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Alberta Energy and Utilities Board
640 - 5th Avenue S.W.
Calgary, Alberta
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Filed Electronically

**Attention: Ms. Heather Gnenz
Applications Officer, Utilities Branch**

Dear Ms. Gnenz:

**Re: NOVA Gas Transmission Ltd. (“NGTL”)
Application for 2007 Interim Rates, Tolls and Charges (“Application”)
Alberta Energy and Utilities Board (“Board”) Application No. 1487942**

On November 21, 2006, NGTL applied for approval of interim rates, tolls and charges for services on the Alberta System, effective January 1, 2007 (“2007 Interim Rates”). The Board issued a Notice of Application on November 28, 2006, in which it requested that parties provide any comments or objections to the Application by December 8, 2006, and that NGTL provide any reply to submissions of parties by December 13, 2006.

NGTL received copies of submissions from ten parties: AltaGas Ltd. (“AltaGas”), the Canadian Association of Petroleum Producers (“CAPP”), the Consumers Coalition of Alberta (“CCA”), the Export Users Group (“EUG”), the Federation of Alberta Gas Co-ops Ltd. (“FGA”), Gas Alberta Inc. (“Gas Alberta”), the Industrial Gas Consumers Association of Alberta (“IGCAA”), the Office of the Utilities Consumer Advocate (“UCA”), the Public Institutional Consumers of Alberta (“PICA”) and Mr. Russ Duncan.

CAPP and IGCAA have both intervened in support of the Application.

AltaGas, CCA, EUG, FGA, Gas Alberta, UCA and PICA all state an interest in the determination of the Application, but none raise objections to, or make any further comments about, it.

Mr. Duncan has objected to the Application. He requests that the Board “approve and establish Transportation By Others (TBO) Service to be provided by NOVA Gas Transmission Ltd. (NOVA) for the gas transportation costs required by AltaGas Utilities Inc. (AltaGas) and ATCO Gas (AG) for gas delivery to their end users.” Mr. Duncan suggests that Board approval of his proposal “should be relatively straightforward” under NGTL’s existing revenue requirement settlement.

NGTL submits that the Board should summarily dismiss Mr. Duncan's objection. First, Mr. Duncan has not demonstrated that the Board's decision on the Application may directly and adversely affect his rights. Mr. Duncan does not hold any service on the Alberta System, and consequently, he will not be directly impacted by the determination of the 2007 Interim Rates. Moreover, Mr. Duncan has asserted simply that the Application "does not treat all Albertan's [*sic*] fairly..." In this respect, Mr. Duncan has no different or greater interest than any other member of the general public which would warrant specific consideration by the Board in determining the Application.

Secondly, NGTL observes that Mr. Duncan has made similar requests for the Board to direct NGTL to secure TBO services on other pipeline systems in prior proceedings; most recently in the proceeding on NGTL's 2005-2007 Revenue Requirement Settlement (the "Settlement"). In Decision 2005-057, the Board approved the Settlement and denied Mr. Duncan's request. It stated:

... Mr. Duncan's concern in regard to a TBO arrangement between AltaGas and NGTL is not relevant to the Board's adjudication of the Application. A TBO arrangement between AltaGas and NGTL has not been applied for and does not form part of the Settlement and will therefore not be considered in this process.¹

NGTL submits Mr. Duncan's request is not relevant to the Board's determination of the Application. In this respect, the circumstances in this Application are similar to those in the proceeding on the Settlement. NGTL has not applied for approval of a TBO arrangement with AltaGas or ATCO Gas, nor has it sought recovery of costs of such arrangements in the Application. Consequently, Mr. Duncan's request should not be considered in this forum.

Given that no party other than Mr. Duncan has objected to or otherwise raised concerns about the Application, NGTL requests that the Board continue to process and ultimately approve the Application as filed without further public process.

All notices and communications regarding this matter should be directed 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]

Patrick M. Keys
Vice President, Pipelines
Law and Regulatory Research

¹ EUB Decision 2005-057, NOVA Gas Transmission Ltd. 2005-2007 Revenue Requirement Settlement, issued June 7, 2005, page 4.