

EXECUTIVE SUMMARY

This Annual Plan has been prepared according to the requirements of the Alberta Energy and Utilities Board's ("Board") IL 90-8. It provides the Board, NOVA Gas Transmission Ltd.'s ("NGTL") Customers and other interested parties with a comprehensive overview of the expected Alberta System facilities for the 2008/09 Gas Year.

IL 90-8 requires that NGTL follow a two stage process for facilities approvals. The first stage is the filing of an annual preliminary overall system plan ("Annual Plan") outlining planned facility additions and major system modifications. Section E of IL 90-8 requires that the Annual Plan contain information on the need, rationale, and justification for the proposed facility additions. The second stage is the filing of individual facility applications to the Board. NGTL understands that the Board assesses a number of factors in its application review process, including the necessity and purpose of the facilities, economic and environmental considerations and available alternatives to the proposed facilities.

The December 2007 Annual Plan can be accessed on TransCanada PipeLines Limited's web site located at: http://www.transcanada.com/Alberta/regulatory_info/facilities/index.html

This is NGTL's eighteenth Annual Plan, and it follows a similar format to previous Annual Plans. Definitions are located in the Glossary in Appendix 1. Capitalized terms are defined in NGTL's Gas Transportation Tariff, which can be accessed at:

http://www.transcanada.com/Alberta/info_postings/tariff/index.html

The Annual Plan contains NGTL's design methodology, including assumptions and criteria, NGTL's design forecast, including its long term outlook for system field deliverability, system FS productive capability, system average receipts, gas deliveries, NGTL's design flow requirements and proposed facilities for the 2008/09 Gas Year. Historical flow data are also included to illustrate the correlation between design flow requirements and actual flows.

This Annual Plan is based on NGTL's June 2007 design forecast of gas receipt and delivery, which in turn is based on supply and market assessments completed in January 2007.

From a receipt forecast perspective, the forecasts of field deliverability, average receipts and FS productive capability used in this Annual Plan are subject to numerous uncertainties. Producer success in developing new supply, actual levels of new firm transportation Service Agreements and changes in market demand may result in deviations from forecast values.

From a delivery forecast perspective, the forecast of maximum day delivery at the Export Delivery Points as shown in Section 3.4.2 is equal to the forecast of Firm Transportation-Delivery ("FT-D") contracts at the Export Delivery Points and does not include Short Term Firm Transportation-Delivery ("STFT") or Firm Transportation-Delivery Winter ("FT-DW") contracts. Estimates of FT-D contracts at the Export Delivery Points have become difficult to forecast given the significant gap between these contracts and the actual gas flows at the major Export Delivery Points as service with short-term contracts are increasingly being utilized. Although it is difficult to forecast maximum day delivery volumes (FT-D contracts) at the Export Delivery Points, there are no additional facilities requirements in this Annual Plan resulting from the forecast of maximum day delivery volumes at the Export Delivery Points.

The primary factors affecting NGTL's facilities requirements for the 2008/09 Gas Year are the increasing delivery requirements in the Fort McMurray area and the decreasing receipts in the North of Bens Lake Design Area. The facilities additions proposed for the 2008/09 Gas Year are listed in Table 1. Costs associated with the proposed facilities will generally occur in the 2008 and 2009 calendar years.

**Table 1
Proposed Facilities**

Project Area	Proposed Facilities	Annual Plan Reference	Description	Required In-Service Date	Capital Cost (\$ millions)
Peace River	No facilities required				
North & East	North Central Corridor Loop (Buffalo Creek West Section)	Chapter 5	54 km x NPS 36	April 2009	175.2
	Woodenhouse Compressor Station Unit B2	Chapter 5	13 MW	April 2009	42.0
	Miscellaneous	Chapter 5			12.9
Mainline	No facilities required				
Capital Costs are in 2007 dollars and include AFUDC			Total		230.1

The North Central Corridor (“NCC”) (North Star and Red Earth Sections) consisting of 300 km of 1067 mm (NPS 42) pipeline and the Meikle River Compressor Station Units C3 and C4 consisting of 13 MW of compression, was shown in Section 5.6.2 of the December 2006 Annual Plan. On November 20, 2007, a non-routine Application for a permit to authorize the construction of the NCC (North Star and Red Earth Sections) and the Meikle River Compressor Station Units C3 and C4 was filed with the Board and therefore are not described in this Annual Plan.

Customers and other interested parties are encouraged to communicate their suggestions and comments to NGTL regarding the development and operation of the Alberta System and other related issues. Please provide your comments to:

- Gord Toews, Manager, Mainline Planning West, at (403) 920-5903;
- Dave Schultz, Director, System Design, at (403) 920-5574; or
- Stephen Clark, Vice President, Commercial - West, Canadian Pipelines at (403) 920-2018.

Should you have any questions or comments regarding this Annual Plan, please contact Darlene Maier at (403) 920-5108.