

Electronic Notification

Notice

**NOTICE OF APPLICATION
APPLICATION NO. 1487942
NOVA GAS TRANSMISSION LTD. (NGTL)
2007 INTERIM RATES, TOLLS AND CHARGES**

Take Notice that the Alberta Energy and Utilities Board (the Board) is in receipt of an application, dated November 21, 2006, from NGTL requesting the approval of interim rates, tolls and charges for services on the Alberta System effective January 1, 2007 (the Application).

Particulars of the Application

The applied for 2007 Interim Rates are based on:

- The 2007 revenue requirement determined in accordance with the 2005-2007 Revenue Requirement Settlement (the Settlement),
- The forecast 2007 contract demand quantities and throughput as filed in the Application, and
- The current rate design approved by the Board in Decision 2006-010.

In addition, NGTL applied for a continuation of the Alternate Access Pilot Program (Alternate Access Request). The Alternate Access Request is consistent with one part of Application No. 1481123, submitted by Coral Energy Canada Inc., Nexen Marketing, and Tenaska Marketing Canada, a Division of TMV Corp., currently being considered by the Board for which comments are due by November 30, 2006. Since this issue is already under consideration in Application 1481123, the Alternate Access Request will not be considered as part of this Application.

Background

NGTL is currently operating under 2006 final rates, tolls and charges approved by the Board in Order U2006-083 (2006 Final Rates) issued on March 30, 2006 which are effective until December 31, 2006. In Decision 2005-057, the Board approved the Settlement which provides for the determination of interim and final rates tolls and charges for the period of 2005-2007. The forecast revenue requirement and forecast of firm transportation contract demand quantity and throughput, provided for within the Settlement, are used in the calculation of interim rates using the approved rate design in place at the time. NGTL submitted that pursuant to the Settlement, it will file for 2007 final rates by March 15, 2007 with the forecast 2007 revenue requirement updated at that time to reflect actual 2006 results.

The 2007 interim rates are based on a revenue requirement of \$1,115.1 million. This is \$35.5 million higher than the 2006 approved revenue requirement. The proposed average interim rates for FT-R and FT-D services will be \$0.140/mcf and the proposed average 2007 interim export rate will be \$0.280/mcf. These rates are approximately 4.4% higher than the 2006 average annual rates.

Additional Information

A copy of submissions and any requests for additional information should be sent to Mr. Greg Szuch:

Nova Gas Transmission Ltd.
c/o Greg Szuch
450-1st Street SW
Calgary, Alberta T2P 5H1
Telephone: (403) 920-5321
Facsimile: (403) 920-2347
Email: greg_szuch@transcanada.com and
alberta_system@transcanada.com

To File an Objection or Interest

Any party wishing to intervene in this process should file a Statement of Intention to Participate (SIP). The SIP should include a description of the nature of the party's interest in the proceeding (i.e., how it will be affected by the Board's decision), and whether the party is ineligible for cost recovery pursuant to the "business interest" rule. If there are any objections with the Application, the reasons for objecting should also be included in the SIP. A copy of your SIP should be sent to the EUB, referencing Application No. 1487942, by email to EUB.UTL@gov.ab.ca. A copy of the party's SIP should also be sent directly NGTL, at the addresses provided above. The Board does not require budgets to be filed for this proceeding.

In order to ensure that interim rates are in place on the Alberta System for January 1, 2007, the Board requests that parties provide SIP including any objections no later than **December 8, 2006**. The Board also requests that NGTL provide any reply to submissions of parties, if necessary, no later than **Wednesday, December 13, 2006**.

The Board will determine the process necessary to deal with the Application and will advise registered parties in due course. If no submissions are received from parties opposing the Application, the Board may continue to process the Application without further notice.

If you have any questions or concerns with respect to EUB procedures, please contact Heather Gnenz at heather.gnenz@eub.ca or by telephone at (403) 297-3539.

Issued at Calgary, Alberta, on November 28, 2006.

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