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March 14, 2008

Alberta Utilities Commission
Fifth Avenue Place
#400, 425 1st Street S.W.
Calgary, Alberta
T2P 3L8

Attention: Mr. Don Popowich
Director – Facilities

Dear Sir:

**Re: NOVA Gas Transmission Ltd. (“NGTL”)
Carbon Dioxide (“CO₂”) Management Service (“CO₂ Service”)
Semi-annual CO₂ Service Report
Application No. 1253457; File No. 1607-2**

In accordance with Decision 2002-084, issued by the Alberta Energy and Utilities Board (“Board”) on September 24, 2002, NGTL is filing the semi-annual CO₂ Service report. Under Section 5.4 of the CO₂ Service Application, NGTL committed to recording and electronically posting on a monthly basis, the amount of CO₂ on the Alberta System, the aggregate amount of Excess CO₂¹ received by NGTL, and the aggregate amount of CO₂ removed under the CO₂ Service and reporting this information on a semi-annual basis to the Tolls, Tariff and Procedures Committee (“TTP”), predecessor to the Tolls, Tariff, Facilities and Procedures Committee (“TTFP”) and the Board, now the Alberta Utilities Commission (“AUC”).

Attachment 1 to this letter is a table that provides the monthly average level of CO₂ on the Alberta System and the monthly average aggregate amount of Excess CO₂ received by NGTL for the months of August 2007 through January 2008. From August 2007 to December 2007, the average aggregate amount of Excess CO₂ received by NGTL has been below the stipulated CO₂

¹ Excess CO₂ is defined as the volume of CO₂ in excess of 2% contained in gas receipts with a CO₂ concentration exceeding 2%.

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Service Cap of $155 \times 10^3 \text{ m}^3/\text{d}$. In Decision 2002-084, the Board directed that on the fifth-year anniversary of the inception of the service the CO_2 Service Cap level would drop to $125 \times 10^3 \text{ m}^3/\text{d}$.

Since January 2008, the average aggregate amount of Excess CO_2 received by NGTL was below the new CO_2 Service Cap level of $125 \times 10^3 \text{ m}^3/\text{d}$. NGTL currently contracts for CO_2 removal and in the six months beginning August 1, 2007, the volume of expensed CO_2 removal has averaged $8.5 \times 10^3 \text{ m}^3/\text{d}$.

The semi-annual CO_2 Service report was presented to the TTFP on March 11, 2008. Attachment 2 to this letter is a copy of the TTFP presentation.

Please direct all notices and communications regarding this matter to Greg Szuch by e-mail at greg_szuch@transcanada.com and alberta_system@transcanada.com, or by phone at (403) 920-5321.

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

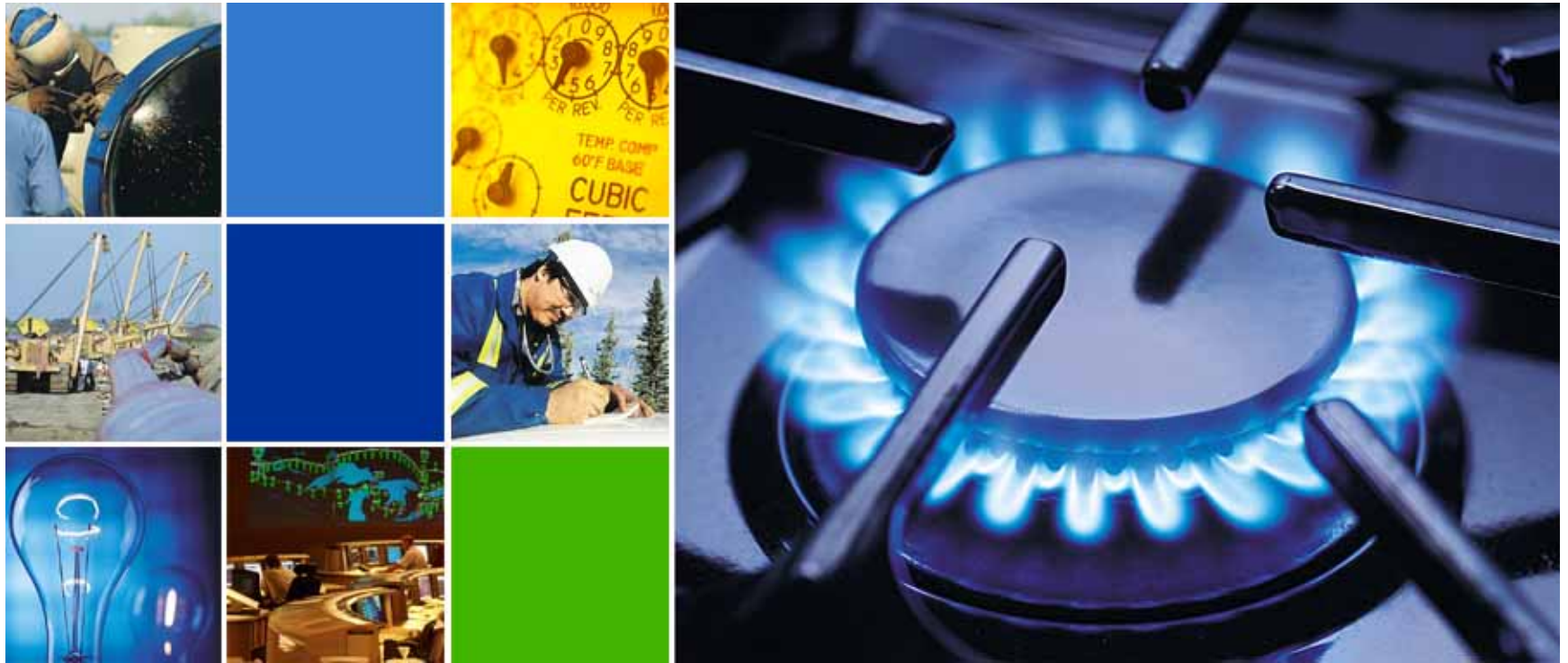
Original Signed by

Murray Sondergard
Director, Regulatory Services

cc: Interested Party List, Proceeding 1253457
Tolls, Tariff, Facilities and Procedures Committee

**Alberta System CO₂ Levels
(10³m³/day)
August 2007 to January 2008**

	Aug 07	Sep 07	Oct 07	Nov 07	Dec 07	Jan 08
Monthly average aggregate amount of Excess CO ₂ on the Alberta System	118	104	94	90	98	97
Excess CO ₂ Removed from System	9	8	9	8	8	8
Monthly Average Level of CO ₂ on Alberta System	0.84%	0.81%	0.82%	0.82%	0.80%	0.82%



CO₂ Semi Annual Report

Tolls, Tariff, Facilities & Procedures Committee
March 11, 2008



Alberta System – Excess CO₂ System-Wide

