

EXCHANGE OF NOTES BETWEEN THE GOVERNMENT OF CANADA AND
THE GOVERNMENT OF THE UNITED STATES OF AMERICA AMEND-
ING THE AGREEMENT ON THE PRINCIPLES APPLICABLE TO THE
NORTHERN NATURAL GAS PIPELINE SIGNED SEPTEMBER 20, 1977

I

*The Ambassador of Canada to the Secretary of State
of the United States of America*

Washington, D.C., June 6, 1978

No. 255

Sir,

I have the honour to refer to the Agreement between Canada and the United States of America on Principles Applicable to a Northern Gas Pipeline, signed at Ottawa on September 20, 1977⁽¹⁾. The National Energy Board, as the appropriate Canadian regulatory authority under Paragraph 10 of the Agreement, has recommended approval by the Government of Canada of 56-inch pipe for the section of the Northern Natural Gas Pipeline between Whitehorse, Yukon and Caroline Junction, Alberta. In light of this decision, I have the honour to propose that Annex III of the Agreement be amended by adding the following:

"Addendum

The field capital costs specified in Annex III shall be deemed to include all normal pipeline costs incurred in constructing the gas pipeline facilities in Canada, except those specifically excluded in the provisions of the Annex, and include such items as an allowance for funds used during construction. The filed capital costs in Annex III shall also be deemed to include an allowance on and recovery of regulatory monitoring costs.

The following additions shall be made to the tabulations contained in Part (iii) of Annex III:

- (A) To the table captioned: " 'Filed Capital Costs' Estimates for the Pipeline in Canada (millions of Canadian dollars): The Pipeline in Canada (Zones 1-9)", insert as line four the following phrase: "or 56" — 1080 lb. pressure pipeline — 4,325".
- (B) Footnote 1, subpart (b) to the said table shall be modified to read in its entirety:
“(b) a 1260 psi, 48-inch; or 1680 psi, 48-inch; or 1120 psi, 54-inch; or 1080 psi, 56-inch line from the point of possible interconnection near Whitehorse to Caroline Junction;”

⁽¹⁾Treaty Series No. 1977/26