

## Tolls Task Force Procedures

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<b>TASK FORCE</b>	The TransCanada Tolls Task Force (“Task Force”) was created to seek consensus on the resolution of issues related to the tolls, tariffs and operations of TransCanada PipeLines Limited (“TransCanada”) in the context of TransCanada’s Tolls Applications.
<b>PARTICIPANTS</b>	The Task Force shall consist of Members and Observers.
<b>MEMBERS</b>	The Task Force Members will be TransCanada and the interested parties who wish to participate actively in the Task Force process. Task Force Members will be entitled to receive notice of, and to send representatives to, all Task Force meetings, and to receive a copy of all Task Force communications and documentation. Only Members shall be entitled to vote on the resolution of issues.
<b>OBSERVERS</b>	The Task Force Observers will be the interested parties who wish to participate passively in the Task Force process. Observers are not entitled to vote on the resolution of issues.
<b>REPRESENTATIVES</b>	<p>Company representatives will be "business" people, those who have been given the authority to make commitments on behalf of their company/organization.</p> <p>No Tolls Task Force representative will be permitted to "cross-examine" during a TransCanada tolls hearing.</p>
<b>SECRETARY</b>	TransCanada shall appoint the Secretary of the Task Force.
<b>PURPOSE</b>	The Task Force shall attempt to reach consensus on the resolution of issues raised by Task Force Members or deferred from prior Task Forces that are relevant to TransCanada’s tolls applications, and to resolve the responses to National Energy Board (“NEB”) directives in prior decisions that should be made in conjunction with the tolls applications. All Task Force Members will work toward trying to reach agreement on the resolution of these matters, with a view to reducing the adversarial aspects of NEB hearings, as well as reducing hearing time and associated costs. If consensus on the resolution of a particular issue, or response to an NEB directive, cannot be reached the

Task Force Members will work toward focusing or reducing the number of alternate resolutions of the issue or responses to the NEB directive.

### **PARTICIPATION**

Participation in the Task Force process is open to any party having a discernible interest in or affected by toll, tariff and operational matters, such as shippers, industry associations and governments of consuming and producing provinces. An interested party may participate actively, as a Task Force Member, or passively, as a Task Force Observer.

Notice of the Task Force process will be given to TransCanada's shippers and to intervenors in TransCanada's last tolls hearing by letters and to other interested parties and the general public by newspaper advertisements. It is the responsibility of any party wishing to participate to respond to such notice at any time within the process.

### **WITHOUT PREJUDICE**

To facilitate free and open communication in the discussion and negotiation of issues, participation by all interested parties in the Task Force process shall be conducted on a completely "without prejudice" basis. This means that any documents, information and any communications not already in the public domain, written or oral, that are created or made as part of the Task Force process shall be considered to be privileged and confidential, and shall be divulged only to persons within TTF Members' own organisation, including consultants, who have a clear need to have that information and only after ensuring that any person to whom disclosure is made is made aware of the confidential nature of the information. The information shall not be filed, referred to or otherwise used in any hearing or other proceeding before the NEB, any other regulatory tribunal, or made public otherwise, without the prior consent of all task Force Members. The sole exceptions shall be that any member may file, refer to, or otherwise use a document created or made by that Member or if such disclosure is required by law, or by the order of a court, regulatory tribunal or other governmental body of competent jurisdiction.

### PROCEDURES

**Agenda:** Prior to each meeting of the Task Force, TransCanada will provide Members and Observers with an agenda and any relevant documents on the issues to be considered at the meeting.

**Issues:** TransCanada will record the various issues and NEB directives discussed in the Task Force meetings in the following categories:

- a) NEB directives;
- b) issues raised by Task Force Members; and
- c) issues deferred by prior Task Forces

**Identifying and Processing Issues:** Members who wish to raise an issue through the Task Force should ensure that proper documentation is provided to the Secretary for inclusion with the agenda for the next meeting.

An issue will be accepted for discussion by the Task Force once it has been fully delineated by the Member sponsoring the issue. The Task Force will review each potential issue and, if accepted as an issue (by majority vote), will decide whether that issue will be addressed by the Task Force or instead be referred to a subcommittee of the Task Force.

Once an issue has been accepted by the Task Force, the Secretary will prepare an Issue Fact Sheet (utilizing information provided by the Member raising the issue), give it an Issue Number and ensure that the issue is added to the appropriate agenda as directed by the Task Force (Task Force or sub-committee).

The Member bringing forward the issue will make a presentation at the next Task Force (or sub-committee) meeting if so directed by the Task Force. A hard copy of the presentation must be available for inclusion in the minutes.

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**Sub-Committee:** An issue referred to a sub-committee will be discussed at up to two meetings (following the initial presentation to the sub-committee). The sub-committee will be responsible for providing an update of its activities, to be reviewed at each Tolls Task Force meeting. The issue will be voted on by the sub-committee, and then forwarded to the Task Force for disposition. The minutes of the sub-committee meetings will only record the results (i.e. Unanimous, Unopposed, Opposed, Non-Resolution) of the vote.

To the extent that two meetings prove insufficient to reach a resolution, the sub-committee may, of its own volition by a majority vote, agree to deal with the issue at a third sub-committee meeting, following which the issue must be automatically referred back to the Task Force for disposition. The Task Force may decide to send the issue back to the sub-committee for a further cycle.

Once an issue has been returned to the Task Force for disposition, the results (i.e. Unanimous, Unopposed, Opposed, Non-Resolution) of the vote of the Task Force will be recorded on the Issue Fact Sheet. Task Force Members may choose to be identified if they so wish.

**Voting:** Each Member shall have one vote. Members unable to attend the meeting may vote by phone, e-mail or by fax. A Member who does not cast a vote for or against a proposed resolution will be deemed to have abstained from voting.

The vote on the resolution of each issue will take place on an issue by issue basis. Prior to any vote taking place, Members will be provided with a draft of the Final Resolution sheet. It will include a clear statement of the resolution and any required changes to existing tolls, tariffs, policies etc., and a background section, which includes a description of the issue and a summary of the concerns raised by Task Force Members.

It is recognized that not all Members may have a position on an issue, for whatever reason, and may decide to abstain from voting on that particular issue.

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Formal notice of an impending vote will be given at the Task Force meeting immediately preceding the meeting at which the vote is to be taken. If a reduced period of notice of an impending vote is given, a Member would have the right to defer its vote for one additional meeting.

There will be a majority of votes in favour if the number of votes "for" exceeds the number of votes "against", without regard to the number of abstentions. There will be a majority of votes against if the number of votes "against" exceeds the number of votes "for", without regard to the number of abstentions. A Member's vote shall not be construed as establishing a binding irrevocable position as to such party (e.g. facts may appear after the vote to change a Member's position).

In the event of a tie vote, without regard to the number of abstentions, the vote will be categorized as a "Non-Resolution".

An electronic (or fax if necessary) vote will occur when the members agree that a vote must take place before the next scheduled meeting of the task force. A standard form will be available to the members online outlining the standard voting categories. The members will e-mail or fax their form back to TransCanada within the prescribed time deadline. After the votes are recorded, the Secretary of the task force will announce to the task force the results of the vote, subject to the categories stated below. Any member wishing to know the fax vote results on a party by party basis shall be entitled to ask for and shall receive such voting results.

The result of a vote on any proposed resolution will be categorized as follows:

- a) **Unanimous** (all votes in favour of the proposed resolution).
- b) **Unopposed** (a majority of votes in favour of the proposed resolution with certain Task Force Members voting against or abstaining and indicating that they will neither actively oppose the proposed resolution nor propose an alternate resolution at the NEB's hearing).

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- c) **Opposed** (a majority of votes in favour of the proposed resolution, with certain Task Force Members voting against or abstaining, and indicating that they may actively oppose the proposed resolution and/or propose an alternate resolution at the NEB's hearing).
- d) **Non-Resolution** (either a majority of votes against the proposed resolution or a tie vote).

In the case of an Opposed Resolution, a member will be entitled to request the NEB to resolve the matter.

**Minutes:** Following each meeting, the Task Force Secretary will prepare and issue minutes for each of the sub-committee(s) and for the Task Force. The discussions pertaining to each issue will be summarized and identified by Issue Number. The minutes will not identify individual Task Force Members (unless requested to do so by a Member) when describing the views expressed at a meeting on any issue, any NEB directive, or any proposed resolution.

Minutes will be provided promptly after each meeting to all Task Force Members and Observers. The minutes will include all working papers, handouts, presentations, etc. provided to the Task Force Members at the meetings.

The minutes shall document the "without prejudice" discussions of the Members and are therefore considered privileged and confidential and shall not be disclosed or referred to without the consent of all Task Force Members.

At the time of providing the minutes of each meeting, the Secretary will update and provide an Issue Status Report. This report will track the progress of all issues, whether they are being addressed by the Task Force or a sub-committee.

### REPORTING

TransCanada will prepare an Interim Report of the Task Force ("Report") and file updates to the Board as required.

The format of the Interim Report will be categorized by Report Number, Procedures, Tolls Task Force Roster, and Resolutions. Each issue will be identified by the

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Resolution number that was assigned at the time the issue was voted on by the Task Force members.

The vote on the resolution of each issue will take place on an issue by issue basis, as described above.

All Members will be given an opportunity to assist in the drafting of the Final Resolution sheet to ensure that their views and concerns have been properly represented. In this manner, Members will vote on the resolution with full knowledge of what will be included in the Interim Report for each specific issue.

Generally, the Interim Report will include the following:

- a) the issues for which there are Unanimous resolutions
- b) the issues for which there are Unopposed resolutions

### **FILING**

TransCanada will file a copy of these Task Force Procedures with the NEB.