



## National Energy Board Approves New Tolls for TransCanada Mainline

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On March 27, 2013 the National Energy Board (the Board) provided their ruling on TransCanada's application to revise the toll structure for TransCanada's mainline pipeline. According to the [Board's decision](#), the new "multi-year fixed tolls are competitive and provide TransCanada with a reasonable opportunity to recover its mainline costs, given the increase in mainline throughput that is forecast". In the short term, the Board's decision has the effect of significantly decreasing the transportation toll from Empress, Alberta, to Dawn, Ontario, to \$1.42 per gigajoule as opposed to \$2.58 per gigajoule for 2013 had the Board not made changes to the tolling structure. The tolls are expected to remain in effect through 2017. In their decision, the Board noted that the Mainline faces challenges but "tolls cannot continue to increase each year in response to throughput decline". The Board did approve some elements of TransCanada's proposal giving TransCanada some flexibility in allocating costs on the Mainline and increasing the rate of return that it could earn should higher throughput on the Mainline be achieved.

Historically, the Mainline system once carried as much as 6 billion cubic feet of natural gas per day. However, increasing gas production from the Eastern United States, from supplies such as the Marcellus shale field in Pennsylvania, have resulted in decreasing throughput on the Mainline resulting in increasing tolls for shippers on the line. The decision comes more than 18 months after TransCanada first asked the Board to reconsider the tolling structure on the Mainline.

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