

ORIGINAL

UNITED STATES OF AMERICA
DEPARTMENT OF ENERGY
OFFICE OF FOSSIL ENERGY



TransCanada PipeLines Limited

Docket No. 12-91-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. Part 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 persons who should be served with communications concerning this proceeding are:

Mona Tandon
Senior Legal Counsel
TransCanada PipeLines Limited
450 1 Street SW
Calgary, Alberta
Canada T2P 5H1
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II. BACKGROUND

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

TransCanada Pipelines Limited
450 1 Street SW
Calgary, Alberta
Canada T2P 5H1
Tel: (403) 920 2000

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 42,500 miles of pipeline.

III. AUTHORIZATION REQUESTED

TransCanada originally received long term authorization to import natural gas to the US from Canada and to export gas from the US to Canada in Order No. 795 in 1993. Since that time, the underlying contracts were renegotiated and new long term authorizations were issued covering the new terms.¹ The current long term authorizations granted to TransCanada, in Order Nos. 2707 and 2712, expire on October 31, 2012.² TransCanada has renegotiated the underlying contracts and, thus, respectfully requests a new long term authorization.

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- ¹ TransCanada previously received the following long term authorizations from the DOE:
- DOE/FE Order No. 795, issued April 30, 1993, authorized the import and export of up to 1,405,000 Mcf/d of natural gas from and to Canada beginning on April 30, 1993.
 - DOE/FE Order 795-A, issued August 16, 1999, authorized an increase in volume for the import and export authority granted in DOE/FE Order No. 795 from 1,405,000 Mcf/d to 1,717,000 Mcf/d, and extended the import and export authority pursuant to that order through November 1, 2005.
 - 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.
- ² DOE/FE Order No. 2707, issued October 7, 2009, authorized the import and export of up to 358.5 MMcf of natural gas per day, from November 1, 2009 through to October 31, 2012. DOE/FE Order No. 2712, issued October 7, 2009, authorized the import and export of up to 159.3 MMcf of natural gas per day, from November 1, 2009 through to October 31, 2012.

In this application, TransCanada requests long term authorization to import and export up to 52.2 Bcf (52,958 BTU) of natural gas per year for a period of three years commencing November 1, 2012 and extending through October 31, 2015, as specified in Transportation Service Agreement FT17190 (Contract)³ and the Great Lakes Gas Transmission Limited Partnership (Great Lakes) FERC Gas Tariff (Tariff).⁴ Pursuant to the Contract, gas will enter the United States at the interconnection between the TransCanada Mainline system and the Great Lakes system at a point near St Claire, Michigan, and will leave the United States at the international border near Emerson, Manitoba. Section 6.3.1 of the Tariff allows for contracts to be nominated, up to the maximum contract volume, on any path with secondary firm priority of service.⁵ Thus, TransCanada requests that the new DOE import/export authorization permit such secondary paths. The import and export activities will serve TransCanada Mainline shippers in Ontario, Quebec and downstream shippers in the United States. In a separate application, TransCanada is requesting authorization to conduct similar import/export activities with the gas entering the United States at a point near St Claire, Michigan, and leaving the United States at the international border near Emerson, Manitoba.

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

³ See Transportation Service Agreement FT17190, attached as Exhibit A.

⁴ See generally, Great Lakes Gas Transmission Limited Partnership, FERC Gas Tariff, Third Revised Volume No. 1.

⁵ Tariff, Section 6.3.1 General Nomination Guidelines provides, in part:
“(a) Shipper shall furnish a nomination under Transporter's Rate Schedule FT, EFT, LFT, or IT of the estimated daily quantities of gas it desires Transporter to transport from each point of receipt to each point of delivery (Pathed Nomination Model as defined by the North American Energy Standards Board and incorporated in Section 6.23 of the General Terms and Conditions of this FERC Gas Tariff, Third Revised Volume No. 1). Further, the sum of the transportation quantities nominated along any segment shall not exceed the aggregate MDQ for that segment. However, Shipper may nominate its full MDQ at a point as both a forward haul and a backhaul at the same time, subject to availability and operational capabilities at that point. Any quantities nominated at such point that are inverse in direction to that provided in the Agreement, shall be given a Category B Shipper priority status pursuant to Section 6.11.1 paragraph 2(b) of these General Terms & Conditions for allocation purposes.”

modification or delay.”⁶ 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 import and export 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, 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 required by DOE/FE.⁷

VII. SHORTENED NOTICE PERIOD

DOE/FE’s regulations require that a request for import or export authorization “be filed at least ninety (90) days in advance of the proposed import or export or other requested action, unless a later date is permitted for good cause shown.”⁸ TransCanada is requesting to begin its import and export activity on November 1, 2012, which is less than 90 days in advance of the date of this filing. Good cause exists to grant this request on less than 90 days’ notice because key business contacts have been active in an ongoing

⁶ 15 U.S.C. § 717(b).

⁷ *Notice of Procedural Order Eliminating Quarterly Reporting Requirement and Amending Monthly Reporting Requirement for Natural Gas and Liquefied Natural Gas Import/Export Authorization Holders*, 73 Fed. Reg. 6943 (Feb. 6, 2008).

⁸ 10 C.F.R. § 590.201(b).

hearing at the Canadian National Energy Board, and this activity has made communications difficult. Thus, DOE/FE should grant TransCanada's request.

VIII. REVIEW BY OTHER AGENCIES

Pursuant to 10 C.F.R. § 590.103(c), TransCanada states that, to the best of its knowledge, the same or a related matter is not being considered by any other part of the DOE, including the Federal Energy Regulatory Commission, or any other Federal agency or department.

IX. CONCLUSION

WHEREFORE, for the foregoing reasons, TransCanada respectfully requests that its authorization be granted to import and export up to a total of 52.2 Bcf per year of natural gas from and to Canada extending from November 1, 2012 through October 31, 2015.

Respectfully submitted,
On behalf of TransCanada PipeLines Limited



Mona Tandon
Senior Legal Counsel
TransCanada PipeLines Limited
450 1 Street SW
Calgary, Alberta T2P 5H1
(403) 920 5748

August 28, 2012

VERIFICATION

I, Mona Tandon, 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 28th day of August, 2012.



Mona Tandon
Senior Legal Counsel
TransCanada PipeLines Limited
450 1 Street SW
Calgary, Alberta T2P 5H1
(403) 920 5748

CERTIFICATE OF SERVICE

I hereby certify that, pursuant to 10 C.F.R. § 590.107, I have this day served a true copy of the foregoing document filed with DOE/FE upon all parties in this proceeding.

Dated at Calgary, Alberta, Canada, this 28th day of August, 2012.



Mona Tandon
Senior Legal Counsel
TransCanada PipeLines Limited
450 1 Street SW
Calgary, Alberta T2P 5H1
(403) 920 5748

Exhibit A
Transportation Service Agreement FT17190



TRANSPORTATION SERVICE AGREEMENT
Contract Identification FT17190

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:** February 06, 2012
2. **CONTRACT IDENTIFICATION:** FT17190
3. **RATE SCHEDULE:** FT
4. **SHIPPER TYPE:** Other
5. **STATE/PROVINCE OF INCORPORATION:** Canada
6. **TERM:** November 01, 2012 to October 31, 2015

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 6.16 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):** 160,000
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 the 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 the lesser of \$3.650 per Dth or Great Lakes' currently effective Maximum Tariff Rate.

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, Third 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, Third 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 by mail, e-mail, or fax, or other means as agreed to by the parties, and sent to the addresses stated below or to any other such address(es) as may be designated in writing by mail, e-mail, or fax, or other means similarly agreed to:

ADMINISTRATIVE MATTERS

Great Lakes Gas Transmission Limited
Partnership
Commercial Services
717 Texas Street
Houston, TX 77002-2761

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

AGREED TO BY:

**GREAT LAKES GAS TRANSMISSION
LIMITED PARTNERSHIP**
By: Great Lakes Gas Transmission Company

TRANSCANADA PIPELINES LIMITED

By: _____
Joseph E. Pollard
Title: Director, Commercial Services

By: _____
Signature

Please Print
Title: _____
Please Print

APPENDIX A
Contract Identification FT17190

Date: February 06, 2012
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>Maximum Allowable Operating Pressure (MAOP)</u>
11/01/2012	03/31/2013	ST. CLAIR		123,962	974
04/01/2013	10/31/2013	ST. CLAIR		160,000	974
11/01/2013	03/31/2014	ST. CLAIR		123,962	974
04/01/2014	10/31/2014	ST. CLAIR		160,000	974
11/01/2014	03/31/2015	ST. CLAIR		123,962	974
04/01/2015	10/31/2015	ST. CLAIR		160,000	974
11/01/2012	03/31/2013		EMERSON	123,962	974
04/01/2013	10/31/2013		EMERSON	160,000	974
11/01/2013	03/31/2014		EMERSON	123,962	974
04/01/2014	10/31/2014		EMERSON	160,000	974
11/01/2014	03/31/2015		EMERSON	123,962	974
04/01/2015	10/31/2015		EMERSON	160,000	974