



May 25, 2009

Ontario Energy Board
2300 Yonge Street, Suite 2700
Toronto, Ontario
M4P 1E4

Attention: Ms. Kirsten Walli, Board Secretary

Re: Union Gas Comments on the Board's Proposed Storage and Transportation Access Rule (STAR) – EB-2008-0052

Dear Ms. Walli:

The Ontario Energy Board (the “Board”) issued a Notice of Proposal to Make a Rule – Storage and Transportation Access Rule (“STAR” or “the Rule”) on April 9, 2009 and invited all participants involved in the STAR Consultative Process and interested parties to provide written comments on the Board’s proposed Rule.

Union appreciates the opportunity to provide input on the first draft of the Rule. Union supports the three key objectives of the STAR as identified by the Board on page 3 of the Notice. The objectives are:

- i) non-discriminatory access to transportation services for storage providers and customers;
- ii) ensure consumer protection within the competitive market; and,
- iii) support a transparent transportation and storage market.

Union's detailed comments on the proposed STAR are provided in Attachment A. To complete Attachment A, Union assigned three different terms when describing its position on each section of the draft Rule. "Agree" means that Union supports the wording used. "Modify" means that Union generally agrees with the wording put forward by Board Staff, subject to minor changes. "Disagree" means that Union does not agree with the proposed wording and a significant modification is proposed. In instances when Union proposes a minor change or disagrees with the proposed wording, Union has provided its rationale as to why a modification is needed and has proposed alternative wording. A black-lined version of the Proposed STAR reflecting Union's comments is enclosed as Attachment B.

Summary of Union's Submissions on Key Issues:

Union has provided below a summary of its submissions on three key areas of the proposed STAR where more significant changes are warranted. These are: 1) allocation of transportation capacity, 2) Board approval of standard form and negotiated contracts, and 3) reporting requirements.

1. Allocation of Transportation Capacity

As stated on pages 9–10 of its September 9, 2008 submission, Union allocates M12 and C1 firm transportation capacity through a combination of Open Season bidding and direct negotiation with customers. This flexibility is preferred by both Union and its customers. Union believes its current methodology for allocating transportation capacity is fair, non-discriminatory and responsive to the needs of its customers (storage companies, pipeline companies, marketers, in-franchise customers and other LDC's).

In reviewing section 2.1 of the proposed Rule, it is Union's interpretation that the "allocation methodology" referred to relates to how Union allocates new and existing (including turnback) firm transportation capacity offered through its M12 and C1 rate schedules. Further, it is Union's interpretation that section 2.1 does not apply to transportation services between Dawn and an embedded storage pool (i.e. M16 transportation service). The current draft Rule would require Union to offer all new and existing firm transportation services through an

Open Season bidding process. Union currently offers existing firm transportation capacity through both Open Season bidding and direct negotiation with customers depending on the circumstances.

With respect to existing capacity, Union needs the option of either Open Season bidding or direct negotiation to fill this capacity. This flexibility is necessary given the fact Union carries the revenue risk associated with the newly-unsubscribed capacity over the remaining term of the incentive regulation framework. Union also requires the flexibility to fill the unsubscribed capacity on either a short or long-term basis. The flexibility of offering existing firm transportation capacity either through an Open Season bidding process or direct negotiation is also preferred by Union's customers. Without this flexibility, customers could seek other options on competing pipelines or in the secondary market. Accordingly, Union has proposed changes to the draft Rule that would allow transmitters to use either Open Season bidding or direct negotiation for existing firm transportation capacity. Union's detailed submissions on the allocation of transportation capacity are provided at Attachment A, pages 8–10.

With respect to Open Season bidding standards, Union generally agrees with and already follows most of the standards set out in the draft Rule. Specifically, Union agrees that Open Season bidding should feature adequate notice to allow potential bidders time to evaluate the service offering and develop bids. It is Union's experience, however, that the Open Season durations contemplated under the draft Rule exceed the time required by potential bidders and exceed the Open Season bidding requirements of other jurisdictions. For instance, although FERC encourages the use of Open Season bidding, it does not mandate the use of Open Season bidding for either new or existing capacity nor specify Open Season duration.

The proposed STAR requires a minimum Open Season duration of 30 days for existing long-term available capacity and 60-days for new firm transportation capacity. In the event a transmitter elects to conduct Open Season bidding for existing capacity, Union proposes a minimum Open Season period of five (5) days. This is consistent with the Open Season practice used by NEB-regulated pipelines such as TCPL and Bluewater. For new firm transportation capacity, Union supports a 30 day period. Union's detailed submissions on Open Season standards appear at Attachment A, pages 11–16.

2. Approval of Contracts

Sections 2.3.3, 2.3.5 and 2.4.3 of the draft Rule require transmitters to file both standard form contracts and standard form contracts with negotiated terms (“negotiated contracts”) with the Board for approval. Union believes such a practice would add regulatory oversight and burden that is not necessary or warranted. Union believes its current practice of posting the standard contracts and any negotiated provision on its website meets the Board’s objectives of transparency and disclosure. Union’s current practice was established in the EB-2005-0520 Settlement Agreement where parties agreed that Union would post the M12 standard form of contract on its website. Parties also agreed that Union would provide at least six (6) months advance written notice to all shippers of any changes to the standard contract. Further, Union committed to file with the Board all variations between the standard contract and new contracts and to promptly post any changes to its website. Section 6.10 of the EB-2005-0520 Settlement Agreement describing the practice currently in place for M12 transportation contracts is attached as Attachment C to this submission. Union is proposing to modify s.2.3.3, s.2.3.5 and s.2.3.4 of the draft Rule to align them with Union’s current practice. Union’s detailed submissions on the problems associated with filing for the approval of standard form and negotiated contracts appears at Attachment A, pages 16–24.

3. Reporting Requirements

Union agrees with importance of transparency. However it maintains that transparency needs to be weighed against a number of factors including, but not limited to, the need to protect commercial and market sensitive information, the appropriate level of detail and the equitable treatment of all market participants.

As indicated in Attachment A, Union does not support the reporting frequency currently contemplated in the draft Rule. Specifically, with respect to s.4.2.1, Union does not support updating the Index of Customers on a monthly basis. Rather, Union proposes that information about storage contracts with a term of two years or greater, and information about firm transportation contracts with a term of one year or greater, should be posted on a quarterly

basis. It is Union's view that posting this information on a monthly basis would be administratively burdensome, and provide little value. Further, monthly reporting would exceed the reporting frequency required in other regulatory jurisdictions (e.g., FERC).

Section 4.4.1 of the proposed Rule requires a storage company or integrated utility to post a weekly Working Storage Inventory on its website. Union does not support posting this information weekly as it could influence commodity markets at Dawn. Union supports reporting storage inventory levels consistent with FERC 284.13 s.(e) which requires this information to be reported semi-annually.

Union's detailed submissions on Reporting Requirements proposed as part of the draft Rule appear at Attachment A, pages 25–31.

Implementation

The Board is proposing that the final STAR be issued on September 11, 2009. As noted in section 1.6.1 of the proposed Rule, parties will be required to comply with the STAR six (6) months following the issuance date. Union is concerned that, depending on the final Rule requirements, it may take longer than six months to achieve full compliance. In particular, the need for Information System solutions and contractual changes could take up to 12 months to complete. For this reason, Union is proposing the Rule come into force no earlier than 12 months after the date of final issuance.

The Board, in its April 9, 2009 Notice, stated on page 24 that stakeholders did not raise concerns that the STAR would create major increases in implementing and reporting costs. Union did, however, on page 3 of its September 9, 2008 submission state there was a potential for significant implementation and ongoing costs resulting from STAR. Although these costs cannot be quantified until the STAR is finalized, Union continues to expect that it will incur implementation costs and will seek recovery of such costs once they can be reasonably estimated.

Conclusion

Subject to the proposed amendments raised as part of this submission, Union supports the key objectives of the STAR. It is Union's view that the comments provided in Attachment A are consistent with the Board's objectives and, at the same time, ensure that Ontario transmitters and storage companies are positioned to compete with similar companies in other jurisdictions.

Should you have any questions with respect to this submission, please contact me at 519-436-4521.

Sincerely,

[original signed by]

Marian Redford
Manager, Regulatory Initiatives

cc: Sharon Wong (Blakes)

**Union Gas Comments and Proposals
 On
 Proposed Storage and Transportation Access Rule (STAR)**

No.	OEB Proposed Rules	Union's Comments and Proposed Rules
1.1 Purpose of this Rule		
1.1.1	<p>This Rule outlines conduct and reporting requirements for natural gas transmitters, integrated utilities and storage companies. The purpose of this Rule is to:</p> <ul style="list-style-type: none"> i) Establish operating requirements to ensure open and non-discriminatory access to transportation services for shippers and storage companies; ii) Establish reporting requirements for natural gas transmitters, integrated utilities and storage companies; and, iii) Ensure customer protection within the competitive storage market. 	Agree
1.2 Definitions		
1.2.1	<p>In this Rule, unless the context otherwise requires:</p> <p>“Act” means the <i>Ontario Energy Board Act, 1998</i>, S.O. 1988, c. 15, Schedule B;</p> <p>“Board” means the Ontario Energy Board;</p> <p>“business day” means any day that is not a Saturday, a Sunday, or a legal holiday in</p>	Modifications to defined terms are provided below, adjacent to the term being modified.

	<p>“expected operating conditions” means all constraints (including all planned and actual service outages or reductions in service capacity) and the transportation capacity that the transmitter requires to serve infranchise customers and/or other system operational requirements;</p> <p>“firm transportation service ” or “firm storage service” means service not subject to curtailment or interruption;</p> <p>“in-franchise customer” means the distribution customer of the integrated utility;</p> <p>“integrated utility” means a gas transmitter and/or gas distributor that also provides competitive storage services;</p> <p>“interruptible transportation service” means service subject to curtailment or interruption;</p> <p>“long-term” means one year or greater;</p>	<p>Modify For transportation services, contracts of one year or greater are considered long-term. For storage services, however, long-term refers to contracts of two years or greater. The definition of “long-term” as it relates to storage contracts was defined in the NGEIR decision (p. 98). Changing the definition of long-term for storage services as part of STAR will impact the sharing of storage margins between ratepayers and the company as set out in the NGEIR decision (p. 106-107). In doing so, this will make the reporting and</p>
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	<p>“natural gas distributor” or “gas distributor” or “distributor” means a person who delivers gas to a consumer;</p> <p>“natural gas transportation services” or gas transportation services” or ”transportation services” means the services related to the transportation of gas;</p> <p>“natural gas transportation system” or “gas transportation system” or</p> <p>“transportation system” means the system used to provide gas transportation services;</p> <p>“natural gas transmitter” or “gas transmitter” or “transmitter” means a person who provides transportation services but does not include gas distribution services as defined in the Gas Distribution Access Rule;</p> <p>“new capacity” means the transportation service that is associated with the expansion of the transportation system;</p> <p>“open season” means an open access auction or bidding process that meets the</p>	<p>deferral treatment inconsistent.</p> <p><u>Proposed Definition:</u> “long-term” means one (1) year or greater for transportation services and two (2) years or greater for storage services;</p>
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	<p>minimum standards set out in section 2.2 of this Rule;</p> <p>“post” means to post information on a company’s Internet website in a readily-accessible file format (e.g., PDF);</p> <p>“related agreements” means all the documents and/or agreements that a storage company requires from a transmitter for transportation services;</p> <p>“Rule” means this rule entitled the “Storage and Transportation Access Rule”;</p> <p>“shipper” means the holder of the transportation and/or storage contract;</p> <p>“storage company” means a person engaged in the business of storing gas; and</p> <p>“storage service” means any service where a storage company or an integrated utility receives gas from a shipper for redelivery at a later time, and includes parking services and balancing services.</p>	<p>Modify The definition of “storage company” should be modified to limit the application of the Rule to storage companies over which the OEB has jurisdiction. Further a definition of “embedded storage company” is required to recognize the unique and specific transportation services provided by integrated utilities to these companies.</p> <p><u>Proposed Definition</u> The definition of “storage company” should be modified as follows:</p> <p>“storage company” means a person engaged in the business of storing gas and having an order of the Board designating a gas</p>
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		<p>storage area pursuant to section 36.1 of the Act, and the authority to inject gas into, store gas in, and remove gas from a storage pool pursuant to section 38.1 of the Act;</p> <p>The definition of “embedded storage company” should be defined as follows:</p> <p>“embedded storage company” means a storage company whose designated gas storage area is contained within the franchise area of an integrated utility not owning or operating transportation facilities directly connected to the Dawn Hub, therefore requiring transportation services from the integrated utility;</p>
<p>1.3 Interpretation</p>		
<p>1.3.1</p>	<p>Unless otherwise defined in this Rule, words and phrases shall have the meanings ascribed to them in the Act. Headings are for convenience only and shall not affect the interpretation of this Rule. Words importing the singular include the plural and vice versa. Words importing a gender include any gender. A reference to a document (including a statutory instrument) or a provision of a document includes any amendment or supplement to, or any replacement of, that document or that provision of that document. The expression “including” means including without limitation.</p>	<p>Agree</p>
<p>1.3.2</p>	<p>If the time for doing any act or omitting to do any act under this Rule expires on a day that is not a business day, the act may be done or may be omitted to be done on the next day that is a business day.</p>	<p>Agree</p>

1.4 Amendments to this Rule and Determinations by the Board		
1.4.1	Except where expressly stated otherwise, any amendments to this Rule shall come into force on the date on which the Board publishes the amendments by placing them on the Board's web site after they have been made by the Board.	Agree
1.4.2	Any matter under this Rule requiring a determination by the Board: i) shall be determined by the Board in accordance with all applicable provisions of the Act and the regulations; and ii) may, subject to the Act, be determined without a hearing, or through an oral, written or electronic hearing, at the Board's discretion.	Agree
1.5 To Whom this Rule Applies		
1.5.1	This Rule applies to all natural gas transmitters, integrated utilities and storage companies that are legally permitted to do business in Ontario.	Agree
1.6 Coming into Force		
1.6.1	This Rule shall come into force on (six months after issuance). Any amendment to this Rule shall come into force on the date that the Board publishes the amendment by placing it on the Board's website after it has been made by the Board, except where expressly provided otherwise.	Modify Union anticipates that more than six (6) months will be required to fully implement the Rule. Depending on what is included in the final Rule, implementation could take up to twelve (12) months after the issuance of a final Rule. In particular, the reporting requirements currently proposed in the draft Rule will require changes to Union's information systems that could take longer than six months to complete. Further, Union cannot initiate any changes until the final Rule is released. Union requests the Rule to come

		<p>into force no earlier than twelve (12) months after final Rule issuance.</p> <p><u>Proposed Rule</u> This Rule shall come into force on <u>twelve (12)</u> months after issuance. Any amendment to this Rule shall come into force on the date that the Board publishes the amendment by placing it on the Board’s website after it has been made by the Board, except where expressly provided otherwise.</p>
1.7 Exemptions		
1.7.1	The Board may grant an exemption to any provision of this Rule. An exemption may be made in whole or in part and may be subject to conditions or restrictions.	Agree
2.1 Allocation of Transportation Capacity		
2.1.1	A transmitter’s method for allocating transportation capacity shall be defined in its tariff. The tariff, including the allocation methodology, shall be filed with the Board for approval and the approved tariff shall be posted on the transmitter’s website.	<p>Modify Union interprets s.2.1 of the draft Rule, Allocation of Transportation Capacity, to apply to all new and existing (including turnback) firm transportation capacity. This interpretation is consistent with discussions at the STAR consultation where the issue of allocation of transportation capacity focused on the methods for allocating firm transportation capacity through Open Seasons or direct negotiation.</p> <p>As indicated during the consultation and in Union’s September 9, 2008 submission, Union believes that there must be flexibility in how capacity is released to the market. Union uses both Open Seasons and direct negotiation between the transmitter and customers to allocate transportation capacity.</p> <p>New firm transportation is additional transportation capacity as a result of a facility expansion. Union will offer all new firm transportation capacity through an Open Season. Union’s</p>

		<p>comments on the standards for transportation Open Seasons are provided at s.2.2.</p> <p>Union does not support the exclusive use of Open Seasons for existing capacity (existing capacity includes turnback capacity). Open Seasons for existing capacity may be warranted in some circumstances. However, if the amount of capacity typically contracted for or the capacity available is far in excess of customer demands, direct negotiation may be the better means for taking existing capacity to market. In many cases, customers prefer flexibility on how they contract. Without any flexibility on Union's part, those customers would seek other options on competing pipelines, or in the secondary market which would not have any of the same restrictions when allocating existing firm capacity. TCPL has very similar flexibility through its daily capacity posting process.</p> <p>It is also important to note that Union bears the revenue risk associated with unutilized capacity during the term of the Incentive Regulation Mechanism. Accordingly, Union should have the opportunity to fill any existing capacity on a short-term or long-term basis, using whatever allocation method is appropriate, given the circumstance in order to mitigate and manage this risk.</p> <p>Further, Open Seasons are not currently mandated by FERC or the MPSC. As indicated in "Competition in Natural Gas Storage Markets", prepared for the Ontario Energy Board by Zinder Companies as part of this proceeding:</p> <p>"...the FERC has not made open seasons or auctions mandatory for allocating available pipeline or storage capacity..." (page 8)</p> <p>By forcing Union to use Open Season will put Union at a competitive disadvantage to other transportation providers in the</p>
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		<p>market.</p> <p>Union therefore proposes to reword s.2.1.1 to include “all firm” transportation capacity. Union would modify its tariffs to indicate that Open Seasons would be used for the allocation of <u>new</u> firm transportation capacity and that, at Union’s discretion, Open Seasons or direct negotiation would be used to allocate <u>existing</u> firm transportation capacity. This would eliminate the need for s.2.1.2 and s.2.1.3.</p> <p><u>Proposed Rule</u> A transmitter’s method for allocating <u>all firm</u> transportation capacity shall be defined in its tariff. The tariff, including the allocation methodology, shall be filed with the Board for approval and the approved tariff shall be posted on the transmitter’s website.</p>
2.1.2	<p>Firm transportation service that becomes available as a result of a facility expansion (i.e., new capacity), or the termination of a long-term firm transportation contract shall be offered through an Open Season.</p>	<p>Modify Delete this section of the Rule to reflect Union comments made in s.2.1.1.</p>
2.1.3	<p>The allocation methods for all other transportation services shall be defined in the transmitter’s tariff as set out in section 2.1.1.</p>	<p>Modify Delete this section of the Rule to reflect Union comments made in s.2.1.1.</p>
2.1.4	<p>If a transmitter makes any amendments to the tariff referred to in sections 2.1.1 to 2.1.3, the amended tariff shall be filed with the Board for approval and the approved tariff shall be posted on the transmitter’s website.</p>	<p>Modify Reflect the deletion of sections 2.1.2 and 2.1.3 in the Rule wording and renumber s.2.1.4 to s.2.1.2.</p> <p><u>Proposed Rule</u> If a transmitter makes any amendments to the tariff referred to in section <u>2.1.1</u>, the amended tariff shall be filed with the Board for approval and the approved tariff shall be posted on the transmitter’s website.</p>

2.2 Standards for Transportation Open Seasons		
2.2.1	A transmitter shall ensure that the following requirements are met when conducting Open Seasons for transportation services:	<p>Modify Consistent with Union’s comments under s.2.1, Union proposes the following modification.</p> <p><u>Proposed Rule</u> A transmitter shall ensure that the following requirements are met when conducting Open Seasons for <u>new firm transportation</u> services and existing transportation capacity if the transmitter elects to use an Open Season.</p>
	i) Notification and Timing:	
	(a) A transmitter shall place a notice of Open Season (the “Open Season Notice”) on its website, provide a notice to existing shippers and issue a press release advising that it is conducting an Open Season;	Agree (subject to comments on s.2.1)
	(b) A transmitter shall allow a minimum period of 30 days between the time the transmitter provides notice of an Open Season for existing long-term available capacity and the close of the Open Season period; and	<p>Modify As stated in s.2.1, Union needs the option of either Open Seasons or direct negotiation with a customer when taking existing capacity to market. In the event that Union chooses to offer existing capacity through an Open Season, it is Union’s view that the number of days between the time the transmitter provides notice of an Open Season for existing long-term available capacity and the close of the Open Season period should be a minimum of five (5) days rather than thirty (30) days.</p> <p>FERC encourages Open Seasons but does not mandate them for either new or existing capacity. Further, FERC does not specify the Open Season duration. Open Season duration can vary based on business need and unique circumstances of each individual situation (i.e., capacity available, terms, duration). Open Seasons for existing capacity from TCPL and Bluewater have a minimum duration of</p>

		<p>five (5) days.</p> <p>Even though FERC does not prescribe a specific number of days for an Open Season, Union supports modification of s.2.2.(c) to provide a minimum of five (5) days for an Open Season, if it chooses to use an Open Season for existing capacity. A minimum of five (5) days is consistent with the Open Season duration used by TCPL and Bluewater.</p> <p><u>Proposed Rule</u> <u>If the transmitter chooses to conduct an Open Season for existing long-term available capacity, a transmitter shall allow a minimum period of five (5) business days between the time the transmitter provides notice of an Open Season and the close of the Open Season period; and</u></p>
	<p>(c) A transmitter shall allow a minimum period of 60 days between the time a transmitter provides notice of an Open Season for new capacity (i.e., facility expansion) and the close of the Open Season period.</p>	<p>Modify As indicated above, although FERC encourages Open Seasons it does not mandate them for either new or existing capacity and does not specify the duration that the Open Season must be open.</p> <p>As with existing capacity Open Seasons, this is a function of industry practice rather than FERC regulation. Open Season duration can vary based on business need and unique circumstances of each individual situation (i.e., capacity being created, terms, duration). TCPL and Bluewater procedures establish a floor at a minimum duration of five (5) days for new capacity.</p> <p>Given that FERC does not specify an Open Season duration and that TCPL and Bluewater set the Open season duration at a minimum of five (5) days, it is Union’s view that an Open Season duration of sixty (60) days is excessive. Recognizing the Board’s desire to have standards around Open Seasons, Union will accept a minimum Open Season duration of thirty (30) days for new firm transportation capacity.</p>

		<p><u>Proposed Rule</u> A transmitter shall allow a minimum period of <u>thirty (30)</u> days between the time a transmitter provides notice of an Open Season for <u>new firm</u> capacity (i.e., facility expansion) and the close of the Open Season period.</p>
	ii) Content of the Open Season Notice. The Open Season Notice shall identify:	
	(a) The amount of firm transportation service that will be available for each applicable transportation segment. For a new capacity Open Season, the transmitter may specify a range;	Agree
	(b) The minimum term, if any for new capacity. If a minimum or maximum term is imposed for an existing long-term capacity Open Season, a transmitter shall provide an explanation for that minimum or maximum term;	Agree
	(c) The closing date and time of Open Season bidding;	Agree
	(d) The expected in-service date of the expansion;	Agree
	(e) The applicable receipt and delivery points;	Agree
	(f) The date by which a transmitter will respond to bids received in the Open Season;	Agree
	(g) A reference to the standard transportation contract (and any other applicable agreements);	Agree

	<p>(h) The time period by which successful Open Season participants must execute the standard transportation contract (and any other applicable agreements);</p>	<p>Disagree</p> <p>In the Open Season package, there is usually an expected time period by which successful Open Season participants must execute the contract. However, Union does not recommend including it as a requirement that, if not met by the successful Open Season participants, will result in the rejection of that participants contract.</p> <p>Given market dynamics and need for customers to go through their own internal approvals process (which, in many cases, involves an international approval from a parent company i.e., U.S. or UK), it may take the customer longer than Union had initially contemplated in the Open Season package. It would not be advisable to have a hard close on the timing for executing the transportation contract that, if not met, may result in a key block of capacity not being committed to. If a key block of capacity did not get committed to, the entire project may not proceed.</p> <p>As an example, if a customer signed up for 100,000 Gj/d of capacity where the total market and build is 200,000 Gj/d, under the proposed Rule, the project would only go forward if that customer got their internal approvals by the date specified in the Open Season package. If the customer could not meet the deadline for executing the contract, the project would not likely proceed. There have, in fact, been cases where Union has provided an extension to a customer to allow them the necessary time to complete their internal approvals. This flexibility benefits both the transmitter and the customers.</p> <p>Union recommends that the Board not require transmitters to specify a deadline by which time transportation contracts must be executed. Alternatively, s.2.2.1 (h) could be modified to allow the transmitter and the customer the necessary flexibility.</p>
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		<u>Proposed Rule</u> The time period by which successful Open Season participants are <u>expected</u> to execute the standard transportation contract (and any other applicable agreements);
	(i) The manner in which an Open Season participant may make a bid;	Agree
	(j) Other conditions precedent such as credit support agreements or other prerequisites that a bidder needs to qualify or to execute a contract;	Agree
	(k) The methodology used to evaluate the bids;	Agree
	(l) The minimum bid (or reserve price) if a transmitter uses a reserve price to evaluate the bids; and	Agree
	(m) The information that a bidder is required to include in its bid in order for the bid to be valid.	Agree
	iii) A transmitter offering new capacity (i.e., facility expansion) shall offer a reverse Open Season to allow its existing firm transportation service shippers the opportunity to permanently turn back existing firm transportation capacity to avoid unnecessary expansions;	Agree
	iv) Each winning bid for each transportation Open Season shall be posted on the transmitter's website within seven (7) days of the transportation capacity being awarded and shall remain on the transmitter's website for a minimum of sixty (60) days. The winning bid results will include the following information: term, volumes, and receipt and delivery	Disagree Union cannot publish this information within 7 days of the transport capacity being awarded. Agreements are not binding until the last Condition Precedent in the contract has been satisfied. The customers themselves may not be able to have the information publicly disclosed until they have satisfied their internal processes and conditions. Union proposes to post all winning bids as part of the Index of Customers (refer to s.4.2) once all condition precedents are satisfied.

	points;	<p><u>Proposed Rule</u> Each winning bid for each transportation Open Season shall be posted on the transmitter’s website as part of the Index of Customers once all contract condition precedents are satisfied;</p>
	v) A transmitter shall keep copies of all bids received in response to each transportation Open Season for a period of no less than five years; and	<p>Agree</p>
	vi) A transmitter shall post information concerning plans for future facility expansions or the timing of upcoming Open Seasons as soon as this information is available.	<p>Modify Union cannot post information concerning a future Open Season until it has received corporate approval to proceed with the Open Season.</p> <p><u>Proposed Rule</u> A transmitter shall post information concerning plans for future facility expansions or the timing of upcoming Open Seasons as soon as this information is available <u>for public release</u>.</p>
<p>2.3 Shipper – Standard Terms of Service and Standard Forms of Contracts for Transportation Services</p>		
2.3.1	The requirements in section 2.3 apply to a transmitter that provides transportation services for a shipper.	<p>Union Comment: With respect to transportation services provided by Union, Union interprets s.2.3 to apply to transportation services provided under the M12 and C1 rate schedules. Contract and terms of service requirements associated with transportation services to and from an embedded storage pool (transportation services provided under the M16 rate schedule) are specified in s.2.4.</p>
2.3.2	A transmitter shall ensure that each transportation service has its own standard form of contract and that the standard form of contract includes, at a minimum, the terms of service outlined in section 2.3.4.	<p>Agree</p>
2.3.3	A transmitter shall include in its tariff the terms of service and standard form of contract for each of	<p>Disagree: Union’s Board approved tariff for M12 and C1 transportation</p>

<p>its transportation services. The tariff, including the terms of service and the standard form of contract, shall be filed with the Board for approval and the approved tariff shall be posted on the transmitter's website.</p>	<p>services includes:</p> <ul style="list-style-type: none">- Rate Schedule.- General Terms & Conditions ("GT&C") (Schedule A) which equate to Terms of Services referenced in this Proposed Rule.- Nominations (Schedule B).- Monthly Transportation Fuel Ratios and Rates (Schedule C) (for M12 only). <p>Union does not agree with the requirement under s.2.3.3 that the standard form of contract be included in the tariff and approved by the Board. Filing the standard form of contract with the tariff for Board approval will add regulatory oversight and burden that is not necessary or warranted.</p> <p>As part of the EB-2005-0520 Board Approved Settlement Agreement parties agreed that Union would post the M12 standard form of contract on the company's website and that Union would provide at least six (6) months advance written notice to all shippers of any changes to the standard contract. Further, Union committed to file with the Board all variations between the standard contract and new contracts and to promptly post any changes to its website. There have not been any variations between new contracts and the standard contract since the EB-2005-0520 Settlement Agreement. Section 6.10 of the EB-2005-0520 Settlement Agreement is attached at Attachment C. Union expects to file one variation to the standard contract later this Fall, before the contract comes into effect.</p> <p>Union is prepared to follow the same process for C1 contracts.</p> <p>Union agrees with the Board desire to ensure transparent and non-discriminatory contracting practices. It is Union's view, however, that the current practice that it follows for the M12 contract provides customers with the same level of transparency and non-</p>
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		<p>discriminatory access that the Board is trying to achieve by including the contract in the approved tariff without adding unnecessary regulatory burden. Union’s current process has been very successful and well received by customers.</p> <p>Union proposes that the draft Rule be modified to align it with the EB-2005-0520 Settlement Agreement.</p> <p><u>Proposed Rule</u> A transmitter shall include in its tariff the terms of service for each of its transportation services. The tariff, including terms of service shall be filed with the Board for approval and the approved tariff shall be posted on the transmitter’s website.</p> <p>A transmitter shall post on its website the standard form of contract for all transportation services. The transmitter will provide at least six (6) months advance written notice to all transportation shippers of any changes to the standard contract.</p>
2.3.4	A transmitter’s terms of service shall include the following:	<p>Modify The items listed within s.2.3.4 appear within a standard contract or the Union tariff in either General Terms and Conditions (Schedule A) or Nominations (Schedule B). Accordingly, Union recommends revising the Rule to reflect that the items listed in s.2.3.4 may appear in the contract or tariff.</p> <p><u>Proposed Rule</u> A transmitter’s <u>tariff or standard contract</u> shall include the following:</p>
	i) Nomination and scheduling procedures (and, at a minimum, provision for the North American Energy Standards Board’s nomination windows);	<p>Agree</p> <p>Union Current Location: Tariff</p>
	ii) Service priority rules;	<p>Union Comment: Union’s service priority rules are posted on the company’s website.</p>

		<p>Union will include the service priority rules posted on its website in the tariff upon Rule implementation.</p> <p>Union Future Location: Tariff</p>
iii)	Balancing requirements and imbalance charges and penalties;	<p>Modify M12 and C1 do not normally include balancing requirements and imbalance charges and penalties.</p> <p><u>Proposed Rule</u> Balancing requirements and imbalance charges and penalties, <u>if applicable</u>;</p> <p>Union Future Location (if required): Tariff</p>
iv)	Point of receipt and point of delivery;	<p>Agree</p> <p>Union Current Location: Standard Contract and Tariff</p>
v)	Details of billing and payment;	<p>Agree</p> <p>Union Current Location: Standard Contract and Tariff</p>
vi)	Decontracting and renewal rights;	<p>Modify Union contracts do not include a decontracting provision. Customers can reduce their contract volume only at end of term, if proper notice is given, or at the time of a reverse Open Season.</p> <p><u>Proposed Rule</u> Decontracting and renewal rights, <u>if applicable</u>;</p> <p>Union Current Location for renewal rights: Standard Contract</p>
vii)	Force majeure;	<p>Agree</p> <p>Union Current Location: Standard Contract and Tariff</p>
viii)	Alternative Dispute Resolution provisions;	<p>Agree</p> <p>Union Current Location: Tariff</p>

	ix) Identification of any existing preconditions;	Agree Union Current Location: Standard Contract
	x) Financial assurance requirements or preconditions; and	Agree Union Current Location: Standard Contract
	xi) Quality and measurement.	Agree Union Current Location: Standard Contract and Tariff
2.3.5	A contract shall be identified as a “Negotiated Contract” when the contract varies from the standard form of contract and/or the standard terms of service as referred to in sections 2.3.2 to 2.3.4 as a result of negotiations between the shipper and the transmitter. A clean copy and a redlined version of the “Negotiated Contract” shall be posted on the transmitter’s website at the same time as it is filed with the Board for approval.	Modify <p>As indicated in Union comments on s.2.3.3, Union does not support the requirement under the draft Rule for approval of either the standard form of contract or contracts that vary from the standard as a result of negotiation (i.e. negotiated contracts). With respect to negotiated contracts, Union is concerned that:</p> <ol style="list-style-type: none"> 1) The value of approving each contract is questionable since all transactions stem from a standard contract which would be posted and GT&C which Union has proposed filing for Board approval and posting in s.2.3.3. 2) Many contracts require a short lead time (i.e., day) for the transaction to be complete. Otherwise, the transaction would not flow. For example, Union’s HUB contracts are often executed on a daily basis. Market opportunities will be lost, leaving capacity unsubscribed. If Union had to apply for Board approval, it would limit flexibility and the company’s ability to react to the market and customer needs. 3) A delay in contract approval could potentially delay construction. <p>Union’s current practice for posting of the standard and negotiated M12 contracts is described in s.2.3.3, above. Specifically, with</p>

		<p>respect to negotiated contracts, Union committed in the EB-2005-0520 Settlement Agreement to file with the Board all variations between the standard contract and new contracts and to promptly post any changes to its website. It is Union’s view that this practice will achieve what the Board is striving for in terms of transparency and non-discriminatory access without the increased regulatory burden associated with approving all negotiated contracts. To date, there has been no contract deviations requiring this posting and filing. This methodology was accepted by customers as part of EB-2005-0520 and has worked well for all parties. Union expects to file one variation to the standard contract later this Fall, before the contract comes into effect.</p> <p>Union proposes that the draft Rule be modified to align it with the EB-2005-0520 Settlement Agreement.</p> <p>Existing contracts will be “Grandfathered” and will not be posted.</p> <p><u>Proposed Rule</u> A contract shall be identified as a “Negotiated Contract” when the contract varies from the standard form of contract and/or the standard terms of service as referred to in sections 2.3.2 to 2.3.4 as a result of negotiations between the shipper and the transmitter. The deviations between the standard contract and “Negotiated Contract” shall be filed with the Board and <u>posted on the transmitter’s website on a contract specific basis before such new contracts come into effect. Negotiated contracts in effect prior to implementation of the final Rule will be “Grandfathered” and will not be posted.</u></p>
2.3.6	<p>If a transmitter makes any amendments to the tariff referred to in sections 2.3.2 to 2.3.4, the amended tariff shall be filed with the Board for approval and the approved tariff shall be posted on the transmitter’s website.</p>	<p>Agree</p>

2.4 Storage Company – Standard Terms of Service and Standard Forms of Contracts for Transportation Services		
2.4.1	The requirements in section 2.4 only apply to a transmitter that provides transportation services for a storage company that connects to the transmitter’s transportation system.	<p>Modify Union interprets s.2.4 to apply to embedded storage companies contracting for transportation service between the embedded storage pool and the Dawn Hub. Union offers this service under the M16 rate schedule.</p> <p>To clarify the applicability of s.2.4.1, Union proposes the following modification:</p> <p><u>Proposed Rule</u> The requirements in section 2.4 only apply to a transmitter that provides transportation services to an embedded storage company that connects to a transmitter’s transportation system or an integrated utility’s distribution or transportation system.</p>
2.4.2	A transmitter shall ensure that each transportation service has its own standard form of contract and that the standard form of contract includes, at a minimum, the standards outlined in section 2.4.4.	<p>Modify Subject to Union’s proposal to delete 2.4.4 Union proposes that 2.4.2 be modified as follows:</p> <p><u>Proposed Rule</u> A transmitter shall ensure that each transportation service has its own standard form of contract.</p>
2.4.3	A transmitter shall include in its tariff the terms of service and the standard form of contract for each of its transportation services. The tariff, including the terms of service and the standard form of contract, shall be filed with the Board for approval and the approved tariff shall be posted on the transmitter’s website.	<p>Modify As indicated in s.2.3.3 and s.2.3.5 Union does not support the requirement that the standard form contract or negotiated contracts be approved by the Board. For M16 transportation contracts, Union proposes to follow the same filing and posting process agreed to by all parties in the EB-2005-0520 Settlement Agreement and currently in place for M12 transportation contracts.</p> <p><u>Proposed Rule</u> A transmitter shall include in its tariff the terms of service for each of its transportation services. The tariff terms of service shall be</p>

		<p>filed with the Board for approval and the approved tariff shall be posted on the transmitter's website.</p> <p>A transmitter shall post on its website the standard form of contract for all transportation services. The transmitter will provide at least six (6) months advance written notice to all transportation shippers of any changes to the standard contract.</p>
2.4.4	<p>A transmitter shall include the following standards in its standard form of contract:</p> <p>i) A transmitter shall respond to requests for interconnection facilities and/or transportation services in a timely manner; and</p> <p>ii) A transmitter shall not impose any operating requirements, financial requirements and/or provisions for transportation services that discriminate between different storage companies.</p>	<p>Disagree: The standards specified in s.2.4.4 are not contractual or commercial in nature and should not be part of the contract. They are, at best, principles or codes of conduct that apply to all services offered by transmitter or integrated utility. S.2.4.4 should not form part of the final Rule.</p> <p>Union responds to all requests for interconnection facilities and transportation services in a timely manner. It is always in the best interest of Union to promote the Dawn Hub by connecting embedded storage pools and to provide transportation services when capacity is available.</p> <p>With respect to the imposition of operating or financial requirements that discriminate between storage companies, there is no evidence or even a suggestion that such discrimination takes place.</p> <p>If a storage company believes that its requests for interconnection or transportation services are not being responded to in a timely manner or that the actions of the transmitter are discriminatory, they should avail themselves of the transmitter's formal complaint process or complain directly to the Board. It is through the complaint process that the Board can ensure that the standards of conduct currently specified in s.2.4.4 are maintained.</p>

		<p><u>Proposed Rule</u> Eliminate s.2.4.4.</p>
2.4.5	<p>The contract, including the standard form of contract, the terms of service, and all related agreements, between a transmitter and a storage company shall be posted on the transmitter’s website.</p>	<p><u>Union Commitment</u> Union has posted the standard M16 contract on the company’s website. Union will post all related transportation agreements between the company and a storage company on the company’s website. All other contracts are for unregulated storage service and would not be posted.</p> <p><u>Proposed Rule</u> The transportation contract, including the standard form of contract, the terms of service, and all related <u>transportation</u> agreements, between a transmitter and a storage company shall be posted on the transmitter’s website.</p>
2.4.6	<p>If a transmitter makes any amendments to the tariff referred to in sections 2.4.2 to 2.4.4, the amended tariff shall be filed with the Board for approval and the approved tariff shall be posted on the transmitter’s website.</p>	<p><u>Modify</u> Please see Union’s comments provided in s.2.3.3, s.2.3.5 and s.2.4.3</p> <p><u>Proposed Rule</u> If a transmitter makes any amendments to the tariff referred to in sections 2.4.2 to 2.4.3, the amended tariff shall be filed with the Board for approval and the approved tariff shall be posted on the transmitter’s website.</p> <p>A contract shall be identified as a “Negotiated Contract” when the contract varies from the standard form of contract and/or the standard terms of service as referred to in sections 2.4.2 to 2.4.3 as a result of negotiations between the embedded storage company and the transmitter. The deviations between the standard contract and “Negotiated Contract” shall be filed with the Board and <u>posted on the transmitter’s website on a contract specific basis before such new contracts come into effect. Negotiated contracts in effect prior to implementation of the final Rule will be “Grandfathered” and will not be posted.</u></p>

2.5 Other		
2.5.1	Transportation services may only be bundled with competitive storage services if the equivalent transportation services are also offered on a stand-alone basis.	Agree
3.1 Posting and Protocol Requirements		
3.1.1	A storage company shall post its standard forms of contracts and its general terms and conditions of service for competitive storage services on its website.	Agree
3.1.2	An integrated utility shall develop and maintain protocols to limit access to non-public transportation information concerning transportation operating conditions of shippers, storage companies and consumers to personnel that require this information only. The protocols shall be posted on the integrated utility's website. The integrated utility shall update its protocols immediately when revisions are made.	Agree
4.1 Information Requirements		
4.1.1	A transmitter (including a transmitter that is also an integrated utility) shall post on its websites the following information: i) Index of Customers for transportation contracts; and	Agree
	ii) Operationally-Available Transportation Capacity.	Agree
4.1.2	A storage company and an integrated utility shall post on its website the following information:	Agree

	i) Index of Customers for storage contracts;	Agree
	ii) Storage Inventory; and	Agree
	iii) Design Capacity.	Agree
4.2 Index of Customers		
4.2.1	On the first business day of each calendar month, a transmitter, a storage company and an integrated utility shall update its Index of Customers. For in-franchise storage capacity requirements, the information posted shall be updated prior to the start of each storage withdrawal season based on the results of the integrated utility's most recent operational plan.	<p>Modify</p> <p>Since 2007, Union has posted quarterly all long-term firm storage contract information (two (2) years or greater) and firm transportation contract information (one (1) year or greater). Union does not support reporting the Index of Customers on a monthly basis. Reporting monthly exceeds the reporting frequency required under FERC 284.13 which requires only quarterly reporting.</p> <p>Union proposes to post on a quarterly basis all long-term storage contract information (two (2) years or longer) when all contractual conditions are met. The NGEIR decision (p. 98), defined storage contracts with a term of two (2) years and longer as being long-term.</p> <p>Union will post on a quarterly basis all firm transportation contract information (one (1) year or longer) (M16, M12, C1) when all contractual conditions are met.</p> <p>Union will add the contract information to the Index of Customers for M16 and C1 during the Rule implementation period.</p> <p><u>Proposed Rule</u></p> <p>On the first business day of each <u>quarter</u>, a transmitter, a storage company and an integrated utility shall update its Index of Customers. For in-franchise storage capacity requirements, the information posted shall be updated prior to the start of each storage withdrawal season based on the results of the integrated utility's most recent operational plan.</p>

4.2.2	<p>The Index of Customers shall include:</p> <p>i) For all firm transportation contracts with terms of one month or greater, the information required as per section 4.2.3;</p>	<p>Modify Please see Union’s comments in s.4.2.1.</p> <p><u>Proposed Rule</u> For all firm transportation contracts with terms of one (1) <u>year</u> or greater, the information required as per section 4.2.3;</p>
	<p>ii) For all firm storage contracts with terms of one month or greater, the information as per section 4.2.4; and</p>	<p>Modify Refer to Union’s comment for s.4.2.1.</p> <p><u>Proposed Rule</u> For all firm storage contracts with terms of <u>two (2) years</u> or greater, the information as per section 4.2.4;</p>
	<p>iii) For all integrated utilities, the amount of working storage capacity, daily withdrawal deliverability and daily injection quantity reserved for in-franchise customers shall be identified as “In-franchise Customers”.</p>	<p>Modify Union will supply this information on November 1st each year.</p> <p><u>Proposed Rule</u> <u>On November 1st each year</u>, for all integrated utilities, the amount of working storage capacity, daily <u>firm</u> withdrawal deliverability and daily <u>firm</u> injection quantity <u>that the integrated utility plans to use</u> for in-franchise customers shall be identified as “In-franchise Customers”.</p>
4.2.3	<p>For all firm transportation contracts with a term of one month or greater, a transmitter (including a transmitter that is also an integrated utility) shall post the following information on the Index of Customers:</p>	<p>Modify Please see Union’s comments in s.4.2.1.</p> <p><u>Proposed Rule</u> For all firm transportation contracts with a term of one (1) <u>year</u> or greater, a transmitter (including a transmitter that is also an integrated utility) shall post the following information on the Index of Customers:</p>
	<p>i) Full legal name of shipper (Customer Name);</p>	<p>Agree</p>
	<p>ii) Contract Identifier;</p>	<p>Agree</p>
	<p>iii) Receipt/Delivery points (and the zones or</p>	<p>Agree</p>

	segments covered by the contract in which the capacity is held);	
	iv) Contract Quantity (in GJ);	Agree
	v) The effective and expiration dates of the contract;	Agree
	vi) Negotiated Rate (yes/no); and	Agree
	vii) Affiliate (yes/no).	Agree
4.2.4	For all storage contracts with a term of one month or greater, a storage company or an integrated utility shall post the following information on the Index of Customers:	Modify Refer to Union comments for s.4.2.1. <u>Proposed Rule</u> For all <u>firm</u> storage contracts with a term of <u>two (2) years</u> or greater, a storage company or an integrated utility shall post the following information on the Index of Customers:
	i) Full legal name of shipper (Customer Name);	Agree
	ii) Contract Identifier;	Agree
	iii) Receipt/Delivery Point(s);	Agree
	iv) Maximum Storage Quantity (in GJ);	Agree
	v) Maximum Daily Withdrawal Quantity (in GJ);	Modify Identify as “firm” quantity. <u>Proposed Rule</u> Maximum <u>Firm</u> Daily Withdrawal Quantity (in GJ);
	vi) Maximum Daily Injection Quantity (in GJ);	Modify Identify as “firm” quantity. <u>Proposed Rule</u> Maximum <u>Firm</u> Daily Injection Quantity (in GJ);
	vii) The effective and expiration dates of the contract; and	Agree
	viii) Affiliate (yes/no).	Agree

4.3 Operationally-Available Transportation Capacity		
4.3.1	A transmitter (including a transmitter that is also an integrated utility) shall at each nomination cycle post its Operationally-Available Transportation Capacity on its website for each capacity segment for which the transmitter provides transportation services as follows:	Agree
	i) the capacity available for transportation services under expected operating conditions;	
	ii) the amount of capacity scheduled for firm and interruptible transportation services; and	Agree
	iii) the difference between 4.3.1 i) and 4.3.1 ii).	Agree
4.4 Storage Inventory		
4.4.1	A storage company or an integrated utility shall post a weekly working Storage Inventory on its website. The Storage Inventory shall include the amount of working gas in storage (in PJ) by individual pool or as an aggregate quantity for all pools, provided that the storage company or the integrated utility identifies the method used (i.e., individual or aggregated).	<p>Modify Union does not support posting working storage inventories weekly by individual storage operator. The reporting of weekly inventory levels at an important market hub like Dawn may influence commodity futures markets at Dawn.</p> <p>Participants in the North American natural gas market will normally access storage inventory levels through the US Energy Information Administration (“EIA”). This weekly storage inventory report has significant influence on the natural gas commodity markets and on the value of secondary market services for both transport and storage. EIA amalgamates the US data from both the producing and market areas and releases the storage inventory level each Thursday at 10:30 am eastern standard time. This formal process and the timing of the release of storage inventory information ensures that the market has consistent aggregated information which, in turn,</p>

		<p>ensures that commodity markets function in an efficient and reasonable manner.</p> <p>Union currently reports weekly storage inventory information for the pools it operates at Dawn to Canadian Enerdata Ltd. Canadian Enerdata then aggregates all Canadian storage information from both the production and market areas.</p> <p>Canadian Enerdata Ltd. publishes that aggregated data and breaks out the information specific to Eastern Canadian storage levels, including the weekly changes in inventory. Union, Enbridge and GMi are the only storage providers that make up the published inventory for the Eastern Canadian markets. This data is available for purchase to market participants at a small fee from Canadian Enerdata.</p> <p>Union does not support storage inventory reporting for individual storage operators at the Dawn market hub. At minimum, any information should be reported in aggregate including all storage provider inventories.</p> <p>Union does support reporting storage inventory levels consistent with FERC 284.13 s.(e) which requires storage inventory levels to be reported semi-annually. Given Union's current weekly reporting, and the potentially significant impacts on commodity pricing at Dawn, it is Union's view that weekly reporting on an individual operator basis is excessive, unnecessary, and could have detrimental impacts on the market at Dawn.</p> <p>With respect to reporting inventory levels for individual storage pools or in aggregate, Union will report on an aggregated basis. Since Union provides storage service from its integrated operations and does not sell storage services from individual storage pools this information is of no use in the market.</p>
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		<p><u>Proposed Rule</u> A storage company or an integrated utility shall post <u>semi-annually</u>, a working Storage Inventory on its website <u>at the start of each injection and withdrawal season</u>. The Storage Inventory shall include the amount of working gas in storage (in PJ) by individual pool or as an aggregate quantity for all pools, provided that the storage company or the integrated utility identifies the method used (i.e., individual or aggregated).</p>
<p>4.5 Design Capacity</p>		
4.5.1	<p>A storage company or an integrated utility shall post a Design Capacity on its website. A storage company or an integrated utility may post the Design Capacity by individual pool or as an aggregate quantity for all pools, provided that the storage company or the integrated utility identifies the method used (i.e., individual or pool). The Design Capacity shall include:</p>	<p>Agree Union will provide the design capacity on an aggregate basis annually (November 1) on its website upon implementation of the final Rule.</p>
	i) Total storage capacity (in PJ);	
	ii) Base gas quantity (in PJ);	Agree
	iii) Working gas capacity (in PJ);	Agree
	iv) Design peak withdrawal capacity (in GJ/day); and	Agree
	v) Design peak injection capacity (in GJ/day).	Agree
4.5.2	<p>The information in section 4.5.1 shall be posted by November 1 each year, and updated immediately whenever any of the information changes.</p>	Agree
<p>5.1 Dispute Resolution</p>		
5.1.1	<p>A storage company, a transmitter and an integrated utility shall develop a dispute resolution</p>	Agree

	process and post this process on its website. The storage company, the transmitter and the integrated utility shall update its dispute resolution process immediately when revisions are made.	
5.1.2	As part of the dispute resolution process as required by section 5.1.1, a storage company, a transmitter and an integrated utility shall designate at least one employee for the purposes of dealing with disputes relating to this Rule. The name and contact information for this employee shall be provided to the Board and posted on the transmitter's, the storage company's and the integrated utility's website. If the designated employee changes, the name and contact information of the new employee shall be immediately provided to the Board and posted on the transmitter's, the storage company's or the integrated utility's website.	Agree
5.1.3	If a complaint has not been resolved to the satisfaction of the complainant, the transmitter, the storage company or the integrated utility to which the complaint was made shall refer the complainant to the Board.	<p>Modify The transmitter, storage company or integrated utility should not be obligated to refer unresolved complaints to the Board. If the complainant is not satisfied with the resolution it is the complainant that should refer the complaint to the Board for resolution. Accordingly, Union proposes that the Rule be modified to place the onus on the complainant to refer complaints not resolved to their satisfaction to the Board.</p> <p><u>Proposed Rule</u> If a complaint has not been resolved to the satisfaction of the complainant, the complainant may refer the complaint to the Board.</p>

Proposed Amendments to the Storage and Transportation Access Rule (STAR)
(blacklined to show Union's proposed modifications)

1. GENERAL AND ADMINISTRATIVE PROVISIONS

1.1 Purpose of this Rule

1.1.1 This Rule outlines conduct and reporting requirements for natural gas transmitters, integrated utilities and storage companies. The purpose of this Rule is to:

- i) Establish operating requirements to ensure open and non-discriminatory access to transportation services for shippers and storage companies;
- ii) Establish reporting requirements for natural gas transmitters, integrated utilities and storage companies; and,
- iii) Ensure customer protection within the competitive storage market.

1.2 Definitions

1.2.1 In this Rule, unless the context otherwise requires:

“Act” means the *Ontario Energy Board Act, 1998*, S.O. 1988, c. 15, Schedule B;

“Board” means the Ontario Energy Board;

“business day” means any day that is not a Saturday, a Sunday, or a legal holiday in the Province of Ontario;

“capacity segment” means any receipt point and delivery point pairing for which a gas transmitter provides transportation services;

“Delivery point” means any interconnection through which gas is delivered to another upstream or downstream transmitter;

“Receipt point” means any interconnection which receives gas from another upstream or downstream transmitter;

“competitive storage services” means all the storage services that the Board has found to be competitive;

“consumer” means a person who uses gas for the person’s own consumption;

“expected operating conditions” means all constraints (including all planned and actual service outages or reductions in service capacity) and the transportation capacity that the transmitter requires to serve infranchise customers and/or other system operational requirements;

“firm transportation service ” or “firm storage service” means service not subject to curtailment or interruption;

“in-franchise customer” means the distribution customer of the integrated utility;

“integrated utility” means a gas transmitter and/or gas distributor that also provides competitive storage services;

“interruptible transportation service” means service subject to curtailment or interruption;

“long-term” means one (1) year or greater for transportation services and two (2) years or greater for storage services;

“natural gas distributor” or “gas distributor” or “distributor” means a person who delivers gas to a consumer;

“natural gas transportation services” or “gas transportation services” or “transportation services” means the services related to the transportation of gas;

“natural gas transportation system” or “gas transportation system” or

“transportation system” means the system used to provide gas transportation services;

“natural gas transmitter” or “gas transmitter” or “transmitter” means a person who provides transportation services but does not include gas distribution services as defined in the Gas Distribution Access Rule;

“new capacity” means the transportation service that is associated with the expansion of the transportation system;

“open season” means an open access auction or bidding process that meets the minimum standards set out in section 2.2 of this Rule;

“post” means to post information on a company’s Internet website in a readily-accessible file format (e.g., PDF);

“related agreements” means all the documents and/or agreements that a storage company requires from a transmitter for transportation services;

“Rule” means this rule entitled the “Storage and Transportation Access Rule”;

“shipper” means the holder of the transportation and/or storage contract;

“storage company” means a person engaged in the business of storing gas; and having an order of the Board designating a gas storage area pursuant to section 36.1 of the Act, and the authority to inject gas into, store gas in, and remove gas from a storage pool pursuant to section 38.1 of the Act;

“embedded storage company” means a storage company whose designated gas storage area is contained within the franchise area of an integrated utility not owning or operating transportation facilities directly connected to the Dawn Hub, therefore requiring transportation services from the integrated utility; and

“storage service” means any service where a storage company or an integrated utility receives gas from a shipper for redelivery at a later time, and includes parking services and balancing services.

1.3 Interpretation

- 1.3.1 Unless otherwise defined in this Rule, words and phrases shall have the meanings ascribed to them in the Act. Headings are for convenience only and shall not affect the interpretation of this Rule. Words importing the singular include the plural and vice versa. Words importing a gender include any gender. A reference to a document (including a statutory instrument) or a provision of a document includes any amendment or supplement to, or any replacement of, that document or that provision of that document. The expression “including” means including without limitation.
- 1.3.2 If the time for doing any act or omitting to do any act under this Rule expires on a day that is not a business day, the act may be done or may be omitted to be done on the next day that is a business day.

1.4 Amendments to this Rule and Determinations by the Board

1.4.1 Except where expressly stated otherwise, any amendments to this Rule shall come into force on the date on which the Board publishes the amendments by placing them on the Board's web site after they have been made by the Board.

1.4.2 Any matter under this Rule requiring a determination by the Board:

- i) shall be determined by the Board in accordance with all applicable provisions of the Act and the regulations; and
- ii) may, subject to the Act, be determined without a hearing, or through an oral, written or electronic hearing, at the Board's discretion.

1.5 To Whom this Rule Applies

1.5.1 This Rule applies to all natural gas transmitters, integrated utilities and storage companies that are legally permitted to do business in Ontario.

1.6 Coming into Force

1.6.1 This Rule shall come into force on ~~(six~~twelve (12) months after issuance). Any amendment to this Rule shall come into force on the date that the Board publishes the amendment by placing it on the Board's website after it has been made by the Board, except where expressly provided otherwise.

1.7 Exemptions

1.7.1 The Board may grant an exemption to any provision of this Rule. An exemption may be made in whole or in part and may be subject to conditions or restrictions.

2. NON-DISCRIMINATORY ACCESS TO TRANSPORTATION SERVICES

2.1 Allocation of Transportation Capacity

2.1.1 A transmitter's method for allocating all firm transportation capacity shall be defined in its tariff. The tariff, including the allocation methodology, shall be filed with the Board for approval and the approved tariff shall be posted on the transmitter's website.

2.1.2 ~~Firm transportation service that becomes available as a result of a facility expansion (i.e., new capacity), or the termination of a long term firm transportation contract shall be offered through an open season.~~

2.1.3 ~~The allocation methods for all other transportation services shall be defined in the transmitter's tariff as set out in section 2.1.1.~~

2.1.4 If a transmitter makes any amendments to the tariff referred to in sections ~~2.1.1 to 2.1.3~~, the amended tariff shall be filed with the Board for approval and the approved tariff shall be posted on the transmitter's website.

2.2 Standards for Transportation Open Seasons

2.2.1 A transmitter shall ensure that the following requirements are met when conducting ~~open seasons~~Open Seasons for new firm transportation services and existing transportation capacity if the transmitter elects to use an Open Season:

i) Notification and Timing:

(a) A transmitter shall place a notice of open season (the "Open Season Notice") on its website, provide a notice to existing shippers and issue a press release advising that it is conducting an open season;

(b) ~~A~~If the transmitter chooses to conduct an Open Season for existing long-term available capacity, a transmitter shall allow a minimum period of 30~~five (5) business~~ days between the time the transmitter provides notice of an ~~open season for existing long-term available capacity~~Open Season and the close of the ~~open season~~Open Season period; and

(c) A transmitter shall allow a minimum period of ~~60~~thirty (30) days between the time a transmitter provides notice of an ~~open season~~Open Season for new firm capacity (i.e., facility expansion) and the close of the ~~open season~~Open Season period.

ii) Content of the Open Season Notice. The Open Season Notice shall identify:

(a) The amount of firm transportation service that will be available for each applicable transportation segment. For a new capacity open season, the transmitter may specify a range;

(b) The minimum term, if any for new capacity. If a minimum or maximum term is imposed for an existing long-term capacity open season, a transmitter shall provide an explanation for that minimum or maximum term;

- (c) The closing date and time of open season bidding;
 - (d) The expected in-service date of the expansion;
 - (e) The applicable receipt and delivery points;
 - (f) The date by which a transmitter will respond to bids received in the open season;
 - (g) A reference to the standard transportation contract (and any other applicable agreements);
 - (h) The time period by which successful ~~open season~~Open Season participants ~~must~~are expected to execute the standard transportation contract (and any other applicable agreements);
 - (i) The manner in which an open season participant may make a bid;
 - (j) Other conditions precedent such as credit support agreements or other prerequisites that a bidder needs to qualify or to execute a contract;
 - (k) The methodology used to evaluate the bids;
 - (l) The minimum bid (or reserve price) if a transmitter uses a reserve price to evaluate the bids; and
 - (m) The information that a bidder is required to include in its bid in order for the bid to be valid.
- iii) A transmitter offering new capacity (i.e., facility expansion) shall offer a reverse open season to allow its existing firm transportation service shippers the opportunity to permanently turn back existing firm transportation capacity to avoid unnecessary expansions;
- iv) Each winning bid for each transportation ~~open season~~Open Season shall be posted on the transmitter's website ~~within seven (7) days~~as part of the ~~transportation capacity being awarded and shall remain on the transmitter's website for a minimum~~Index of ~~sixty (60) days. The winning bid results will include the following information: term, volumes, and receipt and delivery points~~Customers once all contract condition precedents are satisfied;

- v) A transmitter shall keep copies of all bids received in response to each transportation open season for a period of no less than five years; and
- vi) A transmitter shall post information concerning plans for future facility expansions or the timing of upcoming ~~open seasons~~Open Seasons as soon as this information is available for public release.

2.3 Shipper – Standard Terms of Service and Standard Forms of Contracts for Transportation Services

2.3.1 The requirements in section 2.3 apply to a transmitter that provides transportation services for a shipper.

2.3.2 A transmitter shall ensure that each transportation service has its own standard form of contract and that the standard form of contract includes, at a minimum, the terms of service outlined in section 2.3.4.

2.3.3 A transmitter shall include in its tariff the terms of service ~~and standard form of contract~~ for each of its transportation services. The tariff, including ~~the terms of service and the standard form of contract~~, shall be filed with the Board for approval and the approved tariff shall be posted on the transmitter's website.

A transmitter shall post on its website the standard form of contract for all transportation services. The transmitter will provide at least six (6) months advance written notice to all transportation shippers of any changes to the standard contract.

2.3.4 A transmitter's ~~terms of service~~tariff or standard contract shall include the following:

- i) Nomination and scheduling procedures (and, at a minimum, provision for the North American Energy Standards Board's nomination windows);
- ii) Service priority rules;
- iii) Balancing requirements and imbalance charges and penalties, if applicable;
- iv) Point of receipt and point of delivery;
- v) Details of billing and payment;
- vi) Decontracting and renewal rights, if applicable;

- vii) Force majeure;
 - viii) Alternative Dispute Resolution provisions;
 - ix) Identification of any existing preconditions;
 - x) Financial assurance requirements or preconditions; and
 - xi) Quality and measurement.
- 2.3.5 A contract shall be identified as a “Negotiated Contract” when the contract varies from the standard form of contract and/or the standard terms of service as referred to in sections 2.3.2 to 2.3.4 as a result of negotiations between the shipper and the transmitter. ~~A clean copy~~ The deviations between the standard contract and a redlined version of the “Negotiated Contract” shall be filed with the Board and posted on the transmitter’s website at the same time as it is filed with the Board for approval on a contract specific basis before such new contracts come into effect. Negotiated contracts in effect prior to implementation of the final Rule will be “Grandfathered” and will not be posted.
- 2.3.6 If a transmitter makes any amendments to the tariff referred to in sections 2.3.2 to 2.3.4, the amended tariff shall be filed with the Board for approval and the approved tariff shall be posted on the transmitter’s website.
- 2.4 Storage Company – Standard Terms of Service and Standard Forms of Contracts for Transportation Services**
- 2.4.1 The requirements in section 2.4 only apply to a transmitter that provides transportation services ~~for a~~ to an embedded storage company that connects to ~~the~~ a transmitter’s transportation system or an integrated utility’s distribution or transportation system.
- 2.4.2 A transmitter shall ensure that each transportation service has its own standard form of contract ~~and that the standard form of contract includes, at a minimum, the standards outlined in section 2.4.4.~~
- 2.4.3 A transmitter shall include in its tariff the terms of service ~~and the standard form of contract~~ for each of its transportation services. The tariff, ~~including the~~ terms of service ~~and the standard form of contract,~~ shall be filed with the Board for approval and the approved tariff shall be posted on the transmitter’s website.
- ~~2.4.4~~ A transmitter shall ~~include the following standards in~~ post on its website the standard form of contract:

~~A transmitter shall respond to requests for interconnection facilities and/or all transportation services in a timely manner; and.~~ The transmitter will provide at least six (6) months advance written notice to all transportation shippers of any changes to the standard contract.

~~A transmitter shall not impose any operating requirements, financial requirements and/or provisions for transportation services that discriminate between different storage companies.~~

2.4.5 The transportation contract, including the standard form of contract, the terms of service, and all related transportation agreements, between a transmitter and a storage company shall be posted on the transmitter's website.

2.4.6 If a transmitter makes any amendments to the tariff referred to in sections 2.4.2 to 2.4.43, the amended tariff shall be filed with the Board for approval and the approved tariff shall be posted on the transmitter's website.

A contract shall be identified as a "Negotiated Contract" when the contract varies from the standard form of contract and/or the standard terms of service as referred to in sections 2.4.2 to 2.4.3 as a result of negotiations between the embedded storage company and the transmitter. The deviations between the standard contract and "Negotiated Contract" shall be filed with the Board and posted on the transmitter's website on a contract specific basis before such new contracts come into effect. Negotiated contracts in effect prior to implementation of the final Rule will be "Grandfathered" and will not be posted.

2.5 Other

2.5.1 Transportation services may only be bundled with competitive storage services if the equivalent transportation services are also offered on a stand-alone basis.

3. CUSTOMER PROTECTION WITHIN THE COMPETITIVE STORAGE MARKET

3.1 Posting and Protocol Requirements

3.1.1 A storage company shall post its standard forms of contracts and its general terms and conditions of service for competitive storage services on its website.

3.1.2 An integrated utility shall develop and maintain protocols to limit access to non-public transportation information concerning transportation operating conditions of shippers, storage companies and consumers to personnel that require this information only. The protocols shall be posted on the integrated utility's website.

The integrated utility shall update its protocols immediately when revisions are made.

4. REPORTING REQUIREMENTS

4.1 Information Requirements

4.1.1 A transmitter (including a transmitter that is also an integrated utility) shall post on its websites the following information:

- i) Index of Customers for transportation contracts; and
- ii) Operationally-Available Transportation Capacity;

4.1.2 A storage company and an integrated utility shall post on its website the following information:

- i) Index of Customers for storage contracts;
- ii) Storage Inventory; and
- iii) Design Capacity.

4.2 Index of Customers

4.2.1 On the first business day of each ~~calendar month~~quarter, a transmitter, a storage company and an integrated utility shall update its Index of Customers. For in-franchise storage capacity requirements, the information posted shall be updated prior to the start of each storage withdrawal season based on the results of the integrated utility's most recent operational plan.

4.2.2 The Index of Customers shall include:

- i) For all firm transportation contracts with terms of one ~~month~~(1) year or greater, the information required as per section 4.2.3;
- ii) For all firm storage contracts with terms of ~~one month~~two (2) years or greater, the information as per section 4.2.4; and
- iii) ~~For~~On November 1st each year, for all integrated utilities, the amount of working storage capacity, daily firm withdrawal deliverability and daily firm injection quantity ~~reserved~~that the integrated utility plans to use for in-franchise customers shall be identified as "In-franchise Customers".

4.2.3 For all firm transportation contracts with a term of one ~~month~~(1) year or greater, a transmitter (including a transmitter that is also an integrated utility) shall post the following information on the Index of Customers:

- i) Full legal name of shipper (Customer Name);
- ii) Contract Identifier;
- iii) Receipt/Delivery points (and the zones or segments covered by the contract in which the capacity is held);
- iv) Contract Quantity (in GJ);
- v) The effective and expiration dates of the contract;
- vi) Negotiated Rate (yes/no); and
- vii) Affiliate (yes/no).

4.2.4 For all firm storage contracts with a term of ~~one month~~two (2) years or greater, a storage company or an integrated utility shall post the following information on the Index of Customers:

- i) Full legal name of shipper (Customer Name);
- ii) Contract Identifier;
- iii) Receipt/Delivery Point(s);
- iv) Maximum Storage Quantity (in GJ);
- v) Maximum Firm Daily Withdrawal Quantity (in GJ);
- vi) Maximum Firm Daily Injection Quantity (in GJ);
- vii) The effective and expiration dates of the contract; and
- viii) Affiliate (yes/no).

4.3 Operationally-Available Transportation Capacity

4.3.1 A transmitter (including a transmitter that is also an integrated utility) shall at each nomination cycle post its Operationally-Available Transportation Capacity

on its website for each capacity segment for which the transmitter provides transportation services as follows:

- i) the capacity available for transportation services under expected operating conditions;
- ii) the amount of capacity scheduled for firm and interruptible transportation services; and
- iii) the difference between 4.3.1 i) and 4.3.1 ii).

4.4 Storage Inventory

4.4.1 A storage company or an integrated utility shall post semi-annually, a weekly working Storage Inventory on its website at the start of each injection and withdrawal season. The Storage Inventory shall include the amount of working gas in storage (in PJ) by individual pool or as an aggregate quantity for all pools, provided that the storage company or the integrated utility identifies the method used (i.e., individual or aggregated).

4.5 Design Capacity

4.5.1 A storage company or an integrated utility shall post a Design Capacity on its website. A storage company or an integrated utility may post the Design Capacity by individual pool or as an aggregate quantity for all pools, provided that the storage company or the integrated utility identifies the method used (i.e., individual or pool). The Design Capacity shall include:

- i) Total storage capacity (in PJ);
- ii) Base gas quantity (in PJ);
- iii) Working gas capacity (in PJ);
- iv) Design peak withdrawal capacity (in GJ/day); and
- v) Design peak injection capacity (in GJ/day).

4.5.2 The information in section 4.5.1 shall be posted by November 1 each year, and updated immediately whenever any of the information changes.

5. COMPLAINT MECHANISM

5.1 Dispute Resolution

- 5.1.1 A storage company, a transmitter and an integrated utility shall develop a dispute resolution process and post this process on its website. The storage company, the transmitter and the integrated utility shall update its dispute resolution process immediately when revisions are made.
- 5.1.2 As part of the dispute resolution process as required by section 5.1.1, a storage company, a transmitter and an integrated utility shall designate at least one employee for the purposes of dealing with disputes relating to this Rule. The name and contact information for this employee shall be provided to the Board and posted on the transmitter's, the storage company's and the integrated utility's website. If the designated employee changes, the name and contact information of the new employee shall be immediately provided to the Board and posted on the transmitter's, the storage company's or the integrated utility's website.
- 5.1.3 If a complaint has not been resolved to the satisfaction of the complainant, the ~~transmitter, the storage company or the integrated utility to which the complaint was made shall refer the~~ complainant may refer the complaint to the Board.

Evidence References:

1. H1/T1/p21
2. J1.74, J1.75, J1.76, J5.11, J7.13, J17.05, J25.07

6.10 ARE THE TERMS AND CONDITIONS OF M12 AND C1 SERVICES, INCLUDING THE PROPOSED RATE SCHEDULE CHANGES, APPROPRIATE (EXCLUDING THE CONSIDERATION OF POTENTIAL NEW SERVICES FOR POWER PRODUCERS)?

(Complete Settlement)

The parties agree to the following modifications to the proposed terms and conditions of M12 and C1 services:

1. Union will post a standard M12 contract and any future changes to the standard contract on its website. Union will provide at least six months advance written notice to all M12 shippers of any changes to the standard contract, except in the case of changes made to the Conditions Precedent Section of the M12 Contract used for facility expansions. A copy of the standard contract is attached for information purposes as Appendix C.
2. Union will use the standard M12 contract as a benchmark for contracting purposes. Union is free to negotiate terms with customers that vary from the standard contract.
3. Existing M12 contracts will be grandfathered until the end of the initial contract term and upon extension or renewal will be moved to the standard contract. An existing M12 shipper may elect to move to the standard contract at any time.
4. Union will file with the Board all variations between the standard contract and new contracts on a contract specific basis before such new contracts come into effect. Union will file the variations directly with the Board and will promptly post this information on its website.
5. The M12 rate schedule provides: “The identified rates represent maximum prices for service. These rates may change periodically. Multi-year prices may also be negotiated, which may be higher than the identified rates”. It is the parties’ understanding of this section that parties wishing to contract for M12 service may do so at the Board approved rate. They may also negotiate a higher multi-year rate should they so choose.
6. The parties accept the general terms and conditions of the M12 rate schedule as provided in Appendix D. Union agrees that changes made to the terms and conditions of the M12 rate schedules will be applied to the terms and conditions of the C1 rate schedule where applicable for consistency. Additional changes to C1 Schedule B (Nominations) may be required to ensure alignment with the M12 Service.