

TransCanada Mainline Procedures For Evaluating Facilities to Accommodate Flow Distribution Changes Within Distributor Delivery Areas (DDAs)

Procedures

Purpose

The purpose of these procedures is to outline the processes that Shippers/Interconnecting Operators and TransCanada will follow to address the requirement for pipeline facilities to meet changing flow distributions within a DDA. The procedures also describe the criteria TransCanada will apply in determining if it will support an application for new facilities.

The procedures are not intended to apply to requests for Transportation Service. The process for administering these requests is set forth in the Transportation Access Procedures of TransCanada's tariff.

1. Review of DDA Flow Distribution

TransCanada shall review historical and forecast flow requirements with Shippers/Interconnecting Operators on an **annual basis** to determine if its facilities have sufficient capability to meet the anticipated requirements. Changing market requirements including the distribution of flow within a DDA may require additional facilities or modifications to existing facilities. These changes may result from:

- a) An analysis of **forecast** flow requirements or changing distribution requirements within the DDA that identify a requirement for new facilities or modifications to existing facilities

The Shipper/Interconnecting Operator may communicate forecast of flow requirements within a DDA to its TransCanada Commercial Sales Representative. Forecast information includes average and maximum hourly, daily and seasonal flows as specified in the [TransCanada Forecast Requirements for System Design Purposes](#). TransCanada will use the forecast information provided, combined with its own analysis of requirements, as the basis to evaluate the need for facilities.

- b) An analysis of historical and forecast flow requirements that identify a requirement for a new meter station or a modification to an existing meter station.

As part of its standard facility review process, TransCanada may identify that current or historical flows have approached, or exceeded meter station design capacities within the DDA. In such cases, TransCanada will review its findings

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with the Shipper/Interconnecting Operator and determine if there is a requirement for facilities based on expected flows. TransCanada may request the Shipper/Interconnecting Operator to provide a forecast of flow requirements in order to complete this analysis.

2. Facility Evaluations

Within approximately 60 days of receiving the Forecast Requirements and, if required, an [Application for Service](#), TransCanada will evaluate system requirements and inform the Shipper/Interconnecting Operator if additional facilities are required. Further clarification of forecast requirements may be required at that time such as information to demonstrate evidence of a long term requirement for the facility. TransCanada will provide a preliminary estimate of the cost of such facilities to the Shipper/Interconnecting Operator.

3. Conditions for Filing a Facilities Application

The justification for additional facilities will be based upon:

- a) A reasonable expectation of a **long-term requirement** for such facilities; and
- b) The proposed facilities represent the **lowest cost alternative** to meet the forecast requirements.

TransCanada may require that the Shipper/Interconnecting Operator provide assurances to pay costs incurred in the event the facilities are cancelled prior to commencing commercial operation.

4. Facilities Application

- a) Provided that the justification criteria of long-term requirement and lowest-cost alternative have been met, TransCanada will notify the Shipper/Interconnecting Operator in writing of when it expect to be able to file a Facilities Application, and when it expects service to be available.

The Shipper/Interconnecting Operator shall support TransCanada's Facilities Application, including regulatory participation if required.

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5. Other

Notwithstanding these Procedures, TransCanada may submit a Facilities Application if it determines in its sole judgement that facilities are required.

Contacts

Please contact your [TransCanada Commercial Sales Representative](#).