


MADE at the City of Calgary, in the Province of Alberta, on  20th day of July 2007.	 ALBERTA ENERGY AND UTILITIES BOARD
NOVA Gas Transmission Ltd. Tolls, Tariff, Facilities and Procedures Committee Resolution T2007-03 – STFT Bid Process Simplification	Application No. 1515365

## 1 INTRODUCTION AND BACKGROUND

NOVA Gas Transmission Ltd. (NGTL) filed an application dated June 13, 2007 (the Application) with the Alberta Energy and Utilities Board (the Board) under Part 4 of the *Gas Utilities Act*, R.S.A. 2000, c. G-5, as amended, for approval of amendments to its Tariff related to Short Term Firm Transportation (STFT).

The Board issued a Notice of Application on July 3, 2007, with parties to file a submission by July 10, 2007. No interventions were received from parties. The Board considers the record of the Application closed on July 3, 2007.

## 2 DETAILS OF THE APPLICATION

NGTL submitted that the proposed amendments will simplify the bid process for customers requesting STFT service. Currently, customers submit a fully executed Rate Schedule, Service Agreement and Schedule of Service for all STFT bids. NGTL submitted that it is proposing to simplify this process by requiring all customers who intend to bid for STFT enter into an STFT Service Agreement that no longer expires automatically. Customers will then be required to submit only a one page Schedule of Service to support each subsequent bid.

NGTL noted that on June 12, 2007, the Tolls, Tariff, Facilities and Procedures Committee (TTFP) supported the proposed amendments by unopposed Resolution T2007-03. NGTL submitted that it had notified its shippers and members of the TTFP of the availability of the filing of the Application on TransCanada's Alberta System website.

In the Application, NGTL attached TTFP Resolution T2007-03, a black-lined copy of relevant pages of the Tariff illustrating the proposed amendments, and a clean copy of the relevant sections of the Tariff incorporating the amendments.

NGTL requested the Board to render a decision on the proposed amendments by August 15, 2007, in order to allow for implementation effective September 1, 2007.

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## **RATE SCHEDULE STFT**

### **SHORT TERM FIRM TRANSPORTATION - DELIVERY**

#### **1.0 DEFINITIONS**

**1.1** The capitalized terms used in this Rate Schedule have the meanings attributed to them in the General Terms and Conditions of the Tariff unless otherwise defined in this Rate Schedule.

#### **2.0 SERVICE DESCRIPTION AND AVAILABILITY**

**2.1** Subject to the stated terms and conditions, service under Rate Schedule STFT shall mean the delivery of gas to Customer at Customer's Export Delivery Points (the "Service") which includes the transportation of gas Company determines necessary to provide services under the Tariff.

**2.2** The Service is available to any Customer requiring the delivery of gas at designated Export Delivery Points provided that:

- (a) Customer has executed a Service Agreement and Schedule of Service under Rate Schedule STFT; and
- (b) Company has accepted Customer's bid pursuant to article 5.0 of Appendix "A" of the Tariff.

**2.3** A standard form Service Agreement for Service under this Rate Schedule STFT is attached.

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### 3.0 STFT BID PRICE

3.1 Each Customer bid shall set out the bid price expressed as a percentage, which shall not be less than 100% (the “STFT Bid Price”) of the applicable FT-D Demand Rate listed from time to time in the Table of Rates Tolls and Charges. .

### 4.0 CHARGE FOR SERVICE

#### 4.1 Aggregate of Customer's Monthly Demand Charge

The aggregate of Customer’s monthly demand charge for a Billing Month for Service made available under Rate Schedule STFT shall be equal to the sum of the monthly demand charges for each of Customer’s Schedules of Service under Rate Schedule STFT, determined as follows:

$$\text{MDC} = \sum P \times F \times \left( A \times \frac{B}{C} \right)$$

Where:

“MDC” = the aggregate of the demand charges applicable to such Schedules of Service for such Billing Month;

“P” = the STFT Bid Price applicable to such Schedule of Service

“F” = the FT-D Demand Rate;

“A” = each Export Delivery Contract Demand in effect for all or a portion of such Billing Month for such Schedule of Service;

“B” = the number of days in such Billing Month that Customer was entitled to such Export Delivery Contract Demand under such Schedule of Service; and

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“C” = the number of days in such Billing Month.

#### 4.2 Aggregate of Customer’s Surcharges

The aggregate of Customer’s Surcharges for a Billing Month shall be equal to the sum of all Surcharges set forth in the Table of Rates, Tolls and Charges applicable to each of Customer’s Schedules of Service under Rate Schedule STFT.

#### 4.3 Aggregate of Customer’s Over-Run Gas Charges

The aggregate of Customer’s charges for Over-Run Gas in a Billing Month for Service under Rate Schedule STFT shall be equal to the sum of the monthly charges for Over-Run Gas for each Export Delivery Point at which Customer is entitled to Service under Rate Schedule STFT, determined as follows:

$$\text{MOC} = Q \times Z$$

Where:

“MOC” = the monthly charge for Over-Run Gas at the Export Delivery Point;

“Q” = total quantity of gas allocated to Customer by Company as Over-run Gas in accordance with paragraph 4.5 for Service under all Rate Schedules at such Export Delivery Point for such Billing Month;

“Z” = the IT-D Rate at such Export Delivery Point.

#### 4.4 Aggregate Charge for Service

Customer shall pay for each Billing Month the sum of the amounts calculated in accordance with paragraphs 4.1, 4.2 and 4.3.

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#### **4.5 Allocation of Gas Delivered**

Notwithstanding any other provision of this Rate Schedule, any Service Agreement or the General Terms and Conditions of the Tariff, and without regard to how gas may have been nominated, the aggregate quantity of gas delivered to Customer at an Export Delivery Point shall be allocated for billing purposes as follows:

- (i) first to service to Customer under Rate Schedule LRS-2 to a maximum of such Eligible LRS-2 Volumes for the A/BC Export Delivery Point under such Rate Schedule LRS-2;
- (ii) secondly to service to Customer under Rate Schedule FT-DW and Rate Schedule STFT to a maximum of such Customer's allocated FT-DW Capacity and STFT Capacity for such Export Delivery Point under each such Rate Schedule FT-DW and Rate Schedule STFT;
- (iii) thirdly to service to Customer under Rate Schedule FT-D to a maximum of such Customer's Export Delivery Contract Demand for such Export Delivery Point under such Rate Schedule FT-D; and
- (iv) fourthly to service to Customer under Rate Schedule IT-D. If Customer is not entitled to service under Rate Schedule IT-D at such Export Delivery Point, gas shall be allocated as Over-Run Gas and charged in accordance with paragraph 4.3.

#### **5.0 TERM OF SERVICE AGREEMENT**

**5.1** The term for any Schedule of Service under Rate Schedule STFT shall be for a minimum of 7 days and a maximum of 1 year less 1 day and shall end on the last day of a month.

**5.2** Customer's Service Agreement under Rate Schedule STFT shall be in full force and effect until terminated in accordance with paragraph 5.3.

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**5.3** Company or Customer shall be entitled to terminate Customer's Service Agreement under Rate Schedule STFT upon at least 60 days prior written notice of such termination. Upon expiration of the aforesaid 60 day period, such Service Agreement shall terminate and be of no further force or effect; provided that nothing herein shall relieve any party from any obligations which arose prior to the effective date of such termination, including all obligations under Customer's Schedules of Service in force on the effective date of such termination.

## **6.0 ASSIGNMENTS**

**6.1** The Customer shall not be entitled to assign any Schedule of Service under Rate Schedule STFT.

## **7.0 TITLE TRANSFERS**

**7.1** A Customer entitled to receive Service under Rate Schedule STFT may transfer all or a portion of Customer's Inventory to another Customer or may accept a transfer of all or a portion of Customer's Inventory from another Customer provided such Customer is entitled to receive service under any Rate Schedule that permits title transfers and such title transfer is in accordance with the Terms and Conditions of Service Respecting Title Transfers in Appendix "C" of the Tariff.

## **8.0 GENERAL TERMS AND CONDITIONS**

**8.1** The General Terms and Conditions of the Tariff and the provisions of any Service Agreement for Service under Rate Schedule STFT are applicable to Rate Schedule STFT to the extent that such terms and conditions and provisions are not inconsistent with this Rate Schedule.

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**SERVICE AGREEMENT  
RATE SCHEDULE STFT**

BETWEEN:

NOVA Gas Transmission Ltd., a body corporate having an office in Calgary,  
Alberta (“Company”)

- and-

•, a body corporate having an office in •, • (“Customer”)

IN CONSIDERATION of the premises and the covenants and agreements herein contained, the parties covenant and agree as follows:

1. Customer acknowledges receipt of a current copy of the Tariff.
2. The capitalized terms used in this Service Agreement have the meanings attributed to them in the General Terms and Conditions of the Tariff, unless otherwise defined in this Service Agreement.
3. Customer requests and Company agrees to provide Service pursuant to Rate Schedule STFT in accordance with the attached Schedules of Service. The Service will commence on the Billing Commencement Date and will terminate, subject to the provisions of this Service Agreement, on the Service Termination Date.

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4. Customer agrees to pay to Company each Billing Month, for all Service rendered under this Service Agreement, an amount equal to the aggregate charges for Service described in Rate Schedule STFT.
  
5. Customer shall:
  - (a) provide such assurances and information as Company may reasonably require respecting any Service to be provided pursuant to this Rate Schedule STFT including, without limiting the generality of the foregoing, an assurance that necessary arrangements have been made among Customer, producers of gas for Customer, purchasers of gas from Customer and any other Person relating to such Service, including all gas purchase, gas sale, operating, processing and common stream arrangements; and
  
  - (b) at Company's request provide Company with an assurance that Customer has provided the Person operating facilities downstream of any Delivery Point in respect of which Customer has the right to receive service with all authorizations necessary to enable such Person to provide Company with all data and information reasonably requested by Company for the purpose of allocating quantities of gas delivered by Company among Company's Customers and to bind Customer in respect of all such data and information provided.

If Customer fails to provide such assurances and information forthwith following request by Company, from time to time, Company may at its option, to be exercised by notice to Customer, suspend the Service to which such assurances and information relate until such time as Customer provides the assurances and information requested, provided however that any such suspension of Service shall not relieve Customer from any obligation to pay any rate, toll, charge or other amount payable to Company.

6. Customer acknowledges that the Facilities have been designed based on certain assumptions and forecasts described each year in Company's Annual Plan, and that



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interruption and curtailment of Service may occur if the aggregate gas quantity actually received or the aggregate gas quantity actually delivered at the Facilities is different than forecast.

7. Every notice, request, demand, statement, bid or bill (for the purpose of this paragraph, collectively referred to as “Notice”) provided for in Rate Schedule STFT, this Service Agreement and the General Terms and Conditions, or any other Notice which either Company or Customer may desire to give to the other, shall be in writing and each of them and every payment provided for shall be directed to the Person to whom given, made or delivered at such Person's address as follows:

Customer:

- 
- 
- 
- Attention: •
- Fax: •

Company:

- 
- 
- 
- Attention: Customer Account Representative
- Fax: •

Notice may be given by fax or other telecommunication and any such Notice shall be deemed to be given four (4) hours after transmission. Notice may also be given by personal delivery or by courier and any such Notice shall be deemed to be given at the time of delivery. Any Notice may also be given by prepaid mail and any such Notice shall be deemed to be given four (4) business days after mailing, Saturdays, Sundays and

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statutory holidays excepted. In the event of disruption of regular mail, every payment not made electronically shall be personally delivered, and any other Notice shall be given by one of the other stated means.

Any Notice for the matters listed in the Notice Schedule for Electronic Commerce in Appendix “F” of the Tariff shall be given via EBB. Company shall not accept or provide any such Notice for those matters listed in Appendix “F” via any other alternative means, unless the EBB is inoperative or Customer is unable to establish connection with the EBB, in which case Notice shall be given by any other alternative means set out herein. Any Notice given by the EBB shall be deemed to be given one (1) hour after transmission.

Any Notice may also be given by telephone followed immediately by EBB, fax, personal delivery, courier or prepaid mail, and any Notice so given shall be deemed to have been given as of the date and time of the telephone notice.

8. The terms and conditions of Rate Schedule STFT, the General Terms and Conditions and Schedule of Service under Rate Schedule STFT are by this reference incorporated into and made a part of this Service Agreement.

IN WITNESS WHEREOF the parties have executed this Service Agreement by their proper signing officers duly authorized in that behalf all as of the • day of •, •.

•  
Per: \_\_\_\_\_

NOVA Gas Transmission Ltd.  
Per : \_\_\_\_\_

Per: \_\_\_\_\_

Per : \_\_\_\_\_

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**SCHEDULE OF SERVICE  
 RATE SCHEDULE STFT**

**CUSTOMER:** •  
 •  
 •  
 •

ATTENTION: •  
 PHONE: •

FAX: •

Schedule of Service Number	Export Delivery Point Number and Name	Maximum STFT Capacity GJ/d	Minimum STFT Capacity GJ/d	STFT Bid Price Percentage of FT-D Demand Rate	Service Commencement Date	Service Termination Date	Allocated STFT Capacity GJ/d
• • •		•	•	•	•	•	•

THIS SCHEDULE FORMS PART OF THE SERVICE AGREEMENT DATED • AND SHALL BE DEEMED TO BE ATTACHED THERETO.

•  
 Per: \_\_\_\_\_

NOVA Gas Transmission Ltd.  
 Per : \_\_\_\_\_

Per: \_\_\_\_\_

Per : \_\_\_\_\_

### **3 VIEWS OF THE BOARD**

The Board notes NGTL's submission that on June 12, 2007, the TTFP supported the proposed amendments filed in the Application by unopposed Resolution T2007-03. The Board further notes that NGTL has provided notice of the filing of the Application to its shippers and to members of the TTFP via TransCanada's Alberta System website.

The Board has reviewed the proposed amendments and finds them to be reasonable as they simplify the bid process for customers requesting STFT service. The Board notes that no comments were submitted by parties regarding the Application. Accordingly, for the above reasons, the Board approves the Application as filed. The Board directs NGTL to advise its shippers and members of the TTFP of this Order.

### **4 ORDER**

IT IS HEREBY ORDERED THAT:

- (1) The Rate Schedule for Short Term Firm Transportation (STFT) service, as set out in Appendix A to this Order, is approved effective September 1, 2007.

END OF DOCUMENT