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November 21, 2007

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 T2007-05 – Open Season Bid Deposits**

NGTL hereby applies to the Alberta Energy and Utilities Board (“Board”) under Part 4 of the *Gas Utilities Act*, R.S.A. 2000, c. G-5, as amended, for approval of amendments to its Tariff related to Appendix A, Terms and Conditions Respecting Access to Transportation Service at Export Delivery Points.

The tariff amendments will remove the requirement to provide a deposit for customers bidding for existing or new Firm Transportation – Delivery (“FT-D”) if those shippers already hold transportation service on NGTL. This amendment will simplify the administration process for most shippers bidding for FT-D as a separate deposit will no longer be required, and NGTL will no longer be required to refund the deposit following the capacity allocation process. This revision is being made to TransCanada’s three wholly owned Canadian pipelines.

On November 20, 2007, the TTFP supported the proposed amendment by unopposed Resolution T2007-05. 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/2007.htm](http://www.transcanada.com/Alberta/regulatory_info/2007.htm).

TTFP Resolution T2007-05, a black-lined copy of relevant pages of the Tariff illustrating the proposed amendments, and a clean copy of the relevant sections of the Tariff incorporating the amendments are attached for the Board’s information.

November 21, 2007

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Mr. W. Vienneau

NGTL respectfully requests the Board render a decision on the proposed amendments by December 21, 2007 to allow for implementation effective January 1, 2008.

Please direct all notices and communications regarding this matter to Greg Szuch by e-mail at [greg\\_szuch@transcanada.com](mailto:greg_szuch@transcanada.com) and [alberta\\_system@transcanada.com](mailto:alberta_system@transcanada.com), or by phone at 920-5321.

Yours truly,

**NOVA Gas Transmission Ltd.**

A wholly owned subsidiary of TransCanada PipeLines Limited

*Original Signed by*

Norm Bowman

Director, Regulatory Services

Attachment

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

## **TTFP Resolution T2007-05 – Open Season Bid Deposits**

# **Tolls, Tariff, Facilities & Procedures Committee**

## **Resolution**

Issue T2007-05: Open Season Bid Deposits

### **Resolution**

The Tolls, Tariff, Facilities and Procedures Committee (TTFP) agrees to amendments to the Tariff to improve administrative efficiencies for Open Season bid deposit requirements as follows:

- Customers who currently hold gas transportation service with NGTL will not be required to provide a deposit with each Open Season bid for Expansion or Existing Capacity. The deposit requirement would be replaced by the right for TransCanada to invoice a Customer who withdraws from an awarded bid or does not meet bid requirements.
- Customers who do not currently hold gas transportation service with NGTL will be required to provide a deposit.

### **Background**

NGTL requires that each Open Season bid for Expansion or Existing Capacity be accompanied by a deposit of the lesser of 1 month demand charges or \$10,000. Once the capacity has been awarded, NGTL returns the deposits to successful bidders or credits their invoices, and refunds the unsuccessful bidders. In some cases, NGTL may retain the bid deposit (for example, if an awarded Customer withdraws their bid or does not return executed transportation contracts).

While the deposit process works effectively, the requirement is administratively onerous for NGTL and its Customers. Streamlining the process would be responsive to Customer feedback and would reduce administration for both NGTL and its Customers.

### **Next Steps**

NGTL will file the adopted Resolution and Tariff language with the EUB for approval. Subject to EUB approval, implementation is targeted for January 1, 2008.

**Open Season Bid**

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An amendment to the NGTL Tariff is currently being proposed resulting from TTFP Resolution T2007-05 Open Season Bid Deposits. This summary has been provided for information only and is not intended to form part of the Tariff.

### **Summary of Amendments**

#### **1. Appendix A**

- (i) Paragraph 2.2: [Existing Capacity Bid Process] Amended paragraph 2.2(d) to exclude deposit for customers receiving service and incorporate requirement for payment.
- (ii) Paragraph 3.2: [Expansion Capacity Bid Process] Amended paragraph 3.2(d) to exclude deposit for customers receiving service and incorporate requirement for payment.

- (b) The requested term of Service, as established by the requested Service Commencement Date and requested Service Termination Date, each set out on the Open Season Bid Form, shall be a minimum term of one year;
- (c) All bids shall be irrevocable and must be received by Company by 11:00 hours CCT on the Closing Date;
- (d) Within 2 Banking Days of the Closing Date, prospective customers, except those who are also Customers receiving Service, other than Service under Rate Schedule IT-S or Rate Schedule FT-X, shall provide to Company for each Open Season Bid Form, a deposit equal to the lesser of:
  - (i) one month demand charges for the Export Delivery Contract Demand set out on the Open Season Bid Form; or
  - (ii) \$10,000.

The deposit, if provided, shall be refunded to unsuccessful bidders within 5 Banking Days from the date the Service Agreements and Schedules of Service under Rate Schedule FT-D are executed for all Existing Capacity posted in the Existing Capacity Open Season.

If Company awards Existing Capacity to a prospective customer and such customer executes the Service Agreement and Schedule of Service under Rate Schedule FT-D for such Existing Capacity, the deposit, if provided, will be credited to the bill for the first month of Service or returned to the Customer if requested.

If Company awards Existing Capacity to a prospective customer who is also a Customer receiving Service, other than Service under Rate Schedule IT-S or Rate Schedule FT-X, and such prospective customer fails to meet the requirements for Existing Capacity set out in paragraph 2.5, the Existing Capacity awarded to such

prospective customer shall be withdrawn and such prospective customer shall pay Company an amount equal to the lesser of:

(i) one month demand charges for the Export Delivery Contract Demand set out on the Open Season Bid Form; or

(ii) \$10,000.;

- (e) A prospective customer and/or its affiliate, either together or individually, shall not submit an Open Season Bid Form for a quantity greater than the Existing Capacity being offered or submit multiple bids where the aggregate Export Delivery Contract Demand of the multiple bids exceeds the Existing Capacity being offered; and
- (f) Company shall not be obligated to accept any bid if:
  - (i) the Service Commencement Date is within 5 Banking Days of the Closing Date;
  - (ii) the Service Commencement Date is more than 12 months from the Closing Date; and
  - (iii) the prospective customer has not met the criteria set forth in article 2.0.

## 2.3 Conditional Bids

**2.3.1** If a prospective customer's bid is subject to the condition set out in paragraph 8 of the Open Season Bid Form that such prospective customer has been awarded capacity through a direct interconnecting pipeline open season process (the "Interconnecting Pipeline Open Season"), Customer shall within 2 Banking Days from the Existing Capacity Open Season Closing Date provide written notice to Company that either the condition has been satisfied or waived. If such prospective customer fails to provide Company with such notice, the condition



- (b) the closing date for such Expansion Capacity Open Season (the “Expansion Closing Date”).

### 3.2 Expansion Capacity Bid Process

If Company posts Expansion Capacity pursuant to Paragraph 3.1, prospective customers may bid for such Expansion Capacity, on any Banking Day up to and including the Expansion Closing Date, as follows:

- (a) Prospective customers shall submit a completed and unedited Open Season Bid Form set out in article 6.0;
- (b) The requested term of Service, as established by the Service Commencement Date and the requested Service Termination Date, each set out in the Open Season Bid Form, shall be a minimum term of 10 years;
- (c) All bids shall be irrevocable and must be received by Company by 11:00 hours CCT on the Expansion Closing Date;
- (d) Within 2 Banking Days of the Expansion Closing Date, prospective customers, except those who are also Customers receiving Service, other than Service under Rate Schedule IT-S or Rate Schedule FT-X, shall provide to Company for each Open Season Bid Form, a deposit equal to the lesser of:
  - (i) one month demand charges for the Export Delivery Contract Demand set out on the Open Season Bid Form; or
  - (ii) \$10,000.

The deposit, if provided, shall be refunded to unsuccessful bidders within 5 Banking Days from the date the Service Agreements and Schedules of Service under Rate Schedule FT-D are executed for all Expansion Capacity posted in the Expansion Capacity Open Season.

If Company awards Expansion Capacity to a prospective customer and such customer executes the Service Agreement and Schedule of Service under Rate Schedule FT-D for such Expansion Capacity, the deposit, if provided, will be credited to the bill for the first month of Service or returned to the Customer if requested.

If Company awards Expansion Capacity to a prospective customer who is also a Customer receiving Service, other than Service under Rate Schedule IT-S or Rate Schedule FT-X, and such prospective customer fails to meet the requirements for Expansion Capacity set out in paragraph 3.5, the Expansion Capacity awarded to such prospective customer shall be withdrawn and such prospective customer shall pay Company an amount equal to the lesser of:

- (i) one month demand charges for the Export Delivery Contract Demand set out on the Open Season Bid Form; or
- (ii) \$10,000.;

- (e) Company shall not be obligated to accept any bid if:
  - (i) the Service Commencement Date is different from the date such Expansion Capacity may be available, as set out by Company in subparagraph 3.1(a); and
  - (ii) the prospective customer has not met the criteria set forth in article 3.0.

### 3.3 Conditional Bids

- 3.3.1 If a prospective customer's bid is subject to the condition set out in paragraph 8 of the Open Season Bid Form that such prospective customer has been awarded capacity through an Interconnecting Pipeline Open Season, Customer shall within 5 Banking Days from the Expansion Closing Date provide written notice to Company that either the condition has been satisfied or waived. If such

**Open Season Bid**

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**APPENDIX “A”  
TO  
GAS TRANSPORTATION TARIFF  
OF  
NOVA GAS TRANSMISSION LTD.**

**TERMS AND CONDITIONS RESPECTING  
ACCESS TO TRANSPORTATION SERVICE AT EXPORT DELIVERY  
POINTS**

**TERMS AND CONDITIONS RESPECTING  
ACCESS TO TRANSPORTATION SERVICE AT EXPORT DELIVERY POINTS**

**1.0 DEFINITIONS**

- 1.1** Capitalized terms used in this Appendix have the meanings attributed to them in the Tariff unless otherwise defined in this Appendix.

**2.0 PROCEDURES FOR ACCESS TO FT-D EXISTING CAPACITY**

**2.1 Posting of Existing Capacity**

If Company determines that capacity is available or may become available for Service under Rate Schedule FT-D that does not require new Facilities (“Existing Capacity”), Company shall provide notice on its website of the open season for such Existing Capacity (the “Existing Capacity Open Season”). At least 3 Banking Days (excluding statutory holidays in the United States) after such notice, Company shall post on its website:

- (a) the quantity of Existing Capacity available at the Export Delivery Point;
- (b) the date such Existing Capacity will be available; and
- (c) the Closing Date for such Existing Capacity Open Season.

**2.2 Existing Capacity Bid Process**

If Company posts Existing Capacity pursuant to paragraph 2.1, prospective customers may bid for such Existing Capacity, on any Banking Day up to and including the Closing Date, as follows:

- (a) Prospective customers shall submit a completed and unedited bid form, in the form set out in article 6.0 (the “Open Season Bid Form”);

- (b) The requested term of Service, as established by the requested Service Commencement Date and requested Service Termination Date, each set out on the Open Season Bid Form, shall be a minimum term of one year;
- (c) All bids shall be irrevocable and must be received by Company by 11:00 hours CCT on the Closing Date;
- (d) Within 2 Banking Days of the Closing Date, prospective customers, except those who are also Customers receiving Service, other than Service under Rate Schedule IT-S or Rate Schedule FT-X, shall provide to Company for each Open Season Bid Form, a deposit equal to the lesser of:
  - (i) one month demand charges for the Export Delivery Contract Demand set out on the Open Season Bid Form; or
  - (ii) \$10,000.

The deposit, if provided, shall be refunded to unsuccessful bidders within 5 Banking Days from the date the Service Agreements and Schedules of Service under Rate Schedule FT-D are executed for all Existing Capacity posted in the Existing Capacity Open Season.

If Company awards Existing Capacity to a prospective customer and such customer executes the Service Agreement and Schedule of Service under Rate Schedule FT-D for such Existing Capacity, the deposit, if provided, will be credited to the bill for the first month of Service or returned to the Customer if requested.

If Company awards Existing Capacity to a prospective customer who is also a Customer receiving Service, other than Service under Rate Schedule IT-S or Rate Schedule FT-X, and such prospective customer fails to meet the requirements for Existing Capacity set out in paragraph 2.5, the Existing Capacity awarded to such

prospective customer shall be withdrawn and such prospective customer shall pay Company an amount equal to the lesser of:

- (i) one month demand charges for the Export Delivery Contract Demand set out on the Open Season Bid Form; or
  - (ii) \$10,000.
- (e) A prospective customer and/or its affiliate, either together or individually, shall not submit an Open Season Bid Form for a quantity greater than the Existing Capacity being offered or submit multiple bids where the aggregate Export Delivery Contract Demand of the multiple bids exceeds the Existing Capacity being offered; and
- (f) Company shall not be obligated to accept any bid if:
- (i) the Service Commencement Date is within 5 Banking Days of the Closing Date;
  - (ii) the Service Commencement Date is more than 12 months from the Closing Date; and
  - (iii) the prospective customer has not met the criteria set forth in article 2.0.

## **2.3 Conditional Bids**

**2.3.1** If a prospective customer's bid is subject to the condition set out in paragraph 8 of the Open Season Bid Form that such prospective customer has been awarded capacity through a direct interconnecting pipeline open season process (the "Interconnecting Pipeline Open Season"), Customer shall within 2 Banking Days from the Existing Capacity Open Season Closing Date provide written notice to Company that either the condition has been satisfied or waived. If such prospective customer fails to provide Company with such notice, the condition

shall be deemed satisfied and Company may award Existing Capacity to such prospective customer pursuant to paragraph 2.4.

- 2.3.2** If the capacity awarded to a prospective customer through an Interconnecting Pipeline Open Season is less than the requested Export Delivery Contract Demand set out in the Open Season Bid Form, prospective customer may reduce the Export Delivery Contract Demand to a quantity not less than the capacity awarded through such Interconnecting Pipeline Open Season.

## **2.4 Awarding of Existing Capacity**

Subject to paragraphs 2.3 and 2.5, Existing Capacity shall be awarded to the prospective customers whose bids are accepted by Company as follows:

- (a) Company shall rank the bids in descending priority based on the following criteria:
  - (i) first, on the basis of the per unit product of the current FT-D Demand Rate multiplied by the requested term (where the bid with the highest per unit product shall have the higher priority); and
  - (ii) second, by the Service Commencement Date (where the bid with the earlier Service Commencement Date shall have the higher priority).
- (b) Subject to subparagraph 2.4(d), Company shall award Existing Capacity to the bids in sequential order, based on the priority established pursuant to subparagraph 2.4(a), until all the bids have been processed or until all Existing Capacity has been awarded;
- (c) Subject to subparagraph 2.4(d), if two or more bids have the same priority and the Existing Capacity is not sufficient to provide the total Export Delivery Contract Demand, then the Existing Capacity shall be awarded to such bids on a pro rata basis based on the Export Delivery Contract Demand of each bid;



- (d) If the Existing Capacity to be awarded to a bid as determined by Company in either subparagraph 2.4(b) or subparagraph 2.4(c) is less than the minimum Export Delivery Contract Demand as set out in such Open Season Bid Form, that bid shall be deemed to be rejected by Company and no Existing Capacity shall be awarded to such bid. The remaining Existing Capacity shall continue to be awarded sequentially to the remaining bids based on the priority established pursuant to subparagraph 2.4(a), until all the bids have been processed or until all Existing Capacity has been awarded; and
- (e) Company shall be deemed to have accepted the bids of prospective customers when Company awards Existing Capacity to such prospective customers. Company shall notify such prospective customers who have been awarded Existing Capacity within 3 Banking Days from the Closing Date.

## **2.5 Requirements for Existing Capacity**

Where Company awards Existing Capacity to a prospective customer pursuant to paragraph 2.4, such prospective customer shall, at the request of Company:

- (a) execute, within the time period specified by Company, a Service Agreement and Schedule of Service under Rate Schedule FT-D for such Existing Capacity;
- (b) provide sufficient financial information to demonstrate its creditworthiness; and
- (c) provide a Financial Assurance to Company pursuant to paragraph 10.1 of the General Terms and Conditions.

## **2.6 Daily Open Season**

### **2.6.1 Posting of Existing Capacity for Daily Open Season**

If on any Banking Day (excluding statutory holidays in the United States), Company determines there is Existing Capacity available that has not been

awarded by Company pursuant to paragraph 2.4, Company shall post on its website (the “Daily Open Season”) the following:

- (a) the quantity of Existing Capacity available at the Export Delivery Point;  
and
- (b) the date such Existing Capacity will be available.

If all or a portion of such Existing Capacity has not been awarded pursuant to subparagraph 2.6.3, such Existing Capacity shall be deemed to be re-posted by Company on each subsequent Banking Day (excluding statutory holidays in the United States) until such Existing Capacity is awarded pursuant to subparagraph 2.6.3 or until Company holds an Existing Capacity Open Season pursuant to paragraph 2.1 or an Expansion Capacity Open Season pursuant to paragraph 3.1.

If, at any time, Company determines that it will hold an Existing Capacity Open Season pursuant to paragraph 2.1 or an Expansion Capacity Open Season pursuant to paragraph 3.1, Company may reduce all or a portion of the Existing Capacity available for the Daily Open Season. Company shall provide notice on its website, at least 3 Banking Days in advance, of any such reduction. If all Existing Capacity has not been awarded pursuant to 2.6.3, Company may offer any remaining Existing Capacity as Expansion Capacity pursuant to paragraph 3.1.

#### **2.6.2 Daily Open Season Bid Process**

If Company posts Existing Capacity pursuant to subparagraph 2.6.1, prospective customers may bid for such Existing Capacity on the day that the Existing Capacity is posted or deemed to be re-posted as follows:

- (a) Prospective customers shall submit a completed and unedited bid form, in the form set out in article 7.0 (the “Daily Open Season Bid Form”);

- (b) The requested term of Service, as established by the Service Commencement Date and requested Service Termination Date, each set out on the Daily Open Season Bid Form, shall be a minimum term of one year;
- (c) All bids shall be irrevocable and must be received by Company by 11:00 hours CCT on the day the Existing Capacity is posted or deemed re-posted;
- (d) No deposit is required to accompany the prospective customer's bid;
- (e) A prospective customer and/or its affiliate, either together or individually, shall not submit a Daily Open Season Bid Form for a quantity greater than the Existing Capacity being offered or submit multiple bids where the aggregate Export Delivery Contract Demand of the multiple bids exceeds the Existing Capacity being offered; and
- (f) Company shall not be obligated to accept any bid if:
  - (i) the Service Commencement Date is within 5 Banking Days of the date such Existing Capacity is posted or deemed re-posted;
  - (ii) the Service Commencement Date of such bid is more than 12 months from the date such Existing Capacity is posted or deemed re-posted; and
  - (iii) the prospective customer has not met the criteria set forth in paragraph 2.6.

### **2.6.3 Awarding of Existing Capacity for Daily Open Season**

Subject to subparagraph 2.6.4, Existing Capacity shall be awarded each day to the prospective customers whose bids are accepted by Company as follows:

- (a) Company shall rank the bids in descending priority based on the following criteria:
  - (i) first, on the basis of the per unit product of the current FT-D Demand Rate multiplied by the requested term (where the bid with the highest per unit product shall have the higher priority); and
  - (ii) second, by the Service Commencement Date (where the bid with the earlier Service Commencement Date shall have the higher priority).
- (b) Subject to subparagraph 2.6.3(d), Company shall award Existing Capacity to the bids in sequential order, based on the priority established pursuant to subparagraph 2.6.3(a), until all the bids have been processed or until all Existing Capacity has been awarded;
- (c) Subject to subparagraph 2.6.3(d), if two or more bids have the same priority and the Existing Capacity is not sufficient to provide the total Export Delivery Contract Demand, then the Existing Capacity shall be awarded to such bids on a pro rata basis based on the Export Delivery Contract Demand of each bid;
- (d) If the Existing Capacity to be awarded to a bid as determined by Company in either subparagraph 2.6.3(b) or paragraph 2.6.3(c) is less than the minimum Export Delivery Contract Demand as set out in such Daily Open Season Bid Form, that bid shall be deemed to be rejected by Company and no Existing Capacity shall be awarded to such bid. The remaining Existing Capacity shall continue to be awarded sequentially to the remaining bids based on the priority established pursuant to subparagraph 2.6.3(a), until all the bids have been processed or until all Existing Capacity has been awarded; and

- (e) Company shall be deemed to have accepted the bids of prospective customers when Company awards Existing Capacity to such prospective customers. Company shall notify such prospective customers who have been awarded Existing Capacity within 2 Banking Days from the date such Existing Capacity is posted or deemed re-posted.

#### **2.6.4 Requirements for Existing Capacity**

Where Company awards Existing Capacity to a prospective customer pursuant to subparagraph 2.6.3, such prospective shipper shall, at the request of Company:

- (a) execute, within the time period specified by Company, a Service Agreement and Schedule of Service under Rate Schedule FT-D, for such Existing Capacity;
- (b) provide sufficient financial information to demonstrate its creditworthiness; and
- (c) provide a Financial Assurance to Company pursuant to paragraph 10.1 of the General Terms and Conditions.

### **3.0 PROCEDURES FOR ACCESS TO FT-D EXPANSION CAPACITY**

#### **3.1 Posting of Expansion Capacity**

If Company determines that demand for Service under Rate Schedule FT-D may be sufficient to consider expansion of existing Facilities (“Expansion Capacity”), Company shall provide notice on its website of the open season for such Expansion Capacity (the “Expansion Capacity Open Season”). At least 3 Banking Days after such notice (excluding statutory holidays in the United States), Company shall post on its website:

- (a) the date such Expansion Capacity may be available; and

- (b) the closing date for such Expansion Capacity Open Season (the “Expansion Closing Date”).

### **3.2 Expansion Capacity Bid Process**

If Company posts Expansion Capacity pursuant to Paragraph 3.1, prospective customers may bid for such Expansion Capacity, on any Banking Day up to and including the Expansion Closing Date, as follows:

- (a) Prospective customers shall submit a completed and unedited Open Season Bid Form set out in article 6.0;
- (b) The requested term of Service, as established by the Service Commencement Date and the requested Service Termination Date, each set out in the Open Season Bid Form, shall be a minimum term of 10 years;
- (c) All bids shall be irrevocable and must be received by Company by 11:00 hours CCT on the Expansion Closing Date;
- (d) Within 2 Banking Days of the Expansion Closing Date, prospective customers, except those who are also Customers receiving Service, other than Service under Rate Schedule IT-S or Rate Schedule FT-X, shall provide to Company for each Open Season Bid Form, a deposit equal to the lesser of:
  - (i) one month demand charges for the Export Delivery Contract Demand set out on the Open Season Bid Form; or
  - (ii) \$10,000.

The deposit, if provided, shall be refunded to unsuccessful bidders within 5 Banking Days from the date the Service Agreements and Schedules of Service under Rate Schedule FT-D are executed for all Expansion Capacity posted in the Expansion Capacity Open Season.

If Company awards Expansion Capacity to a prospective customer and such customer executes the Service Agreement and Schedule of Service under Rate Schedule FT-D for such Expansion Capacity, the deposit, if provided, will be credited to the bill for the first month of Service or returned to the Customer if requested.

If Company awards Expansion Capacity to a prospective customer who is also a Customer receiving Service, other than Service under Rate Schedule IT-S or Rate Schedule FT-X, and such prospective customer fails to meet the requirements for Expansion Capacity set out in paragraph 3.5, the Expansion Capacity awarded to such prospective customer shall be withdrawn and such prospective customer shall pay Company an amount equal to the lesser of:

- (i) one month demand charges for the Export Delivery Contract Demand set out on the Open Season Bid Form; or
  - (ii) \$10,000.
- (e) Company shall not be obligated to accept any bid if:
- (i) the Service Commencement Date is different from the date such Expansion Capacity may be available, as set out by Company in subparagraph 3.1(a); and
  - (ii) the prospective customer has not met the criteria set forth in article 3.0.

### **3.3 Conditional Bids**

**3.3.1** If a prospective customer's bid is subject to the condition set out in paragraph 8 of the Open Season Bid Form that such prospective customer has been awarded capacity through an Interconnecting Pipeline Open Season, Customer shall within 5 Banking Days from the Expansion Closing Date provide written notice to Company that either the condition has been satisfied or waived. If such

prospective customer fails to provide Company with such notice, the condition shall be deemed satisfied and Company may award Expansion Capacity to such prospective customer pursuant to paragraph 3.4.

- 3.3.2** If the capacity awarded to a prospective customer through an Interconnecting Pipeline Open Season is less than the requested Export Delivery Contract Demand set out in the Open Season Bid Form, prospective customer may reduce the Export Delivery Contract Demand to a quantity not less than the capacity awarded through such Interconnecting Pipeline Open Season.

### **3.4 Awarding of Expansion Capacity**

Subject to paragraphs 3.3 and 3.5, Expansion Capacity shall be awarded to the prospective customers whose bids are accepted by Company as follows:

- (a) Company shall rank the bids in descending priority on the basis of the per unit product of the current FT-D Demand Rate multiplied by the requested term (where the bid with the highest per unit product shall have the higher priority);
- (b) Subject to subparagraph 3.4(d), Company shall award Expansion Capacity to the bids in sequential order, based on the priority established pursuant to subparagraph 3.4(a), until all the bids have been processed or until all Expansion Capacity has been awarded;
- (c) Subject to subparagraph 3.4(d), if two or more bids have the same priority and the Expansion Capacity is not sufficient to provide the total Export Delivery Contract Demand, then the Expansion Capacity shall be awarded to such bids on a pro rata basis based on the Export Delivery Contract Demand of each bid;
- (d) If the Expansion Capacity to be awarded to a bid as determined by Company in either subparagraph 3.4(b) or subparagraph 3.4(c) is less than the minimum Export Delivery Contract Demand as set out in such Open Season Bid Form, that bid shall be deemed to be rejected by Company and no Expansion Capacity shall



be awarded to such bid. The remaining Expansion Capacity shall continue to be awarded sequentially to the remaining bids based on the priority established pursuant to subparagraph 3.4(a), until all the bids have been processed or until all Expansion Capacity has been awarded; and

- (e) Company shall be deemed to have accepted the bids of prospective customers when Company awards Expansion Capacity to such prospective customers. Company shall notify such prospective customers who have been awarded Expansion Capacity within 10 Banking Days from the Expansion Closing Date.

### **3.5 Requirements for Expansion Capacity**

Where Company awards Expansion Capacity to a prospective customer pursuant to paragraph 3.4, such prospective shipper shall, at the request of Company:

- (a) execute, within the time period specified by Company, a Service Agreement and Schedule of Service under Rate Schedule FT-D, for such Expansion Capacity;
- (b) provide sufficient financial information to demonstrate its creditworthiness; and
- (c) provide a Financial Assurance to Company pursuant to paragraph 10.1 of the General Terms and Conditions.

## **4.0 PROCEDURES FOR ACCESS TO FT-DW CAPACITY**

### **4.1 Posting of FT-DW Capacity**

If Company determines that capacity is available or may become available for Service under Rate Schedule FT-DW that does not require new Facilities (“FT-DW Capacity”), Company shall provide notice on its website of the open season for such FT-DW Capacity (the “FT-DW Capacity Open Season”). At least 3 Banking Days (excluding

statutory holidays in the United States) after such notice, Company shall post on its website:

- (a) the quantity of FT-DW Capacity available at the Export Delivery Point;
- (b) the date such FT-DW Capacity will be available; and
- (c) the Closing Date for such FT-DW Capacity Open Season.

#### **4.2 FT-DW Capacity Bid Process**

If Company posts FT-DW Capacity pursuant to paragraph 4.1, prospective customers may bid for such FT-DW Capacity, on any Banking Day up to and including the Closing Date, as follows:

- (a) Prospective customers shall submit a bid for such FT-DW Capacity in the form of a completed and unedited FT-DW Service Agreement and Schedule of Service attached as Exhibit “A” to the FT-DW Service Agreement;
- (b) The term of Service shall be the term as set out in Rate Schedule FT-DW;
- (c) All bids shall be irrevocable and must be received by Company by 11:00 hours CCT on the Closing Date;
- (d) No deposit is required to accompany the prospective customer’s bid;
- (e) A prospective customer and/or its affiliate, either together or individually, shall not submit a Schedule of Service for a quantity greater than the FT-DW Capacity being offered or submit multiple bids where the aggregate maximum FT-DW Capacity of the multiple bids exceeds the FT-DW Capacity being offered; and
- (f) Company shall not be obligated to accept any bid if:

- (i) the Service Commencement Date does not match the date such FT-DW Capacity is available as set out in the FT-DW Capacity Open Season notice; and
- (ii) the prospective customer has not met the criteria set forth in article 4.0.

### **4.3 Awarding of FT-DW Capacity**

Subject to paragraph 4.4, FT-DW Capacity shall be awarded to the prospective customers whose bids are accepted by Company as follows:

- (a) Company shall rank the bids in descending priority on the basis of the FT-DW Bid Price (where the bid with the highest bid price shall have the higher priority);
- (b) Subject to subparagraph 4.3(d), Company shall award FT-DW Capacity to the bids in sequential order, based on the priority established pursuant to subparagraph 4.3(a), until all the bids have been processed or until all FT-DW Capacity has been awarded;
- (c) Subject to subparagraph 4.3(d), if two or more bids have the same priority and the FT-DW Capacity is not sufficient to provide the total maximum FT-DW Capacity, then the FT-DW Capacity shall be awarded to such bids on a pro rata basis based on the maximum FT-DW Capacity of each bid;
- (d) If the FT-DW Capacity to be awarded to a bid as determined by Company in either subparagraph 4.3(b) or subparagraph 4.3(c) is less than the minimum FT-DW Capacity as set out in such Schedule of Service, that bid shall be deemed to be rejected by Company and no FT-DW Capacity shall be awarded to such bid. The remaining FT-DW Capacity shall continue to be awarded sequentially to the remaining bids based on the priority established pursuant to subparagraph 4.3(a), until all the bids have been processed or until all FT-DW Capacity has been awarded; and

- (e) Company shall be deemed to have accepted the bids of prospective customers when Company awards FT-DW Capacity to such prospective customers.  
Company shall notify such prospective customers who have been awarded FT-DW Capacity within 3 Banking Days from the Closing Date.

#### **4.4 Requirements for FT-DW Capacity**

Where Company awards FT-DW Capacity to a prospective customer pursuant to paragraph 4.3, such prospective customer shall, at the request of Company:

- (a) provide sufficient financial information to demonstrate its creditworthiness; and
- (b) provide a Financial Assurance to Company pursuant to paragraph 10.1 of the General Terms and Conditions.

### **5.0 PROCEDURES FOR ACCESS TO STFT CAPACITY**

#### **5.1 Posting of STFT Capacity**

If Company determines that capacity is available or may become available for Service under Rate Schedule STFT that does not require new Facilities (“STFT Capacity”), Company shall provide notice on its website of the open season for such STFT Capacity (the “STFT Capacity Open Season”). At least 3 Banking Days (excluding statutory holidays in the United States) after such notice, Company shall post on its website:

- (a) the quantity of STFT Capacity available at the Export Delivery Point;
- (b) the date such STFT Capacity will be available;
- (c) the Months such STFT Capacity is available; and
- (d) the Closing Date for such STFT Capacity Open Season.

**5.2 STFT Capacity Bid Process**

If Company posts STFT Capacity pursuant to paragraph 5.1, prospective customers may bid for such STFT Capacity, on any Banking Day up to and including the Closing Date, as follows:

- (a) Prospective customers shall submit a bid for such available STFT Capacity in the form of a completed and unedited Schedule of Service attached as Exhibit “A” to the STFT Service;
- (b) The requested term of Service, as established by the requested Service Commencement Date and requested Service Termination Date, each set out on the Schedule of Service, shall be a minimum term of 7 days and a maximum term of one year less one day and shall end on the last day of a Month;
- (c) All bids shall be irrevocable and must be received by Company by 11:00 hours CCT on the Closing Date;
- (d) No deposit is required to accompany the prospective customer’s bid;
- (e) A prospective customer and/or its affiliate, either together or individually, shall not submit a Schedule of Service for a quantity greater than the STFT Capacity being offered or submit multiple bids where the aggregate maximum STFT Capacity of the multiple bids exceeds the STFT Capacity being offered; and
- (f) Company shall not be obligated to accept any bid if:
  - (i) the Service Commencement Date is within 5 Banking Days of the Closing Date;
  - (ii) the prospective customer has not met the criteria set forth in article 5.0.

**5.3 Awarding of STFT Capacity**

Subject to paragraph 5.4, STFT Capacity shall be awarded to the prospective customers whose bids are accepted by Company as follows:

- (a) Company shall rank the bids in descending priority based on the following criteria:
  - (i) first, on the basis of the per unit product of the STFT Bid Price multiplied by the requested term (where the bid with the highest per unit product shall have the higher priority); and
  - (ii) second, by the Service Commencement Date (where the bid with the earlier Service Commencement Date shall have the higher priority).
- (b) Subject to subparagraph 5.3(e), Company shall award STFT Capacity to the bids in sequential order, based on the priority established pursuant to subparagraph 5.3(a), until all the bids have been processed or until all STFT Capacity has been awarded;
- (c) Subject to subparagraph 5.3(e), if two or more bids have the same priority and the STFT Capacity is not sufficient to provide the total maximum STFT Capacity, then the STFT Capacity shall be awarded to such bids on a pro rata basis based on the maximum STFT Capacity of each bid;
- (d) No deposit is required to accompany the prospective customer's bid;
- (e) If the STFT Capacity to be awarded to a bid as determined by Company in either subparagraph 5.3(b) or subparagraph 5.3(c) is less than the minimum STFT Capacity as set out in such Schedule of Service, that bid shall be deemed to be rejected by Company and no STFT Capacity shall be awarded to such bid. The remaining STFT Capacity shall continue to be awarded sequentially to the remaining bids based on the priority established pursuant to subparagraph 5.3(a),

until all the bids have been processed or until all STFT Capacity has been awarded; and

- (f) Company shall be deemed to have accepted the bids of prospective customers when Company awards Capacity to such prospective customers. Company shall notify such prospective customers who have been awarded Capacity within 3 Banking Days from the Closing Date.

#### **5.4 Requirements for STFT Capacity**

Where Company awards STFT Capacity to a prospective customer pursuant to paragraph 5.3, such prospective customer shall, at the request of Company:

- (a) provide sufficient financial information to demonstrate its creditworthiness; and
- (b) provide a Financial Assurance to Company pursuant to paragraph 10.1 of the General Terms and Conditions.

#### **5.5 STFT Daily Open Season**

##### **5.5.1 Posting of Capacity for STFT Daily Open Season**

If on any Banking Day (excluding statutory holidays in the United States), Company determines there is STFT Capacity available that has not been awarded by Company pursuant to paragraph 5.3, Company shall post on its website (the “STFT Daily Open Season”) the following:

- (a) the quantity of STFT Capacity available at the Export Delivery Point;
- (b) the date such STFT Capacity will be available; and
- (c) the Months such STFT Capacity is available.

If all or a portion of such STFT Capacity has not been awarded pursuant to subparagraph 5.5.3, such STFT Capacity shall be deemed to be re-posted by

Company on each subsequent Banking Day (excluding statutory holidays in the United States) until such STFT Capacity is awarded pursuant to subparagraph 5.5.3 or until Company holds an Existing Capacity Open Season pursuant to paragraph 2.1 or a STFT Capacity Open Season pursuant to paragraph 5.1.

If, at any time, Company determines that it will hold an Existing Capacity Open Season pursuant to paragraph 2.1 or a STFT Capacity Open Season pursuant to paragraph 5.1, Company may reduce all or a portion of the STFT Capacity available for the STFT Daily Open Season. Company shall provide notice on its website, at least 3 Banking Days in advance, of any such reduction.

#### **5.5.2 STFT Daily Open Season Bid Process**

If Company posts STFT Capacity pursuant to subparagraph 5.5.1, prospective customers may bid for such STFT Capacity on the day that the STFT Capacity is posted or deemed to be re-posted as follows:

- (a) Prospective customers shall submit a bid for such available STFT Capacity in the form of a completed and unedited Schedule of Service attached as Exhibit “A” to the STFT Service Agreement;
- (b) The requested term of Service, as established by the requested service commencement date (the “Service Commencement Date”) and requested Service Termination Date, each set out on the Schedule of Service, shall be a minimum term of one week and a maximum of one year less one day and shall end on the last day of a Month;
- (c) All bids shall be irrevocable and must be received by Company by 11:00 hours CCT on the day the STFT Capacity is posted or deemed re-posted;
- (d) No deposit is required to accompany the prospective customer’s bid;



- (e) A prospective customer and/or its affiliate, either together or individually, shall not submit a Schedule of Service for a quantity greater than the STFT Capacity being offered or submit multiple bids where the aggregate maximum STFT Capacity of the multiple bids exceeds the STFT Capacity being offered; and
- (f) Company shall not be obligated to accept any bid if:
  - (i) the Service Commencement Date is within 5 Banking Days of the date such Existing Capacity is posted or deemed re-posted;
  - (ii) the prospective customer has not met the criteria set forth in paragraph 5.5.

### **5.5.3 Awarding of Capacity for STFT Daily Open Season**

Subject to subparagraph 5.5.4, STFT Capacity shall be awarded each day to the prospective customers whose bids are accepted by Company as follows:

- (a) Company shall rank the bids in descending priority based on the following criteria:
  - (i) first, on the basis of the per unit product of the STFT Bid Price multiplied by the requested term (where the bid with the highest per unit product shall have the higher priority); and
  - (ii) second, by the Service Commencement Date (where the bid with the earlier Service Commencement Date shall have the higher priority).
- (b) Subject to subparagraph 5.5.3(d), Company shall award STFT Capacity to the bids in sequential order, based on the priority established pursuant to

subparagraph 5.5.3(a), until all the bids have been processed or until all STFT Capacity has been awarded;

- (c) Subject to subparagraph 5.5.3(d), if two or more bids have the same priority and the STFT Capacity is not sufficient to provide the total maximum STFT Capacity, then the STFT Capacity shall be awarded to such bids on a pro rata basis based on the maximum STFT Capacity of each bid;
- (d) If the STFT Capacity to be awarded to a bid as determined by Company in either subparagraph 5.5.3(b) or paragraph 5.5.3(c) is less than the minimum STFT Capacity as set out in such Schedule of Service, that bid shall be deemed to be rejected by Company and no STFT Capacity shall be awarded to such bid. The remaining STFT Capacity shall continue to be awarded sequentially to the remaining bids based on the priority established pursuant to subparagraph 5.5.3(a), until all the bids have been processed or until all STFT Capacity has been awarded; and
- (e) Company shall be deemed to have accepted the bids of prospective customers when Company awards STFT Capacity to such prospective customers. Company shall notify such prospective customers who have been awarded STFT Capacity within 2 Banking Days from the date such Existing Capacity is posted or deemed re-posted.

#### **5.5.4 Requirements for STFT Capacity**

Where Company awards Existing Capacity to a prospective customer pursuant to subparagraph 5.5.3, such prospective shipper shall, at the request of Company:

- (a) provide sufficient financial information to demonstrate its creditworthiness; and

- (b) provide a Financial Assurance to Company pursuant to paragraph 10.1 of the General Terms and Conditions.

**6.0 EXISTING CAPACITY / EXPANSION CAPACITY OPEN SEASON BID FORM**

1. Customer: \_\_\_\_\_
2. Export Delivery Point: \_\_\_\_\_
3. Export Delivery Contract Demand: \_\_\_\_\_ GJ/d
4. Minimum Export Delivery Contract Demand: \_\_\_\_\_ GJ/d
5. Service Commencement Date: \_\_\_\_\_  
(YYYY / MM / DD)
6. Requested Service Termination Date: \_\_\_\_\_  
(YYYY / MM / DD)
7. Deposit Amount: \$ \_\_\_\_\_ (CDN)
8. Is this bid subject to the following condition? ☐ yes / ☐ no

This bid is subject to the condition that customer has been awarded at least  
\_\_\_\_\_ GJ/d through the \_\_\_\_\_  
Interconnecting Pipeline Open Season held \_\_\_\_\_ to \_\_\_\_\_.

CUSTOMER: \_\_\_\_\_  
(signature)

\_\_\_\_\_

(name/title)

\_\_\_\_\_

(signature)

\_\_\_\_\_

(name/title)

**7.0 DAILY OPEN SEASON BID FORM**

1. Customer: \_\_\_\_\_
2. Export Delivery Point: \_\_\_\_\_
3. Export Delivery Contract Demand: \_\_\_\_\_ GJ/d
4. Minimum Export Delivery Contract Demand: \_\_\_\_\_ GJ/d
5. Service Commencement Date: \_\_\_\_\_  
(YYYY / MM / DD)
6. Requested Service Termination Date: \_\_\_\_\_  
(YYYY / MM / DD)

CUSTOMER: \_\_\_\_\_  
(signature)

\_\_\_\_\_  
(name/title)

\_\_\_\_\_  
(signature)

\_\_\_\_\_  
(name/title)

**8.0 GENERAL TERMS AND CONDITIONS**

- 8.1** These terms and conditions are subject to the terms and conditions of Service set forth in the Tariff.