

EXECUTIVE SUMMARY

This Annual Plan provides NOVA Gas Transmission Ltd.'s ("NGTL") Customers and other interested parties with a comprehensive overview of the expected Alberta System facilities for the 2009/10 Gas Year.

Historically, NGTL prepared an Annual Plan in compliance with the requirements of EUB Informational Letter IL 90-8, *Procedures for the Assessment of NOVA Pipeline Applications*, as amended. IL 90-8 set out the steps NGTL was to take in making a facility application. Section C of IL 90-8 required that NGTL follow a two-stage application process when it sought to add facilities to the Alberta System. The first stage was the filing with the EUB of an annual preliminary overall system plan, the Annual Plan, containing all planned facility additions and major modifications. The second stage was the filing of the final technical, cost, routing/siting, land, environmental and other information required to complete the application for each facility contained in the Annual Plan. The application was the second stage of the two stage process.

Effective January 1, 2008, the Alberta Energy and Utilities Board ("EUB") was separated into the Alberta Utilities Commission ("AUC") and the Energy Resources Conservation Board ("ERCB"). The AUC is now responsible for the approval and ongoing supervision of gas utility pipelines, as well as the economic regulation of gas utilities.

The AUC stated in Decision 2008-095, issued October 10, 2008, that it did not adopt IL 90-8 and therefore the requirements contained in it will no longer apply to gas utility pipeline applications filed with the AUC by NGTL. Consequently, NGTL is no longer required to prepare and file an Annual Plan for regulatory purposes. However, NGTL recognizes its customers and other interested parties value the information historically included in the Annual Plan. NGTL has therefore produced an Annual Plan for 2008.

The December 2008 Annual Plan will be posted on TransCanada PipeLines Limited's web site located at:

http://www.transcanada.com/Alberta/regulatory_info/facilities/index.html

Definitions for terms commonly used in the Annual Plan are located in the Glossary in Appendix 1. Capitalized terms used in the Annual Plan are defined in NGTL's Gas Transportation Tariff, which can be accessed at:

http://www.transcanada.com/Alberta/info_postings/tariff/index.html

The Annual Plan contains design methodology, including assumptions and criteria, design forecast, including its long term outlook for system field deliverability, system FS productive capability, system average receipts, gas deliveries, design flow requirements and proposed facilities for the 2009/10 Gas Year. This Annual Plan is based on NGTL's June 2008 design forecast of gas receipt and delivery.

The primary factor affecting facilities requirements for the 2009/10 Gas Year are the increasing delivery requirements in the North of Bens Lake Design Area. The facilities additions proposed for the 2009/10 Gas Year are listed in Table 1. Costs associated with the proposed facilities will generally occur in the 2009 calendar year.

In addition, significant exploration activity focused on unconventional gas in 2008 has resulted in an expectation of incremental volumes of shale gas entering the Alberta System in the Peace River Project Area in the near future. Open seasons were initiated, both non-binding and binding, during 2008 to assess the need for incremental transmission facilities to connect shale gas production from northeast B.C. from both the Montney and Horn River plays to existing Alberta System facilities. The results of the open seasons are being reviewed and have not been included in this Annual Plan.

**Table 1
Proposed Facilities**

Project Area	Proposed Facilities	Annual Plan Reference	Description	Required In-Service Date	Capital Cost (\$ millions)
Peace River	Doe Creek South Lateral Loop	Chapter 6	5 km x NPS 12	November 2009	4.5
	Sneddon Creek Lateral Loop #2	Chapter 6	5 km x NPS 16	November 2009	6.0
North & East	Miscellaneous ¹	Chapter 5		November 2009	12.1
Mainline	No facilities required				
Capital Costs are in 2008 dollars and include AFUDC			Total		22.6

Note:

1 Miscellaneous represents compressor station yard modifications at Gadsby and Smoky D Compressor Stations.

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:

- Landen Stein, Manager, Customer Solutions, at (403) 920-5311;
- Gord Toews, Manager, Mainline Planning West, at (403) 920-5903;
- Dave Schultz, Director, System Design, at (403) 920-5574;
- Steve Emond, Vice President, System Design and Commercial Operations, at (403) 920-5979; or
- Stephen Clark, Vice President, Commercial - West, Canadian and Eastern U.S Pipelines at (403) 920-2018.

Should you have any questions or comments regarding this Annual Plan, please contact Darlene Maier at (403) 920-5108.