



Northern Border Pipeline Company

September 24, 2018

Ms. Kimberly D. Bose, Secretary
Federal Energy Regulatory Commission
888 First Street, N.E. Washington,
D.C. 20426

Northern Border Pipeline Company
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Houston, Texas 77002-2700

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Re: Northern Border Pipeline Company
Compliance Filing RP18-1038-000
Docket No. RP18-1038 - _____

Dear Ms. Bose:

Pursuant to Section 4 of the Natural Gas Act and Section 154 of the Federal Energy Regulatory Commission's ("FERC" or "Commission") regulations,¹ and to comply with the Commission's Order Accepting Tariff Filing Subject to Condition issued on August 30, 2018,² Northern Border Pipeline Company ("Northern Border") submits for filing revised tariff Section 6.26.3 to be part of its FERC Gas Tariff, Second Revised Volume No. 1 ("Tariff"),³ as more fully described below. Northern Border respectfully requests that the Commission accept revised Section 6.26.3, included herein as Appendix A, to be effective September 1, 2018.

¹ 18 C.F.R. Part 154 (2018).

² *Northern Border Pipeline Company*, 164 FERC ¶ 61,150 (2018) ("August Order").

³ Section 6.26.3 – GT&C, Awarding of Available and Planned Pipeline Capacity, Bid Procedures ("Section 6.26.3").

Correspondence

The names, titles, mailing addresses, and telephone numbers of those persons to whom correspondence and communications concerning this filing should be addressed are as follows:

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Statement of the Nature, Reasons and Basis for Filing

On August 1, 2018, in Docket No. RP18-1038-000, Northern Border submitted with the Commission revised Sections 6.26.4 and 6.37.3 of its Tariff which modified Northern Border’s bid evaluation process (“August Filing”).⁴ In Section 6.26.4(a), Northern Border removed the requirement to use Method A⁵ as the sole basis for determining the best bid for available firm capacity posted by Northern Border, and replaced it with a net present value (“NPV”) calculation that takes into account the price, term, or any other criteria specified by Northern Border in a posting for available firm capacity on its system. Additionally, Northern Border added sub-section 6.26.4(a)(i), which set forth possible relevant factors upon which the NPV calculation may be based and sub-section 6.26.4(a)(ii), which provided that for purposes of its NPV evaluation and as defined in a posting, Northern Border may aggregate two or more bids for one or more bid packages, and clarified that for bidders proposing a revenue guarantee that exceeds Northern Border’s existing recourse rate, the NPV calculated for the bid may not exceed an NPV that is calculated assuming that the recourse rate shall be in effect during the full term proposed by the bidder. Furthermore, in Section 6.26.4(c), Northern Border proposed

⁴ Section 6.26.4 – GT&C, Awarding of Available and Planned Pipeline Capacity, Selection of Best Bid (“Section 6.26.4”) and Section 6.37.3 – GT&C, Negotiated Rates, Best Bid Evaluation (“Section 6.37.3”).

⁵ Method A is a specific net present value formula set forth in Section 6.27.6.1(a) of the General Terms and Conditions (“GT&C”) of Northern Border’s Tariff. (“Method A”)

replacement language which provided that each posting will define the method to be employed for allocating capacity in the event there is more than one best bid. Finally, for consistency, Northern Border revised Section 6.37.3 to reflect that acceptable negotiated rate bids will be evaluated pursuant to revised Section 6.26.4(a).

In its August Order, the Commission found Northern Border's proposed tariff records reasonable and consistent with Commission policy, with one exception. To ensure transparency, and as a condition of acceptance of the August Filing, the Commission directed Northern Border to revise its Tariff within 30 days of the August Order to add language that will require Northern Border to disclose the calculation and NPV analysis at the end of a bid closing date evaluating bids using Section 6.26.4, in addition to posting the winning bid(s) and bidder(s).⁶

To comply with the Commission's directive, Northern Border is adding Section 6.26.3(f) to specify that Northern Border will post the NPV analysis used to determine the successful bidder(s) along with the winning bid(s).⁷

Motion to Place Tariff into Effect

Consistent with the Commission's acceptance of proposed tariff sections 6.26.4 and 6.37.3, effective September 1, 2018, subject to condition, Northern Border respectfully requests that proposed tariff Section 6.26.3, included as Appendix A, be accepted without addition, modification, or deletion, effective September 1, 2018.

Other Filings Which May Affect This Proceeding

There are no other filings before the Commission that may significantly affect tariff Section 6.26.3 proposed herein.

⁶ August Order at P 19.

⁷ August Order at P 32.

Contents of Filing

In accordance with Section 154.7 of the Commission’s regulations, Northern Border is submitting the following via its electronic tariff filing:

- 1) This transmittal letter;
- 2) The clean tariff section (Appendix A); and
- 3) A marked version of the tariff section (Appendix B).

Certificate of Service

As required by Section 154.7(b) and Section 154.208 of the Commission’s regulations, copies of this filing are being served on all of Northern Border’s existing customers and upon any interested state regulatory agencies. A copy of this letter, together with any attachments, is available during regular business hours for public inspection at Northern Border’s principal place of business.

Pursuant to Section 385.2005 and Section 385.2011(c)(5), the undersigned has read this filing and knows its contents, and the contents are true as stated, to the best of his knowledge and belief. The undersigned possesses full power and authority to sign such filing.

Any questions regarding this filing may be directed to David Brown at (832) 320-5512.

Respectfully submitted,

NORTHERN BORDER PIPELINE COMPANY
BY: TRANSCANADA NORTHERN BORDER INC., ITS OPERATOR



John A. Roscher
Director, Rates & Tariffs

Enclosures

Appendix A

Northern Border Pipeline Company FERC Gas Tariff, Second Revised Volume No. 1

Clean Tariff

Tariff Section

6.26.3 – GT&C – Bid Procedures

Version

v.3.0.0

6.26.3 Bid Procedures.

- (a) Any Person desiring to submit a Bid for firm capacity in accordance with this section must satisfy the requirements of the applicable firm Rate Schedule and execute an associated Service Agreement. A Person's Bid for firm capacity which exceeds its qualified level of credit worthiness shall not be accepted.
- (b) The Company will allow Bids for capacity which are contingent upon the bidder obtaining capacity on another pipeline(s). The Bid must specify the contingency. In those instances where such a contingent Bid(s) is determined to be the Best Bid, the allocation of capacity may be delayed pending satisfaction of the contingency under the following timeline for clearing the contingency:
 - (i) for service of more than one day and up to one month, the contingency must be cleared within 24 hours of the Bid;
 - (ii) for service greater than one month but less than one year, the contingency must be cleared within 3 business days;
 - (iii) for service for one year or more, the contingency must be cleared within the time frame specified in Company's posting pursuant to Section 6.26.2 of these General Terms and Conditions, but in no event shall the specified time frame be less than five business days or greater than forty-five (45) calendar days.
- (c) If a Bid is received which contains conditions, other than those allowed in Section 6.26.3(b), that are not satisfied at Bid Closing Date, such Bid shall not be accepted.
- (d) A bidder may withdraw its Bid prior to the Bid Closing Date upon written notice to Company.
- (e) The winning Bid(s), including the identity of the bidder(s), will be posted on Company's Internet web site.
- (f) The NPV analysis used to determine the successful bidder(s) will be posted on Company's Internet web site.

Appendix B

Northern Border Pipeline Company FERC Gas Tariff, Second Revised Volume No. 1

Marked Tariff

Tariff Section

6.26.3 – GT&C – Bid Procedures

Version

v.3.0.0

6.26.3 Bid Procedures.

- (a) Any Person desiring to submit a Bid for firm capacity in accordance with this section must satisfy the requirements of the applicable firm Rate Schedule and execute an associated Service Agreement. A Person's Bid for firm capacity which exceeds its qualified level of credit worthiness shall not be accepted.
- (b) The Company will allow Bids for capacity which are contingent upon the bidder obtaining capacity on another pipeline(s). The Bid must specify the contingency. In those instances where such a contingent Bid(s) is determined to be the Best Bid, the allocation of capacity may be delayed pending satisfaction of the contingency under the following timeline for clearing the contingency:
 - (i) for service of more than one day and up to one month, the contingency must be cleared within 24 hours of the Bid;
 - (ii) for service greater than one month but less than one year, the contingency must be cleared within 3 business days;
 - (iii) for service for one year or more, the contingency must be cleared within the time frame specified in Company's posting pursuant to Section 6.26.2 of these General Terms and Conditions, but in no event shall the specified time frame be less than five business days or greater than forty-five (45) calendar days.
- (c) If a Bid is received which contains conditions, other than those allowed in Section 6.26.3(b), that are not satisfied at Bid Closing Date, such Bid shall not be accepted.
- (d) A bidder may withdraw its Bid prior to the Bid Closing Date upon written notice to Company.
- (e) The winning Bid(s), including the identity of the bidder(s), will be posted on Company's Internet web site.
- (f) The NPV analysis used to determine the successful bidder(s) will be posted on Company's Internet web site.

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