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November 22, 2005

Alberta Energy and Utilities Board
640 - 5th Avenue S.W.
Calgary, Alberta
T2P 3G4

Electronic Notification

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

**Re: NOVA Gas Transmission Ltd. (NGTL)
Alternate Access Pilot Procedure**

The purpose of this letter is to advise the Board of NGTL's plans to address the future of the existing Alternate Access Pilot Procedure.

On April 19, 2005, NGTL filed with the Alberta Energy and Utilities Board (Board) the Tolls, Tariff, Facilities and Procedures Committee (TTFP) Resolution T2003-10 – Alternate Access Review. This Resolution, supported by the TTFP, stated that the TTFP was, after considerable review and discussion, unable to reach consensus on the future of the Alternate Access Pilot and that this attribute of firm delivery service would remain a pilot until further notice.

On April 27, 2005, the Board directed NGTL to review Alternate Access by December 31, 2005 and assess whether this pilot should be terminated if a consensus on its use cannot be met or whether this attribute should be added to the tariff. The Board explained that it was concerned about the transparency of this service attribute given that it was initially implemented as a pilot in 1997 and is not included in the tariff, and given that not all shippers are members of the TTFP.

NGTL recognizes that many customers value the service flexibility provided by Alternate Access. However, NGTL also recognizes that there are some issues and concerns with the current pilot and therefore submits that it is not appropriate to incorporate the current Alternate Access Pilot in the tariff at this time. NGTL expects that the issues can still be resolved through a collaborative process with stakeholders.

In previous discussion with stakeholders, NGTL committed to providing one year's notice to customers before discontinuation of the Alternate Access pilot. During this time, NGTL will continue to work with industry on the resolution of the issues and the development of a suitable approach to the provision of Alternate Access on a more permanent basis. Upon resolution of the issues, NGTL expects to file tariff amendments with the Board to add

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appropriate Alternate Access provisions in the tariff to ensure transparency. In the event resolution through a collaborative process can not be achieved, NGTL will terminate the existing Alternate Access Pilot effective December 31, 2006.

All notices and communications regarding this matter should be directed to Klaus Exner by e-mail at klaus_exner@transcanada.com and alberta_system@transcanada.com, or by phone at 920-5978.

Yours truly,

NOVA Gas Transmission Ltd.

a wholly owned subsidiary of TransCanada PipeLines Limited



Céline Bélanger
Vice President, Regulatory Services

Attachments

cc: Tolls, Tariff, Facilities and Procedures Committee, via e-mail
Alberta System Shippers