
Suncor-NGTL-001

Reference:

Section 1.2, page 2, lines 2 to 3

Preamble:

General.

Request:

Please describe the corporate relationship between NGTL and TransCanada PipeLines Limited.

Response:

NGTL is a wholly owned subsidiary of TransCanada PipeLines Limited.

Suncor-NGTL-002

Reference:

Section 1.2, page 6, lines 2 to 4

Preamble:

Application for North Central Corridor (Peerless Lake Section) Phase 1.

Request:

Please indicate the status of this application.

Response:

Please refer to the response to BR-NGTL-025(g).

Suncor-NGTL-003

Reference:

Section 1.2, page 6, lines 6 to 11

Preamble:

Arrangements to purchase Simmons pipeline system.

Request:

Please indicate NGTL's contingency plans for providing service in the Fort McMurray area in the event that the Board does not render a decision on this portion of the application by March 1, 2004.

Response:

Please refer to the response to ATCO-NGTL-064(b).

Suncor-NGTL-004

Reference:

Section 2.7, page 6, lines 15 to 19

Preamble:

Avoidance of NGTL tolls.

Request:

- (a) Please advise if TransCanada Pipeline Ventures Limited Partnership (TCPL Ventures) offers receipt gas service.
- (b) If the Board approves the applied-for TBO arrangements with TCPL Ventures, will NGTL offer receipt gas service on the Ventures pipeline?
- (c) If NGTL were to acquire the Ventures pipeline would NGTL offer receipt gas service on the Ventures pipeline?
- (d) If not, why not?

Response:

- (a) NGTL is not aware of any receipt service offered by Ventures on its Oil Sands Pipeline.
- (b)-(d) NGTL would evaluate any requests it receives for receipt service and determine whether and how best to provide service.

Suncor-NGTL-005

Reference:

Section 2.7, page 12, lines 11 to 12

Preamble:

TCPL Ventures TBO firm service costs of \$6.1 million per year.

Request:

Please indicate how this amount was arrived at.

Response:

Please refer to the response to BR-NGTL-036(a).

Suncor-NGTL-006

Reference:

Section 2.7, page 12, lines 14 to 16

Preamble:

TCPL Ventures TBO estimated operating and maintenance costs of \$0.35 million per year.

Request:

- (a) Please indicate how these costs were arrived at.
- (b) Please indicate the rationale for structuring the payment arrangements under the proposed TCPL Ventures TBO as described.

Response:

- (a) Please refer to the response to BR-NGTL-036(b).
- (b) Please refer to the responses to BR-NGTL-036(a) to (c).

Suncor-NGTL-007

Reference:

Section 2.7, Schedule 2.7

Preamble:

N/A.

Request:

- (a) Please indicate how the figure \$8,191 (thousands) was arrived at.
- (b) Please indicate estimated figures for the TCPL Ventures TBO for future years with costs broken down between fixed charges, operating and maintenance charges and any other charges under the proposed arrangement.

Response:

- (a) As explained in Section 2.7.4.3 of the Application, the total cost for the Ventures TBO is split between two contracts. One of these is the current contract that expires on March 31, 2004. Its cost is based on:

“... the contract demand volume is $4.776 \times 10^6 \text{ m}^3/\text{d}$ (170 MMcf/d) to accommodate current demand requirements. The toll associated with this service is \$0.12 per Mcf resulting in a total forecast cost for January to March 2004 of \$1.8 million.”

The second contract starts in April 1st, 2004 and has a fixed component and a variable component.

“This firm service will have a fixed cost in 2004 of \$6.1 million, assuming an April 1, 2004 commencement date. (...) In addition to the fixed annual costs, NGTL will be charged operating and maintenance costs. These costs are estimated at \$0.35 million per year. The resulting forecast cost is \$0.26 million for April to December 2004.”

Suncor-NGTL-007

(b) The table below provides a five year forecast (\$millions):

	2004	2005	2006	2007	2008
Fixed Charges	7.9	8.66	8.17	7.75	7.63
O&M	0.26	0.35	0.35	0.35	0.35
Total	8.19	9.01	8.52	8.1	7.98

Suncor-NGTL-008

Reference:

Section 8.2, page 1, lines 3 to 5

Preamble:

Definition of Fort McMurray area.

Request:

- (a) Please indicate all legislative distinctions under the *Gas Utilities Act* or otherwise that distinguish the provision of natural gas delivery service into the Fort McMurray area from delivery service to other NGTL customers.
- (b) Please provide NGTL's long term forecast for delivery service in the Fort McMurray area.

Response:

- (a) NGTL is not aware of any provisions in the *Gas Utilities Act* or other Alberta legislation that specifically distinguishes NGTL's provision of delivery service into the Fort McMurray area from delivery service elsewhere in Alberta.
- (b) Please refer to the response to BR-NGTL-023(d) for NGTL's long term maximum day delivery forecast for service into the Fort McMurray area.

Suncor-NGTL-009

Reference:

Section 8.2, page 1, lines 7 to 14

Preamble:

Current TBO arrangements with TCPL Ventures.

Request:

Please provide a signed copy of NGTL's existing TBO arrangements with TCPL Ventures.

Response:

Please refer to Attachment 1 Suncor-NGTL-009 for a copy of NGTL's original TBO arrangement with TransCanada Pipeline Ventures.

Please refer to Attachment 2 Suncor-NGTL-009 for an amendment to the original arrangement, dated March 31, 2003.

**VENTURES OILSANDS PIPELINE
SERVICE AGREEMENT**

BETWEEN:

TransCanada Pipeline Ventures Limited Partnership, a limited partnership (hereinafter referred to as "Ventures") represented by its general partner, TransCanada Pipeline Ventures Ltd.

- and -

NOVA Gas Transmission Ltd., a body corporate having an office in the City of Calgary, in the Province of Alberta (hereinafter referred to as "NGTL")

WHEREAS:

The Parties wish to set forth their agreement under which NGTL will contract for service on the Pipeline .

NOW THEREFORE THIS AGREEMENT WITNESSES THAT in consideration of the mutual covenants and agreements herein contained and for other good and valuable consideration, the Parties covenant and agree as follows:

I. DEFINITIONS

In this Agreement, including the opening paragraph above:

- (a) "Affiliate" means, with respect to any Person, (i) where that Person is a body corporate, an "affiliate" within the meaning ascribed to that term in the *Canada Business Corporations Act*; (ii) where that Person is a partnership, any partner in that partnership, and any affiliate within the meaning of (i) above or (iii) below of any such partner, and (iii) any other Person directly or indirectly controlling, controlled by or under common control with such Person; and for the purposes of this definition, control shall mean possession, directly or indirectly, of power to direct or cause the direction of management or policies (whether through ownership of securities or partnership or other ownership interests, by contract or otherwise); and for the purposes of this definition of Affiliate, where two Persons are affiliated with the same Person at the same time, they are deemed to be Affiliated with each other;
- (b) "Agreement" means this agreement including the schedules hereto, as amended from time to time;
- (c) "Commencement Date" means the earlier of (i) 30 days after the date that NGTL receives Regulatory Approval, and (ii) the date set out in a written notice from NGTL to Ventures;

- (d) "Day" or "day" means a period of twenty-four (24) consecutive hours, beginning and ending at eight a.m. (08:00) Mountain Standard Time;
- (e) "Default Notice" has the meaning defined in section 8(a);
- (f) "Defaulting Party" has the meaning defined in section 8(a);
- (g) "Delivery" means the receipt by Ventures of Gas from NGTL at the NGTL System Interconnect Point into the Pipeline, the transportation of such Gas through the Pipeline, and the redelivery of such Gas to NGTL at the Delivery Points; and "Deliver" and "Delivered" have corresponding meanings;
- (h) "Delivery Points" means the inlet valve or flange of any facility that interconnects with the Pipeline at the locations set forth in Schedule A attached hereto, and Delivery Point means any one of the Delivery Points;
- (i) "FS Volume" means that volume of Gas per day set forth in Schedule 'A' attached hereto, plus any Incremental FS Volumes accepted by Ventures pursuant to section 2(e);
- (j) "Fees" means the Firm Service Fee and the Overrun Fee;
- (k) "Firm Service Fee" means the fee payable to Ventures by NGTL pursuant to section 3(a);
- (l) "Force Majeure" has the meaning described in Article 5;
- (m) "Gas" or "gas" means all natural gas both before and after it has been subjected to any treatment or process by absorption, purification, scrubbing or otherwise, and includes all fluid hydrocarbons other than hydrocarbons that can be removed from a pool in liquid form by ordinary production methods;
- (n) "Gross Heating Value" means the total megajoules obtained by complete combustion of one cubic metre of gas with air, the gas to be free of all water vapor and the gas, air and products of combustion to be at standard conditions of fifteen (15) degrees Celsius and one hundred one and three hundred twenty-five thousandths (101.325) kPa (absolute) and all water vapor formed by the combustion reaction condensed to the liquid state;
-
- (o) "Incremental FS Volume" has the meaning ascribed thereto in section 2(e);
- (p) "kPa" means kilopascals of pressure (gauge) unless otherwise specified;
- (q) "Mmcf" means that quantity of gas which, at a temperature of 60 degrees F and at an absolute pressure of 14.65 psi, occupies one million cubic feet, and Mmcf means Mmcf of gas per Day;
-
- (r) "Month" or "month" means a period of time beginning at eight a.m. (08:00) Mountain Standard Time on the first day of a calendar month and ending at eight a.m. (08:00) Mountain Standard Time on the first day of the next calendar month;
- (s) "NGTL" means NOVA Gas Transmission Ltd.;

- (t) "NGTL System" means NGTL's pipelines and other facilities or any part or parts thereof for the receiving, gathering, treating, transporting, storing, distributing, exchanging, handling or delivering of Gas;
- (u) "NGTL System Interconnect Point" means the outlet valve or flange on the NGTL System which interconnects with the Pipeline located at or near Section 18, Township 86, Range 18, West of the 4th Meridian in the Province of Alberta;
- (v) "Non-Defaulting Party" has the meaning set out in section 8(a);
- (w) "Overrun Fee" means the fee payable to Ventures by NGTL for Overrun Service calculated pursuant to section 3(b);
- (x) "Overrun Service" means the Delivery, on a fully interruptible basis, of a volume of Gas per month in excess of the FS Volume in effect for such month;
- (y) "Parties" means NGTL and Ventures, and Party means either of them;
- (z) "Person" includes any individual, body corporate, partnership, joint venture, syndicate or other entity;
- (aa) "Pipeline" means the pipeline and ancillary facilities owned and operated by Ventures as of the date hereof in the Fort McMurray area which is approximately 108 kilometers in length and 24 inches in diameter;
- (bb) "Regulatory Approval" means the decision by the Alberta Energy & Utility Board on NGTL's application dated March 19, 2001 and referenced as AEUB File No. 2001084;
- (cc) "Renewal Notice" has the meaning set out in clause 4(b)(i);
- (dd) "Term" has the meaning set out in Article 4;
- (ee) "Thousand Cubic Metres or 10³m³" shall mean that quantity of gas which, at a temperature of fifteen (15) degrees Celsius and at an absolute pressure of one hundred one and three hundred twenty-five thousandths (101.325) kiloPascals occupies a volume of (1000) one thousand cubic metres, and 10³m³/d means 10³m³ of gas per Day;
- (ff) "Ventures" means TransCanada Pipeline Ventures Limited Partnership, an Alberta limited partnership; and
- (gg) "Year" means a calendar year.

2. TRANSPORTATION SERVICE

(a) Delivery Obligation

Subject to the terms and conditions set out in this Agreement, from and after the Commencement Date, NGTL shall be entitled to receive and Ventures shall be obligated to provide firm Delivery of the FS Volume. In addition, from and after the Commencement Date, NGTL shall be eligible to receive Overrun Service.

Ventures shall not be responsible for the failure to Deliver if NGTL, for any reason whatsoever, fails to deliver Gas to Ventures at the NGTL System Interconnect Point.

(b) **Care, Custody and Control**

Gas shall be deemed to be in the care, custody and control of Ventures from the time it is received into the Pipeline at the NGTL System Interconnect Point and until it is delivered out of the Pipeline at a Delivery Point.

(c) **Delivery Point Pressure**

The delivery pressure of Gas volumes at the Delivery Points shall be the pressure available from the Pipeline at such Delivery Points, which will be no less than 4465 kPa, provided that the pressure at the NGTL System Interconnect Point is at least 6184 kPa.

(d) **Nominations**

Nominations for Delivery under this Agreement will be placed by NGTL at metering facilities associated with the Delivery Points.

(e) **Incremental FS Volumes**

NGTL may at any time and from time to time during the Term of this Agreement request an increase in the FS Volume by any amount (the "Incremental FS Volume") by providing (6) six months prior written notice to Ventures. Ventures shall provide Delivery of the Incremental FS Volume under the same terms and conditions of this Agreement provided that:

- (i) Ventures has sufficient uncontracted firm capacity on the Pipeline to accommodate the Incremental FS Volume; and
- (ii) no capital additions to the Pipeline are required to accommodate the Incremental FS Volume.

Ventures shall accept all or that portion of the Incremental FS Volume that satisfies both of the conditions set out in clauses (i) and (ii) above. Any ~~Incremental FS Volume accepted by Ventures shall constitute FS Volume under~~ this Agreement. If, however, prior to issuing its request for the Incremental FS Volume, NGTL solicits bids from any third party for any incremental transportation service in excess of the FS Volume, then NGTL's rights under this section 2(e) shall be forfeited and Ventures shall be entitled to submit a bid to NGTL for such incremental transportation service on any terms that Ventures deems appropriate.

(f) **Planned Interruptions**

If Ventures gives NGTL at least forty eight (48) hours written notice, Ventures may interrupt, curtail or reduce Delivery for such periods of time as it may reasonably require for the purpose of effecting any repairs, maintenance, replacement or upgrading or work related to the Pipeline. NGTL, as operator of

the Pipeline, shall provide Ventures with sufficient advance notice of any planned interruptions to enable Ventures to issue the foregoing notice.

(g) **Unplanned Interruptions**

Notwithstanding section 2(f), in the event of unforeseen circumstances Ventures may interrupt, curtail or reduce Delivery for such periods of time as it may reasonably require without giving NGTL notice provided for in section 2(f), provided that Ventures shall give notice of such interruption, curtailment or reduction as soon as is reasonably possible after becoming aware of such unforeseen circumstances.

(h) **Notice of Change in Operations**

NGTL and Ventures shall give each other as much notice as is reasonably possible in the circumstances of expected temporary changes in the rates of delivery or receipt, Gas pressures or other operating conditions, together with the expected duration and the reason for such expected temporary changes.

(i) **Obligation to Pay**

During periods of interruption and curtailment referred to in sections 2(f) and (g) and periods of Force Majeure, Ventures may reduce shipper FS Volume Deliveries on a pro rata basis. NGTL agrees and acknowledges that such reduction shall not under any circumstances suspend or relieve, in whole or in part, NGTL from the obligation to pay the Firm Service Fee unless the interruption or curtailment of Deliveries is due to a Force Majeure on the Pipeline, as it may exist from time to time, declared by Ventures in accordance with Article 5.

(j) **Quality of Gas**

The Gas Delivered shall have the quality of Gas received at (i) the NGTL System Interconnect Point, which has the quality that results from the Gas having been received, transported and commingled in the NGTL System, and (ii) any other receipt point on the Pipeline; provided that such Gas received pursuant to clause 2(j)(ii) above shall meet the NGTL System receipt point specifications.

(k) **Method of Measurement**

The Parties shall accept the measurements made by or on behalf of Ventures or NGTL for volumes received at the NGTL System Interconnect Point and delivered at a Delivery Point. The unit of measurement of gas hereunder shall be 10^3 m^3 .

(l) **Gas Lost**

~~Ventures shall not be responsible to replace gas lost due to explosion, pipeline rupture or Force Majeure event, however, Ventures shall keep account of such gas and forthwith notify NGTL of the volume of gas lost.~~

(m) **Fuel in Kind**

NGTL agrees to provide to Ventures, at no cost or expense, its pro rata share of fuel in kind if compression is required at any time to provide NGTL with Delivery in excess of the FS Volume in effect at that time.

(n) **Upstream and Downstream Arrangements**

In connection with this Agreement, NGTL and/or its customers shall be responsible for making arrangements necessary to deliver Gas to Ventures at the NGTL System Interconnect Point and to receive Gas from Ventures at the Delivery Points.

(o) **Determination of Gas Characteristics**

The Gas characteristics, including without limitation, Gross Heating Value, relative density, nitrogen and carbon dioxide content, shall be determined by or on behalf of Ventures or NGTL through continuous recording equipment, laboratory equipment or computer modeling at the Delivery Points.

3. **FEES**(a) **Firm Service Fee**

From and after the Commencement Date NGTL shall pay to Ventures a monthly Firm Service Fee calculated as follows:

$$MF = F \times A \times B$$

Where:

“MF” = the monthly Firm Service Fee;

“F” = \$4.26;

“A” = the FS Volume for the month, expressed in $10^3 \text{m}^3/\text{Day}$

“B” = the number of days in the month

(b) **Overrun Fee**

For Overrun Service, NGTL shall pay to Ventures an Overrun Fee calculated as follows:

$$ORC = G \times (TVD - MFS)$$

Where:

“ORC” = the monthly Overrun Fee;

“G” = \$5.32,

"TVD" = the total volume of gas Delivered for the month, expressed in 10^3m^3 ; and

"MFS" = the FS Volume multiplied by the number of days in the month, expressed in 10^3m^3 .

(c) **Fee Adjustments**

If, pursuant to the terms of this Agreement, it becomes necessary to adjust any Fees payable by NGTL hereunder, due to:

- (i) suspension of a Party's obligations hereunder in accordance with this Agreement; or
- (ii) commencement or cessation of Delivery hereunder on a date other than the beginning or end of a month or Year, as applicable, or
- (iii) for any other reason expressly provided for herein;

the Fees payable shall be adjusted to exclude from the calculation the number of days in the month or Year, as applicable, to which subclauses 3(c)(i), (ii) or (iii) above are applicable.

(d) **No Other Charges**

Other than as expressly provided for in this Agreement, the Fees, any applicable interest and Canadian federal goods and services tax, shall be the only amount payable by NGTL for service hereunder, and for greater certainty, the Parties agree that no other cost, charge, expense, tax, or other amount shall be charged to or borne by NGTL in respect of the capital or operating costs or insurance expense of the Pipeline or otherwise. Nothing in this clause shall be construed as obligating NGTL to make any payment in respect of any tax on the capital, income, revenue, profit, or earnings of Ventures.

(e) **Billings**

Commencing in the month following the Commencement Date and continuing ~~each month thereafter during the Term, Ventures shall, on or before the 20th day~~ of each month, issue to NGTL an invoice for the previous month's Fees less any amounts to be credited to NGTL for such month pursuant to this Agreement. NGTL shall pay the amount shown on the invoice on or before the last day of the month in which the invoice is submitted. If the rendering of an invoice is delayed, then the time for payment shall be extended correspondingly. If NGTL fails to pay an invoice when due, the amount unpaid shall bear interest at the rate set out in section 9(k) until the date of payment.

(f) **Dispute**

If NGTL, in good faith, protests or questions the correctness of an invoice, then NGTL shall pay the undisputed portion of the invoice when due and the Parties shall refer the matter to arbitration pursuant to Article 6.

(g) **Overpayment or Underpayment**

If it is finally determined that an underpayment or overpayment of Fees has been made, NGTL or Ventures as the case may be, shall pay to the other Party such underpayment or overpayment together with interest calculated at the rate described in section 9(k), commencing with the date the invoice was originally due and continuing until the date the underpayment or overpayment is actually paid.

(h) **Failure to Pay/Suspension of Deliveries**

If NGTL fails to pay the full amount of any invoice, or that portion of any invoice which is not in dispute, within 60 days after the date that payment is due, Ventures, in addition to any other remedy it may have hereunder or at law or in equity, may suspend the Delivery of Gas until payment in full is made. Such suspension of Deliveries shall not terminate, relieve or otherwise affect NGTL's obligations hereunder, including, without limitation, its obligation to pay the Firm Service Fee.

4.

TERM(a) **The Term**

This Agreement shall be effective as of the date set out above the signatures of the Parties hereto and shall, subject to sections 4(b), (c) and (d), terminate on October 31, 2004 (the "Term").

(b) **Renewal**

NGTL will have the one-time option to renew this Agreement with respect to all or any portion of the FS Volume in effect at the end of the initial Term for a renewal term expiring on April 1, 2006 or April 1, 2007, at NGTL's discretion, on the same terms and conditions of this Agreement, subject to the following:

- i) NGTL gives Ventures written notice of such renewal prior to April 30, 2003 (the "Renewal Notice");
- ii) Ventures has sufficient uncontracted firm capacity on the Pipeline to accommodate such renewal;
- iii) no capital additions to the Pipeline are required to accommodate the renewal; and
- iv) NGTL has not, prior to the issuance of the Renewal Notice, solicited bids from any third party for replacement transportation service during the proposed renewal term.

(c) **NGTL Termination**

NGTL shall be entitled to terminate this Agreement prior to the Commencement Date on 5 days prior written notice to Ventures.

(d) **Ventures Termination**

Ventures shall be entitled to terminate this Agreement on 30 days prior written notice to NGTL if the Commencement Date does not occur prior to April 1, 2002.

5.

FORCE MAJEURE(a) **Effect of Force Majeure**

Subject to the other provisions of this Article 5, if either Party to this Agreement fails to observe or perform any covenant or obligation imposed on it under this Agreement, and such failure shall have been caused, or materially contributed to, by Force Majeure, as defined below, such failure shall be deemed not to be a breach of such covenant or obligation.

(b) **Force Majeure Events**

For the purposes of this Agreement, the term "Force Majeure" shall mean any cause not reasonably within the control of the Party claiming suspension which by the exercise of due diligence such Party is unable to prevent or overcome, including but without limiting the generality of the foregoing:

- (i) lightning, storms, earthquakes, landslides, floods, washouts, and other acts of God;
- (ii) fires, explosions, ruptures, breakages of or accidents to facilities;
- (iii) freezing of pipelines or wells, hydrate or other obstructions of pipelines or appurtenances thereto, temporary failure of gas supply;
- (iv) shortages of necessary labour, strikes, lockouts or other industrial disturbances;
- (v) civil disturbances, sabotage, acts of public enemies, war, blockades, insurrections, vandalism, riots, epidemics;
- (vi) arrests and restraints of governments and people;
- (vii) the order of any court, government body or regulatory body;
- (viii) inability to obtain or curtailment of supplies of electric power, water, fuel or other utilities or services;
- (ix) inability to obtain or curtailment of supplies of any other materials or equipment;
- (x) inability to obtain or revocation or amendment of any permit, licence, certificate or authorization of any governmental or regulatory body, unless the revocation or amendment of such permit, licence, certificate or authorization was caused by the violation of the terms thereof or consented to by the party holding the same;
- (xi) the failure for any reason of a customer of NGTL to supply or deliver gas to NGTL or to take delivery of gas from NGTL;
- (xii) any claim by any third party that any covenant or obligation of such third party is suspended by reason of force majeure, including without limiting the generality of the foregoing any such claim by any transporter of gas to, from or for Ventures or NGTL; and
- (xiii) any other cause, whether herein enumerated or otherwise, not reasonably within the control of the Party claiming suspension which by the exercise of due diligence such Party is unable to prevent or overcome;

provided however, that the lack of funds or other financial cause shall under no circumstances constitute Force Majeure.

(c) Suspension of Obligations

If either Party fails, wholly or in part, to perform any obligations imposed upon it under this Agreement and such failure shall be caused or materially contributed to by any occurrence of Force Majeure, then, as soon as reasonably possible after the occurrence of the Force Majeure, the Party claiming suspension shall provide written notice and full particulars of such Force Majeure to the other Party. Subject to the other terms and conditions of this Agreement, the obligations of such Party giving notice, so far as they may be affected by such Force Majeure, shall be suspended during the continuance of such Force Majeure, but for no longer period, and such Party shall use due diligence to remedy such Force Majeure and to put itself in a position to resume performance of its obligations as soon as possible; provided, however, that the settlement of strikes or lockouts shall be entirely within the discretion of each Party, and that the above requirement that any Force Majeure shall be remedied with the exercise of due diligence shall not require settlement of strikes or lockouts by acceding to demands of those persons striking or locked out when such course is inadvisable in the discretion of such Party.

6.

ARBITRATION

Where a dispute arises in this Agreement the arbitration provisions of this Agreement apply. The Parties wish to encourage an informal mechanism for resolving disputes. If a matter is referred to this Article 6 for resolution, within 15 days of such reference each of Ventures and NGTL shall appoint a representative knowledgeable on the topic at issue who shall attempt to resolve the dispute. If they are unable to resolve the dispute within 30 days of their appointment, the Parties shall each appoint a senior officer who together shall attempt to resolve the dispute. If the senior officers are unable to resolve the dispute within 30 days then either Party may refer the matter in dispute to arbitration, and such arbitration shall be conducted pursuant to *The Arbitration Act* of Alberta. Either Party ("Initiating Party") may, on notice to the other ("Responding Party") request the matter be determined by arbitration, and propose an independent, qualified individual to serve as the single arbitrator. If within 7 days of receipt by the Responding Party of a notice hereunder, the Parties have not agreed to appoint a single arbitrator, then each Party shall appoint an independent, qualified arbitrator, the arbitrators so appointed shall appoint a third independent, qualified arbitrator, and the three arbitrators so appointed shall serve as a panel of arbitrators. Failing the appointment of a single arbitrator or panel of three arbitrators, the selection of a panel of three arbitrators shall be referred to the Alberta Court of Queen's Bench. Any arbitration proceeding shall be conducted in Calgary, Alberta, and the decisions of the arbitrator(s) shall be final and binding as between the Parties with no right of appeal therefrom. The costs of arbitration shall be in accordance with the decision of the arbitrator(s). Unless otherwise specifically provided herein, if the period of time for the doing of any act or thing will expire or elapse, and the act or thing or a material element thereof is the subject matter of arbitration under this Article 6, then the period of time for the doing of the act or thing shall be extended by 15 days (or

such shorter period of time as may be specified in the decision of the arbitrator(s) following the arbitration decision in respect of the act or thing or material element thereof, and any adjustments between the Parties back to the original period of time shall be in accordance with the decision of the arbitrator(s).

7. ***INDEMNIFICATION AND LIMITATION OF LIABILITY***

- (a) NGTL agrees to indemnify and save Ventures harmless from and against any and all claims, demands, suits, actions, losses, liabilities, debts, damages, costs and expenses of any nature or kind whatsoever arising out of or in any way connected, either directly or indirectly, with any breach due to the negligence or willful misconduct on the part of NGTL under this Agreement.
- (b) Ventures agrees to indemnify and save NGTL harmless from and against any and all claims, demands, suits, actions, losses, liabilities, debts, damages, costs and expenses of any nature or kind whatsoever arising out of or in any way connected, either directly or indirectly, with any breach due to the gross negligence or willful misconduct on the part of Ventures under this Agreement.
- (c) Nothing in this Article 7 shall have the effect of limiting or reducing the obligation of a Party to mitigate its losses as a result of any breach by the other Party of its obligations under this Agreement and losses contemplated by sections 7(a) and (b) shall be calculated after giving effect to the results of such mitigation or required mitigation.
- (d) Notwithstanding the foregoing, in no event shall any Party be liable to the other Party for any indirect damages, punitive damages, pure economic loss or consequential damages incurred or associated with this Agreement.
- (e) In the event of any claim for damages by a Party hereunder, NGTL or Ventures, as the case may be, shall, at the request of the other Party, provide reasonable information in respect of the damages or liabilities incurred, provided that nothing in this section 7(e) shall be construed as reducing, directly or indirectly, a Party's entitlement to such damages or as a condition or prerequisite to such Party's entitlement to such damages.

8. ***TERMINATION ON DEFAULT***

(a) **Default Notice**

If either Party fails to perform any of the covenants or obligations imposed on it under this Agreement (the "Defaulting Party"), then the other party (the "Non-Defaulting Party") may, at its option, issue a written notice (the "Default Notice") to the Defaulting Party advising as to the nature of the default and declaring its intention to terminate the Agreement.

(b) **Remedy Period**

The Defaulting Party shall have 90 days after receiving the Default Notice to remedy the default specified therein and if, within the said 90 day period, the Defaulting Party does remedy such default to the reasonable satisfaction of the Non-Defaulting Party, then this Agreement shall continue in full force and effect.

(c) **Termination**

If the Defaulting Party fails to remedy the default specified in a Default Notice to the reasonable satisfaction of the Non-Defaulting Party within the said 90 day period then this Agreement may, at the option of the Non-Defaulting Party, be terminated immediately upon written notice to that effect to the Defaulting Party. Subject to the foregoing and section 9 (a), all other rights and obligations of the Parties under this Agreement shall cease upon termination of the Agreement; provided however that any such termination shall not affect any other remedy the Non-Defaulting Party may have at law or in equity.

9. **MISCELLANEOUS**(a) **Survival**

The provisions of Articles 6, 7 and section 9(b) shall survive the termination or expiration of this Agreement for a period of 5 (five) years.

(b) **Confidentiality**

Each Party (a "Recipient") agrees that all information it receives or has received from any other Party as a result of or in connection with this Agreement, and the terms of this Agreement (collectively, "Confidential Information"), shall be kept confidential and shall not be disclosed to any Person (other than a "Representative" of a Party or a Party's Affiliate) without the prior written consent of the other Party, except:

- (i) any information which is within the public domain at the time of its disclosure to the Recipient or which thereafter enters the public domain through no fault of the Recipient, but only after such information becomes part of the public domain;
- (ii) any information which Recipient can show was in its possession prior to receipt or acquisition thereof from the other Party and which is not subject to an obligation of confidence;
- (iii) any information which, following its disclosure by the other Party to the Recipient, is received by the Recipient without obligation of confidence from a third party who the Recipient had no reason to believe was not properly or lawfully in possession of such information free from any obligation of confidence;

- (iv) information required to be disclosed under applicable law or in connection with any regulatory proceedings contemplated by this Agreement; and
- (v) disclosures by either Party, in confidence, to lenders, underwriters or their counsel in respect of a financing transaction.

“Representative” means a director, officer, employee, contractor, agent, lender, insurer or professional advisor of the Party receiving Confidential Information relating to the other Party, with a “need to know” the specific Confidential Information so received for the purposes of carrying out this Agreement. To the extent Confidential Information is disclosed by a Party to a Representative, that Party shall ensure that the Representative agrees with the other party to be bound by the confidentiality obligations set out in this subclause.

(c) **Media Releases**

All media releases in respect of this Agreement and the transactions contemplated hereby will require the prior written consent of each Party, such consent not to be unreasonably withheld. Notwithstanding the foregoing, a Party may without consent of the other Party issue a media release if and only to the extent required by applicable law, provided it shall give the other Party an opportunity to review and comment thereon.

(d) **Voidability and Illegality**

If any provision of this Agreement is deemed to be or becomes void, illegal, invalid or unenforceable, then, to the extent of such voidability, illegality, invalidity or unenforceability, such provision shall be considered ineffective and separate and severable from the balance of this Agreement and such provision shall not invalidate, affect or impair the remaining provisions of this Agreement and this Agreement shall be construed as if such void, illegal, invalid or unenforceable provision had never been contained herein; so long as the economic and legal substance of the subject matter of this Agreement is not affected thereby in any manner materially adverse to any Party.

(e) **No Partnership**

Nothing in this Agreement shall be construed as constituting any partnership, joint venture, agency or similar association between the Parties.

(f) **Notices**

Any notice or other communication required or permitted to be given under this Agreement shall be in writing and shall be sufficiently given if delivered personally, sent by prepaid first class mail or transmitted by facsimile to the following address:

if to NGTL: NOVA Gas Transmission Ltd.
450 - 1st Street S.W.
Calgary, Alberta, Canada T2P 5H1
Attention: Vice President, Customer Service
Fax: (403) 920-2317

if to Ventures: TransCanada Pipeline Ventures Limited Partnership,
c/o TransCanada Pipeline Ventures Ltd.
450 - 1st Street S.W.
Calgary, Alberta, Canada T2P 5H1
Attention: President
Fax: (403) 920-2318

With a copy to: TransCanada PipeLines Limited
450 - 1st Street S.W.
Calgary, Alberta, Canada T2P 5H1
Attention: Corporate Secretary
Fax: (403) 920-2392

Any such notice or other communication shall be deemed to have been given and received, if personally delivered, on the date on which it was delivered to such address; if sent by mail, on the date which is five days after which it was mailed; and if given by facsimile, on the date of transmission; provided that if given or received on a Saturday, Sunday or Alberta statutory holiday (a "Non-Business Day"), or after 4:00 p.m. on a day other than a Non-Business Day (a "Business Day"), it shall be deemed received on the next following Business Day; and provided further that if normal mail, telephone or facsimile service is interrupted by strike, slowdown, Force Majeure or other cause, then notice will be deemed not to have been received and the sending party must utilize some other form of notice to effect delivery.

(g) **Entire Agreement**

This Agreement contains the entire agreement among the Parties and supersedes all prior or contemporaneous discussions, negotiations, representations or agreements relating to the subject matter of this Agreement.

(h) **Assignment**

Except as otherwise provided for herein, neither Party to this Agreement shall assign or otherwise dispose of an interest in this Agreement without the prior written consent of the other Party, which consent each of the Parties covenant not to unreasonably withhold, delay or condition. ~~Either Party hereto may assign this Agreement without consent (i) to an Affiliate, (ii) in connection with a sale of all or substantially all of the assets of a Party, or (iii) as necessary in connection with any bona fide financings, financing leases, reorganizations and amalgamations, PROVIDED THAT such assignment shall not relieve the assigning Party of its obligations hereunder.~~

(i) **Time of the Essence**

Time shall be of the essence of this Agreement.

(j) **Governing Law**

This Agreement shall be governed by and construed in accordance with the laws of the Province of Alberta.

(k) Interest

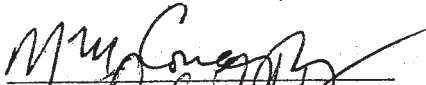
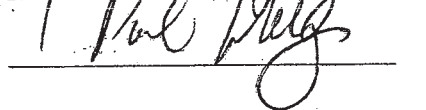
Unless specifically provided for herein, wherever interest is payable by any Party, interest shall be payable at a rate per annum equal to one (1%) per cent over and above the prime rate of interest announced from time to time by Citibank Canada, Main Branch, Calgary, Alberta, as being the reference rate then in effect for determining interest rates on Canadian dollar commercial loans made by Citibank Canada.

(l) Counterpart Execution


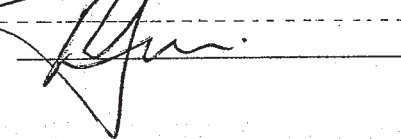
This Agreement may be executed in two or more counterparts which together shall constitute one and the same instrument.

IN WITNESS WHEREOF, Ventures and NGTL have caused this Agreement to be executed by their duly authorized officers as of the 26th day of OCTOBER, 2001.

**TRANSCANADA PIPELINE VENTURES LIMITED PARTNERSHIP, by its
general partner, TRANSCANADA PIPELINE VENTURES LTD.**

PER: 
PER: 

NOVA GAS TRANSMISSION LTD.

PER: 
PER: 



TransCanada

It. business. It. deliver.

TransCanada Pipeline Ventures Limited Partnership
450 - 1st Street S.W.
P.O. Box 1000 Station M
Calgary, Alberta, Canada T2P 5H1

tel 403.920.5819
fax 403.920.2318
email jeff_rush@transcanada.com

March 31, 2003

NOVA Gas Transmission Ltd.
450 – 1st Street S.W.
Calgary, AB T2P 5H1

Attention: Mr. Steve Clark
Vice President, Gas Development &
Director, Sales & Marketing

Dear Mr. Clark

Re: Ventures Oilsands Pipeline Service Agreement dated as of October 26, 2001 (the “Agreement”) between TransCanada Pipeline Ventures Limited Partnership (“Ventures”) and NOVA Gas Transmission Ltd. (“NGTL”) – Request for Incremental FS Volume

Ventures acknowledges receipt of NGTL’s notice dated December 16, 2002 for Incremental FS Volume of $944 \text{ } 10^3 \text{ m}^3/\text{day}$, issued pursuant to Section 2(e) of the Agreement. Ventures agrees to provide the requested Incremental FS Volume on the following terms and conditions:

1. Volume

The Incremental FS Volume for the purposes of this letter agreement shall be $944 \text{ } 10^3 \text{ m}^3/\text{day}$ (the “Additional FS Volume”). The parties acknowledge and agree that the Additional FS Volume shall become FS Volume as of the Service Date (as defined below) for all purposes under the Agreement, including without limitation, the calculation and payment of the Firm Service Fee. On the Service Date the aggregate FS Volume under the Agreement, after giving effect to the Additional FS Volume, shall be $4,776 \text{ } 10^3 \text{ m}^3/\text{day}$ and Schedule A to the Agreement shall be deleted and replaced with the Amended Schedule A attached to this letter agreement.

2. Delivery Point

The delivery point for the Additional FS Volume shall be LSD 16-26-91-12 W4M (the point of interconnection between the Pipeline and Venture’s recently constructed lateral which heads north from such interconnection, hereinafter referred to as the “Moosa Delivery Point”).

3. Delivery Point Pressure

On the Service Date, Section 2(c) of the Agreement shall be deleted and replaced with the following: “The delivery pressure of Gas volumes at the Delivery Points shall be the pressure available from the Pipeline at such Delivery Points, which shall be no less than the “Minimum Delivery Pressure” set forth in Amended Schedule A, provided that the pressure at the NGTL System Interconnect Point is at least 6204 Kpag.”

4. Service Date

Delivery of the Additional FS Volume shall commence (the “Service Date”) on the earlier of (i) one month after the date that Ventures receives written notice of commencement from NGTL, and (ii) November 1, 2003; **provided however**, in any event, the Service Date shall not occur prior to July 1, 2003.

5. **Ancillary Facilities**

Ventures shall have no obligation under this letter agreement or the Agreement to construct or otherwise provide for the construction of any additional facilities, including without limitation any metering facilities at the Moosa Delivery Point or the NGTL System Interconnect Point, necessary for the Delivery of the Additional FS Volume. NGTL acknowledges and agrees that the metering facilities to be constructed by TransCanada Energy Ltd. ("TCE"), or other parties on behalf of TCE, at the MacKay River Cogen project site (also referred to as the Ruth Lake #3 meter station) downstream of the Moosa Delivery Point will be used by the Ventures and NGTL for the measurement of Gas volumes Delivered to the Moosa Delivery Point under the Agreement. The Parties' obligations under this letter agreement are subject to the completion of all additional facilities necessary to provide Delivery of the Additional FS Volume.

6. **Conditions**

NGTL's obligations under this letter agreement are subject to it first receiving regulatory approval, satisfactory to it, from the Alberta Energy and Utilities Board ("AEUB") to recover all costs and expenses associated with the incremental service for the Additional FS Volume contemplated hereunder. This condition is for the exclusive benefit of NGTL and may be waived in writing by NGTL. If NGTL does not receive such approval or does not waive this condition by the Service Date, this letter agreement shall terminate and the original terms and conditions of the Agreement shall continue to apply.



7. **Affirmation of Agreement**

NGTL and Ventures agree that the Agreement remains in full force and effect as amended to give effect to this letter agreement. Capitalized terms used but not defined in this letter agreement shall have the meaning ascribed to such terms in the Agreement.

If NGTL is in agreement with the foregoing terms and conditions, please so indicate by signing this letter agreement in the space provided below and return one executed copy to Ventures.

Regards,

**TRANSCANADA PIPELINE VENTURES
LIMITED PARTNERSHIP,**
by its general partner
TransCanada Pipeline Ventures Ltd.

Per: 
Per: 

Accepted and agreed to this 31st day of March, 2003

NOVA GAS TRANSMISSION LTD. Clark
Vice-President, Gas Development
and Director, Sales & Marketing

Per: 
Per:

Max Feldman
Senior Vice President
Customer Sales & Service

LEGAL	
CONTENT	

AMENDED SCHEDULE A

Delivery Point (LSD)	Associated Meter Station Name	FS Volume		Minimum Delivery Pressure
		Mmcf/Day	10 ³ m ³ /Day	Kpag
16-15-92-10 W4M	Mildred Lake #1	15.0	423	4482
16-15-92-10 W4M	Mildred Lake #2	89.0	2507	4482
16-26-91-12 W4M (Moosa Delivery Point)	Ruth Lake #1/2	32.0	902	4221
16-26-91-12 W4M (Moosa Delivery Point)	Ruth Lake #3	33.5	944	4221
Total		169.5	4776	

Suncor-NGTL-010

Reference:

Section 8.2, page 4, lines 20 to 24

Preamble:

Discussion of NGTL's current contract demand in the Fort McMurray area.

Request:

- (a) Please describe the existing capacity of the Simmons pipeline.
- (b) Please describe any existing contracted capacity on the Simmons pipeline prior to NGTL entering into the current short-term TBO arrangement on Simmons for the winter of 2003/04.
- (c) Please indicate what, if anything, occurred with respect to this existing contracted capacity to allow NGTL to enter into its current TBO arrangements on the Simmons pipeline.
- (d) Please indicate how any customers with pre-existing contractual arrangements on the Simmons pipeline are currently being served.
- (e) Please describe how the volumes identified in the referenced paragraph will be served.

Response:

- (a) Please refer to the response to BR-NGTL-029(h).
- (b) NGTL does not know what contracted capacity existed on the Simmons pipeline prior to NGTL entering into the current short-term TBO arrangement.
- (c) NGTL does not know what occurred with existing contracted capacity to allow NGTL to enter into its current TBO arrangement.

Suncor-NGTL-010

- (d) NGTL is unable to disclose the terms and conditions of Simmons' contractual arrangements due to confidentiality obligations.
- (e) The volumes will be served through the Proposed Service Solution outlined in Section 8.10, Page 1 of 6, Lines 4 to 8 of the Application as well as the existing Alberta System facilities and arrangements.

Suncor-NGTL-011

Reference:

Section 8.2, page 8, lines 3 to 7

Preamble:

Use of existing infrastructure.

Request:

- (a) Please indicate why NGTL sought to maximize the use of existing infrastructure and minimize construction of new facilities.
- (b) Please indicate how these objectives are considered in NGTL's overall assessment of alternatives.

Response:

- (a) NGTL describes in Sub-Section 8.6 (Page 1 of 3) the process that NGTL used to determine the optimal solution to service the Fort McMurray area delivery service requirements, and the extensive stakeholder consultative process that entailed. NGTL and parties developed several key objectives through this consultative process. One of these key objectives was the utilization of existing infrastructure wherever possible.
- (b) When NGTL completes its least cost analysis, it examines the possibility of buying, building or leasing the required capacity. As part of this analysis, NGTL solicits offers from existing infrastructure owners to determine if adequate capacity is available within the existing facilities, the price for the use or acquisition of these facilities, and any other relevant factors.

Suncor-NGTL-012

REVISED February 2004

Reference:

Section 8.2, page 9, lines 10 to 12

Preamble:

Arrangements for use of Kearl Lake capacity.

Request:

- (a) Please provide an update on the status of these arrangements.
- (b) Who are the existing shippers on the Kearl Lake facilities?
- (c) Is NGTL attempting to acquire excess capacity on the Kearl Lake facilities, acquire the whole of the Kearl Lake facilities, or some other option?
- (d) If NGTL is seeking to acquire capacity which is presently utilized, please indicate what NGTL intends to do with these existing contractual arrangements.
- (e) Will NGTL provide delivery service to existing Kearl Lake shippers?

Response:

- (a) ~~NGTL is currently in negotiations with the Kearl Lake owners and therefore feels it is not appropriate to comment.~~ As per the February 2004 Update, NGTL has been unable to reach acceptable arrangements regarding either the purchase or the lease of capacity on the Kearl Lake pipeline with the Kearl Lake pipeline owners. As a result, NGTL will submit an application to the Board for approval of new facilities that will enable NGTL to meet its customers' needs. NGTL anticipates this application will be submitted within the first half of 2004.
- (b) NGTL does not have the requested information.
- (c) Please refer to the revised response to ~~BR-NGTL-025(d)~~ Suncor-NGTL-012(a).
- (d) ~~NGTL is not aware of the existing contractual arrangements. It is up to the existing owners of the Kearl Lake facilities to determine what should be done with those contractual arrangements. Please refer to the revised response to Suncor-NGTL-012(a).~~

Suncor-NGTL-012

REVISED February 2004

- (e) ~~Should NGTL be successful in negotiating an acceptable capacity arrangement with the Kearl Lake owners, NGTL will assess any requests for delivery service and determine whether and how best to provide service. Please refer to the revised response to Suncor-NGTL-012(a).~~

Suncor-NGTL-013

Reference:

Section 8.4, page 4, line 20 to 21

Preamble:

Current FT-A rate.

Request:

Suncor understands the current FT-A rate is 1.84 cents/Mcf. Please reconcile this with the 1.6 cents/Mcf figure in the referenced section.

Response:

The 1.6 cents/Mcf is the rate approved for 2003. The 1.84 cents/Mcf is the proposed rate for 2004 based on the methodology approved by the Board in Decision 2003-051.

Suncor-NGTL-014

Reference:

Section 8.5, Figure 8.5-1

Preamble:

Oil Sands Pipeline Loop Section #1, Buffalo C/S Unit #2

Request:

- (a) Please describe the existing capacity of the TCPL Ventures pipeline.
- (b) Please indicate the increase in capacity with the Buffalo C/S Unit #2.
- (c) Who would pay the capital costs and any associated operating and maintenance costs associated with the Buffalo C/S Unit #2?
- (d) Please indicate the increase in capacity with the Oil Sands Pipeline Loop Section #1.
- (e) Who would pay the capital costs and any associated operating and maintenance costs associated with the Oil Sands Pipeline Loop Section #1?
- (f) Please indicate any further foreseeable additions in capacity to the TCPL Ventures pipeline to serve the Fort McMurray area and indicate who would pay the capital costs and associated operating and maintenance costs associated with these additions.
- (g) If TCPL Ventures will pay any of the above costs please describe how the TBO costs to NGTL will be adjusted to reflect these costs and compare NGTL's costs under the TBO arrangement with the costs NGTL would incur if it were to pay these costs directly.

Response:

- (a) Please refer to the response to Williams-NGTL-005.
- (b) Please refer to the response to Williams-NGTL-010.2

Suncor-NGTL-014

- (c) Please refer to the response to ATCO-NGTL-050(b).
- (d) The installation of the Oil Sands Pipeline loop Section #1 will add approximately 70 MMcf/d in capacity.
- (e) Please refer to the response to ATCO-NGTL-050(b).
- (f) After the installation of the second unit at the Buffalo compressor site and the Oilsands Pipeline loop section #1, NGTL does not foresee any further facilities additions in the five year forecast period.
- (g) Please refer to paragraph 7 A, page 7 of the Ventures TBO Agreement which was included in Appendix E of Section 8.0 of the Application. This paragraph is shown below.

7. Expansion Election.

- A. During the Term of Service, at NGTL's request, Ventures will expand its facilities to provide additional required capacity for TBO Service in return for an increase in the Annual Fee by an amount equivalent to the cost of service that would otherwise apply had NGTL constructed such expansion facilities. For greater clarity, the annual incremental fee for expansion facilities will be determined based on actual costs incurred by Ventures to construct such expansion and the cost of service parameters in effect for NGTL regulated assets as approved by the EUB from time to time. Upon termination of the TBO Service, NGTL will acquire such expansion facilities (including, the second compressor unit at Buffalo Creek referred to in 7 B below, if added), at a price equivalent to actual capital costs less accumulated depreciation (calculated using the annual depreciation rates in effect for NGTL over the time the facilities are in service). The increased capacity resulting from such expansion facilities will be added to the FS Volume.

Suncor-NGTL-015

Reference:

Section 8.7, page 7, Table 8.7-2

Preamble:

Existing contracts on Simmons pipeline.

Request:

Please indicate the terms on which the current contractual arrangements with Syncrude and any receipt gas customers will be terminated.

Response:

The existing contracts that Simmons has with its customers are not part of the asset that NGTL is acquiring and the terms on which those will be terminated is up to Simmons and its customers.

Suncor-NGTL-016

Reference:

Section 8.8, page 1, lines 4 to 7

Preamble:

Proposed use of TCPL Ventures pipeline.

Request:

- (a) It appears that the TCPL Ventures pipeline was originally owned by NOVA Pipeline Ventures Ltd., a wholly owned subsidiary of NGTL.
- (b) Please describe the original corporate structure of the Ventures pipeline.
- (c) Please describe the current ownership of the Ventures pipeline and trace the ownership of the Ventures pipeline from its inception to today, including describing any transactions affecting this ownership.

Response:

(a) to (c)

TransCanada Pipeline Ventures Ltd (Ventures Ltd.) holds the Board licence for the Oil Sands Pipeline in its capacity as the General Partner of TransCanada Pipeline Ventures Limited Partnership (Ventures LP). Ventures LP is a limited partnership formed under the laws of Alberta. Ventures Ltd. is the general partner of Ventures LP, and NOVA Gas Transmission Ltd. (NGTL) is the sole limited partner of Ventures LP. The shares of Ventures Ltd. are wholly-owned by NGTL.

Ventures Ltd. was originally incorporated in Alberta as 750798 Alberta Ltd on August 13, 1997. One hundred Class A Common Shares were issued to NGTL on September 8, 1997.

750798 Alberta Ltd. changed its name to NOVA Pipeline Ventures Ltd. on September 15, 1997. NOVA Pipeline Ventures Ltd. changed its name to TransCanada Pipeline Ventures Ltd. on November 24, 1998.

Suncor-NGTL-017

Reference:

Section 8.8, page 1, lines 4 to 7

Preamble:

Proposed use of TCPL Ventures pipeline.

Request:

- (a) Does TCPL Ventures contract with TCPL or NGTL or another corporate affiliate for the day-to-day operation of the Ventures pipeline?
- (b) Please describe these arrangements.
- (c) Please indicate where, physically, and using what equipment, these operations are based and the employees of which company perform these operations.
- (d) Does TCPL Ventures contract with TCPL or NGTL or another corporate affiliate for ongoing maintenance of the Ventures pipeline?
- (e) Please describe these arrangements and the employees of which company perform these operations. Who performs property management services for TCPL Ventures?
- (f) Please describe these arrangements.
- (g) Who performs general planning, asset management, and engineering services for TCPL Ventures?
- (h) Please describe these arrangements.
- (i) Please provide similar information with respect to the day-to-day operations, maintenance, property management, and general planning, asset management, and engineering services for NGTL.

Suncor-NGTL-017

Response:

- (a) Yes, Ventures has an operating agreement with NGTL.
- (b) Ventures has contracted with NGTL to perform all Operation and Maintenance activities for the Ventures Oil Sands pipeline.
- (c) Field Operations staff perform the work outlined in the operating agreement. Field Operations staff are based at a variety of NGTL facilities and utilize NGTL equipment to complete the work outlined in the agreement.
- (d) Please refer to the response to Suncor-NGTL-017(b).
- (e) Please refer to the responses to Suncor-NGTL-017(b) and Suncor-NGTL-017(c). TCPL's property management group provides any property management services that Ventures may require as per Section 2.3 of the Application.
- (f) Please refer to the responses to Suncor-NGTL-017(b) and Suncor-NGTL-017(c).
- (g) TCPL employees provide general planning, asset management and engineering services.
- (h) Employees are provided per Section 2.3 of the Application.
- (i) Please refer to the responses to Suncor-NGTL-018(e) and Suncor-NGTL-017(g).

Suncor-NGTL-018

Reference:

Section 8.8, page 1, lines 4 to 7

Preamble:

Proposed use of TCPL Ventures pipeline.

Request:

- (a) Please indicate the corporate governance structure of TCPL Ventures including current and past members of the Board (if any) and all executives and officers of TCPL Ventures.
- (b) Please indicate if these individuals are employees of TCPL Ventures or, if not, who they are employed by and the arrangements under which they provide services to TCPL Ventures.
- (c) Please indicate all responsibilities that these individuals have, or have had in the past, with NGTL.
- (d) Please indicate the corporate governance structure of NGTL including the members of the Board (if any) and all executives and officers of NGTL.
- (e) Please indicate if these individuals are employees of NGTL or, if not, who they are employed by and the arrangements under which they provide services to NGTL.
- (f) Please indicate all responsibilities that these individuals have, or have had in the past with TCPL Ventures.

Response:

- (a) Please refer to the response to IGCAA-NGTL-003.3 for a list of the current Directors and Officers of TransCanada Pipeline Ventures Ltd.

Suncor-NGTL-018

Past Directors and Officers of TransCanada Pipeline Ventures Ltd.:

John Carruthers
Stephen Clark
Bruce McNaught
Brian McNulty
Jim McPherson
Garry Mihaichuk
Brian Roberts
Eric Shelton
William Wells

- (b) Ventures does not have independent employees. Rather, TCPL employees are assigned to provide services required to operate Ventures. The costs of providing these services are allocated to Ventures in accordance with the TransCanada Operating Cost Allocation Policy, as discussed in Sub-section 2.3 of the Application.
- (c) Of the current Ventures Board, Executive and Officers, the following currently have the responsibilities with NGTL as listed:

Kristine Delkus –Vice President Power & Regulatory Law
Rhondda Grant – Vice President & Corporate Secretary
Paul MacGregor –Vice President – Engineering & Operations Services
Dennis McConaghy –Director & Executive Vice President
Ronald Turner –Director & President
Donald Wishart – Senior Vice President Operations

Jeff Rush has no responsibilities with NGTL at this time. His most recent responsibility with NGTL was Director, Sales and Service. Mr. Rush left this position in September 2001.

- (d) Please refer to the response to IGCAA-NGTL-003.3 for a list of the current Officers and Directors of NOVA Gas Transmission Ltd.
- (e) Please refer to Section 9.2 of the Application. NGTL does not have independent employees. Rather, TCPL employees are assigned to provide services required to operate NGTL. The costs of providing these services are allocated to NGTL in accordance with the TransCanada Operating Cost Allocation Policy, as discussed in Sub-section 2.3 of the Application.

Suncor-NGTL-018

(f) Of those listed in (d) above, the following have responsibilities with Ventures:

Rhondda Grant – Corporate Secretary
Dennis McConaghy - Director
Ronald Turner - Director
Donald Wishart - Director

Suncor-NGTL-019

Reference:

Section 8.10, page 1, lines 15 to 20

Preamble:

Examination of construction of bypass of TCPL Ventures pipeline.

Request:

- (a) Please indicate who performed the above analysis.
- (b) Please indicate the basis on which this analysis was performed (eg., known NGTL costs for pipeline construction, etc.).
- (c) Please indicate the employees or contracted employees of TCPL Ventures who participated in discussions with NGTL with respect to the proposed TBO arrangements.
- (d) Please indicate whether any of these individuals are aware of the results of this analysis.
- (e) Please indicate whether any of these individuals, through existing or previous responsibilities with NGTL or TCPL, knows how NGTL conducts such analyses.
- (f) Did NGTL perform an analysis of the impact on the commercial value of the Ventures pipeline of constructing the bypass facilities?

Response:

- (a) TCPL employees representing NGTL performed the analysis to determine the optimal solution required to serve the Fort McMurray area delivery service requirements for the Alberta System.
- (b) Section 2.9.5.4 of the December 2002 Annual Plan describes the process for selection of Proposed and Alternative Facilities and is provided in the response to ATCO-NGTL-010(a).

Suncor-NGTL-019

- (c) Please refer to the response to CAR-NGTL-018(g).
- (d) NGTL did not disclose the results of this analysis to Ventures during the negotiation of the TBO. The results of this analysis became available to Ventures with the filing of this Application.
- (e) The process NGTL follows is well documented in its Annual Plan. This is a public document filed with the Board each December. It is available on TransCanada's internet site, and provided to interested parties. Any interested party may therefore know how NGTL conducts its analyses.
- (f) No.

Suncor-NGTL-020

Reference:

Section 8.10, page 2, lines 14 to 16

Preamble:

Comparison of Case A and Case B.

Request:

Please confirm that the first year capital cost will always be lower under a TBO arrangement than a build option.

Response:

Confirmed.

Suncor-NGTL-021

Reference:

Section 8.0, Appendix E.

Preamble:

Letter Agreement between NGTL and TCPL Ventures.

Request:

- (a) Please indicate any responsibilities Mr. Steve Clark has, or has had, with TCPL Ventures.
- (b) Please indicate any responsibilities Mr. Jeff Rush has, or has had, with NGTL.
- (c) Please indicate both these people's responsibilities with TCPL.

Response:

- (a) For the period September 2000 until September 2001, Mr. Clark was the President of TransCanada Pipeline Ventures Ltd. During that period, Mr. Clark had overall responsibility for all aspects of the Ventures business.

In September 2001, Mr. Clark resigned from TransCanada Pipeline Ventures Ltd. Since that date Mr. Clark has had no responsibilities for Ventures.

- (b) Mr. Rush has had the following responsibilities with NGTL:

- July 1981 – July 1984 - Gas Controller
- Jan 1985 – Jan 1991 - Various NGTL supervisory positions culminating at Chief Gas Supply Coordinator (NGTL)
- Jan 1994 – Merger (mid 98) - Customer Account Manager then Customer Service Manager (NGTL)
- Merger – Sept 2001 - Director Customer Sales and Service (ANG/NGTL/TC Mainline)

Since September 2001, Mr. Rush has had no responsibilities for NGTL.

Suncor-NGTL-021

- (c) Mr. Clark is currently responsible for Sales and Marketing of TransCanada's gas transmission west business. In addition, he is responsible for TransCanada PipeLines Limited's investment in the Tuscarora Gas Transmission Company.

Mr. Rush is responsible for Business Development in Western North America. His responsibilities include the development of the Mackenzie gas pipeline as well as overall responsibility for all aspects of the Ventures business.