



File Ad-GA-RG-CR 01 01  
9 December 2009

To: Cost Recovered Companies  
All power line companies regulated by the Board  
Companies participating in the Cost Recovery Liaison Committee  
Canadian Electricity Association

Dear Madam or Sir:

***Amendment of the National Energy Board Cost Recovery Regulations***

The National Energy Board (NEB) has completed the process for amending the *National Energy Board Cost Recovery Regulations* (the Regulations). The amended Regulations received Governor in Council approval on 19 November 2009, and were published in the *Canada Gazette*, Part II on 9 December 2009. The Regulations will come into force on 1 January 2010.

The substantive changes in the Regulations affect regulated electricity companies only. The amendments are designed to ensure a more equitable recovery of costs from the electricity industry and improve the clarity and effectiveness of the cost recovery system. They require that costs currently recovered from electricity exporters be instead recovered from NEB-regulated power line companies that transport electricity. Each company is allocated a levy based on the annual amount of energy that it transmits. There will also be a levy on newly approved power line companies equal to 0.2% of the capital cost to construct the applied-for facilities.

The amended Regulations contain minor revisions to the existing definitions relating to pipeline companies. The definitions better mirror the wording in the *National Energy Board Act* and now include a reference to both construction and operation. These changes do not affect the administration of the Regulations nor the application or amount of cost recovery from pipeline companies.

The amended *National Energy Board Cost Recovery Regulations* can be accessed via the NEB website at: [www.neb-one.gc.ca](http://www.neb-one.gc.ca). Click on "Acts and Regulations" then on "Rules, Regulations, Guidelines, Guidance Notes and Memoranda of Guidance pursuant to the National Energy Board Act" and "Cost Recovery".

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The NEB will be communicating in the near future with affected companies regarding these changes. For more information, please contact Dan Philips ([dan.philips@neb-one.gc.ca](mailto:dan.philips@neb-one.gc.ca)), Senior Financial Advisor, at 403-299-7884, or contact the Board at its toll free number: 1-800-899-1265.

Yours truly,

A handwritten signature in black ink that reads "AnneMarie Erickson". The signature is written in a cursive style with a long, sweeping tail on the "n" of Erickson.

Anne-Marie Erickson  
Acting Secretary of the Board