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March 14, 2008

National Energy Board
444 Seventh Avenue S.W.
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Filed Electronically

Attention: Ms. Claudine Dutil-Berry, Secretary

Dear Madam:

**Re: TransCanada PipeLines Limited (“TransCanada”)
2008 – 2011 Fuel Gas Incentive Program
Application for Extension, 2008-2011**

TransCanada hereby files for approval by the National Energy Board (“Board”) pursuant to Section 60(1)(b) of the *National Energy Board Act* of an extension of the Fuel Gas Incentive Program (“FGIP”) from 2008 to 2011.

TransCanada and the TTF recognize the value of improving fuel efficiency associated with the transmission of gas on the Mainline and, as the current FGIP expires on March 31, 2008, have negotiated an extension to the FGIP.

The FGIP extension was agreed to by members of TTF and TransCanada at a meeting held March 13, 2008, as reflected in TTF Resolution 02.2008. The FGIP extension is for the period from April 1, 2008 to March 31, 2012.

Enclosed for the Board’s information is a copy of TTF Resolution 02.2008. Also enclosed for the Board’s information are the 2008 TTF Report No.1, the 2008 TTF Index, the 2008 TTF Roster and the TTF Procedures.

TransCanada requests that approval of the extension of the FGIP be effective April 1, 2008.

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March 14, 2008
Ms. C. Dutil-Berry, Secretary

Should the Board require additional information please contact Ben Leung at (403) 920-2275 or ben_leung@transcanada.com.

Yours truly,

Original Signed by

Murray Sondergard
Director, Regulatory Services
Attachments

cc: Tolls Task Force (on-line notification)
Mainline Customers (on-line notification)

Resolution 02.2008
Fuel Gas Incentive Program (FGIP) Extension

Tolls Task Force



2004 TOLLS TASK FORCE ISSUE	
Date Accepted As Issue: December 4, 2007	Resolution No: 02.2008
Date Issue Originated: December 4, 2007	Sheet Number: 1 of 2
Issue Originated By: TransCanada	
Individual to Contact: Darryn Rouillard	Telephone Number: 403-920-6341

Fuel Gas Incentive Program (FGIP) Extension

The purpose of the FGIP is to further reduce Mainline fuel consumption. This program provides TransCanada with earnings opportunity while not affecting transportation services or compromising throughput.

RESOLUTION

TransCanada and the TTF agree to the terms of a 2008-2011 FGIP program as defined in the attachment.

BACKGROUND

Both TransCanada and the TTF recognize the value of improving fuel efficiency and have worked together to develop a Fuel Gas Incentive Program (FGIP). The current FGIP was negotiated with the TTF and approved by the NEB. This 2006-2008 FGIP program is based on actual data. This approach of setting target fuel equations was developed in 2005 and addresses many of the outstanding technical issue identified in the 2005 FGIP.

TransCanada proposes continuation of the existing program with the following changes: TransCanada seeks agreement with the TTF to make an adjustment to the target fuel equations to incorporate the Keystone asset transfer to reflect the change

For Discussion Purposes of the TTF
Privileged, Confidential and Without Prejudice



Date – March 14, 2008

Tolls Task Force



of line 100-1 being taken out of service from Burstall (MLV-2) to Carman (MLV-37); and extend the target fuel equations over a lower flow range.

Details on the program are provided in the FGIP program outline attachment.

TransCanada believes there is continued value with a Fuel Gas Incentive Program and wishes to collaborate with interested parties on the continuation of the program.

VOTING RESULTS:

Unopposed resolution at the March 13th, 2008 TTF meeting in Calgary.

For Discussion Purposes of the TTF
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Date – March 14, 2008

2008-2011 Fuel Gas Incentive Program (“2008-2011 FGIP Program”)
And
Attachments

Introduction

Both TransCanada and the TTF recognize the value of improving fuel efficiency and have worked together to develop various FGIP programs since 2001. The fuel targets for the past two programs were based on actual data and addressed many of the technical issues identified in previous FGIP programs.

Overview of 2008-2011 FGIP

The proposed 2008-2011 FGIP is very similar to the 2006-2008 FGIP. As affirmed in prior programs, efforts to reduce fuel will not affect transportation services, nor compromise throughput. In calculating actual savings against target, the target will be adjusted each day for factors outside of TransCanada’s control (i.e. ambient temperatures, heating values, and flow distribution). The 2008-2011 FGIP target fuel equations will be the same as the 2006-2008 FGIP, with two changes as noted below:

1. Extension of the target fuel equation to incorporate targets at lower flows.
2. Adjustment of the target fuel equation to reflect changes in fuel consumption as a result of the Keystone Line 100-1 asset transfer scheduled to occur in the summer of 2008.

Adjustment for Lower Flows

TransCanada anticipates flows in a range lower than provided in the target curves. Extension of the target curves will be based on extrapolation of the 2006-2008 FGIP target equations. The target fuel equations and incentive payment calculations are detailed in FGIP Attachments 1 and 2.

Adjustment for Keystone Line 100- 1 Asset Transfer (Prairies Section)

On May 1, 2008, TransCanada will begin work to transfer Line 100-1 from Burstall (MLV-2) to Carman (MLV-37) to Keystone Pipeline. The transfer will occur in multiple stages over the 2008 summer. Until this date the current FGIP target fuel equation will apply to the Prairies Section. During the transition period (from May 1, 2008 to on or around September 15, 2008 when the portion of Line 100-1 is removed from gas service) TransCanada will suspend the program for the Prairies section and will only employ the target fuel equations for the Northern Ontario section.

The Post-Keystone Prairies target fuel equation will apply when the final portion of Keystone facilities has been removed from gas service, on or around September 15, 2008; and shall apply for the remainder of the program. The target fuel equations are described in Table 2 of FGIP Attachment 1.

TransCanada and the TTF agree to review the adjustments to the Prairies Section target fuel equations for Keystone after one year of using the Post-Keystone Prairies target fuel equations.

Incentive Payment Schedule

TransCanada will earn an annual incentive payment from its Shippers according to the following schedule:

Incremental Fuel Volume Savings Beyond Fuel
Target (as defined in FGIP Attachment #1)
(103m3/d)

Annual Incentive Amount
(\$ millions)

0	0
100	5
200	8
300	9
400	10

The annual incentive amount will be scaled linearly and will be capped at \$10 million annually, commencing April 1, 2008. The annual incentive amount reflects a gross payment to TransCanada. OM&A costs incurred to achieve fuel savings will be borne directly by TransCanada. Capital costs incurred to achieve fuel savings shall be included in rate base.

Incentive Payment Calculation

Under the 2008-2011 FGIP program, fuel volume savings will be determined by comparing the actual fuel consumption for each day to the daily adjusted target fuel and then the daily savings will be averaged over the season. To the extent fuel volume savings were achieved, an incentive amount will then be determined based on that average fuel volume savings. Details of the incentive payment calculation are provided in FGIP Attachment 2.

Major Event Clause

If during the term of this FGIP program event occurs which materially impact the basis on which the program was negotiated, TransCanada and the TTF agree to enter into good-faith discussion to determine whether any provision of the FGIP program should be amended. Elements include, but are not limited to, the adjustments made to the target fuel equations for anticipated lower flows and the Keystone Line 100-1 transfer.

Reporting Requirements

TransCanada will provide seasonal FGIP results as per the Performance Incentive Envelope (PIE) reporting requirements within the quarterly surveillance reports (QSR), in the second quarter report for the previous winter and in the fourth quarter report for the previous summer.

Program Term

The 2008-2011 FGIP will commence the first day of April 2008 and will terminate at the end of the thirty-first day of March 31, 2012.

2008-2011 FGIP Program
Attachment 1

Target Fuel Equations

The attached Figures A, B, C and D illustrate the target fuel curves for the winter (November 1 to March 31) and summer (April 1 to October 31) seasons for the term of the 2008-2011 FGIP. The data used to establish the targets and to calculate performance are set out in Table 1. The equations for the target fuel curves and the equation coefficients are set out in Table 2.

Table 1

Data Used for Target Setting	
<ul style="list-style-type: none">• Flow ^{1,2}• Fuel ²• Ambient Temperature ¹• Heating Value• Linepack % of Theoretical Maximum• Linepack Change from prior day• Flow change from prior day ¹• Intra-segment Deliveries• Intra-segment Receipts• Pipe Outages• Compression Outages• Electric Compression Utilization	
Notes:	
1	Both the variable and square of the variable included in the regression
2	Net of adjustments due to the Compressor Operating Agreement between TransCanada and Epcor

Figure A – 2008-2011 FGIP

**Prairies Section
Winter Fuel Curve**

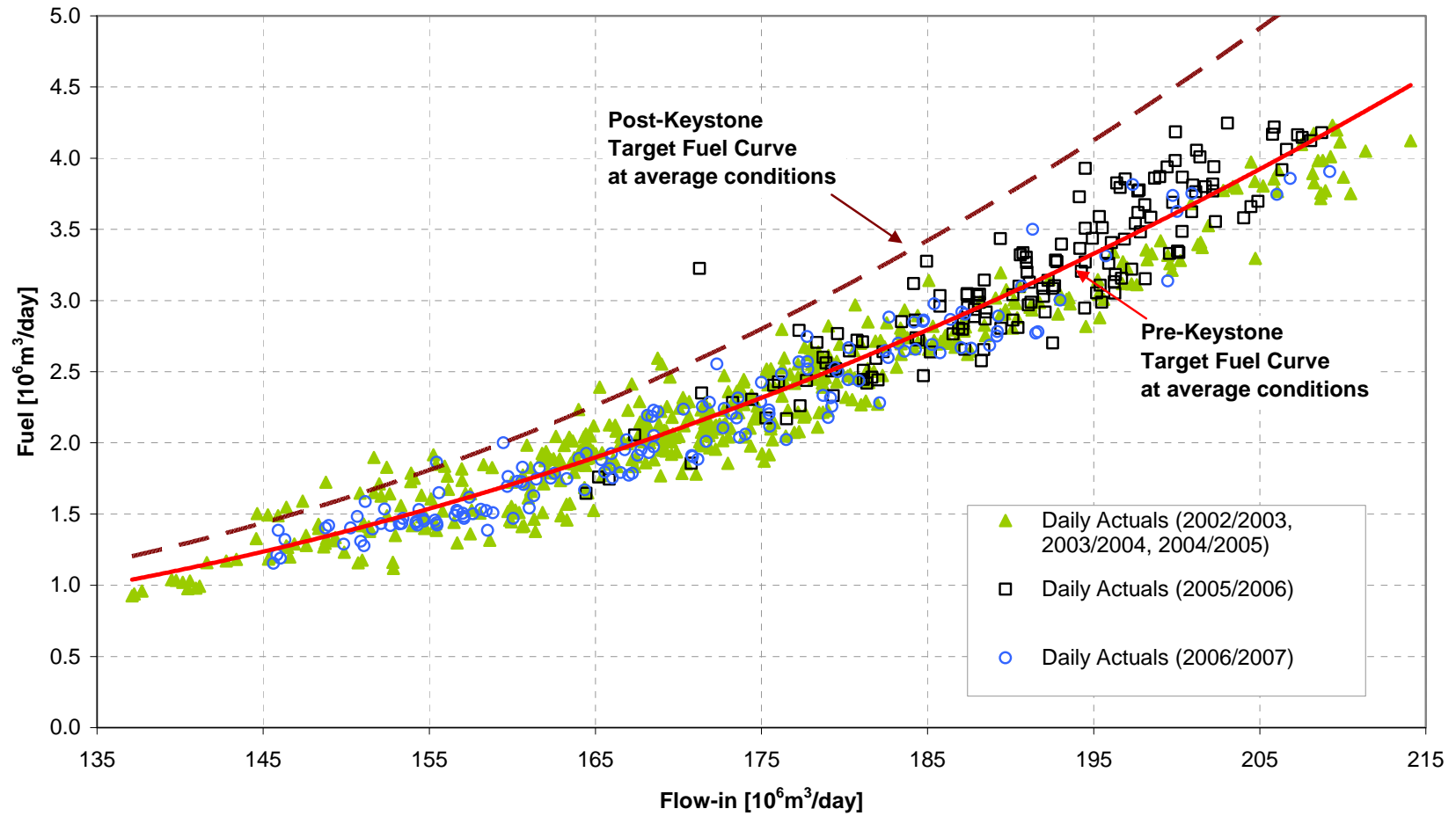


Figure B – 2008-2011 FGIP

Northern Ontario Section
Winter Fuel Curve

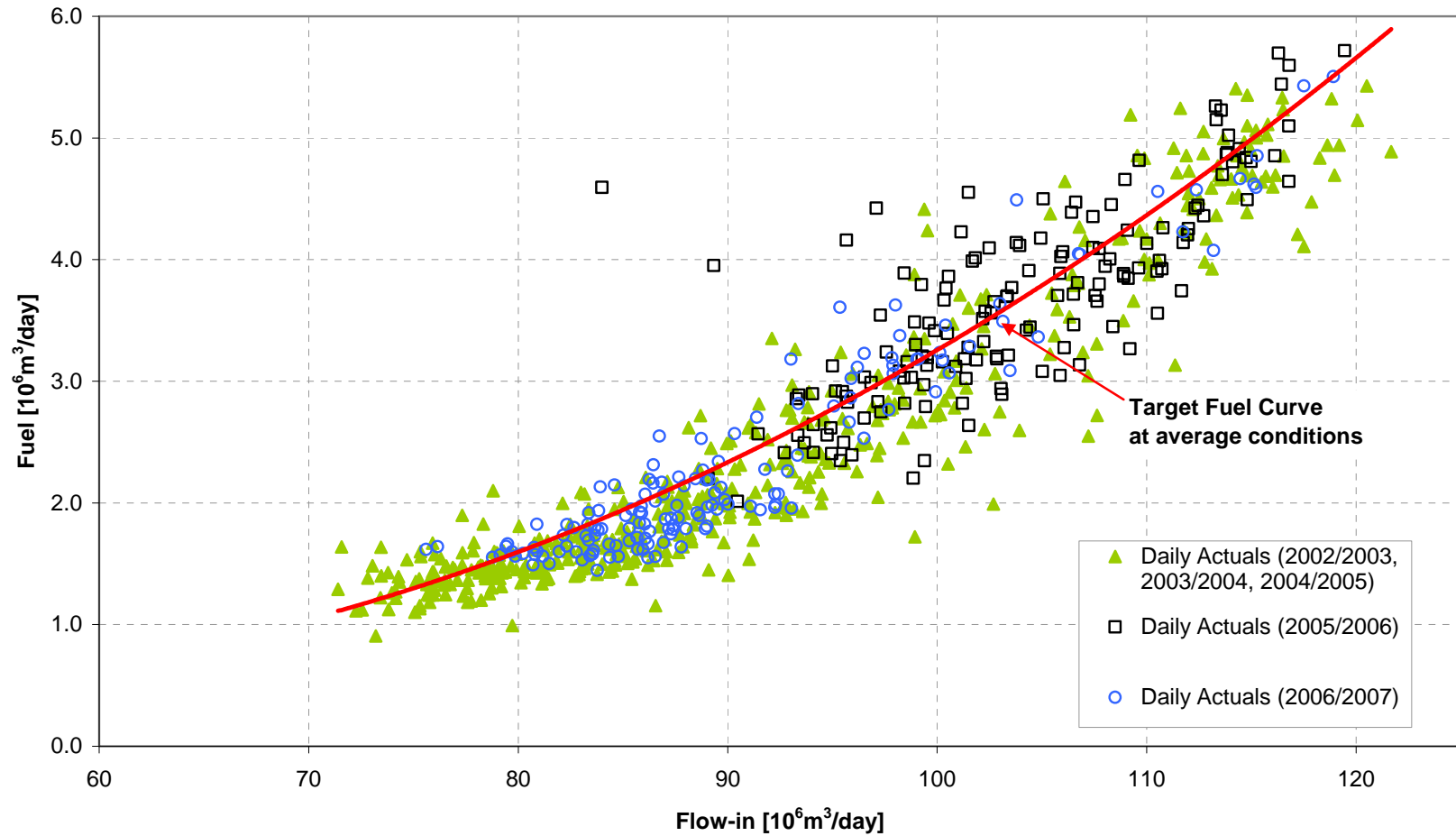


Figure C – 2008-2011 FGIP

**Prairies Section
Summer Fuel Curve**

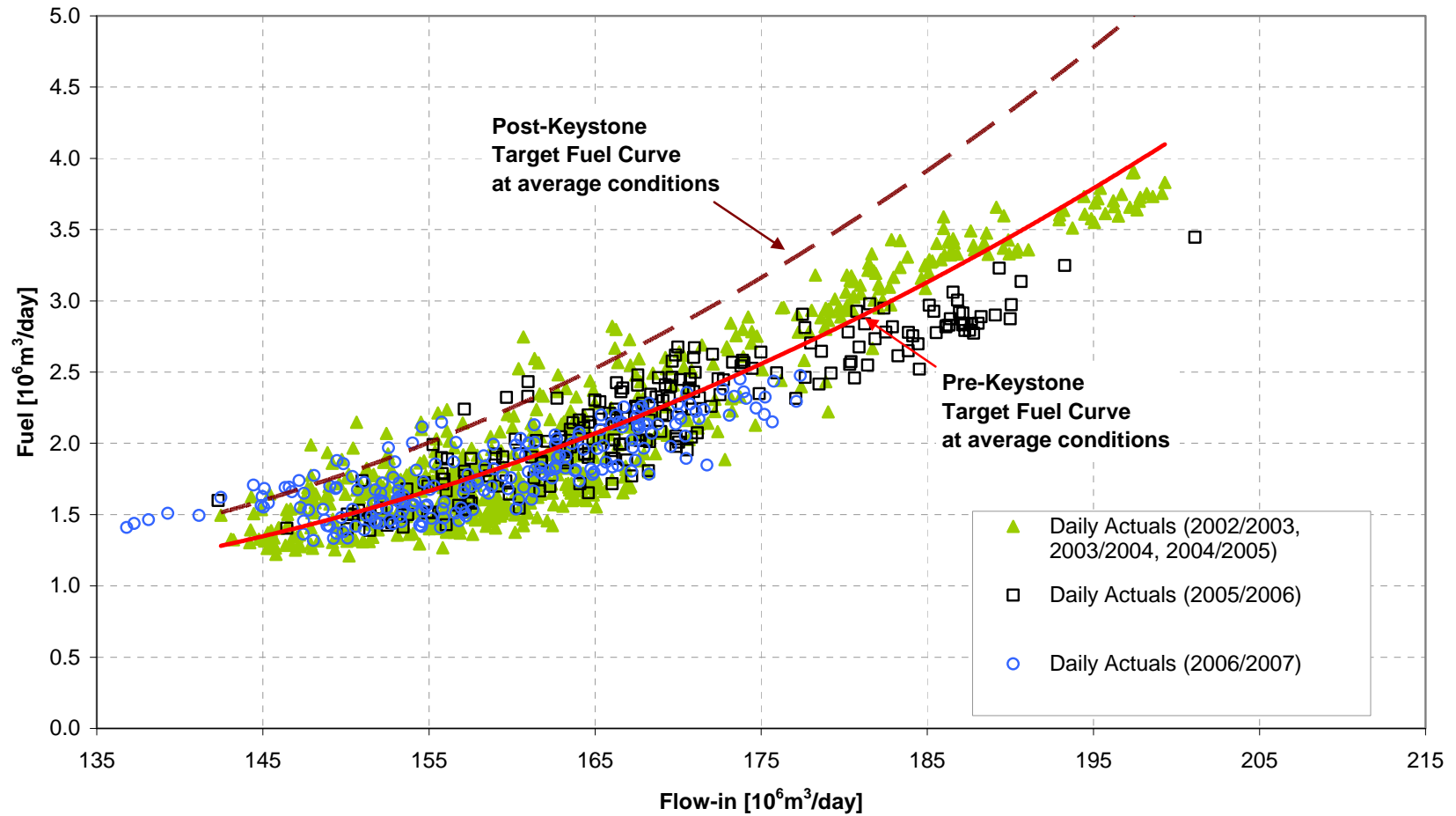


Figure D – 2008-2011 FGIP

Northern Ontario Section
Summer Fuel Curve

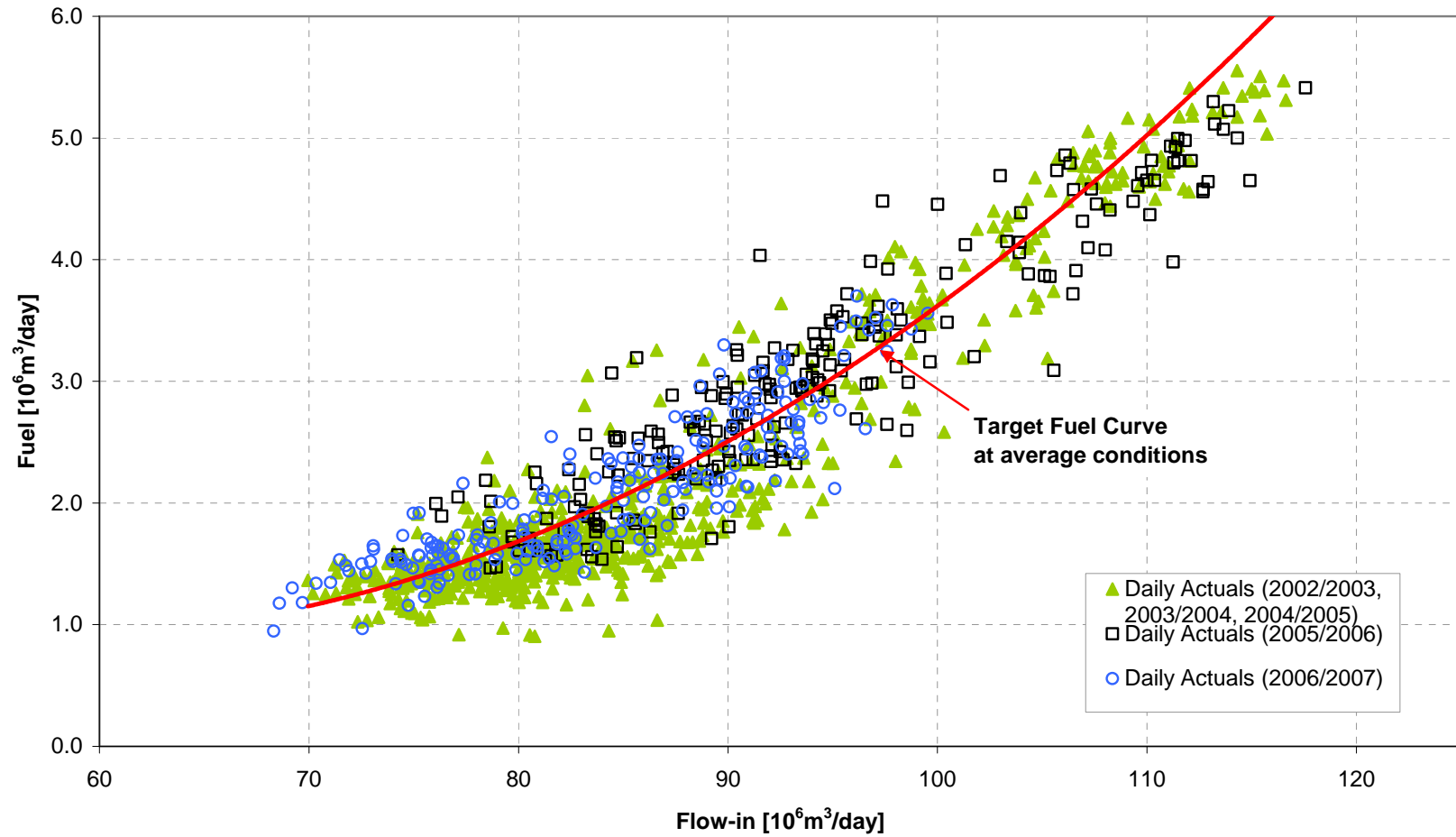


Table 2 Target Fuel Equations

General form of the equation:

$$\text{Fuel} = A \cdot Q^2 + B \cdot Q + C \cdot T^2 + D \cdot T + E \cdot HV + F \cdot LP\% + G \cdot LPchg + H \cdot Qchg + J \cdot Qchg^2 + K \cdot Rec + L \cdot Del + M \cdot Pipe + N \cdot Comp + P \cdot Elec + R + S$$

Fuel = section fuel, $10^6 \text{m}^3/\text{d}$

Q = section flow-in, adjusted for the Compressor Operating Agreement between TransCanada and Epcor, $10^6 \text{m}^3/\text{d}$

T = ambient temperature, Celsius

HV = system heating value, MJ/m^3

LP% = linepack percentage of theoretical maximum, %

LPchg = change in linepack from previous day, 10^6m^3

Qchg = change in section flow-in from previous day, $10^6 \text{m}^3/\text{d}$

Rec = intra-segment receipts, $10^6 \text{m}^3/\text{d}$

Del = intra-segment deliveries, $10^6 \text{m}^3/\text{d}$

Pipe = pipe outages, length in km times diameter in m

Comp = compression outages, MW

Elec = Electric compression utilization, MW

Winter Season Equation Coefficients:				
Coefficient	Prairies		Northern Ontario	Variable
	Pre-Keystone	Post-Keystone	Pre- & Post-Keystone	
A	2.9224E-04	4.1669E-04	9.2832E-04	Flow ²
B	-5.7501E-02	-8.7935E-02	-8.4113E-02	Flow
C	-3.7720E-05	-3.7720E-05	-2.9796E-04	Ambient Temperature ²
D	1.1479E-03	1.1479E-03	3.8610E-03	Ambient Temperature
E	-2.4903E-01	-2.4903E-01	-1.3824E-01	Heating Value
F	-5.6872E-02	-5.6872E-02	-9.5529E-02	Linepack % of Theoretical Maximum
G	-4.4718E-03	-4.4718E-03	-3.5064E-03	Linepack change from prior day
H	-1.3771E-02	-1.3771E-02	-3.5735E-02	Flow change
J	-1.8129E-04	-1.8129E-04	-6.7927E-05	Flow change ²
K	-2.2843E-02	-2.2843E-02	0.0000E+00	Intra-segment Receipts
L	-1.3929E-02	-1.3929E-02	5.7876E-04	Intra-segment Deliveries
M	6.5291E-04	6.5291E-04	1.5074E-03	Pipe Outages
N	3.7183E-04	3.7183E-04	4.3560E-04	Compression Outages
P	-6.1291E-03	-6.1291E-03	-4.9604E-03	Electric Compression Utilization
R	19.3703	21.3688	16.7282	Constant
S	0.0400	0.0400	0.1600	Adjustment to reflect 2006 Program performance

Post-Keystone changes are **bold & highlighted**

Summer Season Equation Coefficients:				
Coefficient	Prairies		Northern Ontario	Variable
	Pre-Keystone	Post-Keystone	Pre- & Post-Keystone	
A	4.2492E-04	5.7498E-04	1.4530E-03	Flow ²
B	-9.5640E-02	-1.3189E-01	-1.6479E-01	Flow
C	3.9272E-04	3.9272E-04	1.4693E-04	Ambient Temperature ²
D	-5.4984E-03	-5.4984E-03	7.7804E-03	Ambient Temperature
E	2.7717E-02	2.7717E-02	-6.8157E-02	Heating Value
F	-6.3656E-02	-6.3656E-02	-8.3839E-02	Linepack % of Theoretical Maximum
G	-2.2551E-03	-2.2551E-03	-3.0565E-03	Linepack change from prior day
H	-1.6303E-02	-1.6303E-02	-4.7156E-02	Flow change
J	1.3957E-04	1.3957E-04	3.0678E-05	Flow change ²
K	1.9994E-02	1.9994E-02	0.0000E+00	Intra-segment Receipts
L	-2.4192E-02	-2.4192E-02	-2.4713E-02	Intra-segment Deliveries
M	1.3677E-03	1.3677E-03	2.1222E-04	Pipe Outages
N	3.9739E-04	3.9739E-04	2.7784E-04	Compression Outages
P	-8.0729E-03	-8.0729E-03	-7.7571E-03	Electric Compression Utilization
R	11.6136	13.9648	16.2463	Constant
S	0.0400	0.0400	0.1600	Adjustment to reflect 2006 Program performance

Post-Keystone changes are **bold & highlighted**

Table 3 Flow Limits

	Winter Season		Summer Season	
	Prairies	Northern Ontario	Prairies	Northern Ontario
Minimum ($10^6 \text{ m}^3/\text{d}$)	105.516	45.304	114.691	56.709
Maximum ($10^6 \text{ m}^3/\text{d}$)	214.078	121.672	199.297	116.632

2008-2011 FGIP Program

Attachment 2

Incentive Payment Calculations

The annual incentive amount will be determined at the end of each season, as follows:

- Step 1. Collect daily actual data for the season (see 2008-2011 FGIP Attachment 1 Table 1 for a list of the data to be included). The actual fuel volume will be adjusted by the level of fuel compensation provided to TransCanada's Mainline shippers as a result of the Compressor Operating Agreement between TransCanada PipeLines Limited and EPCOR Power L.P. regarding cogeneration facilities in Northern Ontario.
- Step 2. For each day, determine the daily adjusted target fuel for each of the Prairies and Northern Ontario sections. The daily adjusted target fuel for each section shall be determined by using the equations in FGIP Attachment 1, Table 2. If the daily flow for the section is less than the applicable minimum flow in Table 3, the target fuel for that day and section will be the target fuel at the minimum flow. If the daily flow for the section is greater than the applicable maximum flow in Table 3, the fuel savings for that day and section will be set to zero. Actual values shall be used for factors outside of TransCanada's control. Average values will be used for factors within TransCanada's control, which are as follows:
- (a) linepack percentage of theoretical maximum;
 - (b) pipe outages (considering length and diameter); and
 - (c) compression outages (Megawatts of power unavailable).
- Step 3. Calculate the fuel savings for each day and section as the daily adjusted target less the actual daily fuel. Fuel savings results may be either positive (actual less than target) or negative (actual greater than target).
- Step 4. Calculate the average fuel savings for each section as the sum of the daily fuel savings divided by the number of days in the season. Calculate the total fuel savings as the sum of the average fuel savings for each section.
- Step 5. Determine the annual incentive amount, using the Incentive Payment Schedule set out in Appendix 2 and the total fuel savings calculated above. Calculate the seasonal incentive amount as the annual incentive amount multiplied by a ratio of the number of days in the season and the number of days in the year.
- Step 6. Calculate the total incentive payment, payable to TransCanada, as the sum of the summer and winter season incentive amounts as applicable and as calculated above.

TTF Report No. 1
Report dated March 14th, 2008



Tolls Task Force



2008 TOLLS TASK FORCE

REPORT NO. 1

The 2008 Tolls Task Force is filing its first report together with one resolution approved by unopposed resolution at the Tolls Task Force meeting in Calgary on March 13th, 2008 as follows:

02.2008 Fuel Gas Incentive Program (FGIP) Extension

The resolution sheet and attachments for the above Resolution are included as background to the issue and outline the purpose of the resolution.

This report is respectfully submitted on behalf of the 2008 Tolls Task Force, this 14th day of March, 2008.

H. Poole
Chair, Tolls Task Force

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REPORT OF THE 2008 TOLLS TASK FORCE

TAB	PARTICULARS
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REPORT NO.

1

Report date March 14th, 2008

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Tolls Task Force Procedures

TOLLS TASK FORCE ROSTER

1

Roster Dated March 14th, 2008

RESOLUTIONS

01.2008

Short Notice Balancing (SNB) Toll Methodology¹

02.2008

Fuel Gas Incentive Program (FGIP) Extension

¹ Filed under separate cover , TransCanada PipeLines Limited (TransCanada) Application for approval for Short Notice Balancing (SNB) Toll Methodology and Interim SNB Toll for Eastern Zone, January 25th, 2008.

TTF Roster
Roster dated March 14th, 2008

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M	Enserco Energy #1200, 144 – 4 th Avenue SW Calgary, AB, T2P 3N4	Renee Smid Randy Remy Brad Nadeau	403-269-5527 403-269-3005 403-269-6055	403-269-2922 403-269-2922	rsmid@enserco.com rremy@enserco.com bnadeau@enserco.com

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M	Exxon Mobil Canada 237 – 4 th Avenue SW Calgary, AB	Ron Moore	403-237-4478	403-232-5867	ronald.moore@esso.ca ;
O	FB Energy Canada Corporation 2520, 707 – 8 th Avenue SW Calgary, AB, T2P 1H5	Sherrie LeSage Kris Smith	403-691-8834 403-691-8833	403-691-8890	sherrie.lesage@fortis.com kris.smith@ca.fortis.com
M	Gaz de France 145 Huguenot Street, Suite 408 New Rochelle, NY 10801	Paul Harris	914-610-4495	914-829-9017	pharris@grtenergy.com
M	Gaz Metro 1717 du Havre Montreal, PQ, H2K 2X3	Normand Stevenson Frederic Morel Marc Beauchemin* Richard Beraud* Gilbert Denis* Elaine Parent* Karine Asselin	514-893-7724 514-598-3199 514-598-3897 514-598-3773 514-598-3377 514-598-3850 514-598-3035		nstevenson@videotron.ca fmorel@gazmetro.com mbeauchemin@gazmetro.com rberaud@gazmetro.com gdenis@gazmetro.com eparent@gazmetro.com kasselin@gazmetro.com
O	Gerdau Ameristeel 1801 Hopkins Street S Whitby, ON L1N 5T1	Darren MacDonald	905-665-3730	905-655-3715	dmacdonald@gerdauameristeel.com
O	Great Lakes Gas Transmission 5250 Corporate Drive Troy, MI, USA, 48098	Robert Jackson Richard Parke	248-205-7561 248-205-7558	248-205-7517 248-205-7517	robert_jackson@transcanada.com richard_parke@transcanada.com
O	Herbert Rakebrand & Associates 266 Beecher Drive Southbury, CT, U.S.A. 06488	Herb Rakebrand	203-768-4994	203-264-2835	herbrakebrand@hotmail.com
M	Husky Energy Marketing Inc. 707 – 8 th Avenue SW Calgary, AB, T2P 3G7	Doug Holgate D'Arcy McGrath	403-298-6969 403-750-1439	403-298-6349 403-298-6349	d.holgate@huskyenergy.ca darcy.mcgrath@huskyenergy.ca
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M	Industrial Gas Users Association 1201 – 99 Metcalfe Street Ottawa, ON K1P 6L7	Murray Newton	613-236-8021	613-230-9531	mnewton@igua.ca
O	Iroquois Gas Transmission System One Corporate Drive, Suite 600 Shelton, CT, USA 06484	Paul Diehl Scott Rupff	203-925-7228 203-925-7291		paul_diehl@iroquois.com scott_rupff@iroquois.com

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O	John Wolnik & Associates Inc. 83 Guildford Crescent London, ON, N6J 3Y3	John Wolnik	519-474-0844	519-474-0844	jwolnik@sympatico.ca ;
M	KeySpan One Metrotech Center Brooklyn, NY, U.S.A. 11201	Dolores Chezar John Allocca	718-403-2987 718-403-2009	718-246-2927 718-596-7802	dchezar@keyspanenergy.com ; jallocca@keyspanenergy.com ;
M	Lehman Brothers Commodity Services 3302, 150 6 th Avenue SW Calgary, AB T2P 3Y7	Mark Gordon	403-513-4005		mark.gordon@lehman.com
M	Louis Dreyfus Energy Canada Inc. 350 – 7 th Avenue SW, Floor 23 Calgary, AB, T2P 3N9	Reid Miller	403-410-5600	403-410-5599	reid.miller@ldhenergy.com ;
O	Merrill Lynch Commodities Canada 3000, 150 6 th Avenue SW Calgary, AB	Jamie Fisher	403-231-7324		james_fisher@ml.com
M	Ministry of Energy Government of Ontario 880 Bay Street, 3 rd floor Toronto, ON, M7A 2C1	Edward Sweet Bill Greenizan	416-325-6884 416-326-0548	416-325-6981 416-325-6981	edward.sweet@ontario.ca bill.greenizan@ontario.ca
O	National Fuel Gas Supply Corporation 6363 Main Street Williamsville, NY, USA, 14221	James R. Peterson David W. Reitz	716-857-7702 716-857-7949	716-857-7206 716-857-7206	petersonj@natfuel.com ; reitzd@natfuel.com ;
M	Natural Gas Exchange 2330, 140 – 4 th Avenue SW Calgary, AB T2P 3N3	Shane Casey Dave Roberts	403-974-1710 403-974-1796	403-974-1772 403-974-1772	Shane.casey@ngx.com ; Dave.roberts@ngx.com ;
M	Natural Resources, Quebec 5700 – 4 Ave Ouest, A-412 Charlesbourg, PQ, G1H 6R1	Ronald Richard	418-627-6385x8259	418-644-1445	Ronald.richard@mrnf.gouv.qc.ca
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M	Northeast Gas Markets 155 Borthwick Avenue, Suite 101 Portsmouth, NH, USA, 03801	Jim Carmichael Carl Mattson	603-427-5036 603-427-5030	603-474-3384 603-427-5031	JamesDCarmichael@aol.com mattsongsl@aol.com
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M	ONEOK Energy Services Canada 10 th floor, 888 – 3 rd Street SW Calgary, AB T2P 5C5	Glen Forbes	403-444-5501	403-444-6779	glen.forbes@oneok.com
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M	Ontario Power Generation Inc. 700 University Avenue Toronto, ON M5G 1X6	Greg Olsen	416-592-4401	416-592-8519	greg.olsen@opg.com
O	Pace Global Energy Services 4401 Fair Lakes Court Fairfax, VA, USA, 22033	Greg Adams	703-227-1083		adamsg@paceglobal.com
M	Petro-Canada Oil and Gas 150 6 th Avenue SW Calgary, AB, T2P 3E3	John MacPherson Reg Cameron Fred Ismailian*	403-296-4249 403-296-4315 403-296-6362	403-296-3919 403-296-3919 403-296-3356	macpher@petro-canada.ca recamero@petro-canada.ca fismaili@petro-canada.ca
M	Portlands Energy Centre Inc. 18 th Floor, 700 University Avenue Toronto, ON M5G 1X6	Noralyn Vasquez Jason Rioux	416-869-2181 416-592-2387	416-869-2114 416-592-3593	noralyn_vasquez@transcanada.com jason.rioux@opg.com
M	Rabaska Inc. P.O. Box 650 Scarborough, ON, M1K 5E3 (mailing address) 500 Consumers Road North York, ON, T2J 1P8 (courier address)	Anthony Zlahtic	416-753-7323	416-753-7336	anthony.zlahtic@enbridge.com
O	RBC Capital Markets 1100, 888 3 rd Street SW Calgary, AB T2P 5C5	Kate Stothers Chris Lambie Scott McManaman	403-292-3992 403-292-2001 403-292-2004	403-292-3049 403-292-3049	kate.stothers@rbccm.com chris.lambie@rbccm.com scott.mcmanaman@rbccm.com
O	Resurgam Associates 339 Bridlewood Court SW Calgary, AB T2Y 3Z1	Stephanie Lowe	403-290-0524	403-294-0266	resurgamassociates@telusplanet.net ;
M	Rochester Gas and Electric Corp. 89 East Avenue Rochester, NY, USA, 14649-0001	Marjorie Perlman	585-771-4690	585-724-8818	Marjorie_perlman@rge.com ;
O	Rocky River Petroleum Ltd. 325, 333 24 th Avenue Calgary, AB T2S 3E6	Marcus Perron	403-228-9001		mperron@rockyriverpetroleum.com

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M	Sempra Energy Trading Canada 2310, 150 King Street West Toronto, ON, M5S 1H8	Louis Draginov	416-205-4540	416-205-4555	ldragino@sempratrading.com ;
M	Sempra Energy Trading 58 Commerce Road Stamford, CT USA 06902	Arnon Storfer	203-355-5142		astorfer@sempratrading.com
M	Shell Canada Energy 400 4 th Avenue SW Calgary, AB T2P 2L6	Rob Gall Mark Young	403-691-3063 403-691-2381	403-264-7058 403-264-7058	robert.gall@shell.com mark.young@shell.com
M	Shell Energy North America (Canada) Inc. 3500, 450 – 1 st Street SW Calgary, AB T2P 5H1	Tomasz Lange	403-216-3580	403-716-3580	tomasz.lange@shell.com
M	Sithe Global Power Goreway Ulc 5300 Commerce Court West 199 Bay Street Toronto, ON, M5L 1B9	Duane E Cramer Jason Stacey	416-869-7053 905-338-8786	416-947-0866 905-338-5548	cramer@sitheglobal.com ; jfstacey@interlog.com ;
O	Spectra Energy Transmission (Westcoast Energy Inc.) 2600, 425 – 1 st Street SW Calgary, AB, T2P 3L8	Michelle Andersen	403-699-1524	403-699-1585	mandersen@spectraenergy.com
M	Suncor Energy Marketing Inc. 112 – 4 th Avenue SW Calgary, AB, T2P 2V5	Maurice A. Lapierre	403-269-8628	403-269-6201	mlapierre@suncor.com ;
M	Talisman Energy Inc. 3400, 888 – 3 rd Street SW Calgary, AB, T2P 5C5	Frank Basham	403-237-1380	403-237-1078	fbasham@talisman-energy.com ;
M	Tenaska Marketing Canada 3050, 300 – 5 th Avenue SW Calgary, AB T2P 3C4	Allison Atkinson Kristen Gould Mona Kadri	403-716-1383 403-716-1382 403-716-1386	403-716-1375 403-716-1375	aatkinson@tenaska.com kgould@tenaska.com mkadri@tenaska.com
O	Total Energy Advice & Management 2171 Laurelwood Drive Oakville, ON L6H 4T2	Bruce Fraser	905-842-1949	905-842-3164	bruce.fraser@theteamltd.com
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M	TransGas Limited 500 – 1777 Victoria Avenue Regina, SK, S4P 4K5	Vern Gorr Leanne Stettner	306-777-9556 306-777-9478	306-525-3422 306-525-1088	vgorr@transgas.com lstettner@transgas.com
M	TQM Pipeline Inc. 6300 Auteuil Avenue, Suite 525 Brossard, Quebec, J4Z 3P2	Bernard Otis Jean-Marc Rousseau	450-462-5320 450-462-5322	450-462-5388 450-462-5388	botis@gazoductqm.com jmrousseau@gazoductqm.com
M	UBS Commodities Canada Ltd. 600, 326 11 th Avenue SW Calgary, AB, T2R 0C5	Colin Verges -Mary Hanford -Karla Laing -Janice Eby -Jason Bieber -Lisa Nixon UBS-TTF Correspondence	403-532-2062 403-532-2066 403-532-2064 403-532-2070 403-532-2021 403-532-2048	403-532-2097 403-532-2097 403-532-2097 403-532-2097 403-532-2097 403-532-2097	colin.verges@ubs.com mary.hanford@ubs.com karla.laing@ubs.com janice.eby@ubs.com jason.bieber@ubs.com lisa.nixon@ubs.com SH-UBSCan-Scheduling@ubs.com
M	Union Gas Limited 50 Keil Drive North Chatham, ON, N7M 5M1	Roger Mukherjee Patricia Planting John Shore Neil Macfadyen	519-436-5263 519-436-4609 519-358-4011 519-436-4671	519-436-4643 519-436-4643 519-436-5292 519-436-4645	rmukherjee@uniongas.com pplanting@uniongas.com jshore@uniongas.com nmacfadyen@uniongas.com
M	United States Gypsum Company 125 South Franklin, dept 143-61 Chicago, Illinois, 60606	Robert R Cooper	312-606-4140	312-606-4532	rcooper@usg.com
M	Universal Energy Corporation 1600, 25 Sheppard Avenue West Toronto, ON M2N 6S6	Darryl Parent Nino Silvestri	416-673-1162x702 416-673-1162x700	416-981-3085 416-981-3085	dparent@universalenergy.ca nsilvestri@universalenergy.ca
O	Vermont Gas Systems Inc. 85 Swift Street South Burlington, VT, USA, 05403	John St. Hilaire	802-863-4511	802-863-8871	jsthilaire@vermontgas.com
M	Vitol Inc. 2410, 520 5 th Avenue SW Calgary, AB T2P 3R7	Brad Swift	403-313-9005		bws@vitol.com
M	West Windsor Power 4375 Sandwich Street Windsor, ON, N9C 4C8	Keith Peddle	519-966-9918	519-966-9917	keith.peddle@suezenergyna.com
M	Xstrata Nickel Technology Center, Purolator Box 4 Falconbridge, ON, P0M 1S0	Mark Passi Dan Dumais	705-699-3224 705-693-2761x3194	705-699-3201 705-699-3201	mpassi@xstratanickel.ca ddumais@xstratanickel.ca

* Subcommittee participation only

TTF Procedures

Tolls Task Force



TOLLS TASK FORCE PROCEDURES

TASK FORCE

The TransCanada Tolls Task Force ("Task Force") was created to seek consensus on the resolution of issues related to the tolls, tariffs and operations of TransCanada PipeLines Limited ("TransCanada") in the context of TransCanada's Tolls Applications.

PARTICIPANTS

The Task Force shall consist of Members and Observers.

MEMBERS

The Task Force Members will be TransCanada and the interested parties who wish to participate actively in the Task Force process. Task Force Members will be entitled to receive notice of, and to send representatives to, all Task Force meetings, and to receive a copy of all Task Force communications and documentation. Only Members shall be entitled to vote on the resolution of issues.

OBSERVERS

The Task Force Observers will be the interested parties who wish to participate passively in the Task Force process. Observers are not entitled to vote on the resolution of issues.

REPRESENTATIVES

Company representatives will be "business" people, those who have been given the authority to make commitments on behalf of their company/organization.

No Tolls Task Force representative will be permitted to "cross-examine" during a TransCanada tolls hearing.

SECRETARY

TransCanada shall appoint the Secretary of the Task Force.

PURPOSE

The Task Force shall attempt to reach consensus on the resolution of issues raised by Task Force Members or deferred from prior Task Forces that are relevant to TransCanada's tolls applications, and to resolve the responses to National Energy Board ("NEB") directives in prior decisions that should be made in conjunction with the tolls applications. All Task Force Members will work toward trying to reach agreement on the resolution of these matters, with a view to reducing the adversarial



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aspects of NEB hearings, as well as reducing hearing time and associated costs. If consensus on the resolution of a particular issue, or response to an NEB directive, cannot be reached the Task Force Members will work toward focusing or reducing the number of alternate resolutions of the issue or responses to the NEB directive.

PARTICIPATION

Participation in the Task Force process is open to any party having a discernible interest in or affected by toll, tariff and operational matters, such as shippers, industry associations and governments of consuming and producing provinces. An interested party may participate actively, as a Task Force Member, or passively, as a Task Force Observer.

Notice of the Task Force process will be given to TransCanada's shippers and to interveners in TransCanada's last tolls hearing by letters and to other interested parties and the general public by newspaper advertisements. It is the responsibility of any party wishing to participate to respond to such notice at any time within the process.

WITHOUT PREJUDICE

To facilitate free and open communication in the discussion and negotiation of issues, participation by all interested parties in the Task Force process shall be conducted on a completely "without prejudice" basis. This means that any documents, information and any communications not already in the public domain, written or oral, that are created or made as part of the Task Force process shall be considered to be privileged and confidential, and shall be divulged only to persons within TTF Members' own organisation, including consultants, who have a clear need to have that information and only after ensuring that any person to whom disclosure is made is made aware of the confidential nature of the information. The information shall not be filed, referred to or otherwise used in any hearing or other proceeding before the NEB, any other regulatory tribunal, or made public otherwise, without the prior consent of all task



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Force Members. The sole exceptions shall be that any member may file, refer to, or otherwise use a document created or made by that Member or if such disclosure is required by law, or by the order of a court, regulatory tribunal or other governmental body of competent jurisdiction.

PROCEDURES

Agenda: Prior to each meeting of the Task Force, TransCanada will provide Members and Observers with an agenda and any relevant documents on the issues to be considered at the meeting.

Issues: TransCanada will record the various issues and NEB directives discussed in the Task Force meetings in the following categories:

- a) NEB directives;
- b) issues raised by Task Force Members; and
- c) issues deferred by prior Task Forces

Identifying and Processing Issues: Members who wish to raise an issue through the Task Force should ensure that proper documentation is provided to the Secretary for inclusion with the agenda for the next meeting.

An issue will be accepted for discussion by the Task Force once it has been fully delineated by the Member sponsoring the issue. The Task Force will review each potential issue and, if accepted as an issue (by majority vote), will decide whether that issue will be addressed by the Task Force or instead be referred to a subcommittee of the Task Force.

Once an issue has been accepted by the Task Force, the Secretary will prepare an Issue Fact Sheet (utilizing information provided by the Member raising the issue), give it an Issue Number and ensure that the issue is added to the appropriate agenda as directed by the Task Force (Task Force or sub-committee).



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The Member bringing forward the issue will make a presentation at the next Task Force (or sub-committee) meeting if so directed by the Task Force. A hard copy of the presentation must be available for inclusion in the minutes.

Sub-Committee: An issue referred to a sub-committee will be discussed at up to two meetings (following the initial presentation to the sub-committee). The sub-committee will be responsible for providing an update of its activities, to be reviewed at each Tolls Task Force meeting. The issue will be voted on by the sub-committee, and then forwarded to the Task Force for disposition. The minutes of the sub-committee meetings will only record the results (i.e. Unanimous, Unopposed, Opposed, Non-Resolution) of the vote.

To the extent that two meetings prove insufficient to reach a resolution, the sub-committee may, of its own volition by a majority vote, agree to deal with the issue at a third sub-committee meeting, following which the issue must be automatically referred back to the Task Force for disposition. The Task Force may decide to send the issue back to the sub-committee for a further cycle.

Once an issue has been returned to the Task Force for disposition, the results (i.e. Unanimous, Unopposed, Opposed, Non-Resolution) of the vote of the Task Force will be recorded on the Issue Fact Sheet. Task Force Members may choose to be identified if they so wish.

Voting: Each Member shall have one vote. Members unable to attend the meeting may vote by phone, e-mail or by fax. A Member who does not cast a vote for or against a proposed resolution will be deemed to have abstained from voting.

The vote on the resolution of each issue will take place on an issue by issue basis. Prior to any vote taking place, Members will be provided with a draft of the Final Resolution sheet. It will include a clear statement of the



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resolution and any required changes to existing tolls, tariffs, policies etc., and a background section, which includes a description of the issue and a summary of the concerns raised by Task Force Members.

It is recognized that not all Members may have a position on an issue, for whatever reason, and may decide to abstain from voting on that particular issue.

Formal notice of an impending vote will be given at the Task Force meeting immediately preceding the meeting at which the vote is to be taken. If a reduced period of notice of an impending vote is given, a Member would have the right to defer its vote for one additional meeting.

There will be a majority of votes in favour if the number of votes "for" exceeds the number of votes "against", without regard to the number of abstentions. There will be a majority of votes against if the number of votes "against" exceeds the number of votes "for", without regard to the number of abstentions. A Member's vote shall not be construed as establishing a binding irrevocable position as to such party (e.g. facts may appear after the vote to change a Member's position).

In the event of a tie vote, without regard to the number of abstentions, the vote will be categorized as a "Non-Resolution".

An electronic (or fax if necessary) vote will occur when the members agree that a vote must take place before the next scheduled meeting of the task force. A standard form will be available to the members online outlining the standard voting categories. The members will e-mail or fax their form back to TransCanada within the prescribed time deadline. After the votes are recorded, the Secretary of the task force will announce to the task force the results of the vote, subject to the categories stated below. Any member wishing to know the fax vote results on a party by party basis shall be entitled to ask for and shall receive such voting results.



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The result of a vote on any proposed resolution will be categorized as follows:

- a) **Unanimous** (all votes in favour of the proposed resolution).
- b) **Unopposed** (a majority of votes in favour of the proposed resolution with certain Task Force Members voting against or abstaining and indicating that they will neither actively oppose the proposed resolution nor propose an alternate resolution at the NEB's hearing).
- c) **Opposed** (a majority of votes in favour of the proposed resolution, with certain Task Force Members voting against or abstaining, and indicating that they may actively oppose the proposed resolution and/or propose an alternate resolution at the NEB's hearing).
- d) **Non-Resolution** (either a majority of votes against the proposed resolution or a tie vote).

In the case of an Opposed Resolution, a member will be entitled to request the NEB to resolve the matter.

Minutes: Following each meeting, the Task Force Secretary will prepare and issue minutes for each of the sub-committee(s) and for the Task Force. The discussions pertaining to each issue will be summarized and identified by Issue Number. The minutes will not identify individual Task Force Members (unless requested to do so by a Member) when describing the views expressed at a meeting on any issue, any NEB directive, or any proposed resolution.

Minutes will be provided promptly after each meeting to all Task Force Members and Observers. The minutes will include all working papers, handouts, presentations, etc. provided to the Task Force Members at the meetings.

The minutes shall document the “without prejudice” discussions of the Members and are therefore



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considered privileged and confidential and shall not be disclosed or referred to without the consent of all Task Force Members.

At the time of providing the minutes of each meeting, the Secretary will update and provide an Issue Status Report. This report will track the progress of all issues, whether they are being addressed by the Task Force or a sub-committee.

REPORTING

TransCanada will prepare an Interim Report of the Task Force ("Report") and file updates to the Board as required.

The format of the Interim Report will be categorized by Report Number, Procedures, Tolls Task Force Roster, and Resolutions. Each issue will be identified by the Resolution number that was assigned at the time the issue was voted on by the Task Force members.

The vote on the resolution of each issue will take place on an issue by issue basis, as described above.

All Members will be given an opportunity to assist in the drafting of the Final Resolution sheet to ensure that their views and concerns have been properly represented. In this manner, Members will vote on the resolution with full knowledge of what will be included in the Interim Report for each specific issue.

Generally, the Interim Report will include the following:

- a) the issues for which there are Unanimous resolutions
- b) the issues for which there are Unopposed resolutions

FILING

TransCanada will file a copy of these Task Force Procedures with the NEB.