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Canada

January 18, 2017

E-FILE and COURIER

Ms. Sheri Young
Secretary of the Board
National Energy Board
517 Tenth Avenue SW
Suite 210
Calgary, Alberta T2R 0A8

Dear Ms. Young:

RE: TransCanada PipeLines Limited ("TransCanada")
Herbert Long-Term Fixed Price ("LTFP") Service
Enbridge Gas Distribution Inc. ("EGD") Information Requests

Further to the Notice of Hearing issued by the National Energy Board ("Board") on December 20, 2016, please find enclosed for filing with the Board EGD's Information Requests to TransCanada PipeLines Limited in respect of the above-noted matter.

Yours very truly,

(Original Signed)

Matthew Kirk
Gas Supply Regulatory Specialist

cc: Interested Parties

NATIONAL ENERGY BOARD
NEB File OF-Tolls-Groups1-T211-TFGen 01

TransCanada PipeLines Limited ("TransCanada")

Application by TransCanada PipeLines Limited pursuant to Parts I and IV of the *National Energy Board Act* (NEB Act) for approval of a new Herbert Long-Term Fixed Price (Herbert LTFP) service, the associated tolls for the service, the Herbert LTFP Contract, the Herbert LTFP Toll Schedule, and consequential amendments to the Canadian Mainline Gas Transportation Tariff ("Application").

<u>Enbridge Gas Distribution Inc. ("EGDI") Information Request No. 1 to TransCanada</u>

1.1	**Reference:**	(i) TransCanada Application (A5H9G8), Adobe p 6 (hard copy p 3 of 11), Table 1. (ii) National Energy Board Decision RH-003-2011, Adobe p 153-154 (hard copy p 134-135).
	Preamble:	Reference (i) contains a Table comparing Mainline FT Service and Herbert LTFP Service attributes. In reference (ii), the Board approved the creation of the Multi-Year Fixed Price (MFP) Service then proposed by TransCanada.
	Request:	(a) Was MFP service considered as an alternative to the Herbert LTFP service proposed in the Application? (i) If so, what attributes or other factors resulted in MFP being considered unsuitable? (ii) If not, why not? (b) Please reproduce Table 1 showing a comparison of Mainline FT Service, MFP Service and the proposed Herbert LTFP Service attributes.

1.2	**Reference:**	(i) TransCanada Application (A5H9G8), Adobe p 9 (hard copy p 6 of 11), para 28. (ii) TransCanada Application (A5H9G8), Adobe p 9 (hard copy p 6 of 11), Table 2.
	Preamble:	In reference (i), TransCanada states: For each of these options, TransGas would also require transportation on the MIPL in order to serve the Power Plant. The associated costs of this transportation would be higher for the Shaunavon Option as a result of the associated MIPL lateral expansion of 1.2km that would be required near the point of interconnection with Foothills. Reference (ii) is a Table comparing Total Transportation Costs on the Mainline and Foothills Pipeline Saskatchewan System (Foothills) under three service options. This table outlines that the Herbert LTFP Toll from Empress to Herbert and the Mainline FT Service Toll from Empress to the TransGas SSDA are $0.12/GJ/d and $0.33/GJ/d, respectively.
	Request:	(a) Please confirm the $0.12/GJ/d and $0.33/GJ/d tolls do not include any costs associated with transportation on the Many Islands Pipelines (Canada) Limited pipeline (MIPL). If not confirmed, why not? (b) Please confirm TransCanada will not be contracting for any transportation service on MIPL, to be included as transportation by others (TBO), as part of the Herbert LTFP Service. If not confirmed, why not? (c) Please confirm all costs of MIPL transportation service associated with transporting gas delivered off of the Mainline under the Herbert LTFP Service to the TransGas Power Plant will be incurred by TransGas. If not confirmed, why not? (d) For each of the three service options presented in Table 2, please reproduce Table 2 to include all of the transportation costs associated with: transporting gas on MIPL from the Mainline Herbert delivery point to the TransGas Power Plant and transporting gas on MIPL from the Foothills Shaunavon delivery point to the TransGas Power Plant, as applicable.

1.3	**Reference:**	(i) TransCanada Application (A5H9G8), Adobe p 10 (hard copy p 7 of 11), para 30. (ii) TransCanada Application (A5H9G8), Adobe p 10 (hard copy p 7 of 11), para 31.
	Preamble:	In reference (i), TransCanada states: While toll level was a key consideration, TransCanada understands that TransGas considered other factors when comparing the Herbert and Shaunavon Options, including the additional facilities required on the MIPL system, toll certainty, land matters and reliability considerations. Ultimately, the negotiations between TransGas and TransCanada resulted in the execution of the MOU that specified the terms and conditions of Herbert LTFP service. In reference (ii), TransCanada states: Herbert LTFP service will contribute approximately $2.5 million in annual demand revenue, and the 10-year average annual cost of service will increase by approximately $0.3 million due to the $2.3 million capital addition related to the proposed delivery meter station facilities at Herbert. Herbert LTFP service is therefore expected to result in incremental net revenues of $2.2 million per year.
	Request:	(a) As noted in reference (i), the toll level was a key consideration. Was it a key consideration for TransCanada or TransGas? Please explain. (b) As noted in reference (i), TransGas considered other factors beyond toll level including: additional facilities on the MIPL system, toll certainty, land matters and reliability considerations when negotiating the terms and conditions of the Herbert LTFP Service. What factors did TransCanada consider in negotiating the terms and conditions of the Herbert LTFP Service? In responding, please identify the relevant weighting of importance of the factors considered by TransCanada. (c) Please outline, describe, and quantify the reliability considerations and/or issues with the Shaunavon Option that TransGas was concerned withwhen negotiating the terms and conditions of the LTFP Service. (d) Please quantify any additional costs, including construction costs, that TransGas would incur with the Shaunavon Option.

1.4	**Reference:**	(i) TransCanada Application (A5H9G8), Adobe p 8 (hard copy p 5 of 11), para 21. (ii) TransCanada Application (A5H9G8), Adobe p 10 (hard copy p 7 of 11), para 36. (iii) TransCanada Application (A5H9G8), Adobe p 11 (hard copy p 8 of 11), paras 39 and 40.
	Preamble:	In reference (i), TransCanada states: In order to attract this new load and maintain existing load, TransCanada sought to develop a competitive service offering as an alternative to the Shaunavon Option that would meet the needs of TransGas for the Power Plant. In reference (ii), TransCanada states: In light of the alternatives available to TransGas to serve the Power Plant, a negotiated service offering was required to attract incremental load and associated net revenues for the benefit of the Mainline over the long term that would not otherwise be realized. In reference (iii), TransCanada states: …The alternatives available to TransGas to serve the Power Plant in these unique circumstances give rise to the need for this competitive service offering. The proposed Herbert LTFP service has been tailored to the market reality of TransGas and the proposed Power Plant. This approach is consistent with the Board's expectations that TransCanada take an active role be meeting market forces with market solutions and compete for business with services tailored to the market realities of the Mainline's many diverse paths…
	Request:	(a) Does the need to offer a negotiated service to a single shipper because it is necessary to attract incremental load and associated net revenues apply equally to offering a negotiated service to a single shipper to retain existing load and associated net revenues? If not, why not? (b) Please provide examples of service alternatives and market forces that may give rise to the need for the Mainline to consider competitive and/or negotiated service offerings similar to the proposed Herbert LTFP Service.

1.5	**Reference:**	(i) TransCanada Application (A5H9G8), Adobe p 7-10 (hard copy p 4-7 of 11), para 18-30. (ii) TransCanada Application (A5H9G8), Adobe p 10-11 (hard copy p 7-8 of 11), para 37.
	Preamble:	In reference (i), TransCanada outlines and discusses the competitive alternatives to the Herbert LTFP Service, notably what TransCanada calls the "Shaunavon Option" which would see TransGas ship on the Foothills system from Empress to Shaunavon and then shipped from Shaunavon to the TransGas Power Plant via the MIPL pipeline. In reference (ii), TransCanada states: The Board previously held the view that TransCanada should seek the higher of incremental costs or fair market value in all non-Tariff transactions from parties wishing to contract with it, and defined fair market value as whatever a competitive market is willing to pay. While Herbert LTFP would be a Tariff service, it is a market-driven solution. The tolling and service structure were negotiated between arm's-length entities. Therefore, the toll represents a fair assessment of the market value of the proposed service, which exceeds the incremental costs of providing the service.
	Request:	(a) Please confirm that the Shaunavon Option is the only competitive alternative that the Herbert LTFP Service was developed to address. If not confirmed, why not? Please list and describe any other competitive alternatives to the Herbert LTFP Service. (b) Please confirm that the Foothills Pipeline Saskatchewan System is owned by Foothills Pipe Lines (Sask.) Ltd., which is in turn jointly owned by both Foothills Pipe Lines Ltd. and TransCanada. If not confirmed, why not? (c) Please confirm that TransCanada owns Foothills Pipe Lines Ltd. If not confirmed, why not? (d) Please confirm that MIPL is owned by, and shares a common parent company – SaskEnergy - with, TransGas. If not confirmed, why not? (e) Please confirm that given that TransCanada directly and indirectly owns the Foothills system and that MIPL has the same parent as TransGas, the Shaunavon Option is not an arm's-length competitive alternative to the Herbert LTFP Service. If not confirmed, why not? (f) How does TransCanada define "Fair Market Value" as it relates to tariffed services like the proposed Herbert LTFP Service? What factors

		does TransCanada consider as relevant to the determination of what fair market value is? (g) In negotiating the terms and conditions of the proposed Herbert LTFP Service with TransGas, did TransCanada consider and take into account that TransGas is not arm's-length to MIPL given their common ownership and the fact that MIPL controls the tolls on the MIPL system and for this reason controls an aspect of the competitiveness of the competitive alternative (i.e., the Shaunavon Option) that TransCanada was negotiating to address through the proposed Herbert LTFP Service? If so, how? If not, why not? (h) In considering and implementing the proposed Herbert LTFP Service, did TransCanada consult with Foothills in respect of either or both of the Herbert LTFP Service or the Shaunavon Option? If so, please provide all correspondence including emails of those consultations and in doing so outline the timeline over which the consultations took place.

1.6	**Reference:**	TransCanada Application (A5H9G8), Adobe p 7 (hard copy p 4 of 11), para 17.
	Preamble:	In the reference, TransCanada states: Provision of Herbert LTFP service during the contract term is also subject to the following conditions: • Herbert LTFP service will not commence if the Power Plant does not commence commissioning, and if the Power Plant ceases to operate during the contract term, TransCanada may terminate Herbert LTFP service or convert it to FT service, and • TransGas has agreed to hold at least 80 TJ/d of FT service to the TransGas SSDA during the term of the Herbert LTFP Contract. This commitment is conditioned on FT tolls to the TransGas SSDA not increasing by more than 25% over any two-year period during the contract term. If TransGas does not hold 80 TJ/d of FT service during the term, TransCanada may terminate the Herbert LTFP Contract. TransGas currently holds 80 TJ/d of FT to the TransGas SSDA, which reflects the current needs of the TransGas for firm Mainline Service. These provisions were negotiated to prevent the use of Herbert LTFP service to serve existing or new loads in Saskatchewan that may otherwise be served by Mainline FT service. Absent the conditional commitment to hold at least 80 TJ/d of FT service, and given the interconnections with other pipeline systems described below, TransGas would have the ability to replace Mainline FT service with increased receipts from other sources and use Herbert LTFP to serve existing requirements. Further, if the Power Plant is not operational, the Herbert LTFP contract quantity would be available to serve incremental Saskatchewan load above 80 TJ/d.
	Request:	(a) Please confirm when the term, or terms, of the 80 TJ/d of contracted FT service that are currently held by TransGas are set to expire. (b) Please explain how TransCanada will ensure that gas delivered off the Mainline at Herbert using the Herbert LTFP Service will only be used to serve the TransGas Power Plant and not any other existing or new loads in Saskatchewan? (c) What recourse does TransCanada have in the event that gas delivered off the Mainline at Herbert using the Herbert LTFP Service is used to serve any existing or new loads in Saskatchewan?

(d) Please confirm that the condition that permits TransGas to terminate any or all of its 80 TJ/d FT service should FT tolls increase by 25% over any two-year period is not a provision that was “negotiated to prevent the use of Herbert LTFP service to serve existing or new loads in Saskatchewan”. If not confirmed, why not?

(e) If TransGas terminates any or all of its 80 TJ/d FT service because FT tolls have increased by 25% or more over any two-year period, does TransCanada have the ability to unilaterally terminate the Herbert LTFP contract? If not, why not? If so, will it do so?

(f) Why was any increase in toll even considered as a condition?

(g) Why was an increase of 25% selected?

(h) Please confirm it is at TransCanada’s discretion whether or not to terminate the Herbert LTFP contract with TransGas regardless of fluctuations in FT tolls or contracted FT capacity to the TransGas SSDA. If not confirmed, why not?

(i) Will, and under what conditions would, TransCanada consider continuing to provide Herbert LTFP service in a scenario where TransGas decreases its FT commitment below 80 TJ/D but FT tolls to the TransGas SSDA do not increase by more than 25% over a two-year period? If TransCanada will consider continuing to provide Herbert LTFP Service in such a scenario, please explain why.

(j) Please confirm that TransGas’ commitment to maintain its current level of FT service is a factor to be considered by the NEB and supports the approval of the Herbert LTFP Service. If not confirmed, why not?

(k) Would TransCanada have considered offering the Herbert LTFP Service, as proposed, absent TransGas’ commitment to hold at least 80 TJ/d of FT service to the TransGas SSDA? If not, why not? If so, why?

1.7	**Reference:**	(i) TransCanada Application (A5H9G8), Adobe p 12 (hard copy p 9 of 11), para 49. (ii) TransCanada Application Appendix A, Executed Memorandum of Understanding (A5H9G8), Adobe p 17, Article 5 Backstopping Agreement. (iii) TransCanada Mainline Tariff and FT Service Contract.
	Preamble:	In reference (i), TransCanada states: In order to provide Herbert LTFP service, TransCanada will be required to add facilities at or near the Herbert meter station. TransCanada has begun the work necessary to file an application for the facilities in spring/summer 2017, with a targeted in-service date of November 1, 2018, to coincide with the projected commissioning of the Power Plant. Reference (ii), states that TransCanada and TransGas shall enter into a backstopping agreement, which will include “standard provisions” as well as two specific provisions outlined in the reference. In accordance with reference (iii), any shipper seeking to contract for Mainline FT Service that requires the construction of new facilities to provide such service must enter into a *pro-forma* Precedent Agreement.
	Request:	(a) Currently, who bears the financial risk, or costs, associated with this Application and the work identified in reference (i): TransGas, TransCanada or Mainline shippers? Why? (b) Given the need for new facility construction in order to provide the proposed Herbert LTFP Service, is there a need for a precedent agreement like that in reference (iii) and the associated 15 year commitment from the shipper? If not, why not? (c) Please confirm that the backstopping agreement in reference (ii) has been entered into. If not confirmed, why not and when will it be entered into? If confirmed, please provide a copy of that agreement. (d) Please provide a copy of the *pro-forma* precedent agreement in reference (iii) that FT shippers must execute in order to obtain FT service requiring new facilities. (e) Please provide a table comparing the obligations of TransGas under the backstopping agreement in reference (ii) to a FT shipper under a *pro-forma* Precedent Agreement in reference (iii). In doing so, please explain the reasoning for any differences between the two agreements.

<table>
<tr><td>1.8</td><td>Reference:</td><td>(i) TransCanada Application Appendix A, Executed Memorandum of Understanding (A5H9G8), Adobe p 19, Article 10 Daily Balancing.

(ii) TransCanada Application (A5H9G8), Adobe p 7-10 (hard copy p 4-7 of 11), para 18-30.

(iii) TransCanada Application (A5H9G8), Adobe p 10 (hard copy p 7 of 11), para 29.

(iv) TransCanada Application (A5H9G8), Adobe p 9 (hard copy p 6 of 11), Table 2.</td></tr>
<tr><td></td><td>Preamble:</td><td>Reference (i) states:

For daily balancing purposes, nominations and deliveries to Herbert under Herbert LTFP Service will remain part of the balance for the TransGas SSDA Interconnection Area in accordance with the Limited Balancing Agreement between TransCanada and TransGas dated October 1, 1996, which agreement will be modified or supplemented as necessary to incorporate Herbert LTFP Service.

In reference (ii), TransCanada outlines and discusses the competitive alternatives to the Herbert LTFP Service, notably what TransCanada calls the “Shaunavon Option” which would see TransGas ship on the Foothills system from Empress to Shaunavon and then shipped from Shaunavon to the TransGas Power Plant via the MIPL pipeline.

Reference (iii) discusses the need to construct a new delivery meter station.

Reference (iv) is Table 2 that compares Total Transportation Costs on the Mainline and Foothills system under three service options.</td></tr>
<tr><td></td><td>Request:</td><td>(a) Does the “Shaunavon Option”, as it is described in the Application, including Table 2, include any balancing services on the Foothills system? If not, why not?

(b) If the response to (a) is no, please provide an estimate of the cost to provide balancing services on the Foothills system as part of the Shaunavon Option that are similar to those available to TransGas through the proposed Herbert LTFP Service.

(c) Will the Power Plant have access to storage services via MIPL or the TransGas system? If so, please describe those services including all applicable tolls.

(d) Has TransGas or the Power Plant requested additional load balancing services from TransCanada? If so, please describe those services including all applicable tolls.</td></tr>
</table>

		(e) Has TransGas or the Power Plant requested Firm Transportation Short Notice Service from TransCanada? If so, please describe the amount and term. (f) How will TransCanada allocate the balance attributable to the TransGas SSDA Limited Balancing Agreement between the TransGas FT volumes at the TransGas SSDA and the Herbert LTFP Service volumes at Herbert? Please explain in detail. (g) Will the construction of the delivery meter station discussed in reference (iii) facilitate and allow for the creation of a Limited Balancing Agreement specific to the Herbert LTFP Service? (h) If the answer to (g) is no, what is required to establish a Limited Balancing Agreement specific to Herbert LTFP Service? (i) If the answer to (g) is yes, why is TransCanada combining the Herbert LTFP Service deliveries with the balancing of the TransGas SSDA?

1.9	**Reference:**	(i) TransCanada Application (A5H9G8), Adobe p 4 (hard copy p 1 of 11), paras 6 and 7. (ii) TransCanada Application (A5H9G8), Adobe p 11 (hard copy p 8 of 11), para 42. (iii) TransCanada Application (A5H9G8), Adobe p 12 (hard copy p 9 of 11), paras 43 and 44. (iv) TransCanada Application (A5H9G8), Adobe p 13 (hard copy p 10 of 11), para 54. (v) TransCanada Application Appendix B, Tolls Task Force Resolution 01.2016 (A5H9G8), Adobe p 27.
	Preamble:	In reference (i), TransCanada states that: absent the proposed Herbert LTFP Service, TransGas will serve the TransGas Power Plant using a non-Mainline alternative; that the Herbert LTFP Service was designed to attract incremental load and associated revenues that would not otherwise be derived; and that the proposed Herbert LTFP Service will promote retention of existing Mainline FT contracts and associated revenue. In reference (ii), TransCanada states that in absence of the Herbert LTFP Service, existing Mainline load could be lost instead of preserved. In reference (iii), TransCanada states that Mainline shippers will be better off as a result of the proposed Herbert LTFP Service than they would otherwise be and that these facts support a conclusion that the proposed service is in the public interest. In reference (iv), TransCanada states that the proposed Herbert LTFP Service represents a necessary and appropriate response to attract incremental Mainline load and reduce the risk of losing existing Mainline load, to the benefit of the Mainline and its shippers. In reference (v), TransCanada states that the proposed Herbert LTFP Service is being offered on a path with unsubscribed capacity and acknowledges that offering a similar negotiated service may also be appropriate in the future under similar circumstances.
	Request:	(a) Please confirm that the fact that in absence of the proposed Herbert LTFP Service TransGas will serve the TransGas Power Plant using a non-Mainline alternative is a factor to be considered by the NEB and supports the approval of the proposed service. If not confirmed, why not? (b) Please confirm that the fact that the Herbert LTFP Service will attract incremental load and associated Mainline revenues that would not otherwise be derived is a factor to be considered by the NEB and

			supports the approval of the proposed service. If not confirmed, why not?
		(c)	Please confirm that the fact that the Herbert LTFP Service will promote retention of existing Mainline FT contracts and associated revenue is a factor to be considered by the NEB and supports the approval of the proposed service. If not confirmed, why not?
		(d)	Please confirm that the fact that existing Mainline load may be lost instead of preserved in absence of the Herbert LTFP Service, is a factor to be considered by the NEB and supports the approval of the proposed service. If not confirmed, why not?
		(e)	Please confirm that the fact that Mainline shippers will be better off as a result of the proposed Herbert LTFP Service than they would otherwise be is a factor to be considered by the NEB and supports the approval of the proposed service. If not confirmed, why not?
		(f)	Please confirm that the fact that the proposed Herbert LTFP Service will reduce the risk of losing existing Mainline load, to the benefit of all shippers, is a factor to be considered by the NEB and supports approval of the proposed service. If not confirmed, why not?
		(g)	Please confirm that the fact that the proposed Herbert LTFP Service is being offered on a Mainline path with unsubscribed capacity is a factor to be considered by the NEB and supports the approval of the proposed service. If not confirmed, why not?
		(h)	Are all of the factors in (a) through (g) that have been confirmed as factors to be considered by the NEB required to be met in order for the NEB to approve the Herbert LTFP Service?
		(i)	If the response to (h) is no, please explain why the Herbert LTFP Service should be approved in absence of some of the factors confirmed in (a) through (g) as being ones the NEB should consider.

1.10	**Reference:**	(i) TransCanada Application (A5H9G8), Adobe p 5 (hard copy p 2 of 11), para 8. (ii) TransCanada Application (A5H9G8), Adobe p 7 (hard copy p 4 of 11), para 17. (iii) TransCanada Application (A5H9G8), Adobe p 6 (hard copy p 3 of 11), Table 1. (iv) TransCanada Application Appendix B, Tolls Task Force Resolution 01.2016 (A5H9G8), Adobe p 27.
	Preamble:	In reference (i), TransCanada states that at the expiry of the Herbert LTFP Service contract term, TransGas will have a right to convert its Herbert LTFP Service to Mainline FT Service. In reference (ii), TransCanada states that if the Power Plant does not commence commissioning and if the Power Plant ceases to operate during the contract term, TransCanada may terminate the Herbert LTFP Service or convert it to Mainline FT Service. Reference (iii) states that the new proposed delivery point at Herbert will only be available through contracting for Herbert LTFP Service and implicitly will not be available through contracting for Mainline FT Service. In reference (iv), TransCanada states that the proposed Herbert LTFP Service is being offered on a path with unsubscribed capacity.
	Request:	(a) Please confirm that should the NEB approve the Application as filed, no Mainline FT Service delivery point at Herbert will exist on the Mainline. If not confirmed, why not? (b) Given the proposed ability of TransGas and TransCanada to, on the occurrence of certain events or conditions, convert any contracted Herbert LTFP Service to Mainline FT Service, how does TransCanada propose to effect such conversions in absence of a Mainline FT Service delivery point at Herbert? (c) Please provide the current: total capacity; total contracted capacity; and total uncontracted capacity of the Mainline along the path that the proposed Herbert LTFP Service is being offered on. (d) Will TransGas have the right to convert the Herbert LTFP Service to Firm Transportation Short Notice Service?

1.11	**Reference:**	(i) TransCanada Application Appendix A, Executed Memorandum of Understanding (A5H9G8), Adobe p 19, Article 11 Future Services.
	Preamble:	Reference (i) states: The Parties will discuss additional service solutions, similar to those addressed in this MOU, in future instances where incremental load can be attracted to the TransCanada Mainline system in the presence of a viable alternative to the TransCanada Mainline system.
	Request:	(a) In addition to whether incremental load can be attracted to the Mainline in the presence of viable alternatives, what other factors does TransCanada view as being relevant to the implementation of a negotiated service, similar to the Herbert LTFP Service, on the Mainline? (b) Since entering into the Memorandum of Understanding ("MOU") with TransGas, has TransCanada had discussions with TransGas about other negotiated service solutions on the TransCanada Mainline? If so, please provide all details and associated correspondence of those potential service solutions. (c) Has TransCanada had discussions with other parties about implementing negotiated service solutions, similar to the Herbert LTFP Service, on the TransCanada Mainline? If so, what circumstances or factors were considered in whether or not to entertain a negotiated service? Please provide all details and associated correspondence of those potential service solutions. (d) What criteria would TransCanada consider relevant in deciding to pursue and negotiate future Mainline services similar to the proposed Herbert LTFP Service?

1.12	**Reference:**	(i) TransCanada Application (A5H9G8), Adobe 10 (hard copy p 7 of 11), para 36. (ii) TransCanada Application (A5H9G8), Adobe p 11 (hard copy p 8 of 11), para 40.
	Preamble:	In reference (i), TransCanada states that in light of the alternatives available to TransGas to serve the Power Plant, a negotiated service offering was required. In reference (ii), TransCanada states: The Board has recently encouraged TransCanada to continue to identify and propose new and innovative service and pricing proposals to manage the ongoing issues facing the Mainline.
	Request:	(a) Has TransCanada ever sought NEB approval of any other negotiated service offerings on the Mainline that were similar to the Herbert LTFP Service? If so, please provide details including when this occurred and what the NEB concluded. (b) Has TransCanada ever sought NEB approval of any other negotiated service offerings on the Mainline that would be limited to only a specific market/purpose, single delivery point, or single shipper? If so, please provide details including when this occurred and what the NEB concluded. (c) Prior to the Herbert LTFP Service offering, has TransCanada previously considered and/or discussed other negotiated service offerings on the Mainline that were similar to the Herbert LTFP Service? If so, please outline when this occurred; the general nature of the potential negotiated service offering; and the outcome of these considerations and/or discussions. (d) Prior to the Herbert LTFP Service offering, has TransCanada previously considered and/or discussed any other negotiated service offerings on the Mainline that would have been limited to only a specific market/purpose, single delivery point, or single shipper? If so, please outline when this occurred; the general nature of the potential negotiated service offering; and the outcome of these considerations and/or discussions. (e) When is it appropriate for TransCanada to consider and entertain negotiated service offerings and/or innovative pricing proposals, similar to the Herbert LTFP Service, on the Mainline? (f) What ongoing issue is the Herbert LTFP Service offering directed at, or intended to manage?

		(g) What other ongoing issues on the Mainline might be managed through negotiated service offerings and/or innovative pricing proposals?

1.13	**Reference:**	(i) TransCanada Application (A5H9G8), Adobe p 11 (hard copy p 8 of 11), para 41.
	Preamble:	In reference (i), TransCanada states that absent the Herbert LTFP Service, the Mainline would not be able to attract the contract quantities and revenues associated with the service over the long-term.
	Request:	(a) What specific contract quantities is TransCanada referring to in reference (i)? (b) What specific revenues is TransCanada referring to in reference (i)? (c) What period of time, or number of years, constitute “long-term” as this term is used in reference (i).

1.14	**Reference:**	(i) TransCanada Application Appendix A, Executed Memorandum of Understanding (A5H9G8), Adobe p 19, Article 10 Daily Balancing. (ii) TransCanada Application (A5H9G8), Adobe p 5 (hard copy p 2 of 11), para 8. (iii) TransCanada Application (A5H9G8), Adobe p 7 (hard copy p 4 of 11), para 17.
	Preamble:	Reference (i) states that nominations and deliveries to Herbert under the Herbert LTFP Service will remain part of the balance for the TransGas SSDA in accordance with the Limited Balancing Agreement currently in place between TransCanada and TransGas. In reference (ii), TransCanada states that at the expiration of the Herbert LTFP Service contract term, TransGas will have a right to convert its Herbert LTFP Service to Mainline FT Service. In reference (iii), TransCanada states that if the Power Plant does not commence commissioning and if the Power Plant ceases to operate during the contract term, TransCanada may terminate the Herbert LTFP Service or convert it to Mainline FT Service.
	Request:	(a) Given that nominations and deliveries to Herbert under the proposed Herbert LTFP Service will remain part of the balance for the TransGas SSDA in accordance with the current Limited Balancing Agreement that TransGas' current Mainline FT Service is subject to; and given that under certain conditions Herbert LTFP Service can be converted to Mainline FT, why is the Herbert LTFP Service designed as a point-to-point service versus a zonal service to the TransGas SSDA? (b) What other factors were taken into consideration in determining that this negotiated toll service should be designed as a point-to-point service versus a zonal service? (c) Does TransCanada foresee the potential for offering a negotiated toll service that is not point-to-point? If so, under what circumstances?

1.15	**Reference:**	(i) TransCanada Application (A5H9G8), Adobe p 10 (hard copy p 7 of 11), para 29.
	Preamble:	In reference (i), TransCanada states: Each option would also require a new delivery meter station to be installed by either the Mainline or Foothills, at comparable costs. TransCanada estimates that the costs associated with installing a meter station capable of accommodating the contract quantity of 58 TJ/d for the Herbert LTFP service is approximately $2.3 million.
	Request:	a) Please describe in detail the land matters including any easements or right of ways that Foothills would need to obtain in pursuing the Shaunavon option.

1.16	**Reference:**	(i) National Energy Board Decision RH-001-2014, Adobe p 15-16 (hard copy p xii - xiii).
	Preamble:	In reference (i), the NEB approved TransCanada's toll design for 2015 to 2020 subject to a requirement that TransCanada file a 2018 to 2020 toll application which includes: "a review of revenue requirements, including return, income taxes, the annual bridging amount and the LTAA balance, for the 2018 to 2020 period."
	Request:	a) Please confirm that the projected costs and revenues associated with the Herbert LTFP Service will be included in TransCanada's 2018 to 2020 toll application. b) If (a) is not confirmed, please explain why the projected costs and revenues will not be included in TransCanada's 2018 to 2020 toll application.