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March 26, 2009

Ontario Energy Board
P.O. Box 2319
2300 Yonge Street, 27th Flr.
Toronto, Ontario
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By e-mail
Original by courier

**Attention: Ms. Kirsten Walli
Board Secretary**

Dear Ms. Walli:

**Re: Draft Filing Guidelines for the Pre-Approval of
Long-Term Natural Gas Supply and/or Upstream Transportation Contracts
Ontario Energy Board File No. EB-2008-0280
Comments of TransCanada PipeLines Limited on
The Draft Filing Guidelines**

TransCanada Pipelines Limited (“TransCanada”) writes in response to the February 11, 2009 letter of the Ontario Energy Board (“Board”) in which the Board notified participants in EB-2008-0280 of the release of draft filing guidelines for the pre-approval of long-term natural gas supply and/or upstream transportation contracts (“Draft LTC Filing Guidelines”) and invited participants to provide written comments on the Draft LTC Filing Guidelines by March 26, 2009.

TransCanada supports the Draft LTC Filing Guidelines found as Attachment A to the Board’s February 11, 2009 letter with a minor addition. In respect of section 2.2, TransCanada would suggest adding the word “compared” after the words “natural gas supply” on line 2 so that section 2.2 reads “An assessment of the landed costs (supply costs + transportation costs including fuel costs) for the newly contracted capacity and/or natural gas supply **compared** to the landed costs of the possible alternatives.” TransCanada believes this addition would clarify the intent of section 2.2.

TransCanada also wishes to provide comments with respect to the Board’s explanatory report regarding the Draft LTC Filing Guidelines set out as Attachment B to its February 11, 2009 letter (“Report”).

March 26, 2009

Page 2

Ms. Walli

In its Report, the Board concluded that an application for pre-approval should be limited to those that support the development of new natural gas infrastructure and that the pre-approval process should not be used for the utility's normal day-to-day contracting, renewals of existing contracts and other long-term contracts. The Board noted that these types of contracts should continue to be addressed in the utility's rate application.

TransCanada agrees with this treatment for day-to-day contracting and routine short-term renewals of existing contracts. However, TransCanada is concerned about the potential lack of review of longer term contract extensions or renewals that may be described as non-routine and the effect such renewals or extensions may have on Ontario consumers.

For example, the utilities entered into 15 year contracts for transportation service on Alliance Pipeline. While these contracts are due to terminate in November 2015, contract holders are required to advise Alliance Pipeline by November 2010 if they intend to extend their contracts beyond the November 2015 termination date. The utilities also have long term contracts on Vector Pipeline that expire in the 2010 to 2015 timeframe. As the utilities are not scheduled to file a full rate case application until 2012, the Board may not have an opportunity to conduct a review prior to the renewal or extension of such long term contracts.

TransCanada urges the Board to require the utilities to undertake a thorough analysis of the options available prior to making long term contracting decisions. TransCanada submits that taking advantage of the pre-approval process under the LTC Filing Guidelines would ensure that these major contracting decisions are thoroughly reviewed by the Board before decisions are made.

Should the Board require additional information with respect to these comments, please contact Jim Bartlett at (403) 920-7165 or Murray Ross at (416) 869-2110.

Yours truly,

Original Signed by

Rosemary Duffy
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