

Notice

VIA EMAIL

NOTICE OF APPLICATION

APPLICATION NO. 1349087

NOVA GAS TRANSMISSION LTD. (NGTL)

ELIMINATION OF USAGE CREDITS – TARIFF AMENDMENTS

Take Notice that NOVA Gas Transmission Ltd. (NGTL) has filed an application with the Alberta Energy and Utilities Board (EUB or the Board) under Part 4 of the Gas Utilities Act, R.S.A. 2000, C. G-5, as amended, by letter dated June 9, 2004, for approval amendments to NGTL's Gas Transportation Tariff (Tariff) necessary to eliminate usage credits.

Nature of the Application

In October 2001, the Tolls, Tariff & Procedures Committee (TTP), predecessor of the Tolls, Tariffs, Facilities & Procedures Committee (TTFP), supported the elimination of usage credits through an unopposed vote on issue T2000-01(e). NGTL filed Resolution T2000-01(e) for information on October 12, 2001 and the Board accepted Resolution T2000-01(e) as a filing for information on November 7, 2001.

As part of Resolution T2000-01(e), the TTP agreed that the elimination of usage credits would not be implemented prior to January 2003. Further, implementation was conditional on necessary information systems being available. The TTP also agreed to determine and review the Tariff amendments required to eliminate usage credits. NGTL states that it is now in a position to implement the elimination of usage credits, as the required information systems are now available. The TTFP supported the necessary Tariff amendments through an unopposed vote on Resolution T2000-01(e)(T) on June 8, 2004.

NGTL did not seek approval of the Board to commence negotiations on Issue T2000-01(e)(T) as Resolution T2000-01(e) was previously filed with the Board and subsequently accepted by the Board as a filing for information, prior to the issuance of Informational Letter IL 98-4 Revised Negotiated Settlement Guidelines (*Revised Guidelines*) and the Board's letter dated August 28, 2003 regarding the application of the *Revised Guidelines* to NGTL.

Currently, shippers receive a credit for the volumes of natural gas taken in kind for fuel usage. Usage is charged on physical receipts entering the Alberta System. Shippers requested that usage credits be eliminated to decrease the complexity associated with the current practice. The elimination of usage credits will enable TransCanada PipeLines Limited to standardize its billing practices across its pipeline systems and will not result in changes to NGTL's annual revenue requirement. However, this change will result in offsetting changes to rates for tariffed services in that the gross value for Firm Transportation – Receipt (FT-R) volumes will be used to

calculate rates versus the current practice of calculating rates based on a value of FT-R net of fuel usage.

Additional Information

To obtain additional information or a copy of the Application contact:

Nova Gas Transmission Ltd.
c/o Carolyn Shaw
Regulatory Services
450 – 1st Street SW
Calgary, Alberta T2P 5H1
Telephone: (403) 920-7172
Facsimile: (403) 920-2347
Email: carolyn_shaw@transcanada.com
alberta_system@transcanada.com

Copies of the Application are available for viewing through the IAR Query link on the Applications page of the EUB website [EUB View Application - 1349087](#).

In addition, the Board directs NGTL to post the Notice of Application and the Application on its website for the availability of all interested parties.

To File an Objection

As NGTL has requested an expedited process for this Application, the Board directs parties that want to file a submission to state your reasons for objecting to or supporting the Application, and include this with your submission by **July 5, 2004**. If no submissions are received from parties opposed to the Application, the Board may continue to process the Application without further notice.

Send one copy to NGTL, c/o Carolyn Shaw, at the address indicated above and to the EUB via electronic mail at EUB.UTL@gov.ab.ca referencing Application #1349087.

Schedule

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| File an Objection | July 5, 2004 |
| Board Information Request to NGTL | June 28,2004 |
| Information Response from NGTL | July 5, 2004 |

The Board will establish further process following the deadline for filing objections if required. If you have any questions or concerns with respect to EUB procedures, please contact Heather Gnenz, at heather.gnenz@gov.ab.ca or by telephone at (403) 297-3539.

Issued at Calgary, Alberta on June 28, 2004.

ALBERTA ENERGY AND UTILITIES BOARD
Douglas A. Larder, General Counsel