

Foothills Shippers Meeting

April 24, 2007



Agenda



- BC System/ Foothills Zone 8 Integration Update
- Foothills BC Maintenance Update
- Other Items

Integration Update



- Integration received final NEB approval on March 21
- Final rates in effect April 1
- Websites have been updated
 - BC links will remain for a transition period
 - Information will be filed under Foothills Saskatchewan and Foothills BC
- Further information and links to the decision, rates, and a summary of the changes as well as contact information can be found at:

http://www.transcanada.com/Customer_Express/news/bc_foothills_integration.html



- About TransCanada >
- Gas Transmission >
- Power >
- Investor Centre >
- News >
- Social Responsibility >
- Careers >

- Customer Express**
- Pricing & Tolls
 - AB | ML | BC | FH
 - Contacts
 - Cool Tools
 - Pipeline Capacity
 - Services & Tariffs
 - AB | ML | BC | FH

- Alberta System
- BC System
- Canadian Mainline

Pricing & Tolls

[Rates & Charges](#) [AB](#) | [ML](#) | [BC](#) | [FH](#)

Contacts

[Who To Contact](#)

[Contact Lists](#) [AB](#) | [ML](#) | [BC](#) | [FH](#)

[Canadian Team Structure](#)

[U.S. Team Structure](#)

Cool Tools

[Toll Calculator](#)

[Conversion Tool](#)

[Tool for FT-P Service](#)

Other Info

[Presentations](#) [AB](#) | [ML](#) | [BC](#) | [FH](#)

[Credit Procedures](#) [AB](#) | [ML](#) | [BC](#) | [FH](#)

[AB Gas Quality Requirements](#)

[Gas Quality Specifications](#)

[AB Annual Plan](#)

Pipeline Capacity

[Capacity for Sale](#)

[AB FT-R Availability Map](#) **NEW**

[Contracted Capacity](#) [AB](#) | [ML](#) | [BC](#) | [FH](#)

[Request for Service](#) [AB](#) | [ML](#) | [BC](#) | [FH](#)

[Foothills Quarterly Throughput](#)

Services & Tariffs

[Service Descriptions](#) [AB](#) | [ML](#) | [BC](#) | [FH](#)

[Tariff](#) [AB](#) | [ML](#) | [BC](#) | [FH](#)

Operational Links

[NrG *](#) [Highway](#) | [Dovetail](#)

[Fuel Rates](#) [AB](#) | [ML](#) | [BC](#) | [FH](#)

[Heat Values](#) [AB](#) | [ML](#) | [BC](#) | [FH](#)

[Reporting *](#) [AB](#) | [ML](#) | [BC](#) | [FH](#)

[Notices](#) [AB](#) | [ML](#) | [BC](#) | [FH](#)

[Shipper List](#) [AB](#) | [ML](#) | [BC](#) | [FH](#)

[Gas Day Summary](#)



- EXPRESS NEWS**
- [TransCanada Integrates B.C. and Foothills Pipeline Systems - Apr 02, 2007](#)
 - [Alberta System 2007 Final Rate Application - Mar 01, 2007](#)
 - [2007 February issue of Update magazine is here! - Feb 28, 2007](#)
 - [2007 January issue of Update Magazine - Jan 31, 2007](#)
- [Express News Archives](#)



† The B.C. and Foothills web pages will be changing over the next few months. More...
 * See the website for more information.

Summary of Tariff Changes – Foothills BC (Zone 8)



	Previous B.C. System	New Foothills Zone 8
Minimum Term Expansion Capacity	15 years	10 years
Maximum Term Expansion Capacity	15 years	None
Renewal Provision FT Service	Evergreen with 1 year notice to terminate	1 year notice to renew
Minimum Term IT Service	3 months	None
Expiry Date IT Service	As specified in agreement	In place until terminated by Shipper or Company
Renewal Provision IT Service	Evergreen with 30 days notice to terminate	Not applicable
Gross Heating Value	Not less than 36.94 MJ/m ³	Not less than 36 MJ/m ³
Late Billing	If delayed after 20 th Business Day of the month	If delayed after 9 th Business Day of the month

Summary of Tariff Changes – Foothills Saskatchewan (Zone 9)



	Previous Foothills Zone 9	New Foothills Zone 9
Minimum Term Expansion Capacity	12 years	10 years
Make-up Provision FT Service	No time limit to make-up deficiency	Make-up limited to lesser of remaining contract term or 2 yrs
Demand Charge Credit FT Service	Billing abatement of \$0.01/GJ if <90% delivered in month	Demand charge credit if less than 98% delivered in a month
Demand Charge Credit STFT Service	Not available	Demand charge credit if less than 98% delivered in a month
Bid Form	Not required	Required
Bid Deposit	Not required	Required for Existing Capacity Open Season for lesser of \$10,000 or one month of demand charges
Payment	Due 2 nd last Business Day of the month	Due last Business Day of the month
Interest on Unpaid Amounts	90 day loan rate + 1%	Prime + 1%

Key Tariff Changes



Renewal Procedures Changed for Foothills BC

- 66 contracts up for renewal October 31, 2008
- Set up meetings with all customers prior to renewals
- Contact customers in September to remind about the change

Service contracts for Foothills and BC

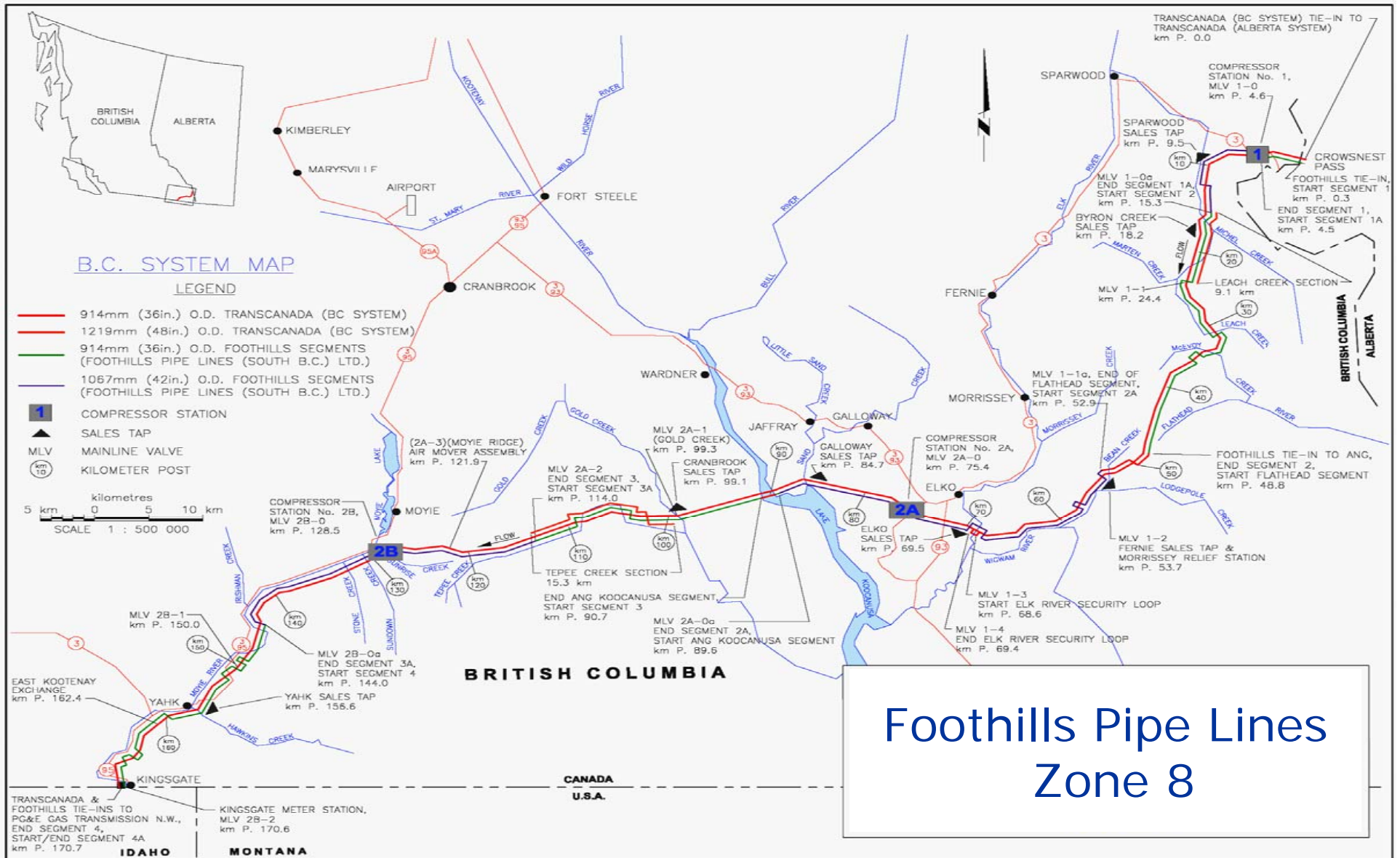
- Combined into a single contract for each service
- New combined contracts act as master agreements with separate schedules for Zone 8 and 9

Make-up Gas on Zone 9

- Now a 2 year limit to use this capacity
- Access to existing make-up gas balance on Foothills Zone 9 will expire effective March 31, 2009

Foothills BC Maintenance Update





Foothills Pipe Lines Zone 8

NPS 36 Foothills BC M/L



- Pressure reduction started November 2005
- Inline Inspections completed October 2006
- Post inspection digs started on January 2007
- Segment 2 digs and repairs started March 6, 2007
- Elko compressor returned to service March 31, 2007
- Winter/Spring access and environmental challenges continue to impact the maintenance schedule
- Still targeting summer completion of maintenance

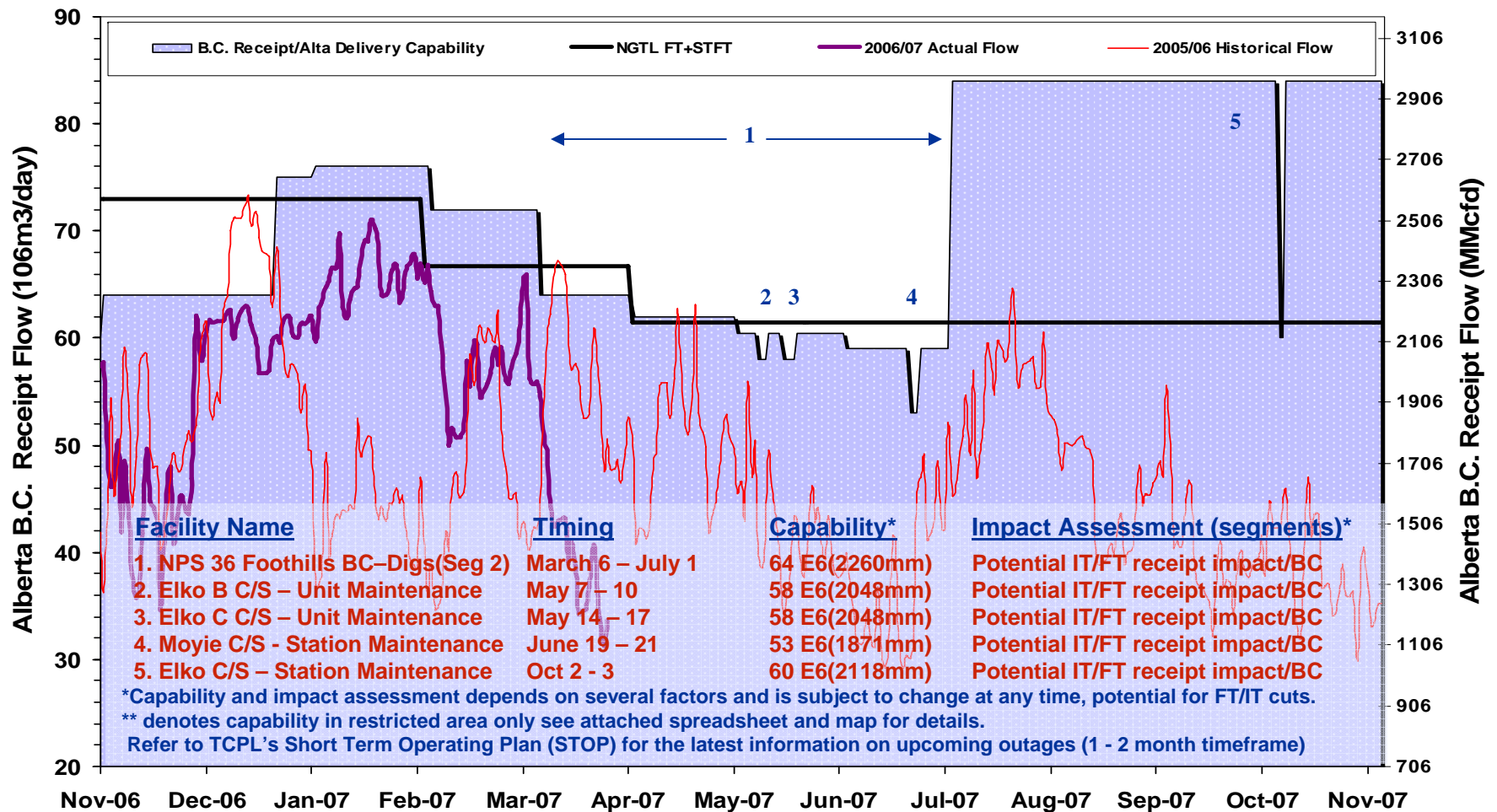
NPS 36 Foothills BC M/L continued



- Current Update
 - Last NrG Bulletin February 23
 - Will continue to use NrG Bulletins to keep customers informed
 - Summer completion may be optimistic, but still too much uncertainty to be firm with completion timing.
- Contract Levels (at ABC)

▪ Mar 2007	2,351 MMcf/d
▪ Apr 2007	2,167 MMcf/d

ABC Receipt Outage Forecast as of April 1, 2007



Impact of Maintenance & Repairs



- In-line inspection completed late last year
 - Additional ~\$5.5 million expense and \$0.8 million capital unbudgeted required
 - Expected that some expense will become capital since cutouts are required

Other Issues



- AB and FH STFT Contract simplification
 - move towards a master and schedule method so that only the contract schedule is required to bid for STFT
- Joint Tariff Liability Issue
- Tariff Housekeeping