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**E-Filed / Signed Original Via Messenger**

October 7, 2015

Ms. Sheri Young  
Secretary of the Board  
National Energy Board  
517 10<sup>th</sup> Avenue SW  
Calgary, Alberta  
T2R 0A8

**Re: RH-002-2014**  
**Alliance Pipeline Ltd. as General Partner of the Alliance Pipeline Limited Partnership**  
**Application Pursuant to Part IV of the *National Energy Board Act* for Approval of New Services and related Tolls and Tariffs for Services on the Alliance Pipeline**  
**NEB File Number: OF-Tolls-Group1-A159-2014 01**  
**Compliance Filing – Interruptible and Seasonal Bid Mechanics**

Dear Ms. Young

In its RH-002-2014 Decision, the National Energy Board directed Alliance to consult with shippers and report to the Board no later than October 7, 2015 on matters related to interruptible and seasonal service bid mechanics and the setting of bid floors.<sup>1</sup>

As Alliance indicated during the NEB's RH-002-2014 hearing, to be most effective, the development of business procedures that relate to the access of interruptible and seasonal service would be best undertaken subsequent to the issuance of a decision by the Board on Alliance's New Services Offering Application and closer to the timeframe when prospective shippers would be actively engaged in the contracting for interruptible and seasonal services. Consequently, following the Board's July 9<sup>th</sup> Decision, Alliance commenced the preparation of a comprehensive business policy addressing the process by which Alliance would administer requests for all of its new NEB-approved services commencing December 1, 2015.

By mid-September, the development of this business policy was at a point that it was sufficiently detailed to warrant meaningful review by Alliance's shippers. Accordingly, on September 15, 2015, Alliance distributed a draft of a document titled the "Alliance Transportation Access Policy" (ATAP) to its existing, new, and prospective shippers and other affected stakeholders (a total of 97 entities). In addition to the provision of a draft ATAP document, Alliance's communication to its shippers and interested parties also briefly addressed matters related to

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<sup>1</sup> NEB RH-002-2014 Reasons for Decision, pages 54 and 55, and Condition 6 of Board Order TG-012-2015.



the type of data to be used in the setting of bid floors, and reporting expectations beyond those prescribed by the Board.

In light of the timeline pressures related to the submission of a report to the Board by October 7, 2015, Alliance requested that its shippers submit their feedback in writing. Nevertheless, Alliance also indicated that it was available to discuss matters with shippers prior to their submission of written comments. Alliance received one request from a shipper for a meeting, and met with that shipper on September 21, 2015, following which it received written comments on October 1, 2015. Two other shippers provided written comments, the first on September 28<sup>th</sup>, and the second on October 5<sup>th</sup>. Upon review of the feedback received, Alliance revised its ATAP document. The final ATAP document is attached here for the Board's information. It has also been served on its shippers and interested parties by copy of this submission.

Alliance's ATAP represents its business policy establishing the process by which shippers will be notified of available capacity and the relevant pricing terms, how they can submit requests for long-term firm, seasonal firm, and interruptible receipt, delivery and full path service, as well as receipt point relocations, and how the requests will be administered and awarded by Alliance. It is important to note, however, that the ATAP represents Alliance's current business policy. Alliance will continue to monitor its commercial environment in order to maintain its competitiveness and meet the demands of its customers. If a change in circumstances arise such that a modification to this business policy is warranted, Alliance will work accordingly with its shipper base to make the appropriate amendments.

For long-term firm service (i.e. terms of three or more years for receipt and full-path service, and one or more years for delivery service), Alliance plans to notify shippers of capacity that is available for contracting through the posting of a Notice. Capacity will be awarded on a first come, first served basis.

For seasonal firm service (i.e. for the five months November through March, the seven months April through October, or for portions of those time periods as short as one day), Alliance will adopt an open season approach. For seasonal firm service with terms in excess of one week, the open seasons will end at least five business days prior to the commencement of service. For terms of one week or less, Alliance will run a daily open season process. In both cases, service will be awarded based on bids that result in the highest NPV.

For interruptible service, Alliance will create a bidding window prior to the nomination cycle for which interruptible capacity has been determined to be available, through which shippers can submit bids. At the close of the bidding window, Alliance will award interruptible service on the basis of highest to lowest bid toll; first amongst bids at non-Liquids receipt points, and then by bids at Liquids receipt points. The adoption of this ranking distinction between non-Liquids and Liquids receipt points will necessitate an amendment to Articles 14 and 16 of the General Terms and Conditions (GT&C) of Alliance's NEB-approved New Services Offering Tariff, which respectively stipulate scheduling and curtailment priorities. Alliance expects to be in a position to submit the required tariff amendments along with supporting rationale to the Board in the very



near future, sufficiently in advance of the end of the 15-day comment period<sup>2</sup> that pertains to the instant submission.

Alliance expects that it will utilize publically available data to a great extent in the setting of bid floors for seasonal and interruptible service between the respective NEB-approved minimum and maximum bid floor levels. For example, alternative capacity availability and related pricing posted by competing pipelines will be a key parameter. In addition, Alliance plans to post capacity related information for its own system, including capacity constraints at key points (e.g. Blueberry and Windfall compressor stations, and the Canada-U.S. border), receipt point minimum flow requirements, curtailment and maintenance notices, and monthly receipt point relocation availability. In its Quarterly Surveillance Report, Alliance plans to include a summary of bid floors along with the minimum, maximum, and average successful bids by zone. Alliance may augment this regulatory compliance filing by posting such bid information on a monthly basis. Confidential customer-specific information will not factor into the setting of bid floors.

As indicated during the NEB's RH-002-2014 hearing, Alliance will be competing for discretionary volumes primarily at dually connected receipt points for delivery into Midwestern markets where other large interstate pipelines compete. Setting bid floors so that a shipper can achieve a netback or landed cost that is more desirable than its next best alternative, will involve the analysis of publicly available market information.

The pricing discretion concerns identified by the Board in its RH-001-2014 Decision<sup>3</sup> are effectively mitigated by Alliance's present circumstances. In that decision, the Board approved the continuation of the full pricing discretion previously established for TransCanada, with no upper limits on the setting of bid floors for its discretionary services. The Board, on the other hand, in its RH-002-2014 Decision, restricted Alliance's discretion to set bid floors for seasonal and interruptible service to no higher than 125 percent of the corresponding five-year fixed toll. As a result, concerns about discriminatory pricing practices raised in the context of the extreme range and magnitude of bid floors set on the TransCanada system, are essentially fully mitigated on the Alliance system by virtue of the implementation of a 125 percent bid floor limit.

Furthermore, Alliance's long term shippers have choices regarding what transportation service provider they choose at the end of their initial Transportation Agreement. When Alliance determines bid floors for discretionary services it will do so in a way that does not devalue firm, long-term transportation.

The bidding window for interruptible service will not apply to Priority Interruptible Transportation Service (PITS). Rather, long-term firm service receipt and full-path shippers wishing to utilize their PITS capacity will be able to do so by placing a single nomination representing the aggregate of their contracted capacity and all or a portion of their PITS capacity. The award of PITS will be managed through the scheduling process, in accordance with the priority provisions stated in GT&C Article 14.

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<sup>2</sup> NEB RH-002-2014 Reasons for Decision, page 55.

<sup>3</sup> NEB RH-001-2014 Reasons for Decision, pages xi and 37.



Lastly, the ATAP establishes a process for the requesting and granting of permanent and temporary receipt point relocations for receipt and full-path shippers.

The foregoing explanatory and the attached ATAP business policy are hereby submitted in response to the Board directives stated in Chapter 6.1.1 of its RH-002-2014 Reasons for Decision and in accordance with Condition 6 of Board Order TG-012-2015 issued on June 24, 2015 in conjunction with the Board's RH-002-2014 Decision.

Please contact the undersigned if you have any questions.

Sincerely,

ALLIANCE PIPELINE LTD.

*[Original Signed]*

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Alliance Pipeline Ltd.  
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Attachment

cc: RH-002-2014 Intervenors  
Alliance Shipper Task Force (Policy Group)  
Alliance Canadian Shipper Task Force  
Alliance Interested Parties



## **Attachment**

# **Alliance Transportation Access Policy**

## 1. PURPOSE

1.1 The purpose of the Alliance Transportation Access Policy (ATAP) is to set forth the process by which Alliance administers Requests for Service (RFS) from Service Applicants in regard to Receipt, Delivery and Full-Path service as well as Relocations on the Alliance Canada pipeline system.

## 2. APPLICABILITY

### 2.1 ATAP is applicable to all requests for:

- (a) Firm, Seasonal Firm and Interruptible (IT) Receipt, Delivery and Full-Path transportation services; and
- (b) Monthly relocations

### 2.2 To submit an RFS under this ATAP:

A Service Applicant must prequalify by providing Alliance with the information requirements pursuant to Article 8.1 of the General Terms and Conditions.

## 3. CAPACITY DETERMINATION

3.1 Capacity is based on an assessment of equipment and system performance and is periodically re-evaluated. The basis for setting a capacity level is comprised of equipment and system specifications, along with the operating context (e.g. receipt pressure, receipt temperature, gas composition, etc.). These capacity levels are entered into Alliance's Gas Management System for posting purposes onto the Customer Activity Website. Flow at receipt points may be subject to minimum flow requirements, which would be posted on the Customer Activity Website. Furthermore, some posted segments share common capacity and a successful RFS on one system segment may reduce the capacity available on another system segment.

## 4. ACCESS TO FIRM CAPACITY (Non-Seasonal)

### 4.1 Posting of Firm Capacity

Alliance will notify Service Applicants of Firm Capacity that is available up to a total of 1.325 Bcf/d for contracting for terms of three (3) or more years for Receipt and/or Full-Path or one (1) or more years for Delivery by posting a Notice containing:

- (a) the type of service(s) available;
- (b) the amount of Capacity for each of the available Service Segments;
- (c) the Date of Commencement when the service will be available;
- (d) the Day of Termination when the service will end;
- (e) the minimum and maximum term for which the Capacity is available; and
- (f) the Demand Charge for each such service pursuant to Section 4.2 below

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*This version of the Alliance Transportation Access Policy is part of the NEB consultation process and Alliance Pipeline retains the right and flexibility to alter the Policy in the future (with notice) as it works with shippers to develop new and innovative service offerings.*

## 4.2 Pricing of Firm Capacity

- (a) The applicable Demand Charge for each such Service will be the charge prevailing at the time of the Posting in accordance with Alliance's NEB-approved Tariff.

## 4.3 Request of Firm Capacity

- (a) Service Applicants may submit through Alliance's Customer Activity Website a Request For Service (RFS) for all or a portion of the Firm Capacity that has been posted.

The RFS shall:

- (i) state the same commencement date specified by Alliance in the posting;
  - (ii) be for a service specified by Alliance in the posting that is available for contracting;
  - (iii) state the desired Contract Capacity (CC);
  - (iv) if desirable by the Service Applicant, state a specified Minimum CC they are willing to accept upon an award;
  - (v) for Receipt or Full-Path service, include the specified receipt point; and,
  - (vi) include a request for Firm Rich Gas Service or a request for a Shipper Pairing Arrangement, if applicable.
- (b) In the event that the RFS is for Full-Path transportation service, the Service Applicant will require corresponding transport capacity on the U.S. Pipeline
  - (c) In the event that the RFS is for Delivery service, the Service Applicant may concurrently request corresponding transport capacity on the U.S. Pipeline.

## 4.4 Allocation of Firm Capacity

- (a) Each RFS shall be deemed to be binding on Service Applicant and is irrevocable and cannot be withdrawn or amended by Service Applicant.
- (b) If the RFS is incomplete or does not conform to the requirements herein, such RFS shall be rejected.
- (c) All awards of Firm Capacity will be made on a first come, first served basis pursuant to Article 9 of the General Terms and Conditions.
- (d) Alliance will use reasonable efforts to notify, as soon as possible but in no event longer than five (5) Business Days after the submission of the RFS, through Alliance's Customer Activity Website or any other electronic means, all Service Applicants who have been conditionally awarded Firm Capacity.
- (e) Service Applicant shall comply with Article 26 Financial Assurances of the General Terms and Conditions of Alliance's Tariff, and, if required by Alliance pursuant to Article 26, shall provide security for its financial and contractual obligations. Such security would cover the transportation agreement resulting from the successful RFS, as well as all other transportation agreements between Alliance and Service Applicant.
- (f) Upon satisfaction of the Financial Assurances requirements in sub-Section 4.4(e), the Transportation Service Agreement (Contract) is created and fully executed electronically.

## 5. ACCESS TO SEASONAL CAPACITY

### 5.1 Posting of Seasonal Capacity

Alliance may notify Service Applicants of Seasonal Capacity (SC) that is available for contracting by posting a Notice of Open Season (OS) which would include:

- (a) the OS start and end dates;
- (b) the type of service available;
- (c) the amount of SC for each of the available Service Segments;
- (d) the Date of Commencement for such SC;
- (e) the Date of Termination for such SC; and
- (f) the Bid Floor for each such service and, if applicable, each Service Segment pursuant to Section 7 below;

### 5.2 Open Season Process for Seasonal Capacity

Open Season durations, timelines and processes will be different for contract terms in excess of one week and for contract terms of one week or less.

#### **(A) The Seasonal Capacity Open Season (for contract terms in excess of one week)**

- (a) For Seasonal Capacity contract terms in excess of one week, the OS end date shall be set at least five (5) full Business Days prior to the Date of Commencement of Service. Service Applicant may during the OS submit through Alliance's Customer Activity Website, a RFS for all or a portion of the SC available for the term specified in the OS notice. The date of commencement and termination shall be the first day and last day of Service as stated in the OS.

The RFS shall:

- (i) state the same commencement and termination dates specified by Alliance in the Notice of OS;
  - (ii) be for a service specified by Alliance in the posting that is available for contracting;
  - (iii) if for Delivery service, state whether there is a concurrent requirement for corresponding transport on the U.S. Pipeline;
  - (iv) state the desired Contract Capacity (CC);
  - (v) if desirable by the Service Applicant, state a specified Minimum CC they are willing to accept upon an award;
  - (vi) for Receipt or Full-Path service, include the specified receipt point; and
  - (vii) state a bid value at or above the applicable Bid Floor value posted by Alliance.
- (b) In the event that the RFS is for Full-Path transportation service, the successful RFS Service Applicant will be required to contract for corresponding transport capacity on the U.S. Pipeline
  - (c) In the event that the RFS is for Delivery service, and the Service Applicant has indicated in the RFS that there is a concurrent requirement for corresponding transport on the U.S. Pipeline, but the Service Applicant is unable to obtain the required corresponding transport on the U.S. Pipeline, then the RFS for Delivery service will be rejected.

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- (d) The RFS must be submitted to Alliance no later than 12:00 CCT on the Day of the OS end date.
- (e) Each RFS shall be deemed to be binding on Service Applicant and is irrevocable and cannot be withdrawn or amended by Service Applicant after the close of the OS.
- (f) If the RFS is incomplete or does not conform to the requirements herein, such RFS shall be rejected.
- (g) The OS RFSs will be evaluated according to the criteria as set out in sub-Section 5.4.
- (h) Alliance will use reasonable efforts to notify, as soon as possible but in no event longer than five (5) Business Days after the close of the OS, through Alliance's Customer Activity Website or any other electronic means, all Service Applicants who have been conditionally awarded any Seasonal Capacity.
- (i) Service Applicant shall comply with Article 26 Financial Assurances of the General Terms and Conditions of Alliance's Tariff, and if required by Alliance pursuant to Article 26, shall provide security for its financial and contractual obligations within two (2) Business Days from the time Alliance sends notice to Service Applicant pursuant to sub-Section 5.2(h). Such security would cover the transportation agreement resulting from the successful OS RFS, as well as all other transportation agreements between Alliance and Service Applicant. Alliance may, at any time in its sole discretion, extend the period for providing such security.
- (j) Upon satisfaction of the Financial Assurances requirements in sub-Section 5.2(i), the Transportation Service Agreement (Contract) is created and fully executed electronically.
- (k) Information, including bid price and volume, on the RFS will be kept confidential by Alliance: However, Alliance shall include the bid information of winning bidders in an aggregated form (minimum, maximum, average successful bids) in its Quarterly Surveillance Reports and provide the individual information to the NEB if directed to do so by the NEB.

## **(B) Daily Seasonal Capacity Open Seasons (service for terms of a week or less)**

- (a) Alliance may post on its website a Daily Open Season (DOS) for the Daily Capacity for Receipt, Delivery and Full-Path Service on any Business Day. Provided however, if Alliance gives notice that it will hold a Seasonal Capacity Open Season pursuant to sub-Section 5.2 (A) hereof, the Daily Capacity made available in the DOS shall be reduced, as determined by Alliance in its sole discretion, to reflect the capacity being offered in the OS.
- (b) Alliance will post the term for which the Daily Capacity is available, which term will not exceed seven (7) days.
- (c) Alliance shall post the DOS on its website by 17:00 hours CCT on each Day prior to the Day that a DOS is held.
- (d) Service Applicants may bid in a DOS by submitting a DOS RFS on Alliance's Customer Activity Website no later than 09:00 hours CCT on the Day that a DOS is held. Prior to submission of a RFS, the Service Applicant shall provide Alliance with financial assurances as required by Alliance pursuant to Article 26 of the General Terms and Conditions of Alliance's Tariff.

The RFS shall:

- (i) state the same exact commencement and termination dates specified by Alliance in the DOS posting;
  - (ii) be for a service specified by Alliance in the DOS posting that is available for contracting;
  - (iii) if for Delivery service, state whether there is a concurrent requirement for corresponding transport on the U.S. Pipeline;
  - (iv) state the desired Contract Capacity (CC);
  - (v) if desirable by the Service Applicant, state a specified Minimum CC they are willing to accept upon an award;
  - (vi) for Receipt or Full-Path service, include the specified receipt point; and
  - (vii) state a bid value at or above the applicable Bid Floor value posted by Alliance
- (e) In the event that the RFS is for Full-path transportation service, the successful RFS Service Applicant will be required to contract for corresponding transport capacity on the U.S. Pipeline
- (f) In the event that the RFS is for Delivery service, and the Service Applicant has indicated in the RFS that there is a concurrent requirement for corresponding transport on the U.S. Pipeline, but the Service Applicant is unable to obtain the required corresponding transport on the U.S. Pipeline, then the RFS for Delivery service will be rejected.
- (g) Service Applicant may bid for all or a portion of the Daily Capacity.
- (h) Each DOS RFS shall be deemed to be binding on Service Applicant and is irrevocable and cannot be withdrawn or amended by Service Applicant after the close of the DOS.
- (i) Alliance shall not be obligated to accept any DOS RFS if the Service Applicant has not met the requirements of Article 26 Financial Assurances of the General Terms and Conditions of Alliance's Tariff for Daily Capacity.
- (j) The DOS RFSs will be evaluated according to the criteria as set out in sub-Section 5.4.
- (k) Alliance will use reasonable efforts to notify, as soon as possible but in no event longer than one (1) hour after the close of the Daily Open Season, through Alliance's Customer Activity Website or any other electronic means, all Service Applicants who have been allocated any Daily Capacity.
- (l) If a DOS RFS is accepted by Alliance, and Alliance allocates capacity pursuant to sub-Section 5.4, the Transportation Service Agreement (Contract) will be created and fully executed electronically.
- (m) Information, including bid price and volume, on the RFS will be kept confidential by Alliance: However, Alliance shall include the bid information of winning bidders in an aggregated form (minimum, maximum, average successful bids) in its Quarterly Surveillance Reports and provide the individual information to the NEB if directed to do so by the NEB.

### 5.3 Pricing of Seasonal Capacity

- (a) The pricing of the Capacity offered for Seasonal firm services is biddable. Bid floors will be provided by service type and point in accordance with the levels approved by the NEB.
- (b) The derivation of Bid floors for each transportation service will be as per Section 7 below.

#### 5.4 Allocation of Seasonal Capacity

- (a) At the close of the OS and DOS, Alliance shall evaluate and award the bids that collectively result in the highest NPV of Demand Charge revenues to Alliance.
- (b) If two (2) or more OS/DOS RFSs have the same NPV value and are to utilize the same receipt and delivery point determined in accordance with sub-Sections 5.4(a), and the Capacity is not sufficient to provide service for the quantities requested in those OS/DOS RFSs, then the Capacity shall be allocated on a pro-rata basis based on the capacity requested in each OS/DOS RFS.
- (c) If the pro-rata share of the remaining Capacity allocated to an OS/DOS RFS pursuant to sub-Section 5.4(b) is less than the minimum capacity specified in such OS/DOS RFS, that OS/DOS RFS shall be deemed to be rejected by Alliance and the remaining Capacity shall be reallocated under sub-Section 5.4(b) excluding such OS/DOS RFS.

### 6. ACCESS TO INTERRUPTIBLE CAPACITY

#### 6.1 Posting of the Bidding Window

If at any time Alliance determines it has Interruptible (IT) capacity, Alliance may offer a Bidding Window for IT Service prior to any Nomination cycle. The Bidding Window will:

- (i) be posted no sooner than five (5) hours prior to the nomination time of the cycle;
- (ii) include the type of service available;
- (iii) include the capacity available for each of the available Service Segments;
- (iv) include the Bid Floor for each such service which may change from time to time pursuant to Section 7 below
- (v) close no sooner than sixty (60) minutes prior to award
- (vi) be awarded pursuant to Section 6.3 below

#### 6.2 Requests for Available IT Service

- (a) Service Applicants may submit through Alliance's Customer Activity Website, a RFS for all or a portion of the available capacity. Prior to submission of a RFS, the Service Applicant shall comply with Article 26 Financial Assurances of the General Terms and Conditions of Alliance's Tariff, and, if required by Alliance pursuant to Article 26, shall provide security for its IT Service financial and contractual obligations.

The RFS shall:

- (i) be for the same nomination cycle offered in the Bidding Window;
  - (ii) be for a service specified by Alliance as being available;
  - (iii) state the Maximum Daily Quantity (MDQ) requested;
  - (iv) for Receipt or Full-Path service, include the specified receipt point; and
  - (v) state a bid value at or above the applicable Bid Floor value posted by Alliance
- (b) In the event that the RFS is for service at a Liquids Receipt Point, the Service Applicant must ensure that the nominated Liquids Receipt Point is designated for the specific liquids product.
  - (c) In the event that the RFS is for Full-path transportation service, the successful RFS Service Applicant will be required to contract for corresponding transport capacity on the U.S. Pipeline.
  - (d) If the RFS is incomplete or does not conform to the requirements herein, such RFS shall be rejected.

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- (e) Information on the RFS will be kept confidential by Alliance, however, Alliance shall include the bid information of winning bidders in an aggregated form (minimum, maximum, average successful bids) in its Quarterly Surveillance Reports and provide the individual information to the NEB if directed to do so by the NEB.

### 6.3 Awarding of IT Service

- (a) At the close of the Bidding Window, Alliance shall rank the submitted RFSs and shall allocate the IT Capacity among Service Applicants on the basis of highest to lowest bid toll in the following priority;
- (i) First, by ranking all of the non-Liquids Receipt Point bid tolls from the highest to lowest
  - (ii) Then by ranking all of the Liquids Receipt Points bid tolls from the highest to lowest
- (b) If two (2) or more RFSs have the same ranking and are to utilize the same receipt and delivery point, determined in accordance with sub-Sections 6.3(a) and the available IT Capacity is not sufficient to provide service for the quantities requested in those RFSs or combination of RFSs, then the Capacity shall be allocated on a pro-rata basis based on the capacity requested in each RFS.
- (c) Alliance will award all IT capacity no later than ninety (90) minutes prior to the nomination time of the cycle. IT capacity will not be awarded to Service Applicants who have not met the requirements of Article 26 Financial Assurances of the General Terms and Conditions of Alliance's Tariff.
- (d) A Service Applicants nomination of IT capacity is subject to scheduling by Alliance in accordance with Article 14 of the General Terms and Conditions

## 7. PRICING OF SEASONAL AND IT CAPACITY

- (a) The pricing of the Capacity offered for IT and Seasonal Firm Service is biddable. Bid floors will be provided by service type and receipt point in accordance with the levels approved by the NEB in its RH-2-2014 Reasons for Decision. The NEB approved levels for bid floors are described below.
- (i) Seasonal firm service bid floor levels may be set to a range between 100% to 125% of the 5-year fixed toll for the corresponding firm service type (e.g. FRS, FDS, FFPS).
  - (ii) IT service bid floor levels (ITRS, ITDS, ITFPS) may be set to a range between 0% to 125% of the 5-year fixed toll for the corresponding firm service type (e.g. FRS, FDS, FFPS).
- (b) The derivation of the bid floors for ITRS and Seasonal firm receipt services within the bands provided above will be based on the following information and other non-data factors:
- (i) Amount of capacity available
  - (ii) Previous demand and interruptible pricing in each locality
  - (iii) Competitor capacity availability and pricing
  - (iv) Market hub price signals, spot and forwards. Sub-factors include:
    - 1. Current and near-term weather forecasts
    - 2. Storage levels
    - 3. Natural gas supply & demand
- (c) The derivation of the bid floors for ITDS and seasonal firm delivery services within the bands provided above will be based on the following information and other non-data factors:
- (i) Amount of capacity available
  - (ii) Previous demand and interruptible pricing
  - (iii) Competitor capacity availability and pricing

- (iv) Market hub price signals, spot and forwards (NIT, Chicago and Dawn gas pricing). Sub-factors include:
  - 1. Current and near-term weather forecasts
  - 2. Storage levels
  - 3. Natural gas supply & demand
  - 4. CAD-US foreign exchange rates
- (d) The derivation of the bid floors for ITFPS and Seasonal Firm Full-Path services within the bands provided above will include a combination of all the factors summarized above.

## 8. MONTHLY RELOCATIONS

### 8.1 Relocation Posting

- (a) On or before the fifteenth (15<sup>th</sup>) day of the Month, Alliance may offer capacity available for relocation and post that it will consider RFS's for Relocations.
- (b) Relocations are available only for existing FFPS Shippers and FRS Shippers with Firm Transportation Service Agreements with initial terms of three (3) years (35 months for contracts commencing December 1, 2015) or greater.

### 8.2 Requests for Relocations

- (a) Shippers may, through Alliance's Customer Activity Website, submit a RFS to Relocate all or a portion of their Contracted Capacity from a contracted Receipt Point to an alternate Receipt Point on a temporary or permanent basis. The request must be submitted prior to 16:00 CCT on the fifth (5<sup>th</sup>) Business Day after the posting.

The RFS shall:

- (i) state the applicable Firm TSA number;
- (ii) indicate if it is to be temporary or permanent (temporary relocations are valid for a period of one month and may be reapplied for each month);
- (iii) state the existing Receipt point;
- (iv) state the requested relocated Receipt point; and
- (v) state the requested portion of Contract Capacity to be relocated.

### 8.3 Granting of Relocations

- (a) The granting of Relocation requests is in Alliance's sole discretion
- (b) Relocations will be granted by 16:00 CCT within ten (10) Business days, but no less than five (5) Business days from the time of the posting.
- (c) Relocation requests will be ranked lower than bids received during any OS or DOS that may be occurring during the same timeframe.
- (d) If any request is granted by Alliance, the terms and conditions of such relocation will be as per Article 11 of the General Terms and Conditions.

## 9. MISCELLANEOUS PROVISIONS

- (a) This Policy is subject to the provisions of Alliance's NEB-approved Tariff.
- (b) Any upper cased term not defined herein shall have the meaning attributed thereto in the General Terms & Conditions of Alliance's Tariff as amended from time to time.

## 10. DEFINITIONS

**"Bidding Window"** shall mean a period of time during which Service Applicants or potential Service Applicants may submit bids for Interruptible Capacity pursuant to sub-Section 6.1;

**"Daily Open Season (DOS)"** shall mean a defined period of time in which Service Applicants or potential Service Applicants may bid for daily firm service;

**"Daily Capacity (DC)"** shall mean the Capacity not allocated pursuant to Sections 4 & 5.2 (A);

**Firm Capacity (FC)"** shall mean firm capacity with a term of 3 or more years for Receipt and/or Full-Path service and one (1) or more years for Delivery service pursuant to sub-Section 4.1;

**"Seasonal Capacity (SC)"** shall mean the portion of System Capacity that is available for Seasonal Service, as determined by Alliance in its sole discretion;

**"Open Season (OS)"** shall mean a defined period of time and specific process in which Service Applicants or potential Service Applicants may bid for seasonal service;

**"Request For Service (RFS)"** shall mean an electronic written request for Firm Capacity, Seasonal Capacity, Daily Capacity and Interruptible Capacity pursuant to sub-Sections 4.3, 5.2 (A), 5.2 (B), 6.2 and Relocations pursuant to sub-Sections 8.2;

**"Service Applicant"** shall mean a Shipper or another party that submits a Request For Service pursuant to sub-Sections 4.3, 5.2 (A), 5.2 (B), 6.2 and 8.2;

**"Service Segment"** shall mean any of the following segments on the Canadian Alliance Pipeline system: 1) Zone 1 defined as all Alberta Receipt Points and Liquids Receipts points downstream of the Blueberry compressor station and 2) Zone 2 defined as all British Columbia and Alberta Receipt Points and Liquids Receipt Points at or upstream of the Blueberry compressor station and 3) the delivery segment at or downstream of the Alliance Trading Pool.