

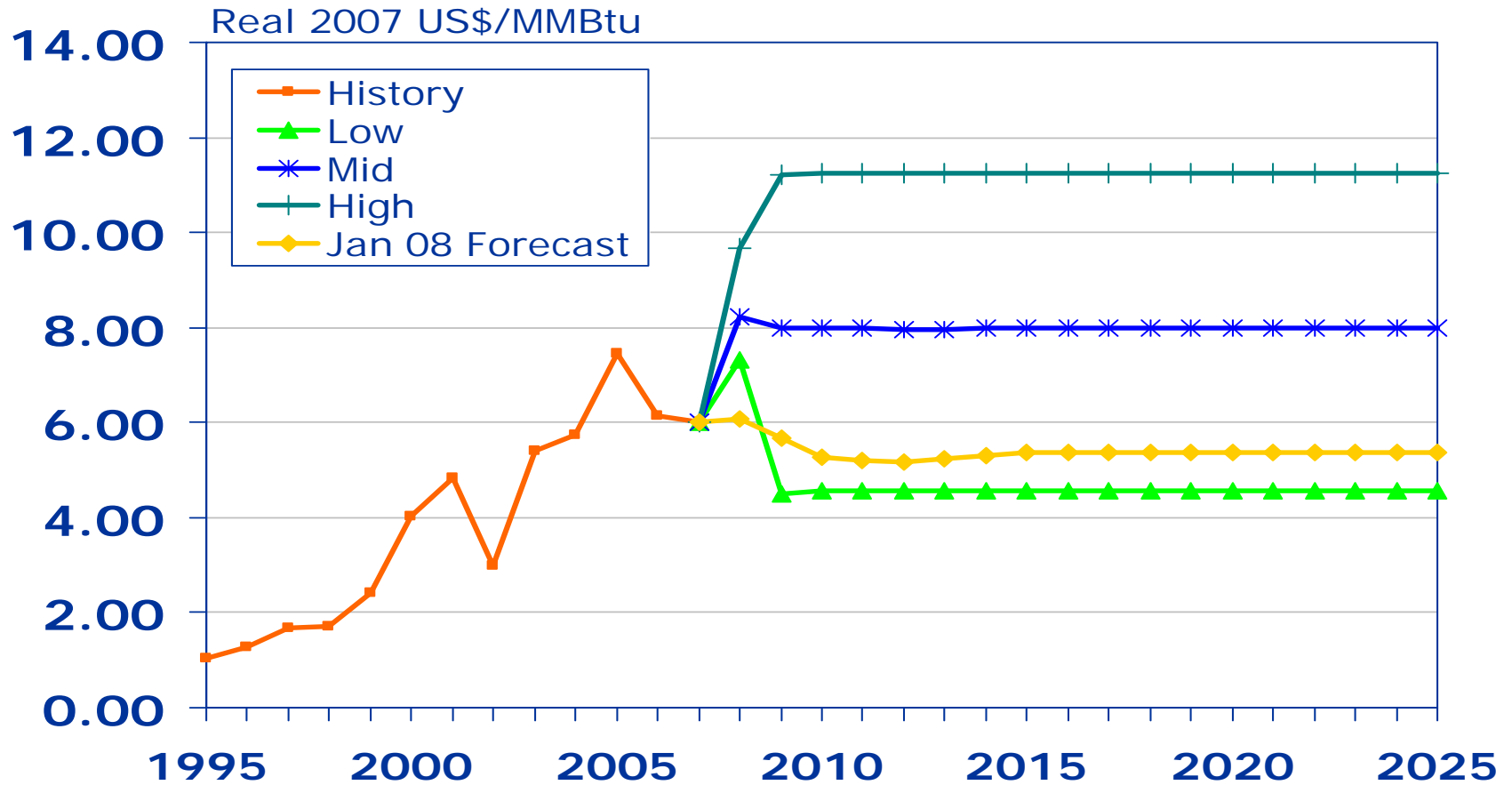
# TransCanada's 2008 Inside Track Customer Meeting

Commercial West Overview  
**Steve Clark**



**TransCanada**  
*In business to deliver*

# NIT Gas Prices



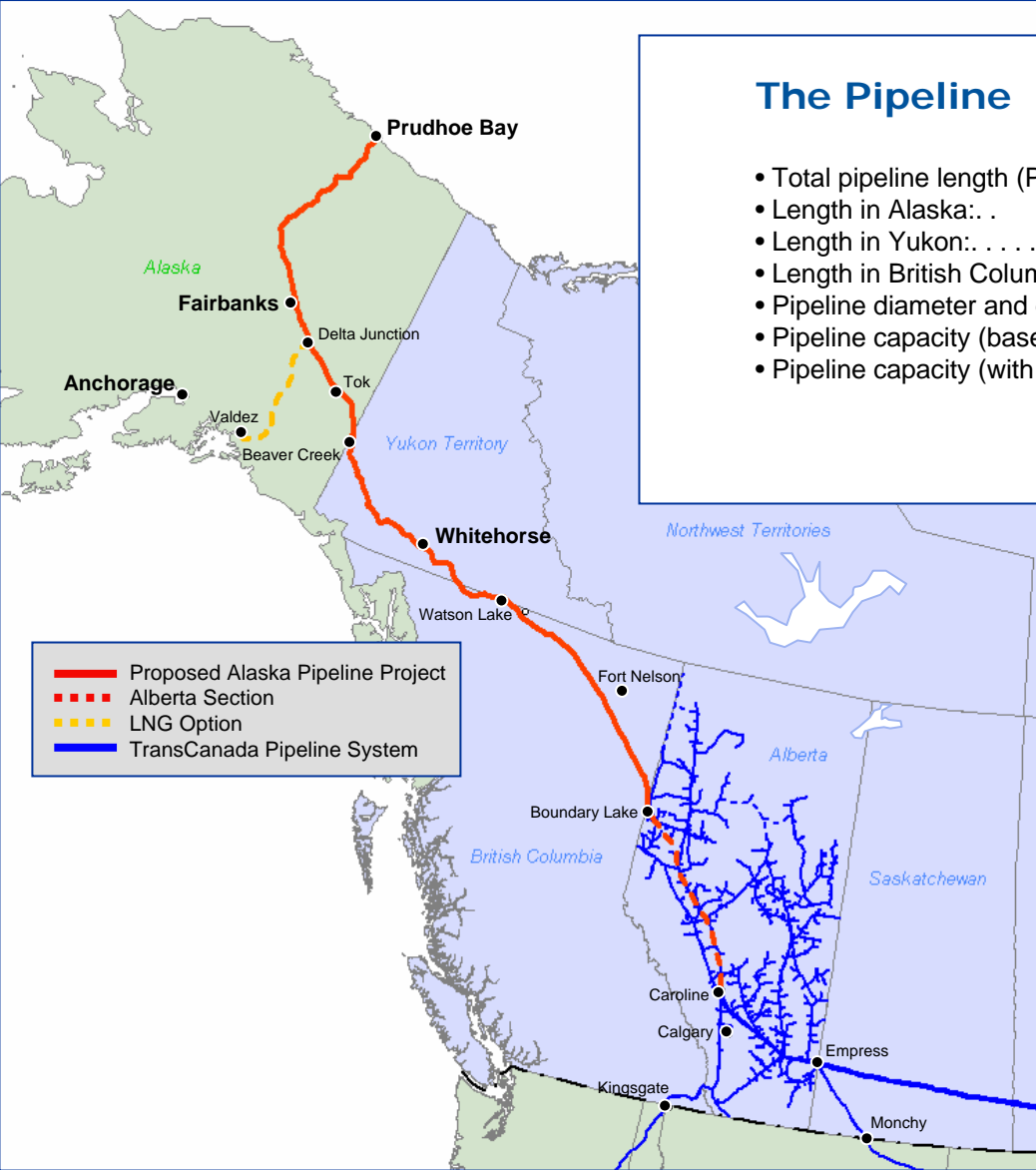
Source: TransCanada, June 2008 Forecast

A banner at the top of the slide features a green vertical bar on the left and a blue background on the right. The blue background contains a faint, semi-transparent image of an industrial facility with tall chimneys and pipes.

# Alaska Pipeline Project

# ALASKA PIPELINE PROJECT

# TransCanada's Alaska Pipeline Project



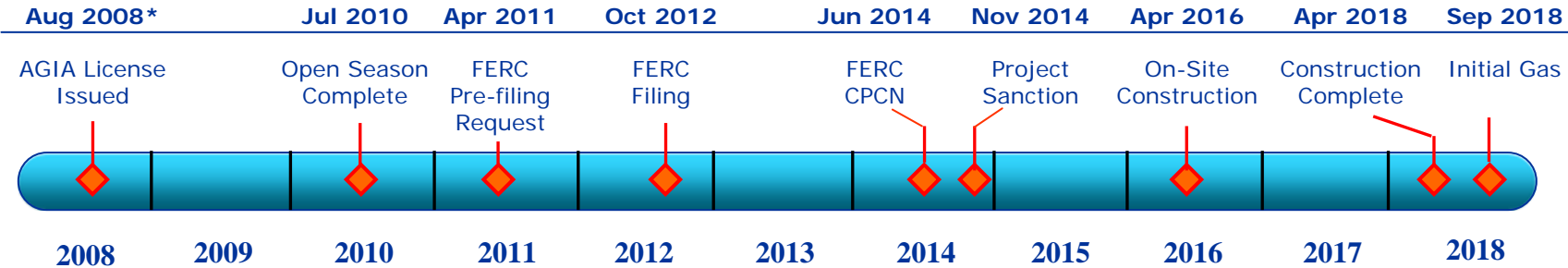
## The Pipeline

- Total pipeline length (Prudhoe Bay to Boundary Lake):. . . . . 2,760 km
- Length in Alaska:. . . . . 1,207 km
- Length in Yukon:. . . . . 832 km
- Length in British Columbia:. . . . . 721 km
- Pipeline diameter and grade:. . . . . 48 inches X 80
- Pipeline capacity (base design case):. . . . . 4.5 bcf/day
- Pipeline capacity (with maximum compression):. . . . . 5.9 bcf/day

## Primary Project Regulators

- Alaskan pipeline portion: Federal Energy Regulatory Commission
- Canadian pipeline portion: Northern Pipeline Agency

# Alaska Pipeline Project Schedule



## COMMERCIAL WEST INITIATIVES

- Alberta System Jurisdiction
- North Central Corridor
- B.C. Supply Initiatives
- NGL Inquiry

# Alberta System Jurisdiction Background

- Current jurisdictional framework prevents the Alberta System from providing integrated service to customers that lie outside Alberta
- Jurisdictional change will eliminate this constraint
- BC opportunities – continuous
- AGIA
- Mackenzie
- Consultation process
  - Alberta government does not oppose
  - Customers are generally supportive

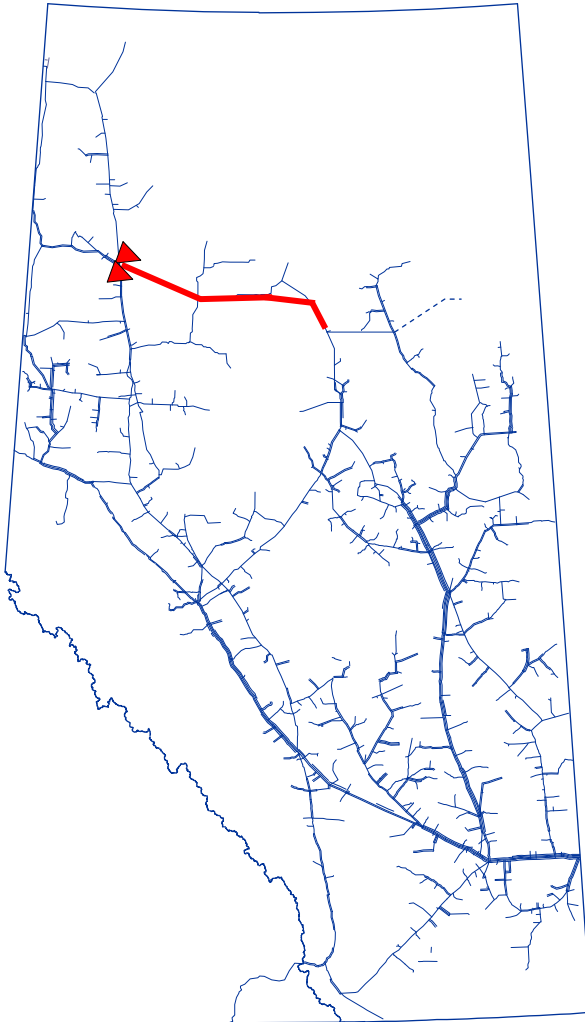
# Alberta System Jurisdiction

- Application was filed with NEB, June 17, 2008
- Additional evidence filed September 5, 2008
- Two phases
  1. Whether the Alberta System is now properly within federal jurisdiction and subject to regulation by the NEB
  2. Whether the Alberta System is required by the present and future public convenience and necessity
- NEB Process
  - Two phases heard in parallel
  - Submissions / IRs / Reply: September – November
  - Oral Hearing commences November 18
  - Q1, 2009 Decision

# Alberta System Jurisdiction

- Business as usual in the interim – AUC oversight
- Rates and Services – not expected to change as a result of jurisdiction
  - Rates and Services discussion ongoing
- Jurisdictional change does not automatically result in roll-in of facilities – it sets the stage

# North Central Corridor (NCC)

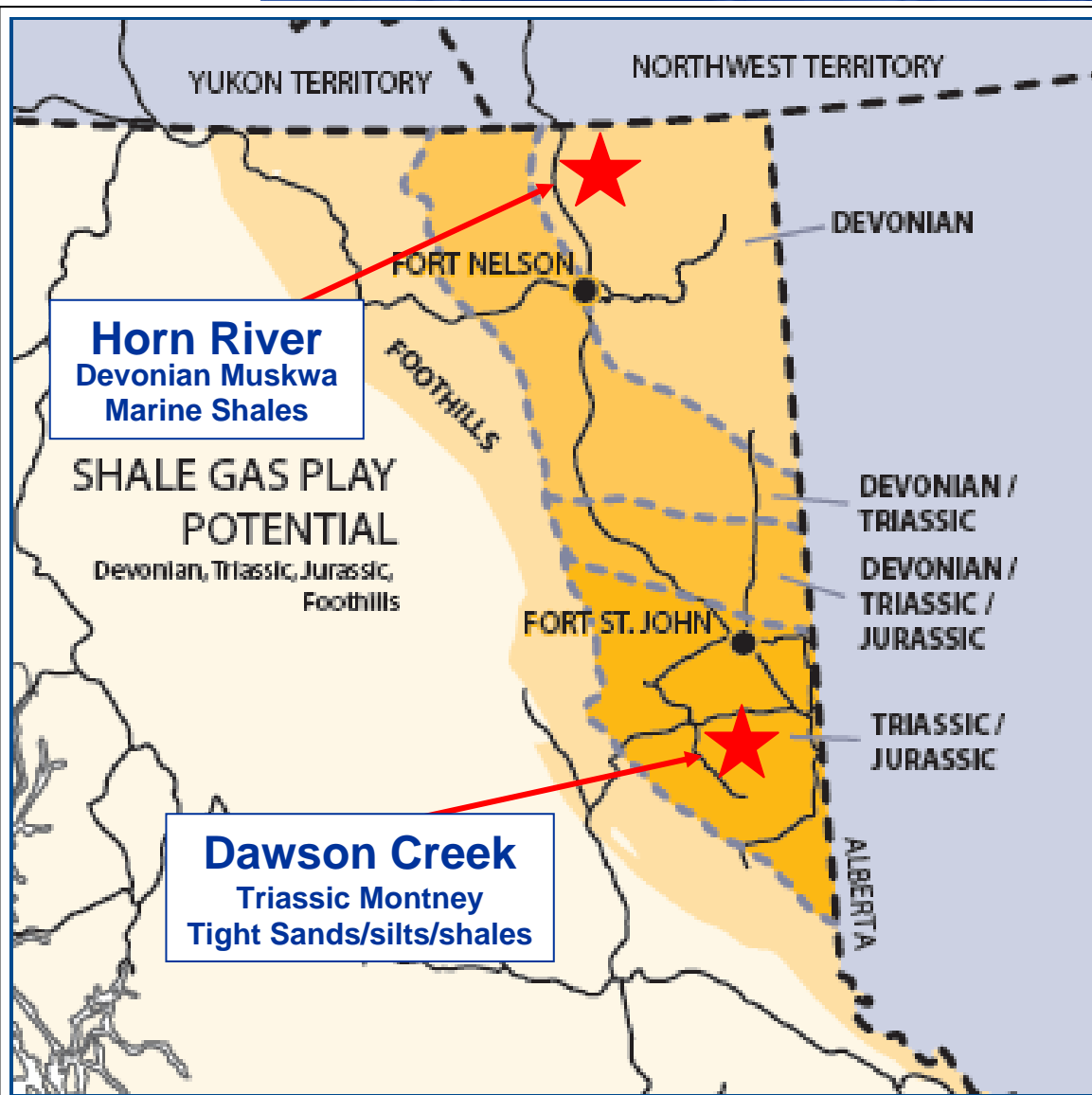


- AUC affirmed jurisdiction
- Reply Argument filed September 3, 2008
- Only opposition – Alliance
- Decision expected by October 15, 2008
- Materials stockpiled
- Lubicon dialogue continues

# The NCC and Alberta System Jurisdiction

- AUC decision – Confirmed continued jurisdiction in NCC Proceeding until competent authority determines otherwise (similar in NGL Inquiry)
- PVE – Application to Alberta Court of Appeal – Leave to Appeal AUC decision re: NCC Jurisdiction
- PVE – Notice of Motion to NEB seeking Order that CPCN only applies to existing facilities and not to facilities not yet constructed (NCC)
  - Restart NCC process at NEB

# New B.C. Unconventional Developments



## Overview:

### Horn River/Cordova

- ~ 700 Tcf OGIP
- 10 - 15 wells drilled
- 10% CO<sub>2</sub>, dry gas
- **Players:**

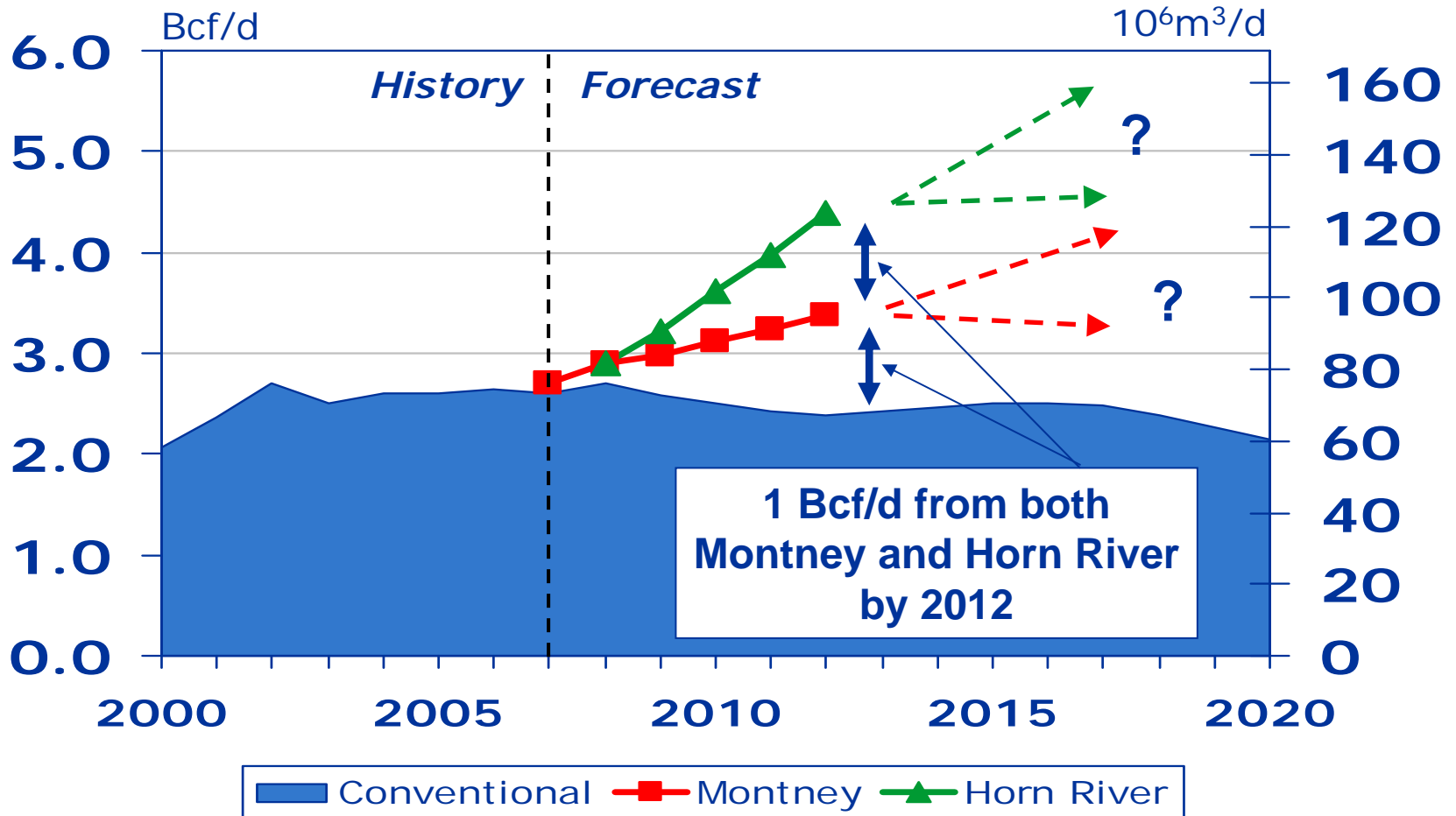
Apache, EnCana, EOG, Nexen, Quicksilver, Devon, Crew, Imperial

### Montney/Doig

- ~ 400 Tcf OGIP
- 70 – 75 Hz wells drilled
- **Major Players:**

EnCana, Murphy, ARC Shell (Duvernay), Storm Birchcliff, Cinch

# B.C. Production Forecast (Preliminary)



Source: TransCanada

# Horn River / Montney Open Season

- Non-Binding Open Season: July 14-25, 2008
- As there was sufficient interest, it is anticipated that a Binding Open Season will likely occur in the next several months
- In service dates:
  - Montney - Q4: 2010
  - Horn River - Q2: 2011

# NGL Inquiry

- The EUB established a NGL Inquiry to examine issues with the perceived inequities of the current NGL rights extraction convention
- Process has been running for approximately 12 months
- Issues:
  - Supply/demand forecast of gas and NGL
  - Side-streaming and co-streaming
  - Review of NECTF and Inequities
  - Extraction Conventions on EUB regulated pipelines
  - Lean gas streaming
  - Use of gas in oilsands – eliminated from issues list
- TransCanada's Position
  - Extraction convention should be replaced with a Receipt Point model - NEXT

# NGL Inquiry

- EUB affirmed jurisdiction
- Application for Leave to Appeal - ACOA
- NGL Inquiry Outcome
  - Recommendations not decisions
- Next steps?