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May 18, 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 T2004-07 – Border Queue Review Process**

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) which will enable Alberta Shippers to acquire available capacity at export delivery points through an open season process. Shippers currently access capacity at export delivery points through a border queue process.

On December 16, 2004, NGTL requested Board approval to commence negotiations on Issue T2004-07 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 T2004-07 on December 21, 2004. In addition, Board staff attended a meeting to evaluate the fairness of the negotiated settlement process related to Issue T2004-07 on May 10, 2005.

The TTFP met five times to review the current border queue process and to discuss an open season process. The border queue process, which has been used for at least 10 years, is not well understood by Alberta System shippers nor is it responsive to shippers' requirements. The current process does not allow for timely access to available capacity as NGTL is required to offer any available capacity to shippers in the queue and it can result in shippers leaving requests in the queue as place holders for future capacity when they may not require such capacity.

The TTFP determined that the process for acquiring capacity should be more transparent, allow for timely access to capacity and increase the accountability for requests for capacity. As a result, the TTFP recommended an open season process that ensures existing capacity will be made available through an open season process coordinated with downstream pipelines. Any capacity not sold through the open season will be sold on a daily basis through a daily open season process. Expansion capacity will also be made available through a bid process coordinated with downstream pipelines.

On May 10, 2005, the TTFP supported amendments to the Tariff related to the implementation of an open season process through an unopposed vote on Resolution T2004-07. Pursuant to Section 10.2 of the *Revised Guidelines* a copy of Resolution T2004-07 is attached to this letter. Attached to Resolution T2004-07 is a summary of the Tariff amendments, a clean copy of a new Appendix A of the Tariff which will replace the existing Appendix A in its entirety and a blacklined copy of other relevant sections of the Tariff illustrating consequential amendments. The major attributes of the proposed open season process are summarized in the attached Resolution T2004-07.

The TTFP agreed that NGTL would initiate an open season in respect of available capacity at all export delivery points in August 2005 with a minimum of one month's notice to Alberta System shippers and the TTFP. NGTL, therefore, respectfully requests that the Board render a decision on this Application by June 24, 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

*Original Signed By  
Carolyn Shaw for*

Céline Bélanger  
Vice President, Regulatory Services

Attachment

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

# Tolls, Tariff, Facilities & Procedures Committee

## Resolution T2004-07: Border Queue Review Process

### Resolution

The Tolls, Tariff, Facilities & Procedures Committee (TTFP) agrees to change the access to border transportation process to an open season format from a border queue format, as described in the attached Appendix A, NOVA Gas Transmission Ltd. (NGTL) Gas Transportation Tariff. A review of this process will be completed by the TTFP approximately one year after implementation.

### Background

NGTL has been using the current queue process for at least ten years to track and allocate capacity requests for Alberta System border points. The current process is not well understood by customers, nor is it customer responsive. It is difficult for customers to sign for capacity in a timely manner as any available capacity has to be offered first to customers in the queue on a date and time priority basis. In addition, the current process encourages customers to leave requests in the queue in case they need capacity in the future.

The TTFP reviewed the current queuing process and discussed an open season process, as proposed by NGTL. A number of concerns and suggestions were made by members during the discussions which resulted in the current proposal. Major attributes of the new open season process are as follows:

- Existing capacity at each border will be made available on a daily basis unless it is included as part of a process in coordination with downstream pipeline operator(s). Expansion capacity will be made available through a bid process. In coordinated bids, the process for access to border transportation on NGTL defines allocation of NGTL capacity. In addition, border capacity unaffected by a coordinated open season will remain available under the daily open season process. In the event that a downstream connected pipeline desired an extended open season (e.g. – greater than 30 days), NGTL can coordinate the NGTL open season to end at the same closing date while making NGTL capacity available using the daily open season process.
- Available capacity will be bid by customers and awarded based on a combination of toll multiplied by term. Ties between competing bids will be prorated. However, a customer has the option of specifying a minimum quantity as a condition of their bid. If NGTL's current postage stamp FT-D toll were to change in the future, the access to border transportation process may need to be reviewed to ensure its continued appropriateness.
- Minimum term will be one year for existing available capacity and ten years for expansion capacity.
- Customers will have an option to condition their bids on being awarded downstream capacity for existing and expansion capacity but not for the daily open season.
- A deposit is required on existing and expansion capacity bids to be refunded if the customer is awarded capacity.

The purpose for these changes are to provide for a more transparent process to customers, provide for a more customer responsive process and provide additional accountability for transportation requests. Upon adoption of the proposed open season process, the current queue will be cleared by offering available capacity at all border points through that process prior to implementation of the proposed open season process. This is planned for the summer of 2005 with a minimum of one month notice to NGTL customers and members of the TTFP. A review of this process by the TTFP is planned approximately one year after implementation. This review is to determine if any additional requirements should be made or any parts are not functioning well which were not anticipated at the time of the development of this open season concept.

### **Next Steps**

NGTL will file Tariff changes with the Alberta Energy & Utilities Board (EUB) requesting approval to ensure the open season process can commence by August 1, 2005. This open season will commence with notification of an existing capacity process as outlined in the NGTL Tariff Section 2.1 followed by the daily open season process as outlined in the NGTL Tariff Section 2.6. Upon EUB approval, NGTL customers and members of the TTFP will be notified.

Several amendments to the NGTL Tariff are currently being proposed resulting from Border Queue Process Review Issue T2004-07. This summary has been provided for information only and is not intended to form part of the Tariff.

### **Summary of Amendments**

(\* after the item identifies general housekeeping updates

#### **1. Cover Page and Table of Contents**

- (i) Updated contact name for Tariff.\*
- (ii) Amended Table of Contents for Appendix A [Terms and Conditions Respecting Access to Transportation Service under Rate Schedule FT-D at Export Delivery Points].

#### **2. General Terms and Conditions**

- (i) Definitions
  - (a) Added new 1.9 [Central Clock Time (CCT)].
  - (b) Added new 1.10 [Closing Date].
  - (c) Added new 1.23 [Daily Open Season].
  - (d) Added new 1.24 [Daily Open Season Bid Form].
  - (e) Added new 1.34 [Existing Capacity].
  - (f) Added new 1.35 [Existing Capacity Open Season].
  - (g) Added new 1.36 [Expansion Capacity].
  - (h) Added new 1.37 [Expansion Capacity Open Season].
  - (i) Added new 1.38 [Expansion Closing Date].
  - (j) Added new 1.61 [Interconnecting Pipeline Open Season].
  - (k) Added new 1.80 [Open Season Bid Form].
  - (l) Added new 1.103 [Service Commencement Date].

#### **3. Appendix A – Terms and Conditions Respecting Access to Transportation Service Under Rate Schedule FT-D at Export Delivery Points**

- (i) Deleted entire Appendix A [Terms and Conditions Respecting Service Under Rate Schedule FT-D at Export Delivery Points] and replaced with new Appendix A [Terms and Conditions Respecting Access to Transportation Service Under Rate Schedule FT-D at Export Delivery Points].

**GAS TRANSPORTATION TARIFF**  
**OF**  
**NOVA GAS TRANSMISSION LTD.**

Please address communications concerning this Tariff to:

NOVA Gas Transmission Ltd.  
450 First Street S.W.  
Calgary, Alberta  
T2P 5H1

Attention: ~~Trudy Eisele~~ Wendy West

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**GENERAL TERMS AND CONDITIONS****1.0 DEFINITIONS**

In this Tariff:

- 1.1** “Act” shall mean the *Gas Utilities Act*, R.S.A. 1980, c. G-4, as amended.
- 1.2** “Alberta Delivery Point” shall mean the point in Alberta where gas that is not to be removed from Alberta is delivered to Customer by Company under a Schedule of Service.
- 1.3** “Annual Plan” shall mean a document submitted annually to the Board by Company outlining the Company’s planned Facility additions and major modifications.
- 1.4** “Banking Day” shall mean any day that the Royal Bank of Canada, Main Branch, Calgary, Canada, or other financial institutions agreed to by Company, conducts business.
- 1.5** “Billing Commencement Date” shall mean the earlier of:
- (a) the Ready for Service Date; and
  - (b) the date Company commences to provide Service to Customer pursuant to a Service Agreement or Schedule of Service.
- 1.6** “Billing Month” shall mean that month which immediately precedes the month in which Company is required to send a bill for Service.
- 1.7** “Block Period” shall have the meaning attributed to it in paragraph 3.2 of Rate Schedule STFT.
- 1.8** “Board” shall mean the Alberta Energy and Utilities Board.
- 1.9** “Central Clock Time” or “CCT” shall mean the clock time in the Central Zone.



1.10 “Closing Date” shall have the meaning attributed to it in subparagraph 2.1(c) of Appendix “A” of the Tariff.

1.91.11 “CO<sub>2</sub> Volume” shall mean the portion of the total excess volume of carbon dioxide allocated by a CSO to a Customer at a particular Receipt Point for any month under a Schedule of Service for Service under Rate Schedule CO<sub>2</sub>. The total excess volume of carbon dioxide at a Receipt Point for any month shall be determined by Company as follows:

$$\text{Total Excess CO}_2 \text{ Volume} = A \times (B - C)$$

Where:

“A” = the total volume of gas received by Company at such Receipt Point;

“B” = the percentage of carbon dioxide by volume of gas received as determined by Company at such Receipt Point; and

“C” = two (2) percent.

If “B” is less than or equal to “C”, the Total Excess CO<sub>2</sub> Volume shall be zero.

1.101.12 “CO<sub>2</sub> Rate” shall mean the CO<sub>2</sub> Rate in the Table of Rates, Tolls and Charges which has been fixed by Company or the Board for Service under Rate Schedule CO<sub>2</sub>.

1.111.13 “Common Stream Operator” or “CSO” shall mean the person who, with respect to a Receipt Point:

- (i) provides Company with the estimates of Flow at the Receipt Point;
- (ii) provides Company with the allocation of the estimated Flow, Measured Volume and Total Energy for the Receipt Point to each Customer receiving Service at the Receipt Point; and

- (ii) any differences in measurement or allocations between the daily estimated volume of gas delivered by Company to Customer at all of Customer's Delivery Points and the month end actual gas delivered by Company to Customer at such Delivery Points;
- (iii) any corrections due to measurement or allocations of gas for any prior months; and
- (iv) Company's administration of Customer's Inventory at month end pursuant to paragraphs 8.2 and 8.3 in Appendix "D" of the Tariff.

1.23 "Daily Open Season" shall have the meaning attributed to it in subparagraph 2.6.1 of Appendix "A" of the Tariff.

1.24 "Daily Open Season Bid Form" shall have the meaning attributed to it in subparagraph 2.6.2(a) of Appendix "A" of the Tariff.

1.21.25 "Day" shall mean a period of twenty-four (24) consecutive hours, beginning and ending at eight hours (08:00) Mountain Standard Time.

1.221.26 "Delivery Demand Charge" shall have the meaning attributed to it in subparagraph 4.2.2 (ii) of Rate Schedule LRS.

1.231.27 "Delivery Point" shall mean the point where gas may be delivered to Customer by Company under a Schedule of Service and shall include but not be limited to Export Delivery Point, Alberta Delivery Point, Extraction Delivery Point and Storage Delivery Point.

1.241.28 "Effective LRS Rate" shall mean the Effective LRS Rate set forth in the Table of Rates, Tolls and Charges which has been fixed by Company or the Board for Service under Rate Schedule LRS.

[1.251.29](#) “Eligible LRS Contract Demand” shall have the meaning attributed to it in subparagraph 4.2.1 of Rate Schedule LRS.

[1.261.30](#) “Eligible LRS-3 Contract Demand” shall have the meaning attributed to it in subparagraph 4.2.1 of Rate Schedule LRS-3.

[1.271.31](#) “Eligible LRS-2 Volume” shall have the meaning attributed to it in subparagraph 4.3.2 of Rate Schedule LRS-2.

[1.281.32](#) “Eligible Points to Point Volume” shall mean for each Schedule of Service under Rate Schedule FT-P, the lesser of:

- (i) the sum of each Points to Point Contract Demand in effect for all or a portion of the month preceding the Billing Month multiplied by the number of days that the Customer was entitled to such Points to Point Contract Demand under such Schedule of Service in such month;
- (ii) the actual volume of gas received by Company from Customer at the Receipt Points under such Schedule of Service; or
- (iii) the actual volume of gas delivered by Company to Customer at the Alberta Delivery Point under such Schedule of Service.

[1.291.33](#) “Emergency Response Compensation Event” or “ERC Event” shall have the meaning attributed to it in Appendix “G” of the Tariff.

[1.34](#) “Existing Capacity” shall have the meaning attributed to it in paragraph 2.1 of Appendix “A” of the Tariff.

[1.35](#) “Existing Capacity Open Season” shall have the meaning attributed to it in paragraph 2.1 of Appendix “A” of the Tariff.

[1.36](#) “Expansion Capacity” shall have the meaning attributed to it in paragraph 3.1 of Appendix “A” of the Tariff.

1.37 “Expansion Capacity Open Season” shall have the meaning attributed to it in paragraph 3.1 of Appendix “A” of the Tariff.

1.38 “Expansion Closing Date” shall have the meaning attributed to it in subparagraph 3.1(c) of Appendix “A” of the Tariff.

1.301.39 “Export Delivery Contract Demand” shall mean the maximum volume of gas Company may be required to deliver to Customer at the Export Delivery Point on any Day, as set forth in the Schedule of Service.

1.311.40 “Export Delivery Point” shall mean any of the following points where gas is delivered to a Customer for removal from Alberta under a Schedule of Service:

Alberta-British Columbia Border

Alberta-Montana Border

Boundary Lake Border

Cold Lake Border

Demmitt #2 Interconnect

Empress Border

Gordondale Border

McNeill Border

Unity Border

1.321.41 “Extraction Delivery Point” shall mean the point in Alberta where gas may be delivered to the Extraction Plant by Company for Customer under a Schedule of Service.

1.331.42 “Extraction Plant” shall mean a facility connected to the Facilities where Gas liquids are extracted.

1.341.43 “Extraction Receipt Point” shall mean the point in Alberta where gas may be received from the Extraction Plant by Company for Customer under a Schedule of Service.

**1.511.60** “Gross Heating Value” shall mean the total megaJoules obtained by complete combustion of one cubic metre of gas with air, the gas to be free of all water vapour and the gas, air and products of combustion to be at standard conditions of fifteen (15) degrees Celsius and one hundred one and three hundred twenty-five thousandths (101.325) kiloPascals (absolute) and all water vapour formed by the combustion reaction condensed to the liquid state.

**1.61** [“Interconnecting Pipeline Open Season” shall have the meaning attributed to it in subparagraph 2.3.1 of Appendix “A” of the Tariff.](#)

**1.521.62** “IT-D Rate” shall mean the IT-D Rate in the Table of Rates, Tolls and Charges which has been fixed by Company or the Board for Service under Rate Schedule IT-D.

**1.531.63** “IT-R Rate” shall mean the IT-R Rate for a particular Receipt Point in the Table of Rates, Tolls and Charges which has been fixed by Company or the Board for Service under Rate Schedule IT-R.

**1.541.64** “kPa” or “kiloPascals ” shall mean kiloPascals of pressure (gauge) unless otherwise specified.

**1.551.65** “Line Pack Gas” shall mean at any point in time that volume of gas determined by Company to be the total volume of gas contained in the Facilities.

**1.561.66** “LRS Billing Adjustment” shall have the meaning attributed to it in subparagraph 4.2.4 of Rate Schedule LRS.

**1.571.67** “LRS Charge” shall have the meaning attributed to it in subparagraph 4.2.3 of Rate Schedule LRS.

**1.581.68** “LRS Contract Demand” shall mean the maximum daily volume of gas Company may be required to receive from Customer and deliver at the Empress or McNeill Border Export Delivery Point under Rate Schedule LRS.

- “MV” = the Measurement Variance;
- “A” = the energy equivalent of gas determined by Company to have been delivered to all Customers during the period;
- “B” = the energy equivalent of the aggregate of the Gas Lost and Gas Used during the period;
- “C” = the energy equivalent of Line Pack Gas at the end of the period;
- “D” = the energy equivalent of gas determined by Company to have been received from all Customers during the period; and
- “E” = the energy equivalent of Line Pack Gas at the beginning of the period.

1.661.76 “Month” or “month” shall mean a period of time beginning at eight hours (08:00) Mountain Standard Time on the first day of a calendar month and ending at eight hours (08:00) Mountain Standard Time on the first day of the next calendar month.

1.671.77 “Nomination” shall mean, with respect to a Receipt Point or a Delivery Point, a request for Flow made on behalf of a Customer.

1.681.78 “Non-Responding Plant” shall have the meaning attributed to it in Appendix “G” of the Tariff.

1.691.79 “Officer’s Certificate” shall have the meaning attributed to it in subparagraph 4.2.1 of Rate Schedule LRS for Service under Rate Schedule LRS and subparagraph 4.3.1 of Rate Schedule LRS-2 for Service under Rate Schedule LRS-2.

1.80 “Open Season Bid Form” shall have the meaning attributed to it in subparagraph 2.2(a) of Appendix “A” of the Tariff.

**1.841.95** “Receipt Point” shall mean the point in Alberta at which gas may be received from Customer by Company under a Service Agreement or Schedule of Service.

**1.851.96** “Responding Plant” shall have the meaning attributed to it in Appendix “G” of the Tariff.

**1.861.97** “STFT Bid Price” shall have the meaning attributed to it in article 5.0 of Rate Schedule STFT.

**1.871.98** “STFT Capacity” shall have the meaning attributed to it in paragraph 3.1 of Rate Schedule STFT.

**1.881.99** “Schedule of Service” shall mean the attachment(s) to a Service Agreement for Service under any Rate Schedule designated as “Schedule of Service” and any amendments thereto.

**1.891.100** “Secondary Term” shall mean for the purposes of Service provided under any Schedule of Service any portion of the term of the Schedule of Service that is not Primary Term.

**1.901.101** “Service” shall have the meaning attributed to it in article 2.0 of the applicable Rate Schedule.

**1.911.102** “Service Agreement” shall mean an agreement between Company and Customer respecting Service to be provided under any Rate Schedule.

**1.103** “Service Commencement Date” shall have the meaning attributed to it in subparagraph 2.2(b) of Appendix “A” of the Tariff.

**1.921.104** “Service Termination Date” shall mean the last Day in a month upon which Service shall terminate, as set forth in a Schedule of Service and subject to any renewal thereof.

**APPENDIX “A”  
TO  
GAS TRANSPORTATION TARIFF  
OF  
NOVA GAS TRANSMISSION LTD.**

**TERMS AND CONDITIONS RESPECTING  
ACCESS TO TRANSPORTATION SERVICE UNDER RATE SCHEDULE  
FT-D AT EXPORT DELIVERY POINTS**



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**TERMS AND CONDITIONS RESPECTING  
ACCESS TO TRANSPORTATION SERVICE UNDER RATE SCHEDULE FT-D AT  
EXPORT DELIVERY POINTS**

**1.0 DEFINITIONS**

**1.1** Capitalized terms used in this Appendix have the meanings attributed to them in the Tariff unless otherwise defined in this Appendix.

**2.0 PROCEDURES FOR ACCESS TO EXISTING CAPACITY**

**2.1 Posting of Existing Capacity**

If Company determines that capacity is available or may become available for Service under Rate Schedule FT-D that does not require new Facilities (“Existing Capacity”), Company shall provide notice on its website of the open season for such Existing Capacity (the “Existing Capacity Open Season”). At least 3 Banking Days (excluding statutory holidays in the United States) after such notice, Company shall post on its website by 11:00 hours CCT:

- (a) the quantity of Existing Capacity available at the Export Delivery Point;
- (b) the date such Existing Capacity will be available; and
- (c) the closing date for such Existing Capacity Open Season (the “Closing Date”).

**2.2 Existing Capacity Bid Process**

If Company posts Existing Capacity pursuant to paragraph 2.1, prospective customers may bid for such Existing Capacity, on any Banking Day up to and including the Closing Date, as follows:

- 
- (a) Prospective customers shall submit a completed and unedited bid form, in the form set out in article 4.0 (the “Open Season Bid Form”);
  - (b) The requested term of Service, as established by the requested service commencement date (the “Service Commencement Date”) and requested Service Termination Date, each set out on the Open Season Bid Form, shall be a minimum term of one year;
  - (c) All bids shall be irrevocable and must be received by Company by 16:00 hours CCT on the Closing Date;
  - (d) Within 2 Banking Days of the Closing Date, prospective customers shall provide to Company for each Open Season Bid Form, a deposit equal to the lesser of:
    - (i) one month demand charges for the Export Delivery Contract Demand set out on the Open Season Bid Form; or
    - (ii) \$10,000.

The deposit shall be refunded to unsuccessful bidders within 5 Banking Days from the date the Service Agreements and Schedules of Service under Rate Schedule FT-D are executed for all Existing Capacity posted in the Existing Capacity Open Season.

If Company awards Existing Capacity to a prospective customer and such customer executes the Service Agreement and Schedule of Service under Rate Schedule FT-D for such Existing Capacity, the deposit will be credited to the bill for the first month of Service or returned to the Customer if requested;

- (e) A prospective customer and/or its affiliate, either together or individually, shall not submit an Open Season Bid Form for a quantity greater than the Existing Capacity being offered or submit multiple bids where the aggregate Export

Delivery Contract Demand of the multiple bids exceeds the Existing Capacity being offered; and

- (f) Company shall not be obligated to accept any bid if:
  - (i) the Service Commencement Date is within 5 Banking Days of the Closing Date;
  - (ii) the Service Commencement Date is more than 12 months from the Closing Date; and
  - (iii) the prospective customer has not met the criteria set forth in article 2.0.

## **2.3 Conditional Bids**

**2.3.1** If a prospective customer's bid is subject to the condition set out in paragraph 8 of the Open Season Bid Form that such prospective customer has been awarded capacity through a direct interconnecting pipeline open season process (the "Interconnecting Pipeline Open Season"), Customer shall within 2 Banking Days from the Existing Capacity Open Season Closing Date provide written notice to Company that either the condition has been satisfied or waived. If such prospective customer fails to provide Company with such notice, the condition shall be deemed satisfied and Company may award Existing Capacity to such prospective customer pursuant to paragraph 2.4.

**2.3.2** If the capacity awarded to a prospective customer through an Interconnecting Pipeline Open Season is less than the requested Export Delivery Contract Demand set out in the Open Season Bid Form, prospective customer may reduce the Export Delivery Contract Demand to a quantity not less than the capacity awarded through such Interconnecting Pipeline Open Season.

## 2.4 Awarding of Existing Capacity

Subject to paragraphs 2.3 and 2.5, Existing Capacity shall be awarded to the prospective customers whose bids are accepted by Company as follows:

- (a) Company shall rank the bids in descending priority based on the following criteria:
  - (i) first, on the basis of the per unit product of the current FT-D Demand Rate multiplied by the requested term (where the bid with the highest per unit product shall have the higher priority); and
  - (ii) second, by the Service Commencement Date (where the bid with the earlier Service Commencement Date shall have the higher priority).
- (b) Subject to subparagraph 2.4(d), Company shall award Existing Capacity to the bids in sequential order, based on the priority established pursuant to subparagraph 2.4(a), until all the bids have been processed or until all Existing Capacity has been awarded;
- (c) Subject to subparagraph 2.4(d), if two or more bids have the same priority and the Existing Capacity is not sufficient to provide the total Export Delivery Contract Demand, then the Existing Capacity shall be awarded to such bids on a pro rata basis based on the Export Delivery Contract Demand of each bid;
- (d) If the Existing Capacity to be awarded to a bid as determined by Company in either subparagraph 2.4(b) or subparagraph 2.4(c) is less than the minimum Export Delivery Contract Demand as set out in such Open Season Bid Form, that bid shall be deemed to be rejected by Company and no Existing Capacity shall be awarded to such bid. The remaining Existing Capacity shall continue to be awarded sequentially to the remaining bids based on the priority established pursuant to subparagraph 2.4(a), until all the bids have been processed or until all Existing Capacity has been awarded; and

- 
- (e) Company shall be deemed to have accepted the bids of prospective customers when Company awards Existing Capacity to such prospective customers. Company shall notify such prospective customers who have been awarded Existing Capacity within 3 Banking Days from the Closing Date.

## 2.5 Requirements for Existing Capacity

Where Company awards Existing Capacity to a prospective customer pursuant to paragraph 2.4, such prospective customer shall, at the request of Company:

- (a) execute, within the time period specified by Company, a Service Agreement and Schedule of Service under Rate Schedule FT-D for such Existing Capacity;
- (b) provide sufficient financial information to demonstrate its creditworthiness; and
- (c) provide a Financial Assurance to Company pursuant to paragraph 10.1 of the General Terms and Conditions.

## 2.6 Daily Open Season

### 2.6.1 Posting of Existing Capacity for Daily Open Season

If on any Banking Day (excluding statutory holidays in the United States), Company determines there is Existing Capacity available that has not been awarded by Company pursuant to paragraph 2.4, Company shall post on its website by 11:00 hours CCT (the “Daily Open Season”) the following:

- (a) the quantity of Existing Capacity available at the Export Delivery Point; and
- (b) the date such Existing Capacity will be available.

If all or a portion of such Existing Capacity has not been awarded pursuant to subparagraph 2.6.3, such Existing Capacity shall be deemed to be re-posted by

Company on each subsequent Banking Day (excluding statutory holidays in the United States) until such Existing Capacity is awarded pursuant to subparagraph 2.6.3 or until Company holds an Existing Capacity Open Season pursuant to paragraph 2.1 or an Expansion Capacity Open Season pursuant to paragraph 3.1.

If, at any time, Company determines that it will hold an Existing Capacity Open Season pursuant to paragraph 2.1 or an Expansion Capacity Open Season pursuant to paragraph 3.1, Company may reduce all or a portion of the Existing Capacity available for the Daily Open Season. Company shall provide notice on its website, at least 3 Banking Days in advance, of any such reduction. If all Existing Capacity has not been awarded pursuant to 2.6.3, Company may offer any remaining Existing Capacity as Expansion Capacity pursuant to paragraph 3.1

#### **2.6.2 Daily Open Season Bid Process**

If Company posts Existing Capacity pursuant to subparagraph 2.6.1, prospective customers may bid for such Existing Capacity on the day that the Existing Capacity is posted or deemed to be re-posted as follows:

- (a) Prospective customers shall submit a completed and unedited bid form, in the form set out in article 5.0 (the “Daily Open Season Bid Form”);
- (b) The requested term of Service, as established by the Service Commencement Date and requested Service Termination Date, each set out on the Daily Open Season Bid Form, shall be a minimum term of one year;
- (c) All bids shall be irrevocable and must be received by Company by 16:00 hours CCT on the day the Existing Capacity is posted or deemed re-posted;
- (d) No deposit is required to accompany the prospective customer’s bid;

- 
- (e) A prospective customer and/or its affiliate, either together or individually, shall not submit a Daily Open Season Bid Form for a quantity greater than the Existing Capacity being offered or submit multiple bids where the aggregate Export Delivery Contract Demand of the multiple bids exceeds the Existing Capacity being offered; and
  - (f) Company shall not be obligated to accept any bid if:
    - (i) the Service Commencement Date is within 5 Banking Days of the date such Existing Capacity is posted or deemed re-posted;
    - (ii) the Service Commencement Date of such bid is more than 12 months from the date such Existing Capacity is posted or deemed re-posted; and
    - (iii) the prospective customer has not met the criteria set forth in paragraph 2.6.

### **2.6.3 Awarding of Existing Capacity for Daily Open Season**

Subject to subparagraph 2.6.4, Existing Capacity shall be awarded each day to the prospective customers whose bids are accepted by Company as follows:

- (a) Company shall rank the bids in descending priority based on the following criteria:
  - (i) first, on the basis of the per unit product of the current FT-D Demand Rate multiplied by the requested term (where the bid with the highest per unit product shall have the higher priority); and
  - (ii) second, by the Service Commencement Date (where the bid with the earlier Service Commencement Date shall have the higher priority).

- 
- (b) Subject to subparagraph 2.6.3(d), Company shall award Existing Capacity to the bids in sequential order, based on the priority established pursuant to subparagraph 2.6.3(a), until all the bids have been processed or until all Existing Capacity has been awarded;
  - (c) Subject to subparagraph 2.6.3(d), if two or more bids have the same priority and the Existing Capacity is not sufficient to provide the total Export Delivery Contract Demand, then the Existing Capacity shall be awarded to such bids on a pro rata basis based on the Export Delivery Contract Demand of each bid;
  - (d) If the Existing Capacity to be awarded to a bid as determined by Company in either subparagraph 2.6.3(b) or paragraph 2.6.3(c) is less than the minimum Export Delivery Contract Demand as set out in such Daily Open Season Bid Form, that bid shall be deemed to be rejected by Company and no Existing Capacity shall be awarded to such bid. The remaining Existing Capacity shall continue to be awarded sequentially to the remaining bids based on the priority established pursuant to subparagraph 2.6.3(a), until all the bids have been processed or until all Existing Capacity has been awarded; and
  - (e) Company shall be deemed to have accepted the bids of prospective customers when Company awards Existing Capacity to such prospective customers. Company shall notify such prospective customers who have been awarded Existing Capacity within 2 Banking Days from the date such Existing Capacity is posted or deemed re-posted.

#### **2.6.4 Requirements for Existing Capacity**

Where Company awards Existing Capacity to a prospective customer pursuant to subparagraph 2.6.3, such prospective shipper shall, at the request of Company:



- 
- (a) execute, within the time period specified by Company, a Service Agreement and Schedule of Service under Rate Schedule FT-D, for such Existing Capacity;
  - (b) provide sufficient financial information to demonstrate its creditworthiness; and
  - (c) provide a Financial Assurance to Company pursuant to paragraph 10.1 of the General Terms and Conditions.

### **3.0 PROCEDURES FOR ACCESS TO EXPANSION CAPACITY**

#### **3.1 Posting of Expansion Capacity**

If Company determines that demand for Service under Rate Schedule FT-D may be sufficient to consider expansion of existing Facilities (“Expansion Capacity”), Company shall provide notice on its website of the open season for such Expansion Capacity (the “Expansion Capacity Open Season”). At least 3 Banking Days after such notice (excluding statutory holidays in the United States), Company shall post on its website by 11:00 hours CCT:

- (a) the date such Expansion Capacity may be available; and
- (b) the closing date for such Expansion Capacity Open Season (the “Expansion Closing Date”).

#### **3.2 Expansion Capacity Bid Process**

If Company posts Expansion Capacity pursuant to Paragraph 3.1, prospective customers may bid for such Expansion Capacity, on any Banking Day up to and including the Expansion Closing Date, as follows:

- (a) Prospective customers shall submit a completed and unedited Open Season Bid Form set out in article 4.0;

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- (b) The requested term of Service, as established by the Service Commencement Date and the requested Service Termination Date, each set out in the Open Season Bid Form, shall be a minimum term of 10 years;
  - (c) All bids shall be irrevocable and must be received by Company by 16:00 hours CCT on the Expansion Closing Date;
  - (d) Within 2 Banking Days of the Expansion Closing Date, prospective customers shall provide to Company for each Open Season Bid Form, a deposit equal to the lesser of:
    - (i) one month demand charges for the Export Delivery Contract Demand set out on the Open Season Bid Form; or
    - (ii) \$10,000.

The deposit shall be refunded to unsuccessful bidders within 5 Banking Days from the date the Service Agreements and Schedules of Service under Rate Schedule FT-D are executed for all Expansion Capacity posted in the Expansion Capacity Open Season.

If Company awards Expansion Capacity to a prospective customer and such customer executes the Service Agreement and Schedule of Service under Rate Schedule FT-D for such Expansion Capacity, the deposit will be credited to the bill for the first month of Service or returned to the Customer if requested;

- (e) Company shall not be obligated to accept any bid if:
  - (i) the Service Commencement Date is different from the date such Expansion Capacity may be available, as set out by Company in subparagraph 3.1(a); and
  - (ii) the prospective customer has not met the criteria set forth in article 3.0.

### 3.3 Conditional Bids

**3.3.1** If a prospective customer's bid is subject to the condition set out in paragraph 8 of the Open Season Bid Form that such prospective customer has been awarded capacity through an Interconnecting Pipeline Open Season, Customer shall within 5 Banking Days from the Expansion Closing Date provide written notice to Company that either the condition has been satisfied or waived. If such prospective customer fails to provide Company with such notice, the condition shall be deemed satisfied and Company may award Expansion Capacity to such prospective customer pursuant to paragraph 3.4.

**3.3.2** If the capacity awarded to a prospective customer through an Interconnecting Pipeline Open Season is less than the requested Export Delivery Contract Demand set out in the Open Season Bid Form, prospective customer may reduce the Export Delivery Contract Demand to a quantity not less than the capacity awarded through such Interconnecting Pipeline Open Season.

### 3.4 Awarding of Expansion Capacity

Subject to paragraphs 3.3 and 3.5, Expansion Capacity shall be awarded to the prospective customers whose bids are accepted by Company as follows:

- (a) Company shall rank the bids in descending priority on the basis of the per unit product of the current FT-D Demand Rate multiplied by the requested term (where the bid with the highest per unit product shall have the higher priority);
- (b) Subject to subparagraph 3.4(d), Company shall award Expansion Capacity to the bids in sequential order, based on the priority established pursuant to subparagraph 3.4(a), until all the bids have been processed or until all Expansion Capacity has been awarded;
- (c) Subject to subparagraph 3.4(d), if two or more bids have the same priority and the Expansion Capacity is not sufficient to provide the total Export Delivery Contract

Demand, then the Expansion Capacity shall be awarded to such bids on a pro rata basis based on the Export Delivery Contract Demand of each bid;

- (d) If the Expansion Capacity to be awarded to a bid as determined by Company in either subparagraph 3.4(b) or subparagraph 3.4(c) is less than the minimum Export Delivery Contract Demand as set out in such Open Season Bid Form, that bid shall be deemed to be rejected by Company and no Expansion Capacity shall be awarded to such bid. The remaining Expansion Capacity shall continue to be awarded sequentially to the remaining bids based on the priority established pursuant to subparagraph 3.4(a), until all the bids have been processed or until all Expansion Capacity has been awarded; and
- (e) Company shall be deemed to have accepted the bids of prospective customers when Company awards Expansion Capacity to such prospective customers. Company shall notify such prospective customers who have been awarded Expansion Capacity within 10 Banking Days from the Expansion Closing Date.

### **3.5 Requirements for Expansion Capacity**

Where Company awards Expansion Capacity to a prospective customer pursuant to paragraph 3.4, such prospective shipper shall, at the request of Company:

- (a) execute, within the time period specified by Company, a Service Agreement and Schedule of Service under Rate Schedule FT-D, for such Expansion Capacity;
- (b) provide sufficient financial information to demonstrate its creditworthiness; and
- (c) provide a Financial Assurance to Company pursuant to paragraph 10.1 of the General Terms and Conditions.

**4.0 EXISTING CAPACITY / EXPANSION CAPACITY OPEN SEASON BID FORM**

1. Customer: \_\_\_\_\_

2. Export Delivery Point: \_\_\_\_\_

3. Export Delivery Contract Demand: \_\_\_\_\_ 10<sup>3</sup>m<sup>3</sup>/d

4. Minimum Export Delivery Contract Demand: \_\_\_\_\_ 10<sup>3</sup>m<sup>3</sup>/d

5. Service Commencement Date: \_\_\_\_\_  
(YYYY / MM / DD)

6. Requested Service Termination Date: \_\_\_\_\_  
(YYYY / MM / DD)

7. Deposit Amount: \$ \_\_\_\_\_ (CDN)

8. Is this bid subject to the following condition?       yes /  no

This bid is subject to the condition that customer has been awarded at least  
\_\_\_\_\_ 10<sup>3</sup>m<sup>3</sup>/d through the \_\_\_\_\_  
Interconnecting Pipeline Open Season held \_\_\_\_\_ to \_\_\_\_\_.

CUSTOMER: \_\_\_\_\_

(signature)

\_\_\_\_\_

(name/title)

\_\_\_\_\_

(signature)

\_\_\_\_\_

(name/title)

**5.0 DAILY OPEN SEASON BID FORM**

1. Customer: \_\_\_\_\_
2. Export Delivery Point: \_\_\_\_\_
3. Export Delivery Contract Demand: \_\_\_\_\_  $10^3\text{m}^3/\text{d}$
4. Minimum Export Delivery Contract Demand: \_\_\_\_\_  $10^3\text{m}^3/\text{d}$
5. Service Commencement Date: \_\_\_\_\_  
(YYYY / MM / DD)
6. Requested Service Termination Date: \_\_\_\_\_  
(YYYY / MM / DD)

CUSTOMER: \_\_\_\_\_  
(signature)

\_\_\_\_\_

(name/title)

\_\_\_\_\_

(signature)

\_\_\_\_\_

(name/title)

**6.0 GENERAL TERMS AND CONDITIONS**

**6.1** These terms and conditions are subject to the terms and conditions of Service set forth in the Tariff.