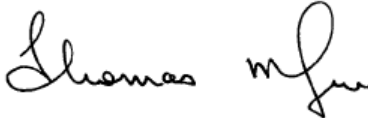


MADE at the City of Calgary, in the Province of Alberta, on  4 <sup>th</sup> day of June 2008.	 ALBERTA UTILITIES COMMISSION
NOVA Gas Transmission Ltd. Request to Negotiate Issue T2008-01	Application No. 1572530

## 1 BACKGROUND

The Alberta Utilities Commission (AUC or Commission) received a letter dated May 14, 2008 from NOVA Gas Transmission Ltd. (NGTL), pursuant to AUC *Rule 018*, and NGTL established practice, requesting approval to commence negotiations on Issue T2008-01, Rate Design and Services Review (the Application).

## 2 DETAILS OF THE APPLICATION

NGTL submitted that the Tolls, Tariffs, Facilities and Procedures Committee (TTFP) adopted Issue T2008-01, Rate Design and Services Review, on May 13, 2008 for the purpose of reviewing, evaluating and potentially modifying the Alberta System rate design and the associated terms and conditions of NGTL's service offerings. This issue was classified as non-routine.

NGTL noted that in its letter dated March 7, 2008 to the AUC regarding the North Central Corridor application (Application No. 1551990), it had made a commitment to stakeholders to utilize the Alberta System collaborative process to advance a review of rate design and services. Other parties in the North Central Corridor application process had indicated their support for a rate design and services review through the collaborative process.

NGTL indicated that in addition, the AUC in its [Decision 2008-035](#)<sup>1</sup> on Prehearing Meeting for the North Central Corridor facilities application stated:

The Commission is of the view that who pays for the proposed gas utility pipeline is a significant issue and the Commission expects the parties to undertake a collaborative process to deal with rate design and rates. The Commission agrees with the submissions of several parties' at the Prehearing Meeting that rate design and rates must be settled prior to the addition of costs into NGTL's rates for the pipeline and associated

<sup>1</sup> Decision 2008-035 – Nova Gas Transmission Ltd. North Central Corridor, North Star and Red Earth Sections, Meikle River Compressor Station Application for Permit and Licence for a Pipeline and Associated Pipeline Installations (Application 1551990) (Released: April 24, 2008)

compression facilities, if approved. The Commission does not consider it necessary at this time to make an order with respect to a rate process.

NGTL explained that it would be unable to provide specific details about parties' positions and the negotiations in relation to this issue. The provisions of the "Without Prejudice" section of the TTFP's Procedures stipulate that any documents and communications (written or oral) that are created as part of the TTFP process are confidential.

NGTL requested that the AUC render a decision on this request by June 3, 2008 as it has scheduled a TTFP Task Force Meeting on this issue for June 10, 2008.

### **3 VIEWS OF THE COMMISSION**

The Commission finds that NGTL has complied with the Initiation of Process as outlined by the Commission in *Rule 018*, Section 4, which indicates that an applicant may only commence negotiations with the approval of the Commission and that an applicant must notify the Commission of its intention to initiate a negotiated settlement process and provide the Commission with an outline of the pertinent issues to be resolved.

Given that (1) other parties in the North Central Corridor application process have indicated their support for a rate design and services review through a collaborative process, (2) NGTL has made a commitment to stakeholders to utilize a collaborative process to advance a review of rate design and services, and (3) the AUC stated in [Decision 2008-035](#) that it expected parties to undertake a collaborative process to deal with rate design and rates, the Commission therefore continues to support the use of a collaborative process to commence a review of NGTL's rate design and services.

The Commission is aware that NGTL has utilized a group of participants broader than the TTFP in other collaborative processes, and interest for participation was expressed by various parties to the North Central Corridor application, not all of which may be members of the TTFP. The AUC supports collaborative processes to address and attempt to resolve issues in order to streamline formal regulatory process and is committed to the negotiated settlement process as part of its objective of achieving greater regulatory efficiency and effectiveness. The Commission therefore expects that this collaborative process will be inclusive of all interested parties, such that it will be more likely that any resulting negotiated settlement would be in the public interest.

The Commission considers that matters may arise in the negotiated settlement discussion that relate to the Competitive Pipeline Review Proceeding (Application No. 1466609) and the Inquiry into Natural Gas Liquids Extraction Matters (Application No.1513726). As such, if a settlement is reached and any matters within the settlement relate to these proceedings, the Commission will not consider those matters to be part of the settlement in determining whether to approve it.

As parties may be aware, the Commission is currently conducting a review of AUC Rule 022: Rules on Intervener Costs. The Commission anticipates that any changes resulting from that review would be applied prospectively, and as such the current Rule 022 provisions are applicable to the negotiated settlement process.

#### **4 ORDER**

IT IS HEREBY ORDERED THAT:

- (1) The request to negotiate NGTL's Rate Design and Services Review is approved.

END OF DOCUMENT