

**SENT VIA E-MAIL ONLY**

File No.: 1608-3

July 14, 2003

NOVA Gas Transmission Ltd.  
Attention: Ms. Celine Belanger  
450 – 1<sup>st</sup> Street S.W.  
Calgary, Alberta T2P 5H1

Dear Ms. Belanger:

**NOVA GAS TRANSMISSION LTD. (NGTL)  
TOLLS, TARIFF & PROCEDURES COMMITTEE (TTP)  
RESOLUTION T2000-16  
GAS DELIVERY QUALITY – UTILITY TAP FACILITY DEFERRAL ACCOUNT**

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The above noted resolution, attached to your letter dated June 19, 2003, relating to the establishment and use of a Utility Tap Facility (UTF) deferral account, is accepted as a filing for information.

The resolution confirms that the TTP supported the establishment of the UTF deferral account, and also agreed to the Gas Delivery Quality – Gas Quality at Utility Tap Facilities Process (Process). The Process outlines the manner by which payments will be made pursuant to gas quality-related incidents. It is understood that Resolution T2000-16 was unopposed by the TTP at its June 10, 2003 meeting.

The EUB notes that concerns related to the quality of gas delivered from the Alberta System at intra-Alberta UTFs have been raised previously by certain intra-Alberta end-users. Most recently, the Federation of Alberta Gas Co-ops and Gas Alberta Inc. (FGA) intervened with respect to NGTL's 2003 Revenue Requirement and Tariff Settlement applications. The EUB notes that the FGA withdrew its intervention pursuant to NGTL's filing of resolution T2000-16. The EUB also addressed the FGA's intervention in Decision 2003-051, at page 33 as follows:

The Board notes that FGA's gas quality concern has not been resolved and the Board also notes that both FGA and NGTL are working toward resolving the issue through the TTP Committee. The Board agrees with NGTL that the Tariff Application should not be put on hold pending the outcome of the collaborative process, however, the Board is concerned that resolution of the matter has not been achieved after some length of time.

Therefore, if the issue is not resolved in the TTP process, the Board directs that the issue be addressed as part of the 2004 GRA proceeding.

The EUB notes that the maximum aggregate amount that can be charged to the UTF deferral account in any one year is not to exceed \$50,000. Further, NGTL submitted that it does not intend to include a forecast amount for costs related to the UTF deferral account in its 2004 revenue requirement. The EUB considers that the UTF, as described by Resolution T2000-16, is not material, and will not impact NGTL's 2003 or 2004 rates in any event. Accordingly, the EUB accepts NGTL's resolution on the understanding that any aspect of the UTF deferral account or the Process could be addressed at the time of the next General Rate Application, pursuant to an intervention by an NGTL customer, or at the EUB's discretion.

NGTL is directed to distribute the filing, including the resolution, and this letter to its customers. The EUB's letter has been provided in electronic format to facilitate the distribution to customers.

Yours truly,

*<original signed by>*

Robert Heggie  
Executive Manager, Utilities Branch