



TransCanada

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450 First Street S.W.

Calgary, Alberta, Canada T2P 5H1

ACTION REQUIRED - GST Declaration for Firm Export Transportation on the B.C. System

TransCanada has implemented minor changes to its Goods & Services Tax (GST) practices on the B.C. System.

Pursuant to the Excise Tax Act all Canadian natural gas transporters are required to invoice GST on all services. GST for transportation of gas that is consumed in Canada is set at 7%. GST for transportation of gas for that is contracted to an export point may qualify for zero-rating (0% GST).

For export contracts, Shippers can execute a Declaration which notifies TransCanada that the Shipper's contract is intended to serve an export market and should be charged 0% GST, including any potential Unutilized Demand Charges (UDC).

TransCanada has provided a Declaration to firm export contract Shippers with a schedule listing of their contracts in effect November 1, 2005. TransCanada requests that Shippers --who wish to be charged 0% GST, including UDC's-- execute and return the Declaration by fax **before November 1, 2005**. Our fax number is **403.920.2303**.

If a contract listed on the Declaration should be charged 7% GST, TransCanada requests Shippers to strike and initial beside the contract and return to us via fax.

If a Declaration is not received by TransCanada **before November 1, 2005**, the Shippers contracts will be charged 7% GST as of November 1, 2005 and all associated UDC's will also be charged 7% GST.

On an ongoing basis, Shippers may replace their Declaration with a new Declaration to accommodate new and existing export contracts. For existing contracts, TransCanada will only effect changes at the beginning of the month. For new contracts, the Shipper can zero-rate on the effective date as long as the new Declaration is received by TransCanada before its effective date. Each Declaration will supersede and replace any prior Declaration and as a result, require a complete list of export contracts to be zero-rated. TransCanada will assist Shippers in determining their contract numbers. TransCanada will only apply Declarations on a prospective basis.

A new Temporary Assignment form has been posted to include the GST Declaration on TransCanada's web site at http://www.transcanada.com/BC_System/customer_activities/contracts.html.

For more information about TransCanada's new GST Practices please see our bulletins on www.nrgexpressway.com or contact us:

General Questions - Pat Blixt at 403.920.5547,
Contracts – Sherry Hill at 403.920.2619,
Contracts - Billie Irving at 403.920.5092,
Nominations - The Pipe Line at 403.920.PIPE (7473),
Contract Fax - 403.920.2303.