



BOARD STAFF SUBMISSION

**ENBRIDGE GAS DISTRIBUTION INC.
Application for Approval of Proposed Tariff for Rate 331 Transportation
Service
EB-2010-0177**

June 11, 2010

Background

On December 9, 2009, the Board issued a new rule, known as the Storage and Transportation Access Rule ("STAR") which comes into force on June 16, 2010.

Sections 2.3.3 and 2.4.3 of the STAR require a transmitter to include in its tariff the standard terms of service for each of its transportation services and that the tariff must be filed for Board approval. Further, section 2.3.4 of the STAR outlines the standard terms of service.

A transmitter's tariff as defined in the STAR includes:

- the standard terms of service;
- the transmitter's allocation methods (i.e., the method for allocating transportation capacity such as open seasons, first come, first served, etc.); and
- the transmitter's rate schedule and/or handbook.

On May 10, 2010, in accordance with section 2.3.3 of the STAR, Enbridge Gas Distribution Inc. ("Enbridge") filed an application seeking Board approval of the tariff for its Rate 331 transportation service. It should be noted that at this time Enbridge does not provide transportation services for embedded storage providers and as a result, section 2.4.3 does not apply.

Tariff – Rate 331 Service:

1. Defined Terms, section 2.39 (Appendix C, page 10 or 66) – Enbridge stated that "the term 'Tecumseh Pipeline' means Transporter's two pipelines that extend from Tecumseh to Dawn".

Board staff ("Staff") notes that the map in Appendix A (page 1 of 1) shows three pipelines extending from Tecumseh to Dawn; not two pipelines. Please identify which pipelines provide transportation services to shippers as per section 2.3 of the STAR. Also, please provide a revised map that identifies which pipelines provide transportation services to shippers as per section 2.3 of the STAR.

2. Capacity Allocation, section 4.3 (Appendix C, page 16 of 66) – Enbridge stated that the "transporter shall conduct any such Open Season in accordance with the terms and conditions prescribed by the OEB in its STAR or otherwise".

Does "or otherwise" mean that Enbridge may choose not to comply with section 2.2 of the STAR? Please clarify.

3. Requests for Service, section 2 (Appendix C, page 25 of 66) – In addition to an open season as per section 2.1 of the STAR, Enbridge stated that its transmitter-specific allocation method is first-come, first-served.

On June 3, 2010, the Board issued a Decision with Reasons (EB-2010-0155) in regards to Union Gas Limited's ("Union") application for approval of Union's tariffs for its M12, C1 and M16 transportation services. In this Decision, the Board stated that it was concerned with the lack of specificity regarding Union's proposed allocation methods and that this may lead to the potential for Union to treat shippers differently. Therefore, the Board required Union to clearly define its transmitter-specific allocation methods in its transportation tariffs (i.e., direct negotiations and first-come, first-served). The Board also required Union to include in its definition the rules that would be applied to the allocation of capacity using these methods.

Therefore, staff recommends that Enbridge clearly define its first-come, first-served allocation method in its tariff and that this definition should also include the rules that would be applied to the allocation of capacity using this method.

4. Priority and Curtailment or Interruption of Service, section 7 (Appendix C, page 35 and 66) – Enbridge stated that the "transporter shall implement any curtailment or interruption of service pursuant to section 7.2 or 7.3 based on these levels of priority ..."

Staff recommends that Enbridge include the different levels of priority in its tariff. This would ensure that all customers receive the standard terms of service as per s 2.3.4 of the STAR. As a result, all customers would be treated fairly.

Staff notes that this recommendation is also consistent with the Board's Decision with Reasons (EB-2010-0155) in regards to Union's application for approval of Union's tariffs for its M12, C1 and M16 transportation services.