


MADE at the City of Calgary, in the Province of Alberta, on  25th day of January 2006.	 ALBERTA ENERGY AND UTILITIES BOARD
NOVA Gas Transmission Ltd. TTFP Resolution T2005-07 Order of Allocation of Gas for Billing Purposes	Application No. 1435652

## 1 BACKGROUND

On December 13, 2005, the Alberta Energy and Utilities Board (the Board) received Application No.1435652 (the Application) from NOVA Gas Transmission Ltd. (NGTL) requesting, pursuant to Part 4 of the *Gas Utilities Act*, R.S.A. 2000, c. G-5, as amended, approval of amendments to NGTL's Gas Transportation Tariff (Tariff). The amendments related to Firm Transportation – Delivery Service (FT-D), Firm Transportation – Delivery Winter Service (FT-DW), Firm Transportation – Short Term Firm Transportation Service (STFT), Load Retention Service 2 (LRS-2), and Interruptible Transportation – Delivery Service (IT-D) to modify the order of allocation for gas billing purposes.

A Notice of Application was issued via email, on January 5, 2006, to parties on the NGTL 2005 GRA Phase I and Phase II distribution lists and was posted on the EUB and NGTL websites. Submissions from interested parties were requested by January 13, 2006. The Board did not receive any objections to the Application.

## 2 DETAILS OF THE APPLICATION

On October 28, 2005, the Board issued Order U2005-391 approving Tariff amendments related to the Tolls, Tariff, Facilities and Procedures Committee (TTFP) Resolution T2005-04, seasonal services attributes. One of these amendments was to change the order in which the volumes were allocated to services for the purpose of billing such that the volumes were allocated to STFT and FT-DW after FT-D. NGTL submitted that this change was made so that contracting for STFT would not increase the amount of Alternate Access credits available to FT-D contract holders.

NGTL submitted that after the adoption of Resolution T2005-04 customers became aware of the potential for a negative impact caused by such a change to the order of allocation for billing purposes. NGTL noted that the change to the order of allocation could cause customers to incur higher Unutilized Demand Charges (UDCs) under STFT and FT-DW contracts and additional Interruptible Transportation (IT) charges.

As a result of these concerns, this matter was discussed by meetings of the Seasonal Service Attribute Review Task Force (SSRTF) and the TTFP. In an unopposed vote of Resolution T2005-07, the TTFP supported Tariff amendments such that volumes transported would be allocated in the order of LRS-2, followed by STFT and FT-DW, FT-D and IT-D. NGTL submitted that although the availability of Alternate Access credits relative to FT-D service may be increased by this change to the order of allocations, the maximum Alternate Access credits would be capped at a customer's FT-D contract demand.

NGTL attached a copy of Resolution T2005-07, along with 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.

### **3 BOARD FINDINGS**

The Board notes that shippers potentially affected by the proposed modifications to the order of allocation for gas billing purposes had the opportunity to discuss this issue at meetings of both the SSRTF and the TTFP, and that Resolution T2005-07 was passed through an unopposed vote. The Board also notes that no parties filed an objection with regard to the Application.

In assessing the reasonableness of the proposed Tariff amendments, the Board considers NGTL's submission that as a result of the change to the order of allocation to services for billing purposes in T2005-04, some customers, NGTL and the TTFP were unaware of the possible negative implications of this change prior to the adoption of Resolution T2005-04. The Board accepts NGTL's submission that customers who contracted for STFT and FT-DW may be negatively impacted.

The potential negative harm to customers created by the amendments approved in Order U2005-391 will be corrected by this amendment to the NGTL Gas Transportation Tariff. The Board also notes the absence of objections to the Application. Therefore, the Board finds that the requested amendments to the Tariff are reasonable.

THEREFORE, it is ordered that NOVA Gas Transmission Ltd. be granted:

- (1) Approval under Part 4 of the *Gas Utilities Act*, R.S.A. 2000, c. G-5, as amended, approval of amendments to NGTL's Gas Transportation Tariff related to Firm Transportation – Delivery Service (FT-D), Firm Transportation – Delivery Winter Service (FT-DW), Firm Transportation – Short Term Firm Transportation Service (STFT), Load Retention Service 2 (LRS-2), and Interruptible Transportation – Delivery Service (IT-D) to modify the order of allocation for gas billing purposes as attached to the Application and be effective February 1, 2006.

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