



ORDER TG-04-2010

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

IN THE MATTER OF an application dated 27 November 2009 filed by NOVA Gas Transmission Ltd. (NGTL) under File OF-Tolls-Group1-N081-2009-06 01 for approval of a rate design methodology and terms and conditions of services for the Alberta System and the integration of the ATCO Pipelines system and the Alberta System pursuant to Parts I and IV of the Act under File OF-Tolls-Group1-N081-2009-06 01.

BEFORE the Board on 20 July 2010.

WHEREAS NGTL filed as a consolidated package an application dated 27 November 2009 for approval of a rate design methodology and terms and conditions of services for the Alberta System and the integration of the ATCO Pipelines system and the Alberta System (Toll Methodology and Integration Application);

AND WHEREAS the requested rate design methodology and terms and conditions of services for the Alberta System are in accordance with the provisions of a negotiated settlement between NGTL and interested Alberta System stakeholders that was supported by Tolls, Tariff, Facilities and Procedures Committee (TTFP) Resolution T2008-01 through an unopposed vote of the TTFP on 23 September 2009 (Settlement);

AND WHEREAS the proposed commercial integration of the ATCO Pipelines System and the Alberta System is in accordance with the provisions of the Alberta System Integration Agreement between ATCO Gas and Pipelines Ltd. and NGTL dated 7 April 2009 (Integration Agreement);

AND WHEREAS the Board by letter dated 22 December 2009 invited comments from interested persons on the process the Board should adopt to consider NGTL's Toll Methodology and Integration Application;

AND WHEREAS the Board, having considered the comments received from 12 interested persons and NGTL's reply, decided to employ a written process that included information requests to NGTL, then written submissions by all interested parties and then reply by NGTL;

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AND WHEREAS on or around 25 March 2010 seven interested parties and the Board directed information requests to NGTL and on 8 April 2010 NGTL filed responses to the information requests received;

AND WHEREAS on or around 22 April 2010, 12 interested parties filed written submissions, with no interested parties opposing the Settlement or the Integration Agreement, and on 6 May 2010 NGTL filed a reply to the comments received;

AND WHEREAS the Board has considered NGTL's Toll Methodology and Integration Application and submissions received, with reference to the Board's *Revised Guidelines for Negotiated Settlements of Traffic, Tolls and Tariffs* and has decided to grant the relief sought by NGTL;

AND WHEREAS the Board considers it appropriate to issue directions to NGTL for the purposes of ensuring the continued appropriateness of the proposed rate design methodology and the completeness of applications regarding Asset Swaps as contemplated in the Integration Agreement;

THEREFORE, IT IS ORDERED, pursuant to Parts I and IV of the Act, that:

The Alberta System rate design methodology, terms and conditions of services, Tariff amendments, and transition mechanism, as established in accordance with the provisions of the Settlement and described in the Toll Methodology and Integration Application, are approved; and

The commercial integration of the ATCO Pipelines system and the Alberta System as proposed in the Integration Agreement and described in the Toll Methodology and Integration Application, is approved, including:

- Inclusion in NGTL's annual revenue requirement of the ATCO Pipelines annual revenue requirement approved by the Alberta Utilities Commission; and
- An implementation and contract transition process;

AND THEREFORE, unless the Board otherwise directs, NGTL shall:

- a) File a two phase study, described in Appendix A of RH-1-2010 Reasons for Decision, assessing the continued appropriateness of a ceiling rate and floor rate of +/- 8¢/Mcf from the average FT-R rate for all receipt points including those in northeast B.C. for which NGTL has received Board approval to connect to the Alberta System.

- 1) The first phase of the study shall be filed by 1 July 2012, using forecast flow scenarios for 2012, as necessary.
 - 2) The second phase of the study shall be filed by 1 July 2015 using actual 2014 flows, including flows from northeast B.C. receipt points.
- b) Provide the Board with a confirmation that it will undertake the study, described in Appendix A, in its application for final rates, tolls and charges for 2010.
- c) Notify, by registered letter, at least 30 days prior to filing its applications for the Asset Swaps, all affected landowners of NGTL's intent to apply for transfer of its assets under section 74 of the National Energy Board Act. This correspondence should include, but is not limited to:
- 1) information regarding the intended transfer of assets in sufficient detail to allow landowners to determine their interests or concerns;
 - 2) the planned filing date for the applications;
 - 3) information on how landowner may raise outstanding concerns regarding the applications with the Board, including participation in the Board's process by filing a letter of comment; and,
 - 4) full contact information for the Board.
- d) Include in its future filing of its section 74 applications for the Asset Swaps the following information:
- 1) Complete information on consultations with affected landowners and any other stakeholders, and
 - 2) For any asset proposed to be swapped,
 - i. Estimates of the cost of abandoning assets for those assets leaving and those coming into NEB jurisdiction
 - ii. Counterparty declaration regarding any pre-funding for abandonment
 - iii. Description of any liability sharing.

NATIONAL ENERGY BOARD



Anne-Marie Erickson
Secretary of the Board

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