

April 28, 2008

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

**Attention: Mr. David Mitchell**  
**Application Coordinator**

Dear Mr. Mitchell:

**RE: Application No. 1566927**  
**Proceeding ID. 23**  
**NOVA Gas Transmission Ltd. (“NGTL”)**  
**2008-2009 Revenue Requirement Settlement (“Settlement”) Application**  
**(“Application”)**  
**NGTL Comments in response to Statements of Intent to Participate (“SIP”)**

On March 31, 2008, NGTL submitted its Application for approval of the 2008-2009 Revenue Requirement Settlement to the Alberta Utilities Commission (“AUC”). On April 3, 2008, the AUC posted a Notice of Application requesting that parties wishing to intervene in the proceeding provide their SIP by April 22, 2008. NGTL is in receipt of 10 SIPs and provides the following comments.

No party has indicated they actively oppose the Settlement. The Application identified the following parties as supporting the Settlement: Canadian Association of Petroleum Producers (“CAPP”), Industrial Gas Consumers Association of Alberta (“IGCAA”), the Office of the Utilities Consumer Advocate (“UCA”), Canadian Natural Resources Limited, ConocoPhillips Canada, Devon Canada Corporation, EnCana Corporation, ExxonMobil Canada, Harvest Operations Corp., Imperial Oil Resources, and Talisman Energy Canada. The SIPs from CAPP, IGCAA, the UCA and EnCana Corporation, reiterated their support.

The Consumers’ Coalition of Alberta, represented in the Application as neither supporting nor opposing the Settlement, now formally supports the Application and has executed the Settlement (Attachment 1).

The following parties' SIPs indicate that they neither support nor actively oppose the Application; BP Canada Energy Company, Terasen Gas Inc. ("Terasen"), Suncor Energy Inc. ("Suncor"), Pacific Gas and Electric Company ("PG&E"), and the Export Users Group ("EUG").

While certain parties identified issues in their SIPs that relate to the Settlement process or issues that will be adjudicated in other AUC proceedings, no party has identified issues that relate to the terms and conditions of the Settlement itself.

PG&E and Suncor have raised issues that will be adjudicated in other proceedings. The results of these other proceedings will be accommodated by the Settlement if approved. Specifically the Overview section of the Settlement states that "Rates during the Term shall be based on the revenue requirement for that year and calculated in accordance with the methodology in effect at the time as approved by Alberta Utilities Commission ("AUC")." Thus the Settlement can accommodate a different rate design should one be approved by the AUC and implemented during the term of the Settlement. Similarly the Settlement establishes deferral accounts to handle differences related to rate base changes and TBO costs should the AUC approve such changes in another proceeding, such as Proceeding ID. 27. As a result, the Application can be approved independently of these other proceedings.

Terasen and the EUG identified concerns related to meeting logistics (meeting location; conference call availability; timing and distribution of information; and frequency, duration and notice of meetings). The EUG submission also identified concerns expressed by PG&E regarding the transparency of the Settlement negotiations. NGTL strives to continually improve its processes and will continue to look for methods to improve future processes for the benefit of all stakeholders. While procedural improvements may be possible in future negotiations, NGTL submits that the concerns raised by these parties do not affect the merits of the Application. Indeed, the parties acknowledge this in indicating they do not view these procedural concerns as "fatal to the Settlement." As stated in the Application, NGTL submits that the settlement process was open and fair, that it provided an appropriate forum for interested parties to participate meaningfully in discussions on a confidential and without prejudice basis. NGTL provided appropriate notice of meetings and made available sufficient information to facilitate understanding and review of the issues being negotiated.

The EUG and Terasen also suggested that the following statement contained in the Application was misleading in its characterization of ex-Alberta delivery customer support for the Settlement:

*Participants in the negotiations represented a broad cross-section of Alberta System stakeholders, including producers, marketers, intra-Alberta industrial and residential customers, and ex-Alberta delivery customers. The participants are sophisticated parties who are knowledgeable about the operations of the Alberta System. Their aggregate support of the Settlement is a strong basis on which the AUC can reasonably conclude that the Settlement is in the interests of the stakeholders specifically and the public generally.*

Contrary to EUG's and Terasen's interpretation, it was certainly not NGTL's intent to suggest that all ex-Alberta delivery customers supported the Settlement. In addition to the EUG, PG&E and Terasen, other ex-Alberta delivery customers were involved in the negotiations. The Settlement is supported by CAPP, which represents numerous ex-Alberta shippers. The Settlement is also explicitly supported by parties who hold significant ex-Alberta delivery service. Therefore, NGTL submits that the statement contained in the Application is a fair and accurate description of the support for the Settlement.

The EUG suggested that two corrections should be made in the Application regarding the names provided in Appendix D. NGTL generally used the names as provided by parties on the signed confidentiality agreements that it received at the beginning of the Settlement process. As a result, the list does not contain the full legal names of all of the stakeholder companies. NGTL suggests that it is sufficient to recognize this fact rather than to update Appendix D to reflect the legal names of all of the companies including those identified by the EUG.

NGTL submits that the Settlement is reasonable and fair to the parties and in the general public interest for the reasons identified in the Application. No party has indicated that they actively oppose the Settlement and no party has expressed concerns that relate to the terms and conditions of the Settlement itself. Accordingly, NGTL submits that no further public process is required and that the AUC approve the Application as filed.

Yours truly,

**NOVA Gas Transmission Ltd.**

A wholly owned subsidiary of TransCanada PipeLines Limited

*Original Signed by*

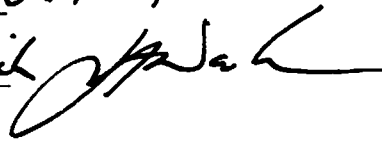
Jennifer Scott,  
Senior Legal Counsel  
Law and Regulatory Research

**4. EXECUTION**

A fax signature shall be deemed to be an original. This Settlement may be executed in many counterparts and all executed counterparts shall constitute one Settlement.

The executing parties agree to all of the terms and conditions of this Settlement this 22 day of April, 2008.

Company or Association Name (please print)

Consumers' Coalition of Alberta - CCA  
Per: James Wachowich   
Title: Legal Counsel

Per: \_\_\_\_\_

Title: \_\_\_\_\_

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