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Alberta Energy and Utilities Board
640 – 5th Avenue S.W.
Calgary, Alberta
T2P 3G4

Filed electronically

Attention: Mr. Wade Vienneau,
Manager – Calgary Office, Utilities Branch

Dear Sirs:

**Re: NOVA Gas Transmission Ltd. (NGTL)
Tolls, Tariff, Facilities and Procedures Committee (TTFP)
Revised Procedures
Informational Filing**

On August 10, 2004, the TTFP adopted Issue T2004-05 for the purposes of discussing certain changes to the TTFP Procedures to enable NGTL provide additional information in respect of its requests for approval to commence negotiations pursuant to Board 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.

Pursuant to the *Revised Guidelines*, NGTL informed the Board of the adoption of Issue T2004-05 on August 13, 2004 and undertook to provide the Board with an update on the status of these discussions by November 30, 2004.

On October 13, 2004, the TTFP supported the adoption of revised TTFP Procedures through an unopposed vote on Resolution T2004-05. Attached to this letter are copies of Resolution T2004-05 and the revised TTFP Procedures which NGTL files for information. The revised TTFP Procedures will be effective January 1, 2005.

The key revisions are:

- Issues will either be classified as routine or non-routine. Routine issues would typically include business process changes, procedures reviews, contracting practices, audits, and new services with small revenue requirement implications, the resolution of which would result in either a

filing for information or an application for Board approval. Non-routine issues would include any issue with significant revenue requirement implications, rate design or cost accountability issues, the resolution of which would result in an application for Board approval.

- NGTL will seek blanket approval from the Board to commence negotiations on routine issues subsequent to the issuance of the public notice of invitation to join the TTFP for the upcoming year. As part of this filing, NGTL will also provide the TTFP membership list for the upcoming year.
- NGTL will seek Board approval to initiate negotiations on individual non-routine issues as they are adopted by the TTFP. As part of the application to initiate negotiations, the Issue Statement portion of the Issue Summary will be provided.
- NGTL and TTFP members will now also be able to provide information to Foothills Pipe Lines Ltd. shippers on a without prejudice basis as they currently do to other committees under the TransCanada PipeLines Limited collaborative process umbrella.
- The Board will be notified of any non-routine issues placed in abeyance or deemed to be withdrawn.
- After a resolution has been adopted by the TTFP and an application for approval filed with the Board, the TTFP will, if requested by Board staff, organize a meeting to provide Board staff with the rationale that led to the resolution. These discussions will be generic in nature.
- The TTFP Procedures have been revised to include a provision for an electronic vote via e-mail under extraordinary circumstances.
- Under the Voting Procedures, the category entitled "Non-Resolution" has been renamed "Hard-Opposed."

NGTL is notifying its shippers and members of the TTFP of the availability of this filing on TransCanada's Alberta System website at:

http://www.transcanada.com/Alberta/regulatory_info/active_rates_services_filings.htm.

Please direct all notices and communications regarding this matter to Carolyn Shaw by e-mail at carolyn_shaw@transcanada.com and alberta_system@transcanada.com, or by phone at 920-7172.

Yours truly,

NOVA Gas Transmission Ltd.

A wholly owned subsidiary of TransCanada PipeLines Limited



Céline Bélanger

Vice President, Regulatory Services

Attachments (1)

cc: Tolls, Tariff, Facilities and Procedures Committee
Alberta System Shippers

Tolls, Tariff, Facilities & Procedures Committee

Resolution

T2004-05: TTFP Procedures Review

Resolution

The Tolls, Tariff, Facilities & Procedures Committee (TTFP) supports adoption of revised TTFP Procedures as attached.

Background

The current TTFP Procedures were amended, adopted November 12, 2003 and went into effect on January 1, 2004. In May 2004, representatives of the TTFP met with Alberta Energy & Utility Board (EUB) Staff to discuss the EUB's suggested improvements to the request to negotiate process and to obtain additional information once a resolution is filed. TransCanada committed to take these suggestions to the TTFP for discussion and to report back to the EUB. These issues were taken to the TTFP on June 8, 2004. TransCanada evaluated EUB concerns and recommended changes to the Procedures.

The following is a summary of the changes contained in the revised Procedures:

- Classification of routine and non-routine issues with the subsequent treatment by the EUB
- Addition of Foothills System under the collaborative process umbrella for information purposes
- Clarification of issue summary and issue statement
- Issues can be adopted that may not result in a resolution
- Inclusion of background information that can be provided to the EUB, upon the EUB's request after a resolution has been supported
- Inclusion of an electronic (email) vote under extraordinary circumstances
- Change of "non-resolution" to "hard opposed" and a change to the associated accountability
- Minor punctuation and wording changes.

Next Steps

NOVA Gas Transmission Ltd. will file the revised Procedures with the EUB for information.

Tolls, Tariff, Facilities & Procedures Committee

Procedures

1.0 PURPOSE

1.1 Following the general intent of the Alberta Energy and Utilities Board (EUB) Guidelines for Negotiated Settlements (IL98-04 (Revised-2003)), the Tolls, Tariff, Facilities & Procedures Committee (TTFP or Committee) will facilitate the effective, efficient, and timely exchange of information among involved parties and will proactively address and attempt to resolve Issues related to the tolls, Tariff, facilities and operating procedures of the TransCanada's Alberta System. The parties will work together to build consensus on the resolution of an Issue and to reduce the adversarial aspects of EUB hearings. In addition, the TTFP will endeavor to reach consensus on TransCanada's Alberta System facility planning and policy Issues. The intent of this Committee is to not only reduce hearing time and costs but to also achieve better outcomes through collaboration.

2.0 SCOPE

2.1 Provides a forum to proactively plan and consider improvements to how gas transportation service is delivered in the Western Canadian Sedimentary Basin - collaborative long term thinking, not just short term problem solving. The long term vision of where industry wants to go will set direction and provide a guide to short term and single Issues. The use of the term "Issue" shall be used in the Procedures to describe subjects for discussion and investigation or subjects leading to a decision requiring action.

2.2 The scope of tolls, Tariff and operating procedures Issues that may be addressed include any and all items that will need subsequent regulatory approval via a TransCanada's Alberta System General Rate Application (GRA) as well as operational Issues that are of general interest and impact to a broad cross section of industry. This includes, but is not limited to: the Alberta System cost of service, rate base, service offerings, rate design, terms and conditions of service, Tariff and operating procedures.

2.3 The scope of facility planning and policy Issues that may be addressed includes the TransCanada's Alberta System Annual Plan, Section 'L' applications, facility design criteria and philosophy, forecast methodology and assumptions that impact facility design and requirements, alternative facility build-ups under different forecasts or assumptions, facility design or facility requirements arising from system operational needs or service offerings, environmental and public participation issues, and purpose and necessity of facilities. These Issues will be discussed and advanced through the Facilities Task Force defined in Section 3.1(iii).

3.0 ORGANIZATIONAL MATTERS

3.1 The TTFP will have three subordinate standing task forces:

(i) **Business Process Task Force (BPTF)** - will be responsible for Issues arising from TTFP priorities regarding operating procedures, aspects of service offerings, and aspects of the terms and conditions of service as they pertain to operating practices;

(ii) **Alberta Tariff Task Force (ATTF)** - will be responsible for Issues arising from TTFP priorities regarding the Tariff, cost of service, rate base, rate design, and aspects of service offerings, aspects of the terms and conditions of service; and

(iii) **Facilities Task Force (FTF)** - will be responsible for Issues arising from TTFP priorities regarding facility planning and policy Issues as described in Section 2.3.

3.2 TransCanada will provide a Chairperson for each of the TTFP, BPTF, ATTF and FTF, who will schedule meetings, arrange meeting places, prepare and pre-circulate agendas, prepare and circulate meeting notes, maintain and distribute a membership list, provide orientation to new members, provide facilitation within meetings, keep meetings on task and on time, serve as a single communication point for members to identify agenda items prior to meetings and to forward any information for circulation to members and provide coordination and integration between other committees and task forces under the collaborative process umbrella.

4.0 MEMBERSHIP

4.1 A public notice will be provided yearly as an invitation for affected parties to join the TTFP. This notice will be made available to all TransCanada Customers and known affected parties and through newspaper advertisements. Copies of these announcements will be sent to the EUB.

4.2 Membership is open to TransCanada and any affected party that would directly experience implications of importance due to outcomes achieved by this Committee. A non-regulatory government organization with active interests in TransCanada's Alberta System and an individual or organization that represents a party or parties eligible for membership also all qualify for membership.

4.3 Membership pertains to the organization and not an individual representing that organization. Participants are expected to clearly identify the member organization that they are representing and will be expected to be acting on behalf of and be accountable for representing and articulating the position of the organization they represent.

4.4 Members agree to abide by these Procedures and participate in good faith.

4.5 While parties are encouraged to make their interest in becoming a member known at an early point in time subsequent to a notice, no affected party will be prohibited from joining at any time. Affected parties may choose to become active to pursue a single Issue of importance to them.

4.6 Membership on a task force created by the TTFP will be open to any affected party. An opportunity to participate will be given by direct notice from TransCanada to all of the members of the TTFP.

4.7 The membership list for the TTFP will be forwarded to the EUB on an annual basis.

5.0 INITIATION OF PROCESS

5.1 Subsequent to the issuing of the public notice of invitation to join the TTFP, NGTL will submit to the EUB a request for blanket approval to commence negotiations on routine Issues as well as the membership list for the upcoming year.

6.0 CLASSIFICATION OF ISSUES AND APPROVAL TO INITIATE DISCUSSION

6.1 Adopted Issues will be classified either as routine Issues (e.g.; business process changes, procedures reviews, contracting practices, audits, new services with small revenue impact) or non-routine Issues (e.g.; Issues with significant revenue requirement implications, rate design Issues, cost accountability Issues, Issues with significant distributional impacts). Routine Issues are not subject to EUB approval prior to TTFP discussion. Non-routine Issues will be referred to the EUB for approval to initiate negotiations.

6.2 For Issues that require subsequent EUB approval, the Issue Statement portion of the Issue Summary document will be forwarded to the EUB.

7.0 MEETING NOTES

7.1 Meeting notes which will provide a summary form of what Issues were discussed and any agreed to next steps, will be provided only to registered members. Members will take reasonable efforts to preserve the without prejudice nature of this communication, if distributing meeting notes or any other TTFP-related information within their organizations.

7.2 Meeting notes will not include the names of an individual or party with respect to a position being taken or comments made regarding an Issue. A party may, however, be identified in the meeting notes upon that party's request or prior approval. Furthermore, the meeting notes will not include vote counts or the names of parties supporting or opposing; they will only express the results of the vote. A visible notation will be shown on the notes indicating that they are for discussion purposes only and are provided on a without prejudice basis.

7.3 Meeting notes will not be provided to the EUB.

8.0 WITHOUT PREJUDICE

8.1 To facilitate free and open communication in the discussion and settlement of Issues, participation by all parties in regard to the TTFP or any related task force will be conducted on a "without prejudice" basis. This means that, subject to Section 8.3, any documents, with the exception of the Issue Statement portion of the Issue Summary submitted by the TTFP to the EUB as per Section 6.2, and any communications, written or oral, that are created or made as part of the TTFP

process shall be considered to be confidential and shall not be filed, referred to or quoted from in any hearing or other proceeding before any regulatory tribunal or any court of law, without TTFP consent through a unanimous or unopposed vote, unless so ordered by a court of law.

- 8.2 In order to preserve the without prejudice basis before the EUB, in addition to the foregoing, members will not comment on the status of any Issue before the TTFP (except as specifically provided for in this Section of the TTFP Procedures), including whether or not an Issue is being addressed unless the TTFP, by a unanimous or unopposed vote, agrees to disclose certain aspects of the Issue in advance of a regulatory proceeding. This limitation also pertains to Issues tabled, but not adopted, by the TTFP. A member may express its opinion regarding the appropriateness of the TTFP as a forum for addressing an Issue, however, no member has the right to express the collective view or position of the TTFP without the consent of the TTFP.
- 8.3 Two exceptions to Section 8.0 shall apply: no member of the TTFP shall submit to the EUB any submission, position, evidence or information provided by a party on a without prejudice or confidential basis, put forward in the TTFP, without the express consent of that party; and, that any member of the TTFP may submit or refer to documents created or made by that member.
- 8.4 Prior to any TransCanada relevant regulatory proceeding (e.g.; GRA), the TTFP shall discuss the nature of the upcoming proceeding and shall determine the extent to which any submission, position, or information provided under the auspices of the TTFP can be referred to by any party in that proceeding. As outlined above, a unanimous or unopposed vote will be required before any TTFP-related information can be provided to the EUB.
- 8.5 In response to an EUB directive that has been accepted for consideration by the TTFP, it will be permissible for members to acknowledge within a regulatory proceeding (application, pre-hearing conference, response to Information Requests, supplementary evidence, or oral evidence adduced during direct or cross examination) whether or not the Issue is being addressed by the TTFP and provide a copy of the Issue Statement section of the Issue Summary in order to be clear as to what is the Issue being addressed. Members will not disclose information pertaining to alternatives being discussed, positions of members, expected outcomes or expected timeline for an outcome.
- 8.6 Certain summary information pertaining to the title and description of Issues being addressed may be provided, on a "without prejudice" basis, to non members. Members are also encouraged to inform industry participants who may have an interest in a particular Issue of any plans to deal with that Issue in the TTFP, so they can be directly involved in the process if they choose.
- 8.7 TransCanada and other TTFP members may provide TTFP information to other committees under TransCanada's collaborative process umbrella, including, but not limited to, the Tolls and Tariff Task Force (TTF), the Foothills System Shippers, and the BC System Shippers, provided the parties receiving the information agree to fully recognize and abide by the without prejudice provisions of the TTFP.

9.0 RAISING AND PROGRESSING ISSUES

- 9.1 An "Issue" is defined as any item of concern or interest raised by a member concerning items described under the section entitled "Scope" in these Procedures, which is duly raised with the TTFP in the manner described in these Procedures.
- 9.2 Members who wish to raise an Issue through the TTFP must ensure that proper documentation is provided to the Chairperson for inclusion with the agenda for the next meeting. To the extent possible, the documentation provided should identify the Issue, describe the member's concern and proposed resolution. An Issue template, that will serve as a guideline for content and format, is appended as "Attachment 1" to these Procedures. TransCanada agrees to make a reasonable effort to provide information where required in order to assist in fully delineating an Issue.
- 9.3 The member who raises the Issue is the Issue Sponsor unless otherwise agreed to by another member who explicitly agrees to be the sponsor.
- 9.4 The TTFP will review each Issue and will adopt the Issue for further discussion only if accepted by a majority vote (greater than 50% of those members in attendance are in favour).
- 9.5 Once an Issue has been adopted, the TTFP will determine whether the Issue should be addressed by the TTFP or referred to a task force. A task force, other than the three standing task forces identified in Section 3.1 will only be established if supported by a majority vote (greater than 50% of those members in attendance are in favour). The TTFP is intended to be a working group and not just a steering group. Therefore, task forces will be minimized and used only when required to carry out more detailed work to support the TTFP.
- 9.6 When an Issue is adopted at the TTFP and the process identified to address the Issue is to work details at a task force, the TTFP will endeavor to have the Issue worked at one of the standing TTFP task forces. The TTFP will also have the ability to strike a task force specifically to address unique Issues that would not necessarily be best addressed by one of the standing task forces.
- 9.7 In the spirit of working together endeavoring to reach agreement on Issues, members are expected to identify and communicate corporate concerns at an early stage.
- 9.8 Subject to EUB approval if required, upon determination that an Issue is to be progressed, either to a task force or by the TTFP, all members who have voted against the progression of the Issue should be prepared to articulate their organization's position/concern at the time of the vote. Further, if any member irrespective of their vote, has potential serious concerns, thoughts, or intentions to litigate, these concerns, thoughts or intentions should be made known at the earliest possible time after the vote.
- 9.9 There is an expectation that a member who has serious concerns or thoughts with respect to an adopted Issue will participate on the task force or designate a representative to participate on the task force on their behalf.
- 9.10 It is expected that once an Issue has been accepted for consideration by the TTFP and approved by the EUB for discussion, it will be processed in an expeditious

manner. Issue status will be discussed on a minimum of a quarterly basis at the TTFP meetings. With respect to Issues that may be referred to a task force, the Issue will be referred back to the TTFP for a vote once resolution has been achieved at the task force. The TTFP may send an Issue back to the task force for further consideration.

- 9.11 The Sponsor of an Issue can withdraw their Issue by notifying the Chairperson of the TTFP.
- 9.12 An issue can be placed in abeyance if it can be determined that its disposition, though still relevant to the TTFP, is not a priority. If an Issue is in abeyance for one full calendar year it shall be deemed to be withdrawn upon one month's notice to the TTFP. The Chairperson of the TTFP will notify the EUB of any non-routine Issues put into abeyance or deemed to be withdrawn and will notify the TTFP of any Issues that are put into abeyance or deemed to be withdrawn.

10.0 ROLE OF EUB STAFF

- 10.1 When a task force is nearing the end of their negotiations and is developing a resolution for submission to the entire TTFP for discussion and decision, the task force Chairperson will notify the EUB as to the schedule of meetings of that particular task force so that an EUB observer can be in attendance for the conclusion of the discussions.
- 10.2 The EUB observer will be invited on the expectation that their role will be to insure the negotiation process was conducted in a fair manner.
- 10.3 At the conclusion of the discussions it is expected that the EUB observer will prepare a report to the EUB as to the fairness of the process.
- 10.4 The EUB observer's report, where applicable, will be made available to the TTFP for review and comment prior to the vote on the resolution.
- 10.5 After the EUB observer's report has been reviewed by the TTFP, if necessary, the TTFP will submit its views to the EUB.
- 10.6 If requested by the TTFP the EUB observer will sign a confidentiality agreement, specifying that no details of the discussions will be provided to the EUB.
- 10.7 After a resolution has been supported and filed for EUB approval, the TTFP will, if requested by the EUB, set up a meeting with EUB staff to provide background rationale that led to the resolution. Discussion of the rationale for the resolution will be generic in nature and will not reveal the positions of the various TTFP members.

11.0 VOTING GUIDELINES

- 11.1 Each member organization of the TTFP will have one vote. Members have to be in attendance during the vote in order to vote except in exceptional circumstances as per Section 11.5. A member that does not cast a vote either in favour or against a proposed resolution will be deemed to have abstained from voting. If a member's normal representative is unable to attend a meeting in order to cast a vote, an

alternate representative may vote, provided that notice has been provided to the Chairperson.

- 11.2 Formal notice of an impending vote will be given at the TTFP meeting immediately preceding the meeting at which the vote is to be taken. Reasonable prior notice will be made to all members by distributing the meeting notes at least 10 business days in advance of the meeting at which the vote will be taken.
- 11.3 A vote may be held on an amended resolution during a current TTFP meeting in the event that the amendments to the circulated resolution are minor in nature and the members in attendance agree (by majority vote) that the vote should be taken.
- 11.4 In exceptional circumstances (for example, to meet a regulatory deadline), a vote on a resolution may be held on less than ten days notice with the majority agreement of the members in attendance. Alternatively, an extraordinary meeting of the TTFP may be convened in order to vote on a resolution on less than ten days notice.
- 11.5 In exceptional circumstances an electronic vote may be conducted. All members of the TTFP will be polled electronically by the Chairperson of the TTFP and with the support of a majority of the respondents the vote can proceed as per Section 11.2.
- 11.6 There will be a majority where the number of votes "for" or "against" exceeds the number of votes "against" or "for", without regard to the number of abstentions.
- 11.7 A member's vote will not be construed as representing a binding irrevocable position. It will, however, be construed as representing the position of the member organization at that time. The TTFP is not a decision making body - no party loses its recourse to the EUB; no party is bound by their vote or a majority vote; the EUB is the final decision maker.
- 11.8 The result of a vote on any proposed resolution will be categorized as follows:
 - (i) **Unanimous:** all votes in favour of the proposed resolution.
 - (ii) **Unopposed:** a majority of votes in favour of the proposed resolution with those voting against indicating that will not actively oppose the proposed resolution or propose an alternative to the regulator.
 - (iii) **Opposed:** a majority of votes against the proposed resolution.
 - (iv) **Hard Opposed:** a majority of votes in favour of the proposed resolution with a minority of members voting against the resolution and indicating that they are prepared to actively oppose the proposed resolution before the EUB and may propose an alternative to the EUB.

12.0 TTFP REPORTING TO EUB

- 12.1 With the exception of an EUB directive that has been accepted for consideration by the TTFP, details of settled Issues (unanimous or unopposed) will be submitted to the EUB. The details to be provided would include a copy of the resolution.
- 12.2 With respect to an EUB directive that has been accepted for consideration by the TTFP, a report of the Issue will be provided to the EUB upon completion of the TTFP's deliberations (whatever the outcome). In the case of a "unanimous" or "unopposed"

resolution the report will include a copy of the resolution. In the case of an "opposed" resolution or "non-resolution" the report will simply indicate that the TTFP has considered the Issue and did not reach consensus.

13.0 PROCEDURES

- 13.1 These Procedures may be filed for information purposes with the EUB as part of a GRA or if a settled Issue is being submitted to the EUB. These Procedures are considered to be public information and may be provided to any party.
- 13.2 It is understood that the TTFP will review these Procedures on an as required basis.
- 13.3 Adoption of and amendments to these Procedures requires an Issue to be raised by a member and adopted by the TTFP. An outcome of either "unanimous" or "unopposed" will be required to effect a change to these Procedures.

Tolls, Tariff, Facilities & Procedures Committee

Issue Summary

1. Issue Sponsor

2. Issue Classification

- Routine
- Non-Routine

3. Issue Statement

- Provide a name for the Issue, and a brief and clear statement of the area of concern.

4. Background

- Provide some background on how the Issue arose, what the problem is with the status quo, etc.

5. Process for Addressing the Issue

- Briefly describe a tentative process for dealing with the Issue, for example:
 - can the Issue be dealt by the TTFP or a task force?
 - what would an expected timeline be for resolving the Issue?
 - how might the Issue fit in with the NGTL's GRA process?

6. Potential Outcome or Alternative

- Briefly describe what a potential outcome on the Issue might be, or some alternative outcomes that the Committee might consider.

7. Anticipated Benefits

- Briefly describe the specific benefits that will result from successful resolution of the Issue.