
MADE at the City of Calgary, in the
Province of Alberta, on

12th day of October 2004.



ALBERTA ENERGY AND UTILITIES BOARD

1 BACKGROUND

On September 15, 2004, the Alberta Energy and Utilities Board (the Board) received Application No.1360893 from NOVA Gas Transmission Ltd. (NGTL) requesting, under Part 4 of the *Gas Utilities Act*, R.S.A. 2000, c. G-5, as amended, approval of amendments to its Gas Transportation Tariff (Tariff) related to financial assurances.

Notice of the Application was issued via email, on September 23, 2004, to parties on the NGTL 2004 GRA Phase I and Phase II distribution lists and was posted on the EUB and NGTL websites. Interested parties were required to file any submissions or objections to the Application by October 1, 2004. The Board did not receive any objections to the Application.

2 DETAILS OF THE APPLICATION

In 2003, TransCanada PipeLines Limited (TransCanada) identified a need for consistency and increased clarity related to financial assurance provisions in the tariff of its Alberta, B.C. and Mainline systems. As a result, the Tolls, Tariff, Facilities and Procedures Committee (TTFP) adopted Issue T2004-02 on March 9, 2004 for the purpose of reviewing the financial assurance provisions of the Alberta System Tariff.

On March 16, 2004, NGTL requested Board approval to commence negotiations on this issue in accordance with EUB Information 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. The Board approved NGTL's request to commence negotiations on Issue T2004-02 on April 5, 2004.

On September 14, 2004, the TTFP supported amendments to the Tariff related to financial assurances and changes to the existing procedures through an unopposed vote on Resolution T2004-02. The applied for amendments resulted from an internal review of its Tariff provisions and practices relating to credit and financial assurances. NGTL submitted that the proposed amendments increase the clarity in TransCanada's, and NGTL's tariffs related to credit, in particular to notice periods, financial assurance timing and consequences of late payment. The amendments also increase the consistency between the B.C., Alberta and TransCanada Mainline systems.

3 BOARD FINDINGS

In its review of Resolution T2004-02 for credit and financial procedures as well as the NGTL Tariff as amended, the Board is satisfied with the nature of the proposed changes and agrees that increased clarity in regards to credit and financial assurances has resulted. The Board also notes that parties did not file any objections in regards to the Application.

THEREFORE, it is hereby ordered that NOVA Gas Transmission Ltd. be granted:

- 1) Approval under Part 4 of the *Gas Utilities Act*, R.S.A. 2000, c. G-5, as amended, to amend its Gas Transportation Tariff related to its financial assurance provisions.

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