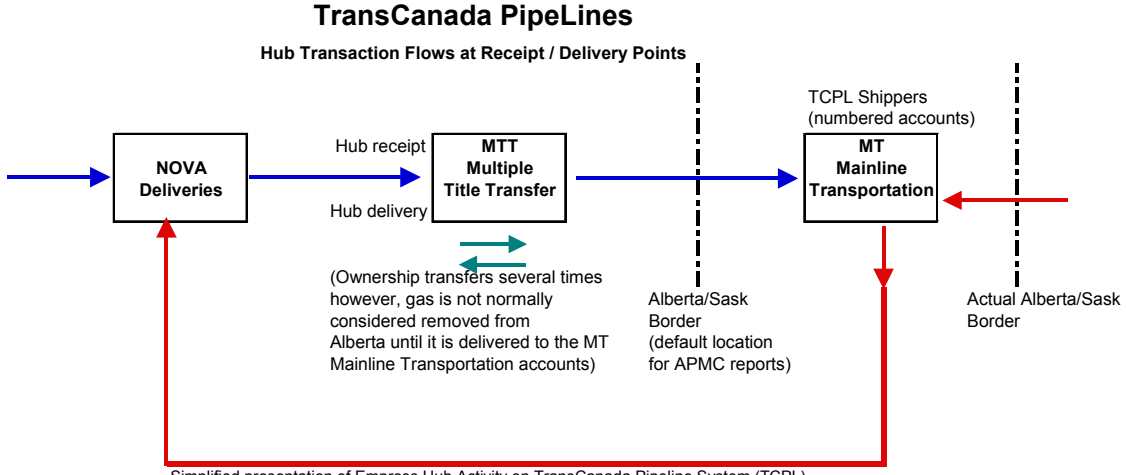


Example No. 1 - Empress Removal Point 207

This diagram is a simplified presentation of the Empress Hub Activity on the TransCanada Pipeline System (TCPL).



MTT Mainline Transportation Accounts – denoted on statements by TRANS, direction iis "OUT" and Transaction type is "Receipt"

The following tables are typical reports that Company A obtains each month from the TCPL Point Service Account Detail Report that is available on the TransCanada Pipeline web-site.

Refer to the following tables for Examples 1 through 5.

Table No. 1

03/01/2002							
TransCanada Pipelines - Canadian Mainline - Allocation, Balancing, and Invoicing System							
Point Service Account Detail Report							
Reporting Period	200104	Account Owner	Company A			Unit of Measure	GJ
Billing Period	200104	Invoice Owner	Company A				
Account Name	A MTT	Nomination Agent	Company A				
Account Type	Multi Title Transfer	Del Class	11112				
Location	Empress	Empress	Empress	Empress	Empress	Empress	Empress
Transfer Type	Transfers In	Transfers Out	Transfers Out	Transfers In Total	Transfers Out Total	Daily Variance	Cumulative Variance
Account Owner	Co C	Co B	Co A				
Account Transaction Type	Co C	Co B MTT Multi Title Transfer	1004 Receipt				
1	49,855	25,000	123,445	49,855	148,445	0	0
2	12,412		12,412	12,412	12,412	0	0
3	33,333		3,333	33,333	3,333	0	0
4	45,454		4,252	45,454	4,252	0	0
5			455,555		45,555	0	0
:						0	0
30	145,455		1,003	145,455	1,003	0	0
Total	625,000	25,000	600,000	625,000	625,000	0	0

Table No. 2

03/01/2002 TransCanada Pipelines - Canadian Mainline - Allocation, Balancing, and Invoicing System Transportation Account Detail Report						
Reporting Period	200104		Invoice Agent	Company A		Unit of Measure
Billing Period	200104		Del Class	1004		GJ
Account Name	1004		Account Owner	Company A		
Account Type	Mainline Transp		Nomination Agent	Company A		
Transfer Type	Transfers In	Transfers In	Transfers Out	Transfers Out	Transfers Out	Transfers Out
Location	Empress	Empress	Consumers CDA	Consumers CDA	Empress	Empress
Account Owner	Co A	Total	Co E	Total	Co A	Total
Account Transaction Type	1004		E		1004 Fuel Nominated Fuel	
	Receipt		Delivery			

1	123,445	123,445	116,482	116,482	6,963	6,963
2	12,412	12,412	11,712	11,712	700	700
3	3,333	3,333	3,145	3,145	188	188
4	4,252	4,252	4,012	4,012	240	240
5	455,555	455,555	429,862	429,862	25,693	25,693
:						
:						
30	1,003	1,003	937	937	56	56
Total	600,000	600,000	566,160	566,160	33,840	33,840

1. Multi Title Transfers at Empress - contract delivery point is Alberta.

- a) Company A purchased 625,000gj from Company C through the multi-title transfer (MTT) account at Empress.
- b) Company A then sold 25,000gj to Company B through the MTT account at Empress.
- c) Company A delivered its remaining gas (600,000 GJ) using their own shipping account on TCPL (1004) for a sale made in the Central Delivery Area (CDA) Ontario in the amount of 566,160 GJ. The fuel gas lost on delivery equaled 33,840 GJ.

Company A would report the following on its APMC-633:

<u>Removal</u>	<u>Total 631</u>	<u>Total 632</u>	<u>Balancing Entry</u>
600,000	566,160	0	33,840

The removal equals the delivery to the ex-Alberta shipper (numeric transportation account).

2. Multi Title Transfer at Empress - contract delivery point is Saskatchewan.

- a) Company A purchased gas from Company C through the multi-title transfer (MTT) account at Empress.
- b) Company A sold gas to Company B through the MTT account at Empress, but in this case the contract delivery point is stated as Burstall, Saskatchewan.

- c) Company A delivered its remaining gas (600,000 GJ) using their own shipping account on TCPL (1004) for a sale made in the CDA Ontario in the amount of 566,160 GJ. The fuel gas lost on delivery equaled 33,840 GJ.

Company A would report the delivery to Company B as well as the Ontario delivery as gas removed from Alberta on its APMC-633:

<u>Removal</u>	<u>Total 631</u>	<u>Total 632</u>	<u>Balancing Entry</u>
625,000	591,160	0	33,840

3. Non-Alberta gas removed from Alberta.

- a) Company A purchased gas from Company C through the multi-title transfer (MTT) account at Empress.
- b) Company A then sold gas to Company B through the MTT account. The contract delivery point is stated as Empress. As this hub sale occurs in Alberta, it is not reported as a sale or removal.
- c) The delivery to the ex-Alberta shipping account includes 100,000 GJs of B.C. produced gas that is destined for sale in CDA Ontario. The Ontario sale is in the amount of 566,160 GJ. The fuel gas lost on delivery equaled 33,840 GJ.

Company A would report 500,000 GJs as the removal (600,000 GJs delivered to the ex-Alberta shipping account less 100,000 GJs of BC production).

Option 1: B.C. gas not included in the APMC-631 sales.

<u>Removal</u>	<u>Total 631</u>	<u>Total 632</u>	<u>Balancing Entry</u>
500,000	471,800	0	28,200

or

Option 2: B.C. gas is included in the APMC-631 sales.

<u>Removal</u>	<u>Total 631</u>	<u>Total 632</u>	<u>Balancing Entry</u>
500,000	566,160	0	- 66,160

Ex-Alberta acquisitions that are commingled with Alberta removals can be reported on the APMC-631 as long as all of the gas was delivered from the Alberta removal point.

4. Brokered capacity.

According to the TCPL report, Company A delivered 600,000 GJ into their own shipping account on TCPL (1004). Company A only owns 400,000 GJ for a sale to be made in CDA Ontario in the amount of 377,440 GJ after fuel loss of 22,560 GJ. The remaining 200,000 GJ was transported for Company B using Company A's shipping account. Company B sold this gas downstream of Empress.

Company A would report the following as a removal on it's APMC-633:

<u>Removal</u>	<u>Total 631</u>	<u>Total 632</u>	<u>Balancing Entry</u>
400,000	377,440	0	22,560

Company B would report the 200,000 GJs as a removal on it's APMC-633 in addition to any other removals that Company B may have.

5. Gas acquired downstream of the Alberta removal point and commingled with gas removed from Alberta.

In addition to the Alberta gas that was delivered by Company A to its own shipping account (600,000 GJs), an additional 150,000 GJ was acquired downstream of Empress at various points along TCPL. As this gas was obtained downstream of the Alberta removal point, it should not be included on the APMC-631/633 reports.

Company A would report the following:

<u>Removal</u>	<u>Total 631</u>	<u>Total 632</u>	<u>Balancing Entry</u>
600,000	566,160	0	33,840

6. Buy/Sell Arrangement

Table No. 3

03/01/2002					
TransCanada Pipelines - Canadian Mainline - Allocation, Balancing, and Invoicing System					
Point Service Account Detail Report					
				Unit of	
Reporting Period	200104	Account Owner	Company A	Measure	GJ
Billing Period	200104	Invoice Owner	Company A		
Account Name	A CT	Nomination Agent	Company A		
Account Type	Custody Transfer	Del Class	11112		
<u>Location</u>	Empress	Empress	Empress	Empress	
<u>Transfer</u>			Daily	Cumulative	
<u>Type</u>	Transfers Out	Transfers Out	Variance	Variance	
<u>Account</u>					
<u>Owner</u>	Co A	Total			
<u>Account</u>	1005				
<u>Transaction</u>					
<u>Type</u>	Receipt				
1	3,226	3,226	0	0	
2	3,225	3,225	0	0	
3	3,225	3,225	0	0	
4			0	0	
5			0	0	
:			0	0	
:			0	0	
30	3,225	3,225	0	0	
Total	100,000	100,000	0	0	

- a) Under a buy/sell contract, Company A purchased 100,000 GJs from Company D in Alberta. (Company A could have purchased this gas as a Nova Inventory Transfer).
- b) Company A removed the gas as owner and then sold it back to Company D in Saskatchewan.

Company A would report the following:

<u>Removal</u>	<u>Total 631</u>	<u>Total 632</u>	<u>Balancing Entry</u>
100,000	0	100,000	0

Buy/sell transactions are reported on the APMC-632. Swaps are handled in the same manner.

Example No. 2 – Alliance Pipeline Removal Point 260

Company XYZ shipped 427,589 GJ on the Alliance Pipeline destined for sale in the United States.

Monthly Shipper Imbalance Statement

Receipts

Receipt Stations	Allocated (GJ)
GRDL1 (BC)	20,480
EDSOZ (AB)	200,109
EDSZ2 (AB)	<u>207,000</u>
Subtotal	427,589
Title Transfers	
Total Receipts	10,000
Total Deliveries	<u>(105,500)</u>
Net Transfers	<u>(95,500)</u>
Total Receipts	332,089

Deliveries

Delivery Stations	
CFUEL	7,519
CX	<u>425,332</u>
Total Deliveries	432,851

Summary

Monthly Imbalance	(100,762)
Opening Imbalance	<u>26,706</u>
Closing Imbalance	(74,056)
Transportation Charges	\$182,497

From the above information, the following method is an acceptable method to use for calculating removals from Alberta and imports into Alberta when transporting on the Alliance Pipeline:

A. Alberta Removals

The Alberta Removals are calculated as follows:

- Determine the ratio of Alberta supply in the total receipt pool (Alberta Supply Ratio)

$$\text{Alberta Supply Ratio} = \text{Alberta Receipts divided by Total Receipts}$$

$$95.2\% = 407,109/427,589$$

- Ex-Alberta Canadian Fuel Ratio = 46.3% (from Information Bulletin 01-01)

- Determine the quantity of Alberta gas removed from Alberta

Alberta Gas Removals = Alberta Gas transported to the Cdn/US border + Alberta gas consumed as ex-Alberta Cdn Fuel

$$\begin{aligned} \text{Alberta Gas Removals} &= 404,916 (425,332 * 95.2\%) + 3,314 (7,519 * 95.2\% * 46.3\%) \\ &= 408,230 \end{aligned}$$

APMC-633 Form

<u>Rem Pt</u>	<u>Removals in Delivery Mth</u>	<u>APMC-631/632+</u>	<u>Balancing Entry</u>
260	408,230	404,916	3,314

B. BC Imports and Removals

(i) BC Imports are the sum of the receipt stations located in BC = 20,480

(ii) BC Removals are calculated as follows:

- Determine the ratio of BC supply in the total receipt pool (BC Supply Ratio)

BC Supply Ratio = BC Receipts divided by Total Receipts

$$4.8\% = 20,480/427,589$$

- Alberta Fuel Ratio = 53.7% (from Information Bulletin 01-01)

- Determine the quantity of BC gas removed from Alberta

BC Gas Removals = BC Imports - BC gas consumed as Fuel in Alberta

$$\begin{aligned} \text{BC Gas Removals} &= 20,480 - 194 (7,519 * 4.8\% * 53.7\%) \\ &= 20,286 \end{aligned}$$

APMC-651 Form

Section A Gas Imported into Alberta

Import

<u>Point</u>	<u>Quantity</u>
276	20,480

Section B – Disposition of Imported Gas Not Sold In Alberta

Disposition Removal

<u>Type</u>	<u>Point</u>	<u>Quantity</u>
2	260	20,286
1	0	194

Section C – Imported Gas Sold in Alberta – for this example, all B.C. gas was sold in the United States.