



TransCanada PipeLines Limited  
450 – 1<sup>st</sup> Street S.W.  
Calgary, Alberta T2P 5H1 Canada

Tel: (403) 920-7186  
Fax: (403) 920-2347  
Email: norm\_bowman@transcanada.com

July 28, 2006

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

Filed Electronically

**Attention: Lisa Kelly, Application Officer**

Dear Madam:

**Re: EUB Initiated Review of Competitive Gas Pipeline Issues Under Board Jurisdiction  
EUB Application No. 1466609  
NOVA Gas Transmission Ltd. (NGTL)  
Statement of Intention to Participate**

NGTL seeks to register as a participant in the Competitive Pipeline Review Process the Alberta Energy and Utilities Board (Board) established in its June 29, 2006 Notice. Please find attached a copy of NGTL's Statement of Intention to Participate.

The Board provided in the Notice an outline of its intended process for the initial stage of the Competitive Pipeline Review Process, including a list of preliminary issues. It invited parties to provide comments on the proposed process, its scope and the timing for it. NGTL provides below its comments on these matters.

### **Process**

NGTL believes the proposed Review Process, in the form of technical meetings with industry, may be a useful mechanism to better define and address competitive pipeline issues. It will provide a collaborative and less formal forum than a hearing process and may lead to consensus solutions.

However, NGTL has concerns with the proposed use of the results from the technical meetings. Technical meetings led by Board staff do not form a sufficient evidentiary record for Board staff to prepare recommendations to submit to the Board for review and approval. Absent a consensus by all parties on an issue, further and more formal regulatory process may be required.

NGTL also suggests it would be beneficial if the Board could provide further guidance, and as necessary solicit further participant input, regarding the agenda and processes that would be used for the proposed technical meetings.

## **Scope**

NGTL has reviewed the Board's proposed issues for the technical meetings and has the following comments regarding the scope of certain issues.

- EUB Facilities Application Process – NGTL is not clear what the Board proposes to address through this issue. NGTL believes that the facilities application process is well established through a legislative framework and existing Board directives and thus does not need to be included in this Review Process.
- NGTL's Annual Plan – NGTL agrees that its obligation to prepare and file its Annual Plan is an issue that requires consideration. NGTL expends significant time and resources to prepare this document. Furthermore, the competitive implications associated with NGTL being the sole regulated pipeline required to produce an Annual Plan, merit consideration and thus should be part of this Review Process.
- Parallel Facilities and Utilities Filings – Uncertainty around cost recovery for new facilities and the timeliness of approvals can result in risks to NGTL and its stakeholders. The consideration of parallel facilities and utilities matters is an important issue that requires clarification to the extent that the Board is considering departing from its past practices. However, NGTL believes this issue is outside the scope of a Competitive Pipeline Review Process.
- Least Cost Alternative (LCA) Process – NGTL believes that a clearly established and defined LCA process should be applied when determining optimal facility solutions so that future facility additions can be designed, approved and constructed in timeframes that meet customer requirements and therefore should be included in this Review Process.
- Transportation by Others (TBO) – NGTL considers the use of TBO arrangements when evaluating LCA solutions. The pricing of TBO arrangements amongst regulated pipelines is an issue that merits consideration in this Review Process.

NGTL notes that competitive pipeline issues are not limited to those pipelines under the Board's jurisdiction. NGTL suggests that consideration needs to be given to competitive matters that result from non-EUB regulated entities.

NGTL would also like to emphasize the importance of being able to provide timely solutions that satisfy customer needs. Any change contemplated as a result of the Competitive Pipeline Review Process needs to meet this requirement.

## **Timing**

Page 3  
July 28, 2006  
Ms. Lisa Kelly

NGTL suggests it is not necessary to wait for a collaborative process by industry (as referred to in the Notice) to conclude before initiating the proposed technical meetings as an initial step in the Competitive Pipeline Review Process. NGTL suggests the two initiatives can proceed concurrently. If an industry solution is achieved before completion of the Competitive Pipeline Review Process, it can be presented to the Board for consideration.

Furthermore, in the interim, NGTL suggests that individual facility applications can and should be dealt with through existing Board processes and directives. The Competitive Pipeline Review Process should not delay or impede any company from conducting regular business under existing rules.

Yours truly,

**NOVA Gas Transmission Ltd.**

A wholly-owned subsidiary of TransCanada PipeLines Limited

[ORIGINAL SIGNED BY]

Norm Bowman  
Director, Regulatory Services

Encl.

## **Alberta Energy and Utilities Board**

**IN THE MATTER OF** Application No. 1466609, being an EUB Initiated Review of Competitive Gas Pipeline Issues under Board Jurisdiction, pursuant to a Notice dated June 29, 2006 (Competitive Pipeline Review Process).

To: Ms. Lisa Kelly  
Application Officer  
Alberta Energy and Utilities Board

---

### **Statement of Intention to Participate NOVA Gas Transmission Ltd.**

---

---

1. NOVA Gas Transmission Ltd. (NGTL) seeks to register as a participant in the Competitive Pipeline Review Process.
2. NGTL is a wholly-owned subsidiary of TransCanada PipeLines Limited. NGTL owns and operates an extensive natural gas transmission system in Alberta which gathers and transports natural gas for delivery and use within Alberta and for delivery to provincial border points connecting to various downstream pipelines (the Alberta System). NGTL's transmission activities are regulated by the Alberta Energy and Utilities Board (Board).
3. The Board proposed in its June 29, 2006 Notice certain issues to be considered as part of the Competitive Pipeline Review Process. NGTL has a direct interest in the review and determination of these issues. Any Board directions or decisions that result from adjudication of these or other related issues through the proposed Review Process or any other subsequent related process may directly apply to and impact NGTL's operation of the Alberta System.
4. NGTL submits that it is not ineligible for cost recovery in this proceeding pursuant to the "business interest" rule in section 55(2)(h.1) of the Board's *Rules of Practice*. NGTL is not participating in this proceeding for the sole purpose of protecting its business interests. NGTL also submits that the generic nature of this proceeding may warrant an approach to cost recovery that differs from an applicant-initiated proceeding.

5. NGTL requests that all further notices or other materials that may be issued or filed be provided to the following representatives:

Attention: Norm Bowman  
Director, Regulatory Services

Telephone: (403) 920-7168  
Facsimile: (403) 920-2347  
Email: alberta\_system@transcanada.com  
norm\_bowman@transcanada.com

Mailing Address:  
450 – 1st Street S.W.  
Calgary, Alberta  
T2P 5H1

Attention: Patrick Keys  
Vice President, Pipelines  
Law and Regulatory Research

Telephone: (403) 920-6237  
Facsimile: (403) 920-2420  
Email: patrick\_keys@transcanada.com

Mailing Address:  
450 – 1st Street S.W.  
Calgary, Alberta  
T2P 5H1

**Calgary, Alberta**  
**July 28, 2006**

Respectfully submitted,

**NOVA Gas Transmission Ltd.**  
A wholly-owned subsidiary of  
TransCanada PipeLines Limited

*[ORIGINAL SIGNED BY]*

Per: \_\_\_\_\_  
Patrick M. Keys  
Vice President, Pipelines  
Law and Regulatory Research