

THE PROVINCE OF ALBERTA

GAS UTILITIES ACT

ALBERTA ENERGY AND UTILITIES BOARD

IN THE MATTER of a Request by
NOVA Gas Transmission Ltd. for
the Approval of Amendments to
NGTL's Gas Transportation Tariff

ORDER U2001-288

Application No. 1247708
File 5631-7

1. THE APPLICATION

The Alberta Energy and Utilities Board (EUB) received a letter from NOVA Gas Transmission Ltd. (NGTL) dated October 30, 2001, whereby NGTL requested that the EUB approve amendments to Sections 5.4 and 5.7 of NGTL's Gas Transportation Tariff (the Application). The amendments reflect a change to the method of calculating the interest rate to be applied on both the unpaid portion of overdue bills and the reimbursement of overpayments.

The interest rate to be applied will change, from the Royal Bank prime rate plus two percent, to the Royal Bank prime rate plus one percent. NGTL currently establishes the interest rate quarterly based on an internal analysis. The Application will allow the interest rate to be changed as and when the Royal Bank changes its prime rate.

2. BACKGROUND

NGTL filed Resolution T2000-01(d) with the EUB on October 24, 2001. The Resolution was supported by the Tolls, Tariff and Procedures Committee (TTP) through an unopposed vote held October 10, 2001. The resolution outlined the change to the interest rate calculation methodology and consequential amendments to NGTL's Tariff required to implement the change. NGTL confirmed that there would be no impact to the revenue requirement or transportation rates as a result of this change. Interest charges on overdue, or over-billed, accounts continue to be accrued outside of the revenue requirement.

3. EUB FINDINGS

The EUB notes that Resolution T2000-01(d) was unopposed by customers at the TTP meeting. The EUB also notes that the interest rate change does not impact the revenue requirement or transportation rates. Consequently, the EUB considers that customers will not be adversely impacted by the proposed change in methodology.

5. ORDER

THEREFORE, it is hereby ordered that:

- (1) NGTL, pursuant to Part 3 of the Gas Utilities Act, R.S.A. 1980, c. G-4, amend Sections 5.4 and 5.7, of NGTL's Gas Transportation Act as described in the Application.

Dated in Calgary, Alberta on November 13, 2001.

<original signed by R. Heggie>

ALBERTA ENERGY AND UTILITIES BOARD