


MADE at the City of Calgary, in the Province of Alberta, on 24th day of June 2005.	 ALBERTA ENERGY AND UTILITIES BOARD
NOVA Gas Transmission Ltd. TTFP Resolution T2004-07 Border Queue Review Process	Application No. 1401403

1 BACKGROUND

On May 18, 2005, the Alberta Energy and Utilities Board (the Board) received Application No.1401403 (the Application) from NOVA Gas Transmission Ltd. (NGTL) requesting approval, pursuant to Part 4 of the *Gas Utilities Act*, R.S.A. 2000, c. G-5, as amended, of amendments to its General Terms and Conditions and Appendix A of its Gas Transportation Tariff (Tariff) which would enable Alberta Shippers to acquire available capacity at export delivery points through an open season process.

Notice of the Application was issued via email, on May 25, 2005, to parties on the NGTL 2005 GRA Phase I and Phase II distribution lists and was posted on the EUB and NGTL websites. Interested parties were required to file any submissions or objections to the Application by May 30, 2005. The Board did not receive any objections to the Application.

2 DETAILS OF THE APPLICATION

On December 14, 2004, the Tolls, Tariffs, Facilities & Procedures Committee (TTFP) adopted Issue T2004-07 for the purpose of reviewing and potentially updating the Alberta System Firm Transportation – Delivery (FT-D) queue process for allocating capacity. NGTL filed a request to commence negotiations on Issue T2004-07 on December 16, 2004 submitting that these discussions could result in a change to NGTL's Gas Transportation Tariff. The Board approved NGTL's request by letter dated December 21, 2004.

NGTL submitted that the TTFP met five times to review the current border queue process and to discuss an open season process. NGTL further submitted that the current process did not allow for timely access to available capacity as NGTL was required to offer any available capacity to shippers in the queue. NGTL noted that this could potentially result in shippers leaving requests in the queue as place holders for future capacity when they may not require such capacity.

Major attributes of the proposed open season process were as follows:

- Existing capacity at each border point would be made available on a daily basis unless it was included as part of a process in coordination with downstream pipeline operator(s). Expansion capacity would be made available through a bid process. In coordinated bids, the process for access to border transportation on NGTL would define allocation of NGTL capacity. In addition, border capacity unaffected by a coordinated open season would remain available under the daily open season process. In the event that a downstream connected pipeline desired an extended open season (e.g. – greater than 30 days), NGTL could coordinate the NGTL open season to end at the same closing date while making NGTL capacity available using the daily open season process.
- Available capacity would be bid by customers and awarded based on a combination of toll multiplied by term. Ties between competing bids would be prorated. A customer would have the option of specifying a minimum quantity as a condition of their bid. If NGTL's current postage stamp FT-D toll were to change in the future, the access to border transportation process may need to be reviewed to ensure its continued appropriateness.
- Minimum term would be one year for existing available capacity and ten years for expansion capacity.
- Customers would have an option to condition their bids on being awarded downstream capacity for existing and expansion capacity but not for the daily open season.
- A deposit would be required on existing and expansion capacity bids to be refunded if the customer were awarded capacity.

In the Application, NGTL submitted that on May 10, 2005, the TTFP supported amendments to the Tariff related to the implementation of an open season process through an unopposed vote on Resolution T2004-07. The TTFP agreed that NGTL would initiate an open season in respect of available capacity at all export delivery points by August 1, 2005 with a minimum of one month's notice to Alberta System shippers and the TTFP.

3 BOARD FINDINGS

In its review of Resolution T2004-07, as well as the NGTL Tariff as amended, the Board is satisfied with the nature of the proposed changes and considers that the open season process as applied for will enable Alberta Shippers more efficient access to the NGTL System by allowing for timely access to capacity and increasing the accountability for requests for capacity. The Board also notes that parties did not file any objections in regards to the Application.

The Board agrees with NGTL that if NGTL's current postage stamp FT-D toll were to change in the future, the access to border transportation process may need to be reviewed to ensure its continued appropriateness.

The Board notes that a review of this process by the TTFP is planned for approximately one year after implementation. The Board understands that the intent of this review is to determine if any additional requirements should be made or if any parts are not functioning as anticipated at the time of the development of this open season concept.

THEREFORE, it is hereby ordered that NOVA Gas Transmission Ltd. be granted:

- (1) Approval under Part 4 of the *Gas Utilities Act*, R.S.A. 2000, c. G-5, as amended, to amend the General Terms and Conditions and Appendix A of its Gas Transportation Tariff related to its border transportation process, as attached to the Application, to an open season format from a border queue format.

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