

**THE PROVINCE OF ALBERTA**

**GAS UTILITIES ACT**

**ALBERTA ENERGY AND UTILITIES BOARD**

IN THE MATTER of approval of  
Amendments to the Nova Gas  
Transmission Ltd. Rate Schedule  
IT-R and the General Terms and  
Conditions of the Tariff to  
incorporate changes to IT-R priority.

**ORDER U2003-418**

**Application No. 1316438**

**File No. 5631-16**

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**1 BACKGROUND**

The Alberta Energy and Utilities Board (the Board) received Application No.1316438, dated October 9, 2003, from Nova Gas Transmission Ltd. (NGTL) requesting, under Part 4 of the Gas Utilities Act, R.S.A. 2000, c. G-5, as amended, approval of amendments to Rate Schedule IT-R and the General Terms and Conditions of the Tariff to incorporate changes to IT-R priority (the Application). NGTL suggested these changes would enable NGTL to provide Blanket IT-R service, pending completion of certain modifications to NGTL's information systems. NGTL proposed to provide the Board and customers a minimum of two-weeks notice of the effective date of the Blanket IT-R service and Tariff amendments.

**2 DETAILS OF THE APPLICATION**

On October 7, 2003, NGTL's Tolls, Tariff and Procedures Committee (TTP) supported the proposed amendments to Rate Schedule IT-R and the general terms and conditions through an unopposed vote on Resolution T2002-04(T). The proposed changes to IT-R priority and the provision of Blanket IT-R service were previously supported by the TTP, by way of Resolution T2002-04, filed with the Board on April 14, 2003.

NGTL noted that the changes to IT-R priority involved modifying the priority of IT-R from 'sign-date' to a 'previous flow' model. NGTL submitted that the new priority methodology removed the major barrier to providing a blanket IT-R service.

NGTL suggested there were efficiency and administrative savings associated with the implementation of the Blanket IT-R service. The 'blanket' attribute of the Blanket IT-R service effectively enabled one service agreement to cover all receipt points, with an evergreen term. NGTL submitted that the implementation costs were reasonable in comparison to the ongoing savings. NGTL suggested that the changes were projected to cost \$20,000, while NGTL's ongoing administrative costs savings were estimated at \$20,000 on an annual basis. NGTL notified its shippers and members of the TTP of the availability of the application on the TransCanada's Alberta System website.

November 27, 2003

On October 27, 2003, the Board issued its Notice of Application summarizing the particulars of the filing and requested that any objections be filed with the Board by November 5, 2003. The Board did not receive any objections.

### **3 BOARD FINDINGS**

The Board is satisfied that customers and interested parties, through the TTP and NGTL's website, were aware of the proposed amendments to IT-R priority and the provision of Blanket IT-R service, and any impacts these changes may have.

The Board notes that the application satisfied the scrutiny of NGTL's TTP committee through an unopposed vote. The Board also accepts NGTL's submission that the proposed amendments to IT-R priority and the provision of Blanket IT-R service would require a reasonable amount of development costs in return for on-going cost savings and administrative simplicity.

Based on a review of the Application, the Board believes that the requested amendments to incorporate changes to IT-R priority are reasonable. The Board accepts that NGTL will provide the Board and customers a minimum of two-weeks notice of the effective date of the Blanket IT-R service and Tariff amendments. Therefore, the Board hereby approves the amendments to Rate Schedule IT-R and the General Terms and Conditions of the Tariff to incorporate changes to IT-R priority.

THEREFORE, it is hereby ordered that:

NGTL's request for approval of amendments to Rate Schedule IT-R and the General Terms and Conditions of the Tariff to incorporate changes to IT-R priority is hereby granted.

Dated in Calgary, Alberta on November 27, 2003.

*(original signed by R.D. Heggie)*

**ALBERTA ENERGY AND UTILITIES BOARD**