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May 15, 2006

Alberta Energy and Utilities Board  
640 – 5<sup>th</sup> 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)  
2005-2007 Revenue Requirement Settlement (Settlement)  
Application No. 1392296  
Report for Year December 31, 2005**

In Decision 2005-057 dated June 7, 2005, the Board approved NGTL's Settlement as filed. Section 4.5 of the Settlement states:

On or before May 15<sup>th</sup> of each year following each of the Settlement years, NGTL will provide a report to the EUB and parties to this Settlement containing information which provides the same level of detail as the reporting package for the 2003 Alberta System Revenue Requirement Settlement. The report will also include a breakdown of TransCanada's corporate allocated costs to NGTL, the TransCanada Mainline, TransCanada's B.C. System, Foothills and Other.

In compliance with this requirement, NGTL files the 2005-2007 Revenue Requirement Settlement Report for the year ended December 31, 2005.

Please direct all notices and communications regarding this matter to Norm Bowman, Director, Regulatory Services, by e-mail at norm\_bowman@transcanada.com and alberta\_system@transcanada.com or by phone at (403) 920-7186.

Yours truly,

**NOVA Gas Transmission Ltd.**

A wholly owned subsidiary of TransCanada PipeLines Limited

Signed by Norm Bowman  
for  
Céline Bélanger  
Vice President, Regulatory Services

Encls.

cc: Signatories, NGTL 2005-2007 Revenue Requirement Settlement

**NOVA GAS TRANSMISSION LTD.  
2005-2007 REVENUE REQUIREMENT SETTLEMENT  
REPORTING IN COMPLIANCE WITH SECTION 4.5**

**FOR THE YEAR ENDED  
DECEMBER 31, 2005**

**NOVA GAS TRANSMISSION LTD.  
2005-2007 REVENUE REQUIREMENT SETTLEMENT  
FOR THE YEAR ENDED DECEMBER 31, 2005**

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**NOVA GAS TRANSMISSION LTD.  
2005-2007 REVENUE REQUIREMENT SETTLEMENT  
FOR THE YEAR ENDED DECEMBER 31, 2005**

**TABLE 1**

**EXECUTIVE SUMMARY**

During 2005 NOVA Gas Transmission Ltd. (NGTL) operated under the 2005-2007 Revenue Requirement Settlement (Settlement) whereby OM&A and certain other costs were fixed at \$193 million and \$6 million, respectively. All other costs elements of the 2005 revenue requirement are treated on a flow through basis.

The 2005 return on equity has been calculated using a rate of return on common equity (ROE) of 9.50 per cent as determined by the Alberta Energy and Utilities Board's (EUB) ROE formula on common equity of 35 per cent. In addition, depreciation expense has been determined using depreciation rates approved by the Board in Decision 2004-069.

The regulatory hearing cost reserve account approved in Decision 2004-069 was continued under the Settlement. Additionally, the mechanism established in the 2001-2002 Alberta System Rate Settlement for amortizing foreign exchange gains and losses related to long-term debt continues through the term of the Settlement.

NGTL's deferral and reserve account balances at the end of 2005 total approximately \$46 million credit balance. These balances have been calculated in accordance with the terms of the Settlement and include carrying charges incurred in 2005. Some highlights of the deferral and reserve account balances at the end of 2005 are:

- Volumes shipped on NGTL's Alberta System during 2005 were higher than forecasted. As well, the estimated revenue requirement used to calculate the 2005 interim tolls was higher than the settlement revenue requirement. As a result, actual revenue collected in 2005 was higher than the Settlement revenue requirement by approximately \$67 million. This variance, plus carrying charges, has been included in the 2006 revenue requirement.
- At the end of 2005 the Foreign Exchange Reserve account had a balance of approximately \$32 million due to NGTL as a result of realized foreign exchange losses on debt principal maturities.
- At the end of 2005 the Regulatory Hearing Cost Reserve account had a balance of approximately \$4 million due to shippers as a result of savings associated with reaching a three year settlement and over collection for the reserve account in 2005.

**NOVA GAS TRANSMISSION LTD.  
2005-2007 REVENUE REQUIREMENT SETTLEMENT  
FOR THE YEAR ENDED DECEMBER 31, 2005**

**TABLE 2**

**TOTAL 2005 DEFERRALS AND RESERVE ACCOUNTS <sup>(1)</sup>  
(\$ thousands)**

Line

<b>Deferrals</b>		
1.	Revenue	(68,176)
2.	Pipeline Integrity	361
3.	Income Tax	834
4.	CO <sub>2</sub> Management Service	(4,092)
5.	Transportation by Others	(2,705)
6.	Return on Equity	(655)
7.	Interest Cost	(931)
8.	Depreciation	(1,365)
9.	Property Tax	2,995
10.	Total Deferrals	<u>(73,734)</u>
 <b>Reserve Accounts</b>		
11.	Foreign Exchange on Debt Principal	31,654
12.	Regulatory Hearing Costs	<u>(4,011)</u>
13.	Total Reserve Accounts	<u>27,643</u>
 <b>Total Deferrals and Reserve Accounts</b>		 <b><u><u>(46,091)</u></u></b>

<sup>(1)</sup> Includes carrying charges for 2005.

**NOVA GAS TRANSMISSION LTD.  
2005-2007 REVENUE REQUIREMENT SETTLEMENT  
FOR THE YEAR ENDED DECEMBER 31, 2005**

**TABLE 3**

**ACTUAL COSTS SUMMARY  
(\$ thousands)**

Line	<u>2004</u>	<u>2005</u>
1. Equity Return	154,934	147,361
2. Debt Expense	241,040	225,092
3. O&M	189,690	189,256
4. Depreciation and Amortization	295,588	302,668
5. Income and Large Corporation Taxes	137,470	140,708
6. Property Taxes	70,534	73,923
7. Transportation by Others	77,156	80,774
8. Foreign Exchange on Interest Payments	1,435	(586)
9. Regulatory Hearing Costs	3,796	1,004
10. Uninsured Losses	3,221	(810)
11. Pipeline Integrity Expense	18,377	20,275
12. CO <sub>2</sub> Management Service Costs	2,695	2,251
13. Amortization of Severance Costs	11,941	3,002
14. Annual Foreign Exchange Amortization Amount	4,837	1,620
15. Deferrals	<u>32,363</u>	<u>(40,088)</u>
16. Total Revenue Requirement	<u><u>1,245,078</u></u>	<u><u>1,146,449</u></u>

**NOVA GAS TRANSMISSION LTD.  
2005-2007 REVENUE REQUIREMENT SETTLEMENT  
FOR THE YEAR ENDED DECEMBER 31, 2005**

**TABLE 3-1**

**DEBT EXPENSE**

(\$ thousands)

Line	<u>2004</u>	<u>2005</u>
1. Debt expense:		
2. Long-term debt (Table 3-2)	223,980	218,229
3. Short-term debt	<u>17,060</u>	<u>6,863</u>
4. Total debt expense	<u>241,040</u>	<u>225,092</u>





NOVA GAS TRANSMISSION LTD.  
REVENUE REQUIREMENT SETTLEMENT REPORTING  
FOR THE YEAR ENDED DECEMBER 31, 2005

TABLE 3-3

AMORTIZATION OF LONG TERM DEBT ISSUE COSTS  
(\$ thousands)

Line		Total Financing	Unamortized Balance	Plus Additions	Less Amortization	Unamortized Balance
<b>Debentures</b>						
1.	11.95% Series 13	2,645	365		132	233
2.	11.70% Series 15	1,804	341		90	251
3.	11.20% Series 18	1,527	576		61	515
4.	12.625% Series 19	1,243	328		62	266
5.	12.20% Series 21	2,889	1,288		115	1,173
6.	8.30% Series 22	1,681	-		-	-
7.	9.90% Series 23	1,434	953		48	905
8.	8.50% US\$175MM	3,685	1,470		185	1,285
9.	7.875% US\$200MM	4,013	2,441		134	2,307
10.	8.50% US\$125MM	993	-		-	-
11.	7.70% US\$200MM	2,749	2,241		92	2,150
<b>Medium Term Notes - Cdn</b>						
12.	CDN Medium Term Notes (1995)	2,864	1,395		103	1,292
13.	7.00% \$100MM MTN #17	384	294		12	282
14.	6.05% \$50MM MTN #18	500	130		49	81
15.	6.00% \$22MM MTN #19	577	174		56	117
16.	6.59% \$20MM MTN #20	333	255		11	244
17.	6.59% \$2.5MM MTN #21	42	32		1	31
18.	6.59% \$10MM MTN #22	158	121		5	115
19.	6.59% \$20MM MTN #23	312	239		10	229
20.	6.00% \$5MM MTN #24	115	35		11	24
21.	6.00% \$53MM MTN #25	1,203	368		119	249
22.	6.59% \$25MM MTN #29	491	376		16	360
23.	6.00% \$25MM MTN #30	643	197		64	133
24.	6.30% \$100MM MTN#31	692	550		22	528
25.	7.52% \$300MM Note Payable to TransCanada	1,200	611		120	491
26.	5.10% \$300MM Note Payable to TransCanada	1,868	-	1,868	156	1,712
<b>Medium Term Notes - US</b>						
26.	7.50% US\$32.5 MM	883	638		29	609
28.	<b>TOTAL</b>	<b>36,928</b>	<b>15,417</b>	<b>1,868</b>	<b>1,705</b>	<b>15,580</b>

**NOVA GAS TRANSMISSION LTD.  
2005-2007 REVENUE REQUIREMENT SETTLEMENT  
FOR THE YEAR ENDED DECEMBER 31, 2005**

**TABLE 3-4**

**O&M**

Line	<u>Amount (\$ thousands)</u>	<u>Average # of FTEs <sup>(1)</sup></u>
1. Field Operations	18,060	243
2. Engineering	5,222	59
3. Operations & Engineering Support Services	7,040	92
4. Commercial & Regulatory	11,321	125
5. Business Services	7,065	71
6. Information Systems	<u>6,708</u>	<u>84</u>
7. Total Salaries & Wages	55,416	<u><u>674</u></u>
8. Fuel & Power	3,109	
9. Contractor Costs	4,111	
10. Other Operating & Maintenance	<u>126,620</u>	
11. Total O&M	<u><u>189,256</u></u>	

<sup>(1)</sup> Average number of full-time equivalents allocated to the Alberta System.

**NOVA GAS TRANSMISSION LTD.  
2005-2007 REVENUE REQUIREMENT SETTLEMENT  
FOR THE YEAR ENDED DECEMBER 31, 2005**

**TABLE 3-5**

**O&M - Total Company  
(\$ thousands)**

Line No.	Particulars	Alberta System	Mainline	BC System	Foothills	Other	Total Company
1	Field Operations	34,833	27,937	2,315	5,416	1,072	71,573
2	Engineering	5,677	5,978	574	677	3,927	16,833
3	Operations & Engineering Support Services	18,023	14,947	757	1,574	3,514	38,816
4	Operations & Engineering Programs	20,723	26,577	1,588	4,398	-	53,286
5	Commercial & Regulatory	16,936	14,933	1,202	1,350	2,312	36,732
6	Business Services	16,251	17,925	1,011	1,619	33,915	70,721
7	Information Systems	18,056	15,179	878	1,178	14,470	49,761
8	General Expenses	58,756	61,668	3,626	6,385	57,349	187,784
9	<b>TOTAL OPERATING COSTS</b>	<b>189,256</b>	<b>185,143</b>	<b>11,951</b>	<b>22,597</b>	<b>116,559</b>	<b>525,506</b>
10	Percent of Total	36.0%	35.2%	2.3%	4.3%	22.2%	

**NOVA GAS TRANSMISSION LTD.  
2005-2007 REVENUE REQUIREMENT SETTLEMENT  
FOR THE YEAR ENDED DECEMBER 31, 2005**

**TABLE 3-6**

**ACTUAL INCOME AND CAPITAL TAXES**

(\$ thousands)

Line

1.	Equity Return	147,361
2.	Add:	
3.	Depreciation and Amortization	302,668
4.	Large corporation capital tax <sup>(1)</sup>	2,901
5.	Amortization of debt issue costs	1,705
6.	Non-allowable expenses	255
7.	Deduct:	
8.	Capital cost allowance	179,644
9.	Cumulative eligible capital	956
10.	AFUDC interest expense	526
11.	Debt issue costs	283
12.	Other	1,392
13.		<u>272,089</u>
14.	Income tax rate (33.62% / 1-33.62%)	<u>50.65%</u>
15.	Income tax expense	<u><u>137,807</u></u>
	<b><sup>(1)</sup> Large Corporation Capital Tax:</b>	
16.	Rate Base	4,305,681
17.	Gas Plant Under Construction	25,300
18.	Base deduction	(50,000)
19.	Taxable capital	<u>4,280,981</u>
20.	Gross capital tax (0.175% x Taxable capital)	7,492
21.	Federal surtax deduction (1.12% x Taxable income)	<u>(4,591)</u>
22.	Large corporation capital tax	<u><u>2,901</u></u>
23.	<b>Total Income and Large Corporation Taxes</b>	<b><u><u>140,708</u></u></b>

NOVA GAS TRANSMISSION LTD.  
2005-2007 REVENUE REQUIREMENT SETTLEMENT  
FOR THE YEAR ENDED DECEMBER 31, 2005

TABLE 3-7

CAPITAL COST ALLOWANCE  
(\$ thousands)

LINE	CCA CLASS	UCC OPENING BALANCE	ADJUSTMENTS TO OPENING BALANCE	COST OF ADDITIONS	NET SALVAGE	UCC BEFORE DEFERRED CAPITAL COST	EXCESS	CAPITAL COST DEFERRED	UCC BEFORE CCA	MAX RATE	CAPITAL COST ALLOWANCE	UCC ENDING BALANCE
1.	01	2,536,214	-	44,796	(138)	2,580,872	44,659	22,329	2,558,543	4%	102,342	2,478,531
2.	02	230,917	-	-	-	230,917	-	-	230,917	6%	13,855	217,062
3.	03	35,732	-	16	-	35,747	16	8	35,740	5%	1,787	33,960
4.	06	3,031	-	57	-	3,089	57	29	3,060	10%	306	2,783
5.	08	223,877	-	13,148	171	237,196	13,319	6,660	230,537	20%	46,107	191,089
6.	09	-	-	-	-	-	-	-	-	25%	-	-
7.	10	22,736	-	1,226	(533)	23,429	693	346	23,083	30%	6,925	16,504
8.	10a	1,444	-	4,701	-	6,144	4,701	2,350	3,794	45%	1,707	4,437
9.	12	1,822	-	3,515	-	5,338	3,515	1,758	3,580	100%	3,580	1,758
10.	13	8,773	-	2	-	8,775	2	1	8,774	S/L	476	8,299
11.	17	31,881	-	235	(35)	32,081	200	100	31,981	8%	2,558	29,522
12.		3,096,427	-	67,697	(536)	3,163,588	67,161	33,581	3,130,008		179,644	2,983,945
13.	In Service Additions		Total	68,384								
14.			AFUDC	(620)								
15.			CEC	(43)								
			Land	(58)								
			Removal	34								
16.				67,697								
17.												

CUMULATIVE ELIGIBLE CAPITAL

CEC	OPENING BALANCE	ADJUSTMENTS TO OPENING BALANCE	COST OF ADDITIONS	EXCLUDE 25% OF ADDITIONS	ELIGIBLE BALANCE	CEC DEDUCTION	CLOSING BALANCE
18.	13,528		164	41	13,651	956	12,696

**NOVA GAS TRANSMISSION LTD.  
2005-2007 REVENUE REQUIREMENT SETTLEMENT  
FOR THE YEAR ENDED DECEMBER 31, 2005**

**TABLE 3-8**

**TRANSPORTATION BY OTHERS**

(\$ thousands)

<b>Line</b>	<b>2004</b>	<b>2005</b>
1. Foothills Pipe Lines	69,241	69,432
2. TransCanada Pipeline Ventures	7,629	8,801
3. Simmons Pipeline	285	-
4. Husky Kearl Lake	-	1,416
5. ATCO East Edmonton	-	1,125
6. Total Transportation By Others	<u>77,156</u>	<u>80,774</u>

TABLE 3-9

NOVA GAS TRANSMISSION LTD.  
 2005-2007 REVENUE REQUIREMENT SETTLEMENT  
 FOR THE YEAR ENDED DECEMBER 31, 2005

FOREIGN EXCHANGE ON INTEREST PAYMENTS  
 ON LONG-TERM DEBT  
 (\$ thousands)

Line	Debt Issue US\$	Interest Rate (%)	Interest Payments (US\$)	Date of Interest Payment	Issue Exchange Rate	Actual Exchange Rate	Foreign Exchange Loss/(Gain)	
1.	32,500	7.5000%	1,219	Feb 20	1.18161	1.22990	59	
2.	200,000	7.8750%	7,875	Apr 1	1.24272	1.25000	57	
3.	50,000	7.7000%	1,925	Jun 15	1.46170	1.25000	(408)	
4.	150,000	7.7000%	5,775	Jun 15	1.22748	1.25000	130	
5.	138,000	8.5000%	5,865	Jun 15	1.27455	1.25000	(144)	
6.	32,500	7.5000%	1,219	Aug 20	1.18161	1.25000	83	
7.	200,000	7.8750%	7,875	Oct 1	1.24272	1.25000	57	
8.	50,000	7.7000%	1,925	Dec 15	1.46170	1.25000	(408)	
9.	150,000	7.7000%	5,775	Dec 15	1.22748	1.25000	130	
10.	138,000	8.5000%	5,865	Dec 15	1.27455	1.25000	(144)	
11.	Total Foreign Exchange Loss on Interest Payments							(586)

(1) US \$175 Million partially swapped to Cdn.

**NOVA GAS TRANSMISSION LTD.  
2005-2007 REVENUE REQUIREMENT SETTLEMENT  
FOR THE YEAR ENDED DECEMBER 31, 2005**

**TABLE 3-10**

**UNINSURED LOSSES**

(\$ thousands)

<b>Line</b>	<b>2005</b>
1. Incident Carry Forward Accrual Reversal	(3,075)
2. Carry Forward Incident Settlements	369
3. Current Year Incident Settlements	201
4. Incident Carry Forward Accrual	1,695
5. Total Uninsured Losses	<u>(810)</u>



NOVA GAS TRANSMISSION LTD.  
 2005-2007 REVENUE REQUIREMENT SETTLEMENT  
 FOR THE YEAR ENDED DECEMBER 31, 2005

SEVERANCE COSTS  
 (\$ thousands)

Line	2005 SEVERANCE COSTS	Jan 1	Jan 31	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
1.	Opening Balance	3,002	3,002	2,580	2,177	1,826	1,492	1,172	879	620	381	150	41	7	
2.	2005 Severance Costs - Actual		-	-	-	-	-	-	-	-	-	-	-	-	-
3.	Amortization		(422)	(403)	(351)	(334)	(320)	(293)	(259)	(239)	(231)	(109)	(34)	(7)	(3,002)
4.	Total Unamortized 2005 Severance Costs	3,002	2,580	2,177	1,826	1,492	1,172	879	620	381	150	41	7	-	-

TABLE 3-12

NOVA GAS TRANSMISSION LTD.  
2005-2007 REVENUE REQUIREMENT SETTLEMENT  
FOR THE YEAR ENDED DECEMBER 31, 2005

ANNUAL FOREIGN EXCHANGE AMORTIZATION AMOUNT  
(\$Thousands)

LINE NO.	DESCRIPTION (a)	MATURITY DATE (b)	AMOUNT (US\$) (c)	HISTORICAL EXCHANGE RATE (d)	DEC 31, 2004 EXCHANGE RATE (e)	CURRENT YEAR LOSS/(GAIN) (f)
1	8.50% US\$175MM <sup>(1)</sup>	2012	138,000	1.27455	1.2500	(3,388)
2	7.875% US\$200MM	2023	200,000	1.24272	1.2500	1,456
3	7.70% US\$150MM Note Payable to TCPL	2029	150,000	1.22748	1.2500	3,378
4	7.70% US\$50MM Note Payable to TCPL	2029	50,000	1.46170	1.2500	(10,585)
5	7.50% Medium Term Note - US\$32.5MM	2026	32,500	1.18160	1.2500	2,223
						(6,916)
6	Prefunded / (Unfunded) Foreign Exchange on Long Term Debt Balance at January 1, 2005 <sup>(2)</sup>					32,730
7	<b>Total</b>		<u>570,500</u>			<u>25,814</u>
8	Annual Foreign Exchange Amortization Amount (Line 7 divided by 24)					1,076
9	Income Tax Payable					545
10						<u>1,620</u>

This table does not include USD debt issues that have been completely swapped to Canadian dollars.

<sup>(1)</sup> US\$ 37 million of the 8.5% US\$175 million debt instrument has been swapped to Canadian dollars.

<sup>(2)</sup> Foreign Exchange Reserve Account reduced by \$3 Million as per TTFP Resolution T2001-03.

**NOVA GAS TRANSMISSION LTD.  
2005-2007 REVENUE REQUIREMENT SETTLEMENT  
FOR THE YEAR ENDED DECEMBER 31, 2005**

**TABLE 4**

**WEIGHTED AVERAGE RATE BASE <sup>(1)(2)</sup>  
(\$ thousands)**

Line	<u>2004</u>	<u>2005</u>
1. Opening gas plant in service	7,277,993	7,308,944
2. GPIS transfers	82,919	68,384
3. Retirements	(51,968)	(91,343)
4. Gas plant in service	<u>7,308,944</u>	<u>7,285,985</u>
5. Opening accumulated depreciation	2,667,734	2,915,841
6. Depreciation expense	295,663	302,668
7. Retirements	(47,555)	(92,229)
8. Accumulated depreciation	<u>2,915,841</u>	<u>3,126,280</u>
9. Net gas plant in service	4,393,103	4,159,705
10. Other components including working capital <sup>(3)</sup>	119,072	145,977
11. Rate Base	<u>4,512,175</u>	<u>4,305,681</u>
12. Weighted Average Rate Base	<u>4,612,889</u>	<u>4,431,898</u>

<sup>(1)</sup> The weighted average rate base in a year is the thirteen month average of the month-end balances as calculated above.

<sup>(2)</sup> Includes capital pipeline integrity and capacity CO<sub>2</sub> management.

<sup>(3)</sup> Includes linepack, unamortized capital assets, materials and supplies inventory, cash working capital, FX on LTD principal, and Pension and OPEBS.

NOVA GAS TRANSMISSION LTD.  
2005-2007 REVENUE REQUIREMENT SETTLEMENT  
FOR THE YEAR ENDED DECEMBER 31, 2005

TABLE 4-1

Line	Particulars	Jan 1	Jan 31	Feb 28	Mar 31	Apr 30	May 31	June 30	July 31	Aug 31	Sep 30	Oct 31	Nov 30	Dec 31	13 Month Weighted Average	Totals
1.	Opening Gas Plant in Service	7,308,944	7,310,944	7,310,190	7,310,429	7,330,334	7,342,729	7,342,568	7,344,832	7,355,402	7,358,091	7,359,269	7,360,665	7,363,957		
2.	Additions		5,459	902	20,020	12,600	1,919	2,284	10,570	2,689	1,216	1,496	3,344	5,886		68,384
3.	Retirements		(4,213)	(663)	(116)	(205)	(2,080)	(20)	-	-	(37)	(101)	(52)	(83,858)		(91,343)
4.	Gas Plant in Service	7,308,944	7,310,190	7,310,429	7,330,334	7,342,729	7,342,568	7,344,832	7,355,402	7,358,091	7,359,269	7,360,665	7,363,957	7,365,985		7,336,415
5.	Opening Accumulated Depreciation		2,915,841	2,936,257	2,959,703	2,984,608	3,009,077	3,031,510	3,056,130	3,080,751	3,105,513	3,134,223	3,159,403	3,184,800		
6.	Depreciation Expense		24,598	24,597	24,609	24,668	24,713	24,720	24,744	24,783	29,189	25,327	25,348	25,373		302,668
7.	Retirements		(4,183)	(1,151)	296	(199)	(2,280)	(100)	(123)	(20)	(479)	(147)	49	(83,893)		(92,229)
8.	Accumulated Depreciation	2,915,841	2,936,257	2,959,703	2,984,608	3,009,077	3,031,510	3,056,130	3,080,751	3,105,513	3,134,223	3,159,403	3,184,800	3,126,280		3,052,623
9.	Net Gas Plant in Service	4,393,103	4,373,934	4,350,726	4,345,726	4,333,652	4,311,058	4,288,702	4,274,651	4,252,577	4,225,046	4,201,262	4,179,156	4,159,705		4,283,792
10.	Cash Working Capital	17,217	17,217	17,217	17,217	17,217	17,217	17,217	17,217	17,217	17,217	17,217	17,217	17,217		17,217
11.	Materials & Supplies Inventory	27,280	27,000	26,707	26,393	26,113	25,815	25,512	25,228	24,957	24,739	24,471	24,283	23,970		25,574
12.	Linepack Gas	24,277	25,836	25,836	25,836	25,836	25,836	25,836	25,836	23,858	23,880	23,870	23,870	23,870		24,960
13.	Unamortized Capital Assets	17,707	19,467	18,849	19,076	18,958	18,417	18,257	18,016	17,972	17,782	17,690	17,758	17,720		18,282
14.	FX on LTD Principle Reserve	32,730	32,640	32,550	32,461	32,371	32,281	32,192	32,102	32,013	31,923	31,833	31,744	31,654		32,192
15.	Pension and OPEBS	30,114	29,205	28,296	30,472	29,563	28,654	30,830	29,921	29,012	31,188	30,279	29,370	31,546		29,881
16.	Rate Base	4,542,426	4,525,298	4,500,182	4,497,180	4,483,710	4,469,278	4,438,545	4,422,971	4,397,605	4,371,775	4,346,622	4,323,397	4,305,681		4,431,898

TABLE 4-2

NOVA GAS TRANSMISSION LTD.  
 2005-2007 REVENUE REQUIREMENT SETTLEMENT  
 FOR THE YEAR ENDED DECEMBER 31, 2005

MATERIALS & SUPPLIES  
 (\$ thousands)

Line	Particulars	JAN 1	JAN 31	FEB 28	MAR 31	APR 30	MAY 31	JUN 30	JUL 31	AUG 31	SEP 30	OCT 31	NOV 30	DEC 31	13 MONTH AVERAGE
	Actual Inventory Accounts:														
1.	January	28,361													
2.	February	28,177	28,177												
3.	March	28,151	28,151	28,151											
4.	April	27,493	27,493	27,493	27,493										
5.	May	27,624	27,624	27,624	27,624	27,624									
6.	June	27,557	27,557	27,557	27,557	27,557	27,557								
7.	July	27,384	27,384	27,384	27,384	27,384	27,384	27,384							
8.	August	27,164	27,164	27,164	27,164	27,164	27,164	27,164	27,164						
9.	September	26,569	26,569	26,569	26,569	26,569	26,569	26,569	26,569	26,569					
10.	October	26,717	26,717	26,717	26,717	26,717	26,717	26,717	26,717	26,717	26,717				
11.	November	26,050	26,050	26,050	26,050	26,050	26,050	26,050	26,050	26,050	26,050	26,050			
12.	December	26,108	26,108	26,108	26,108	26,108	26,108	26,108	26,108	26,108	26,108	26,108	26,108		
13.	January	25,002	25,002	25,002	25,002	25,002	25,002	25,002	25,002	25,002	25,002	25,002	25,002	25,002	
14.	February	24,665	24,665	24,665	24,665	24,665	24,665	24,665	24,665	24,665	24,665	24,665	24,665	24,665	
15.	March	24,377	24,377	24,377	24,377	24,377	24,377	24,377	24,377	24,377	24,377	24,377	24,377	24,377	
16.	April	24,137	24,137	24,137	24,137	24,137	24,137	24,137	24,137	24,137	24,137	24,137	24,137	24,137	
17.	May	24,045	24,045	24,045	24,045	24,045	24,045	24,045	24,045	24,045	24,045	24,045	24,045	24,045	
18.	June	23,923	23,923	23,923	23,923	23,923	23,923	23,923	23,923	23,923	23,923	23,923	23,923	23,923	
19.	July	23,975	23,975	23,975	23,975	23,975	23,975	23,975	23,975	23,975	23,975	23,975	23,975	23,975	
20.	August	23,913	23,913	23,913	23,913	23,913	23,913	23,913	23,913	23,913	23,913	23,913	23,913	23,913	
21.	September	23,955	23,955	23,955	23,955	23,955	23,955	23,955	23,955	23,955	23,955	23,955	23,955	23,955	
22.	October	23,497	23,497	23,497	23,497	23,497	23,497	23,497	23,497	23,497	23,497	23,497	23,497	23,497	
23.	November	23,799	23,799	23,799	23,799	23,799	23,799	23,799	23,799	23,799	23,799	23,799	23,799	23,799	
24.	December	22,354	22,354	22,354	22,354	22,354	22,354	22,354	22,354	22,354	22,354	22,354	22,354	22,354	
25.	Total of Prior 12 Months	327,355	323,996	320,484	316,710	313,354	309,775	306,141	302,732	299,481	296,867	293,647	291,396	287,642	
26.	One-twelfth of total	27,280	27,000	26,707	26,393	26,113	25,815	25,512	25,228	24,957	24,739	24,471	24,283	23,970	25,574

**NOVA GAS TRANSMISSION LTD.  
REVENUE REQUIREMENT SETTLEMENT REPORTING  
FOR THE YEAR ENDED DECEMBER 31, 2005**

**TABLE 4-3**

**LINEPACK  
(\$ thousands)**

LINE NO.	PURCHASE/ (SALE)	FIELD GATE PRICE	ADJUSTMENT	LINEPACK		
					(GJ)	(GJ)
(a)	(b)	(c)	(d)	(e)	(f)	
1	Opening	14,122,672			24,277	
2	January 31	14,364,472	241,800	\$6.45	1,559	25,836
3	February 28	14,364,472				25,836
4	March 31	14,364,472				25,836
5	April 30	14,364,472				25,836
6	May 31	14,364,472				25,836
7	June 30	14,364,472				25,836
8	July 31	14,364,472				25,836
9	August 31	14,064,472	(300,000)	\$6.59	(1,978)	23,858
10	September 30	14,068,239	3,767	\$5.90	22	23,880
11	October 31	14,030,239	(38,000)	\$0.27	(10)	23,870
12	November 30	14,030,239				23,870
13	December 31	14,030,239				23,870
14	13 Month Average					24,960

NOVA GAS TRANSMISSION LTD.  
 REVENUE REQUIREMENT SETTLEMENT REPORTING  
 FOR THE YEAR ENDED DECEMBER 31, 2005

TABLE 4-4

UNAMORTIZED CAPITAL ASSETS  
 (\$ thousands)

Line	Jan 1	Jan 31	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	13 Month Average
1. Unamortized debt issue costs	15,417	17,143	17,001	16,859	16,717	16,575	16,432	16,290	16,148	16,006	15,864	15,722	15,580	
2. Retirements in progress	2,289	2,324	1,849	2,217	2,242	1,843	1,825	1,726	1,824	1,775	1,826	2,036	2,140	
3. Total Unamortized Capital Assets	<u>17,707</u>	<u>19,467</u>	<u>18,849</u>	<u>19,076</u>	<u>18,958</u>	<u>18,417</u>	<u>18,257</u>	<u>18,016</u>	<u>17,972</u>	<u>17,782</u>	<u>17,690</u>	<u>17,758</u>	<u>17,720</u>	<u>18,282</u>

TABLE 4-5

NOVA GAS TRANSMISSION LTD.  
REVENUE REQUIREMENT SETTLEMENT REPORTING  
FOR THE YEAR ENDED DECEMBER 31, 2005

PREFUNDED/(UNFUNDED) PENSION AND OTHER POST EMPLOYMENT BENEFITS LIABILITY  
(\$ thousands)

LINE NO.	DESCRIPTION	13 MONTH												12 MONTH TOTAL			
		(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)		(m)	(n)	(o)
<b>Prefunded/(Unfunded) Pension Liability</b>																	
1	Opening Balance	36,861	36,861	36,075	35,288	37,587	36,801	36,014	38,313	37,527	36,741	39,040	38,253	37,467			
2	Expense	(1,185)	(1,185)	(1,185)	(1,185)	(1,185)	(1,185)	(1,185)	(1,185)	(1,185)	(1,185)	(1,185)	(1,185)	(1,185)			(14,216)
3	Actual Funding	-	-	4,648	4,648	-	-	4,648	-	-	4,648	-	-	4,648			18,592
3	Income Taxes	398	398	398	(1,164)	398	398	(1,164)	398	398	(1,164)	398	398	(1,164)			(1,471)
4	Closing Balance	36,861	36,075	35,288	37,587	36,801	36,014	38,313	37,527	36,741	39,040	38,253	37,467	39,766	37,364		
<b>Prefunded/(Unfunded) Other Post Employment Benefits Liability</b>																	
5	Opening Balance	(6,747)	(6,747)	(6,870)	(6,992)	(7,115)	(7,238)	(7,361)	(7,483)	(7,606)	(7,729)	(7,852)	(7,974)	(8,097)			(3,585)
6	Expense	(299)	(299)	(299)	(299)	(299)	(299)	(299)	(299)	(299)	(299)	(299)	(299)	(299)			1,366
7	Actual Funding	114	114	114	114	114	114	114	114	114	114	114	114	114			746
8	Income Taxes	-	62	62	62	62	62	62	62	62	62	62	62	62			
9	Closing Balance	(6,747)	(6,870)	(6,992)	(7,115)	(7,238)	(7,361)	(7,483)	(7,606)	(7,729)	(7,852)	(7,974)	(8,097)	(8,220)	(7,483)		
10	<b>Total Prefunded/(Unfunded) Pension &amp; Other Post Employment</b>	<b>30,114</b>	<b>29,205</b>	<b>28,296</b>	<b>30,472</b>	<b>29,563</b>	<b>28,654</b>	<b>30,830</b>	<b>29,921</b>	<b>29,012</b>	<b>31,188</b>	<b>30,279</b>	<b>29,370</b>	<b>31,546</b>	<b>29,881</b>		



NOVA GAS TRANSMISSION LTD.  
2005-2007 REVENUE REQUIREMENT SETTLEMENT  
FOR THE YEAR ENDED DECEMBER 31, 2005

GAS PLANT UNDER CONSTRUCTION  
(\$ thousands)

Line Particulars	Jan 1	Jan 31	Feb 28	Mar 31	Apr 30	May 31	June 30	July 31	Aug 31	Sep 30	Oct 31	Nov 30	Dec 31	12 Month Totals	13 Month Average
1. Opening GPUC	19,697	19,697	17,115	26,428	15,931	8,359	9,431	10,836	6,543	6,833	8,057	12,803	12,063		
2. Capital Expenditures		2,748	10,098	9,390	4,945	2,931	3,619	6,213	2,929	2,380	6,169	2,505	19,190	73,116	
3. AFUDC		129	118	133	83	61	70	64	50	60	72	99	(68)	871	
4. Transfers to GPIS		(5,459)	(902)	(20,020)	(12,600)	(1,919)	(2,284)	(10,570)	(2,689)	(1,216)	(1,496)	(3,344)	(5,886)	(68,384)	
5. Closing GPUC	19,697	17,115	26,428	15,931	8,359	9,431	10,836	6,543	6,833	8,057	12,803	12,063	25,300		13,800

NOVA GAS TRANSMISSION LTD.  
 REVENUE REQUIREMENT SETTLEMENT REPORTING  
 FOR THE YEAR ENDED DECEMBER 31, 2005

FOREIGN EXCHANGE RESERVE ACCOUNT  
 (\$ thousands)

Line	(a)	Jan 31 (b)	Feb 28 (c)	Mar 31 (d)	Apr 30 (e)	May 31 (f)	June 30 (g)	July 31 (h)	Aug 31 (i)	Sep 30 (j)	Oct 31 (k)	Nov 30 (l)	Dec 31 (m)	12 Month Totals (n)
1	Operating balance	32,730	32,640	32,550	32,461	32,371	32,281	32,192	32,102	32,013	31,923	31,833	31,744	31,744
2	Amortization Amount	(90)	(90)	(90)	(90)	(90)	(90)	(90)	(90)	(90)	(90)	(90)	(90)	(90)
3	Realized (Gains)/Losses	-	-	-	-	-	-	-	-	-	-	-	-	-
4	Closing balance	32,640	32,550	32,461	32,371	32,281	32,192	32,102	32,013	31,923	31,833	31,744	31,654	(1,076)

TABLE 6

NOVA GAS TRANSMISSION LTD.  
 REVENUE REQUIREMENT SETTLEMENT REPORTING  
 FOR THE YEAR ENDED DECEMBER 31, 2005

REGULATORY HEARING COST RESERVE ACCOUNT  
 (\$ thousands)

Line	Jan 31 (b)	Feb 28 (c)	Mar 31 (d)	Apr 30 (e)	May 31 (f)	June 30 (g)	July 31 (h)	Aug 31 (i)	Sep 30 (j)	Oct 31 (k)	Nov 30 (l)	Dec 31 (m)	12 Month Totals (n)
1	(563)	(936)	(1,307)	(1,678)	(2,049)	(2,413)	(2,784)	(2,188)	(2,559)	(2,930)	(3,269)	(3,640)	
2	(371)	(371)	(371)	(371)	(371)	(371)	(371)	(371)	(371)	(371)	(371)	(371)	(4,452)
3	(2)	-	-	-	7	-	967	-	-	32	-	-	1,004
4	(936)	(1,307)	(1,678)	(2,049)	(2,413)	(2,784)	(2,188)	(2,559)	(2,930)	(3,269)	(3,640)	(4,011)	