

Tolls, Tariff, Facilities & Procedures Committee

Resolution T2001-02

Receipt Point Estimate to Actual Variance Settlement Program

Resolution

The Tolls, Tariff, Facilities & Procedures Committee (TTFP) agrees to maintain the Gas Balance Recovery process as described in Appendix D of the NOVA Gas Transmission Limited Tariff. This process is meant to manage variance between estimated and actual month-end Customer inventories. A result of this decision will be to terminate the Receipt Point Estimate to Actual Variance Settlement Program issue.

Background

ProMark, as sponsor of this issue, proposed that the Tolls, Tariff & Procedures Committee (TTP) evaluate a new Receipt Point Estimate to Actual Variance Settlement Program in replacement of the current Gas Balance Recovery Program used on the Alberta System. The issue sponsor identified as their objectives in addressing the issue as simplicity, flow expected (OE) finality, price risk containment, no impact on producers or Common Stream Operator (CSO), and that the program be pipeline administered. Issue T2001-02 as adopted by the TTP on February 13, 2001 and a task force was struck to discuss this issue. During discussions, the task force considering this issue concentrated on ways to minimize the Gas Balance Variance and improved methods for managing the Gas Balance Variance.

Many of the options considered would result in additional and unreasonable administrative burden shifting to CSOs, which was considered unreasonable by the task force. The task force met twice to consider this issue and did not reach consensus on any improvements to the Gas Balance Variance, and did not wish to discuss this issue any further. ProMark has expressed reluctance to withdraw this issue. The issue was put into abeyance in April 2001.

The TTP agreed at the November 2003 meeting to put this issue on the Business Process Change Task Force agenda for further discussion. The task force met three times during which the issue was discussed in more detail. The task force fully explored the proposal and all the identified concerns and agreed to maintain the status quo with respect to the process for recovery of estimate to actual receipt point variance. The rationale for this decision was the effort required putting this program into place and continuing to administer it would outweigh the benefit that the program would provide. Additionally, customers would prefer to manage their portfolio risk themselves.

Next Steps

Issue T2001-02: Receipt Point Estimate to Actual Variance Settlement Program will be closed and removed from the list of active TTFP issues. The Alberta Energy & Utilities board will be notified by letter that the TTFP have closed this issue and agreed to maintain the current process.