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Ontario Energy Board
P.O. Box 2319
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Toronto, Ontario
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Attention: Ms. Kirsten Walli, Board Secretary

Dear Ms. Walli:

**Re: Notice of Revised Proposal to Make a Rule
Storage and Transportation Access Rule (“Revised STAR”)
OEB File No. EB-2008-0052
Comments of TransCanada PipeLines Limited, ANR Pipeline Company, ANR
Storage Company, and Great Lakes Gas Transmission Limited Partnership
(collectively “TransCanada”) on the proposed Revised STAR**

This letter is in response to the Ontario Energy Board’s (the “Board” or “OEB”) September 28, 2009 *Notice of Revised Proposal to Make a Rule* in which the Board invited participants to provide written comments on the proposed Revised STAR by November 2, 2009. The Revised STAR would apply to transportation services and storage providers under the Board’s jurisdiction.

On April 9, 2009, the Board issued its initial *Notice of Proposal to Make a Rule* and invited participants to provide comments by May 25, 2009. In its comments, TransCanada noted that it supported the OEB’s three key objectives for the STAR, which are to:

- Ensure open, fair and non-discriminatory access to transportation services for customers and storage providers;
- Provide customer protection within the competitive storage market; and
- Support transparent transportation and storage markets.

TransCanada, however, also expressed concerns that the initial STAR proposal would fail to meet the OEB’s key objectives in relation to storage services due to the lack of information required to be made publicly available by Ontario-based storage providers. The OEB has acknowledged that to ensure consumer protection in the competitive storage market, there needs to be adequate disclosure with respect to pricing, reporting and transportation contracts.

TransCanada believes that the disclosure requirements contained in the Revised STAR will assist in preventing discrimination and promoting transparency in the provision of transportation and storage services. Nevertheless, TransCanada is of the view that revised disclosure requirements for storage providers in the Revised Star may not be sufficient in achieving these goals.

Sections 3.1.4, 4.2.3 and 4.2.5 list specific information that storage providers will have to make public under the Revised Star. Unlike Section 2.3.6 that requires disclosure of negotiated contracts that contain deviations to standard form transportation services, these Sections do not include a requirement to disclose negotiated ratchet levels or other fundamental changes to the nature of the storage service that may be negotiated in a non-standard storage contract. This may create a potential scenario where two parties contracting for the same service may not receive service that is equal, or even, similar in quality.¹ Consequently, TransCanada recommends that the Revised STAR be amended to include a requirement to disclose all negotiated storage contracts that contain deviations from the standard form storage contract. This amendment could mirror the disclosure requirements of Section 2.3.6.

In its Notice pertaining to the Revised STAR, the OEB stated:

The Board agrees that price disclosure for competitive storage services would assist customers in their purchasing decisions and would not put Ontario storage providers at a disadvantage relative to competing storage providers in other jurisdictions. The Board believes that price disclosure will meet two of the key objectives of STAR – customer protection and transparency.

TransCanada notes that while price disclosure will provide some customer protection and transparency, it will not guard against potential discrimination with respect to terms of service. Unlike OEB-regulated providers, competing Federal Energy Regulatory Commission-regulated storage providers do not have the flexibility to negotiate terms and conditions of service². Incorporating the changes proposed by TransCanada into the Revised STAR would provide some support to the Board's key objectives of customer protection and transparency and place Ontario storage providers on a more level playing field with competing storage providers in the relevant geographic market, as defined in the NGEIR Decision.

Additionally, TransCanada recommends that for increased clarity, the wording of Section 3.1.4 of the Revised Star be modified to clearly state that storage providers are obligated to provide pricing and revenue information on a contract by contract basis. As phrased, the Revised Star may be interpreted in a way that could lead storage providers to provide pricing and revenue information in an aggregated form for their customers that have multiple storage contracts. TransCanada suggests changing the last sentence of Section 3.1.4 prior to the subsections, "The information to be posted for each contract on the storage company's website shall include:"

¹ Please refer to the extract from FERC Decision CP-06-350 contained in TransCanada's letter of May 25, 2009 on the proposed STAR.

² Ibid.

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TransCanada requests that, subject to the above mentioned revisions, the Board implement the Revised STAR to ensure that Ontario gas storage providers fully disclose all rates and non-standard contract terms.

Should the Board require additional information with respect to these comments, please contact Jim Bartlett at (403) 920-7165 or Murray Ross at (416) 869-2110.

Yours truly,

Original signed by

Kevin M. Thrasher
Senior Legal Counsel
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