

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

RESOLUTION

Business Process Change: Prior Period Adjustments

Resolution T2000-01(h)

The Tolls, Tariff & Procedures Committee (“TTP”) agrees to implement a Business Process Change (“BPC”) to align allocation and metering adjustment processes for prior periods to a 'restatement' methodology and to implement this new procedure with Dovetail.

Key features of the new methodology regarding prior period adjustments to measurement are:

1. The current practice of integrating prior period measurement adjustments into current period reporting, as 'zero day' shall be discontinued.
2. Metering reports for the affected period shall be revised and corresponding allocations shall be determined by the operator accountable for allocating gas at the location.
3. Gas balances and invoices for the prior period shall remain unchanged and prior period adjustments shall continue to be reported in the current gas balance and invoice.
4. In lieu of the current 'net' adjustment being reported, the gas balance and invoice would each reflect both the current value on record and the new replacement value.

The current practice of reporting prior period 'allocation' adjustments shall be maintained.

The new process is targeted for implementation in mid 2003, conditional on TransCanada having the required Information Systems (Dovetail - gas accounting) available.

Background

In 2001, TransCanada requested that the TTP and the BPC Task Force review the procedure for prior period adjustments in order to make improvements to the process while reducing costs. The BPC Task Force met a number of times during 2002 to discuss the suggested improvements and no major concerns were identified. The BPC Task Force supports this proposal.

Next Steps

TransCanada will proceed with the Information Systems development. As Information Systems work is completed and the process nears implementation, the TTP and Customers will be notified of the implementation date. It is expected that the process change will be implemented in mid 2003.