



450 – 1st Street S.W.  
Calgary, Alberta T2P 5H1  
Direct Phone: (403) 920-7184  
Fax: (403) 920-2347  
Email: celine\_belanger@transcanada.com

January 12, 2005

Alberta Energy and Utilities Board  
640 – 5<sup>th</sup> Avenue S.W.  
Calgary, Alberta  
T2P 3G4

Filed Electronically

Attention: Mr. Wade Vienneau  
Manager – Calgary Office, Utilities Branch

Dear Sir:

**Re: NOVA Gas Transmission Ltd. (NGTL)  
Tolls, Tariff, Facilities and Procedures Committee (TTFP)  
Resolution T2004-06 – Firm Transportation Receipt Non-Renewable (FT-RN)  
Service Modification**

NGTL applies to the Board under Part 4 of the *Gas Utilities Act*, R.S.A. 2000, c. G-5, as amended, for approval of amendments to its Gas Transportation Tariff (Tariff) related to FT-RN service modifications.

On December 1, 2004, NGTL requested Board approval to commence negotiations on Issue T2004-06 in accordance with Board Informational Letter IL 98-4 Revised Negotiated Settlement Guidelines (*Revised Guidelines*) and the Board's letter dated August 28, 2003 regarding the application of the *Revised Guidelines* to NGTL. The Board approved NGTL's request to commence negotiations on Issue T2004-06 on December 9, 2004. In addition, Board staff attended a meeting to evaluate the fairness of the negotiated settlement process related to Issue T2004-06 on January 11, 2005.

Subsequent to the adoption of Issue T2004-06, the TTFP met once to discuss possible modifications to FT-RN service and recommended that minimum term requirements for FT-RN service be amended, such that the total term for FT-RN service will not be less than one month and the total term subscribed for will be for the entire available period to a maximum of one year. The modifications to FT-RN service will provide shippers with an option of contracting for

January 12, 2005  
Page 2  
Mr. W. Vienneau

firm service at receipt points where capacity may only exist for short periods of time versus transporting gas on an interruptible basis which is subject to restriction.

On January 11, 2005, the TTFP supported amendments to the Tariff related to FT-RN service modifications through an unopposed vote on Resolution T2004-06. Pursuant to Section 10.2 of the *Revised Guidelines* a copy of Resolution T2004-06 is attached to this letter. Attached to Resolution T2004-06 is a summary of the Tariff amendments, a black-lined copy of the relevant sections of the Tariff illustrating the amendments, and a clean copy of the relevant sections of the Tariff incorporating the amendments.

NGTL respectfully requests the Board render a decision on the applied-for Tariff amendments by January 27, 2005 to enable implementation of the Tariff amendments on February 1, 2005.

NGTL is notifying its shippers and members of the TTFP of the availability of this filing on TransCanada's Alberta System website at:

[http://www.transcanada.com/Alberta/regulatory\\_info/active\\_rates\\_services\\_filings.html](http://www.transcanada.com/Alberta/regulatory_info/active_rates_services_filings.html).

Please direct all notices and communications regarding this matter to Carolyn Shaw by e-mail at [carolyn\\_shaw@transcanada.com](mailto:carolyn_shaw@transcanada.com) and [alberta\\_system@transcanada.com](mailto:alberta_system@transcanada.com), or by phone at 920-7172.

Yours truly,

**NOVA Gas Transmission Ltd.**

A wholly owned subsidiary of TransCanada PipeLines Limited



Céline Bélanger  
Vice President, Regulatory Services

Attachment

cc: Tolls, Tariff, Facilities and Procedures Committee  
Alberta System Shippers

**Attachment**

**Resolution T2004-06**

# Tolls, Tariff, Facilities & Procedures Committee

Resolution T2004-06: FT-RN Service Modification

**Sponsor:** Talisman Energy Canada

**Classification:** Non-Operational

## Resolution

The Tolls, Tariff, Facilities & Procedures Committee (TTFP) agrees to the Tariff changes as identified in the attached document. These changes are required to amend the minimum contract term required for Firm Transportation Receipt Non-Renewable (FT-RN) as follows:

- the total term will not be less than one month, and
- the total term subscribed will be for the entire available block to a maximum of one year.

## Background

Under the current NOVA Gas Transmission Ltd. (NGTL) Tariff, parties cannot contract firm receipt service for less than one year, although firm capacity may be available at a receipt station. The amount of firm service is limited by the amount of service that is available for an entire year. This may be very different than the capacity that may exist for shorter periods of time. Thus, at a meter station contracted near capacity, parties must utilize IT service which is subject to restriction. Customers may require more assurance of their contracted flow provided by firm service.

The TTFP supports the contracting of FT-RN for less than one year when blocks of capacity for less than one year are available at a receipt station. The term subscribed must not be less than the available block and the term will not be for less than one month. Capacity will be allocated on a first come, first served basis. All other attributes will be the same as the current FT-RN.

## Next Steps

TransCanada will file the Tariff changes with the Alberta Energy & Utilities Board (EUB) requesting prompt approval. Upon EUB approval, the amended FT-RN will become effective immediately and TransCanada will post the amended NGTL Tariff to TransCanada's web site.

**Attachment to Resolution T2004-06**

**Summary of Tariff Amendments**

An amendment to the NGTL Tariff is currently being proposed resulting from the FT-RN Service Modification Issue T2004-06. This summary has been provided for information only and is not intended to form part of the Tariff.

### **Summary of Amendments**

#### **1. Rate Schedule FT-RN**

- (i) Amend paragraph 5.1 [Term of a Schedule of Service] – added “provided however, if Company determines, in its sole discretion, that capacity at a Receipt Point is only available for a period more than one (1) month and less than one (1) year, the term shall be for such period”.

**Attachment to Resolution T2004-06**

**Tariff Amendments - Blacklined**

## 5.0 TERM OF SERVICE

### 5.1 Term of a Schedule of Service

The term for any Schedule of Service for Service under Rate Schedule FT-RN at each Receipt Point shall be one (1) year and terminates on the Service Termination Date; provided however, if Company determines, in its sole discretion, that capacity at a Receipt Point is only available for a period more than one (1) month and less than one (1) year, the term shall be for such period.

### 5.2 Term of Service Agreement

Customer's Service Agreement shall terminate on the latest Service Termination Date of Customer's Schedules of Service for Service under Rate Schedule FT-RN.

## 6.0 SERVICE DURING TESTS

6.1 Customer may tender, for one (1) month in any calendar year, a daily volume of gas at a Receipt Point in excess of the aggregate of Customer's Receipt Contract Demand under all of Customer's Schedules of Service for Service under Rate Schedule FT-RN at such Receipt Point, and Company will receive such excess volume pursuant to the terms and conditions applicable to this Rate Schedule FT-RN, provided that:

- (a) Customer has first satisfied Company that it is a requirement under the terms of a gas purchase contract that Customer tender such excess volume to Company for the purpose of a test; and
- (b) Company has determined in its sole judgment that it can receive such volume for such period without adversely affecting the operation of the Facilities or service to any other Customer receiving service under any Rate Schedule other than Rate Schedules IT-R, IT-D or IT-S.



**Attachment to Resolution T2004-06**

**Tariff Amendments – Clean copy**

**RATE SCHEDULE FT-RN**  
**FIRM TRANSPORTATION – RECEIPT NON-RENEWABLE**

**1.0 DEFINITIONS**

**1.1** The capitalized terms used in this Rate Schedule have the meanings attributed to them in the General Terms and Conditions of the Tariff unless otherwise defined in this Rate Schedule.

**2.0 SERVICE DESCRIPTION AND AVAILABILITY**

**2.1** Subject to the stated terms and conditions, service under Rate Schedule FT-RN shall mean the receipt of gas within Alberta from Customer at Customer's Receipt Points (the "Service") which includes transportation of gas that Company determines necessary to provide services under the Tariff.

**2.2** The Service is available to any Customer that has executed a Service Agreement and Schedule of Service under Rate Schedule FT-RN. Company shall not be required to construct or install Facilities for any Service under Rate Schedule FT-RN. A standard form Service Agreement for Service under this Rate Schedule FT-RN is attached.

**3.0 PRICING**

**3.1** The rate used in calculating Customer's monthly demand charge under each of Customer's Schedules of Service for Service under Rate Schedule FT-RN is the FT-RN Demand Rate.

#### 4.0 CHARGE FOR SERVICE

##### 4.1 Aggregate of Customer's Monthly Demand Charges

The aggregate of Customer's monthly demand charges for a Billing Month for Service under Rate Schedule FT-RN shall be equal to the sum of the monthly demand charges for each of Customer's Schedules of Service under Rate Schedule FT-RN, determined as follows:

$$\text{MDC} = \sum F \left( A \times \frac{B}{C} \right)$$

Where:

- "MDC" = the aggregate of the demand charges applicable to such Schedule of Service for such Billing Month;
- "F" = the FT-RN Demand Rate applicable to such Schedule of Service;
- "A" = each Receipt Contract Demand in effect for all or a portion of such Billing Month for such Schedule of Service;
- "B" = the number of days in such Billing Month that Customer was entitled to such Receipt Contract Demand under such Schedule of Service; and
- "C" = the number of days in such Billing Month.

##### 4.2 Aggregate of Customer's Surcharges

The aggregate of Customer's Surcharges for a Billing Month shall be equal to the sum of all Surcharges set forth in the Table of Rates, Tolls and Charges applicable to each of Customer's Schedules of Service under Rate Schedule FT-RN.

#### 4.3 Aggregate of Customer's Over-Run Gas Charges

The aggregate of Customer's charges for Over-Run Gas in a Billing Month for Service under all Rate Schedules shall be equal to the sum of the monthly charges for Over-Run Gas for each Receipt Point at which Customer is entitled to Service under any Rate Schedule, determined as follows:

$$\text{MOC} = V \times Z$$

Where:

"MOC" = the monthly charge for Over-Run Gas at such Receipt Point;

"V" = total volume of gas allocated to Customer by Company as Over-run Gas in accordance with paragraph 4.6 for Service under all Rate Schedules at such Receipt Point for the month preceding such Billing Month; and

"Z" = the IT-R Rate at such Receipt Point.

4.4 The calculation of Customer's charge for Over-Run Gas in paragraph 4.3 shall not take into account Customer's Inventory on the last day of the month preceding the Billing Month.

#### 4.5 Aggregate Charge For Service

Customer shall pay for each Billing Month:

- (i) the sum of the amounts calculated in accordance with paragraphs 4.1, 4.2, and 4.3; less

- (ii) the amount, if any, calculated in accordance with the Terms and Conditions Respecting Relief for Mainline Capacity Restrictions in Appendix “B” of the Tariff.

#### 4.6 Allocation of Gas Received

Notwithstanding any other provision of this Rate Schedule, any Service Agreement or the General Terms and Conditions of the Tariff, and without regard to how gas may have been nominated, the aggregate volume of gas received from Customer at a Receipt Point shall be allocated for billing purposes as follows:

- (i) first to service to Customer under Rate Schedules LRS, LRS-2 and LRS-3 to a maximum of such Customer’s LRS Contract Demand for such Receipt Point under such Rate Schedule LRS, to a maximum of such Eligible LRS-2 Volumes for the Coleman Receipt Point under such Rate Schedule LRS-2 and to a maximum of such Customer’s LRS-3 Contract Demand for such Receipt Point under such Rate Schedule LRS-3;
- (ii) secondly to Service to Customer under Rate Schedule FT-R to a maximum of such Customer’s Receipt Contract Demand for such Receipt Point under Rate Schedule FT-R;
- (iii) thirdly to Service to Customer under Rate Schedule FT-RN to a maximum of such Customer’s Receipt Contract Demand for such Receipt Point under Rate Schedule FT-RN; and
- (iv) fourthly to service to Customer under Rate Schedule IT-R at such Receipt Point. If Customer is not entitled to service under Rate Schedule IT-R at such Receipt Point, gas shall be allocated as Over-Run Gas and charged in accordance with paragraph 4.3.

---

**5.0 TERM OF SERVICE****5.1 Term of a Schedule of Service**

The term for any Schedule of Service for Service under Rate Schedule FT-RN at each Receipt Point shall be one (1) year and terminates on the Service Termination Date; provided however, if Company determines, in its sole discretion, that capacity at a Receipt Point is only available for a period more than one (1) month and less than one (1) year, the term shall be for such period.

**5.2 Term of Service Agreement**

Customer's Service Agreement shall terminate on the latest Service Termination Date of Customer's Schedules of Service for Service under Rate Schedule FT-RN.

**6.0 SERVICE DURING TESTS**

**6.1** Customer may tender, for one (1) month in any calendar year, a daily volume of gas at a Receipt Point in excess of the aggregate of Customer's Receipt Contract Demand under all of Customer's Schedules of Service for Service under Rate Schedule FT-RN at such Receipt Point, and Company will receive such excess volume pursuant to the terms and conditions applicable to this Rate Schedule FT-RN, provided that:

- (a) Customer has first satisfied Company that it is a requirement under the terms of a gas purchase contract that Customer tender such excess volume to Company for the purpose of a test; and
- (b) Company has determined in its sole judgment that it can receive such volume for such period without adversely affecting the operation of the Facilities or service to any other Customer receiving service under any Rate Schedule other than Rate Schedules IT-R, IT-D or IT-S.

**6.2** The IT-R Rate for the applicable Receipt Point shall apply to the excess volumes tendered under paragraph 6.1. The excess shall be Over-Run Gas and Customer shall be charged in accordance with paragraph 4.3.

**6.3** Notwithstanding the provisions of paragraph 6.1, Company in its sole discretion may interrupt or terminate the test at any time.

**7.0 CAPACITY RELEASE**

**7.1** A Customer entitled to receive Service under Rate Schedule FT-RN shall not be entitled to reduce Customer's Receipt Contract Demand for all or any portion of its Service under a Schedule of Service under Rate Schedule FT-RN.

**8.0 RELIEF FOR MAINLINE RESTRICTIONS**

**8.1** Company will grant relief to a Customer entitled to Service under Rate Schedule FT-RN, in accordance with the Terms and Conditions Respecting Relief for Mainline Capacity Restrictions in Appendix "B" of the Tariff.

**9.0 TRANSFER OF SERVICE**

**9.1** A Customer entitled to receive Service under Rate Schedule FT-RN shall not be entitled to transfer all or any portion of Service under Rate Schedule FT-RN to any other Receipt Point or Delivery Point.

**10.0 TERM SWAPS**

**10.1** A Customer entitled to receive Service under Rate Schedule FT-RN shall not be entitled to swap the Service Termination Date of any Schedules of Service under Rate Schedule FT-RN with the Service Termination Date under any Schedule of Service.

**11.0 TITLE TRANSFERS**

**11.1** A Customer entitled to receive Service under Rate Schedule FT-RN may transfer all or a portion of Customer's Inventory to another Customer or may accept a transfer of all or a portion of Customer's Inventory from another Customer provided such Customer is entitled to receive service under any Rate Schedule that permits title transfers and such title transfer is in accordance with the Terms and Conditions of Service Respecting Title Transfers in Appendix "C" of the Tariff.

**12.0 RENEWAL OF SERVICE**

**12.1** Customer shall not be entitled to renew all or any portion of Service under a Schedule of Service under Rate Schedule FT-RN.

**13.0 APPLICATION FOR SERVICE**

**13.1** Applications for Service under this Rate Schedule FT-RN shall be in such form as Company may prescribe from time to time.

**14.0 GENERAL TERMS AND CONDITIONS**

**14.1** The General Terms and Conditions of the Tariff and the provisions of any Service Agreement for Service under Rate Schedule FT-RN are applicable to Rate Schedule FT-



RN to the extent that such terms and conditions and provisions are not inconsistent with this Rate Schedule.

**SERVICE AGREEMENT**  
**RATE SCHEDULE FT-RN**

BETWEEN:

NOVA Gas Transmission Ltd., a body corporate having an office in  
Calgary, Alberta (“Company”)

- and -

•, a body corporate having an office in •, • (“Customer”)

IN CONSIDERATION of the premises and the covenants and agreements in this Service Agreement, the parties covenant and agree as follows:

1. Customer acknowledges receipt of a current copy of the Tariff.
2. The capitalized terms used in this Service Agreement have the meanings attributed to them in the General Terms and Conditions of the Tariff, unless otherwise defined in this Service Agreement.
3. Customer requests and Company agrees to provide Service pursuant to Rate Schedule FT-RN in accordance with the attached Schedules of Service. The Service will commence on the Billing Commencement Date and will terminate, subject to the provisions of this Service Agreement, on the Service Termination Date.

4. Customer agrees to pay to Company each Billing Month, for all Service rendered under this Service Agreement, an amount equal to the aggregate charges for Service described in Rate Schedule FT-RN.
  
5. Customer shall:
  - (a) provide such assurances and information as Company may reasonably require respecting any Service to be provided pursuant to this Rate Schedule FT-RN including, without limiting the generality of the foregoing, an assurance that necessary arrangements have been made among Customer, producers of gas for Customer, purchasers of gas from Customer and any other Person relating to such Service, including all gas purchase, gas sale, operating, processing and common stream arrangements; and
  
  - (b) at Company's request provide Company with an assurance that Customer has provided the Person operating facilities upstream of any Receipt Point in respect of which Customer has the right to receive service with all authorizations necessary to enable such Person to provide Company with all data and information reasonably requested by Company for the purpose of allocating volumes of gas received by Company among Company's Customers and to bind Customer in respect of all such data and information provided.

If Customer fails to provide such assurances and information forthwith following request by Company, from time to time, Company may at its option, to be exercised by notice to Customer, suspend the Service to which such assurances and information relate until such time as Customer provides the assurances and information requested, provided however that any such suspension of Service shall not relieve Customer from any obligation to pay any rate, toll, charge or other amount payable to Company.

6. Customer acknowledges that the Facilities have been designed based on certain assumptions and forecasts described each year in Company's Annual Plan, and that interruption and curtailment of Service may occur if the aggregate gas volume actually

received or the aggregate gas volume actually delivered at the Facilities is different than forecast.

7. Every notice, request, demand, statement, bid or bill (for the purpose of this paragraph, collectively referred to as “Notice”) provided for in Rate Schedule FT-RN, this Service Agreement and the General Terms and Conditions, or any other Notice which either Company or Customer may desire to give to the other, shall be in writing and each of them and every payment provided for shall be directed to the Person to whom given, made or delivered at such Person's address as follows:

Customer:

- 
- 
- 
- Attention: •
- Fax: •

Company:

- 
- 
- 
- Attention: Customer Account Representative
- Fax: •

Notice may be given by fax or other telecommunication and any such Notice shall be deemed to be given four (4) hours after transmission. Notice may also be given by personal delivery or by courier and any such Notice shall be deemed to be given at the time of delivery. Any Notice may also be given by prepaid mail and any such Notice

shall be deemed to be given four (4) business days after mailing, Saturdays, Sundays and statutory holidays excepted. In the event of disruption of regular mail, every payment not made electronically shall be personally delivered, and any other Notice shall be given by one of the other stated means.

Any Notice for the matters listed in the Notice Schedule for Electronic Commerce in Appendix "F" of the Tariff shall be given via Company's electronic bulletin board ("EBB"). Company shall not accept any such Notice for those matters listed in Appendix "F" via any other alternative means, unless the EBB is inoperative or Customer is unable to establish connection with the EBB, in which case Notice shall be given by any other alternative means set out herein. Any Notice given by the EBB shall be deemed to be given one (1) hour after transmission.

Any Notice may also be given by telephone followed immediately by EBB, fax, personal delivery, courier or prepaid mail, and any Notice so given shall be deemed to have been given as of the date and time of the telephone notice.

- 8.** The terms and conditions of Rate Schedule FT-RN, the General Terms and Conditions and Schedule of Service under Rate Schedule FT-RN are by this reference incorporated into and made a part of this Service Agreement.

IN WITNESS WHEREOF the parties have executed this Service Agreement by their proper signing officers duly authorized in that behalf all as of the • day of •, •.

•

NOVA Gas Transmission Ltd.

Per:

\_\_\_\_\_

Per :

\_\_\_\_\_

Per:

\_\_\_\_\_

Per :

\_\_\_\_\_

**SCHEDULE OF SERVICE  
 RATE SCHEDULE FT-RN**

CUSTOMER: •

Schedule of Service Number	Receipt Point Number and Name	Legal Description	Maximum Receipt Pressure kPa	Service Termination Date	Receipt Contract Demand 10 <sup>3</sup> m <sup>3</sup> /d	Additional Conditions
----------------------------	-------------------------------	-------------------	------------------------------	--------------------------	---	-----------------------

• • • • • • •

THIS SCHEDULE FORMS PART OF THE SERVICE AGREEMENT DATED • AND SHALL BE DEEMED TO BE ATTACHED THERETO.

•  
 Per: \_\_\_\_\_  
 Per: \_\_\_\_\_

NOVA Gas Transmission Ltd.  
 Per : \_\_\_\_\_  
 Per : \_\_\_\_\_