
CAR-NGTL-001(a)

Issue:

Sub-Section 3.3 – Services and Tariff Amendments, Tariff Changes

Reference:

Pg. 1- 2 Q3/A3 and Q4/A4

Request:

Please list all Storage Receipt and Delivery Points on the NGTL system.

Response:

M/S Number	Meter Station Name	Receipt/Delivery Station
1332	AECO C	Receipt
3473	AECO C Sales	Delivery
1170	Carbon	Receipt
1171	Carbon Sales	Delivery
1751	Crossfield E #2	Receipt
3102	Crossfield E #2	Delivery
2717	Demmitt #2	Receipt
3121	Demmitt #2 Sls	Delivery
1795	January Creek	Receipt
3620	January Crk Sls	Delivery
1821	Severn Creek	Receipt
3122	Severn Crk Sls	Delivery
1844	Chancellor	Receipt
3641	Chancellor Sales	Delivery

CAR-NGTL-001(b)

Issue:

Sub-Section 3.3 – Services and Tariff Amendments, Tariff Changes

Reference:

Pg. 1- 2 Q3/A3 and Q4/A4

Request:

Please describe the geographical location of Demmitt #2 Interconnect.

Response:

Demmitt #2 Interconnect is located at legal location 15-18-074-12-W6, or latitude 55.417042 with longitude 119.833033.

CAR-NGTL-001(c)

Issue:

Sub-Section 3.3 – Services and Tariff Amendments, Tariff Changes

Reference:

Pg. 1- 2 Q3/A3 and Q4/A4

Request:

Please explain NGTL's rationale for each of the Storage Delivery Points listed in (a) as to why NGTL has not requested that any of these other Storage Delivery Points be designated as an Export Delivery Point.

Response:

NGTL is not aware of any direct connections to an export pipeline system for any of these other Storage Delivery Points, hence NGTL has not requested that these other Storage Delivery Points also be designated as Export Delivery Points.

CAR-NGTL-002

Issue:

Sub-Section 3.3 – Services and Tariff Amendments, Tariff Changes

Reference:

Pg. 1- 2 Q/A, and Appendix A, Rate Schedule IT-S, Blacklined

Request:

As per the proposed tariff amendments to Rate Schedule IT-S, please explain under the each of the five scenarios the following:

- a) What would the applicable rate(s) be in the described scenario?
- b) To whom would the rate(s) apply?
- c) At what point in time given the events described in the scenario would the rate apply?
- d) Please explain your rationale for the rate(s) and the applicability with respect to party/parties being charged, and the time at which the charge is applied (i.e. the billing cycle).
- e) Does the number of days between each event impact any of the above responses? If yes, please explain.
- f) Does the designation or non-designation of the storage facility as an Export Delivery Point impact any of the above responses? If yes, please explain.

Scenario #1:

Party A delivers gas off of the NGTL System into a storage facility. Party A sells the gas to Party B. Party B delivers the gas onto an export pipeline.

Scenario #2:

Party A delivers gas off of the NGTL System into a storage facility. Party A delivers the gas onto a connecting export pipeline. Party A then purchases gas through a title transfer

CAR-NGTL-002

mechanism within the storage facility from Party B. Party A delivers the gas back onto the NGTL system.

Scenario #3:

Party A delivers gas off of the NGTL System into a storage facility. Party A sells the gas to Party B. Party B delivers the gas onto an export pipeline. Party A buys gas from Party C through a title transfer mechanism within the storage facility. Party A delivers the gas back onto the NGTL System.

Scenario #4:

Party A delivers gas off of the NGTL System into a storage facility. Party A sells the gas to Party B. Party B delivers the gas onto an export pipeline. Party A has native production behind the storage facility. Party A delivers the native production back onto the NGTL System.

Scenario #5

Party A delivers gas off of the NGTL System into a storage facility. Party A moves the gas from the storage facility to a connecting intra-Alberta pipeline. Party A delivers the gas from the intra-Alberta pipeline to a connecting export pipeline.

Response:

The following responses are generalized in order to apply to all of the requested scenarios which the proposed Tariff amendments are meant to address. NGTL is not involved with transactions that occur behind NGTL's Storage Delivery Point and as such, identification of the appropriate party or delivery type described in the above scenarios would be provided by the operator of the storage facility.

(a), (b), and (d)

The storage facility operator is to provide the aggregate volume information for each month by customer by delivery type. The NGTL customer who executed the IT-S contract undertakes to cause the storage facility operator to provide any information necessary to satisfy NGTL as to the appropriateness of the delivery types.

The applicable rates would be dependant on the information provided by the operator of the storage facility as well as the extend NGTL is satisfied with such information. If NGTL is satisfied with the information, then NGTL will apply the appropriate rates to such service. If NGTL is not satisfied with the information from the storage facility operator or such information is not provided by the storage facility operator to NGTL as

CAR-NGTL-002

requested by NGTL, then such delivery gas shall be deemed to be under IT-D service and tolled as such.

The determination of the applicable delivery type is based on the NGTL's Tariff definition of Alberta Delivery Point, Export Delivery Point and Storage Delivery Point. The determination of the applicable rates for such delivery types are based on the definition and pricing of such service in NGTL's Tariff, e.g. Rate Schedule FT-A establishes that the appropriate rate for gas which is not to be removed from Alberta is the FT-A Rate. NGTL in turn would allocate such delivery type volumes for each party to the appropriate service type as described in proposed Tariff amendments, section 4.2 of Rate Schedule IT-S.

- (c) The storage operator is to provide the aggregate volume information for each month by customer by delivery type within the time provided by NGTL, e.g. within NGTL's monthly billing cycle requirements. NGTL in turn charges for such delivery type volumes in accordance with the allocations determined by NGTL in paragraph 4.2 of Rate Schedule IT-S. The customer shall pay for each month the sum of the amounts calculated by NGTL for such month.
- (e) No. Please refer to the response to CAR-NGTL-002(c).
- (f) Yes, the designation of a storage facility as also an Export Delivery Point will impact the availability of contract export delivery services to an NGTL customer, e.g., FT-D service.

CAR-NGTL-003(a)

Issue:

Sub-Section 3.3 – Services and Tariff Amendments, Tariff Changes

Reference:

A4, pg. 2 of 2

Preamble:

Lines 4 to 9 NGTL states “Consequently, gas delivered from the Alberta System to Demmitt storage can later be delivered to the Alliance Pipeline for export from Alberta. NGTL proposes to designate Demmitt #2 Interconnect as an Export Delivery Point in order that NGTL can properly allocate and charge for volumes delivered from the Alberta System at that point that are destined for export from Alberta.”

Request:

Please explain which NGTL facilities are utilised by the volumes delivered to the Alliance Pipeline via the Demmitt #2 Interconnect.

Response:

All volumes delivered to the Demmitt #2 Interconnect facilities utilize the integrated system transmission facilities, e.g., pipe and compression.

CAR-NGTL-003(b)

Issue:

Sub-Section 3.3 – Services and Tariff Amendments, Tariff Changes

Reference:

A4, pg. 2 of 2

Preamble:

Lines 4 to 9 NGTL states “Consequently, gas delivered from the Alberta System to Demmitt storage can later be delivered to the Alliance Pipeline for export from Alberta. NGTL proposes to designate Demmitt #2 Interconnect as an Export Delivery Point in order that NGTL can properly allocate and charge for volumes delivered from the Alberta System at that point that are destined for export from Alberta.”

Request:

Please explain which costs are not being recovered through the current methodology of allocation and the charging of volumes.

Response:

The issue of identifying the appropriate rate for the appropriate service is a cost allocation issue, not a cost recovery issue. If appropriate service types are not identified in relation to NGTL’s Tariff definition of available services, such service will not be allocated its appropriate share of costs based on NGTL’s rate design in effect at that time and such customer will not pay the appropriate rates to NGTL for use of the Alberta System. As such, the customer benefiting from such incorrect allocation of costs, services and rates is doing so at the expense of the rest of NGTL’s customers.

CAR-NGTL-003(c)

Issue:

Sub-Section 3.3 – Services and Tariff Amendments, Tariff Changes

Reference:

A4, pg. 2 of 2

Preamble:

Lines 4 to 9 NGTL states “Consequently, gas delivered from the Alberta System to Demmitt storage can later be delivered to the Alliance Pipeline for export from Alberta. NGTL proposes to designate Demmitt #2 Interconnect as an Export Delivery Point in order that NGTL can properly allocate and charge for volumes delivered from the Alberta System at that point that are destined for export from Alberta.”

Request:

Please explain how NGTL will be determining the destination of volumes delivered into storage.

Response:

Please refer to the responses to CAR-NGTL-002(a), (b) and (d).

CAR-NGTL-003(d)

Issue:

Sub-Section 3.3 – Services and Tariff Amendments, Tariff Changes

Reference:

A4, pg. 2 of 2

Preamble:

Lines 4 to 9 NGTL states “Consequently, gas delivered from the Alberta System to Demmitt storage can later be delivered to the Alliance Pipeline for export from Alberta. NGTL proposes to designate Demmitt #2 Interconnect as an Export Delivery Point in order that NGTL can properly allocate and charge for volumes delivered from the Alberta System at that point that are destined for export from Alberta.”

Request:

Please explain how costs for connecting storage facilities are recovered.

Response:

NGTL’s current storage facility accountability policy limits the amount of capital costs associated with storage facilities and sets out the amounts of capital contributions in aid of construction that the storage operator is required to provide. The remaining NGTL costs for connecting the storage facilities are accounted for through indirect revenue (e.g., from receipt and delivery services), represented by a minimum annual volume (MAV) requirement, as well as direct FCS Charge, if applicable to such storage facility. Essentially the MAV threshold must be met through physical deliveries to the storage delivery point, indicating sufficient indirect revenue has been received by NGTL, or the storage facility operator will pay a direct FCS Charge which represents the shortfall in the MAV requirement.

NGTL determines the MAV by dividing NGTL’s connection facilities annual cost of service by NGTL’s firm service unit cost. Such firm service unit cost is based on firm transportation revenue requirements (for both receipt and export delivery) divided by the sum of the FT-R and FT-D billing determinants.

CAR-NGTL-004

Issue:

Sub-Section 3.3 – Services and Tariff Amendments, Tariff Changes

Reference:

Appendix A, IT-S Rate Schedule, Blacklined, Page 3, 3.0 CHARGE FOR SERVICE, 3.1 Aggregate of Customer's Monthly Charge (iii)

Preamble:

“If the operator of the gas storage facility fails to provide information to Company's satisfaction that all or a portion of the volume . . . “

Request:

Please describe the information required by NGTL from the operator of the gas storage facility in order to satisfy NGTL.

Response:

Please refer to the responses to CAR-NGTL-002(a), (b) and (d).

CAR-NGTL-005(a)

Issue:

Sub-Section 3.3 – Services and Tariff Amendments, Tariff Changes

Reference:

Appendix A, IT-S Rate Schedule, Blacklined, Page 5, 4.2 Allocation of Gas Delivered (ii) (a)

Preamble:

Blacklined section reads “first to service to Customer under Rate Schedule FT-A at such Storage Delivery Point, if Company is satisfied that the volume of gas delivered by Company at such Storage Delivery Point is not to be removed from Alberta.”

Request:

Please explain what type of information is needed to satisfy NGTL that the criterion, as stated in the Preamble, is being met.

Response:

Please refer to the responses to CAR-NGTL-002(a), (b), and (d).

CAR-NGTL-005(b)

Issue:

Sub-Section 3.3 – Services and Tariff Amendments, Tariff Changes

Reference:

Appendix A, IT-S Rate Schedule, Blacklined, Page 5, 4.2 Allocation of Gas Delivered (ii) (a)

Preamble:

Blacklined section reads “first to service to Customer under Rate Schedule FT-A at such Storage Delivery Point, if Company is satisfied that the volume of gas delivered by Company at such Storage Delivery Point is not to be removed from Alberta.”

Request:

Please explain what criteria will be used by NGTL to determine their level of satisfaction with the data being provided by the operator of the gas storage facility.

Response:

Please refer to the responses to CAR-NGTL-002(a), (b) and (d).

CAR-NGTL-005(c)

Issue:

Sub-Section 3.3 – Services and Tariff Amendments, Tariff Changes

Reference:

Appendix A, IT-S Rate Schedule, Blacklined, Page 5, 4.2 Allocation of Gas Delivered
(ii) (a)

Preamble:

Blacklined section reads “first to service to Customer under Rate Schedule FT-A at such Storage Delivery Point, if Company is satisfied that the volume of gas delivered by Company at such Storage Delivery Point is not to be removed from Alberta.”

Request:

Please explain what NGTL will do if the information provided by the operator of the gas storage facility does not satisfy NGTL.

Response:

Please refer to the responses to CAR-NGTL-002(a), (b) and (d).

CAR-NGTL-005(d)

Issue:

Sub-Section 3.3 – Services and Tariff Amendments, Tariff Changes

Reference:

Appendix A, IT-S Rate Schedule, Blacklined, Page 5, 4.2 Allocation of Gas Delivered (ii) (a)

Preamble:

Blacklined section reads “first to service to Customer under Rate Schedule FT-A at such Storage Delivery Point, if Company is satisfied that the volume of gas delivered by Company at such Storage Delivery Point is not to be removed from Alberta.”

Request:

Please explain the rate that would be charged, and the party to whom the charge would apply if NGTL were of the belief that the volume of gas is to be removed from Alberta.

Response:

Please refer to the responses to CAR-NGTL-002(a), (b) and (d).

CAR-NGTL-006(a)

Issue:

Sub-Section 3.3 – Services and Tariff Amendments, Tariff Changes

Reference:

Appendix A, IT-S Rate Schedule, Blacklined, Page 5, Allocation of Gas Delivered (ii) (c)

Preamble:

“ . . . If Customer is not entitled to service under Rate Schedule IT-D at such Storage Delivery Point, regardless of whether of not such Storage Delivery Point is an Export Delivery Point, then Customer shall pay the IT-D Rate in respect of such volume of gas allocated to it hereunder.”

Request:

Please explain Customers obligation to pay the IT-D rate in light of the fact that Customer is not entitled to service under Rate Schedule IT-D.

Response:

Please refer to the Attachment CCA-NGTL-006(a).

NGTL declines to provide estimated net book values as they are confidential under contractual agreements between NGTL and customers at intra-Alberta delivery meter stations.

The pressure available at the meter stations is not provided because the Alberta System is an integrated system and as a result the pressure available at intra-Alberta delivery stations will vary based on operating conditions.

Meter type is not provided as this information is not readily available.

CAR-NGTL-006(b)

Issue:

Sub-Section 3.3 – Services and Tariff Amendments, Tariff Changes

Reference:

Appendix A, IT-S Rate Schedule, Blacklined, Page 5, Allocation of Gas Delivered (ii) (c)

Preamble:

“ . . . If Customer is not entitled to service under Rate Schedule IT-D at such Storage Delivery Point, regardless of whether of not such Storage Delivery Point is an Export Delivery Point, then Customer shall pay the IT-D Rate in respect of such volume of gas allocated to it hereunder.”

Request:

Please explain the obligation to pay the IT-D rate in the event that the party does not have any service agreements with NGTL.

Response:

NGTL does not understand the request. If a party does not have any service agreements with NGTL, then it is not an NGTL customer as per the definition in NGTL’s Tariff.

In order to participate at a storage delivery point, the party must execute at a minimum Rate Schedule IT-S which outlines the party’s obligation to pay the IT-D rate, if such rate is applicable.

CAR-NGTL-007

Issue:

Sub-Section 3.3 – Services and Tariff Amendments, Tariff Changes

Reference:

Appendix A, IT-S Rate Schedule, Blacklined, Page 6, 5.0 Storage Information, 5.2 (ii)

Preamble:

5.2 reads “If the operator of a gas storage facility fails to provide Company with the information requested with respect to any month within the time provided by Company for a response to Company’s request” . . .

(ii) “ the gas delivered at the Storage Delivery Point for Customer for such month shall be deemed to have been delivered by Customer at the Storage Delivery Point under Rate Schedule IT-D and Customer shall pay the IT-D Rate in respect . . .”

Request:

Please comment on the Customer’s obligation to pay the IT-D rate in light of the fact that Customer cannot control behavior of the operator of the storage facility with respect to the provision of information requested by NGTL.

Response:

Please refer to the responses to CAR-NGTL-002(a), (b) and (d).