

STAR (EB-2008-0052)
Board Staff Questions for May 20th Stakeholder Meeting

To help focus and organize the all stakeholder meeting on May 20, 2008, Board staff would benefit from a greater understanding of the issues listed below.

The following general questions are intended to provide points for general discussion through presentations and questions. This list is not intended to be exhaustive, and participants may address other matters in their presentations that they feel are pertinent to STAR.

Non-discriminatory Access to Transportation

a) Open Seasons for Transportation Services

1. Given Board staff's proposed minimum standards as outlined in Appendix A, please describe whether the open seasons for firm transportation M12 and C1 services meet these standards. Please indicate where there are differences.
2. Does Union have a different process depending on whether the open season is for an expansion vs. existing capacity (that is currently not under contract)? Please describe and contrast the differences.
3. Does Union have a different process (and methodology) depending on whether the open season is for short-term firm C1 transportation services that are one year or less vs. long-term firm C1 transportation services that are greater than a year? If yes, please outline the process and the differences.
4. Does Union enter into transportation agreements for M12 and C1 outside of opens season? If yes, what are the circumstances? What is your process (and methodology) for allocating transportation capacity on a non-discriminatory basis?
5. For C1 transportation services, what is the percentage of capacity held for contracts that are greater than one year vs. one year or less?
6. Given Board staff's minimum standards, please describe whether TCPL and ANR open seasons for firm transportation services meet these standards. Please indicate where there are differences.
 - a) Please describe and contrast your open season process for an expansion vs. existing capacity (that is currently not under contract)?
 - b) Do you have a different process depending on whether the transportation capacity is short-term (for one year or less) vs. long-term (greater than a year)? If yes, please outline the process.

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7. Transportation capacity for EGD rate 331 is offered on a case-by-case basis, please outline your procedure for allocating the capacity on a non-discriminatory basis.

- a) Does EGD have a different process depending on whether it's for an expansion vs. existing capacity?
- b) Does EGD have a different process depending on whether it's for short-term capacity vs. long-term capacity? If yes, please outline the process.

b) Standard Form of Contracts for Transportation Services

8. Should Union and Enbridge have a standard form of contracts (with standard terms and conditions) for all transportation services?

From the April 16-18th stakeholder meetings, Board staff was informed that FERC and NEB-regulated pipelines have standard form of contracts and standard terms and conditions. Also, all negotiated agreements are posted on the company's website.

Furthermore, many stakeholders agreed that Union and Enbridge should have a standard form of contracts for transportation services with the following minimum terms and conditions:

- Nomination and scheduling procedures (and at a minimum to include provision for NAESB nomination windows)
- Service priority rules (service interruption)
- Balancing requirements and imbalance charges and penalties
- Billing and payment
- Financial assurances
- Measurement

c) Standard Storage Connection Agreement

9. Should Union post all M16 contracts on its website?

From the April 16-18th stakeholder meetings, Board staff was informed that Standard Contract Agreements are in the public domain for FERC-regulated pipelines.

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Consumer Protection in Competitive Storage Market

10. Should there be a standard form of contracts with standard terms and conditions for storage services?
11. Are there other ways in which market participants can assess the value of storage in Ontario and surrounding jurisdictions?
12. How should the Board ensure a transparent transactional service market to protect in-franchise customers who purchase short-term storage services?

From the April 16-18th stakeholder meetings, Board staff was informed that standard storage contracts allow market participants to ascertain the value of service. In particular, it is important to have standard terms of services because parameters other than price distinguish the value of service.

Reporting Requirements

13. For small storage providers, should the Board set minimum reporting requirements? If yes, what should they be?
14. For small storage providers, should the Board set a threshold based on the size of the storage provider? For example, a storage provider below a certain size is not required to file reports with the Board or post information on its website?

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Appendix A

At the stakeholder meetings on April 16-18, 2008, Board staff proposed minimum standards for a transportation open season. These standards were the following:

Minimum Notice and Open Season Period – There should be enough notice provided to allow potential bidders to:

- evaluate the service offering,
- develop bids, and
- in the case of transportation expansions, allow storage companies to coordinate their service offerings.

Bid Package – The open season materials should include all of the information bidders need to make an informed decision:

- the amount of capacity being offered,
- the date capacity will become available,
- any potential transportation constraints,
- any minimum term requirements, and
- the methodology that will be used to evaluate bids.

Reverse Open Season – To prevent overbuilding, existing customers should have an opportunity to turn back existing capacity rights before companies are allowed to build expansion facilities.

Bid Results – Transaction information (such as prices, volumes, and receipt and delivery points) should be disclosed so that shippers can ascertain the value of transportation.

Criteria and Timing – One of the situations that a Standards of Conduct is intended to prevent is companies giving undue preference to an affiliate regarding the sharing of non-public information concerning plans for future facilities expansions such as the timing of upcoming opens seasons. Therefore, this type of information should be included in all open seasons.