



Files OF-Tolls-Group1-T211-2010-04 01 and
OF-Tolls-Group1-N081-2010-05 01
23 December 2010

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Dear Ms. Shaw, Ms. Scott, and Mr. Pelletier:

**TransCanada PipeLines Limited (TransCanada) and
NOVA Gas Transmission Ltd. (NGTL)
Application for Approval of Mainline Interim 2011 Tolls and
Alberta System 2011 Interim Rates (the Application)**

The National Energy Board has received TransCanada and NGTL's 9 December 2010 Application, as well as subsequent letters of comment from several interested parties and TransCanada and NGTL. The attached Order TGI-04-2010 sets the current Mainline tolls as interim, effective 1 January 2011, and sets the Alberta System rates at the alternative levels described below, on an interim basis effective 1 January 2011.

As has been stated in the past, the Board establishes interim tolls without an extensive examination of substantive issues and a decision to approve interim tolls is, in no way, a ruling by the Board as to the merits of any case presented by an Applicant or by interested parties to set final tolls. In light of the limited filings in an application to set or amend interim tolls, absent compelling evidence to the contrary, interim tolls are normally established in a manner that aligns with the Board's most recent decision which relates to a company's final tolls.

With respect to the Application, the Board recognizes the current unusual circumstances and notes that there has been no indication that any party's first choice would be to set Mainline interim tolls at the "Alternative" levels put forward in the Application. The Board is of the view that Mainline interim tolls set at such levels are not in the public interest at this time.

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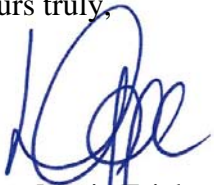
The Application proposes interim tolls and tariff changes that are associated with significant changes to the established Mainline toll design and method of allocating costs. The Mainline Surcharge on the Alberta System would also be a significant change. The Board is of the view that it is not appropriate for such fundamental changes to be implemented on an interim basis in the face of significant opposition.

Given the Board's above views respecting the "Alternative" Mainline interim tolls and the applied-for interim tolls, the Board has decided to set current Mainline tolls as interim, effective 1 January 2011. Since no parties have indicated opposition to the Alternative Alberta System interim tolls, and since they reflect the continuing transition to the toll methodology approved in RHW-1-2010, the Board has decided to set the Alberta System interim rates, effective 1 January 2011, equal to the Alternative Alberta System Interim 2011 Rates contained in Attachment E3 of the Application. The attached Order implements these decisions.

The Board notes the significant efforts to reach resolution of these difficult issues and encourages continued efforts to collaboratively address these matters through negotiations with all parties.

TransCanada and NGTL are directed to serve a copy of this letter and attached Order on all their interested parties.

Yours truly,

for 

Anne-Marie Erickson
Secretary of the Board

Attachment



ORDER TGI-04-2010

IN THE MATTER OF THE *National Energy Board Act* (Act) and the regulations made thereunder;

AND IN THE MATTER OF an application filed with the National Energy Board (Board) by TransCanada Pipelines Limited (TransCanada) and NOVA Gas Transmission Ltd. (NGTL) dated 9 December 2010 for approval of Mainline Interim 2011 Tolls and Alberta System 2011 Interim Rates, and for related changes to their respective tariffs, pursuant to sub-section 19(2) and Part IV of the Act under Files OF-Tolls-Group1-T211-2010-04 01 and OF-Tolls-Group1-N081-2010-05 01.

BEFORE the Board on 22 December 2010.

WHEREAS TransCanada and NGTL filed an application dated 9 December 2010, seeking approval for interim 2011 tolls and related tariff changes;

AND WHEREAS TransCanada and NGTL have an opposed agreement regarding the tolls and tariffs of both the Mainline and the Alberta System (the 2011-2013 Agreement);

AND WHEREAS the applied-for interim tolls are based on the 2011-2013 Agreement;

AND WHEREAS the Board has considered TransCanada and NGTL's application and subsequent submissions by interested parties and TransCanada and NGTL, and has decided to set current Mainline tolls as interim, effective 1 January 2011, and to set the Alberta System interim rates, tolls, and charges, effective 1 January 2011, equal to the alternative levels contained in Attachment E3 of the 9 December 2010 application;

IT IS ORDERED, pursuant to subsection 19(2) and Part IV of the Act, that:

1. TransCanada's current tolls, which were made effective under Toll Order TG-06-2009, be made interim effective 1 January 2011, pending any future amending Orders and/or final Order by the Board concerning TransCanada's 2011 tolls.
2. NGTL's current tolls, which were made effective under Toll Order TG-06-2010, be terminated as of the end of the day on 31 December 2010.

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3. NGTL's Alternative Alberta System Interim 2011 rates, tolls, and charges, contained in Attachment E3 of the Application, be implemented effective 1 January 2011 on an interim basis pending any future amending Orders and/or final Order by the Board concerning NGTL's 2011 tolls.

NATIONAL ENERGY BOARD



for
Anne-Marie Erickson
Secretary of the Board