

National Energy  
Board



Office national  
de l'énergie

File Ad-GA-RG-CR 01 01  
17 August 2009

To: Cost Recovery Companies  
Companies participating in the Cost Recovery Liaison Committee  
Canadian Electrical Association

Dear Madam or Sir:

**Project to amend the *National Energy Board Cost Recovery Regulations***

Between 2004 and 2006, the National Energy Board (NEB) conducted an extensive consultation process on proposed amendments to the *National Energy Board Cost Recovery Regulations*.

In January 2006, companies were invited to provide comments on a proposed Electricity Cost Recovery Concept. After reviewing the comments received, the Board was satisfied that the Electricity Cost Recovery Concept was equitable and that it was in a position to proceed with drafting new regulatory text towards making the changes to implement the Electricity Cost Recovery Concept. On 8 August 2009, the draft regulations were pre-published in the *Canada Gazette* Part 1, August 8, 2009, Vol. 143, No. 32. A link to this edition of the *Canada Gazette* can be found in the *What's New* on the NEB's web site ([www.neb-one.gc.ca](http://www.neb-one.gc.ca)).

Pre-publication in Part 1 of the *Canada Gazette* is an official public comment process. Any party can provide comments on the draft regulations within the 30-day period following the publication date. The NEB will consider all comments received and, if necessary, make changes to the regulations in response to the issues raised. Once it is satisfied with the regulations, the NEB will again seek approval of the regulations and bring them into force.

The changes to the regulations relate to the electricity industry. Currently, National Energy Board costs related to electricity are billed to companies authorized to export electricity. With the new proposed regulations, these same costs will be billed to international and interprovincial power line companies, based on the amount of energy that they transmit. There will also be a levy on newly regulated power line companies equal to 0.2% of the capital cost to construct the applied-for facilities. Changes to the regulations are proposed to come into force on 1 January 2010.

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In the May 2006 Electricity Cost Recovery Concept, the NEB had proposed to change the regulations to align the cost recovery year with the Board's fiscal year. Please note that the NEB has not proceeded with this change and it is not part of the draft regulations.

If you have any questions regarding this matter, please contact Jim Fox ([jim.fox@neb-one.gc.ca](mailto:jim.fox@neb-one.gc.ca)), Team Leader, Regulatory Development, at 403-299-3628.

Yours truly,

A handwritten signature in cursive script that reads "AnneMarie Erickson".

Anne-Marie Erickson  
Acting Secretary of the Board