

# Notice

## NOTICE OF APPLICATION

APPLICATION NO. 1465379

NOVA GAS TRANSMISSION LTD.

TOLLS, TARIFF, FACILITIES AND PROCEDURES COMMITTEE

RESOLUTION T2006-04 – CO<sub>2</sub> SERVICE FEES

**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 June 13, 2006, for approval of a change to the methodology for determining the rates for Carbon Dioxide (CO<sub>2</sub>) Management Service to include a mid-year review of CO<sub>2</sub> Management Service rates. NGTL submitted a revised Table of Rates, Tolls and Charges for the Gas Transportation Tariff (Tariff) with revised CO<sub>2</sub> Management Service rates determined in accordance with the proposed mid-year review of CO<sub>2</sub> Management Service rates. NGTL requested Board approval of Resolution T2006-04, to be effective as of August 1, 2006.

### Nature of the Application

On April 11, 2006, the Tolls, Tariffs, Facilities & Procedures Committee (TTFP) adopted Issue T2006-004 for the purpose of addressing the fuel component of the CO<sub>2</sub> Management Service rates. This resulted in an unopposed vote by the TTFP on Resolution T2006-04 on June 13, 2006, supporting a change to the methodology for determining CO<sub>2</sub> Management Service rates to include a mid-year review. With this proposed change in methodology, NGTL submitted that the gas price incorporated in the rates for CO<sub>2</sub> Management Service would be revisited early each May. The review would begin by calculating the three tiers of CO<sub>2</sub> Management Service rates using the forward-looking gas price available in May for the 12 month period beginning in July. Further, if using these rates resulted in a +/- 10% or greater change in the CO<sub>2</sub> Management Service rate for at least one tier of CO<sub>2</sub> Management Service, NGTL would file revised CO<sub>2</sub> Management Service rates for all three tiers to reflect the more recent forward-looking gas prices. These new rates would be effective July 1 of that year. NGTL also noted that this change would have no effect on the practice of determining CO<sub>2</sub> Management Service rates for January 1 of each year.

In the Application, NGTL filed revised rates for CO<sub>2</sub> Management Service for the remainder of 2006. NGTL submitted that given the timing of this initial filing under this new methodology, the forward-looking gas price for the 12 forecast months beginning August 2006 was used for the 2006 mid-year review. This was a reduction from \$10.808/MMBtu to \$8.616/MMBtu (USD), which caused a decrease of more than 10% in the Tier 3 CO<sub>2</sub> Management Service rate from \$390.43/10<sup>3</sup>m<sup>3</sup> to \$344.56/10<sup>3</sup>m<sup>3</sup>, so the rates for all three tiers have been revised subject to approval of the new methodology.

NGTL attached to its Application, a copy of Resolution T2006-04, along with an updated Table of Rates, Tolls and Charges with revised rates for CO<sub>2</sub> Management Service.

### **Additional Information**

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

NOVA Gas Transmission Ltd.  
c/o Alex Harris  
Regulatory Services  
450 – 1st Street SW  
Calgary, Alberta T2P 5H1  
Telephone: (403) 920-6201  
Facsimile: (403) 920-2347  
Email: [alex\\_harris@transcanada.com](mailto:alex_harris@transcanada.com)  
[alberta\\_system@transcanada.com](mailto:alberta_system@transcanada.com)

Copies of the Application are available for viewing through the IAR Query link on the Applications page of the EUB website [EUB View Application - 1465379](#).

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

### **To File an Objection**

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 by **July 13, 2006**. 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 Alex Harris, at the address indicated above and to the EUB via electronic mail at [EUB.UTL@gov.ab.ca](mailto:EUB.UTL@gov.ab.ca) referencing Application No. 1465379.

The Board will establish further process following the deadline for filing objections if required. If you have any questions or concerns with respect to EUB procedures, please contact Andrea Laroiya, at [andrea.laroiya@gov.ab.ca](mailto:andrea.laroiya@gov.ab.ca) or by telephone at (403) 297-2426.

Issued at Calgary, Alberta on July 6, 2006.

ALBERTA ENERGY AND UTILITIES BOARD  
Douglas A. Larder, General Counsel