

 **ORIGINAL**

**UNITED STATES OF AMERICA  
DEPARTMENT OF ENERGY  
OFFICE OF FOSSIL ENERGY**



TransCanada PipeLines Limited )

Docket No. 09-94-NG

**APPLICATION OF TRANSCANADA PIPELINES LIMITED  
FOR A LONG TERM AUTHORIZATION TO  
IMPORT AND EXPORT NATURAL GAS FROM AND TO CANADA**

Pursuant to Section 3 of the Natural Gas Act ("NGA"), 15 U.S.C. § 717b and 10 C.F.R. § 590, TransCanada PipeLines Limited ("TransCanada") hereby submits to the United States of America Department of Energy, Office of Fossil Energy ("DOE/FE") this application for a long term authorization to import and export natural gas from and to Canada. In support of this application, TransCanada respectfully shows as follows:

**I.**  
**GENERAL**

The name, title, and mailing address of the person who should be served with communications concerning this proceeding is:

Frank Karabetsos  
Legal Counsel  
TransCanada PipeLines Limited  
450 1<sup>st</sup> Street SW  
Calgary, Alberta  
Canada T2P 5H1  
Tel: (403) 920 6373  
Fax: (403) 920 2354  
Email: frank\_karabetsos@transcanada.com

**II.**  
**BACKGROUND**

The exact legal name of the Applicant and its principal place of business is:

TransCanada Pipelines Limited  
450 1<sup>st</sup> Street SW  
Calgary, Alberta

TransCanada is a Canadian public company incorporated in 1951 by a Special Act of the Parliament of Canada and continued on June 1, 1979 under the *Canada Business Corporations Act*. All of the common shares in TransCanada are held by TransCanada Corporation. TransCanada Corporation is a holding company created under a plan of arrangement approved by TransCanada's common shareholders on April 25, 2003 and subsequently by the Court of Queen's Bench of Alberta, Canada. TransCanada is a leading North American energy company with a natural gas transmission network in Canada and the U.S. comprising over 41,000 miles of pipeline.

### **III.**

#### **AUTHORIZATION REQUESTED**

TransCanada was authorized by DOE/FE Order No. 795 on April 30, 1993 to import and export up to 1,405,000 Mcf/d of natural gas from and to Canada beginning on April 30, 1993 and extending through November 1, 2005. Order 795-A, issued August 16, 1999, authorized an increase in volume to 1,717,000 Mcf/d, and extended through November 1, 2005. Upon the expiry of Order No. 795 and 795-A, and the underlying contracts, TransCanada renegotiated the volumes into multiple contracts for varying terms. Order DOE/FE Order No. 2169 authorized the import and export of up to 78.8 MMcf of natural gas per day, from November 1, 2005 through October 31, 2009, as detailed in the filed Contract FT4762. Contract FT4762 has been renegotiated and TransCanada respectfully requests a new long term authorization.

In this application, TransCanada requests a long term authorization to import up to 0.1593 Bcf/d for a period of three years commencing November 1, 2009 and extending through October 31, 2012, as per Contract FT11701.<sup>1</sup> The gas will enter the United States at the interconnection between the TransCanada PipeLines system and the Great Lakes Gas Transmission System ("Great Lakes") at a point near St. Clair, Michigan and leave the United States at the international border near Emerson, Manitoba. This gas will be transported in the winter periods, commencing November 1 and extending through March 31 of each year pursuant to a backhaul provision contained in Contract FT11701. This service

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<sup>1</sup> See Transportation Service Agreement FT11701, attached as Exhibit B.

will provide TransCanada's shippers with access to the Ontario, Quebec and Northeastern U.S. markets. Together with this application, TransCanada is requesting authorization to conduct import and export transportation, importing gas at a point near Emerson, Manitoba and exporting gas at a point near St. Clair, Michigan as per Contract FT11701 for the entire contract term of November 1, 2009 through October 31, 2012.

#### **IV. PUBLIC INTEREST**

TransCanada's proposed import and export of natural gas continues to be consistent with the public interest. Section 3(c) of the NGA provides that imports from, or exports to, countries that have in effect a Free Trade Agreement with the United States requiring national treatment for trade in natural gas "shall be deemed to be consistent with the public interest and applications for importation or exportation shall be granted without modification or delay."<sup>2</sup> The United States and Canada are parties to a Free Trade Agreement that requires each party to provide national treatment to the goods of the other party. Therefore, imports from Canada and exports to Canada, as proposed herein, are deemed consistent with the public interest.

#### **V. ENVIRONMENTAL IMPACT**

No new facilities will be constructed in the United States for the proposed importation and exportation of natural gas. Consequently, granting this application will not be a federal action significantly affecting the quality of the human environment within the meaning of the National Environmental Policy Act, 42 U.S.C. § 4321, *et seq.* Therefore, an environmental impact statement or environmental assessment is not required.

#### **VI. REPORTING REQUIREMENTS**

With respect to all imports and exports made pursuant to the authorization requested herein, TransCanada will undertake to file with the DOE/FE within 30 days following each calendar month a report indicating whether imports and/or exports have been made,

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<sup>2</sup> 15 U.S.C. § 717(b) (1996).



describing the country of origin, point(s) of entry or exit, volumes delivered/exported and the country of destination, average price, the gas transporter(s), the markets served and the estimated duration of the supply contract as outlined in 73 Fed. Reg. 6943 (February 6, 2008).

**VII.**  
**CONCLUSION**

WHEREFORE, for the foregoing reasons TransCanada respectfully requests that its authorization be granted to import and export up to a total of 0.1593 Bcf/d of natural gas from and to Canada from November 1 through March 31 of each year within the contract term of November 1, 2009 through October 31, 2012.

Respectfully submitted,

ON BEHALF OF TRANSCANADA PIPELINES  
LIMITED

By 

Frank Karabetsos  
Legal Counsel  
TransCanada PipeLines Limited  
450 1<sup>st</sup> Street SW  
Calgary, Alberta T2P 5H1  
(403) 920 6373

August 31, 2009

Exhibit A

**VERIFICATION**

I, Frank Karabetsos, hereby certify that I am counsel for TransCanada PipeLines Limited and have authority to sign the foregoing; and that to the best of my knowledge, information and belief the import and export of natural gas is within the corporate powers of TransCanada Pipelines Limited; and that to the best of my knowledge, information and belief TransCanada Pipelines Limited has complied with State laws and regulatory authorities.

Dated at Calgary, Alberta, Canada, this 31st day of August, 2009.



Frank Karabetsos

**Exhibit B**  
Transportation Service Agreement FT11701



**TRANSPORTATION SERVICE AGREEMENT**  
**Contract Identification FT11701**

This Transportation Service Agreement (Agreement) is entered into by Great Lakes Gas Transmission Limited Partnership (Transporter) and TRANSCANADA PIPELINES LIMITED (Shipper)

WHEREAS, Shipper has requested Transporter to transport Gas on its behalf and Transporter represents that it is willing to transport Gas under the terms and conditions of this Agreement.

NOW, THEREFORE, Transporter and Shipper agree that the terms below constitute the transportation service to be provided and the rights and obligations of Shipper and Transporter.

1. **EFFECTIVE DATE:** November 26, 2008
2. **CONTRACT IDENTIFICATION:** FT11701
3. **RATE SCHEDULE:** FT
4. **SHIPPER TYPE:** Other
5. **STATE/PROVINCE OF INCORPORATION:** Canada
6. **TERM:** November 01, 2009 to October 31, 2012

Transporter and Shipper agree that Shipper may extend the primary term of this Agreement by exercising a contractual Right of First Refusal, pursuant to the procedures set forth in Section 16 of the General Terms and Conditions of Transporter's FERC Gas Tariff.

7. **EFFECT ON PREVIOUS CONTRACTS:**  
This Agreement supersedes, cancels and terminates, as of the effective date stated above, the following contract(s): N/A
8. **MAXIMUM DAILY QUANTITY (Dth/Day):** 360,000  
Please see Appendix A for further detail
9. **RATES:**  
Unless Shipper and Transporter have agreed to a rate other than the maximum rate, rates shall be Transporter's maximum rates and charges plus all applicable surcharges in effect from time to time under the applicable Rate Schedule (as stated above) on file with the Commission unless otherwise agreed to by the parties in writing. Provisions governing a rate other than maximum shall be set forth in this Paragraph 9 and/or on Appendix B hereto.

Shipper and Transporter agree that for service under this Agreement from the point(s) of receipt listed on Appendix A to the point(s) of delivery listed on Appendix A the Reservation Fee to be charged shall be \$10.126 for the MDQ of 360,000 Dth/Day as stated in Section 8, above. Shipper and Transporter agree that for service under this Agreement from the St. Clair point of receipt for the winter service listed on Appendix A to the Emerson point of delivery for the winter service listed on Appendix A, the Utilization Fee to be charged shall be \$0.0000 per Dth.

**10. POINTS OF RECEIPT AND DELIVERY:**

The primary receipt and delivery points are set forth on Appendix A

**11. RELEASED CAPACITY:**

N/A

**12. INCORPORATION OF TARIFF INTO AGREEMENT:**

This Agreement shall incorporate and in all respects be subject to the "General Terms and Conditions" and the applicable Rate Schedule (as stated above) set forth in Transporter's FERC Gas Tariff, Second Revised Volume No. 1, as may be revised from time to time. Transporter may file and seek Commission approval under Section 4 of the Natural Gas Act (NGA) at any time and from time to time to change any rates, charges or provisions set forth in the applicable Rate Schedule (as stated above) and the "General Terms and Conditions" in Transporter's FERC Gas Tariff, Second Revised Volume No. 1, and Transporter shall have the right to place such changes in effect in accordance with the NGA, and this Agreement shall be deemed to include such changes and any such changes which become effective by operation of law and Commission Order, without prejudice to Shipper's right to protest the same.

**13. MISCELLANEOUS:**

No waiver by either party to this Agreement of any one or more defaults by the other in the performance of this Agreement shall operate or be construed as a waiver of any continuing or future default(s), whether of a like or a different character.

Any controversy between the parties arising under this Agreement and not resolved by the parties shall be determined in accordance with the laws of the State of Michigan.

**14. OTHER PROVISIONS:**

It is agreed that no personal liability whatsoever shall attach to, be imposed on or otherwise be incurred by any Partner, agent, management official or employee of the Transporter or any director, officer or employee of any of the foregoing, for any obligation of the Transporter arising under this Agreement or for any claim based on such obligation and that the sole recourse of Shipper under this Agreement is limited to assets of the Transporter.

Upon termination of this Agreement, Shipper's and Transporter's obligations to each other arising under this Agreement, prior to the date of termination, remain in effect and are not being terminated by any provision of this Agreement.



15. NOTICES AND COMMUNICATIONS:

All notices and communications with respect to this Agreement shall be in writing and sent to the addresses stated below or at any other such address(es) as may be designated in writing:

**ADMINISTRATIVE MATTERS**

Great Lakes Gas Transmission Limited  
Partnership  
5250 Corporate Drive  
Troy, MI 48098  
Attn: Transportation Services

TRANSCANADA PIPELINES LIMITED  
450 - 1st Street S W.  
Calgary, AB T2P 5H1  
Canada  
Attn: Steve Pohlod

**PAYMENT BY ELECTRONIC TRANSFER**

Great Lakes Gas Transmission Limited  
Partnership  
Citibank, NA, New York, NY  
ABA No: 021000089  
Account No: 3076-5207

TRANSCANADA PIPELINES LIMITED  
Attn: Angie Czenczek

**AGREED TO BY:**

**GREAT LAKES GAS TRANSMISSION  
LIMITED PARTNERSHIP**

By: Great Lakes Gas Transmission Company

Operator and Agent for Great Lakes Gas  
Transmission Limited Partnership

By: Joseph E. Pollard  
Joseph E. Pollard  
Title: Director, Transportation Services



Legal	<u>[Signature]</u>
Content	<u>[Signature]</u>

**TRANSCANADA PIPELINES LIMITED**

By: [Signature]  
Signature

**Steve Pohlod**  
Vice President, Canadian Pipelines  
Canadian Pipelines

Title: \_\_\_\_\_  
Please Print

By: [Signature]  
Signature  
**Max Feldman**  
Senior Vice President  
Canadian and US Pipelines

Title: \_\_\_\_\_  
Please Print

**APPENDIX A**  
**Contract Identification FT11701**

Date: November 26, 2008  
Supersedes Appendix Dated: Not Applicable

Shipper: TRANSCANADA PIPELINES LIMITED

Maximum Daily Quantity (Dth/Day) per Location:

<u>Begin Date</u>	<u>End Date</u>	<u>Point(s) of Primary Receipt</u>	<u>Point(s) of Primary Delivery</u>	<u>MDQ</u>	<u>(MAOP)</u>
<u>Annual Service – January through December</u>					
11/01/2009	10/31/2012	EMERSON		360,000	974
11/01/2009	10/31/2012		ST. CLAIR	360,000	974
<u>Winter Only Service – November through March</u>					
11/01/2009	10/31/2012	ST CLAIR		160,000	974
11/01/2009	10/31/2012		EMERSON	160,000	974