



ATCO Shipper Meeting-Contract Transition & Elections

May 3/5, 2011



Agenda



- Contract transition process
- Planning for contract transition
- TransCanada Credit processes
- Contract election forms
- Training plans
- Questions

Election process



- **May 13 – No more ATCO transfers - contracts frozen**
- **June 2 – Election forms to customers**
- **June 16 – Elections made and forms returned**
 - NGTL evaluates and confirms election requests
- **June 30 – Contracts to customers for execution**
- **July 15 – Contracts returned to TransCanada**
 - verifications and input into Alberta systems
- **Aug 1 – ATCO Integration implemented**

Considerations Prior to Election



- **Incremental requirements (all services)**
 - Request as soon as possible!
- **How to Prepare for Election Period?**
 - Confirm contract levels - FT-D to meet peak requirements?
 - Determine optimal contract term
 - term differentiated rates?
 - FT-P opportunities?
- **Potential Customer issues**
 - Are regulatory approvals required – utility customers
 - What internal authorizations required to sign NGTL contracts?
 - Credit considerations (customer specific)

Credit and Financial Assurances



- **Alberta System Transportation Procedures**
 - NGTL reviews all customers and potential customers to determine if financial assurances are required
 - The provision of financial assurances, when requested, is a condition for obtaining and continuing service on the NGTL system

Credit and Financial Assurances



- **Determination of Creditworthiness**

- NGTL determines the creditworthiness of a customer by using information provided by the customer which may include, but is not limited to the following; audited financial statements, credit ratings, business information and other information as may be mutually agreed to by the parties in assessing the financial position of a customer

Credit and Financial Assurances



- **Acceptable Financial Assurances**
 - NGTL may request a customer to provide it with an irrevocable letter of credit or other assurance acceptable to NGTL, which may include a financial guarantee from a parent, in form and substance satisfactory to NGTL

Credit and Financial Assurances



- **Amount of Financial Assurances**

- For Demand based charges the maximum amount of assurances NGTL may request shall be an amount equal to; the aggregate of all rates, tolls, charges or other amounts payable (including taxes) to NGTL for a period of seventy (70) days
- For Commodity based charges the amount of assurances shall be based on the daily average of the actual charges billed for service for the preceding twelve (12) months for a period of seventy (70) days

Sample Election form - Handouts



NGTL Election Form - Receipt and Delivery Services

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STEP 1: In the yellow cells please enter your Elected Service Termination Dates.

STEP 2: Please sign and return by June 16, 2011. Email: alberta_contracting@transcanada.com or Fax: **403.920.2341**

Customer Legal Name: Test Company Oil & Gas (the "Customer")
Mnemonic: TEST

Current Contract Details as of 1-Aug-2011:

Contract Number	Service Type	Receipt/Delivery Point Number and Name	Contract Demand (GJ/day)	Service Start Date	Service Termination Date
111111	FSD	1460:Adrian Lake	500	1-Nov-2009	Evergreen
222222	FSD	1460:Adrian Lake	300	1-Nov-2009	31-Oct-2013
333333	FSU	4657:Beaumont Tap	1,000	1-Nov-2009	31-Oct-2020

New Contract Details Start Date: 1-Aug-2011

Contract Number	Service Type	Receipt/Delivery Point Number and Name	Contract Demand (GJ/day)/(10 ³ m ³ /day)	Elected Contract Demand (GJ/day)/(10 ³ m ³ /day)	Primary Term Start Date	Primary Term End Date	Secondary Term Start Date	Minimum Service Termination Date	Elected Service Termination Date	Price Point
TBD	FT-D2	31508:Adrian Lake APN	500	500			1-Aug-2011	31-Oct-2011	31-Oct-2016	X - 90%
TBD	FT-D2	31508:Adrian Lake APN	300	300	1-Aug-2011	31-Oct-2013		31-Oct-2013	31-Oct-2013	Z - 100%
TBD	FT-D3	31509:Beaumont Tap APN	1,000	1,000	1-Aug-2011	31-Jul-2016	1-Aug-2016	31-Aug-2019	31-Aug-2019	X - 90%
TBD	IT-D:	Blanket Service includes all Delivery Points								

Customer hereby agrees to the elections and the conversion of its existing transportation service contracts as set out herein, and shall enter into the new service documents related thereto on or before July 15th, 2011.

Test Company Oil & Gas

Per: _____

Per: _____

Upcoming meeting topics / activities



- **Operational workshops for ATCO Shippers**
 - May 4/5, 2011 – Final preparations before elections
- **TransCanada to initiate election process June 2, 2011**
- **Training topics – June/July**
 - Nom Entry
 - Inventory
 - Supply Demand Balance zones
 - Gas Balance Recovery
 - Prior Period Adjustments

Upcoming meeting topics / activities



- **Training topics for new Customers (June/July)**
 - Set up
 - Training
- **Training dates will be communicated in May**

Questions?

