



A Joint Venture of Enbridge and Pembina

Alliance Pipeline
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Canada

September 13, 2022

E-FILE

Canada Energy Regulator
Suite 210, 517 10th Avenue SW
Calgary, Alberta, T2R 0A8

Attention: Ramona Sladic, Secretary of the Commission

**Re: Alliance Pipeline Limited Partnership
Application for Revised Tolls and Tariff Amendments, Effective November 1, 2022
Annual Adjustment of Pipeline Abandonment Surcharges**

Dear Ms. Sladic:

Pursuant to Paragraph 229(1)(b) of the *Canadian Energy Regulator Act*, Alliance Pipeline Ltd., as general partner for and on behalf of Alliance Pipeline Limited Partnership, (“Alliance”) hereby submits revised toll and tariff amendments for approval by the Commission of the Canada Energy Regulator (“Commission”). The attached toll and tariff amendments reflect the annual adjustment of Alliance’s Pipeline Abandonment Surcharges, to take effect November 1, 2022.

For the Commission’s reference, clean and redlined versions of Alliance’s revised Tariff are attached hereto in Appendices II and III, respectively. In addition, and in accordance with the Commission’s standing directive,¹ Alliance is also filing for the Commission’s information a copy of the currently effective Alliance Transportation Access Policy (“ATAP”), attached hereto in Appendix IV.

Pipeline Abandonment Surcharge – Annual Adjustment

In accordance with the National Energy Board’s (“NEB”) RH-002-2014 Decision issued in July 2015, Alliance maintains revenue deferral accounts by toll design zone that record the variances between forecasted Pipeline Abandonment Surcharge revenue and actual collected Pipeline Abandonment Surcharge revenue to allow it to track and true-up the Pipeline Abandonment Surcharges from year to year.² Alliance conducts this annual tolling true-up process each year to coincide with the November 1st start of the industry gas year.

The derivation of the updated Pipeline Abandonment Surcharges for November 1, 2022 is illustrated in Appendix I attached hereto. The first step in the process is the establishment of the revenue to be collected over the upcoming year, to be then set aside in Alliance’s abandonment trust. The starting point for this exercise is Alliance’s currently approved Annual Contribution Amount (“ACA”) of \$11,572,278,³ which is allocated across Alliance’s three toll design zones

¹ See NEB Letter Decision dated July 21, 2016, page 4 [Filing ID [A78635](#)].

² See NEB RH-002-2014 Reasons for Decision, Chapter 7.3, Page 61 [Filing ID [A71142](#)].

³ See NEB Letter Decision dated October 24, 2018 [Filing ID [A95101](#)].

(Receipt Zone 1, Receipt Zone 2, and a Delivery Zone) in conjunction with the established cost allocation methodology. The next step is to apply adjustments based on known prior period (over)/under revenue collections. For the purpose of these annual tolling true-up adjustments, Alliance utilizes the Pipeline Abandonment Surcharge revenue deferral account balances for the 12-month prior period ending on June 30th. This adjustment produces a net ACA total of \$9,359,610, as shown in the table below, to be collected over the 12-month period commencing November 1, 2022.

Annual Contribution Amount (ACA)	Total	Receipt Z1	Receipt Z2	Delivery
CER-Approved ACA	\$11,572,278	\$6,480,476	\$1,157,228	\$3,934,575
Prior Period Deferrals (Over)/Under	(\$2,212,668)	(\$1,051,408)	(\$609,840)	(\$551,420)
Adjusted ACA - November 1, 2022	\$9,359,610	\$5,429,068	\$547,387	\$3,383,154

The revised Pipeline Abandonment Surcharges, effective November 1, 2022, are commodity type tolls developed using a throughput forecast for each of the toll design zones, reflecting a combination of past experience and a forward outlook. Using the above adjusted zonal ACA amounts for November 1, 2022 and the applicable throughput forecasts, the resultant Pipeline Abandonment Surcharges for the new gas year are shown in the table below.

Service Type	Nov 1, 2021		Variance	Nov 1, 2022	
	\$/10³m³	\$/mcf		\$/10³m³	\$/mcf
Receipt Service - Zone 1	0.50	0.014	-28%	0.36	0.010
Receipt Service - Zone 2	1.02	0.029	-53%	0.48	0.014
Delivery Service	0.30	0.008	-27%	0.22	0.006
Full Path Service - Zone 1	0.80	0.023	-28%	0.58	0.016
Full Path Service - Zone 2	1.32	0.037	-47%	0.70	0.020

As stated previously, the toll adjustments take into account the (over)/under collection of abandonment toll revenue from the prior year and are calculated using a throughput forecast for the upcoming year. The over collection of revenue that was recorded in each of the abandonment surcharge revenue deferral accounts, combined with an increased flow forecast as compared to that used for the previous year, has resulted in significant reductions in the respective abandonment surcharges for November 1, 2022.

The resultant Pipeline Abandonment Surcharges to be implemented November 1, 2022 are reflected in Schedule "A" of each of the Toll Schedules for Firm Receipt, Delivery and Full-Path Service, and in Schedule "A" of each of the Toll Schedules for Interruptible Receipt, Delivery and Full-Path Service, as illustrated in the attached clean and redlined tariff versions (see Appendices II and III, respectively).

Consultation

Alliance initially raised the issue of revised Pipeline Abandonment Surcharges for November 1, 2022 with its shippers through an email to the Canadian Alliance Pipeline Shipper Task Force (“CAPSTF”), dated August 17, 2022, which contained a presentation outlining the toll adjustment calculation, along with the associated proposed tariff sheet amendments. In addition, the proposed revised Pipeline Abandonment Surcharges for November 1, 2022 were presented and discussed at the September 6, 2022 CAPSTF meeting. Alliance is not aware of any shipper opposition to the above-referenced proposed toll revisions and tariff amendments. By copy of this filing, Alliance has provided notice to its shippers of the proposed changes to its Pipeline Abandonment Surcharges and Tariff for November 1, 2022. In this connection, Alliance understands that any party that may yet have concerns about this submission may advise the Commission accordingly.

Requested Relief

Alliance hereby applies to the Commission for an Order pursuant to Paragraph 229(1)(b) of the *Canadian Energy Regulator Act*, approving its proposed Pipeline Abandonment Surcharge tolls and the associated tariff amendments, as provided hereto in Appendices II and III, effective November 1, 2022.

Alliance is inviting interested parties to file comments, if any, with the Commission regarding this application and serve a copy on Alliance by noon Calgary time on September 20, 2022. Alliance will file its reply, if any, with the Commission and serve a copy on all interested parties no later than noon Calgary time on September 23, 2022.

Please contact the undersigned if you have any questions.

Sincerely,

Alliance Pipeline Ltd.
by Enbridge Alliance (Canada) Management Inc.,
in its capacity as Physical Services Operator



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Attachments

cc: Canadian Alliance Pipeline Shipper Task Force
Alliance Pipeline Shippers