported by the information required by the schedule to the draft *NEB Rules of Practice and Procedure*.

4.(b) Unless otherwise authorized by the Board, twenty (20) copies of a new or special tariff shall be filed with the Board, and one copy served on each party identified in the most recent interested party list pursuant to paragraph 8, not later than sixty (60) days prior to the date on which such a tariff is to be effective.

5. An application for new tolls shall be made when it is forecast that the rate of return on equity in the calendar year will exceed that approved by the Board at the most recent toll hearing by more than two percentage points. The application shall contain tolls based on projections of the revenue requirement and throughput for the full calendar year, in the same manner as tolls that are calculated for a full forward test year. When approved, tolls so calculated shall apply for the remainder of that year or until revised by the Board.

6. When filing revised tariffs as a Class 1 or Class 2 toll application, the company shall provide supporting information in sufficient detail to enable the reasonableness of the estimates to be established. The supporting information shall include the following:

For Class 1:

- (a) throughput by quarter showing source, destination, type of crude oil or product, and volume;
- (b) adjustments to specific throughput-related costs; for example fuel and power, caused by changes in throughput; and
- (c) explanations for all variances from the previously-approved figures.

For Class 2:

information identified under Class 1, plus

- (d) transportation, maintenance and general expenses by category of expense including explanations and justification for all variances from the previously-approved figures;
- (e) average rate base for the calendar year with explanations for all changes from the previously-approved figures;
- (f) depreciation and amortization expense and a reconciliation with rate base; and
- (g) a summary of the total revenue requirement.

The information identified above shall be provided in columnar form, showing amounts authorized by the Board following the most recent toll adjustment, adjustments currently requested, and forecast amounts. Applications involving a forward test year shall, in addition, provide information similar to that noted above but show actual or projected actual results for the current year together with explanations for the changes being applied for.

- 7. Concurrent with the filing of Class 1 or 2 applications with the Board, the applicant shall serve a true copy of the application, including all supporting information as well as its list of interested parties and a timetable for processing the application, on each party identified in the most recent interested party list pursuant to paragraph 8.
- 8. The company shall maintain a list of interested parties which shall include all shippers and other persons who have demonstrated an interest in the company's toll matters. The company shall update the list, as appropriate, and file with the Board a copy of any revised lists.
- 9. The timetable referred to in paragraph 7 shall be prepared by the applicant and shall take the form set out in Attachment 1 hereto.

Using the timeframes described in paragraphs 10 to 13, the applicant shall establish the schedule of exact dates, showing the deadlines associated with each of the steps identified herein for processing the application. If, when determining the dates, any of the deadlines fall on a weekend or statutory holiday, they shall be deemed to fall on the following weekday which is not a statutory holiday and all subsequent deadlines shall be adjusted accordingly. The timetable established by the applicant will be final unless changed by the Board.

- 10. Any party with an interest in a Class 1 or 2 application who wishes to obtain from the applicant further information in respect of the application shall, within ten (10) days of the filing of a Class 1 application with the Board, or within twenty-one (21) days for a Class 2 application, file with the Board and concurrently serve on the applicant a written request for information in accordance with section 18 of the draft *NEB Rules of Practice and Procedure*.
- 11. Within seventeen (17) days of the filing of a Class 1 application with the Board, or within thirty-five (35) days for a Class 2 application, the applicant shall file with the Board and concurrently serve on each interested party referred to in paragraph 8, the information requests received pursuant to paragraph 10 and its responses thereto, in accordance with section 19 of the draft *NEB Rules of Practice and Procedure*.
- 12. Any party with an interest in a Class 1 or 2 application may, within twenty-four (24) days of the filing of a Class 1 application with the Board, or within forty-nine (49) days for a Class 2

application, file with the Board, concurrently serve on the applicant and send to each other interested party referred to in paragraph 8, a submission in accordance with subsection 39(4) of the draft *NEB Rules of Practice and Procedure*, detailing any objection or other submission in respect of the application and, if desired, requesting that a public hearing be held to consider the application, providing the reasons for such request.

13. The applicant may, within thirty-one (31) days of the filing of a Class 1 application with the Board, or within sixty (60) days for a Class 2 application, file with the Board and serve on each interested party a reply to any matter raised in any submission received pursuant to paragraph 12.
14. The applicant shall, upon receipt of the decision of the Board on a Class 1 or 2 application, serve a copy of the decision and the new tolls on each interested party and on any other person who has filed a submission pursuant to paragraph 12.
15. Except as specified above, the procedures governing applications shall be in accordance with the draft *NEB Rules of Practice and Procedure*.
16. The company shall furnish to the Board's office in Calgary one (1) copy and to the Board's office in Ottawa twenty (20) copies:
  - (a) within thirty (30) days after the end of each month, of revised forecasts of throughput by quarter and rate of return on equity, for the full test year, taking into account actual results to date and supported by appropriate information;
  - (b) within forty-five (45) days after the end of each quarter of the test year, of actual test year results to date by quarter and revised forecasts for the full test year by quarter, of the following: revenue, cost of service, return and rate of return on rate base and equity, supported by appropriate information and in accordance with the policies and principles approved by the Board at the most recent public hearing; such supporting information should include explanation of significant variances; and
  - (c) by 1 December, of the Company's annual financial forecast for the coming year if a toll application has not been filed for that year.
17. The company shall make available for public viewing at its head office copies of the reports described in paragraph 16, covering the most recent two-year period.
18. The company shall, when it has a mid-year toll application before the Board, serve on each interested party referred to in paragraph 8, one (1) copy of each report filed pursuant to paragraph 16. The reports shall be served on interested parties and filed with the Board concurrently.
19. The Board may require the company to furnish from time to time such additional information as the Board deems necessary.

AND IT IS FURTHER ORDERED THAT:

This Order shall come into effect on 14 February 1991 and Orders TO-4-85 and AO-1-TO-4-85 shall be revoked effective 13 February 1991.



NATIONAL ENERGY BOARD

Marie Tobin  
Secretary

Attach.

Attachment 1

Date:

File:

**Interprovincial Pipe Line Company, a division of Interhome Energy Inc. ("IPL")**

**Schedule for Processing Class \_\_\_\_ Application  
dated \_\_\_\_\_**

The procedures applicable to IPL toll applications to the National Energy Board (NEB') are set out in NEB Order TO-7-90. Pursuant to paragraph 9 of that Order, IPL has determined that the following dates are the deadlines for the various steps described in the Order for processing the above-noted toll application. Parties are directed to refer to the Order to determine the service requirements associated with each step. As indicated in the Order, unless otherwise directed by the NEB, these dates are final.

**Procedure described in T0-7-90  
than**

**Filing due no later**

Filing of Application with NEB  
\_\_\_\_\_

Interested Party Information  
\_\_\_\_\_

Requests to Applicant

Applicant's Response to Interested  
\_\_\_\_\_

Party Information Requests

Interested Party Submissions  
\_\_\_\_\_

Applicant's Reply to Interested  
\_\_\_\_\_

Party Submissions

(signature)

## Appendix IV

### Order TO-8-90 (TMPL)

---

IN THE MATTER OF the *National Energy Board Act* ("the Act) and the Regulations made thereunder; and

IN THE MATTER OF the procedure to be followed by Trans Mountain Pipe Line Company Ltd. ("TMPL") for making application to the Board for adjustment of tolls and tariffs (Board File 1762-T4).

BEFORE the Board on 13 December 1990.

WHEREAS the Board issued Orders TO-5-85, AO-1-TO-5-85, AO-2-TO-5-85, and AO-3-TO-5-85 in respect of toll application procedures which apply to TMPL;

AND WHEREAS the Board has reviewed the continued appropriateness of the procedures established by the said Orders and has considered the comments and reply comments of parties regarding those procedures;

AND WHEREAS the Board is of the view that certain alterations to the procedures are warranted;

IT IS ORDERED THAT:

1. The toll application procedures established by this Order shall apply to TMPL.
2. New tolls shall be based on the cost of service for the calendar year in which the tolls are to be in effect
3. There shall be three classes of applications for toll adjustments. Unless otherwise authorized by the Board, Class 1 and 2 applications will not require a formal oral hearing but Class 3 applications will require such a hearing.
  - (a) CLASS 1 -

This class of application permits adjustments to the tolls which are required because of significant changes in throughput and specific throughput-related costs from those approved in the most recent Board Decision.
  - (b) CLASS 2 -

This class of application permits adjustments to the revenue requirement and tolls which are required because of any significant changes in the cost of service from that approved in the most recent Board Decision, with the exception of those changes identified as requiring Class 3 applications.
  - (c) CLASS 3-

This class of application is required when the company is applying to change any of the following:

    - (i) the rate of return on rate base authorized by the Board;
    - (ii) the method of calculation of the allowance for income taxes; and

(iii) the policies or principles approved by the Board at any previous hearing.

4.(a) Applications for adjustment in tolls or tariffs shall be made to the Board as follows:

CLASS 1 -

by filing with the Board twenty (20) copies of revised tariffs and supporting data as prescribed in paragraph 6 of this Order and serving interested parties as prescribed in paragraph 7. Applications are to be filed not later than fifty (50) days prior to the date on which the revised tolls are to be effective.

CLASS 2 -

by filing with the Board twenty (20) copies of revised tariffs and supporting data as prescribed in paragraph 6 of this Order and serving interested parties as prescribed in paragraph 7. Applications are to be filed not later than one hundred and five (105) days prior to the date on which the revised tolls are to be effective.

CLASS 3-

by application for a toll hearing, supported by the information required by the schedule to the draft *NEB Rules of Practice and Procedure*.

4.(b) Unless otherwise authorized by the Board, twenty (20) copies of a new or special tariff shall be filed with the Board, and one copy served on each party identified in the most recent interested party list pursuant to paragraph 8, not later than sixty (60) days prior to the date on which such a tariff is to be effective.

5. An application for new tolls shall be made when it is forecast that the transportation revenue in the then current calendar year will vary by 4 percent or more from the approved transportation revenue requirement upon which the current tolls are based. The application shall contain tolls based on projections of the revenue requirement and throughput for the full calendar year, in the same manner as tolls that are calculated for a full forward test year. When approved, tolls so calculated shall apply for the remainder of that year or until revised by the Board.

6. When filing revised tariffs as a Class 1 or Class 2 toll application, the company shall provide supporting information in sufficient detail to enable the reasonableness of the estimates to be established. The supporting information shall include the following:

For Class 1:

- (a) throughput by quarter showing source, destination, type of crude oil or product, and volume;
- (b) adjustments to specific throughput-related costs; for example fuel and power, caused by changes in throughput; and
- (c) explanations for all variances from the previously-approved figures.

For Class 2:

information identified under Class 1, plus

- (d) transportation, maintenance and general expenses by category of expense including explanations and justification for all variances from the previously-approved figures;
- (e) average rate base for the calendar year with explanations for all changes from the previously-approved figures;
- (f) depreciation and amortization expense and a reconciliation with rate base; and
- (g) a summary of the total revenue requirement.

The information identified above shall be provided in columnar form, showing amounts authorized by the Board following the most recent toll adjustment, adjustments currently requested, and forecast amounts. Applications involving a forward test year shall, in addition, provide information similar to that noted above but show actual or projected actual results for the current year together with explanations for the changes being applied for.

7. Concurrent with the filing of Class 1 or 2 applications with the Board, the applicant shall serve a true copy of the application, including all supporting information as well as its list of interested parties and a timetable for processing the application, on each party identified in the most recent interested party list pursuant to paragraph 8.
8. The company shall maintain a list of interested parties which shall include all shippers and other persons who have demonstrated an interest in the company's toll matters. The company shall update the list, as appropriate, and file with the Board a copy of any revised lists.
9. The timetable referred to in paragraph 7 shall be prepared by the applicant and shall take the form set out in Attachment 1 hereto. Using the timeframes described in paragraphs 10 to 13, the applicant shall establish the schedule of exact dates, showing the deadlines associated with each of the steps identified herein for processing the application. If, when determining the dates, any of the deadlines fall on a weekend or statutory holiday, they shall be deemed to fall on the following weekday which is not a statutory holiday and all subsequent deadlines shall be adjusted accordingly. The timetable established by the applicant will be final unless changed by the Board.
10. Any party with an interest in a Class 1 or 2 application who wishes to obtain from the applicant further information in respect of the application shall, within ten (10) days of the filing of a Class 1 application with the Board, or within twenty-one (21) days for a Class 2 application, file with the Board and concurrently serve on the applicant a written request for information in accordance with section 18 of the draft *NEB Rules of Practice and Procedure*.
11. Within seventeen (17) days of the filing of a Class 1 application with the Board, or within thirty-five (35) days for a Class 2 application, the applicant shall file with the Board and concurrently serve on each interested party referred to in paragraph 8, the information requests received pursuant to paragraph 10 and its responses thereto, in accordance with section 19 of the draft *NEB Rules of Practice and Procedure*.
12. Any party with an interest in a Class 1 or 2 application may, within twenty-four (24) days of the filing of a Class 1 application with the Board, or within forty-nine (49) days for a Class 2 application, file with the Board, concurrently serve on the applicant and send to each other interested party referred to in paragraph 8, a submission in accordance with subsection 39(4)

of the draft *NEB Rules of Practice and Procedure*, detailing any objection or other submission in respect of the application and, if desired, requesting that a public hearing be held to consider the application, providing the reasons for such request.

13. The applicant may, within thirty-one (31) days of the filing of a Class 1 application with the Board, or within sixty (60) days for a Class 2 application, file with the Board and serve on each interested party a reply to any matter raised in any submission received pursuant to paragraph 12.
14. The applicant shall, upon receipt of the decision of the Board on a Class 1 or 2 application, serve a copy of the decision and the new tolls on each interested party and on any other person who has filed a submission pursuant to paragraph 12.
15. Except as specified above, the procedures governing applications shall be in accordance with the draft *NEB Rules of Practice and Procedure*.
16. The company shall furnish to the Board's office in Ottawa by the 20th day of each month:
  - (i) a statement of actual throughput in the previous month and a current forecast of throughput for the current calendar year, the current month and the succeeding twelve months by origin and destination, showing the throughput projected in each month, each quarter and for the year, together with a breakdown by shipper of the throughput projected for each month; and
  - (ii) a forecast of transportation revenue for the current calendar year in the format on the attached Table I.
17. The company shall furnish to the Board's office in Calgary one (1) copy and to the Board's office in Ottawa twenty (20) copies:
  - (a) by the 20th day of each month a report similar to that described in paragraph 16, but which aggregates the data in a manner so as to exclude information broken down by individual shipper;
  - (b) within forty-five (45) days after the end of each quarter of the test year, of actual test year results to date by quarter and revised forecasts for the full test year by quarter, of the following: revenue, cost of service, return and rate of return on rate base and equity, supported by appropriate information and in accordance with the policies and principles approved by the Board at the most recent public hearing; such supporting information should include explanation of significant variances; and
  - (c) by 1 December, of the company's annual financial forecast for the coming year if a toll application has not been filed for that year.
18. The company shall make available for public viewing at its head office copies of the reports described in paragraph 17, covering the most recent two-year period.
19. The company shall, when it has a mid-year toll application before the Board, serve on each interested party referred to in paragraph 8, one (1) copy of each report filed pursuant to

paragraph 17. The reports shall be served on interested parties and filed with the Board concurrently.

20. The Board may require the company to furnish from time to time such additional information as the Board deems necessary.

AND IT IS FURTHER ORDERED THAT:

This Order shall come into effect on 14 February 1991 and Orders TO-5-85, AO-1-TO-5-85, AO-2-TO-5-85, and AO-3-TO-5-85 shall be revoked effective 13 February 1991.

NATIONAL ENERGY BOARD

Marie Tobin  
Secretary

Attach.

**Table I**

**Trans Mountain Pipe Line Company Ltd.  
Revenue Forecast for the Calendar Year**

(\$000)

- (1) Forecast for the Calendar Year
- (2) Actual Estimated for the Calendar Year
- (3) Forecast for the Year to Date
- (4) Actual for the Year to Date



Attachment 1

Date:

File:

**Trans Mountain Pipe Line Company Ltd.**

**Schedule for Processing Class \_\_\_ Application  
dated \_\_\_\_\_**

The procedures applicable to TMPL toll applications to the National Energy Board (NEB) are set out in NEB Order TO-8-90. Pursuant to paragraph 9 of that Order, TMPL has determined that the following dates are the deadlines for the various steps described in the Order for processing the above-noted toll application. Parties are directed to refer to the Order to determine the service requirements associated with each step. As indicated in the Order, unless otherwise directed by the NEB these dates are final.

**Procedure described in T0-8-90  
than**

**Filing due no later**

Filing of Application with NEB  
\_\_\_\_\_

Interested Party Information  
\_\_\_\_\_

Requests to Applicant

Applicant's Response to Interested  
\_\_\_\_\_

Party Information Requests

Interested Party Submissions  
\_\_\_\_\_

Applicant's Reply to Interested  
\_\_\_\_\_

Party Submissions

(signature)

## Appendix V

### Order TO-9-90 (TNPI)

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IN THE MATTER OF the *National Energy Board Act* ("the Act") and the Regulations made thereunder; and

IN THE MATTER OF the procedure to be followed by Trans-Northern Pipelines Inc. ("TNPI") for making application to the Board for adjustment of tolls and tariffs (Board File 1762-T2).

BEFORE the Board on 13 December 1990.

WHEREAS the Board issued Orders TO-6-85 and AO-1-TO-6-85 in respect of toll application procedures which apply to TNPI;

AND WHEREAS the Board has reviewed the continued appropriateness of the procedures established by the said Orders and has considered the comments and reply comments of parties regarding those procedures;

AND WHEREAS the Board is of the view that certain alterations to the procedures are warranted;

IT IS ORDERED THAT:

1. The toll application procedures established by this Order shall apply to TNPI.
2. New tolls shall be based on the cost of service for the calendar year in which the tolls are to be in effect.
3. There shall be three classes of applications for toll adjustments. Unless otherwise authorized by the Board, Class 1 and 2 applications will not require a formal oral hearing but Class 3 applications will require such a hearing.

(a) CLASS 1 -

This class of application permits adjustments to the tolls which are required because of significant changes in throughput and specific throughput-related costs from those approved in the most recent Board Decision.

(b) CLASS 2 -

This class of application permits adjustments to the revenue requirement and tolls which are required because of any significant changes in the cost of service from that approved in the most recent Board Decision, with the exception of those changes identified as requiring Class 3 applications.

(c) CLASS 3 -

This class of application is required when the company is applying to change any of the following:

- (i) the rate of return on rate base authorized by the Board;
- (ii) the method of calculation of the allowance for income taxes; and
- (iii) the policies or principles approved by the Board at any previous hearing.

4.(a) Applications for adjustment in tolls or tariffs shall be made to the Board as follows:

CLASS 1 -

by filing with the Board twenty (20) copies of revised tariffs and supporting data as prescribed in paragraph 6 of this Order and serving interested parties as prescribed in paragraph 7. Applications are to be filed not later than fifty (50) days prior to the date on which the revised tolls are to be effective.

CLASS 2 -

by filing with the Board twenty (20) copies of revised tariffs and supporting data as prescribed in paragraph 6 of this Order and serving interested parties as prescribed in paragraph 7. Applications are to be filed not later than one hundred and five (105) days prior to the date on which the revised tolls are to be effective.

CLASS 3-

by application for a toll hearing, supported by the information required by the schedule to the draft *NEB Rules of Practice and Procedure*.

4.(b) Unless otherwise authorized by the Board, twenty (20) copies of a new or special tariff shall be filed with the Board, and one copy served on each party identified in the most recent interested party list pursuant to paragraph 8, not later than sixty (60) days prior to the date on which such a tariff is to be effective.

5. An application for new tolls shall be made when it is forecast that the rate of return on equity in the calendar year will exceed that approved by the Board at the most recent toll hearing by more than two percentage points. The application shall contain tolls based on projections of the revenue requirement and throughput for the full calendar year, in the same manner as tolls that are calculated for a full forward test year. When approved, tolls so calculated shall apply for the remainder of that year or until revised by the Board.

6. When filing revised tariffs as a Class 1 or Class 2 toll application, the company shall provide supporting information in sufficient detail to enable the reasonableness of the estimates to be established. The supporting information shall include the following-

For Class 1:

- (a) throughput by quarter showing source, destination, and volume;
- (b) adjustments to specific throughput-related costs; for example fuel and power, caused by changes in throughput; and
- (c) explanations for all variances from the previously-approved figures.

For Class 2:

information identified under Class 1, plus

- (d) transportation, maintenance and general expenses by category of expense including explanations and justification for all variances from the previously-approved figures;

- (e) average rate base for the calendar year with explanations for all changes from the previously-approved figures;
- (f) depreciation and amortization expense and a reconciliation with rate base; and
- (g) a summary of the total revenue requirement

The information identified above shall be provided in columnar form, showing amounts authorized by the Board following the most recent toll adjustment, adjustments currently requested, and forecast amounts. Applications involving a forward test year shall, in addition, provide information similar to that noted above but show actual or projected actual results for the current year together with explanations for the changes being applied for.

7. Concurrent with the filing of Class 1 or 2 applications with the Board, the applicant shall serve a true copy of the application, including all supporting information as well as its list of interested parties and a timetable for processing the application, on each party identified in the most recent interested party list pursuant to paragraph 8.
8. The company shall maintain a list of interested parties which shall include all shippers and other persons who have demonstrated an interest in the company's toll matters. The company shall update the list, as appropriate, and file with the Board a copy of any revised lists.
9. The timetable referred to in paragraph 7 shall be prepared by the applicant and shall take the form set out in Attachment 1 hereto. Using the timeframes described in paragraphs 10 to 13, the applicant shall establish the schedule of exact dates, showing the deadlines associated with each of the steps identified herein for processing the application. If, when determining the dates, any of the deadlines fall on a weekend or statutory holiday, they shall be deemed to fall on the following weekday which is not a statutory holiday and all subsequent deadlines shall be adjusted accordingly. The timetable established by the applicant will be final unless changed by the Board.
10. Any party with an interest in a Class 1 or 2 application who wishes to obtain from the applicant further information in respect of the application shall, within ten (10) days of the filing of a Class 1 application with the Board, or within twenty-one (21) days for a Class 2 application, file with the Board and concurrently serve on the applicant a written request for information, in accordance with section 18 of the draft *NEB Rules of Policy and Procedure*.
11. Within seventeen (17) days of the filing of a Class 1 application with the Board, or within thirty-five (35) days for a Class 2 application, the applicant shall file with the Board and concurrently serve on each interested party referred to in paragraph 8, the information requests received pursuant to paragraph 10 and its responses thereto, in accordance with section 19 of the draft *NEB Rules of Practice and Procedure*.
12. Any party with an interest in a Class 1 or 2 application may, within twenty-four (24) days of the filing of a Class 1 application with the Board, or within forty-nine (49) days for a Class 2 application, file with the Board, concurrently serve on the applicant and send to each other interested party referred to in paragraph 8, a submission in accordance with subsection 39(4) of the draft *NEB Rules of Practice and Procedure*, detailing any objection or other submission

in respect of the application and, if desired, requesting that a public hearing be held to consider the application, providing the reasons for such request.

13. The applicant may, within thirty-one (31) days of the filing of a Class 1 application with the Board, or within sixty (60) days for a Class 2 application, file with the Board and serve on each interested party a reply to any matter raised in any submission received pursuant to paragraph 12,
14. The applicant shall, upon receipt of the decision of the Board on a Class 1 or 2 application, serve a copy of the decision and the new tolls on each interested party and on any other person who has filed a submission pursuant to paragraph 12.
15. Except as specified above, the procedures governing applications shall be in accordance with the draft *NEB Rules of Practice and Procedure*.
16. The company shall furnish to the Board's office in Calgary one (1) copy and to the Board's office in Ottawa twenty (20) copies:
  - (a) within thirty (30) days after the end of each month, of revised forecasts of throughput by quarter and rate of return on equity, for the full test year, taking into account actual results to date and supported by appropriate information;
  - (b) within forty-five (45) days after the end of each quarter of the test year, of actual test year results to date by quarter and revised forecasts for the full test year by quarter, of the following: revenue, cost of service, return and rate of return on rate base and equity, supported by appropriate information and in accordance with the policies and principles approved by the Board at the most recent public hearing; such supporting information should include explanation of significant variances; and
  - (c) by 1 December, of the company's annual financial forecast for the coming year if a toll application has not been filed for that year.
17. The company shall make available for public viewing at its head office copies of the reports described in paragraph 16, covering the most recent two-year period.
18. The company shall, when it has a mid-year toll application before the Board, serve on each interested party referred to in paragraph 8, one (1) copy of each report filed pursuant to paragraph 16. The reports shall be served on interested parties and filed with the Board concurrently.
19. The Board may require the company to furnish from time to time such additional information as the Board deems necessary.

AND IT IS FURTHER ORDERED THAT:

This Order shall come into effect on 14 February 1991 and Orders TO-6-85 and AO-1-TO-6-85 shall be revoked effective 13 February 1991.

NATIONAL ENERGY BOARD

Marie Tobin  
Secretary

Attach.

Attachment 1

Date:

File:

**Trans-Northern Pipelines Inc. ("TNPI")  
Schedule for Processing Class \_\_\_\_ Application  
dated \_\_\_\_\_**

The procedures applicable to TNPI toll applications to the National Energy Board (NEB) are set out in NEB Order TO-9-90. Pursuant to paragraph 9 of that Order, TNPI has determined that the following dates are the deadlines for the various steps described in the Order for processing the above-noted toll application. Parties are directed to refer to the Order to determine the service requirements associated with each step. As indicated in the Order, unless otherwise directed by the NEB these dates are final.

**Procedure described in T0-9-90**

**Filing due no later than**

Filing of Application with NEB

\_\_\_\_\_

Interested Party Information  
Requests to Applicant

\_\_\_\_\_

Applicant's Response to Interested  
Party Information Requests

\_\_\_\_\_

Interested Party Submissions

\_\_\_\_\_

Applicant's Reply to Interested  
Party Submissions

\_\_\_\_\_

(signature)