

E-MAIL NOTIFICATION

December 17, 2004

Ms. Céline Bélanger
TransCanada PipeLines Limited
450 – 1st Street SW
Calgary, AB T2P 5H1

Dear Ms. Bélanger:

APPLICATION NO. 1372574
NOVA GAS TRANSMISSION LTD. (NGTL)
TOLLS, TARIFF, FACILITIES AND PROCEDURES COMMITTEE (TTFP)
RESOLUTION T2004-03 – CARBON DIOXIDE (CO₂) MANAGEMENT
SERVICE PRICE REVIEW

NGTL's filing of the above-mentioned resolution, attached to your letter dated December 1, 2004, is accepted as a filing for information. It is noted that in resolution T2004-03, the TTFP determined that no change is required at this time to the Service Cap and pricing for excess CO₂ under the existing CO₂ Management Service (the Service). The Board also notes NGTL's submission that the rationale for the recommendation to stay with the current Service Cap and pricing proxy is that excess CO₂ coming onto the system is expected to be above the current Service Cap by the end of 2006 and that NGTL's rates are competitive.

The EUB also notes NGTL's submission that a provision of the Service application (Application No. 1253457), which was approved by the Board in Decision 2002-084, stipulated that NGTL initiate a review of the Service to evaluate the appropriateness of the rates and rate calculation methodology prior to establishing rates for the sixth year of the Service. NGTL submits that this review would have normally taken place in 2007 with any changes effective January 1, 2008. However, the TTFP adopted Issue T2004-03 on May 20, 2004 for the purpose of reviewing the pricing of the Service.

On May 20, 2004, NGTL applied to the Board for approval to commence negotiations related to this issue pursuant to the Board's Information Letter IL98-4 Revised Negotiated Settlement Guidelines (*Revised Guidelines*) and the Board's August 28, 2003 letter regarding the application of the *Revised Guidelines* to NGTL. The request was approved on June 15, 2004.

The Board notes that this resolution was approved through an unopposed vote on October 13, 2004.

It is understood that NGTL has provided notice of this resolution to its shippers and to members of the Tolls, Tariff, Facilities and Procedures Committee (TTFP) via the TransCanada Alberta System website. NGTL is directed to advise shippers and the TTFP of this letter in similar fashion.

Yours truly,

<original signed by>

Wade Vienneau
Manager – Calgary Office, Utilities Branch