

Notice

VIA EMAIL

NOTICE OF APPLICATION

APPLICATION NO. 1346562

NOVA GAS TRANSMISSION LTD. (NGTL)

WINTER FIRM TRANSPORTATION – EXPORT DELIVERY

SERVICE APPLICATION

Take Notice that NOVA Gas Transmission Ltd. (NGTL) has filed an application with the Alberta Energy and Utilities Board (EUB or the Board) under Part 4 of the Gas Utilities Act, R.S.A. 2000, C. G-5, as amended, by letter dated May 19, 2004, for approval of a Winter Firm Transportation – Export Delivery Service (the FT-DW Service), the methodology for calculating FT-DW Service rates, tolls and charges, and amendments to Rate Schedules FT-DW, Short Term Firm Transportation (STFT), Other Rate Schedules, and the General Terms and Conditions of NGTL's Gas Transportation Tariff (Tariff), necessary to implement the FT-DW Service.

Nature of the Application

On February 4, 2004, NGTL applied to the Board for approval to continue negotiations on FT-DW Service through Issue T2003-07. This issue had been adopted for discussion by the Tolls, Tariffs, and Procedures Committee (TTP) on May 6, 2003, prior to the issuance of the Board's Information Letter IL98-4 Revised Negotiated Settlement Guidelines. The Board approved NGTL's request to continue negotiations on February 26, 2004. On May 11, 2004, the Tolls, Tariffs, Facilities & Procedures Committee (TTFP) supported the FT-DW Service through an unopposed vote on Resolution T2003-07.

In accordance with the terms and conditions of the FT-DW Service, NGTL indicated it would be able to offer the FT-DW Service on a limited basis, to a maximum of 35 MMcf/d, at the Alberta-B.C. Export Delivery Point. The FT-DW Service would also be offered, to a maximum of 35 MMcf/d, at the combined Empress and McNeill Export Delivery Points. NGTL submitted that service at the Empress and McNeill Export Delivery Points was limited to 35 MMcf/d to mitigate concerns related to the possibility that shippers could migrate from annual Firm Transportation-Delivery (FT-D) Service to the FT-DW Service. FT-DW service would not be initially offered at minor export delivery points, as the differential between winter and summer design capability is negligible.

NGTL noted that FT-DW could be provided as a result of the difference in the pipeline system winter and summer design capability created by lower ambient temperatures during the winter season. Available FT-DW Service is limited to 35 MMcf/d to ensure that facilities on the Alberta System are not constructed to solely provide FT-DW Service and to enable NGTL to manage uncertainties related to future system expansion requirements.

NGTL proposed that the FT-DW Service would commence November 1, 2004 and would be made available through an open season following Board approval of the service. The service would have an initial term of four years, with conditional renewal provisions. The FT-DW rate would be fixed at a price equivalent to 175% of the FT-D rate. The 12 month equivalent FT-DW rate would be 12/5 or 240% of the FT-D rate. All the revenue generated through the FT-DW Service in November and December 2004 would be credited to NGTL's revenue requirement for 2005 through the use of the Revenue Deferral account as applied for in NGTL's 2004 General Rate Application – Phase I (Application No. 1315423).

Subsequent to Board approval of this Application, if granted, NGTL indicated that the TTFP would review annually the maximum service quantity as a component of the design review processes in place. In addition, any member of the TTFP could sponsor an issue to review available FT-DW Service at any time. Any changes in available FT-DW Service would require the support of the TTFP and Board approval.

NGTL requested the Board render a decision on this Application by June 25, 2004 to enable an open season in respect of the FT-DW service in July or August 2004.

Additional Information

To obtain additional information or a copy of the Application contact:

Nova Gas Transmission Ltd.
c/o Carolyn Shaw
Regulatory Services
450 – 1st Street SW
Calgary, Alberta T2P 5H1
Telephone: (403) 920-7172
Facsimile: (403) 920-2347
Email: carolyn_shaw@transcanada.com
alberta_system@transcanada.com

Copies of the Application are available for viewing at the EUB's offices at the addresses indicated below:

Alberta Energy and Utilities Board
Information Services, 1st Floor
640 – 5th Avenue SW
Calgary, Alberta T2P 3G4
Telephone: (403) 297-8190
Facsimile: (403) 297-7040

Alberta Energy and Utilities Board
Utilities Branch, 10th Floor
10055 – 106th Street
Edmonton, Alberta T5J 2Y2
Telephone: (780) 427-4901
Facsimile: (780) 427-6970
Email: eub.utl@gov.ab.ca

To File an Objection

As NGTL has requested an expedited process for this Application, the Board directs parties that want to file a submission to state your reasons for objecting to or supporting the Application, and include this with your submission regarding the Application by **June 4, 2004**. If no submissions are received from parties opposed to the Application, the Board may continue to process the Application without further notice.

Send one copy to NGTL, c/o Carolyn Shaw, at the address indicated above and twelve (12) copies to:

Heather Gnenz, Application Officer
EUB Utilities Branch
5th Floor, 640 – 5th Avenue SW
Calgary, Alberta T2P 3G4

And e-mail a copy to the Utilities Branch at eub.utl@gov.ab.ca.

In addition, the Board directs NGTL to post the Notice of Application and the Application on its web site for the availability of all interested parties.

If you have any questions or concerns with respect to EUB procedures, please contact Heather Gnenz, at heather.gnenz@gov.ab.ca or by telephone at (403) 297-3539.

Issued at Calgary, Alberta on May 27, 2004.

ALBERTA ENERGY AND UTILITIES BOARD
Michael J. Bruni, Q.C., General Counsel