

**TRANSCANADA - ALBERTA SYSTEM
Tolls, Tariff & Procedures Committee**

RESOLUTION

Business Process Change

Nominations at Connecting Pipeline Operator Locations

Resolution T2000-01(f)

The Tolls, Tariff & Procedures Committee (“TTP”) agrees to support a Business Process Change (“BPC”) to the nomination process at Connecting Pipeline Operator (“CPO”) locations whereby Customers will be required to provide nominations at all such locations the Customer wishes to conduct business. This Resolution will supersede the CPO nomination process previously supported by the TTP in Resolution T2000-01. The other elements of Resolution T2000-01 will be unchanged.

The details of the CPO nomination process are included in the attached documentation.

The nomination process at CPO locations detailed in this Resolution is proposed to be implemented for mid 2003, conditional on TransCanada having the required Information Systems available.

Background

In June 2000, the TTP supported Resolution T2000-01. It included a number of changes to the nomination and confirmation processes. One of the changes was an option for Customers to nominate for receipts and deliveries at pipeline interconnections or to have TransCanada derive a nomination from the CPO’s “Request for Confirmation” communiqué.

After the Resolution was approved, TransCanada moved forward with Information Systems design. As the work proceeded, TransCanada identified a number of issues with the proposal including the increased opportunity for administrative error, additional Information Systems costs, and the additional work for Customers. To address these issues, the BPC task force reviewed the proposal and agreed to the modifications described in the documentation attached to this Resolution.

It should be noted that the CPO and TransCanada will mutually determine the level of detail contained in the specific location’s confirmation. The Customer’s nomination will reflect the detail used in the confirmations at each CPO location.

Next Steps

TransCanada will proceed with the Information Systems development.

Nominations at CPO Locations



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Agenda

Background

Implementation Considerations

Proposal Supported by TTP

Impact to Customers & CPOs



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Background

At CPO locations today

- NGTL derives the Customer's nomination from the CPO's Request For Confirmation (RFC)
- CPO initiates the confirmation process
- Detail used in confirmation is "NGTL Party/Account"



Background (cont'd)

Per TTP/BPC Resolution T2000-01 (approved June/2000), Customer has the option to either

- Nominate at CPO locations, OR
- Have NGTL derive a nomination from the CPO's Request For Confirmation (RFC)

Implementation

- Applicable to all CPO locations (intra-AB, storage, extraction, borders)
- Requires new gas management system (Dovetail), currently targeted for mid-2003
- Details TBD



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Implementation Objectives

Per Resolution, enable Customers to influence receipts/deliveries at all CPO locations

Easy administration

Minimize costs

Maximize throughput

Integrate with ranking & automation

Implementation Per Approved Resolution T2000-01

Requires new process & rules, e.g.

- How to differentiate between 2 categories of Customers
 - Customer provides nomination, and
 - NGTL derives Customer nomination?
- Timing to switching between categories?
- Categories apply to specific or all locations?

Impact

- Improved ability for Customer to manage its business
- New & non-standard process to manage categories
- Additional work for Customers to manage both categories & nominations
- Potential for confusion & errors
- Additional system costs



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Implementation Using *Required* Nominations

**Nominations required at all applicable CPO locations
(intra-AB, storage, extraction, borders)**

Utilizes standard nomination process

- Customer can submit “standing” and/or detailed nominations

Impact

- Improved ability for Customer to manage its business
- Additional work for Customers to manage nominations (minimized by EBB copy/modify features)
- Consistent with process used at CSO locations
- Requires TTP Resolution



Confirmation Detail

Detail used in confirmations (between CPO & NGTL)

- Related to detail included in nominations
- Requires support from both CPO & NGTL

For either implementation, the confirmation detail NGTL would support (with Dovetail)

- “NGTL Party/Account” (default, current detail)
- “NGTL Party to CPO Party” (optional)
 - Availability at a specific CPO location depends on
 - Support from that CPO for that level of detail and
 - Use of electronic confirmations



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Proposal Supported by TTP

Required Nominations

Customer nominations required at all applicable CPO locations (intra-AB, storage, extraction, borders)

Use standard nomination process

Summary of Impact to Customers



Nominations required at all (applicable) CPO loc'ns

- Standing nom provides template to minimize workload & training (e.g. copy, modify, ...)
- Consistent with process used at CSO locations



Summary of Impact to Customers (cont'd)

Improved ability to manage accounts

- If confirmation detail at a particular CPO location is “NGTL Party” (current process, per CPO choice), Customer specifies the
 - Maximum quantity (in aggregate)
- If confirmation detail at a particular CPO location is “Party-Party” (per CPO choice), Customer specifies
 - Maximum quantity for each (first) “Party” on CPO side of meter



Summary of Impact to CPOs

Initiation of confirmation process

- CPO (default & current process)

Confirmation detail options for CPO

- “NGTL Party/Account”
 - Default (& current detail)
- “Party-Party”
 - CPO option
 - Requires electronic confirmations



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Benefits

Ability for Customers to influence receipts/deliveries at all CPO locations

Utilizes standard nomination process

- Consistent with CSO locations
- Enables efficient e-commerce

Additional information available to Customer (in Scheduled Quantities), where “party-party” confirmations used

Option available to CPOs for increased confirmation detail, if electronic

Examples for Reference (9 additional slides)



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Example 1

Assume

- Customer has markets “A” & “B” (each up to 100/day) at a delivery location for gas days Jul 1-31
- For gas days Jul 10-20, Customer wants to
 - Limit market B to 50/day &
 - Prioritize market A as highest

Summarize nomination detail

- Scenario 1 - Confirmation detail at that location (per CPO choice) is “NGTL Party”
- Scenario 2 - Confirmation detail at that location (per CPO choice) is “Party-Party”



Example 1 - Scenario 1

(if “NGTL Party” Confirmation Detail)

Customer provided nomination data includes

- Start/End Date/Time
- Delivery Location
- Quantity (maximum)
- Rank (optional, applicable to FT-D pooling at E-Gate)
- Package Id (optional)

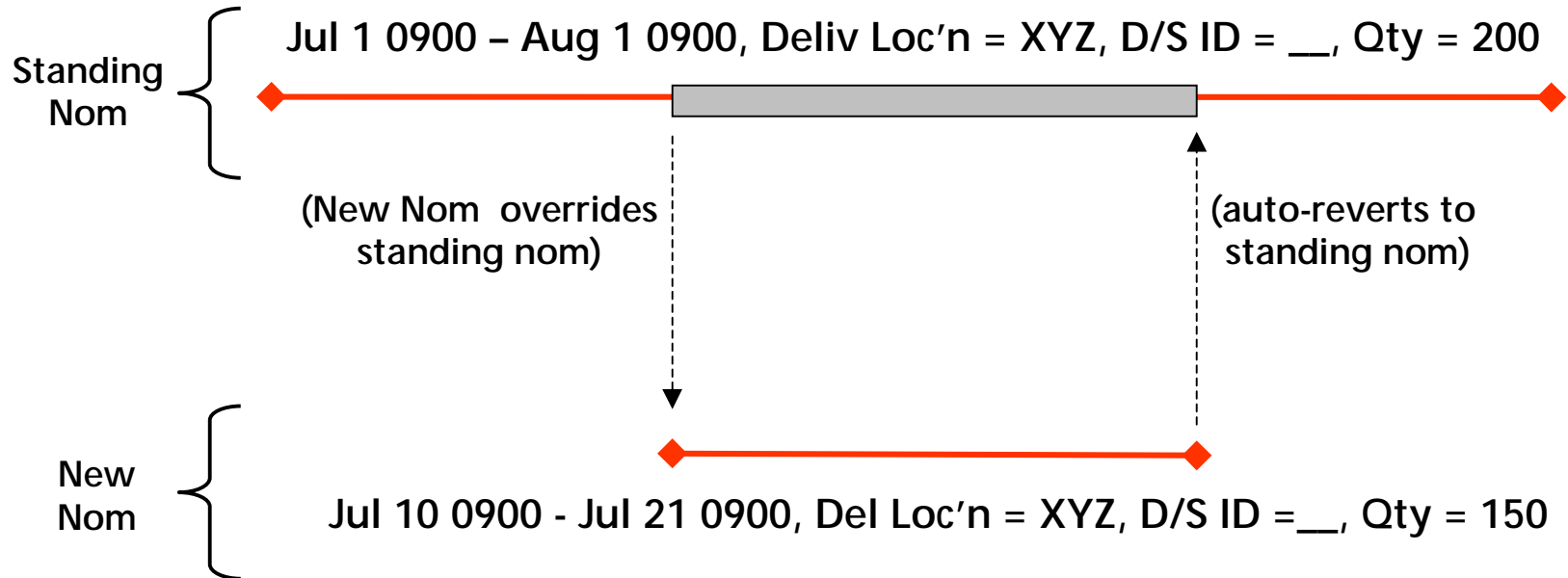
[Downstream ID (markets) “A” & “B” not used in confirmation detail]

At each (applicable) CPO location, Customer specifies the maximum quantity in aggregate



Example 1 - Scenario 1

(if “NGTL Party” Confirmation Detail)





Example 1 - Scenario 2 (if “Party-Party” Confirmation Detail)

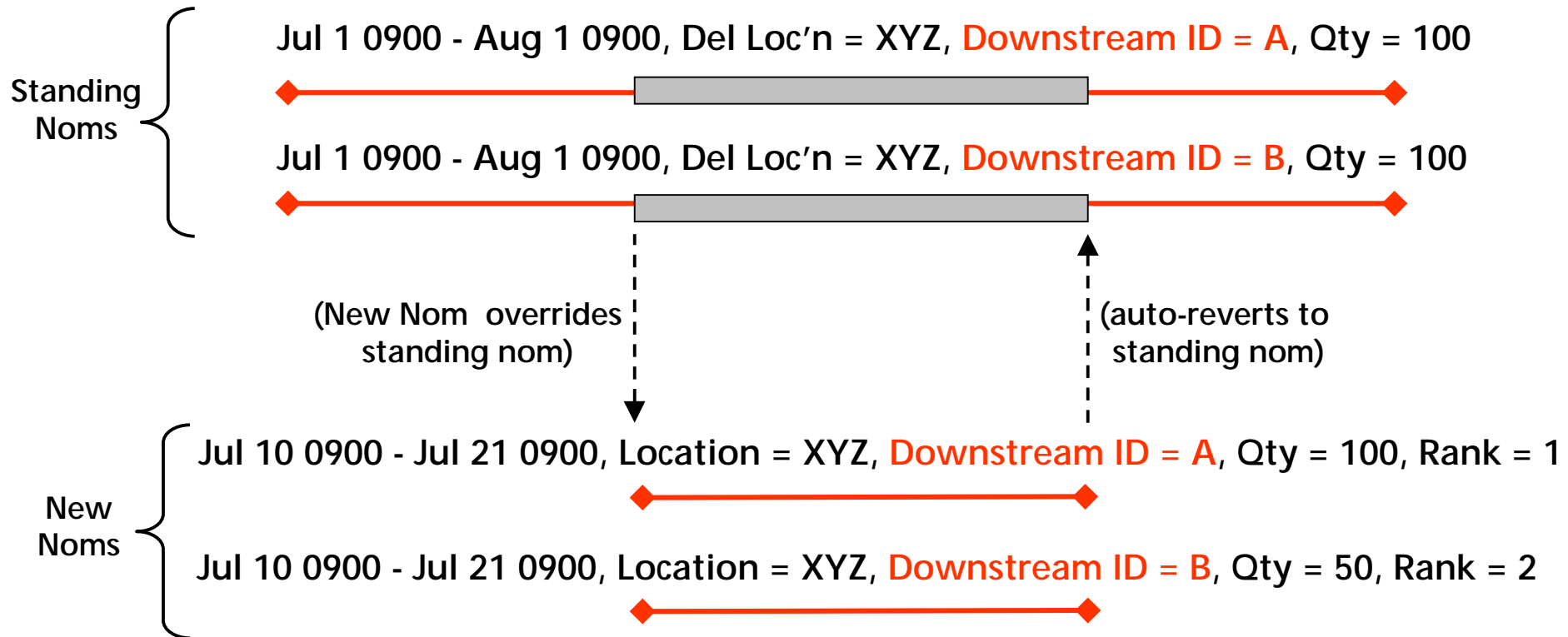
Customer provided nomination data includes

- Start/End Date/Time
- Delivery Location
- Quantity (maximum)
- *Downstream Id (req'd, 1st party on CPO side of meter)*
- Package Id (optional)
- Rank (optional, applicable to FT-D pooling at E-Gate & to party on CPO side of meter)

At each (applicable) CPO location, Customer specifies the maximum quantity for each (first) party on the CPO side of meter



Example 1 - Scenario 2 (if “Party-Party” Confirmation Detail)





Example 2

Assume

- Customer has at most 4 markets “A”, “B”, “C”, “D” (each up to 100/day) at a delivery location for 3 months January - March
- Customer wants to let each of these markets take quantities per their needs (up to the limits of the commercial deals) without having to make the exact corresponding nomination changes (each cycle or daily) on NGTL
- Confirmation detail at this location is “party-party”

“Standing” Noms (each with a term Jan 1 0900 to Apr 1 0900)

- Nom 1: Downstream ID = A, Nom Qty = 100
- Nom 2: Downstream ID = B, Nom Qty = 100
- Nom 3: Downstream ID = C, Nom Qty = 100
- Nom 4: Downstream ID = D, Nom Qty = 100



Example 2 - Scenario 1

Assume no capacity constraints on NGTL

Jan 1: CPO's confirm. request (NGTL Party - CPO Party, Qty)

- Customer - A, 100
- Customer - B, 85

The resulting Scheduled Quantities for Customer (on NGTL)

- Nom 1 (market A): SQ = 100
- Nom 2 (market B): SQ = 85 (limited by market)
- Nom 3 (market C): SQ = 0 (limited by market)
- Nom 4 (market D): SQ = 0 (limited by market)



Example 2 - Scenario 2

Assume no capacity constraints on NGTL

Jan 2: CPO's confirm. request (NGTL Party - CPO Party, Qty)

- Customer - A, 100
- Customer - B, 50
- Customer - D, 500

The resulting Scheduled Quantities for Customer (on NGTL)

- Nom 1 (market A), SQ = 100
- Nom 2 (market B), SQ = 50 (limited by market)
- Nom 3 (market C), SQ = 0 (limited by market)
- Nom 4 (market D), SQ = 100 (limited by Customer nom)



Example 2 - Scenario 3

Assume Customer is limited to 225, due to capacity constraints on NGTL & Customer has not provided ranks

Jan 3: CPO's confirm. request (NGTL Party - CPO Party, Qty)

- Customer - A, 100
- Customer - B, 100
- Customer - D, 100

The resulting Scheduled Quantities for Customer (on NGTL)

- Nom 1 (market A), SQ = 75 (prorata share of capacity)
- Nom 2 (market B), SQ = 75 (prorata share of capacity)
- Nom 3 (market C), SQ = 0 (limited by market)
- Nom 4 (market D), SQ = 75 (prorata share of capacity)