

## EXECUTIVE SUMMARY

This Annual Plan has been prepared to provide the Alberta Energy and Utilities Board (Board), NGTL's Customers and other interested parties with a comprehensive overview of the expected Alberta System requirements for the 2004/05 Gas Year and the winter season of the 2005/06 Gas Year.

The December 2003 Annual Plan can be accessed on TransCanada PipeLines Limited's Web site located at: ([http://www.transcanada.com/Alberta/regulatory\\_info/facilities/index.html](http://www.transcanada.com/Alberta/regulatory_info/facilities/index.html)).

This is NGTL's fourteenth Annual Plan, and it follows a similar format to previous Annual Plans. A glossary of terms is located in Appendix 1. Capitalized terms are defined in NGTL's Gas Transportation Tariff, which can be accessed at:

([http://www.transcanada.com/Alberta/info\\_postings/tariff/index.html](http://www.transcanada.com/Alberta/info_postings/tariff/index.html)).

The Annual Plan includes NGTL's design methodology including assumptions and criteria, NGTL's design forecast including its long term outlook for system field deliverability, system FS productive capability, gas deliveries, NGTL's design flows and proposed facilities requirements for the 2004/05 Gas Year and the winter season of the 2005/06 Gas Year. Historical flow data is also included to illustrate the correlation between design flows and actual flows. Capital expenditures, revenue requirements and firm transportation demand rates are limited to the years 2003 and 2004 and are consistent with the 2003 Alberta System Revenue Requirement Settlement and the 2004 General Rate Application.

This Annual Plan is based on NGTL's July 2003 design forecast of gas delivery and FS productive capability, which in turn is based on supply and market assessments completed in May 2003. The forecasts of FS productive capability used in this Annual Plan are subject to numerous uncertainties. Producer success in developing new supply, actual levels of new firm transportation Service Agreements and changes in market demand may result in deviations from forecast values. NGTL will continue to closely monitor industry activity throughout the year in order to anticipate and respond to Customer requirements for service.

The facilities requirements in this Annual Plan are based on the assumption that:

- the acquisition of the pipeline facilities presently owned by Simmons Group Inc. (Simmons), and
- a new transportation by others arrangement (TBO) with TransCanada Pipeline Ventures Limited Partnership (Ventures)

are approved by the Board in 2004.

The proposed acquisition of the Simmons pipeline facilities and the new TBO arrangement with Ventures were included in NGTL's 2004 General Rate Application - Phase I which was filed with the Board on September 30, 2003.

NGTL's December 2003 Annual Plan and NGTL's 2004 General Rate Application - Phase I are both based on the July 2003 design forecast of gas delivery and FS productive capability. In its analysis of facilities requirements on the Alberta System for the 2004/05 Gas Year and the winter season of the 2005/06 Gas Year, NGTL has also taken into consideration the following events which have occurred since July 2003:

- Export Delivery Point contract renewals;
- FS productive capability reduction in the Upstream Bens Lake Design Area due to the Board's policy and conservation requirements in the Wabiskaw-McMurray formation as set out in EUB General Bulletins 2003-16 and 2003-28; and
- An estimate of potential FS productive capability reduction in the Medicine Hat Design Area due to off-loading by a local competitor.

The primary factors affecting NGTL's facilities requirements for the 2004/05 Gas Year and the winter season of the 2005/06 Gas Year are summarized by the following highlights:

- The estimate of potential FS productive capability reduction in the Upstream Bens Lake Design Area due to the Board's policy and conservation requirements in the

Wabiskaw-McMurray formation as set out in EUB General Bulletins 2003-16 and 2003-28 resulted in the requirement for the Woodenhouse Compressor Station in order to transport the maximum day delivery to the Fort McMurray area, located in the Upstream Bens Lake Design Area, for the 2004/05 Gas Year.

- In order to transport the maximum day delivery to the Fort McMurray area for the winter season of the 2005/06 Gas Year NGTL is proposing Phase 2 of the North Central Corridor (Peerless Lake Section) consisting of 38.9 km of NPS 24 pipeline.
- The Northwest Mainline (Dickins Lake Section) is shown on the November 2003 Alberta System map (Appendix 7) as a proposed future facility extending from NGTL's existing Bootis Hill junction on the Northwest Mainline to a point south of the Alberta/Northwest Territories border. The pipe diameter and operating pressure will be determined when the volume of gas and interconnecting conditions for the Mackenzie Delta gas is confirmed.

The facilities additions proposed for the 2004/05 Gas Year and the winter season of the 2005/06 Gas Year are listed in Table 1.

**Table 1  
Proposed Facilities**

<b>Project Area</b>	<b>Proposed Facilities</b>	<b>Description</b>	<b>Required In-Service Date</b>	<b>Capital Cost (\$ millions)</b>
Peace River	No facilities required			
North & East	Woodenhouse Compressor Station	10.5 MW	November 2004	19.3
	North Central Corridor (Peerless Lake Section) Phase 2	38.9 km NPS 24	November 2005	25.6
Mainline	No facilities required			
<b>Capital Costs are in 2003 dollars and include AFUDC</b>			<b>Total</b>	<b>44.9</b>

The costs for the proposed facilities will be incurred in the 2004 and 2005 calendar years.

Customers and other interested parties are encouraged to communicate their suggestions and comments to NGTL regarding the development and operation of the Alberta System and other related issues. Please provide your comments to Shelagh Ricketts, Vice President, System Design and Operations, at (403) 920-7655, or to Max Feldman, Vice President, Gas Transmission West, at (403) 920-5102. Should you have any questions or comments regarding this Annual Plan, please contact Darlene Maier at (403) 920-5108.