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June 29, 2021

Filed Electronically

Canada Energy Regulator
Suite 210, 517 Tenth Avenue SW
Calgary, AB T2R 0A8

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

Dear Mr. Charlebois:

**Re: NOVA Gas Transmission Ltd. (NGTL)
Compliance Filing to Order TG-001-2021
Report on Access to Storage
File OF-Tolls-Group1-N081-2020-03 01**

In accordance with Order TG-001-2021 (Order) issued by the Commission of the Canada Energy Regulator (CER or Commission) on February 16, 2021, NGTL encloses its Compliance Filing Report on Access to Storage.

Informed by the extensive consultations that took place through the Access to Storage Task Force of the Tolls, Tariff, Facilities and Procedures (TTFP) prior to and since the conclusion of the hearing, NGTL determined that no Tariff amendments are needed to enhance access to storage on the NGTL System, a position that is shared with storage operators connected to the NGTL System. As such, this Compliance Filing is provided in accordance with paragraph 1b) of the Order and takes the form of a report filed with the Commission for information.

As further addressed in the report, access to storage on the NGTL System has recently been enhanced through the implementation of the Firm Transportation - Transfers to Storage (Transfers to Storage) pilot program on April 1, 2021. The implementation of Transfers to Storage was supported by an unopposed resolution of the Tolls, Tariff, Facilities and Procedures (TTFP) Committee for which a vote took place on February 19, 2021.

NGTL believes that this report and the recent conclusion of the Access to Storage Task Force provide closure on access to storage matters on the NGTL System.

Should the Commission require additional information with respect to this filing, please contact the undersigned.

Yours truly,
NOVA Gas Transmission Ltd.

Original signed by

Bernard Pelletier
Director, Regulatory Tolls and Tariffs
Canadian Natural Gas Pipelines

Enclosure

cc: List of Parties

CANADA ENERGY REGULATOR

IN THE MATTER OF directions contained in Order TG-001-2021
for NOVA Gas Transmission Ltd. (NGTL) to file information related to
access to storage on the NGTL System by June 30, 2021; and

IN THE MATTER OF File OF-Tolls-Group1-N081-2020-03 01

**NOVA GAS TRANSMISSION LTD.
COMPLIANCE FILING TO ORDER TG-001-2021
REPORT ON ACCESS TO STORAGE**

June 29, 2021

To: The Secretary
Canada Energy Regulator
Suite 210, 517 10th Avenue S.W.
Calgary, Alberta T2R 0A8

1.0 INTRODUCTION

1.1 Background

1 On February 16, 2021, the Commission of the Canada Energy Regulator (CER or
2 Commission) denied the Explorers and Producers of Canada’s application to extend
3 the Temporary Service Protocol (TSP) provision of the NGTL Gas Transportation
4 Tariff. As a part of its decision, the Commission issued Order TG-001-2021 requiring
5 NGTL to address access to storage through a filing with the Commission to be made
6 by June 30, 2021.¹ The Order explained that the filing may be an application, if a
7 tariff amendment were required to address access to storage, or a report, if no tariff
8 amendments to address access to storage are required. Regardless of the option(s)
9 pursued, the filing must include:

- 10 • a detailed description of the methodology;
- 11 • an assessment of the appropriateness of the associated market signals;
- 12 • the extent to which the revisions/methodology will enable access to storage;
- 13 • whether the proposed tariff revisions/methodology will result in tolls that are just
14 and reasonable and not unjustly discriminatory;
- 15 • whether the revisions/methodology will promote economic efficiency, both in the
16 use of the existing NGTL system and signaling the need to build additional
17 capacity; and
- 18 • a description of consultations undertaken with shippers and impacted parties.²

19 In accordance with paragraph 1(b) of Order TG-001-2021, NGTL is filing this report
20 explaining how access to storage has been addressed with options that do not require
21 tariff amendments.

22 Specifically, in addition to the existing Interruptible Transportation – Storage service
23 (IT-S) under the Tariff and current rate design, NGTL has recently enhanced access
24 to storage on its System through the implementation of the Firm Transportation -
25 Transfers to Storage (Transfers to Storage) pilot program on April 1, 2021. Transfers
26 to Storage have been implemented in accordance with transfer provisions of firm
27 services rate schedules³ and through a procedure developed pursuant to section 15.11
28 of the Tariff.⁴ The implementation of Transfers to Storage was supported by an
29 unopposed resolution of the Tolls, Tariff, Facilities and Procedures (TTFP)

¹ CER Order TG-001-2021, Filing ID: C11556-3.

² CER Letter Decision on the Application to Extend the NGTL Temporary Service Protocol, pages 11-12,
Filing ID: C12183-1.

³ Section 8.0 of the FT-R Rate Schedule and Section 7.0 of the FT-D Rate Schedule of the NGTL Tariff
address transfers of these services.

⁴ Section 15.11 of the General Terms and Conditions allows NGTL to establish pilot projects NGTL
determines to be necessary or desirable respecting any service or terms and conditions within the Tariff.

1 Committee through a vote that took place on February 19, 2021. A copy of TTFP
2 Resolution T2018-03A, that includes the Transfers to Storage Procedure, is provided
3 as Attachment 1.

4 While currently a pilot program, NGTL expects that Transfers to Storage will be
5 extended and become a permanent means of enhancing access to storage by providing
6 a firm service alternative that can be utilized during constraint periods when IT-S is
7 limited or not available. As part of the Resolution, NGTL committed to prepare a
8 report to the TTFP discussing information related to the Transfers to Storage pilot and
9 a proposal for how to proceed with the pilot going forward. The report will be
10 provided to the TTFP by May 15, 2022 and NGTL will consult with the TTFP to
11 determine how to proceed with the pilot by August 30, 2022.

12 In Section 1.2 of this filing, NGTL describes the extensive consultations undertaken
13 with customers and impacted parties on access to storage. These consultations
14 informed NGTL's determinations that the continued availability of the existing IT-S
15 service, supplemented by Transfers to Storage, would provide adequate access to
16 storage on the NGTL System and that no additional solutions are required. This
17 conclusion is shared by all storage operators whose facilities are IT-S eligible
18 (Storage Operators), as described in their letter provided as Attachment 2.

19 Section 2 provides the remaining information specified in Order TG-001-2021 related
20 to a description of IT-S and Transfers to Storage, how they will enhance access to
21 storage, their consistency with regulatory principles of just and reasonable tolls that
22 are not unjustly discriminatory, and how they send appropriate market signals and
23 support economic efficiency. A brief conclusion on access to storage is presented in
24 Section 3.

1.2 Consultations

25 As detailed in previous responses to the Commission as part of the TSP extension
26 proceeding,⁵ NGTL has held extensive consultations on the subject of access to
27 storage over the past three years with a broad range of stakeholders, including both
28 TTFP members and non-TTFP members, with the participation of those very close to
29 the storage business such as storage operators and banks, through the Access to
30 Storage Task Force (Task Force) and other customer discussions.

31 Since those responses were provided, consultations on access to storage continued,
32 with six meetings of the Task Force taking place between November 5, 2020 and
33 May 27, 2021.

34 These Task Force meetings initially focused on refining Transfers to Storage to
35 address stakeholder concerns. Subsequently, having reached an unopposed resolution

⁵ See for example, NGTL Response to CER Information Request 1.2 a) through c), Filing ID: C09393-1.

1 on Transfer to Storage on February 19, 2021, the Task Force focused on exploring
2 other options that could further enhance access to storage when the interruptible
3 capacity to provide IT-S service is limited or not available.

4 NGTL consulted with the Task Force on the potential for expanding the availability
5 of Short Term Firm Transportation (STFT) to Storage Delivery Points and the
6 implementation of annual firm services with a primary receipt and/or delivery point at
7 storage locations. NGTL heard several concerns with these options in the Task Force,
8 and a lack of interest in using these options. Based on these discussions, it became
9 clear to NGTL that further attempts to resolve such concerns would not be
10 worthwhile and as such, NGTL concluded the Task Force. The unanimous views of
11 the Storage Operators, expressed in Attachment 2, reflect some of the concerns that
12 were raised and support NGTL's determination that no further services are required to
13 improve access to storage.

14 NGTL appreciates the extensive and constructive dialogue that has taken place
15 through the Task Force and customer discussions over the last three years. This report
16 was significantly informed by the work of the Task Force. NGTL recognizes that
17 effective collaboration requires time and effort, and appreciates the contributions of
18 all those who participated.

2.0 METHODOLOGY FOR ACCESS TO STORAGE

19 As noted above, the methodology for access to storage on the NGTL System consists
20 of the continuation of the existing IT-S service and the implementation of Transfers
21 to Storage, which NGTL believes provides a long term solution for accessing storage
22 on the NGTL System.

23 NGTL expects that IT-S will remain the primary mechanism for users accessing
24 storage on the NGTL System, except when the IT-S service is limited or not
25 available. The implementation of Transfers to Storage provides additional flexibility
26 for FT-R and FT-D customers to access storage as a firm service alternative to IT-S.
27 Transfers to Storage are available to customers at any time; however, they are
28 expected to be used primarily during times of constraint when there is limited or no
29 IT-S service available.

30 In the sections that follow, NGTL addresses the remaining information requirements
31 from Order TG-001-2021.

2.1 Detailed description of the methodology

32 Since its approval and implementation as part of the 1999 Products and Pricing
33 Application,⁶ IT-S is the only storage-specific service available on the NGTL System.

⁶ Approved by the EUB in Order U2000-133, March 21, 2000.

1 IT-S was also the only means by which customers could gain access to storage
2 connected to NGTL prior to the implementation of Transfers to Storage.⁷ As part of
3 the NGTL Rate Design and Services Settlement approved in the RH-001-2019
4 proceeding, it was agreed that the Tariff provisions of IT-S would remain
5 unchanged.⁸

6 IT-S is provided at Storage Receipt Points and Storage Delivery Points for which a
7 Facilities Connection Service (FCS) Rate Schedule is in place. IT-S is an interruptible
8 service that is only offered using existing capacity not otherwise required to provide
9 firm services.

10 Transfers to Storage allow customers to transfer existing firm service from either a
11 Group 1 Delivery Point (FT-D1) or a Group 2 Delivery Point (FT-D2) to a Storage
12 Delivery Point for the purpose of injection. Transfers to Storage also allow transfers
13 from a Receipt Point (FT-R) to a Storage Receipt Point for the purpose of withdrawal.

14 NGTL provided evidence in the TSP extension proceeding on how Transfers to
15 Storage would function, including a draft procedure,⁹ and noted its intention to hold a
16 vote on and implement Transfers to Storage as a pilot program.¹⁰ On February 19,
17 2021, the implementation of Transfers to Storage was supported by Unopposed
18 Resolution T2018-03A, which is provided as Attachment 1. NGTL implemented the
19 Transfers to Storage pilot program on April 1, 2021.

20 A detailed description of Transfers to Storage can be found in TTFP Resolution
21 T2018-03A. The Resolution includes the Transfers to Storage Procedure that is now
22 in effect.

2.2 Extent to which the methodology will enable access to storage

23 Historically, IT-S has been highly utilized and has allowed customers to gain access
24 to storage on the NGTL System. Only during times of constraint has IT-S not been
25 available to provide access to storage due to the interruptible nature of the service.
26 With the implementation of Transfers to Storage, FT-R and FT-D customers now
27 have a firm service alternative to gain access to storage that can be used even when
28 capacity used to provide interruptible service is limited or unavailable.

⁷ IT-R and IT-D are also available at storage locations for gas that is not temporarily parked at a storage location. However, when IT-R and IT-D are used at storage points, they effect deliveries off the NGTL System or receipts onto the NGTL System rather than being used to access storage.

⁸ NGTL Rate Design and Services Application, Appendix 1 Memorandum of Understanding and List of Signatories, Section 3.12, Filing ID: A98318-3.

⁹ NGTL Response to CER Information Request 1.3, Attachment CER 1.3-1, Filing ID: C09393-1.

¹⁰ See for example, NGTL Response to CER Information Request 1.2 a) through c) (C09393-1), NGTL Response to CER Information Request 2.1 c) and d) (C10326-1) and Final Argument of NGTL, Transcript Vol. 1, paras. 429-430 (C11216-1).

1 Due to current system capacity availability and operational flexibility, there have
2 been no restrictions on IT-S since Transfers to Storage have been implemented.
3 NGTL has received and approved two requests for Transfers to Storage in accordance
4 with the procedure. The low number of transfer requests is illustrative of the high
5 availability of IT-S service, which reduces the need for customers to seek a firm
6 alternative to meet their storage needs.

2.3 Whether the methodology will result in tolls that are just and reasonable and not unjustly discriminatory

7 IT-S is an existing service that was continued by the CER as part of the NGTL
8 System Rate Design and Services Settlement.¹¹ In the RH-001-2019 Decision, the
9 CER concluded that the applied-for rate design and services, which included the
10 continuation of the existing IT-S service, resulted in tolls that are just and reasonable
11 and not unjustly discriminatory.¹²

12 Transfers to Storage allows the transfer of an existing eligible FT-R contract to a
13 Storage Receipt Point and of an existing eligible FT-D1 or FT-D2 contract to a
14 Storage Delivery Point for a period of time. Once transferred to either a Storage
15 Delivery Point or a Storage Receipt Point, the contract is subject to the applicable toll
16 for that delivery or receipt point for the duration of the transfer. These points already
17 have approved FT-D and FT-R rates that are reflected in the NGTL Table of Rates.
18 These rates follow the rate design methodology that was approved for the NGTL
19 System in the RH-001-2019 Reason for Decision for FT-R and FT-D services.

20 The tolling for receipt and delivery services has already been found to result in just
21 and reasonable tolls on the NGTL System that are not unjustly discriminatory.¹³ The
22 same conclusions can be reached when existing FT-R and FT-D contracts are
23 transferred to a Storage Receipt Point or Storage Delivery Point, similar to the
24 transfer of FT-R and FT-D contracts to other points pursuant to the transfer
25 provisions of the FT-R and FT-D rate schedules.

2.4 An assessment of the appropriateness of the associated market signals; and whether the methodology will promote economic efficiency, both in the use of the existing NGTL system and signaling the need to build additional capacity

26 Due to the inter-relationship of market signals and economic efficiency, NGTL is
27 addressing these two requirements within this section.

¹¹ Approve by the CER in RH-001-2019 Reasons for Decision, Filing ID: C05448-1.

¹² CER Reasons for Decision RH-001-2019, page 1, Filing ID: C05448-1.

¹³ CER Reasons for Decision RH-001-2019, page 1, Filing ID: C05448-1.

1 In the TSP extension proceeding, NGTL addressed the extent to which the existing
2 IT-S service and its associated toll adhere to the principles of cost causation and
3 economic efficiency.¹⁴

4 The implementation of Transfers to Storage provides customers with a firm service
5 alternative to gain access to storage. By allowing customers to utilize their contract
6 where they value it the most, whether it be their primary receipt/delivery point,
7 transferring to a storage receipt or delivery point, or allowing other parties to utilize
8 their contract to transfer to storage on the secondary market, this additional flexibility
9 provides value to firm contract holders and may increase the utilization of firm
10 contracts on the NGTL System.

11 When capacity on the pipeline becomes scarce, customers execute long-term
12 contracts that send market signals that capacity additions are required. Transfers to
13 Storage and IT-S rely on existing capacity to gain access to storage and therefore do
14 not directly contribute to sending these market signals. However, by ensuring IT-S is
15 provided in a way that respects the priority of firm services over interruptible
16 services, and by ensuring Transfers to Storage are provided in a way that respects the
17 priority of the primary receipt or delivery points over any alternative location, access
18 to storage can be provided through these features without disrupting the market
19 signals provided by FT-R and FT-D contracting.

20 NGTL heard concerns that access to annual firm services at storage points may result
21 in the addition of facilities that may only be utilized on a limited basis. Both IT-S and
22 Transfers to Storage address this concern by utilizing existing capacity to facilitate
23 access to storage, which promotes higher utilization of this capacity and supports
24 economic efficiency.

3.0 CONCLUSION

25 Throughout multiple years of consultations, NGTL has discussed with its customers
26 tools and service options to enhance access to storage. Informed by these discussions,
27 NGTL has determined that the implementation of Transfers to Storage has provided a
28 sufficient firm service alternative to enable long term access to storage, a view shared
29 by the Storage Operators. NGTL believes that IT-S will remain the primary means of
30 accessing storage on the System but the addition of Transfers to Storage will add
31 flexibility in the way its customers are able to access storage, especially when
32 capacity to provide IT-S service may be limited or not available.

¹⁴ NGTL Response to CER Information Request 2.5 b), Filing ID: C10326-1.

TOLLS, TARIFF, FACILITIES & PROCEDURES COMMITTEE	
Resolution: <i>T2018-03A: NGTL FT Transfers to Storage Pilot Program</i>	Issue: <i>T2018-03: NGTL Access to Storage</i>
Date of Resolution Vote: <i>2021.02.19</i>	Issue Adoption Date: <i>2018.02.13</i>
Issue Sponsor: NOVA Gas Transmission Ltd. ("NGTL")	

Resolution

NGTL FT Transfers to Storage Pilot Program

The Tolls, Tariff, Facilities and Procedures Committee ("TTFP") agrees to implement a pilot program ("the Pilot") for transfers to storage for Firm Transportation – Delivery and Firm Transportation – Receipt services ("FT Transfers to Storage"). The Pilot will allow customers to transfer service from either a Group 1 Delivery Point or Group 2 Delivery Point to a Storage Delivery Point for the purpose of injection, as well as from a Receipt Point to a Storage Receipt Point for the purpose of withdrawal. FT Transfers to Storage will be subject to the provisions outlined in the new FT Transfers to Storage Procedure ("the Procedure"), to which the November 2, 2020 version has been attached for reference.

The Pilot will commence as soon as possible following the completion of required administrative system changes. The Pilot start date, which will occur on the first business day of a month, may be as early as January 1, 2021, but will be no later than April 1, 2021. NGTL will provide at least 30 calendar days notice of the commencement of the Pilot and notice will be provided to all NGTL System customers via a Bulletin. Throughout the Pilot, NGTL will publish a daily report on the Company website summarizing transfer to storage activity. The report will be published by 9:00 a.m. Mountain Standard Time on the last Banking Day prior to the effective gas day, and will include:

- FT Transfers to Storage requests that were approved (total number of requests and aggregated energy or volume) broken down by FT-D and FT-R, and
- Allowed usage of Transferred to storage contracts by storage location expressed as a percentage.

During the Pilot, NGTL may make improvements to the Procedure based on experience gained during the Pilot. If necessary, and as discussed with the Access to Storage Task Force ("Task Force"), NGTL may file a Tariff amendment whereby the toll applied to FT Transfers to Storage is the higher of the home location and the Storage location, if NGTL observes the usage of FT Transfers to Storage as a means of toll avoidance. Notwithstanding, customers are not bound by their vote regarding any future position they may take should NGTL enact this tariff amendment. If at any time during the Pilot NGTL determines that the Pilot has resulted in negative unintended consequences, including, but not limited to, negative impacts on the operations or integrity of the NGTL System, NGTL may immediately suspend or terminate the Pilot. NGTL invites and will consider all input from customers in making such a decision.

Absent termination, NGTL will prepare a report to the TTFP with the following information based on data to the end of March 2022:

- FT Transfers to Storage that have occurred, by day, quantity and location,
- A comparison to IT availability at each storage location,
- An assessment of any operational impacts,
- An assessment of any unintended consequences,
- Any changes made that affect the Pilot,
- Any other relevant matters in assessing the Pilot, and
- A proposal for how to proceed (ie. whether to end the Pilot, extend the Pilot with or without amendment or end the Pilot and continue the Procedure indefinitely).

The report will be provided to the TTFP by May 15, 2022. NGTL will work with the TTFP in good faith to determine how to proceed by August 30, 2022. During this period of review (March 31, 2022 to August 30, 2022), the Pilot will remain in place.

At the time the Pilot commences, the FT-D2 to FT-D1 (and vice versa) pilot program (addressed in Resolution T2018-04) will be revised to permit daily transfers between FT-D Group 1 Delivery Points and FT-D Group 2 Delivery Points (and vice versa).

Vote Results

Unopposed

Background

On February 13, 2018, the TTFP adopted Issue T2018-03. In order to ensure that the discussions were inclusive of all interested and potentially affected parties, NGTL posted a letter on the TC Customer Express website to all NGTL System customers, TTFP members and additional stakeholders inviting them to participate in the discussions.

A task force of the TTFP was established to examine ways in which access to storage could be enhanced on the NGTL System. The first meeting of the Task Force took place on February 22, 2018 with a total of six Task Force meetings taking place in 2018, and one meeting in 2019. Between 2018 and 2020, NGTL and customers also took part in other industry discussions related to identifying, developing and assessing potential alternatives to enhance access to storage. In June 2020, NGTL invited additional stakeholders to participate in the Task Force. Between June and October 2020, six task Force Meetings took place, primarily focussed on discussing the FT Transfers to Storage Pilot.

Pursuant to Section 15.11 of the General Terms and Conditions, NGTL may establish procedures, including procedures for carrying out and evaluating any pilot projects NGTL determines to be necessary or desirable, respecting or relating to or affecting any Service or any term, condition or provision contained within the Tariff.

NGTL FT TRANSFERS TO STORAGE PROCEDURE

I. APPLICATION OF TARIFF TO FT TRANSFERS TO STORAGE

This document describes the Procedure for FT Transfers to Storage. All other relevant Tariff provisions with respect to transfers of Service remain applicable to FT Transfers to Storage, including any provisions applicable to the crossing of a Project Area or Delivery Design Area.

II. DEFINITIONS

Unless otherwise defined in this Procedure, the capitalized terms used in this FT Transfer to Storage Procedure (“**Procedure**”) have the meaning attributed to them in the NOVA Gas Transmission Limited (“**NGTL**”) Tariff.

“**All Other Transfers to Storage**” means any FT Transfer to Storage:

- i) between a Receipt Point and Storage Receipt Point within the same Project Area;
- ii) between a Receipt Point and Storage Receipt Point in a different Project Area; or
- iii) between a Group 1 or Group 2 Delivery Point and Storage Delivery Point in a different Delivery Design Area.

“**Automated Transfer Process**” or “**ATP**” is existing functionality within the Company contracting system that can be utilized to automatically approve transfers that meet automation criteria.

“**Cushion Gas**” means the volume of gas required in a storage reservoir to maintain adequate pressure and deliverability rates throughout the withdrawal season.

“**Design Based Hydraulic Impact and Capacity Assessment**” means the assessment undertaken by Company set out in ParagraphV(2).

“**Effective Gas Day**” means the gas day on which an FT Transfer to Storage, as approved in accordance with this Procedure, is effective.

“**FT Contract**” means a contract for Service for either FT-D1, FT-D2, FT-D3 or FT-R, as applicable, excluding Transferred to Storage Contracts.

“**FT-D1**” means Service under Rate Schedule FT-D at a Group 1 Delivery Point.

“**FT-D2**” means Service under Rate Schedule FT-D at a Group 2 Delivery Point.

“**FT-D3**” means Service under Rate Schedule FT-D at a Group 3 Delivery Point.

“FT-D Transfer to Storage Within a DDA” means an FT Transfer to Storage between, either a Group 1 Delivery Point or a Group 2 Delivery Point, and a Storage Delivery Point within the same Delivery Design Area.

“FT-R” means Service under Rate Schedule FT-R.

“FT Transfer to Storage” means a transfer of an FT Contract that is eligible to transfer to either a Storage Receipt Point or Storage Delivery Point, as applicable, in accordance with this Procedure.

“Home Location” means the Receipt Point or Delivery Point of an FT Contract prior to any FT Transfer to Storage.

“NGTL Storage Inventory” as defined in NGTL’s IT-S Procedure, means total volume of gas including NGTL toll paid Cushion Gas, at any point in time, contained within a commercial storage facility, which is eligible to be returned to NGTL under Rate Schedule IT-S (receipt). When returned to NGTL, this gas will be destined for a Delivery Point and tolled under the appropriate service.

“Operational Capacity Assessment and Contract Usage Determination” means the assessment undertaken by Company pursuant to Paragraph V(3).

“Out and Back” means a transfer request that consists of a pair of transfers that are assessed at the same time, where the out transfer is from location A to location B and the back transfer is a future dated request from location B back to location A.

“Minimum FT-R Aggregate Usage” means the minimum aggregate FT-R usage that will be authorized on a daily basis at each NGTL-connected commercial storage facility and allocated pro-rata among all applicable Transferred to Storage Contracts in Accordance with Paragraph V(3)(B).

“Storage Operator” means the operator of an NGTL-connected commercial storage facility.

“Transferred to Storage Contract” means all or a portion of Service under an eligible FT Contract for which a request for an FT Transfer to Storage has been submitted by a Customer and approved by Company in accordance with this Procedure.

III. PURPOSE

This Procedure sets out the process that applies for Company to ensure that sufficient capacity exists to accommodate FT Transfers to Storage such that other firm services on the NGTL system are not impacted.

IV. ELIGIBILITY FOR FT TRANSFERS TO STORAGE

The following sets out the eligibility requirements for requests for FT Transfers to Storage:

1. A Customer that holds FT-D1 or FT-D2 Service may request the transfer of all or a portion of its Service that is in its Secondary Term to a Storage Delivery Point.
2. A Customer that holds FT-R Service may request the transfer of all or a portion of its Service that is in its Secondary Term to a Storage Receipt Point.
3. Customers that hold FT-D3 Service are not eligible to request an FT Transfer to Storage.
4. All FT Transfer to Storage requests must be Out and Back requests of a minimum of one day to a maximum of 39 days.
5. All FT Transfer to Storage requests may be submitted up to 39 days in advance of, and including, the requested Effective Gas Day.
6. Whether the assignee of an FT Contract that would otherwise be eligible for an FT Transfer to Storage has the right to request an FT Transfer to Storage will be determined in accordance with Company procedures applicable to assignments.
7. An FT Transfer to Storage cannot be requested for an FT Contract that has been temporarily relocated to a different location as part of an Out and Back transfer prior to the return of the contract to its Home Location.
8. All FT Transfer to Storage requests must be submitted through Company's contracting system.
9. FT Transfers to Storage are only available at storage locations that qualify for IT-S service, and for gas that meets the requirements to be considered NGTL Storage Inventory.

V. FT TRANSFERS TO STORAGE ASSESSMENT

1. Assessment Steps

All FT Transfers to Storage requests are first subject to a Design Based Hydraulic Impact and Capacity Assessment as outlined in Paragraph V(2), followed by an Operational Capacity Assessment and Contract Usage Determination as outlined in Paragraph V(3).

2. Design Based Hydraulic Impact and Capacity Assessment

Each eligible FT Transfer to Storage request submitted in accordance with this Procedure will be evaluated to determine the design based hydraulic impact to the system. Local area facility capacity (laterals) and meter station capacity will also be considered to determine whether the transfer request can be accommodated. ATP will be used where applicable for FT Transfer to Storage requests.

Subject to the applicable assessment and notification process set out in this Procedure, FT Transfer to Storage requests that are hydraulically neutral (system capacity remains the same) or positive (system capacity increases) and within applicable capacity limits, will be approved. An automated message from the Company contracting system will be sent to the Customer and the applicable Storage Operator to confirm that the request has been approved.

FT Transfer to Storage requests that are hydraulically negative (system capacity decreases) will be denied. Company will provide an e-mail notification of the denial including a brief rationale for why the request was denied.

3. Operational Capacity Assessment and Contract Usage Determination

A) Operational Capacity Assessment

Operational capacity will be assessed by Company by 8:30 a.m. Calgary Time one Banking Day prior to the Effective Gas Day. Company's determination of the available operational capacity will be extended as required across weekends or other days that are not Banking Days. The operational capacity assessment will include consideration of any planned or unplanned interruptions known at the time of assessment.

B) Usage Determination for Transferred to Storage Contracts

Once the operational capacity is determined for the Effective Gas Day, Company will first allocate the available capacity to the expected system utilization of the FT Contracts at Home Locations, taking into account the potential changes in utilization due to Transferred to Storage Contracts.

A Minimum FT-R Aggregate Usage of 100 TJ/d will be available at each NGTL-connected commercial storage facility and allocated on a pro-rata basis to all applicable Transferred to Storage Contracts at that Storage location.

Company will allocate the remaining capacity to applicable Transferred to Storage Contracts to determine their allowed usage. If the operational capacity is not sufficient to accommodate 100% usage of the aggregate Contract Demand of all applicable Transferred to Storage Contracts, Company will allocate the capacity on a pro-rata basis to all applicable Transferred to Storage Contracts to determine their allowed usage.

Notwithstanding, FT-D Transfers to Storage Within a DDA have a pre-authorized usage of 100%.

4. FT-D Transfer to Storage Within a DDA

A) Assessment of Requests and Notification Process

Customer may submit an FT-D Transfer to Storage Within a DDA request prior to, and on, the requested Effective Gas Day.

For an FT-D Transfer to Storage Within a DDA request that can be approved and for which ATP is applicable, notification of approval will be sent to the Customer and the applicable Storage Operator immediately.

If ATP is not applicable to the FT-D Transfer to Storage Within a DDA request, Company will conduct the Design Based Hydraulic Impact and Capacity Assessment and will notify Customer and the applicable Storage Operator if the request is approved on a best efforts basis, where notification may be issued during the Effective Gas Day such that Customer is able to nominate its Transferred to Storage Contract on the next nomination cycle.

The allowed usage for Transferred to Storage Contracts approved in accordance with this Section will be 100%.

A Transferred to Storage Contract approved in accordance with this Section will be allowed to return to its Home Location at any time, subject to capacity availability at the Home Location.

B) Priority of Service During Interruptions

Transferred to Storage Contracts approved in accordance with this Section will have the same priority of service as other firm services on the system during planned or unplanned interruptions.

5. All Other Transfers to Storage

A) Assessment of Requests and Notification Process

For All Other Transfer to Storage requests submitted by 10:00 a.m. Calgary time two Banking Days in advance of the Effective Gas Day, Company will conduct the Design Based Hydraulic Impact and Capacity Assessment and will notify Customer and the applicable Storage Operator if the request is approved, no later than 4:00 p.m. Calgary Time two Banking Days in advance of the requested Effective Gas Day.

For All Other Transfer to Storage requests submitted after 10:00 a.m. Calgary time two Banking Days in advance of the Effective Gas Day, Company will conduct the Design Based Hydraulic Impact and Capacity Assessment on a best efforts basis and may provide notification of approval or denial of the request by 7:00 a.m. Calgary time one Banking Day in advance of the Effective Gas Day. If the Company does not provide notification of the approval of these requests to the Customer and the applicable Storage Operator by 7:00 a.m. Calgary time one Banking Day in advance of the Effective Gas Day, the FT Transfer to Storage will not be approved for the Effective Gas Day.

A Transferred to Storage Contract approved in accordance with this Section will not be allowed to return to its Home Location for the Effective Gas Day after 7:00 a.m. Calgary time one Banking Day in advance of the requested Effective Gas Day. All other requests to return a Transferred to Storage Contract to its Home Location at any other time will be accommodated, subject to capacity availability at the Home Location.

B) Notification of Allowed Usage of Transferred to Storage Contracts

Company will notify Customers of their allowed usage of their Transferred to Storage Contracts approved under this Section by 9:00 a.m. Calgary Time one Banking Day prior to the Effective Gas Day. Allowed usage will be used to determine authorized quantities as per the nomination cycles.

C) Priority of Transferred to Storage Contracts During Interruptions

Planned or unplanned interruptions that are known at the time of the Operational Capacity Assessment and Usage determination, outlined in Paragraph V(3)(B), will be factored into the total allowable usage of the Transferred to Storage Contract.

In the event of interruptions that were not known at the time of the Operational Capacity Assessment and Usage Determination, Transferred to Storage Contracts approved in accordance with this Section will have the same priority of service as other firm services on the system.

Notwithstanding anything in this Paragraph V(3)(C), the Minimum FT-R Aggregate Usage will have the same priority of service as other firm services on the system during planned or unplanned interruptions.

VI. Confidentiality of Notifications

Storage Operators that are in receipt of notifications for the approval or denial of FT Transfers to Storage must maintain confidentiality of those notifications and must not disclose the notifications to any other party, unless the Customer to whom the notification applies consents to such disclosure.

VII. Rejection of FT Transfers to Storage

Company may reject an FT Transfer to Storage or send it back to the Home Location early if Company determines the FT Transfer to Storage was not requested for the purpose of accessing storage.

VIII. Improvements as Required

Company may revise or amend this Procedure as required.



Attachment 2




May 14, 2021

NOVA Gas Transmission Ltd.
450 – 1 Street S.W.
Calgary, AB T2P 5H1

Attention: Alex Harris, Director, Commercial Collaboration

**Re: Access to Storage Task Force – Tolls, Tariff, Facilities & Procedures Committee
NGTL Firm Service Options to Access Storage**

During the April 16, 2021 Access to Storage Task Force Meeting, NGTL reviewed the Canada Energy Regulator ("CER" or "Commission") Reasons for Decision on EPAC's TSP extension application. NGTL also solicited feedback on further firm service options to enhance storage access (i.e. FT-S; extending FT-R and FT-D service availability to storage locations, and STFT). All of the undersigned NGTL connected commercial storage operators ("Storage Operators") unanimously oppose these options, and support the views expressed in this letter.

NGTL connected commercial storage operators are the only parties to nominate IT-S in and out of storage. This provides them with complete visibility into the operation of their storage connected to the NGTL System.

As a result, the Storage Operators strongly oppose any long-term firm service option to access storage for the following reasons:

- Storage Operators have been using the long-standing practice of IT-S to access storage without any renewable annual firm service for multiple decades.
- IT-S has worked well historically because it is the optimal market solution; it is complementary to free market dynamics and responds instantaneously to supply/demand imbalances. It therefore contributes to market liquidity without imposing artificial limits.
- IT-S is equally available to all Shippers on the NGTL System and ensures market transparency, liquidity, and competitiveness due to equal access.
- NGTL has indicated that IT-S is currently and is expected to remain the primary means of accessing storage, and that a successful FT Transfers to Storage Pilot ("FT Transfers") will provide an ongoing additional firm service tool for accessing storage when IT-S is not available.¹

¹ CER Filing 10326-1 NGTL Response to CER IR No. 2, PDF page 4 and CER Filing C09393-1 NGTL Response to CER IR No. 1, PDF page 5.

May 14, 2021

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- NGTL stated in their evidence at the recent TSP Proceeding that operational flexibility and reliability have been added to the NGTL System with the "significant capacity additions of approximately 1 Bcf/d [that] have taken place since 2019", which NGTL stated "have increased the operational flexibility of the NGTL System, facilitating storage injections in the summer".² This provides some indication that the increased operational flexibility on the NGTL System may also increase the availability of IT-S for accessing storage.
- NGTL further indicated in their evidence during the TSP Proceeding that it expects that the 2021 System Expansion will further alleviate NGTL System constraints, and that the addition of new facilities/2021 System Expansion will help relieve key bottlenecks and increase deliverability on the NGTL System.³
- As of April 1, 2021, NGTL implemented FT Transfers, which was supported by an unopposed resolution at the NGTL TTFP. If successful, it is expected that FT Transfers (Pilot) would continue, with improvements over time to enhance efficiency as experience with FT Transfers is gained.⁴ FT Transfers will provide an option to inject and/or withdraw at all storage locations for the periods of time when IT-S may be unavailable or restricted.
- All gas injected into storage from the NGTL System has already paid a receipt toll, and all gas withdrawn from storage onto the NGTL System will be subject to a delivery toll when it exits the NGTL System.
- Storage Operators do not believe an annual tolled firm service would ever solve an Access to Storage issue. In fact, if an annual tolled firm storage service was ever made available to Storage Operators, Storage Operators cannot foresee a situation in which they would contract for it.
- An annual tolled firm storage service option would make it uneconomic to access storage, thereby reducing the very benefits storage provides to industry and ultimately making access to storage inefficient and ineffective.
- If all Storage Operators were to contract for a new annual firm storage service option, there could be a significant buildout of the NGTL System and lead to higher tolls for all NGTL Shippers. The buildout could result in significant capacity that could go unutilized because storage responds to real time supply/demand imbalances and is never in a steady state for which firm transport is primarily contracted.
- The Storage Operators have never formally requested an annual firm storage service at a storage location and are not aware of any storage customers requesting the same. However, if annual firm service for storage was desired by some party in the future, all Storage Operators support collaboration/consultation with Industry in order to achieve a tolling methodology that is fair and equitable for all Storage Operators.

² CER Filing C09718-2 Written Evidence of NGTL (November 19, 2020), PDF page 5. See also, CER Filing C09393-1 NGTL Response to CER IR No. 1, PDF page 51 and CER Filing C08101-1 NGTL Comments on EPAC Application (August 31, 2020), page 2.

³ CER Filing C11244 NGTL Final Argument, volume 2, paras 1379-1381, and CER Filing C09393-1 NGTL Response to CER IR No. 1, PDF page 49 and following. Also at CER Filing C08101-1 NGTL Comments on EPAC Application (August 31, 2020), page 2.

⁴ CER Filing C09393-1 NGTL Response to CER IR No. 1, PDF pages 11-12, 14 and 18. See also, CER Filing C09718-2 Written Evidence of NGTL (November 19, 2020), PDF page 22.

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IT-S service has been the cornerstone of accessing Storage for many decades on the NGTL System that has received industry-wide support. The Storage Operators expect that IT-S will continue to be the primary means of accessing Storage, based on NGTL's evidence of increased operational flexibility of the NGTL System. Hence, Storage Operators can expect to see increased availability of IT-S.

If successful, it is expected that FT Transfers would continue to provide an additional tool to all Storage Operators and their customers to access Storage on a firm basis if there are times when IT-S is inadequate. There is no requirement for any additional long term, annual firm service for storage, regardless of NGTL's curtailment practices.

We appreciate NGTL taking the time to meet with us in order to better understand the storage business and offering us firm transportation service options. However, as stated above, none of the further firm options presented are required.

We expect that you have found the collective feedback provided by all of the undersigned Storage Operators useful and that it provides closure of the "Access to Storage" issue. Feel free to share this letter with any Industry participant or Regulatory Agency as you consider necessary.

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