



TransCanada PipeLines Limited
450 - 1st Street, S.W.
Calgary, Alberta T2P 5H1

Tel: (403) 920-7186
Fax: (403) 920-2347
Email: norm_bowman@transcanada.com

March 13, 2007

Alberta Energy and Utilities Board
640 – 5th Avenue S.W.
Calgary, Alberta
T2P 3G4

Filed Electronically

Attention: Mr. Don Popowich
Application Officer

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.

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 2006 through January 2007. Since August 2006, the average aggregate amount of Excess CO₂ received by NGTL has been below the stipulated CO₂ Service Cap level of 155 10³ m³/d. NGTL currently contracts for CO₂ removal to meet the limits of the Mildred Lake Sales CO₂ Receipt Zone. In the six months beginning August 1, 2006, the volume of CO₂ removed from the system has averaged 5.2 10³ m³/d.

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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Mr. D. Popowich

The semi-annual CO₂ Service report was presented to the TTFP on March 13, 2007. 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

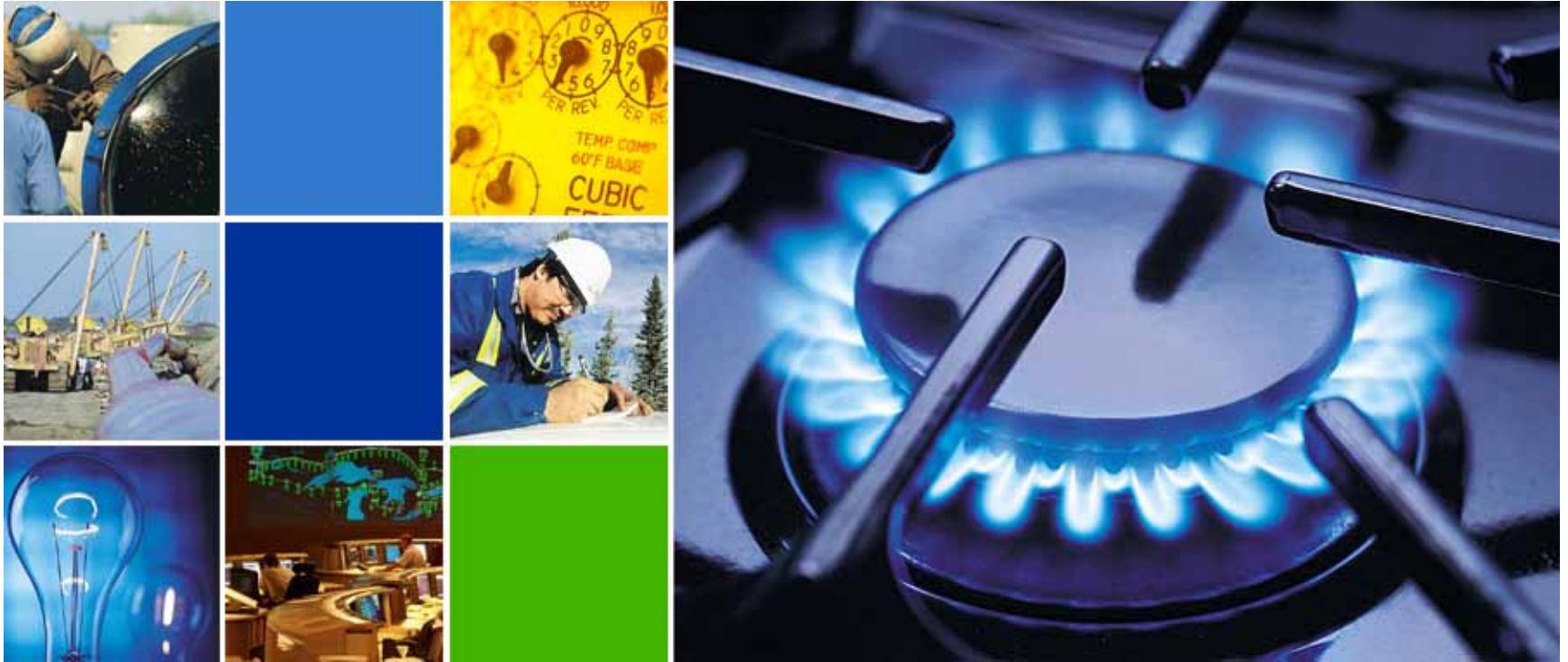
Original Signed By

Norm Bowman
Director, Regulatory Services

cc: Interested Parties List, Proceeding 1253457
Tolls, Tariff, Facilities and Procedures Committee (via e-mail)

**Alberta System CO₂ Levels
(10³m³/day)
August 2006 to January 2007**

	Aug	Sep	Oct	Nov	Dec	Jan
Monthly average aggregate amount of Excess CO ₂ on the Alberta System	121	135	143	129	123	127
Excess CO ₂ Removed from System	5	5	5	5	5	5
Monthly Average Level of CO ₂ on Alberta System	0.83%	0.83%	0.85%	0.84%	0.84%	0.83%



CO₂ Semi Annual Report

Tolls, Tariff, Facilities & Procedure Committee

March 13, 2007



Alberta System – Excess CO₂ System-Wide

