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April 14, 2003

Alberta Energy and Utilities Board
640 - 5 Avenue SW
Calgary, Alberta
T2P 3G4

Attention: Mr. Wade Vienneau

Dear Mr. Vienneau

**RE: NOVA Gas Transmission Ltd.
Tolls, Tariff & Procedures Committee
Resolution T2002-04 – Blanket Interruptible Service**

Please find attached Resolution T2002-04 for your information. Resolution T2002-04 was supported by the Tolls, Tariff & Procedures Committee (TTP) at the April 8, 2003 meeting. The result of the vote on this resolution was "unopposed" as defined by the TTP procedures.

Should you have any questions regarding the resolution or TTP process, please do not hesitate to call me at 920-5903.

Yours truly

Gord Toews
Manager
Western Product Development
Customer Sales & Service

cc: Robert Heggie, Executive Manager, Utilities
TTP Members

Encl: Resolution T2002-04

TRANSCANADA - ALBERTA SYSTEM
Tolls, Tariff & Procedures Committee

RESOLUTION
Blanket IT-R Service

Resolution T2002-04

The Tolls, Tariff & Procedures Committee ("TTP") agrees to adopt a 'blanket' attribute for the current Interruptible Receipt (IT-R) Service as replacement for the Schedule of Service. The 'blanket' attribute effectively enables one service agreement to cover all Receipt Points.

Background

In June 2002, the TTP approved a resolution which modifies the priority of IT-R from 'sign date' to a 'previous flow' model. Implementation of the June resolution is "*conditional on TransCanada having required Information Systems available*". Adoption of the new priority methodology removes the major barrier to providing a blanket IT-R service.

The TTP Business Process Change Task Force agreed that the change should strive to achieve the following objectives:

1. simplify administration
2. provide evergreen IT-R term with termination feature
3. able to implement at reasonable cost:
 - NOVA Gas Transmission Ltd. ("NGTL") one-time Dovetail Systems development cost estimate is \$20K (\$5K - contracting; \$10K - invoicing; and, \$5K - capacity allocation);
 - ongoing NGTL administrative savings estimated to be \$20K/yr.

The implementation of blanket IT-R service is subject to NGTL having the required Information Systems available and would not occur prior to implementation of the IT-R priority resolution.

NGTL, per its normal practice, archives contract data, including contract date.

Benefits

- NGTL savings associated with discontinuance of preparing and executing new/amended IT-R services (\$20K/year):
 - eliminates need to prepare and execute individual schedules for new IT-R service(s),
 - eliminates the need to amend existing IT-R schedules in response to facility modifications or facility retirement;
- once a Customer contracts Blanket IT-R, the Customer would have nomination rights at all Receipt Points (no rejections nor waiting for processing of a service request);
- need to sign new Blanket IT-R service agreement is effectively eliminated as NGTL's application to the Alberta Energy and Utilities Board ("EUB") would be for amendment to an existing service rather than a 'new' service;
- Blanket IT-R service would minimize, or eliminate, the need for the Over Run Gas feature identified in Firm Transportation receipt services (removes uncertainty of priority during periods of restriction or curtailment and removes confusion associated with invoicing).

Next Steps

The necessary Tariff modifications will be developed with the TTP Tariff Task Force closer to implementation date, then provided to the TTP for approval. NGTL will file the approved resolution and revised Tariff sections with the EUB.