


MADE at the City of Calgary, in the Province of Alberta, on 28th day of October 2005.	 ALBERTA ENERGY AND UTILITIES BOARD
NOVA Gas Transmission Ltd. TTFP Resolution T2005-04 Seasonal Service Attributes Review	Application No. 1418225

1 BACKGROUND

On September 14, 2005, the Alberta Energy and Utilities Board (the Board) received Application No.1418225 (the Application) from NOVA Gas Transmission Ltd. (NGTL) requesting, pursuant to Part 4 of the *Gas Utilities Act*, R.S.A. 2000, c. G-5, as amended, approval of amendments to NGTL's Gas Transportation Tariff (Tariff). The amendments related to Short Term Firm Transportation Service (STFT) and Firm Transportation – Delivery Winter Service (FT-DW) as well as amendments to the open season process associated with STFT and FT-DW Services and consequential amendments to the Tariff.

A Notice of Application was issued via email, on October 19, 2005, to parties (on the NGTL 2005 GRA Phase I and Phase II distribution lists) and was posted on the EUB and NGTL websites. Submissions from interested parties were requested by October 25, 2005. The Board did not receive any objections to the Application.

2 DETAILS OF THE APPLICATION

On March 10, 2005, the Tolls, Tariffs, Facilities & Procedures Committee (TTFP) adopted Issue T2005-04 for the purposes of reviewing the attributes of STFT and FT-DW Services. NGTL submitted that subsequent to the adoption of Issue T2005-04, a TTFP task force was formed and met seven times to discuss the service attributes of STFT and FT-DW Services.

Proposed attributes of STFT included:

- Minimum term - one week ending on the last day of a month,
- Maximum term - one year less one day,
- Open season held monthly and reverting to a daily open season for remaining capacity,
- No renewal rights,
- Biddable service starting at a floor price of 100% of the FT-D rate,
- No Alternate Access, and
- No transfers allowed.

Proposed attributes of FT-DW included:

- Term - three consecutive winter seasons (November to March),
- Open season held annually as required, and at least two years in advance of service commencement (after the initial service offering),
- No renewal rights,
- Biddable service starting at a floor price of 125% of the FT-D rate,
- No Alternate Access,
- No assignments, and
- No transfers allowed.

NGTL submitted that STFT Service had only been minimally subscribed to since November 2000 and had not been used since November 2002, and that FT-DW Service had not been subscribed to since it was implemented. NGTL further submitted that biddable STFT Service and FT-DW Service rates of a minimum of 100 percent and 125 percent, respectively, instead of the existing rates at a minimum of 135 percent and a fixed 175 percent respectively, of the firm transportation rate on the Alberta System would be more commensurate with the value of the Services. Furthermore, NGTL added that the FT-DW rate included a 25 percent premium over the STFT rate in recognition of the premium nature of the Service and that the biddable nature of the STFT and FT-DW rates would ensure capacity for such Services was allocated to shippers who valued the capacity most. NGTL also noted that the proposed changes to STFT and FT-DW Service would align these Alberta System services with similar services offered by the other Canadian pipeline systems owned by TransCanada.

In the Application, NGTL submitted that on September 13, 2005, the TTFP supported amendments to STFT and FT-DW Services through an unopposed vote on Resolution T2005-04. As part of the Resolution T2005-04, the TTFP agreed to review FT-DW Service after completion of the 2006 open season for the purpose of assessing the ongoing need for the Service.

NGTL proposed that they would hold open seasons in September and October 2005 for STFT Service and FT-DW Service capacity. Subsequently, at the close of the STFT open season, NGTL planned to offer STFT capacity on a daily open season basis commencing October 27, 2005, for service effective on November 1, 2005 conditional on Board approval of this Application.

NGTL attached a copy of Resolution T2005-04, along with a summary of the Tariff amendments, a black-lined copy of the relevant sections of the Tariff illustrating the amendments, and a clean copy of the relevant sections of the Tariff incorporating the amendments.

3 BOARD FINDINGS

The Board notes that shippers potentially affected by the proposed modifications to the STFT and FT-DW Services, as well as amendments to the open season process associated with STFT and FT-DW Services, had several opportunities to provide feedback to the TTFP, and that Resolution T2005-04 was passed through an unopposed vote. The Board also notes that no parties filed an objection in regards to the Application.

In assessing the reasonableness of the proposed Tariff amendments, the Board recognizes that the TTFP agreed to review FT-DW Service after completion of the 2006 open season for the purpose of assessing the ongoing need for the Service. The Board considers that these processes will help ensure that affected parties are treated fairly.

The Board also notes NGTL's submission that STFT Service had only been minimally subscribed to since November 2000 and had not been used since November 2002 and that FT-DW Service had not been subscribed to since it was implemented. The Board considers NGTL's submission that biddable STFT Service and FT-DW Service rates of a minimum of 100 percent and 125 percent, respectively, of the firm transportation rate on the Alberta System should be more commensurate with the value of the Services. The Board agrees with NGTL that the biddable nature of the STFT and FT-DW rates should ensure capacity for such Services is allocated to shippers who value the capacity most.

Based on the potential for a more efficient use of the Alberta System, and the absence of objections to the Application, the Board finds that the requested amendments to the Tariff are reasonable.

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 relevant sections of its Gas Transportation Tariff related to Short Term Firm Transportation Service (STFT) and Firm Transportation – Delivery Winter Service (FT-DW) as well as amendments to the open season process associated with STFT and FT-DW Services and consequential amendments to the Tariff as attached to the Application.

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