

Nova Submission re Critical Contingency Rules May 2008

QUESTION	COMMENT
Q1: Are the proposed threshold limits (or the ranges for those limits) set at an appropriate level?	Unable to assess but concept makes sense of articulating the threshold as minimum pressure at delivery points and times to breaching those minimum thresholds.
Q2: Do you consider the definitions of positive and negative contingency imbalances are appropriate? If not, please explain why.	
Q3: Do you agree that a process for correcting material errors in contingency imbalances is desirable?	<p>There is a potentially a conflict here with the new allocation/reconciliation rules that provides for washup of consumer usage 4 months after the reconciliation period and again 14 months after the reconciliation period, yet the contingency volumes are locked down after only 6 months.</p> <p>This creates a potential incentive for shippers to defer washups from the 4 month interim washup to the 14 month washup.</p>
Q4: What is your view of the proposed two-stage process for setting the critical contingency price?	<p>Nova prefers a set of established objective criteria for the price setting process and provides a high degree of certainty and predicability for the pricing outcome.</p> <p>Providing for a consultation process reduces certainty and exposes the independent expert to slippery slop issues due to lobbying by affected parties.</p>

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Q5: Do you consider the definition of regional critical contingency is sufficiently unambiguous? If not, how do think it should be improved?	More certainty would be preferable over what constitutes a regional critical contingency and what does not.
Q6: Do you agree with the appeal process for the designation of consumers as minimal load consumers and essential service providers?	No comment
Q7 Are there any other changes to the proposed Regulations that you wish to comment on?	Not at this stage
Q8 Are there any other areas related to implementation that should be included within the terms of reference of CMIG?	No