

**TransCanada PipeLines Limited**  
**Canadian Mainline**  
**Final NEB Quarterly Surveillance Report**

For the Year Ended December 31, 2012

The National Energy Board (Board) Quarterly Surveillance Report is a special purpose financial summary intended for the use of the Board and its staff. The Report is provided to enable the Board to monitor the Company's utility operations in comparison with the revenues and expenditures approved for the test year.

Pursuant to Guide BB of the Board's Filing Manual TransCanada submits its year end report for 2012. This final Surveillance Report replaces the Surveillance Report that was filed with the Board on March 1, 2013.

The statements have been prepared under tolls assumptions for 2012 pursuant to Board Order TGI-004-2011 and the RH-003-2011 Decision including Board Order TG-002-2013 (Decision) which approved a rate of return on equity of 11.5% and a deemed common equity ratio of 40%.

## CONTENTS

Schedule	NEB Surveillance Report Requirements
1.0	Income Summary
1.1	Summary of Revenue by Class of Service
2.0	Average Pipeline Rate Base
3.0 - 3.1	Throughput Detail
4.0	Payroll Statistics Total Compensation and Employee Benefits
5.0	Payroll Statistics Average Employee Allocation
6.0	Deferred Balances
7.0	Performance Measures (Reported Annually)
8.0 - 8.3	Intercompany Transactions

**TransCanada PipeLines Limited**

**Canadian Mainline**

**INCOME SUMMARY**

For the Year Ended December 31, 2012

(\$000)

Revised August 2013

Schedule 1.0

Line No.	Particulars	NEB Accounts	Period Actual	Decision	Variance (c) - (d)	Note
	(a)	(b)	(c)	(d)	(e)	
<b>Revenues</b>						
1	Total Revenue (Schedule 1.1)	300	1,558,576	1,572,715	(14,139)	
2	Revenue Deferral (Schedule 6.0)		14,139	0	14,139	
3	Net Revenues (Schedule 1.1)	300	1,572,715	1,572,715	-	
4	Cost Deferrals (Schedule 6.0)		(14,139)	-	(14,139)	
5	Revenue Requirement		1,558,576	1,572,715	(14,139)	
<b>Operating Expenses</b>						
6	Compensation (Schedule 4.0; Line 14)	301	62,502	68,606	(6,104)	(1)
7	Other Operations, Maintenance & Administrative	301/302	102,324	105,895	(3,571)	(2)
8	OM&A	301/302	164,826	174,501	(9,675)	(2)
9	Regulatory Proceeding and Collaborative (Tolls Task Force)	301	8,099	1,810	6,289	(3)
10	Pipe Integrity and Insurance Deductible	301	84,568	81,601	2,967	(4)
11	Transmission by Others	301	174,918	168,386	6,532	(5)
12	Electric Costs and Tax on Fuel	301	14,974	28,506	(13,532)	(6)
13	Storage Operating Costs	301	15,128	15,742	(614)	
14	NEB Cost Recovery	301	3,181	8,398	(5,217)	(7)
15	Depreciation	303/304	400,019	401,692	(1,673)	(8)
16	Municipal and Provincial Capital Taxes	305	121,911	124,582	(2,671)	(9)
17	Regulatory Amortizations	301	175,648	175,648	-	
18	Long Term Adjustment Account	329	(221,831)	(221,831)	-	
19	Income Taxes	306	87,483	81,968	5,515	(10)
20	Total Operating Expenses		1,028,924	1,041,003	(12,079)	
21	Operating Income		529,652	531,712	(2,060)	
22	Financial Charges	320-323	263,960	263,809	151	
23	<b>Net Income Applicable to Common Equity</b>		265,692	267,903	(2,211)	
24	Rate Base		5,775,922	5,823,592	(47,670)	(11)
25	Return on Rate Base		9.17%	9.13%		
26	Return on Common Equity		11.50%	11.50%		

**Note:**

- (1) See Schedule 4.0 Payroll for variance explanations.
- (2) Lower Operations, Maintenance and Administrative (OM&A) costs compared to Decision primarily due to lower Mainline electric utility costs, engineering projects, IS projects, compressor repair and corporate allocations, partially offset by higher pension related costs.
- (3) Higher regulatory and legal costs compared to Decision due to the RH-003-2011 proceeding.
- (4) Higher costs for hydrotesting maintenance activities and program planning activities.
- (5) Higher GLGT costs due to higher backhaul commodity volumes. In addition, TQM annual cost of service approved was higher and the actual assignment revenues were lower than originally anticipated.
- (6) Lower electric costs primarily due to lower flow volumes, less utilization of electric compressor units as well as lower than forecast power prices in Ontario.
- (7) NEB cost recovery was less than forecast primarily due to a levy relief issued by the Board in 2012.
- (8) Depreciation expense is lower due to less than anticipated capital spending and in-service additions.
- (9) Property taxes in Manitoba and Ontario were lower than anticipated in the Decision.
- (10) Increase in income taxes compared to Decision primarily associated with higher taxable income resulting from lower CCA, compressor overhaul and other cost deductions.
- (11) See Schedule 2.0 for Rate Base variance explanations.

**SUMMARY OF REVENUE BY CLASS OF SERVICE**

For the Year Ended December 31, 2012

(\$000)

Line No.	Particulars	Period Actual	Decision	Variance (b) - (c)
	(a)	(b)	(c)	(d)
<b>Firm Transportation</b>				
1	Firm Transportation	1,148,551	N/A	N/A
2	Storage Transportation Service	72,372	N/A	N/A
3	Firm Transportation - Short Notice	12,754	N/A	N/A
4	Total	1,233,677	N/A	N/A
<b>Discretionary</b>				
5	Diversion	17,837	N/A	N/A
6	Short Term Firm Transportation	219,996	N/A	N/A
7	Interruptible Service	467,874	N/A	N/A
8	Interruptible Backhaul	2,087	N/A	N/A
9	Balancing Fees	1,655	N/A	N/A
10	STS Overrun	1,366	N/A	N/A
11	Parking and Loan Service	1,644	N/A	N/A
12	Short Term - Short Notice	1,986	N/A	N/A
13	FT RAM Credit	(422,978)	N/A	N/A
14	Total	291,467	N/A	N/A
<b>Non-Discretionary</b>				
15	Delivery Pressure Charge	29,663	N/A	N/A
16	Firm Transportation - Short Notice	1,275	N/A	N/A
17	Firm Transportation - Non Renewable	1,335	N/A	N/A
18	Union Dawn Receipt Point Surcharge	1,111	N/A	N/A
19	Energy Deficient Gas Allowance	1	N/A	N/A
20	Sales Meter Station Charges	47	N/A	N/A
21	Total	33,432	N/A	N/A
22	Total Revenue	1,558,576	1,572,715	(14,139)
23	Total Revenue Deferral	14,139	-	14,139
24	Net Revenues	1,572,715	1,572,715	-

**TransCanada PipeLines Limited**  
**Canadian Mainline**  
**AVERAGE PIPELINE RATE BASE**  
For the Year Ended December 31, 2012  
(\$000)

Line No.	Particulars	Period Actual	Decision	Variance (b) - (c)	Note
	(a)	(b)	(c)	(d)	
<b>Utility Investment</b>					
1	Net Plant	5,445,010	5,486,845	(41,835)	(1)
2	Contributions in Aid of Construction	(37,092)	(33,805)	(3,287)	(2)
3	Total Plant	5,407,918	5,453,040	(45,122)	
<b>Working Capital</b>					
4	Cash	20,085	21,864	(1,779)	(3)
5	Goods & Services Tax / Harmonized Sales Tax, Net	(11,259)	(12,204)	945	
6	Materials and Supplies	22,747	22,816	(69)	
7	Linepack	41,052	41,061	(9)	
8	Storage Gas	15,473	15,473	-	
9	Prepayments and Deposits	902	1,012	(110)	
10	Total Working Capital	89,000	90,022	(1,022)	
<b>Miscellaneous Deferred Items</b>					
11	Debt, Discount and Expense	22,345	21,998	347	
12	Prefunded / (Unfunded) Pension and Post Employment Benefits Liability	86,203	88,078	(1,875)	(4)
13	Operating and Debt Service Deferrals	(22,815)	(22,817)	2	
14	Long Term Adjustment Account	193,271	193,271	-	
15	Total Deferred Costs	279,004	280,530	(1,526)	
16	<b>TOTAL RATE BASE</b>	5,775,922	5,823,592	(47,670)	

(1) Variance is due to a lower 2012 opening GPIS balance as well as lower actual monthly capital spending and in-service transfers.

(2) There was one Contribution in Aid of Construction project in 2012 that was not anticipated in the Decision.

(3) Cash working capital is lower than the Decision primarily due to lower OM&A expense and variances in pension funding and expense.

(4) The difference in pension funding and expense was less than expected in the Decision.

**TransCanada PipeLines Limited**  
**Canadian Mainline**  
**THROUGHPUT DETAIL**  
For the Year Ended December 31, 2012  
(TJ)

Line No.	Particulars	Period Actual	Decision <sup>(*)</sup>	Variance (b) - (c)	% Variance	Note
	(a)	(b)	(c)	(d)	(e)	
<b>CANADIAN SERVICE</b>						
<b>Firm Service</b>						
1	Firm Service	580,137	N/A	N/A		
2	Storage Transportation Service	125,501	N/A	N/A		
3	Firm Transportation - Short Notice	41,149	N/A	N/A		
<b>Discretionary Services</b>						
4	Diversion	41,766	N/A	N/A		
5	Short Term Firm Service	162,331	N/A	N/A		
6	Interruptible Service	886,189	N/A	N/A		
7	Short Term - Short Notice	894	N/A	N/A		
<b>Non-Discretionary</b>						
8	Firm Transportation - Non Renewal	23,207	N/A	N/A		
9	Total Canadian	1,861,174	N/A	N/A		
<b>EXPORT SERVICE</b>						
<b>Firm Service</b>						
10	Firm Service	220,606	N/A	N/A		
<b>Discretionary Services</b>						
11	Diversion	45,252	N/A	N/A		
12	Short Term Firm Service	64,371	N/A	N/A		
13	Interruptible Service	479,260	N/A	N/A		
<b>Non-Discretionary</b>						
14	Storage Transportation Service	2,354	N/A	N/A		
15	Total Export	811,843	N/A	N/A		
16	<b>TOTAL THROUGHPUT <sup>(**)</sup></b>	<b>2,673,017</b>	<b>N/A</b>	<b>N/A</b>		

**Note:**

(\*) No forecast throughput for Decision was determined because 2011 final tolls carried on as interim tolls for 2012, and were ultimately made final in the Decision with resulting revenues used as the basis to establish the 2012 revenue requirement.

(\*\*) Total throughput is based on volumes invoiced by class of service. Physical throughput is less than invoiced volumes as a result of segmentation of transportation contracts.

**TransCanada PipeLines Limited**

**Canadian Mainline**

**THROUGHPUT DETAIL**

For the Year Ended December 31, 2012

(TJ)

Schedule 3.1

Line No.	Particulars	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Total
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)	(n)
<b>CANADIAN SERVICE</b>														
1	Firm Service	52,889	52,879	55,150	45,487	43,778	40,304	40,764	42,579	41,942	47,423	57,268	59,674	580,137
2	Diversion	4,996	4,884	4,220	4,459	3,474	3,004	3,090	3,312	3,171	3,973	1,933	1,250	41,766
3	Short Term Firm Service	53,978	39,449	15,007	637	652	631	707	627	607	627	8,212	41,197	162,331
4	Interruptible Service	40,146	44,271	62,931	89,483	100,908	91,177	92,498	96,444	92,250	86,526	46,171	43,384	886,189
5	Short Term - Short Notice	-	-	-	179	129	121	147	101	182	35	-	-	894
6	Storage Transportation Service	21,150	15,792	13,115	11,217	4,876	3,665	3,333	2,135	3,201	6,140	21,067	19,810	125,501
7	Firm Transportation - Short Notice	5,004	4,902	2,204	3,077	1,932	3,167	5,052	4,534	3,379	2,883	2,662	2,353	41,149
8	Firm Transportation - Non Renewal	1,840	1,841	1,942	1,904	1,984	1,920	1,984	1,984	1,920	1,984	1,920	1,984	23,207
9	<b>Total Canadian</b>	<b>180,003</b>	<b>164,018</b>	<b>154,569</b>	<b>156,443</b>	<b>157,733</b>	<b>143,989</b>	<b>147,575</b>	<b>151,716</b>	<b>146,652</b>	<b>149,591</b>	<b>139,233</b>	<b>169,652</b>	<b>1,861,174</b>
<b>EXPORT SERVICE</b>														
10	Firm Service	24,800	21,315	16,799	15,495	13,820	18,652	20,649	17,179	15,316	15,898	18,537	22,146	220,606
11	Diversion	6,686	3,174	2,546	2,266	2,553	3,156	4,676	3,903	3,897	4,248	4,159	3,988	45,252
12	Short Term Firm Service	24,555	14,245	3,756	-	-	111	-	-	550	-	4,402	16,752	64,371
13	Interruptible Service	19,214	23,565	30,336	52,125	54,221	52,666	53,182	52,555	50,987	49,835	24,464	16,110	479,260
14	Storage Transportation Service	300	172	103	164	62	69	80	86	101	226	537	454	2,354
15	<b>Total Export</b>	<b>75,555</b>	<b>62,471</b>	<b>53,540</b>	<b>70,050</b>	<b>70,656</b>	<b>74,654</b>	<b>78,587</b>	<b>73,723</b>	<b>70,851</b>	<b>70,207</b>	<b>52,099</b>	<b>59,450</b>	<b>811,843</b>
16	<b>TOTAL THROUGHPUT</b>	<b>255,558</b>	<b>226,489</b>	<b>208,109</b>	<b>226,493</b>	<b>228,389</b>	<b>218,643</b>	<b>226,162</b>	<b>225,439</b>	<b>217,503</b>	<b>219,798</b>	<b>191,332</b>	<b>229,102</b>	<b>2,673,017</b>
<b>PHYSICAL THROUGHPUT<sup>(1)</sup></b>														
17	Domestic	103,565	94,458	86,206	77,604	66,045	52,983	51,542	55,488	58,340	65,602	72,379	88,620	872,832
18	Export	70,799	57,620	48,705	64,079	67,119	72,340	76,556	72,313	67,848	66,109	50,136	57,661	771,285
19	<b>TOTAL PHYSICAL THROUGHPUT</b>	<b>174,364</b>	<b>152,078</b>	<b>134,911</b>	<b>141,683</b>	<b>133,164</b>	<b>125,323</b>	<b>128,098</b>	<b>127,801</b>	<b>126,188</b>	<b>131,711</b>	<b>122,515</b>	<b>146,281</b>	<b>1,644,117</b>

**Note:**

- (1) TransCanada has also provided physical deliveries to domestic and export markets. As a result of customer contracting patterns, physical deliveries are a more precise measure of system utilization than volumes invoiced by class of service.

**TransCanada PipeLines Limited**  
**Canadian Mainline**  
**PAYROLL STATISTICS**  
**TOTAL COMPENSATION AND EMPLOYEE BENEFITS**  
For the Year Ended December 31, 2012  
(\$000)

Line No.	Particulars	Period Actual	Decision	Variance (b) - (c)	Note
	(a)	(b)	(c)	(d)	
<b>SALARIES</b>					
TOTAL COMPANY					
1	Operations and Engineering	133,256	139,560	(6,304)	(1)
2	Commercial and Regulatory	35,031	37,311	(2,280)	(1)
3	Business Services	60,317	58,315	2,002	(2)
4	Information Systems	26,014	30,365	(4,351)	(1)
5	Total Regular Salaries (*)	254,618	265,551	(10,933)	
6	Incentive Compensation (Short and Long Term)	103,072	111,146	(8,074)	(3)
7	Ancillary Including Overtime	19,828	13,887	5,941	(4)
8	Total Direct Compensation	377,518	390,584	(23,999)	
ALLOCATED MAINLINE					
9	Regular Salaries	63,566	65,862	(2,296)	(1)
10	Incentive Compensation (Short and Long Term)	24,170	25,297	(1,127)	(3)
11	Ancillary & Other	6,527	4,546	1,981	(4)
12	Total Direct Compensation	94,263	95,705	(1,442)	
13	Charged to Construction & Other (**)	(31,761)	(27,099)	(4,662)	(5)
14	Total Compensation	62,502	68,606	(6,104)	
<b>EMPLOYEE BENEFITS</b>					
TOTAL COMPANY					
15	Actuarial Pension Plan & Retiree Expenses	32,216	26,086	6,130	(6)
16	Pension & Benefit Plan Administration	3,091	4,047	(956)	
17	Provincial Health Insurance	911	995	(84)	
18	Employee Insurance & Savings Plan	22,844	26,763	(3,919)	(7)
19	Workers' Compensation	507	728	(221)	
20	Employment Insurance, CPP, QPP	8,359	8,200	159	
21	Other Benefits	2,099	2,224	(125)	
22	Gross Benefits	70,027	69,043	984	
ALLOCATED MAINLINE					
23	Mainline Regular Salaries (per line 9)	63,566	65,862	(2,296)	
24	Total Benefits at Standard Rate (26%)	16,527	17,124	(597)	
25	Pension/Benefit Adjustment	1,235	-	1,235	(8)
26	Total Benefits	17,762	17,124	638	

(\*) Consists of salaries related to the Canadian Mainline, Alberta System, Foothills System as well as TCPL's Corporate areas.

(\*\*) Salaries are charged to Construction & Other at standard labour rates which includes a benefit component.

**TransCanada PipeLines Limited**  
**Canadian Mainline**  
**PAYROLL STATISTICS**  
**TOTAL COMPENSATION AND EMPLOYEE BENEFITS**  
For the Year Ended December 31, 2012  
(\$000)

**Note:**

- (1) Variance primarily due to lower than anticipated activity levels.
- (2) Variance primarily due to higher than anticipated activity levels.
- (3) Lower long term incentive than anticipated due to fewer units than budgeted, partially offset by higher share price.
- (4) Mainly higher than anticipated overtime, vacation payout, shift premiums and stand by pay.
- (5) Mainly due to higher charge-outs to other TransCanada business lines than anticipated in the Decision.
- (6) Higher pension related costs driven by changes in actuarial assumptions, including a lower discount rate.
- (7) Primarily lower health and dental insurance.
- (8) The standard benefit rate is adjusted for actual charges in the current year. In 2012, this adjustment was mainly driven by higher than anticipated pension plan charges.



**Canadian Mainline**  
**PAYROLL STATISTICS**  
**AVERAGE EMPLOYEE ALLOCATION**  
For the Year Ended December 31, 2012

Line No.	Particulars	Period Actual	Decision	Variance (b) - (c)	Note
	(a)	(b)	(c)	(d)	
1	Total Employees (*)	2,328	2,373	(45)	
	Less:				
2	Charged to Non-Mainline	<u>1,733</u>	<u>1,767</u>	<u>(34)</u>	
3	Allocated Mainline Employees	595	606	(11)	
	Less:				
4	Charged to Mainline Construction and Other	<u>163</u>	<u>139</u>	<u>24</u>	(1)
5	Employees Charged to OM&A	<u><u>432</u></u>	<u><u>467</u></u>	<u><u>(35)</u></u>	

(\*) Consists of employees related to Canadian Mainline, Alberta System and Foothills System as well as the portion of shared costs that is allocated to TransCanada's other lines of business.

**Note:**

(1) Increase due to changes in activity levels for Mainline.

**TransCanada PipeLines Limited**  
**Canadian Mainline**  
**DEFERRED BALANCES**  
For the Year Ended December 31, 2012  
(\$000)

Line No.	Particulars	Period Actual	Note
	(a)	(b)	
<b>Flow-Through Deferrals</b>			
<u>Cost Deferrals</u>			
1	Transmission by Others	6,532	
2	Storage Operating Costs	(614)	
3	Pipeline Integrity and Insurance Deductible	2,967	
4	NEB Cost Recovery	(5,217)	
5	Return	(2,042)	
6	Income Taxes	5,497	
7	Depreciation	(1,673)	
8	Electric Costs and Tax on Fuel	(13,532)	
9	Municipal and Provincial Capital Tax	(2,671)	
10	OM&A	(9,675)	
11	Regulatory Proceedings Costs	6,289	
12	Total Cost Deferrals	(14,139)	
<u>Revenues</u>			
13	Total Revenue Deferrals	14,139	
14	Total Deferred Balances	-	

**TransCanada PipeLines Limited**  
**Canadian Mainline**  
**PERFORMANCE MEASURES**  
(2008 - 2012)

Line No.	Description	2008 <sup>(6)</sup>	2009 <sup>(6)</sup>	2010 <sup>(7)</sup>	2011	2012
	(a)	(c)	(d)	(e)	(f)	(g)
1	Revenue Requirement/Throughput-km (\$/10 <sup>6</sup> m <sup>3</sup> -km)	\$16.46	\$18.54	\$25.24	\$32.68	\$32.55
2(a)	Total Operating Expenses (Excluding Inc. Taxes)/Throughput-km (\$/10 <sup>6</sup> m <sup>3</sup> -km) <sup>(1)</sup>	\$9.76	\$10.89	\$17.57	\$21.44	\$19.85
2(b)	Selected Operating Expenses (Excluding Inc. Taxes)/Throughput-km (\$/10 <sup>6</sup> m <sup>3</sup> -km) <sup>(2)</sup>	\$8.34	\$9.16	\$15.38	\$18.26	\$16.24
3(a)	Total Operating Expenses (Excluding Inc. Taxes)/Gross Plant (%) <sup>(1)</sup>	9.36%	8.08%	10.02%	9.94%	7.65%
3(b)	Selected Operating Expenses (Excluding Inc. Taxes)/Gross Plant (%) <sup>(2)</sup>	7.99%	6.80%	8.77%	8.47%	6.26%
4	Admin. and General Expenses/Employee (\$) <sup>(3)</sup>	\$210,651	\$188,275	\$177,217	\$190,556	\$188,130
5	Admin. and General Expenses/Throughput km (\$/10 <sup>6</sup> m <sup>3</sup> -km) <sup>(3)</sup>	\$1.02	\$1.21	\$1.41	\$1.82	\$2.32
6	Net Plant /Throughput km (\$/10 <sup>6</sup> m <sup>3</sup> -km)	\$56.75	\$69.94	\$86.11	\$99.79	\$112.69
7	Throughput-km/Employee (10 <sup>6</sup> m <sup>3</sup> -km)	206,581	156,241	125,974	104,888	81,206
8	Average Salary/Employee (\$) <sup>(4)</sup>	\$97,430	\$100,499	\$103,612	\$107,153	109,372
9	Employee Benefits/Employee (\$) <sup>(4)</sup>	\$31,410	\$27,401	\$27,000	\$27,600	\$30,080
<b>Statistics - Rate of Return on Common Equity &amp; Rate Base</b>						
10	Actual Rate of Return on Common Equity	9.91%	10.42%	10.20%	10.00%	11.50%
11	Approved Rate of Return on Common Equity <sup>(5)</sup>	8.71%	8.57%	8.46%	8.08%	11.50%
12	Actual Rate of Return on Rate Base	8.82%	8.99%	8.49%	8.45%	9.17%
13	Approved Rate of Return on Rate Base <sup>(5)</sup>	8.48%	8.32%	7.98%	7.68%	9.13%

Note:

- (1) Total operating expenses (excluding income taxes) include amounts which the Company may influence.
- (2) Selected operating expenses (excluding income taxes) over which the Company has little influence.
- (3) Commencing in 2009, incentive compensation for non-admin and general personnel is grouped with operations and maintenance.
- (4) Average salary and associated benefits for a TCPL employee.
- (5) Due to the timing of filing final tolls for 2010 in November 2009, the NEB RH-2-94 formula ROE for 2010 was estimated to be 8.46%. The actual result of applying the NEB RH-2-94 ROE formula in 2010 was 8.52%. Resulting variances related to ROE were captured in the return and income tax deferral accounts.
- (6) In reports prior to 2010, the annual Mainline Throughput-km (10<sup>6</sup>m<sup>3</sup>-km) was determined based on actual throughput volumes multiplied by an average distance calculation for Firm Transportation (FT) service. With the decline of FT contracts on the Mainline, TransCanada modified its method for calculating the annual Throughput-km number to better reflect actual flows and distances on each path for all services. For comparison purposes, TransCanada has restated its historical annual Throughput-km numbers using the new method.
- (7) The operating expenses, selected operating expenses, and admin and general expenses in 2010 were miscalculated. The performance measures related to these expenses for 2010 were recalculated in 2011 using the corrected amounts.

**TransCanada PipeLines Limited**  
**Canadian Mainline**  
**INTERCORPORATE TRANSACTIONS (OVER \$100,000)**  
For the Year Ended December 31, 2012

**- Summary Receipts -**

Contracting Party	Nature of Service	(\$000)	Ref. Sch.#
TransCanada Calibrations Ltd.	Lease and Gas Stream Use and Facility Modifications Agreements	295	8.2
NOVA Gas Transmission Ltd. (NGTL)	Sale of Compressor Facilities and Sale of Inventory	14,727	8.2
TransCanada Energy Ltd.	Gas Transportation	2,213	8.2
Portlands Energy Centre LP	Gas Transportation	4,140	8.2
Foothills Pipe Lines Ltd.	Sale of Inventory	240	8.2
Great Lakes Gas Transmission Ltd.	Sale of Inventory	100	8.2
<b>Total</b>		<b>21,715</b>	

**TransCanada PipeLines Limited**  
**Canadian Mainline**  
**INTERCORPORATE TRANSACTIONS (OVER \$100,000)**  
 For the Year Ended December 31, 2012

- Summary Payments -

Contracting Party	Nature of Service	(\$000)	Ref. Sch.#
Great Lakes Gas Transmission Company	Gas Transportation	61,028	8.3
Trans Québec & Maritimes Pipeline Inc.	Gas Transportation	83,901	8.3
NOVA Gas Transmission Ltd. (NGTL)	Gas Balancing and Purchase of Inventory	3,588	8.3
TransCanada Energy Ltd.	Purchase of Electricity and Gas	7,613	8.3
TransCanada Turbines Ltd.	Repair and Overhaul	430	8.3
TransCanada Calibrations Ltd.	System Maintenance	384	8.3
<b>Grand Total</b>		<b>156,944</b>	

**TransCanada PipeLines Limited**  
**Canadian Mainline**  
**INTERCORPORATE TRANSACTIONS (OVER \$100,000)**  
For the Year Ended December 31, 2012  
(\$000)

**- Receipts -**

Contracting Party: TransCanada Calibrations Ltd.

Nature Of Service: Lease and Gas Stream Use and Facility Modifications Agreements

Description: Rent, electricity, gas stream use, warehouse costs charged to TransCanada Calibrations for usage of property and warehouse space at Station 41. Facility modifications agreement.

	Lease Agreement	Facility Modifications
Amount	283	12

Contracting Party: NOVA Gas Transmission Ltd. (NGTL)

Nature Of Service: Sale of Compressor Facilities and Sale of Inventory

Description: Sale of Mainline Station 43 - Unit C Compressor Facilities and Station 49-Unit C Aerial Coolers (Facilities) pursuant to Board Order MO-023-2011 and sale of inventory.

	Compressor Purchase Agreement	Sale of Inventory
Amount	14,241	486

Contracting Party: TransCanada Energy Ltd.

Nature Of Service: Gas Transportation

Description: Transportation services associated with the movement of gas on the Mainline system billed in accordance with Mainline Tolls.

	Gas Transportation
Amount	2,213

Contracting Party: Portlands Energy Centre LP

Nature Of Service: Gas Transportation

Description: Transportation services associated with the movement of gas on the Mainline system billed in accordance with Mainline Tolls.

	Gas Transportation
Amount	4,140

Contracting Party: Foothills Pipe Lines Ltd.

Nature Of Service: Sale of Inventory

Description: Sale of Inventory

	Sale of Inventory
Amount	240

Contracting Party: Great Lakes Gas Transmission Ltd.

Nature Of Service: Sale of Inventory

Description: Sale of Rotor Assembly

	Sale of Inventory
Amount	100

**TransCanada PipeLines Limited**  
**Canadian Mainline**  
**INTERCORPORATE TRANSACTIONS (OVER \$100,000)**  
For the Year Ended December 31, 2012  
(\$000)

**- Payments -**

Contracting Parties: Great Lakes Gas Transmission Company (GLGT)

Nature Of Service: Gas Transportation

Description: Transportation services associated with the movement of gas on the GLGT system, billed in accordance with GLGT tolls

	Gas Transportation
Amount	61,028

Contracting Parties: Trans Québec & Maritimes Pipeline Inc. (TQM)

Nature Of Service: Gas Transportation

Description: Transportation services associated with the movement of gas on the TQM system, billed in accordance with TQM tolls

	Gas Transportation
Amount	83,901

Contracting Parties: NOVA Gas Transmission Ltd. (NGTL)

Nature Of Service: Gas Balancing and Purchase of Inventory

Description: Canadian Mainline has a Gas Balancing Agreement with NGTL to accommodate upstream storage. Purchase of inventory.

	Gas Balancing	Purchase of Inventory
Amount	1,000	2,588

Contracting Parties: TransCanada Energy Ltd.

Nature Of Service: Purchase of Electricity and Gas

Description: Purchase of electricity to power compressor units and provide auxiliary power for compressor stations. Purchase of gas related to the 2011 pipeline rupture and linepack gas.

	Purchase of Electricity	Purchase of Gas
Amount	7,260	353

**TransCanada PipeLines Limited**  
**Canadian Mainline**  
**INTERCORPORATE TRANSACTIONS (OVER \$100,000)**  
For the Year Ended December 31, 2012  
(\$000)

**- Payments -**

Contracting Parties: TransCanada Turbines Ltd.

Nature Of Service: Repair and Overhaul

Description: Repair and Overhaul of Compressor Units

	Repair and Overhaul
Amount	430

Contracting Parties: TransCanada Calibrations Ltd.

Nature Of Service: System Maintenance

Description: System maintenance, meter repair, calibration and other measurement services.

	System Maintenance
Amount	384