

Tolls, Tariff, Facilities & Procedures Committee

Resolution T2007-03: STFT Bid Process Simplification

Resolution

The Tolls, Tariff, Facilities & Procedures Committee (TTFP) agrees to amendments to the Tariff for Short Term Firm Transportation – Delivery (STFT) to simplify the bid process to a one page bid using the STFT Schedule of Service.

Background

On October 28, 2005, the EUB approved TTFP resolution 2005-04 Seasonal Service Attributes Review. Effective November 1, 2005, STFT was available at a minimum bid price of 100% of the FT-D rate and at a minimum term of seven days ending on the last day of a month. Since the changes were made, TransCanada has processed over 460 contracts.

Currently customers submit a fully executed Rate Schedule, Service Agreement and Schedule of Service for all STFT bids. TransCanada is proposing to simplify this process. All customers who intend to bid for STFT will require a STFT Service Agreement. Once in place, customers will only be required to use the one page STFT Schedule of Service for each bid.

Next Steps

TransCanada will file the Resolution and the amended Tariff with the EUB for approval. Upon EUB approval, TransCanada will implement changes to be effective September 1, 2007.

An amendment to the NGTL Tariff is currently being proposed resulting from TTFP 2007-03. This summary has been provided for information only and is not intended to form part of the Tariff.

Summary of Amendments

1. Rate Schedule STFT

- (i) Article 5.2: Amended to reflect perpetual STFT Service Agreement until terminated.
- (ii) Article 5.3: Added to specify STFT Service Agreement Termination terms.

4.5 Allocation of Gas Delivered

Notwithstanding any other provision of this Rate Schedule, any Service Agreement or the General Terms and Conditions of the Tariff, and without regard to how gas may have been nominated, the aggregate quantity of gas delivered to Customer at an Export Delivery Point shall be allocated for billing purposes as follows:

- (i) first to service to Customer under Rate Schedule LRS-2 to a maximum of such Eligible LRS-2 Volumes for the A/BC Export Delivery Point under such Rate Schedule LRS-2;
- (ii) secondly to service to Customer under Rate Schedule FT-DW and Rate Schedule STFT to a maximum of such Customer's allocated FT-DW Capacity and STFT Capacity for such Export Delivery Point under each such Rate Schedule FT-DW and Rate Schedule STFT;
- (iii) thirdly to service to Customer under Rate Schedule FT-D to a maximum of such Customer's Export Delivery Contract Demand for such Export Delivery Point under such Rate Schedule FT-D; and
- (iv) fourthly to service to Customer under Rate Schedule IT-D. If Customer is not entitled to service under Rate Schedule IT-D at such Export Delivery Point, gas shall be allocated as Over-Run Gas and charged in accordance with paragraph 4.3.

5.0 TERM OF SERVICE AGREEMENT

5.1 The term for any Schedule of Service under Rate Schedule STFT shall be for a minimum of 7 days and a maximum of 1 year less 1 day and shall end on the last day of a month.

5.2 ~~Customers Service Agreement shall terminate on the latest Service Termination Date of Customer's Schedules of Service under Rate Schedule STFT.~~ Customer's Service

Agreement under Rate Schedule STFT shall remain in full force and effect until terminated in accordance with paragraph 5.3.

5.3 Either Company or Customer shall be entitled to terminate Customer's Service Agreement under Rate Schedule STFT by providing the other with at least 60 days prior written notice of such termination. The Service Agreement shall terminate and be of no further force or effect upon expiration of the 60 day period, provided however that nothing herein shall relieve any party from any obligations which arose prior to the effective date of such termination, including all obligations under Customer's Schedules of Service.

6.0 ASSIGNMENTS

6.1 The Customer shall not be entitled to assign any Schedule of Service under Rate Schedule STFT.

7.0 TITLE TRANSFERS

7.1 A Customer entitled to receive Service under Rate Schedule STFT may transfer all or a portion of Customer's Inventory to another Customer or may accept a transfer of all or a portion of Customer's Inventory from another Customer provided such Customer is entitled to receive service under any Rate Schedule that permits title transfers and such title transfer is in accordance with the Terms and Conditions of Service Respecting Title Transfers in Appendix "C" of the Tariff.

8.0 GENERAL TERMS AND CONDITIONS

8.1 The General Terms and Conditions of the Tariff and the provisions of any Service Agreement for Service under Rate Schedule STFT are applicable to Rate Schedule STFT