

From: Bob Williams [mailto:bob.williams@matl.ca]
Sent: September 04, 2009 5:11 PM
To: Jim Fox
Cc: McLarty, Al; D. Axford Blackberry; Johan van't Hof
Subject: Proposed Amendments to NEB Cost Recovery Regulations

Mr. Fox,

Montana Alberta Tie Ltd. appreciates the opportunity to comment on the draft regulations that were published in the Canada Gazette on August 8, 2009.

We note that one of the key benefits for Canada that has been put forward in support of the amendments is to ensure that costs are recovered from users. MATL submits that it will not be possible to achieve this important benefit because it has entered into contracts with shippers for all of the approved 300 MW of capacity of its first merchant international power line, without the knowledge of the proposed change in cost recovery. Because of these contracts, MATL has no way of recovering these costs from the users.

MATL entered into contracts with shippers in March 2005, for about one half of the approved 300 MW of capacity. Due to extenuating circumstances, MATL was unable to participate in the industry consultations that took place later in 2005 and early 2006. MATL entered into contracts with shippers for the remaining capacity on its merchant international power line in June 2006. MATL therefore requests that it be grandfathered from the proposed change in cost recovery as it would otherwise apply to the capacity under contract to its existing shippers. Now that MATL is aware of the proposed changes in responsibility for cost recovery, we will negotiate the payment of such costs by our shippers in future contracts.

Respectfully,

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