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August 18, 2004

Alberta Energy and Utilities Board
640 - 5th Avenue S.W.
Calgary, Alberta
T2P 3G4

Filed Electronically

Attention: Mr. Wade Vienneau,
Manager – Calgary Office, Utilities Branch

Dear Sir:

**Re: NOVA Gas Transmission Ltd. (NGTL)
Informational Letter IL 98-4 Revised
Revised Negotiated Settlement Guidelines (*Revised Guidelines*)
Request for Approval to Commence Negotiations**

Pursuant to the Alberta Energy and Utilities Board's *Revised Guidelines*, Paragraph 4.1, NGTL hereby applies for approval to initiate negotiations with respect to its revenue requirement or components of its revenue requirement with the view of reaching a settlement for a term of up to five years commencing January 1, 2005. The scope and term of any settlement will be addressed by the parties to the negotiations.

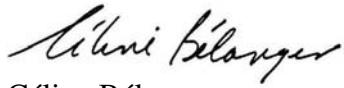
NGTL will invite members of the Tolls, Tariff, Facilities and Procedures Committee, parties to NGTL's 2004 General Rate Application – Phases 1 and 2 (Application Nos. 1315423 and 1320419) and Alberta System Shippers to participate in the negotiations. In addition, pursuant to Paragraph 8.1 of the *Revised Guidelines*, NGTL will invite Board staff to participate as an observer to the negotiations.

NGTL respectfully requests that the Board render a decision on this application by September 15, 2004 so that the NGTL may initiate negotiations with stakeholders as soon as possible. NGTL intends to file its next General Rate Application by October 31, 2004 in the event that it is unable to reach a settlement prior to that time. If NGTL reaches a settlement subsequent to the filing of its General Rate Application, it will amend its application accordingly.

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Mr. W. Vienneau

Please direct all notices and communications regarding this matter to Carolyn Shaw by e-mail at carolyn_shaw@transcanada.com and alberta_system@transcanada.com, or by phone at 920-7172.

Yours truly,
NOVA Gas Transmission Ltd.
A wholly owned subsidiary of TransCanada PipeLines Limited



Céline Bélanger
Vice President, Regulatory Services

cc: Tolls, Tariff, Facilities and Procedures Committee
Interested Parties Application Nos . 1315423 and 1320419
Alberta System Shippers