

> [HOME](#)>

Supply / Demand Outlook



High levels of industry activity in the WCSB - our Summer 2005 Supply and Demand Outlook is in.

The general consensus among most of the industry is that commodity prices will remain high for the next several years. High prices continue to drive high levels of industry activity in the Western Canadian Sedimentary Basin (WCSB). Although gas well drilling is similar to last year in the first three months of the 04/05 gas year, gas well connections have increased 22 per cent, mostly in southern Alberta.

Contributing to this increase is higher Coal Bed Methane (CBM) activity. CBM licenses have increased by 167 per cent in the first four months of the 04/05 gas year compared to the same period in 03/04. However, this has been offset by a similar decrease in conventional gas well licenses. Although the Horseshoe Canyon formation continues to be the favourite CBM target, inroads are being made in the Mannville zone, mostly in the NW quadrant of Alberta.

In general, the increasing decline rates and decreasing initial well production rates (IP) make it difficult to grow production from the WCSB. The majority of the activity continues to be in the east half of the WCSB, where IP's are the lowest. Although IP's continue to decline slightly, the increase in gas well connections has allowed for supply growth of about 1.2 per cent so far this year.

Overall, WCSB production is forecast to grow by 100 – 200 MMcf/d in 04/05. This summer, throughput on the Alberta System is forecast to be in the 10.9 – 11.2 Bcf/d range compared to 11.0 Bcf/d last summer. This growth in supply combined with less storage injections will allow for an increase in exports from the WCSB this summer compared to last summer in spite of growing intra-WCSB demand.

For more information, please refer to our [presentation](#) on our [Customer Express](#) website, or contact [Craig Yano](#) at 920.2255, or [Al Jamal](#) at 920.2265.

- > CALENDAR
- > PAST ISSUES
- > TRANSCANADA LINKS
- > CONTACTS

> **THIS MONTH'S ARTICLES**

- >> [SUPPLY / DEMAND OUTLOOK](#)
- >> [TOLL CALCULATOR COMING](#)
- >> [TRANSCANADA AND ALASKA](#)
- >> [TRADITIONAL KNOWLEDGE](#)
- >> [NEW PIPELINE INTEGRITY](#)



[> HOME](#)

> Toll Calculator Coming Soon



The information gap gets smaller this spring with the launch of the new Toll Calculator on TransCanada's [Customer Express](#) website.

The Toll Calculator is a user-friendly, web-based tool that provides planning transportation costs, in either Canadian dollars per GJ or US dollars per Decatherms (Dth), across our entire network. Choose the source and destination point on any of our systems in North America and get instant results for total transportation costs. Detailed reports can be generated quickly, and you can include your own data into the tool to calculate netback or netforward prices. It's that effective.

At TransCanada we are committed to providing innovative, valuable tools that help customers in their transportation planning. The Toll Calculator is just another example of our ongoing commitment to deliver enhanced services and exceptional customer service to our customers.

Watch Customer Express and future issues of *Update* for more information.

- [> CALENDAR](#)
- [> PAST ISSUES](#)
- [> TRANSCANADA LINKS](#)
- [> CONTACTS](#)
- [> THIS MONTH'S ARTICLES](#)
- [>> SUPPLY / DEMAND OUTLOOK](#)
- [>> TOLL CALCULATOR COMING](#)
- [>> TRANSCANADA AND ALASKA](#)
- [>> TRADITIONAL KNOWLEDGE](#)
- [>> NEW PIPELINE INTEGRITY](#)





Keeping Customers Connected >>>>>

APRIL | VOLUME 05, ISSUE 04

[FEEDBACK >>](#)

[PRINT "UPDATE" \(PDF\) >>](#)

[UPDATE INDEX >>](#)

[SUBSCRIBE/UNSUBSCRIBE >>](#)

[> HOME](#)

> TransCanada and Alaska

On April 7, 2005, CEO Hal Kvisle hosted a news conference for media and analysts. The objectives were to provide a strategic update on TransCanada's role in the Alaska Highway Pipeline Project and respond to recent public statements. Media and analysts were given the opportunity to ask questions after the presentation.

During his presentation, Hal expressed his concern about the misinformation circulating in the public domain. He explained how we have been involved in the project for more than 25 years through our Foothills subsidiary. He also spoke about TransCanada's rights under the Northern Pipeline Act and the benefits it provides Canadians.

Hal reinforced the reasons why TransCanada is the best company to build the Canadian portion of the project – we hold the rights, our experience with large-diameter pipeline construction in cold weather and difficult terrain is unmatched and we can integrate with existing systems to reduce costs and environmental impact.

For more information on this project please refer to the [Alaska Highway Pipeline Project](#) website, the [TransCanada Advantage](#) document, and the recent [webcast](#).

- [> CALENDAR](#)
- [> PAST ISSUES](#)
- [> TRANSCANADA LINKS](#)
- [> CONTACTS](#)
- [> THIS MONTH'S ARTICLES](#)
- [>> SUPPLY / DEMAND OUTLOOK](#)
- [>> TOLL CALCULATOR COMING](#)
- [>> TRANSCANADA AND ALASKA](#)
- [>> TRADITIONAL KNOWLEDGE](#)
- [>> NEW PIPELINE INTEGRITY](#)





Keeping Customers Connected >>>>>>
APRIL | VOLUME 05, ISSUE 04

- FEEDBACK >>
- PRINT "UPDATE" (PDF) >>
- UPDATE INDEX >>
- SUBSCRIBE/UNSUBSCRIBE >>

> HOME

> Traditional Knowledge Protocol and Alaska

On March 15, 2005, in Whitehorse, Yukon, the Kaska Nation and TransCanada announced the signing of a Traditional Knowledge Protocol.

This protocol is the first of its kind in Canada and will provide an important foundation when determining how Kaska Traditional Knowledge will be integrated into the planning, construction and operation of the Alaska Highway Pipeline Project in the future.

"Traditional Knowledge is a rapidly changing area and First Nations are concerned about how project developers gather and use this confidential and sometimes sensitive information. We're proud of our collaboration with the Kaska and this signing is a big step toward completing the final Participation Agreement for the project," says Tony Palmer, vice-president, Alaska Business Development.

The Participation Agreement will set out specific obligations and benefits for both TransCanada and the Kaska once the Alaska Highway Pipeline Project moves forward.

The Kaska Nation includes five First Nations in the southeast Yukon and northern British Columbia. Their traditional territory covers about 25 per cent of the Yukon, adjacent areas of the Northwest Territories and about 10 per cent of British Columbia. The Kaska land claims are part of the first comprehensive claim accepted by Canada under its 1973 land claims policy.

What is traditional knowledge?

There isn't one, agreed-upon definition of Traditional Knowledge. In general, it's described as the knowledge passed from generation to generation through oral or written traditions or both. In general terms, "Traditional Knowledge" refers to historic knowledge held by Aboriginal Peoples about the creation, nature and use of their environment and the relationship between the environment and human kind.

In the case of the Kaska Nation, the protocol ensures Elders will have a role in decision making related to the gathering, use and management of Traditional Knowledge; ownership rights over their Traditional Knowledge, including intellectual property rights; preservation of Kaska sacred sites; and the assurance that their consent must be obtained prior to accessing their Traditional Knowledge.

- > CALENDAR
- > PAST ISSUES
- > TRANSCANADA LINKS
- > CONTACTS
- > THIS MONTH'S ARTICLES
 - >> SUPPLY / DEMAND OUTLOOK
 - >> TOLL CALCULATOR COMING
 - >> TRANSCANADA AND ALASKA
 - >> TRADITIONAL KNOWLEDGE
 - >> NEW PIPELINE INTEGRITY





Pictured left to right: David Porter, Kaska Dena Council Chief Negotiator, John Ellwood, former COO Foothills Pipe Lines Ltd., Peter Stone, Kaska negotiator, Dan Begley, community consultant, TransCanada.

Our relationship with the Kaska has spanned more than 25 years but for the past four years, we've been in more formal negotiations. Many of the individuals in this photo taken at the Cooperation Agreement signing on November 9, 2001 are still involved with the negotiations today. Discussions about the Cooperation Agreement began in 2000, followed by an Agreement in Principle being struck in January 2004, and now the Traditional Knowledge protocol. The Participation Agreement is expected to be finalized by the end of 2005.

[> HOME](#)

> New Pipeline Integrity Validation



TransCanada's success in developing a safe alternative to hydrostatic testing was recently announced and customers are already showing interest.

To advance an Alternative Integrity Validation (AIV) process, we worked with various stakeholders, including the [Alberta Energy and Utilities Board \(EUB\)](#), to develop this sound approach to achieving safe and reliable pipeline operation without performing a post-construction hydrostatic test on some new pipelines.



"The main driver to develop this process was to significantly reduce costs on new pipeline projects, including northern development," says Alan Glover, technology leader, Pipe Engineering. "Pipeline design, materials and construction techniques have evolved to the point where some testing practices have not kept up with the times. Eliminating post-construction pressure testing can mean substantial cost reductions without jeopardizing pipeline safety."

The concept has been around for awhile, but its implementation is a first for TransCanada and the industry as a whole.

- [> CALENDAR](#)
- [> PAST ISSUES](#)
- [> TRANSCANADA LINKS](#)
- [> CONTACTS](#)
- [> THIS MONTH'S ARTICLES](#)
 - [>> SUPPLY / DEMAND OUTLOOK](#)
 - [>> TOLL CALCULATOR COMING](#)
 - [>> TRANSCANADA AND ALASKA](#)
 - [>> TRADITIONAL KNOWLEDGE](#)
 - [>> NEW PIPELINE INTEGRITY](#)



Background

We approached the EUB on the subject a few years ago, and issued the application in December 2004. The AIV process was approved in February 2005 and TransCanada was granted experimental approval to implement the process on the second phase of the Peerless Lake pipeline project in northern Alberta. This means we've been given approval for a one-time application and have recently shared our findings with the EUB.

Part of the approval process involved reviewing TransCanada's practices, including pipeline design, manufacturing and construction, and demonstrating our strengths in quality assurance to the EUB. This process is not intended to be a "one size fits all" approach; instead, the possibility will be assessed on a project-by-project basis. For now, AIV is being looked at in Alberta, but wider application could be an option in the future. Future meetings with the National Energy Board (NEB) are planned.

What's hydrostatic testing?

A liquid hydrostatic test involves filling a pipeline with water, increasing the pressure in the pipeline beyond the maximum allowable operating pressure and performing a strength and leak test. A stable pressure hold during both the strength and leak portions of the hydrostatic test is normally done to demonstrate there have been no problems with the manufacturing of the pipe or during the construction process.

For more information on this process, please contact [Alan Glover](#) at 403.920.7234.



Keeping Customers Connected >>>>>

APRIL | VOLUME 05, ISSUE 04

[FEEDBACK >>](#)

[PRINT "UPDATE" \(PDF\) >>](#)

[UPDATE INDEX >>](#)

[SUBSCRIBE/UNSUBSCRIBE >>](#)

[> HOME](#)

> At GasFair in May

GasFair 2005 will be held on May 17-18 at the Westin Harbour Castle Conference Centre in Toronto. TransCanada is pleased to again support this 14th annual conference and trade show that brings North American natural gas buyers and sellers together to explore opportunities and to learn about emerging market developments, issues, and strategies. The conference features market experts who address important issues concerning the natural gas industry.

"GasFair 2005 is an event that provides for customer relationship building opportunities for the Canadian Mainline," says Jim McPherson, Director, Sales and Marketing, Gas Transmission East. "We look forward to exchanging market information, understanding customer transportation needs, as well as explaining capacity solutions such as the North Bay Junction and Open Seasons."

TransCanada's is a sponsor, exhibitor, and attendee of this year's event. As well, Tony Palmer, TransCanada's Vice President, Alaska will be speaking on "North American Gas Infrastructure Requirements and Risks".

For more information on GasFair 2005, please visit the [GasFair website](#) or contact [Amelia Cheung](#) at 416.869.2115.

Be sure to stop by our TransCanada display for the latest information on our services, available capacity, tolls, and our new Toll Calculator. Hope to see you there!

[> CALENDAR](#)

[> PAST ISSUES](#)

[> TRANSCANADA LINKS](#)

[> CONTACTS](#)

[> THIS MONTH'S ARTICLES](#)

- [>> SUPPLY / DEMAND OUTLOOK](#)
- [>> TOLL CALCULATOR COMING](#)
- [>> TRANSCANADA AND ALASKA](#)
- [>> TRADITIONAL KNOWLEDGE](#)
- [>> NEW PIPELINE INTEGRITY](#)

