

National Energy
Board



Office national
de l'énergie

File OF-Tolls-Group1-N081-2010-02 01
24 September 2010

Mr. Bernard Pelletier
Regulatory Project Manager
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Ms. Jennifer Scott
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Dear Ms. Scott and Mr. Pelletier:

NOVA Gas Transmission Ltd. (NGTL) Alberta System 2010 - 2012 Revenue Requirement Settlement Application (Application)

By application dated 9 June 2010, filed pursuant to Part IV of the *National Energy Board Act*, NGTL requested an order from the Board approving a settlement establishing NGTL's annual revenue requirements for the years 2010 to 2012 for its Alberta System (Settlement). NGTL also requested an exemption pursuant to paragraph 4 of the Toll Information Regulations that requires NGTL to file quarterly surveillance reports. NGTL will continue to file with the Board the surveillance reports on an annual basis for each 12 month period of the Settlement ending 31 December. The Application was supported by the unopposed resolution T2009-05 of NGTL's Tolls, Tariff, Facilities and Procedures Committee (TTFP).

On 2 July 2010, the Board invited comments from interested persons on the Application, the process that resulted in the Settlement and the process the Board should adopt for consideration of the Application. Letters of comment in support of the Application were received from the Canadian Association of Petroleum Producers (CAPP) and the Office of the Utilities Consumer Advocate (UCA). CAPP and the UCA were signatories to the Settlement. AltaGas Utilities Inc. registered as an interested party but did not state a position on the Settlement. No person opposed the Settlement.

The Board has determined that the Settlement would result in tolls that are just and reasonable. Therefore, the Board has decided to approve the Application including the Settlement and NGTL's request to be exempted from its obligation to file quarterly surveillance reports for the term of the Settlement. The Board's approval of the Settlement as a package should not be construed as Board approval of the manner in which the elements of the revenue requirement were determined in the Settlement.

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Attached Order TG-05-2010 contains the details of the approval of the Application and directions respecting a future depreciation study that NGTL must file and information that NGTL is required to include with the annual surveillance reports that NGTL will file for each 12 month period of the Settlement ending on 31 December.

NGTL is directed to serve a copy of this letter on all parties to the Settlement, all its shippers, members of its TTFP and ATCO Pipelines and its shippers.

Yours truly,

A handwritten signature in cursive script that reads "AnneMarie Erickson".

Anne-Marie Erickson
Secretary of the Board

Attachment



ORDER TG-05-2010

IN THE MATTER OF the *National Energy Board Act* (Act) and the regulations made thereunder; and

IN THE MATTER OF an application dated 9 June 2010 filed by NOVA Gas Transmission Ltd. (NGTL) under File OF-Tolls-Group1-N081-2010-02 01 for approval of the Alberta System 2010 – 2012 Revenue Requirement Settlement pursuant to Part IV of the Act.

BEFORE the Board on 23 September 2010.

WHEREAS NGTL filed an application with the Board on 9 June 2010 based on a settlement that establishes the mechanisms for determining the Alberta System annual revenue requirements from 1 January 2010 to 31 December 2012 with fixed and flow-through components (the Settlement) pursuant to Part IV of the Act and the Board's *Revised Guidelines For Negotiated Settlements of Traffic, Tolls and Tariffs* dated 12 June 2002;

AND WHEREAS the application filed on 9 June 2010 requests a Board order approving the Settlement as a package and exemption from the requirement of paragraph 4 of the Toll Information Regulations to file quarterly surveillance reports (the Application);

AND WHEREAS NGTL will continue to file with the Board annual surveillance reports for each 12 month period ending 31 December during the term of the Settlement;

AND WHEREAS NGTL's Tolls, Tariff, Facilities and Procedures Committee (TTFP) adopted Issue T2009-05 on 27 October 2009 to discuss the Alberta System revenue requirement for 2010 and possibly future years and on 4 November 2009 NGTL sent an invitation to Alberta System customers and other potentially interested stakeholders to participate in these negotiations;

AND WHEREAS the TTFP established a task force to conduct the negotiations and the process ultimately resulted in the Settlement;

AND WHEREAS the TTFP supported the Settlement by Resolution T2009-05 in an unopposed vote on 8 June 2010;

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AND WHEREAS the Board by letter dated 2 July 2010 invited comments from interested persons on the Application, the process that resulted in the Settlement and the process the Board should adopt for the consideration of the Application;

AND WHEREAS the Board, having received letters of comment in support of the Application from the Canadian Association of Petroleum Producers (CAPP) and the Office of the Utilities Consumer Advocate (UCA), and AltaGas Utilities Inc. having registered as an interested party and no party opposing the Settlement;

AND WHEREAS the Board has determined that 2010-2012 Alberta System Revenue Requirement Settlement would result in tolls that are just and reasonable.

THEREFORE, IT IS ORDERED, pursuant to Part IV of the Act, that:

- a) The Board approves the Settlement Application;
- b) The annual revenue requirements and the resulting rates, tolls and charges for Alberta System from 1 January 2010 to 31 December 2012 shall be determined in accordance with the provisions of the Settlement as described in the Application; and
- c) NGTL is exempted from filing quarterly surveillance reports for the Alberta System pursuant to paragraph 4 of the Toll Information Regulations for the term of the Settlement.

AND THEREFORE, IT IS FURTHER ORDERED that, unless the Board otherwise directs, NGTL shall:

- a) file with the Board by 1 November 2010 NGTL's most recent comprehensive depreciation study and technical updates, if any, that were filed previously with the Alberta Utilities Commission or its predecessor, and
- b) file an up-to-date Depreciation Study with the Board the earlier of 1 July 2012 or the filing of a more current revenue requirement negotiated settlement, and
- c) file with its annual surveillance reports a copy of the TTFP reporting documents specified in Section 2 (F), items (ii) to (v) of the Settlement, and
- d) include with its application requesting approval of its 2013 revenue requirement, if a settlement of the revenue requirement has been achieved, all information identified in Section 2 (F) (i) of the current Settlement.

NATIONAL ENERGY BOARD



Anne-Marie Erickson
Secretary of the Board

ORDER TG-05-2010