


MADE at the City of Calgary, in the Province of Alberta, on 28 th day of September 2005	 ALBERTA ENERGY AND UTILITIES BOARD
NOVA Gas Transmission Ltd. TTFP Resolution T2005-02 Emergency Response Compensation Procedure Modification	Application No. 1410136

1 BACKGROUND

On July 20, 2005, the Alberta Energy and Utilities Board (the Board) received Application No.1410136 (the Application) from NOVA Gas Transmission Ltd. (NGTL) requesting, pursuant to Part 4 of the *Gas Utilities Act*, R.S.A. 2000, c. G-5, as amended, approval of amendments to NGTL's Gas Transportation Tariff (Tariff) which would modify the current Emergency Response Compensation (ERC) Procedures contained in Appendix G of the Tariff.

A Notice of Application and information requests from the Board to NGTL were issued August 8, 2005 to parties (on the NGTL 2005 GRA Phase I and Phase II distribution lists) and were posted on the EUB and NGTL websites. Submissions from interested parties were requested by August 12, 2005 and responses from NGTL to the Board information requests were requested by August 17, 2005. The Board received responses from NGTL to the Board's information requests (IRs), but received no objections to the Application.

2 DETAILS OF THE APPLICATION

On April 12, 2005, the Tolls, Tariffs, Facilities & Procedures Committee (TTFP) adopted Issue T2005-02 for the purpose of reviewing NGTL's current ERC process to determine if the administrative complexity associated with an ERC event could be reduced.

NGTL submitted that the TTFP met four times to discuss possible modifications to the ERC Procedures and agreed to reduce the administrative complexity associated with an ERC event, such that the Event price would be used for the compensation calculation and the recovery price would be removed. In addition, NGTL would no longer perform the following:

- Issue ERC Receipt Allocation Forms (RAF);
- Re-calculate compensation at month end with ERC RAF changes;
- Prior Period Adjustments (PPA) in relation to an ERC event;
- Annual Plant Survey.

NGTL submitted that ERC events would be presented to the TTFP after they occurred in order to provide members assurance that the process was working as intended. In the case where an allocation error was made during an ERC event, a reallocation process could be requested and would be considered on a case by case basis, if agreed to by all affected parties. NGTL also added that by adopting the proposed modifications to the ERC event procedures, costs in the range of \$75,000.00 - \$125,000.00 would be avoided by eliminating the need to build the reallocation process into NGTL's computer systems.

In the Application, NGTL submitted that on July 12, 2005, the TTFP supported amendments to the Tariff related to the modification of the ERC Procedures through an unopposed vote on Resolution T2005-02. NGTL provided a copy of Resolution T2005-02, along with a summary of the Tariff amendments, a black-lined copy of Appendix G of the Tariff illustrating the amendments and other relevant sections of the Tariff illustrating consequential amendments, as well as a clean copy of Appendix G of the Tariff incorporating the amendments.

3 BOARD FINDINGS

The Board notes that shippers potentially affected by the proposed modifications to the ERC procedures had several opportunities to provide feedback to the TTFP, and that Resolution T2005-02 was passed through an unopposed vote. The Board also notes that no parties filed an objection in regards to the Application.

In assessing the reasonableness of the proposed ERC modifications, the Board recognizes that NGTL will report on ERC events to the TTFP after they occur in order to provide members assurance that the process is working as intended. If an allocation error occurs during an ERC event, a reallocation process may be requested. The Board notes that such requests will be considered on a case by case basis and will require the agreement of all affected parties. The Board considers that these processes will help ensure that affected parties are treated fairly.

The Board also notes NGTL's submission that computer system costs in the range of \$75,000.00 - \$125,000.00 may be avoided as a result of adopting the proposed ERC modifications.

Based on the potential for cost reductions, ongoing ERC event reporting, a process to address allocation errors, and the absence of objections to the Application the Board finds that the requested modifications to the ERC Procedures are reasonable.

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 Appendix G and the other relevant sections of its Gas Transportation Tariff related to modifications of the current Emergency Response Compensation Procedures as attached to the Application.

END OF DOCUMENT