



EPAC

The Explorers and Producers
Association of Canada™
*L'association des explorateurs
et producteurs du Canada^{MC}*

July 28, 2020

Canada Energy Regulator
Suite 210, 517 – 10th Avenue SW
Calgary, AB T2R 0A8

**Attention: Mr. Jean-Denis Charlebois
Secretary of the Commission**

Dear Mr. Charlebois:

**Re: NOVA Gas Transmission Ltd. ("NGTL")
Application to Extend the NGTL Gas Transportation Temporary
Service Protocol Tariff Provision
Decision RH-002-2019**

1. The Explorers and Producers Association of Canada ("EPAC"), on behalf of its members, hereby applies to extend the NGTL Gas Transportation Temporary Service Protocol ("TSP") until the earlier of October 31, 2021 or the in-service date of the NGTL 2021 System Expansion Project (Proceeding GH-003-2018).
2. EPAC's application is necessitated by a recent notification from the Government of Canada which may potentially affect the timing of the NGTL 2021 System Expansion Project (Proceeding GH-003-2018).
3. EPAC represents more than 130 producers and approximately 8 bcf/d of natural gas production in the Western Canadian Sedimentary Basin. Its members are vitally concerned that this unexpected delay in the 2021 System Expansion Project could result in the same significant disruptions the TSP, recently approved by the Commission, was intended to remedy.

BACKGROUND

4. On September 30, 2019, the Commission issued its Reasons for Decision for its earlier September 26, 2019 approval of NGTL's Application to Amend its Gas Transportation Tariff – Temporary Service Protocol (RH-002-2019).
5. The TSP provided NGTL the ability to prioritize interruptible delivery and storage injection over receipt services (interruptible or firm) to manage system constraints during planned outage/maintenance periods at and upstream of Clearwater Compressor Station and Woodenhouse Compressor Station from approval date until October 31, 2019 and again from April 1, 2020 to October 31, 2020.
6. The TSP approval was closely tied to the 2021 System Expansion Project, its target in-service date of April 1, 2021, and was designed to mitigate the disruptions which had

previously arisen when access to storage was restricted. In its Reasons for Decision, the CER stated:

... typically, pipeline inefficiencies such as capacity constraints are resolved by market dynamics. While NGTL is endeavouring to expand its system to address current system constraints, major capital expansions cannot address inefficiencies quickly and in the short-term. In this case, the Commission is persuaded that the Protocol is a reasonable short-term solution to enhance storage access during planned summer maintenance events, prior to proposed capacity additions in 2021.¹

7. The Canada Energy Regulator delivered its recommendation report on the NGTL 2021 System Expansion Project on February 19, 2020, concluding that the project was in the Canadian public interest and should be approved, subject to 34 conditions.
8. On May 19, 2020, the Government of Canada announced a five-month extension to its timeline for Governor-in-Council Certificate approval of the NGTL 2021 System Expansion Project (copy attached). The extension has been projected to delay some facilities of the system capacity realization and possibly all facilities by a full year. Of particular concern is the potential for disruptions in access to storage and the potential for a recurrence of volatility unless the TSP is in place throughout April-October 2021.
9. Previously, the Commission directed that the TSP should expire on October 31, 2020 which was thought to be sufficient to cover all potential interruptions of service associated with the implementation of the 2021 NGTL System Expansion Project. Unexpectedly, and for reasons beyond the control of the parties, it may not be possible to complete portions of the 2021 construction program prior to the summer gas season (April-October) of 2021.

RELIEF REQUESTED

10. On the basis of the foregoing, EPAC respectfully requests that the Commission extend the TSP expiry date for a one year period (October 31, 2021) or until leave to open of the final component of the NGTL 2021 System Expansion Project, whichever occurs earliest.
11. EPAC respectfully submits that the relief requested is fully consistent with the basis for the Commission's prior approval of the TSP and its linkage to the expected timing of completion of the NGTL 2021 System Expansion Project.
12. Given the narrow scope of the present Application, EPAC further respectfully requests that any process for review of the present application should be in writing and should be expedited to ensure a decision is issued prior to the expiry of the TSP tariff provisions on October 31, 2020.
13. Given the Application is intended to simply ensure the Commission's approval of the TSP remains linked to the timing of the 2021 System Expansion Project, EPAC respectfully submits that, consistent with the RH-002-2019 Reasons for Decision (at page 8), there is no prejudice to ongoing discussions regarding a more permanent solution for storage

¹ C02965-1, RH-002-2019 Reasons for Decision, p. 7.

access at, amongst other forums, the NGTL Tolls, Tariff, Facilities & Procedures Committee (“TTFP”). EPAC remains committed to participating in those discussions.

14. At the same time, EPAC's membership is equally committed to take all measures necessary to ensure that the serious disruptions the TSP was designed to protect against do not occur again in the future. As the Commission is aware, the magnitude and potential prejudice of those disruptions was fully detailed on the record in the RH-002-2019 proceeding and will not be repeated here.
15. Moreover, EPAC and its members emphasize the importance of reassuring market participants and capital markets that all reasonable measures are being taken to protect against the significant market upheavals which occurred prior to the implementation of the TSP.
16. EPAC respectfully submits that the Commission has ample authority under its enabling legislation to grant the relief requested whether by means of a review and variance of its RH-002-2019 Decision under section 69 of the Canada Energy Regulator Act (S.C. 2019, c.28) as a result of the changed circumstances affecting the timing of the NGTL 2021 System Expansion Project; or pursuant to its general powers relating to all matters affecting tolls and tariffs set forth in sections 225-240 and, in particular, section 226 thereof.
17. To the extent that the Application may not comply with the procedural requirements of the National Energy Board Rules of Practice and Procedure, in light of its narrow scope and the fact it simply intends to re-link the initial relief granted to changed timing of the same 2021 System Expansion without otherwise varying the RH-002-2019 Decision, EPAC respectfully requests, that the Commission vary or dispense with the technical requirements as appropriate pursuant to subsection 4 (1) thereof.
18. Finally, EPAC respectfully requests that the Commission grant such further or other related relief as it may deem appropriate in addition to or in lieu of the specific relief requested herein pursuant to subsection 68(1) of the Act.
19. Communications relating to this Application should be addressed to:

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Yours very truly,

The Explorers and Producers Association of Canada



Tristan Goodman
President

cc. NGTL
cc. Parties to RH-002-2019