

Implementation Plan

26. EGD proposes the following parameters for implementing its tariff provision:

- All OTS-ABC arrangements will be required to demonstrate firm transport arrangement equal to 90% of the mean daily volume obligation underpinning the arrangement annually on November 1. The 90% requirement allows the agent marketer to underpin most of their delivery obligation with firm transportation, while providing flexibility to deal with customer migration after term pool renewals. /c

27. The agent /marketer will have the following options:

- a) Contract for firm transport independently and provide proof of transport with upstream pipeline. Proof shall constitute a pipeline contract # in their name to the franchise city gate.
- b) Request an assignment of EGD long haul TCPL capacity. EGD will then acquire the transport on their behalf.

28. The benefits of EGD's proposed implementation plan are the following:

- The proposal addresses EGD's system reliability concerns by increasing firm transport to the franchise by an estimated 200,000 GJ/d for the upcoming winter. As a result, the percentage of firm transport underpinning direct shipper delivery obligations will increase from 8% to 52%. Since direct purchase pools do not all renew on November 1, 2009, to the extent that EGD feels that there may be a shortfall in firm transport to meet demand, EGD may seek to contract for some level of firm transport for subsequent temporary assignment prior to the winter of 2009/2010. /c

Witnesses: M. Giridhar  
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- The proposal directs the requirement to marketers and agents for small volume customers, as the number of these customers is large. Hence EGD has limited ability to take steps to maintain safety and reliability of the gas distribution system in case of non-delivery due to the use of non-firm transport by the customer's agent/marketer. These customers are most likely to be adversely impacted by the system reliability consequences of use of non firm transport.
- The proposal does not require large volume customers contracting for direct purchase services directly to contract for firm transport. To the extent that non firm transport arrangements by large volume customers result in system integrity issues, EGD will make every effort to direct curtailment to those customers who caused the supply failure. /c /c
- However, EGD realizes that given the amount of deliveries under OTS arrangements, its proposal does not entirely address system reliability risks arising from non firm transport to the franchise. EGD proposes to continue monitoring the level of firm transport arrangements to the franchise area and provide updates in the 2010 and 2011 rate change adjustment process. EGD may propose further modifications to its tariff provisions if warranted. These may include expanding the requirement to hold firm transport to OTS arrangements, or instituting a chargeable standby/back stopping service for large volume customers that may require an increase in EGD's firm transport capacity.

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