

450 - 1st Street S.W. Calgary, Alberta T2P 5H1 Direct Phone: (403) 920-6237 Fax: (403) 920-2347 Email: patrick_keys@transcanada.com

September 9, 2008

Ontario Energy Board P.O. Box 2319 2300 Yonge Street, 27th Flr. Toronto, Ontario M4P 1E4

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

Dear Ms. Walli:

Re:

Rules of Conduct and Reporting related to Storage and Transportation Access Rule ("STAR") **Ontario Energy Board File No. EB-2008-0052**

Comments of TransCanada PipeLines Limited, ANR Pipeline Company, ANR Storage Company, and Great Lakes Gas Transmission Limited Partnership on Staff Discussion Paper on a Storage and Transportation Access Rule

The Ontario Energy Board ("OEB" or "Board") in its July 29, 2008 letter notified participants in EB-2008-0052 of the release of Board staff's discussion paper on a storage and transportation access rule and invited all participants to provide written comments on the discussion paper by September 9, 2008. Please find enclosed the joint comments of ANR Pipeline Company, ANR Storage Company and Great Lakes Gas Transmission Limited Partnership (collectively "USPC") and TransCanada PipeLines Limited ("TransCanada").

TransCanada and USPC have participated in the STAR consultations and appreciate the opportunity to provide comments on the Board staff's discussion paper. TransCanada and USPC generally agree with the measures contemplated in the discussion paper, which would assist in achieving more consistent regulatory requirements between Ontario, Michigan and FERCregulated storage operators. Further, TransCanada and USPC are of the view that the proposed reporting requirements would assist to reduce concerns over potential abuse of market power by Ontario-based storage providers. TransCanada and USPC provide more specific comments on areas of the discussion paper where OEB staff invited feedback in the enclosed document.

By electronic filing Original by courier

September 9, 2008 Page 2 Ms. Walli

Should the Board require additional information with respect to these comments, please contact Richard Parke at (248) 205-7558 or Murray Ross at (416) 869-2110.

Yours truly,

Original Signed by Joel Forrest for Patrick M. Keys Vice President, Pipelines Law and Regulatory Research

Rules of Conduct and Reporting related to Storage and Transportation Access Rule Ontario Energy Board File No. EB-2008-0052

Detailed Comments of TransCanada PipeLines Limited ("TransCanada"), ANR Pipeline Company, ANR Storage Company, and Great Lakes Gas Transmission Limited Partnership (collectively "USPC") on Staff Discussion Paper on a Storage and Transportation Access Rule

September 9, 2009

- **Section 2.1** TransCanada and USPC are of the view that the suggested allocations are consistent with the objectives outlined by staff and have proven to be workable for FERC and NEB regulated service providers.
- **Section 2.1.1** TransCanada and USPC agree that disclosure of the amount of capacity being offered contributes to a fair, open and transparent process and believe the proposed bid package information is consistent with the objectives outlined by staff.

TransCanada and USPC are of the view that both of the options outlined by staff to address the lack of price transparency in the market are workable.

TransCanada and USPC support the objective of creating a level playing field and consider that the methods outlined by staff would accomplish this objective.

Section 2.1.2 TransCanada and USPC consider that staff has outlined an appropriate set of minimum terms and conditions to be included in a Standard Form of Contract.

TransCanada and USPC agree that standard forms of contract with standard terms of service for all transportation services are necessary.

Section 2.2 TransCanada and USPC support the standards outlined for storage connection agreements.

TransCanada and USPC are of the view that the two options that would make information on storage connection agreements public are preferable to the other option and are consistent with the objectives outlined by staff.

Section 2.3 TransCanada and USPC support the suggestion.



Section 3 TransCanada and USPC consider that it is necessary to have standard terms of service for competitive storage contracts for the same reasons that were outlined for transportation contracts. In developing the base set of service terms and conditions for these services, TransCanada and USPC are of the view that strong consideration should be given to the method proposed by staff for developing corresponding standards for transportation service. In other words, the starting point should be the standard terms of service set forth by the FERC with respect to storage and transportation services regulated by these jurisdictions.

TransCanada and USPC are of the view that actual market pricing information disclosed after the fact contributes to a fair, open and transparent market. Short of this disclosure, TransCanada and USPC consider that the disclosures proposed by staff are superior to no disclosures at all.

- Section 4.1 TransCanada and USPC support the principles outlined by staff.
- Section 4.3.1 TransCanada and USPC submit that staff's proposal to report contracts with a term of three months or more is an appropriate starting point for the market to monitor activity and identify potential abuses. Over time, this criterion may prove to be too short or too long, and could be modified as experience is gained by market participants.

TransCanada and USPC are of the view that disclosure of the amount of storage capacity that will be made available to the market each storage season will contribute to a fair, open and transparent market for storage capacity in Ontario.

- Section 4.3.3 TransCanada and USPC are in agreement with staff's assessment in this section.
- Section 4.3.4 TransCanada and USPC are of the view that actual market pricing information disclosed after the fact contributes to a fair, open and transparent market. Short of this disclosure, TransCanada and USPC consider that the disclosures proposed by staff are superior to no disclosures at all.
- Section 5.3 TransCanada and USPC are in agreement with staff's assessment in this section.
- Section 5.4 TransCanada and USPC are in agreement with staff's assessment in this section.