



ORDER TG-08-2006

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

IN THE MATTER OF an application filed by TransCanada PipeLines Limited (TransCanada) pursuant to Part IV of the Act for an order approving amendments to the Tariff of TransCanada's Mainline to implement two new services designed to meet the requirements of gas-fired electrical power generators: Firm Transportation – Short Notice (FT-SN) service and Short Notice Balancing (SNB) service; and

IN THE MATTER OF Hearing Order RH-1-2006.

BEFORE the Board on 23 November 2006.

WHEREAS TransCanada filed an application dated 1 May 2006, pursuant to Part IV of the Act, for an order approving certain amendments to the Mainline Tariff to implement FT-SN and SNB services;

AND WHEREAS on 29 June 2006, the Board issued Hearing Order RH-1-2006;

AND WHEREAS an oral public hearing was held on 18, 19, 20, 21, 22 September 2006 in Toronto, Ontario and on 27, 28, 29 September 2006 in Calgary, Alberta during which time the Board heard the evidence and argument presented by TransCanada and interested parties;

AND WHEREAS the Board's decisions on the application are set out in its RH-1-2006 Reasons for Decision dated November 2006, and in this Order;

THEREFORE, IT IS ORDERED, pursuant to Part IV of the Act, that:

1. FT-SN and SNB services are approved, effective immediately.
2. The proposed toll methodology for FT-SN service is approved, subject to an annual recalculation of the opportunity cost of the foregone discretionary revenue.
3. The proposed toll methodology for SNB service is denied and TransCanada is directed to develop an alternative tolling methodology which addresses the concerns of the Board in the RH-1-2006 Reasons for Decision.

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4. TransCanada shall file with the Board and serve on the Mainline shippers, Tolls Task Force members and parties to the RH-1-2006 proceeding all revisions to the Mainline Tariff necessary to conform with the decisions outlined in the RH-1-2006 Reasons for Decision and with this Order.
5. TransCanada shall file, two years after natural gas starts to flow under an FT-SN contract, a report on the use of FT-SN and SNB services.

NATIONAL ENERGY BOARD

A handwritten signature in black ink, appearing to read "Mantha", with a long horizontal stroke extending to the right.

Michel L. Mantha
Secretary