
CAL-NGTL-001

Reference:

Application Section 9.0, page 1, lines 16-19.

Preamble:

Calgary requires the requested information in order to review and evaluate the existing Codes of Conduct to the proposed Code of Conduct.

Request:

Provide the referenced Codes of Conduct under which NGTL currently operates.

Response:

Please refer to Attachment 1 CAL-NGTL-001 and Attachment 2 CAL-NGTL-001.

STANDARDS OF CONDUCT FOR RELATIONS BETWEEN AFFILIATES IN THE TRANSCANADA GROUP OF COMPANIES

Revised March, 1997



TransCanada

STANDARDS OF CONDUCT FOR RELATIONS BETWEEN AFFILIATES IN THE TRANSCANADA GROUP OF COMPANIES

TransCanada recognizes that, in the course of carrying on its business, issues may arise concerning the possibility of undue preference between its regulated and non-regulated businesses. It also recognizes that employees, shippers, regulators and other parties with an interest in the businesses in which TransCanada participates should be informed of the standards TransCanada intends to meet. Therefore, TransCanada acknowledges that it will carry on its business in accordance with the standards set out as follows. In this document, "TransCanada" will include TransCanada PipeLines Limited ("TCPL") and any company in which TransCanada directly or indirectly owns a majority of voting shares (an "affiliate").

STATEMENT OF PRINCIPLE

TransCanada's unregulated affiliates shall not obtain advantages in services or access to information from TransCanada entities which recover their costs through regulated tolls.

REGULATED SERVICES

TransCanada will follow the Standards of Conduct set out below when administering its regulated natural gas pipeline assets, such as the Alberta Natural Gas Company Ltd and the TCPL mainline pipelines. TransCanada will physically and structurally separate the front-line operational employees of its affiliates to the extent necessary to carry out the Standards of Conduct. If similar issues are raised in other regulated businesses in which TransCanada participates, it will apply similar standards with any changes required by the nature of the business.

- a) The regulated entity shall apply any tariff provision impartially between its affiliates and all other shippers.
- b) The regulated entity shall not favour any affiliate in matters relating to scheduling, balancing, storage, transportation, provision of goods and services or curtailment priority.
- c) If the regulated entity provides information concerning its gas transportation services to an affiliate,

it shall also provide any such information that is not readily available or generally known to all nonaffiliated shippers.

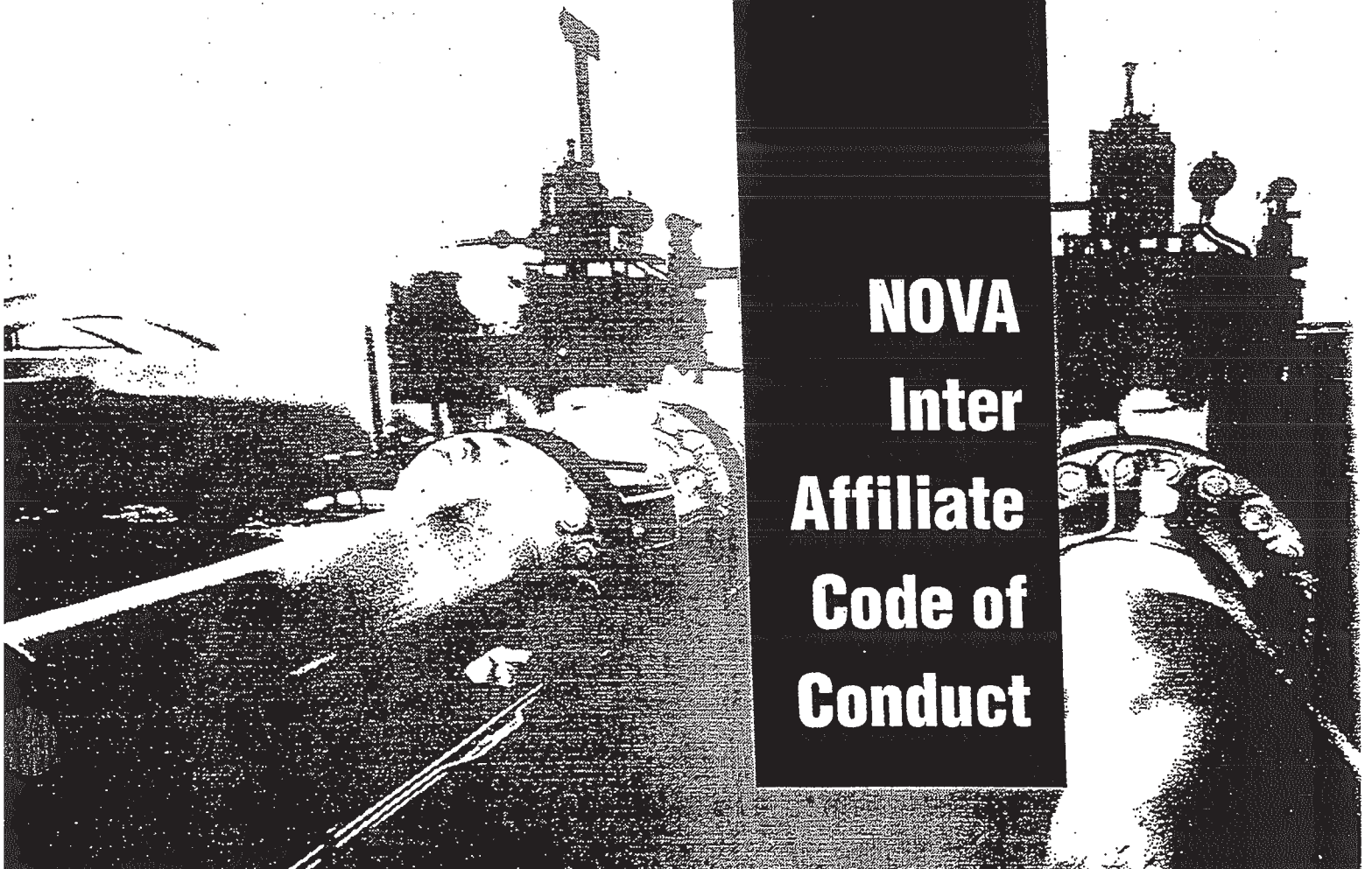
- d) The regulated entity may not disclose to any affiliate any information it receives from a non-affiliated shipper or potential nonaffiliated shipper which would provide the affiliate with an advantage in access to transportation services from the regulated entity.
- e) The regulated entity must process all similar requests for transportation in the same manner and within the same period of time.

COMPLAINTS PROCEDURE

Any complaint to an employee of TransCanada by an external party respecting the application of this Standards of Conduct shall be referred to and addressed by the Chief Compliance Officer of TCPL, and, if not resolved to the satisfaction of all affected parties, shall be referred to the Chief Executive Officer of TCPL.

If you have questions about the Standards of Conduct for Relations Between Affiliates in the TransCanada Group of Companies or TransCanada's Code of Business Ethics, please contact the Director, Internal Audit, TransCanada, P.O. Box 1000, Station M, Calgary, Alberta T2P 4K5 or telephone (403) 267-1015.

CODE OF CONDUCT



**NOVA
Inter
Affiliate
Code of
Conduct**



NOVA Inter Affiliate Code of Conduct

Conduct of Business

The business and affairs of NOVA Gas Transmission and other NOVA affiliates will be managed and conducted separately to the greatest extent practicable, subject to the provision of strategic and policy direction for NOVA as a whole and the fulfillment of other corporate governance responsibilities by NOVA Corporation's senior management and directors.

Transportation Access

NOVA Gas Transmission will treat all requests for transportation services received from NOVA affiliates on an equal basis with requests received by non-affiliates to ensure equal access to transportation services on the NOVA Gas Transmission system for all customers including NOVA affiliates. The provisions of NOVA Gas Transmission's tariff will be applied fully and equally to all customers including NOVA affiliates. NOVA Gas Transmission will treat all current and potential customers, including NOVA affiliates, equitably with respect to access to information related to transportation services.

Information Access

NOVA affiliates will not provide NOVA affiliates with early and/or preferential access to information relating to the planning and operation of the NOVA Gas Transmission system.

Customer Confidential Information

NOVA affiliates will not disclose to each other business related information, which is proprietary to their business relations with a third party, unless such information is already public or is otherwise no longer subject to confidentiality.

No Undue Influence

In its business dealings with non-affiliated customers, NOVA Gas Transmission will ensure that its employees do neither expressly nor implicitly, suggest that an advantage will accrue to such customers if they deal with other NOVA affiliates. Conversely, when dealing with any third party, other NOVA affiliates will ensure that their employees neither expressly nor implicitly suggest that such party may receive an advantage with respect to transportation services on NOVA Gas Transmission system if it deals with NOVA affiliates.

Costs

The costs of any NOVA Gas Transmission resources and services provided to other NOVA affiliates will be charged to such NOVA affiliates.

Recourse

Any complaint to or by an employee of NOVA respecting the application of this Code of Conduct or any alleged breach thereof will be expeditiously addressed by responsible personnel of NOVA and, if not resolved to the satisfaction of all affected parties, will be brought to the attention of the chief executive officer of NOVA Corporation.



NOVA Inter Affiliate Code of Conduct

NOVA Corporation (NOVA) has always recognized that business practice and conduct are fundamental components of a quality company. As we integrate four companies, we must ensure that business practice and conduct reflect the highest possible ethical standards.

NOVA Gas Transmission is a traditionally regulated, separate company within the integrated NOVA group. This means that our affiliate companies are also our customers as well as being competitors of our non-affiliated customers. However, as part of a group of companies, NOVA affiliates want to maximize the collective opportunities that an integrated vision can provide. While benefiting from integration, we must respect the confidentiality of customer information and provide fair and ethical treatment to all our customers including our affiliates.

The Inter Affiliate Code of Conduct has been designed with input from all levels of NOVA to clarify business relationships between NOVA Gas Transmission and other NOVA affiliates. Much of what this Code stresses reflects the way we have always operated but we are formalizing it to ensure a common understanding among all NOVA employees and customers given NOVA's new reorganization and integrated vision.

Adherence to the Code's principles is essential to the success of NOVA. As a major public company, NOVA is subject to ongoing internal and external assessment and review. NOVA employees must not only conduct themselves according to these principles but also ensure that all customers understand that they are being treated equitably and ethically.

Administration of Code

The ownership and administration of the Code of Conduct and its support material will rest with the NOVA Gas Transmission vice president for Customer Service. We do not anticipate that the principles of the Code will change significantly over the coming years. However, as the integration of NOVA's businesses progresses, new opportunities, issues, concerns and questions will arise. For this reason, this Customer Service area will track and record new questions and answers related to the Code for future reference. It will also issue inserts and updates to the Code of Conduct materials as required to keep this a useful and living document.

If you have any questions concerning the administration of the NOVA Inter Affiliate Code of Conduct, please contact the assistant to the vice president for Customer Service (Kim Martin at 290-7852).



Application of Code

NOVA expects that all employees will conduct themselves according to this policy and will support others in doing so. This Code applies to all employees of NOVA, including its directors and its affiliates. It applies especially to all NOVA Gas Transmission employees and any other NOVA employee dealing with NOVA Gas Transmission.

Each team leader or manager is responsible for communicating the expectations of this Code to all employees on the team.

Noncompliance of the code will be considered on a case-by-case basis. Wilful noncompliance will be treated seriously.

The Code comprises seven principles covering all aspects of our business dealings and relationships between NOVA's regulated and non-regulated affiliates. Although each principle addresses a specific area, the seven principles are interdependent to form a cohesive policy. Therefore, when addressing individual issues, the Code should be viewed as a whole in order to properly apply the principles and obtain a valid outcome.

If in doubt about any of the seven principles or the applications of this Inter Affiliate Code of Conduct, please contact your team leader or manager.

CAL-NGTL-002

Reference:

Application Section 9.0, page 2, line 27

Preamble:

Calgary requires the requested information in order to review and evaluate the existing Codes of Conduct to the proposed Code of Conduct.

Request:

Provide a copy of the Board's letter of January 13, 2003.

Response:

Please see Attachment CAL-NGTL-002.

File No. 5631-7, 5702-1, and 5702-2

January 13, 2003

To: NGTL and Interested Parties from Application No's 2001084, 1245440, and 1280467

**NOVA GAS TRANSMISSION LTD.
REQUEST TO BE RELIEVED FROM ITS OBLIGATION TO FILE A 2003
NEGOTIATED SETTLEMENT OR GENERAL RATE APPLICATION AND A NEW
CODE OF CONDUCT ON OR BEFORE DECEMBER 31, 2002**

The Board is in receipt of the letter dated December 20, 2002 from NGTL and a subsequent letter dated December 30, 2002, requesting that the Board extend the time for NGTL to comply with the Board's directives regarding the filing of a negotiated settlement or general rate application, as well as a new code of conduct, based on Decision 2002-16, Decision 2002-058, and Decision 2002-100. NGTL submitted that concurrent with its collaborative discussions with stakeholders, it had been preparing a comprehensive general rate application (GRA) to be filed in accordance with the Board's directive. However, NGTL stated that on December 20, 2002, NGTL reached a tentative agreement with CAPP on the 2003 revenue requirement. As a result, NGTL believed it would be incongruent with, and potentially harmful to the tentative agreement if NGTL were to file its GRA as originally prepared, including the revenue requirement components.

Accordingly, NGTL requested that the Board relieve it from its obligation to file a negotiated settlement or a GRA and a new code of conduct on or before December 31, 2002. NGTL submitted that it however intended to file an application addressing code of conduct and cost accountability and cost allocation among receipt, intra-Alberta, and ex-Alberta services (CA&A) no later than January 31, 2003 that would in principle be independent of 2003 revenue requirement. NGTL added that it would pursue through the collaborative process a resolution of its 2003 revenue requirement based on the tentative understanding reached with CAPP and would file an application for its approval early in 2003.

ATCO Pipelines ("ATCO"), in a letter dated December 24, 2002 expressed concern with a further delay in the resolution of NGTL's CA&A issues and a delay for the filing of a settlement or an application to resolve these issues by December 31, 2002. ATCO was also concerned with a delay in the filing of NGTL's new code of conduct. ATCO submitted that it supported the collaborative process and the negotiations between NGTL and CAPP, and future negotiations with stakeholders to reach a final agreement on 2003 revenue requirement. However, ATCO argued that NGTL should be required to file an application on CA&A issues by January 15, 2003. ATCO added that any revenue requirement utilized by NGTL prior to approval would essentially be a placeholder and should not delay the CA&A application.

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In a letter date January 8, 2003, CAPP indicated that it agreed with the perspective of NGTL that it would not be helpful for NGTL to file a 2003GRA that includes a revenue requirement component at this point in time. CAPP supported NGTL's approach to separate the rate design, service and code of conduct elements of the GRA from the revenue requirement component and file each component with the Board as soon as possible. CAPP surmised that industry would know very soon whether NGTL would be filing a unanimous settlement, a contested settlement or a GRA including revenue requirement.

The Board notes the concerns of ATCO with regard to a further delay in NGTL's compliance with the Board filing directives in Decisions 2002-16, 2002-058, and 2002-100. In the Board's opinion, NGTL's request for extension provided little notice to the Board and interested parties that NGTL would not meet the required deadline. The Board believes that Board directives and deadlines should be adhered to by all parties, and parties failing to meet Board requirements must provide reasonable justification. As a result, the Board does not intend to grant any future extensions to NGTL with respect to these filing requirements. However, the Board also wishes to encourage negotiated settlements where possible. In this case, the Board notes that the delay in filing the application was caused by the fact that CAPP and NGTL reached a tentative agreement on revenue requirement on December 20, shortly before the filing deadline. The Board agrees with NGTL's submission, which was not contested by any party to date, that no party will be materially prejudiced by the proposed delay in filing.

For the foregoing reasons, the Board directs NGTL to file, **on or before January 31, 2003**, a comprehensive general rate application containing the following:

- An illustrative 2003 revenue requirement to be used as a placeholder pending NGTL's subsequent application for a 2003 revenue requirement;
- Proposals for amendments **regarding proper cost accountability and cost allocation among receipts, intra-Alberta and ex-Alberta deliveries; and**
- A cost of service study

NGTL should expect a comprehensive examination of this application.

With respect to the revenue requirement for 2003, the Board directs NGTL to file either an application for approval of a negotiated settlement, or an application which includes a revenue requirement and final rates, tolls and charges for services, and all supporting information, including a depreciation study, fair return and business risk evidence, and detailed accounting information, on or before **February 28, 2003**.

The Board expects this settlement application will comply with the Negotiated Settlement Guidelines.

In addition, the Board expects to release in the near future Part B of Decision 2002-069, regarding the ATCO Group Affiliate Transactions and Code of Conduct proceeding (Application No. 2000233). The Board anticipates that this Decision will provide the foundation and guidelines for the development of future code of conduct and affiliate submissions by applicants.

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As a result, the Board directs NGTL to file its code of conduct within one month of the release of Part B of Decision 2002-069, incorporating any relevant Board findings into its submission.

Sincerely,

<original signed by>

Mark McJannet
Applications Officer

cc. ATCO Pipelines

CAL-NGTL-003

Reference:

Application Section 9.0, page 3 line 29

Preamble:

Calgary requires the requested information in order to review and evaluate the proposed Code of Conduct

Request:

- (a) Please provide a full and complete description of the process used to review the proposed Code with industry representatives, provide all documents presented to the industry representatives and provide the identity of the industry representatives in attendance at the presentation(s).
- (b) Provide all copies of all written communications between NGTL and industry representatives concerning the proposed Code of Conduct, including all notes, references, internal memoranda and any other documentation concerning exchanges between NGTL and industry representatives.

Response:

- (a) and (b)

Proposed changes to NGTL's existing code were discussed with members of the Tolls, Tariff, and Procedures Committee (TTP). The TTP has adopted procedures filed with the Board. NGTL is prohibited, under TTP Procedures, from disclosing any documents or communications, written or oral, in relation to discussions carried out at the TTP. The proposed code, as filed, was also provided to CAPP and discussed with CAPP representatives prior to its inclusion in this Application.

CAL-NGTL-004(a)

Reference:

Application Section 9.0, page 4, lines 8-17

Preamble:

Calgary requires the requested information in order to review and evaluate the proposed Code of Conduct.

Request:

Confirm that the proposed Code will only apply to NGTL in its relationship to all Non-Regulated Affiliates.

Response:

Not confirmed. The proposed Code governs NGTL's relationships with Regulated and Non-Regulated Affiliates.

CAL-NGTL-004(b)

Reference:

Application Section 9.0, page 4, lines 8-17

Preamble:

Calgary requires the requested information in order to review and evaluate the proposed Code of Conduct.

Request:

Confirm that all Non-Regulated Affiliates and Regulated Affiliates will continue to be under the currently existing Code of Conduct, "TransCanada Standards of conduct for Relations between Affiliates in TransCanada".

Response:

The TransCanada Standards of Conduct for Relations between Affiliates in TransCanada will continue to apply to any company in which TransCanada PipeLines Limited directly or indirectly owns a majority of voting shares.

CAL-NGTL-004(c)

Reference:

Application Section 9.0, page 4, lines 8-17

Preamble:

Calgary requires the requested information in order to review and evaluate the proposed Code of Conduct.

Request:

Provide a complete description as to the process and procedures that NGTL and TransCanada will utilize to resolve conflicts between the two Codes.

Response:

NGTL will operate in accordance with the provisions of its Code as approved by the Board.

CAL-NGTL-004(d)

Reference:

Application Section 9.0, page 4, lines 8-17

Preamble:

Calgary requires the requested information in order to review and evaluate the proposed Code of Conduct.

Request:

Provide all internal documents which memorialize the process for resolving conflicts between the two codes.

Response:

Please refer to the response to CAL-NGTL-004(c).

CAL-NGTL-004(e)

Reference:

Application Section 9.0, page 4, lines 8-17

Preamble:

Calgary requires the requested information in order to review and evaluate the proposed Code of Conduct.

Request:

If the “TransCanada Standards of conduct for Relations between Affiliates in TransCanada” is not provided in response to CAL-NGTL.1, please provide the document.

Response:

Please refer to the response to CAL-NGTL-001.

CAL-NGTL-004(f)

Reference:

Application Section 9.0, page 4, lines 8-17

Preamble:

Calgary requires the requested information in order to review and evaluate the proposed Code of Conduct.

Request:

Provide a copy of the “TransCanada Operating Cost Allocation Policy”.

Response:

A copy of the TransCanada PipeLines Limited Operating Cost Allocation Policy is provided in the Application, Section 2.3.3 – Cost Allocation Process Appendix A – Operating Cost Allocation Policy.

CAL-NGTL-005(a)

Reference:

Application Section 9.0, page 6, lines 18-25

Preamble:

Calgary requires the requested information in order to review and evaluate the proposed Code of Conduct.

Request:

Please provide the 2001 and 2002 annual “Affiliate Party Transaction Summary Report”.

Response:

The proposed Code is not presently in effect as it has not yet been approved by the Board. Accordingly, Affiliate Party Transaction Reports for 2001 or 2002 have not been prepared and are not required.

CAL-NGTL-005(b)

Reference:

Application Section 9.0, page 6, lines 18-25

Preamble:

Calgary requires the requested information in order to review and evaluate the proposed Code of Conduct.

Request:

NGTL states “This change should not materially alter or reduce NGTL’s reporting and disclosure obligations”. Please provide a definitive list of all reporting differentials of which NGTL is aware of between reporting under the Board’s approved Major Transactions report and the report proposed by NGTL.

Response:

NGTL does not anticipate any material reporting differentials.

CAL-NGTL-006(a)

Reference:

Application Section 9.0, page 7, lines 2-4

Preamble:

Calgary requires the requested information in order to review and evaluate the proposed Code of Conduct.

Request:

Confirm that NGTL is regulated exclusively by the AEUB.

Response:

Not confirmed. NGTL is subject to various provincial and federal legislative requirements administered by regulatory authorities other than the EUB (e.g., Alberta Environment).

CAL-NGTL-006(b)

Reference:

Application Section 9.0, page 7, lines 2-4

Preamble:

Calgary requires the requested information in order to review and evaluate the proposed Code of Conduct.

Request:

Confirm that the AEUB has regulatory oversight of transactions between NGTL and all Affiliates in setting NGTL's revenue requirement.

Response:

The Board has regulatory oversight over NGTL's recovery of the costs associated with transactions between NGTL and Affiliates.

CAL-NGTL-006(c)

Reference:

Application Section 9.0, page 7, lines 2-4

Preamble:

Calgary requires the requested information in order to review and evaluate the proposed Code of Conduct.

Request:

Confirm that the AEUB has full regulatory oversight of transactions between all Affiliates and NGTL is [sic] setting NGTL's revenue requirement.

Response:

Please refer to the response to CAL-NGTL-006(b).

CAL-NGTL-007(a)

Reference:

Application Section 9.0, page 7, lines 6-15

Preamble:

Calgary requires the requested information in order to review and evaluate the proposed Code of Conduct.

Request:

Please provide all existing agreements and arrangements between NGTL and all Affiliates which NGTL believes will require modification in order to comply with the proposed Code of Conduct.

Response:

Please refer to the response to BR-NGTL-037(d).

NGTL has not yet determined which, if any, of the existing arrangements will require modification to comply with the proposed Code. Therefore, no arrangements are provided.

NGTL will, as stated in the Application, Section 9.0, page 14, prepare and file its initial Compliance Plan with the Board within 120 days of the Board's approval of the Code. NGTL will, as part of its work in preparing the Plan, identify and determine whether all existing affiliate arrangements meet the requirements of the Code. NGTL will advise the Board at that time of any outstanding compliance issues it identifies.

CAL-NGTL-007(b)

Reference:

Application Section 9.0, page 7, lines 6-15

Preamble:

Calgary requires the requested information in order to review and evaluate the proposed Code of Conduct.

Request:

If the Board was to reject the proposed NGTL changes to the Board's approved Code of Conduct and impose the Board's approved Code, provide all additional existing agreements and arrangements which exist between NGTL and all Affiliates which NGTL believes would require modification.

Response:

Please refer to the response to CAL-NGTL-007(a).

CAL-NGTL-008(a)

Reference:

Application Section 9.0, page 7, lines 23-26

Preamble:

Calgary requires the requested data in order to review and evaluate the proposed Code of Conduct.

Request:

Provide a description and quantification of the “significantly lower costs under the existing integrated organization model”.

Response:

As NGTL stated in the Application, Section 9.0, page 9, line 16-19, NGTL would incur significant incremental costs if it was required to have independent employees that were physically separated from the employees of affiliated TCPL businesses. NGTL conducted an internal analysis and estimates its annual operating costs to achieve this type of independent operation would increase by \$20 million to \$40 million.

NGTL determined this quantitative range based on an analysis of synergy benefits related to:

- border facilities and management;
- departmental costs;
- shared services;
- system operations and planning;
- IS systems; and
- shared staff.

Please refer to the responses to BR-NGTL-001, BR-NGTL-002, and BR-NGTL-003 for a more detailed description of cost savings achieved.

CAL-NGTL-008(b)

Reference:

Application Section 9.0, page 7, lines 23-26

Preamble:

Calgary requires the requested data in order to review and evaluate the proposed Code of Conduct.

Request:

Provide all agreements and arrangements under which NGTL receive services from Non-Regulated Affiliates and the costs incurred under each agreement or arrangement.

Response:

NGTL cannot provide the contracts with TransCanada Calibrations Ltd. and TransCanada Energy Ltd. due to their commercial sensitivity and confidential nature. Release of pricing provisions could compromise NGTL's ability to secure the lowest possible price in future, as well as compromise the business of affiliates with other entities. Details of the TBO arrangement with TransCanada Pipelines Ventures Ltd. are outlined in Section 8.0 of NGTL's Application. The costs incurred under the contracts with TransCanada Pipeline Ventures Ltd., TransCanada Calibrations Ltd., and TransCanada Energy Ltd. are provided below.

	Incurred Costs (\$000)		
	Base Year 2002	Forecast Year 2003	Test Year 2004
TransCanada Pipeline Ventures	4,446	6,361	8,191
TransCanada Calibrations	176	200	200
TransCanada Energy	2,190	2,234	2,284

CAL-NGTL-008(c)

Reference:

Application Section 9.0, page 7, lines 23-26

Preamble:

Calgary requires the requested data in order to review and evaluate the proposed Code of Conduct.

Request:

Provide by service, the estimated cost of NGTL complying with the requirements under Section 3.1 of the Board's approved Code of Conduct.

Response:

Please refer to the response to CAL-NGTL-008(a).

CAL-NGTL-009(a) and (b)

Reference:

Application Section 9.0, page 8, lines 9-18

Preamble:

Calgary requires the requested information in order to review and evaluate the proposed Code of Conduct.

Request:

- (a) For each officer of NGTL who is also an officer of a Non-Regulated Affiliate, provide the name of the officer, the title for each position held, the name of the Non-Regulated Affiliate and the job description of each of the officer's positions.
- (b) Provide the information requested in (a) above where the officer of NGTL is also an officer of a Regulated Affiliate.

Response:

(a) and (b)

Please refer to the response to CAPP-NGTL-041(b).

CAL-NGTL-009(c)

Reference:

Application Section 9.0, page 8, lines 9-18

Preamble:

Calgary requires the requested information in order to review and evaluate the proposed Code of Conduct.

Request:

Provide all internal policies and procedures for resolution of disputes or conflicts applicable to an officer of NGTL who is also and officer of a Non-Regulated Affiliate and a Regulated Affiliate.

Response:

The actions of such officers while acting on behalf of NGTL will be governed by the provisions of the proposed Code.

CAL-NGTL-010(a)

Reference:

Application Section 9.0, page 8, lines 20-24

Preamble:

Calgary requires the requested data in order to review and evaluate the proposed Code of Conduct.

Request:

Based upon the proposed change to the Board's approved Code Section 3.1.5, (a) provide the criteria NGTL proposes to use to determine the concept "the individual acting reasonably determines that acting in a dual capacity could be detrimental to the interest of customers of NGTL".

Response:

NGTL has not, in its proposed Code, materially deviated from the Board's original principle.

CAL-NGTL-010(b)

Reference:

Application Section 9.0, page 8, lines 20-24

Preamble:

Calgary requires the requested data in order to review and evaluate the proposed Code of Conduct.

Request:

Based upon the proposed change to the Board's approved Code Section 3.1.5 (b) provide the criteria NGTL proposes to use to determine the concept "the individual acting reasonably determines could be detrimental to the interests of customers of NGTL".

Response:

Please refer to the response to CAL-NGTL-010(a).

CAL-NGTL-011(a)

Reference:

Application Section 9.0, page 9, lines 12-19.

Preamble:

Calgary requires the requested data in order to review and evaluate the proposed Code of Conduct.

Request:

Quantify and provide details in support of the statement that “the consolidation of services allows NGTL to realize significant cost savings through economics and efficiencies of scope and scale.”

Response:

Please refer to the response to CAL-NGTL-008(a).

CAL-NGTL-011(b)

Reference:

Application Section 9.0, page 9, lines 12-19.

Preamble:

Calgary requires the requested data in order to review and evaluate the proposed Code of Conduct.

Request:

Provide all supporting documentation and calculations which support the cost increase estimate of \$20 to \$40 million.

Response:

Please refer to the response to CAL-NGTL-008(a).

The following table provides the break down for the calculations and supporting documentation of the estimated cost increase of \$20 million to \$40 million.

	(\$000)		
		Estimated Cost Range Separated NGTL	
Particulars	Test Year 2004	Low	High
Field Operations	38,631	43,000	46,000
Engineering	6,994	8,000	9,000
Business Service	14,894	17,000	19,000
Operations and Engineering Programs	24,436	26,000	28,000
Commercial and Regulatory	18,151	20,000	22,000
Corporate Services	18,695	21,000	23,000
Information Systems	22,571	26,000	29,000
General Expenses	53,475	58,000	62,000
TOTAL	197,848	219,000	238,000
Difference		21,152	40,152

CAL-NGTL-012

Reference:

Application Section 9.0, page 9, lines 20-25; page 10, lines 1-14 and the proposed Code Section 3.3.4.

Preamble:

Calgary requires the requested information in order to review and evaluate the proposed Code of Conduct.

Request:

Provide the internal criteria which NGTL proposes to use to determine compliance or non compliance with proposed Sections 3.3.4.1 and 3.3.4.2.

Response:

NGTL has not established specific criteria beyond those embodied in Sections 3.3.4.1 and 3.3.4.2 of the proposed Code. NGTL will assess compliance with these sections on a case-by-case basis.

CAL-NGTL-013(a)

Reference:

Application Section 9.0, page 10, lines 16-21

Preamble:

Calgary requires the requested information in order to review and evaluate the proposed Code of Conduct.

Request:

Provide all documentation which supports the evidence, "NGTL has internal provisions that govern data access and management protocols which are consistent with" the CICA Handbook.

Response:

Please refer to the response to CAPP-NGTL-047.

CAL-NGTL-013(b)

Reference:

Application Section 9.0, page 10, lines 16-21

Preamble:

Calgary requires the requested information in order to review and evaluate the proposed Code of Conduct.

Request:

Provide a black line comparison of the NGTL provisions and those of the CICA Handbook.

Response:

Please refer to the response to CAPP-NGTL-047(d).

CAL-NGTL-013(c)

Reference:

Application Section 9.0, page 10, lines 16-21

Preamble:

Calgary requires the requested information in order to review and evaluate the proposed Code of Conduct.

Request:

Provide all internal protocols referenced at line 21.

Response:

Please refer to the response to CAPP-NGTL-047(b).

CAL-NGTL-014

Reference:

Application Section 9.0, page 10, line 23 and Section 3.3.1 of the proposed Code of Conduct.

Preamble:

The proposed Code calls for the separation of NGTL operational plant, assets and equipment to be separated in ownership from the operational plant, assets and equipment of other Non-Regulated Affiliates.

Request:

Provide a complete description as to why the operational plant, assets and equipment of NGTL should not be maintained separately from that of Regulated Affiliates.

Response:

The Board, in Section 3.3.3 of the ATCO Code, allowed Utilities to share plant, assets and equipment on a cost recovery basis. NGTL simply adopted this principle in its proposed Code.

CAL-NGTL-015(a)

Reference:

Application Section 9.0. page 11, lines 6-13

Preamble:

Calgary requires the requested information in order to review and evaluate the proposed Code of Conduct.

Request:

List the referenced Regulated Affiliates which are subject to the jurisdiction of regulators other than the Board.

Response:

TransCanada PipeLines Limited
Foothills Pipe Lines (Alta.) Ltd.
Foothills Pipe Lines (South B.C.) Ltd.
Foothills Pipe Lines (Sask.) Ltd.
TCPL Portland Inc.

CAL-NGTL-015(b)

Reference:

Application Section 9.0. page 11, lines 6-13

Preamble:

Calgary requires the requested information in order to review and evaluate the proposed Code of Conduct.

Request:

Provide all legislative and regulatory requirements that govern the transfer of assets to or from these Regulated Affiliates from other Affiliates that differ from the Board approved position and conditions contained in the Board approved Code of Conduct Section 4.6 that support the removal of Section 4.6 from the NGTL proposed Code of Conduct.

Response:

In relation to the Foothills Pipelines (Alta.) Ltd., Foothills Pipelines (South B.C.) Ltd., and Foothills Pipelines (Sask.) Ltd. systems, the transfer of assets is governed by the provisions of the *National Energy Board Act*, R.S.C. 1985, c. N-7 and the *Gas Pipeline Uniform Accounting Regulations*, SOR/03-190.

In relation to the Portland Natural Gas Transmission system, the transfer of assets is governed by the provisions of the *Natural Gas Act*, 15 U.S.C. § 717 and the Uniform System of Accounts Prescribed for Natural Gas Companies Subject to the Provisions of the Natural Gas Act, 18 CFR Part 201.

CAL-NGTL-016

Reference:

Application Section 9.0. page 13, lines 7-13 and Sections 6.3 and 6.4 of the proposed Code of Conduct.

Preamble:

Calgary requires the requested information in order to review and evaluate the proposed Code of Conduct.

Request:

Please provide a complete description as to how the information transfer at the interface between NGTL and TCPL at Empress is any different than the interface between ATCO Pipelines and ATCO Gas at any point of connection.

Response:

NGTL does not know what information is transferred between ATCO Pipelines and ATCO Gas at any point of connection. Accordingly, NGTL cannot describe how its circumstances might differ from those of ATCO Pipelines and ATCO Gas.

CAL-NGTL-017(a)

Reference:

Application Section 9.0, page 13, line 15

Preamble:

Calgary requires the requested information in order to review and evaluate the proposed Code of Conduct.

Request:

Confirm that the Board has approved the language in Section 9.2 as being applicable to the ATCO Group of companies for application to both regulated and non-regulated affiliates.

Response:

The Board established a Code of Conduct for the ATCO Group of Companies in Decision 2003-40. That code, specifically Section 9.2, applies in accordance with the established terms.

CAL-NGTL-017(b)

Reference:

Application Section 9.0, page 13, line 15

Preamble:

Calgary requires the requested information in order to review and evaluate the proposed Code of Conduct.

Request:

Explain why NGTL should be treated any differently than the ATCO Group of Companies.

Response:

NGTL explains in the Application, Section 9.0 pages 3-14, why the proposed amendments to the ATCO Code of Conduct are appropriate in NGTL's circumstances.

CAL-NGTL-018

Reference:

Application Section 9.0

Preamble:

Calgary requires the requested information in order to review and evaluate the proposed Code of Conduct.

Request:

Provide all agreements and arrangements whereby any service is provided to NGTL by any Affiliate including:

- i) a description of the service;
- ii) how the service is priced;
- iii) the actual amounts paid or received in 2002;
- iv) 11 months actual and 1 month estimated for 2003 (unless 2003 actual values are available at the time of the response, then provide actual values); and
- v) forecast amounts paid and received for 2004 by arrangement or agreement.

Response:

Please refer to the response to BR-NGTL-037(d) and CAL-NGTL-008(b).