

Exhibit No. 002-11(b)

NOVA Gas Transmission Ltd.
 2004 GRA - Phase 1
 Summary of Changes
 Sheet 1 of 3
 February 2004

UPDATE TO 2004 GRA - PHASE 1
 SUMMARY OF CHANGES

2003 ACTUAL YEAR

The 2003 Revenue Requirement, including Rate Base and Rate of Return sections of the Application and Contract Demand Quantity and Throughput have been updated to reflect actual data for 2003.

Changes to individual components are noted below.

| SCHEDULE REFERENCE | | FILED SEPTEMBER 2003 (\$ 000) | REVISED FEBRUARY 2004 (\$ 000) |
|--|---|-------------------------------------|--------------------------------------|
| REVENUE REQUIREMENT | | | |
| <u>Schedule 2.1.1 (and supporting schedules)</u> | | | |
| Line 1 | Operating Return | 437,713 | 440,799 |
| Line 2 | Operating Costs | 203,373 | 197,896 |
| Line 3 | Depreciation and Amortization | 293,781 | 293,791 |
| Line 4 | Income and Large Corporation Taxes | 160,216 | 161,147 |
| Line 5 | Property Taxes | 69,200 | 68,832 |
| Line 6 | Transportation by Others | 77,062 | 76,780 |
| Line 7 | Foreign Exchange on Interest Payments | 6,475 | 5,809 |
| Line 8 | Regulatory Hearing Costs | 4,953 | 5,381 |
| Line 9 | Uninsured Losses | 4,000 | 3,422 |
| Line 10 | Pipeline Integrity Expense | 9,737 | 10,846 |
| Line 11 | CO ₂ Management Service Costs | 5,163 | 4,458 |
| Line 12 | Amortization of Severance Costs | 8,547 | 8,899 |
| Line 13 | Revenue Requirement Adjustments | (3,220) | (1,060) |
| Line 15 | Annual Foreign Exchange Amortization Amount | 18,704 | 18,704 |
| Line 16 | Non-Routine Adjustments | (21,980) | (21,980) |
| Line 17 | CO ₂ Management Service Costs Estimate | 12,000 | 12,000 |
| Line 18 | Total Revenue Requirement | 1,285,724 | 1,285,724 |
| RATE BASE | | | |
| <u>Schedule 3.1, Sheet 2 of 3 (and supporting schedules)</u> | | | |
| Line 4 | Gas Plant in Service | 7,344,478 | 7,344,689 |
| Line 8 | Accumulated Depreciation | 2,599,806 | 2,604,948 |
| Line 9 | Net Gas Plant in Service | 4,744,671 | 4,739,741 |
| Line 10 | Cash Working Capital | 61,555 | 61,627 |
| Line 11 | Materials and Supply Inventory | 30,183 | 30,116 |
| Line 12 | Linepack Gas | 25,624 | 25,623 |
| Line 13 | Unamortized Capital Assets | 13,567 | 14,833 |
| Line 14 | Rate Base | 4,875,599 | 4,871,941 |
| CONTRACT DEMAND QUANTITY AND THROUGHPUT | | | |
| <u>Section 5.0</u> | | | |
| | Receipt Contract Demand | 9.8 Bcf/d | 9.8 Bcf/d |
| | Export Delivery Point Contract Demand | 8.46 Bcf/d | 8.71 Bcf/d |
| | Alberta System Throughput | 4,001 Bcf | 3,917 Bcf |

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 Sheet 2 of 3
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2004 TEST YEAR

The 2004 Revenue Requirement and Rate Base sections, including associated schedules and explanatories, have been updated to reflect the various revisions including the following changes:

Operating Costs - increased Long Term Incentive Compensation and Pension/Benefit Adjustment costs
 Income and Large Corporation Taxes - reduction resulting from change in Capital Cost Allowance deduction
 Foreign Exchange on Interest Payments - decrease due to revised foreign exchange rate forecast (\$1.3158 vs. \$1.3750)
 Pipeline Integrity Expense - Increase due to December 2003 linebreaks and resulting re-assessment of the 2004 program.
 Annual Foreign Exchange Amortization Amount - decrease resulting from stronger Canadian dollar at December 31, 2003 (actual \$1.2924 vs. forecast \$1.3750)
 Non-Routine Adjustments - increase reflects actual 2003 balances
 Rate Base - updated to reflect opening balance changes, increase in 2004 Capital Expenditures relating to December 2003 line breaks, and minor adjustments to in-service transfers

| SCHEDULE REFERENCE | | FILED SEPTEMBER 2003 (\$ 000) | REVISED FEBRUARY 2004 (\$ 000) |
|--|--|-------------------------------------|--------------------------------------|
| REVENUE REQUIREMENT | | | |
| <u>Schedule 2.1.1 (and supporting schedules)</u> | | | |
| Line 1 | Operating Return | 437,858 | 437,123 |
| Line 2 | Operating Costs | 204,850 | 208,327 |
| Line 3 | Depreciation and Amortization | 302,041 | 302,203 |
| Line 4 | Income and Large Corporation Taxes | 169,477 | 168,494 |
| Line 5 | Property Taxes | 72,700 | 72,300 |
| Line 6 | Transportation by Others | 83,886 | 83,886 |
| Line 7 | Foreign Exchange on Interest Payments | 6,472 | 3,420 |
| Line 8 | Regulatory Hearing Costs | 5,834 | 5,834 |
| Line 9 | Uninsured Losses | 4,000 | 4,000 |
| Line 10 | Pipeline Integrity Expense | 11,470 | 19,565 |
| Line 11 | CO ₂ Management Service Costs | 2,846 | 2,852 |
| Line 12 | Amortization of Severance Costs | 12,071 | 11,855 |
| Line 15 | Annual Foreign Exchange Amortization Amount | 5,692 | 3,378 |
| Line 16 | Non-Routine Adjustments | 30,000 | 32,590 |
| Line 18 | Total Revenue Requirement | 1,349,197 | 1,355,827 |
| RATE BASE | | | |
| <u>Schedule 3.1, Sheet 3 of 3 (and supporting schedules)</u> | | | |
| Line 4 | Gas Plant in Service | 7,319,325 | 7,313,621 |
| Line 8 | Accumulated Depreciation | 2,798,090 | 2,801,714 |
| Line 9 | Net Gas Plant in Service | 4,521,235 | 4,511,908 |
| Line 10 | Cash Working Capital | 17,469 | 19,856 |
| Line 11 | Materials and Supply Inventory | 27,813 | 26,921 |
| Line 12 | Linepack Gas | 24,549 | 24,535 |
| Line 13 | Unamortized Capital Assets | 14,271 | 14,594 |
| Line 14 | Reserve Accounts | 41,043 | 36,834 |
| Line 15 | Prefunded Pension/Other Post Employment Benefits | 25,219 | 26,813 |
| Line 16 | Rate Base | 4,671,599 | 4,661,460 |

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Sheet 3 of 3
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UPDATE TO 2004 GRA - PHASE 1
SUMMARY OF CHANGES

2004 TEST YEAR

CONTRACT DEMAND QUANTITY AND THROUGHPUT

All schedules have been updated to reflect various revisions including the following changes:

Throughput - decreased the 2004 forecast by 2.2%, based on 2003 actual throughput

Firm Transportation Receipt and Export Delivery Point Contract Demand - increased 2004 forecast slightly

| SCHEDULE REFERENCE | FILED SEPTEMBER 2003 | REVISED FEBRUARY 2004 |
|---------------------------------------|-------------------------|--------------------------|
| Receipt Contract Demand | 8.6 Bcf/d | 8.9 Bcf/d |
| Export Delivery Point Contract Demand | 8.25 Bcf/d | 8.38 Bcf/d |
| Alberta System Throughput | 3,976 Bcf | 3,887 Bcf |

RATES, TOLLS AND CHARGES

All schedules have been updated to reflect the noted changes in the Revenue Requirement and Contract Demand Quantity and Throughput.

| | | |
|---------------------------|----------------|----------------|
| Firm Transportation Price | \$0.1789/Mcf/d | \$0.1848/Mcf/d |
|---------------------------|----------------|----------------|