

Tolls, Tariff, Facilities & Procedures Committee

Amended Resolution T2015-01: NGTL Delivery Service Attributes – Sub-issue 2.1 (“Resolution”).

Any uppercased term not defined herein will have the meaning set out in NGTL’s Gas Transportation Tariff.

Sponsor: NOVA Gas Transmission Ltd. (“NGTL” or “Company”)

Resolution

The Tolls, Tariff, Facilities and Procedures Committee (“TTFP”) agrees that notwithstanding Resolution T2006-03 the process set out in this Resolution shall apply to FT-D Group 2 service transfers pursuant to Article 7 of Rate Schedule FT-D. The process below, applies to transfers of service between FT-D Group 2 Delivery Points only. FT-D Group 1 and Group 3 transfers shall continue to be subject to the process for transfers of service set out in Resolution T2006-03.

The process for FT-D Group 2 service transfers between Group 2 Delivery Points pursuant to Article 7 of the Rate Schedule FT-D is as follows:

1. Daily FT-D Group 2 transfers (“the Pilot”) will be processed on a best efforts basis with no service standard regarding processing times.
2. The Pilot is subject to change, validation, or extension through the current Rate Design and Service taskforce negotiations.
3. NGTL has the discretion to suspend the Pilot if unforeseen harm or unintended negative consequences to the system are observed.
4. One-way FT-D Group 2 service transfers are not entitled to return to the original FT-D Group 2 Delivery Point. An additional FT-D Group 2 transfer would be required to return the transfer to the original location.

This Resolution shall be effective on a trial basis through the earlier of March 31st, 2018 or as addressed in the Rate Design and Services Task Force (“Trial Period”). Provided, however, if at any time during the Trial Period NGTL determines in its sole discretion that the changes effected by this Resolution may impact the operations or integrity of the NGTL System, NGTL may immediately terminate this Resolution. If the TTFP does not reach consensus on the ongoing treatment of FT-D Group 2 service transfers beyond the Trial Period, the process set out in Resolution T2015-01 Sub Issue 2.1 (semi-monthly process) will apply effective April 1, 2018 to FT-D Group 2 service transfers pursuant to Article 7 of Rate Schedule FT-D.

Background

The TTFP adopted Issue T2015-01: NGTL Delivery Service Attributes on January 20, 2015 and agreed to enter into discussions regarding potential changes to firm transportation delivery service attributes and associated procedures. Subsequent to issue adoption, a Task Force of the TTFP met on February 10, February 19, February 26, April 14 and April 30, 2015 to discuss resolution of the issue and sub-issues.

Specific to sub-issue 2.1, the TTFP provided NGTL with further information related to problem definition for sub-issue 2.1 which has been summarized below.

- Increasing frequency may be useful; however, creating greater flexibility in the transfer process should be the focus (frequency, duration, lead time).
- Transfer flexibility is most needed during unplanned events.
- When there is no restriction or constraint, increasing transfer frequency may be “nice to have” but is not a “need to have”.
- Focus should be on solution with maximum benefit and provided through minimal change.

NGTL assessed limitations associated with the current process to approve/deny transfers and identified that lead time could not be expedited; focus was then aligned to provide flexibility through duration and frequency.

On February 9, 2016 the TTFP voted to extend the Trial Period until December 31, 2016, and for it to remain in effect until March 31, 2017 while TransCanada assessed its effectiveness. After the Trial Period ended, the TTFP agreed to re-convene the original Task Force to further discuss modifications to the monthly transfer process for FT-D Group 2 Delivery Service. Specifically, the Task Force was re-opened to discuss whether the frequency of FT-D Group 2 transfers could be increased.

The Task Force met on April 4, 2017, and TransCanada provided information and education on the delivery transfer process at this meeting. Task Force members provided feedback that the current delivery transfer process is not meeting commercial needs during unplanned outages, and where planned outages do not proceed as planned.

At the May 23, 2017 meeting, NGTL provided Task Force members with two options on how to implement daily FT-D Group 2 transfers. Option 1 was to conclude the Delivery Attributes Task Force, and move the discussion on daily transfers to the Rate Design and Services Task Force. Option 2 was to immediately revise the current Pilot and implement a daily transfer process. Delivery Service Attributes Task Force participants decided to go with Option 2.

Next Steps

- NGTL will issue notification of changes to all NGTL System shippers via NrG Bulletin;
- The amended Resolution will be posted on the Company Website;
- The description for NGTL System FT-D transfers currently available on the Company Website will be updated to reflect changes resulting from the Resolution;
- NGTL to provide update to TTFP regarding daily transfer process performance and effectiveness, including resource impacts experienced by NGTL when sufficient data is obtained.