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December 9, 2004

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

Filed Electronically

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

Dear Sir:

**Re: NOVA Gas Transmission Ltd. (NGTL)  
Tolls, Tariff, Facilities and Procedures Committee (TTFP)  
Resolution BPC02-02 – Title Transfers  
Informational Filing**

Attachment 1 to this letter is a copy of TTFP Resolution BPC02-02 which NGTL files with the Board for information. On November 23, 2004, the TTFP supported repealing a previously agreed to change to the NOVA Inventory Transfer (NIT) timelines through an unopposed vote on Resolution BPC02-02.

On June 13, 2000, the Tolls, Tariff and Procedures Committee (TTP), predecessor to the TTFP, supported a number of business process changes through an unopposed vote on Resolution T2000-01. Resolution T2000-01 was filed with the Board for information on June 22, 2000 and subsequently acknowledged by the Board as a filing for information on July 7, 2000. Attachments 2 and 3 to this letter are copies of Resolution T2000-01 and the Board's letter of July 7, 2000.

As part of Resolution T2000-01, the TTP agreed that NGTL would provide Customers six effective times for NITs as described in point 11 of the 'Highlights of the Business Process Change' of Resolution T2000-01. The TTP agreed that NGTL would provide notification of implementation prior to implementing the agreed to business process changes. The TTP adopted Issue BPC02-02 on January 7, 2003 for the purpose of discussing business process changes related to Resolution T2000-01 as well as other suggested modifications to the title transfer process.

December 9, 2004

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Mr. W. Vienneau

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, NGTL sought Board approval to continue negotiations related to Issue BPCO2-02 on February 4, 2004. The Board approved NGTL's request to continue negotiations on Issue BPCO2-02 on February 26, 2004.

In early 2004, NGTL initiated discussions with the TTFP to implement the change to NIT timelines. As a result of these discussions, the TTFP determined that the proposed change to NIT timelines would not be beneficial and could possibly be detrimental to the NIT market. As a result, the TTFP agreed to repeal point 11 of the 'Highlights of the Business Process Change' of Resolution T2000-01.

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](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](mailto:carolyn_shaw@transcanada.com) and [alberta\\_system@transcanada.com](mailto: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

Attachment

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

**Attachment 1**

**Resolution BPC02-02**

**Title Transfers**

# Tolls, Tariff, Facilities & Procedures Committee

## Resolution

BPC02-02: Title Transfers

## Resolution

The Tolls, Tariff, Facilities & Procedures Committee (TTFP) supports repealing the previously supported amendment to NOVA Inventory Transfer (NIT) timelines in Resolution T2000-01.

## Background

TransCanada began a business process review initiative in 1999. The intent of this review was to develop business processes that meet the needs of TransCanada and the industry in the future.

The Business Process Task Force (BPTF) evaluated a number of changes, one of which was to institute six effective times for NITs. The Tolls, Tariff & Procedures Committee (TTP), predecessor to the TTFP, supported this change to NIT in June 2000 as part of Resolution T2000-01. The TTP would be notified at the time of implementation for this change and a cost/benefit of the change would be developed at that time.

Earlier in 2004, TransCanada was ready to work the implementation details of this business process change outlined in Resolution T2000-01 and had brought this forward for discussion at the BPTF in April to July 2004 (four meetings). These discussions resulted in the conclusion that the change adopted for NIT timelines is not beneficial and possibly even detrimental to the functioning of the NIT market. For this reason, the BPTF recommends that the previously TTP-adopted change to NIT (highlight number 11 of Resolution T2001-01) be repealed by this resolution.

## Next Steps

NOVA Gas Transmission Ltd. will not implement the change to NIT as described in highlight number 11 of Resolution T2000-01. No action is required. As a Request to Negotiate was made, NGTL will inform the Alberta Energy and Utilities Board that this issue is closed.

**Attachment 2**

**Resolution T2000-01**

**Business Process Change**



**TransCanada**

June 22, 2000

Alberta Energy and Utilities Board  
640 - 5 Avenue SW  
Calgary, Alberta  
T2P 3G4

Attention: Mr. Wade Vienneau

Dear Mr. Vienneau

**RE: NOVA Gas Transmission Ltd.  
Tolls, Tariff & Procedures Committee  
Resolution T2000-01 - Business Process Change**

Please find attached Resolution T2000-01 for your information. Resolution T2000-01 was supported by the Tolls, Tariff & Procedures Committee (TTP) at its June 13, 2000 meeting. The result of the vote on this resolution was "unopposed", as defined by the TTP procedures.

Should you have any questions on the TTP process, please call me at 267-6224.

Yours truly

Dave Hands  
Western Market Development

cc: Robert Heggie, Executive Manager, Utilities  
TTP Members (w/o attachment)

Attachment: Resolution T2000-01  
BCP Information Presentation

**TRANSCANADA (ALBERTA SYSTEM)**  
**TTP RESOLUTION**  
**Business Process Change**

**Resolution T2000-01**

The TTP agrees to support the Business Processes changes contained in an attached PowerPoint document dated May 4, 2000. These Business Process changes are intended to balance the requirements of TransCanada with the interests of industry.

Support of this Resolution does not determine the treatment of capital expenditures on computer systems required to implement / monitor the Business Process changes, nor implicitly approve such capital expenditures. It is expected the treatment of costs incurred by TransCanada will be determined by the following agreements:

- The Cost Efficiency Incentive Settlement; or
- The Merger Costs and Benefits Agreement; or
- A successor arrangement to either of the above agreements.

TransCanada intends to work with industry to perform cost / benefit analysis prior to the implementation of Business Process changes. An implementation plan will be presented to the Business Process Task Force for approval.

**Highlights of the Business Process Changes**

1. TransCanada shall provide a Customer the option to nominate for receipts/deliveries at pipeline interconnections or to have TransCanada derive a nomination from the Connecting Pipeline Operator's 'Request For Confirmation' communiqué;
2. TransCanada shall provide Customers the ability to identify their priorities for receipts/deliveries at individual locations and/or across multiple locations by incorporating an optional 'ranking' element within the nomination data set;
3. TransCanada shall not confirm nor schedule transportation service without a Customer nomination;
4. TransCanada may confirm and schedule service for Customers in excess of their nominations at receipt points during non-critical days;
5. Customer nominations for receipt/delivery service shall not be constrained by the physical capacity at facilities;
6. TransCanada shall provide Customers four nomination and three effective times for service during critical days;
7. TransCanada shall provide Customers six nomination and five effective times for service during non-critical days;
8. TransCanada shall provide Common Stream Operators seven effective times in addition to those referred to in 6 & 7 above, in order that they may respond to operational situations causing changes in flow rate and resulting in changes to scheduled service quantities;

9. TransCanada and the Common Stream Operator (or Connecting Pipeline Operator) shall confirm transportation services at least one hour prior to effective time;
10. TransCanada shall provide Scheduled Quantity information to a Customer at or before the effective time;
11. TransCanada shall provide Customers six effective times (five as referred to in 7 above plus one end of day) for NOVA Inventory Transfers (NIT's).

## **Background**

TransCanada began a Business Process review initiative in 1999. The intent of the review was to develop Business Processes that met the needs and realities of TransCanada and industry in the future and are achievable within a timeframe of one to two years. As TransCanada proceeded with its initiative, parties expressed concerns that the initiative should be pursued as a formal TTP issue. The TTP adopted Business Process Change as Issue T2000-01 at the January 2000 TTP, at which time a Task Force was formed.

The intent of the Business Process Task Force was to discuss, gather and evaluate potential Business Process changes and to assess the impact of these changes to industry. The evaluation was to consider balancing the needs of parties with a vested interest in the operation of the TransCanada Alberta System with the requirements of TransCanada, and to ensure that TransCanada's level of service is maintained.

The Task Force has met routinely since January to discuss and resolve the issue. Attached is a summary of the Business Process Changes discussed and agreed to by the Task Force.

It should be noted that the Business Process Task Force will continue to meet on a non-routine basis. The purpose of the continued meetings will be to provide TransCanada a medium for industry collaboration and approval on the implementation details of Business Process Change and other issues that are outstanding or that may arise.

## **Next Steps**

1. TransCanada believes a degree of urgency exists to implement a 'lesser of rule' at the earliest opportunity to ensure operating practices comply with service priorities as described in the TransCanada Alberta System Tariff. A 'lesser of rule', as proposed by TransCanada, would result in TransCanada not confirming or scheduling transportation service in excess of a customer's nomination or allowable during a critical day. The Business Process Task Force has not yet agreed on this issue. It will be addressed by the Task Force in the near term. TransCanada wants to have this resolved by July 1, 2000.
2. The future use, requirement for, and cost treatment of NrG Highway is a concern to the Task Force, but has not been discussed in detail. The Task Force intends to



discuss the future of NrG Highway as implementation plans for Business Process are developed.

3. The Task Force intends to perform cost / benefit analysis prior to the implementation of aspects of the Business Process changes. The intent of the cost / benefit analysis is to ensure Business Process changes are cost effective from an industry perspective.

# BPC / TTP Presentation

May 4/2000

For discussion purposes of the Tolls, Tariff & Procedures Committee - Privileged Communication

## Principles For Change

- Maximize throughput.
- Align operations with tariff.
- Reduce costs & simplify processes.
- Increase automation & E-Business.
- Integration of TransCanada Transmission.
- Provide a foundation for systems development.
- Implement stable and robust processes and systems.
- Improve customer service (e.g. curtailment management).
- Promote marketplace liquidity.

For discussion purposes of the Tolls, Tariff & Procedures Committee - Privileged Communication

## Agenda

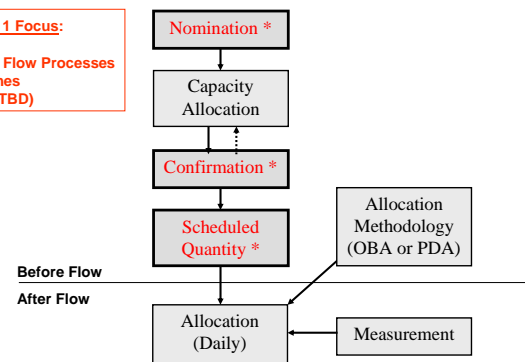
- Principles For Change
- Business Processes
- Review Processes & Timelines
  - Today
  - Modified BPC Proposal
- Summary: Customers, Plants, Markets, NGTL
- Next Steps

For discussion purposes of the Tolls, Tariff & Procedures Committee - Privileged Communication

## BPC - Phase 1

### \* Phase 1 Focus:

- Before Flow Processes
- Timelines
- Units (TBD)



For discussion purposes of the Tolls, Tariff & Procedures Committee - Privileged Communication

## Nominations - Today

- Nominations required at plants and for title transfers.
- Nominations not available to Customers at markets - derived from market's Request For Confirmation (RFC).
- Ranking not available, except manual process at ABC.
- NGTL derives transportation service levels.
- Nominations at plants limited to station capacity.
- NGTL distributes nominations to plant for Customer.
- NGTL provides shrinkage banding, pooling, allocation & flow splitting services.

For discussion purposes of the Tolls, Tariff & Procedures Committee - Privileged Communication

## Confirmations - Today

- Pre-established deadlines exist at border markets.
- Markets initiate RFC.
- NGTL initiates RFC (partial process).

For discussion purposes of the Tolls, Tariff & Procedures Committee - Privileged Communication

## Nominations - Modified BPC Proposal

- Customers continue to nominate at plants and for NITs.
- Option for Customers to nominate at border markets. If market nominations not provided, NGTL would continue to derive nomination from market's RFC.
- Nominations at plants not limited to station capacity.
- If nomination provided, ranking available as option.
- NGTL to continue deriving transportation service levels.
- NGTL to continue distributing nominations to plant for Customer.
- NGTL provides shrinkage banding & pooling services.

For discussion purposes of the Tolls, Tariff & Procedures Committee - Privileged Communication

## Confirmations - Modified BPC Proposal

- At plants, NGTL to initiate RFC during critical conditions (TBD during non-critical conditions).
- Markets continue initiating RFC.
- Comply with pre-established deadlines.

For discussion purposes of the Tolls, Tariff & Procedures Committee - Privileged Communication

## Level of Detail - Today

- NGTL Party detail for confirmations at markets.
- Dispatch/Party detail for nominations at plants.
- Dispatch/Party detail for confirmations at plants.

For discussion purposes of the Tolls, Tariff & Procedures Committee - Privileged Communication

## Timelines - Today

- Major borders & AECO storage:
  - 4 GISB nomination cycles.
  - 3 GISB effective flow times.
- In-Alberta:
  - 48 nomination opportunities per day during non-critical conditions.
  - 1 full reschedule & 1 partial nomination opportunity per day during critical conditions.
  - 48 confirmation opportunities per day.
  - 90+% of effective flow times within 3 GISB effective flow times.

For discussion purposes of the Tolls, Tariff & Procedures Committee - Privileged Communication

## Level of Detail - Modified BPC Proposal

- NGTL Party (option for Party/Party) detail for nominations and confirmations at markets.
- Dispatch/Party (option for Party/Party) detail for nominations passed to plants for Customer (Dispatch not retained by NGTL).
- NGTL Party (option for Party/Party) detail for confirmations at plants.

For discussion purposes of the Tolls, Tariff & Procedures Committee - Privileged Communication

## Timelines - Modified BPC Proposal

- At plants & markets during non-critical conditions:
  - 6 nomination cycles/day (4 GISB + 2), with 5 effective flow times.
- At plants & markets during critical conditions:
  - 4 GISB nomination cycles/day, with 3 effective flow times.
- At plants:
  - 7 additional confirmation cycles/day, with 7 effective flow times, for operational updates.

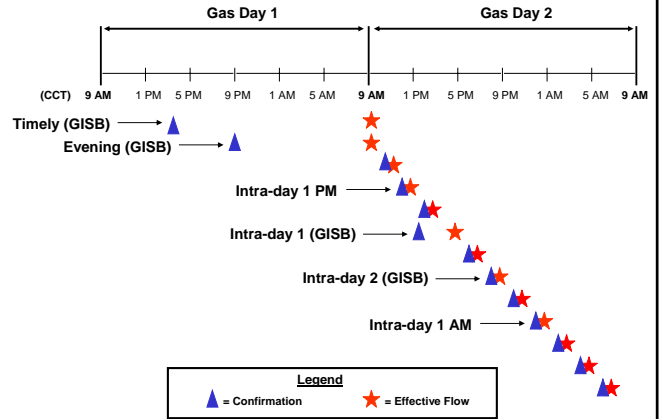
For discussion purposes of the Tolls, Tariff & Procedures Committee - Privileged Communication

## Timelines - Modified BPC Proposal

- Availability of nomination or confirmation cycle depends on practices of plant/market.
- For title transfers:
  - 7 nomination cycles/day (the 6 cycles applicable to non-critical conditions plus an End-of-Day cycle).
  - 6 effective times.
  - Available during critical and non-critical conditions.

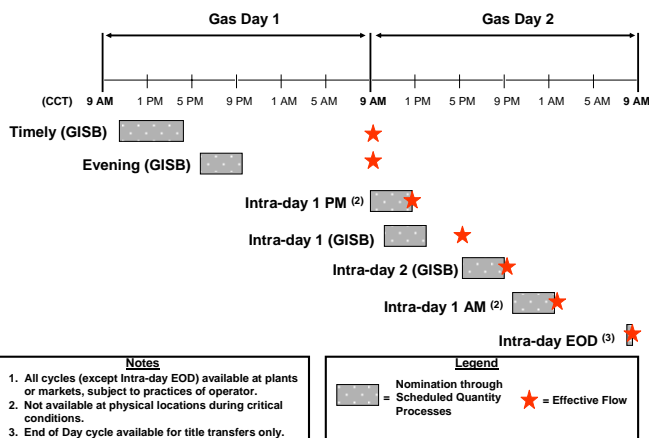
For discussion purposes of the Tolls, Tariff & Procedures Committee - Privileged Communication

## Confirmation Timelines at Plants - For Gas Day 2



For discussion purposes of the Tolls, Tariff & Procedures Committee - Privileged Communication

## Nomination Timelines - For Gas Day 2



For discussion purposes of the Tolls, Tariff & Procedures Committee - Privileged Communication

## E-Business - Today

- Electronic nominations at plants and for title transfers.
- Manual confirmations at plants.
- Manual or electronic confirmations at markets.

For discussion purposes of the Tolls, Tariff & Procedures Committee - Privileged Communication

## E-Business - Modified BPC Proposal

- Electronic nominations at plants and markets, and for title transfers.
- Electronic confirmations at plants and markets.

For discussion purposes of the Tolls, Tariff & Procedures Committee - Privileged Communication

## Summary: Plants

- Plant receives all requests for supply.
- Electronic confirmations.
- Increased rescheduling cycles during critical conditions.

For discussion purposes of the Tolls, Tariff & Procedures Committee - Privileged Communication

## Summary: Customers

- Increased cycles during critical conditions (In-Alberta).
- Improved curtailment management.
- Option to nominate markets.
- Option to provide ranks at plants and markets.
- Additional information available before flow (Scheduled Quantity at predetermined timelines).
- Standardized, automated and simpler processes.
- Nominations not limited to station capacity.

For discussion purposes of the Tolls, Tariff & Procedures Committee - Privileged Communication

## Summary: Markets

- Increased nomination cycles during critical conditions.
- Extraction markets manage shrinkage allocation and flow splitting function.
- Standard, automated and simpler processes.

For discussion purposes of the Tolls, Tariff & Procedures Committee - Privileged Communication

## Summary: NGTL

- Improved customer service (e.g. curtailment management).
- Enables foundation for integrated systems development.
- Improved ability to respond to changing business needs.
- Reduced costs due to: standard, electronic, automated and simpler processes.

For discussion purposes of the Tolls, Tariff & Procedures Committee - Privileged Communication

## Next Steps

- Over next 2 weeks, reach agreement in principle on BPC so far
  - Processes, timelines.
  - Near term requirement to enforce tariff's priority of service.
- Path 1 (estimate 1 month):
  - Draft resolution on BPC, so far (processes, timelines).
  - TTP vote.
  - Address other BPC items (units).
- Path 2 (estimate 2-3 months):
  - Continue with other BPC items (units).

For discussion purposes of the Tolls, Tariff & Procedures Committee - Privileged Communication

## Key Changes (excluding options)

- 4 GISB nomination cycles/day available during critical conditions.
- 6 nomination cycles/day (4 GISB + 2) available during non-critical conditions.
- 7 additional confirmation cycles/day at plants, for operational updates.
- Nominations at plants not limited to station capacity.
- Additional information available before flow.
- Extraction markets manage shrinkage allocation & flow splitting function.
- Electronic confirmations at plants and markets.

For discussion purposes of the Tolls, Tariff & Procedures Committee - Privileged Communication

## Additional Information (Timeline Details)

## Timelines: Nomination Cycles

(Central Clock Time)

Nomination Cycle	Nomination	Confirmation	Scheduled Quantity	Effective Flow Time	Gas Day
Timely (GISB)	11:30 AM	3:30 PM	4:30 PM	9:00 AM	Next
Evening (GISB)	6:00 PM	9:00 PM	10:00 PM	9:00 AM	Next
Intra-day 1:00 PM	9:00 AM	12:00 PM	1:00 PM	1:00 PM	Same
Intra-day 1 (GISB)	10:00 AM	1:00 PM	2:00 PM	5:00 PM	Same
Intra-day 2 (GISB)	5:00 PM	8:00 PM	9:00 PM	9:00 PM	Same
Intra-day 1:00 AM	9:00 PM	12:00 AM	1:00 AM	1:00 AM	Same
Intra-day EOD [NITs]	TBD	-	End of Day	End of Day	Same

- Title transfers available at all cycles.
- All cycles (except Intra-day EOD) are available at all physical locations - implementation dependant on plant/market practices.

For discussion purposes of the Tolls, Tariff & Procedures Committee - Privileged Communication

## Timelines: Nomination & Confirmation Cycles

(Central Clock Time)

Nomination & Confirmation Cycle	Nomination	Confirmation	Scheduled Quantity	Effective Flow Time	Gas Day
Timely (GISB)	11:30 AM	3:30 PM	4:30 PM	9:00 AM	Next
Evening (GISB)	6:00 PM	9:00 PM	10:00 PM	9:00 AM	Next
* Confirmation 11:00 AM	-	10:00 AM	11:00 AM	11:00 AM	Same
Intra-day 1:00 PM	9:00 AM	12:00 PM	1:00 PM	1:00 PM	Same
* Confirmation 3:00 PM	-	2:00 PM	3:00 PM	3:00 PM	Same
Intra-day 1 (GISB)	10:00 AM	1:00 PM	2:00 PM	5:00 PM	Same
* Confirmation 7:00 PM	-	6:00 PM	7:00 PM	7:00 PM	Same
Intra-day 2 (GISB)	5:00 PM	8:00 PM	9:00 PM	9:00 PM	Same
* Confirmation 11:00 PM	-	10:00 PM	11:00 PM	11:00 PM	Same
Intra-day 1:00 AM	9:00 PM	12:00 AM	1:00 AM	1:00 AM	Same
* Confirmation 3:00 AM	-	2:00 AM	3:00 AM	3:00 AM	Same
* Confirmation 5:00 AM	-	4:00 AM	5:00 AM	5:00 AM	Same
* Confirmation 7:00 AM	-	6:00 AM	7:00 AM	7:00 AM	Same
Intra-day EOD [NITs]	TBD	-	End of Day	End of Day	Same

- All nomination cycles (except Intra-day EOD) are available at all physical locations - implementation per plant/market practices.
- Confirmation cycles only available at plants for operational updates.
- Intra-day EOD cycle is available for title transfers only.

For discussion purposes of the Tolls, Tariff & Procedures Committee - Privileged Communication



**Attachment 3**

**EUB Letter dated July 7, 2000**

File No. 8630-N1-3

July 7, 2000

Mr. Dave Hands  
TransCanada Transmission  
111 5 AVE SW  
CALGARY AB T2P 3Y6

Dear Mr. Hands:

**NOVA GAS TRANSMISSION LTD. (NGTL)  
TOLLS, TARIFF & PROCEDURES COMMITTEE  
RESOLUTION T2000-01 – BUSINESS PROCESS CHANGE**


The above noted resolution relating to Business Process Changes, attached to your letter dated June 22, 2000, is accepted as a filing for information.

The resolution confirms that NGTL shall work with industry to evaluate and possibly implement a variety of changes to existing processes. It is understood that Resolution T2000-01 was supported by the Tolls, Tariff and Procedures Committee (TTP) at its June 13, 2000 meeting.

NGTL is directed to distribute the filing and this letter to its customers.

Yours truly,



 Robert D. Heggie  
Executive Manager  
Utilities Branch