



450 – 1st Street S.W.  
Calgary, Alberta T2P 5H1

Direct Phone: (403) 920-7186  
Fax: (403) 920-2347  
Email: norm\_bowman@transcanada.com

September 12, 2006

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 T2006-03 – Firm Transportation - Delivery (FT-D)**

NGTL hereby applies to the Alberta Energy and Utilities Board (Board) under Part 4 of the *Gas Utilities Act*, R.S.A. 2000, c. G-5, as amended, for approval of amendments to its Tariff related to FT-D.

The proposed amendments will allow FT-D customers to transfer the export delivery point of their contracts. Such transfers are not allowed under the existing Tariff. Customers seeking a transfer will submit a request to NGTL, and NGTL will process transfer requests on the 4<sup>th</sup> last business day of the month, after close of the FT-D and STFT daily open seasons. This will allow NGTL to meet incremental capacity requirements first, and then meet existing customers transfer requirements with any remaining available capacity. The transfer requests will be approved subject to available capacity and will be effective for the 1<sup>st</sup> day of the following month.

On September 12, 2006, the Tolls, Tariff, Facilities and Procedures Committee (TTFP) by unopposed Resolution T2006-03 supported the amendments. 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/2006.htm](http://www.transcanada.com/Alberta/regulatory_info/2006.htm).

TTFP Resolution T2006-03, a black-lined copy of relevant pages of the Tariff illustrating the proposed amendments and a clean copy of the relevant sections of the Tariff incorporating the amendments are attached for the Board's information.

September 12, 2006

Page 2

Mr. W. Vienneau

NGTL respectfully requests the Board render a decision on the proposed amendments by October 23<sup>rd</sup>, 2006 in order to accommodate transfers effective November 1, 2006.

Please direct all notices and communications regarding this matter to Greg Szuch by e-mail at greg\_szuch@transcanada.com and alberta\_system@transcanada.com, or by phone at 920-5321.

Yours truly,

**NOVA Gas Transmission Ltd.**

A wholly owned subsidiary of TransCanada PipeLines Limited

*Original Signed By*

Norm Bowman

Director, Regulatory Services

Attachment

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

**TTFP Resolution T2006-03 – FT- D Transfers**

# Tolls, Tariff, Facilities & Procedures Committee

Resolution T2006-03: FT-D Contract Transfers

## Resolution

The Tolls, Tariff, Facilities & Procedures Committee (TTFP) agrees to amend the NOVA Gas Transmission Ltd. (NGTL) Gas Transportation Tariff, as attached, to allow for FT-D Contract Transfers between export points.

A summary of the FT-D Contract Transfer attribute is as follows:

- FT-D transfers available on a monthly basis
- In effect for the first of the next month only (no pre-booking)
- Transfers are permanent; however, another transfer request may be made in the next subsequent month
- No return-home guarantee
- Transfer requests will be processed once per month (11:00 am Calgary time on the 4<sup>th</sup> last business day of the month) after close of the FT-D and STFT daily open seasons
- Transfer requests are binding, but may be made conditional upon receiving a minimum acceptable quantity
- Transfer requests will be prorated if total requests exceed the available capacity

All current FT-D contract holders will be eligible for transfers; however, if a future border expansion is required as a result of a downstream pipeline expansion, and capacity is underpinned by firm NGTL contract commitments, transfers will be revisited to determine the appropriate FT-D contract transfer provisions for expansion shippers.

The TTFP acknowledge that in the current environment where border capability is no longer underpinned predominately by long term contracts and flexibility is being provided through service enhancements such as FT-D contract transfers, and to the extent that supply and market shifts in Alberta impact the capability at the borders, contracts alone may not form the appropriate basis for design. The current criteria of designing facilities for the lesser of downstream take-away capacity and contracts may no longer be the appropriate design basis and may need to be revised.

## Background

Holders of FT-R contracts are allowed to transfer their firm service between receipt points to mitigate, on a firm basis, their transportation obligations. This allows some recognition to changing supply circumstances. Holders of FT-D service do not currently have this flexibility. The current Alternate Access pilot allows export shippers to mitigate unutilized demand charges (UDCs), but only on an interruptible basis. Allowing contract transfers for FT-D shippers approximates the flexibility afforded to receipt shippers and assists in mitigating UDCs on a firm basis to deal with a loss or change in markets or downstream transportation arrangements.

## Next Steps

TransCanada will file the resolution and Tariff amendments with the Alberta Energy and Utilities Board (EUB). Pending approval by the EUB, contract transfers will be implemented and available for November 1, 2006.

**TTFP Resolution T2006-03 – FT- D Transfers**

**NGTL Tariff – Summary of Amendments**

---

An amendment to the NGTL Tariff is currently being proposed resulting from TTFP 2006-03. 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-D**

- (i) Article 7.1: Modified to specify what information is required for a transfer request.
- (ii) Article 7.2: Added clause specifying that all transfer requests once received are irrevocable and must be received by the deadline to be considered.
- (iii) Article 7.3: Added clause specifying that transfers will be allowed only after new service requests are met, that no construction will be done for transfers, and that transfer requests must be completed in full to be considered.

**TTFP Resolution T2006-03 – FT- D Transfers**

**NGTL Tariff – Blacklined pages**

given to Company a Person is found who agrees to assume the Export Delivery Contract Demand Customer proposes to make available, together with any applicable Surcharge, Company may reduce Customer's Export Delivery Contract Demand under such Schedule of Service, on terms and conditions satisfactory to Company, by an amount equal to the Export Delivery Contract Demand specified in a new Schedule of Service, executed by Company and such Person. Notwithstanding such reduction, Customer shall at Company's sole option either:

- (i) continue to pay any Surcharge until the Service Termination Date as described in the applicable Schedule of Service (unless any other Person acceptable to Company has agreed to pay such Surcharge); or
- (ii) in the event that Company retires any Facilities required to provide such Service, pay to Company within the time determined by Company, an amount equal to the net book value of such Facilities adjusted for all costs and expenses associated with such retirement.

## 7.0 TRANSFER OF SERVICE

**7.1** ~~A Customer entitled to receive Service under Rate Schedule FT-D shall not be entitled to transfer all or any portion of Service under Rate Schedule FT-D to any Receipt Point or Delivery Point.~~ If Customer desires to transfer all or any portion of Service under a Schedule of Service from a Customer's current Export Delivery Point to a different Export Delivery Point, Customer shall submit a transfer request to Company specifying the Export Delivery Points, the Schedule of Service, the portion of the Export Delivery Contract Demand that Customer wishes to transfer and the minimum Export Delivery Contract Demand that Customer will accept for transfer.

**7.2** All transfer requests shall be irrevocable and must be received by Company prior to the deadline specified on the EBB.



7.3 Company is under no obligation to permit the transfer requested in paragraph 7.1 but may permit such transfer provided that:

- (i) Company determines that sufficient capacity exists in the Facilities to accommodate the transfer, after allocating any requests for new service;
- (ii) Company determines that the construction or installation of new Facilities directly attributable to the transfer is not required; and
- (iii) Customer's transfer request contains all the information specified in paragraph 7.1.

## **8.0 TERM SWAPS**

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

## **9.0 TITLE TRANSFERS**

**9.1** A Customer entitled to receive Service under Rate Schedule FT-D 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.

## **10.0 RENEWAL OF SERVICE**

### **10.1 Renewal Notification**

**TTFP Resolution T2006-03 – FT- D Transfers**

**NGTL Tariff – Clean copy**

**RATE SCHEDULE FT-D**  
**FIRM TRANSPORTATION - DELIVERY**

**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-D shall mean the delivery of gas to Customer at Customer's Export Delivery 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-D. A standard form Service Agreement for Service under this Rate Schedule FT-D 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-D is the FT-D Demand Rate.

#### 4.0 CHARGE FOR SERVICE

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

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

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

Where:

"MDC" = the aggregate of the demand charges applicable to such Schedule of Service for such Billing Month;

"F" = the FT-D Demand Rate;

"A" = each Export Delivery 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 Export Delivery 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-D.

#### 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 Rate Schedule FT-D shall be equal to the sum of the monthly charges for Over-Run Gas for each Export Delivery Point at which Customer is entitled to Service under Rate Schedule FT-D, determined as follows:

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

Where:

"MOC" = the monthly charge for Over-Run Gas at the Export Delivery 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 Export Delivery Point for the month preceding such Billing Month;

"Z" = the IT-D Rate at such Export Delivery 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 the sum of the amounts calculated in accordance with paragraphs 4.1, 4.2, and 4.3.

#### 4.6 Allocation of Gas Delivered

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 delivered to Customer at an Export Delivery Point shall be allocated for billing purposes as follows:

- (i) first to service to Customer under Rate Schedule LRS-2 to a maximum of such Eligible LRS-2 Volumes for the A/BC Export Delivery Point under such Rate Schedule LRS-2;
- (ii) secondly to Service to Customer under Rate Schedule FT-DW and Rate Schedule STFT to a maximum of such Customer's allocated FT-DW Capacity and STFT Capacity for such Export Delivery Point under each such Rate Schedule FT-DW and Rate Schedule STFT;
- (iii) thirdly to Service to Customer under Rate Schedule FT-D to a maximum of such Customer's Export Delivery Contract Demand for such Export Delivery Point under such Rate Schedule FT-D; and
- (iv) fourthly to service to Customer under Rate Schedule IT-D at such Export Delivery Point. If Customer is not entitled to service under Rate Schedule IT-D at such Export Delivery 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

If, in the provision of new Service, Company determines that:

- (i) no new Facilities are required that are directly attributable (generally mainline facilities) to Customer's request for such Service, the term of the Schedule of Service shall be a term equal to the term requested by Customer with the minimum term being one (1) year; or
- (ii) new Facilities are required that are directly attributable (generally mainline facilities) to Customer's request for such Service, the term of the Schedule of Service shall be equal to ten (10) years or such longer period that Company and Customer agree to.

### 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-D.

## 6.0 CAPACITY RELEASE

- 6.1 If Customer desires a reduction of Customer's Export Delivery Contract Demand for all or any portion of its Service under a Schedule of Service under Rate Schedule FT-D, Customer shall notify Company of its request for such reduction specifying the particular Export Delivery Point, Schedule of Service and the Export Delivery Contract Demand available to any other Person who requires Service under Rate Schedule FT-D. Company shall not have any obligation to find any Person to assume the Export Delivery Contract Demand Customer proposes to make available. If after notice is

given to Company a Person is found who agrees to assume the Export Delivery Contract Demand Customer proposes to make available, together with any applicable Surcharge, Company may reduce Customer's Export Delivery Contract Demand under such Schedule of Service, on terms and conditions satisfactory to Company, by an amount equal to the Export Delivery Contract Demand specified in a new Schedule of Service, executed by Company and such Person. Notwithstanding such reduction, Customer shall at Company's sole option either:

- (i) continue to pay any Surcharge until the Service Termination Date as described in the applicable Schedule of Service (unless any other Person acceptable to Company has agreed to pay such Surcharge); or
- (ii) in the event that Company retires any Facilities required to provide such Service, pay to Company within the time determined by Company, an amount equal to the net book value of such Facilities adjusted for all costs and expenses associated with such retirement.

## **7.0 TRANSFER OF SERVICE**

**7.1** If Customer desires to transfer all or any portion of Service under a Schedule of Service from a Customer's current Export Delivery Point to a different Export Delivery Point, Customer shall submit a transfer request to Company specifying the Export Delivery Points, the Schedule of Service, the portion of the Export Delivery Contract Demand that Customer wishes to transfer and the minimum Export Delivery Contract Demand that Customer will accept for transfer.

**7.2** All transfer requests shall be irrevocable and must be received by Company prior to the deadline specified on the EBB.



**7.3** Company is under no obligation to permit the transfer requested in paragraph 7.1 but may permit such transfer provided that:

- (i) Company determines that sufficient capacity exists in the Facilities to accommodate the transfer, after allocating any requests for new service;
- (ii) Company determines that the construction or installation of new Facilities directly attributable to the transfer is not required; and
- (iii) Customer's transfer request contains all the information specified in paragraph 7.1.

## **8.0 TERM SWAPS**

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

## **9.0 TITLE TRANSFERS**

**9.1** A Customer entitled to receive Service under Rate Schedule FT-D 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.

## **10.0 RENEWAL OF SERVICE**

### **10.1 Renewal Notification**

Customer shall be entitled to renew all or any portion of Service under a Schedule of Service under Rate Schedule FT-D, if Customer gives notice to Company of such renewal at least one (1) year prior to the Service Termination Date. If Customer does not provide such notice, the Service shall expire on the Service Termination Date.

### **10.2 Irrevocable Notice**

Customer's notice to renew pursuant to paragraph 10.1 shall be irrevocable one (1) year prior to the Service Termination Date.

Any renewal of Service is subject to the Financial Assurances provisions in Article 10 of the General Terms and Conditions.

### **10.3 Renewal Term**

Customer's notice shall specify a renewal term of not less than one (1) year consisting of increments of whole months.

## **11.0 APPLICATION FOR SERVICE**

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

## **12.0 GENERAL TERMS AND CONDITIONS**

**12.1** The General Terms and Conditions of the Tariff and the provisions of any Service Agreement for Service under Rate Schedule FT-D are applicable to Rate Schedule FT-D to the extent that such terms and conditions and provisions are not inconsistent with this Rate Schedule.

**SERVICE AGREEMENT**  
**RATE SCHEDULE FT-D**

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-D 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-D.
  
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-D 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 downstream of any Delivery 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 delivered 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-D, 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-D, the General Terms and Conditions and Schedule of Service under Rate Schedule FT-D 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-D

CUSTOMER: •

| Schedule of Service Number | Export Delivery Point Number and Name | Legal Description | Maximum Delivery Pressure kPa | Service Termination Date | Export Delivery 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: \_\_\_\_\_

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

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

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