

EXISTING CAPACITY OPEN SEASON



CANADIAN MAINLINE – November 7-14, 2006

TransCanada's Canadian Mainline is currently posting the following firm transportation services in an Existing Capacity Open Season (the "Open Season"):

- Firm Transportation ("FT")
- Storage Transportation Service ("STS", "STS-L")
- Firm Transportation Non Renewable ("FT-NR")

DURATION OF EXISTING CAPACITY OPEN SEASON (NOV 7 – NOV 14, 2006):

- Bids for Existing FT, STS, STS-L and FT-NR System Capacity on the TransCanada Mainline are **due on or before 3:00 p.m. MT on Tuesday, November 14, 2006.**
- Completed bids must be faxed to the Mainline Contracting group @ **Fax # (403) 920-2303**

COMMENCEMENT DATES

- The commencement dates for FT, STS, STS-L system capacity is offered for the dates and system segments as outlined in Table 1.
- The commencement dates for FT-NR system capacity is offered for the dates and system segments as outlined in Table 2.
- Earlier Start Dates: TransCanada will consider earlier start dates subject to availability of capacity.
- Later Start Dates: TransCanada is not obligated to offer a Date of Commencement two (2) or more years from the date of this open season.
- Please note that TransCanada is not obligated to accept bids for service to start within 5 banking days from the date on which the bid is made. We will do our best to accommodate bids for immediate service subject to credit requirements and processing of contracts.

EXISTING FT, STS, STS-L OPEN SEASON DETAILS

Available Existing FT, STS, STS-L Capacity: Renewable service for the following commencement dates:

Table 1: FT, STS, STS-L Capacity

Posted System Segments for FT, STS, STS-L Service	Quantity (GJ/d) Available December 1, 2006	Quantity (GJ/d) Available April 1, 2007	Quantity (GJ/d) Available May 1, 2007
Empress to (Domestic)			
South Saskatchewan Delivery Area (SSDA)	1,900,000	1,900,000	1,900,000
Manitoba Delivery Area (MDA)	1,900,000	1,900,000	1,900,000
Western Delivery Area (WDA)	425,000	600,000	725,000
Northern Delivery Area (NDA)	425,000	600,000	725,000
North Bay Junction	425,000	600,000	725,000
Central Delivery Area (CDA)	425,000	600,000	725,000
Southwest Delivery Area (SWDA)	30,000	30,000	140,000
Empress to (Export)			
Emerson 1 & 2	1,900,000	1,900,000	1,900,000
Niagara	30,000	30,000	140,000

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Posted System Segments for FT, STS, STS-L Service	Quantity (GJ/d) Available December 1, 2006	Quantity (GJ/d) Available April 1, 2007	Quantity (GJ/d) Available May 1, 2007
North Bay to:			
Central Delivery Area (CDA)			
- Enbridge CDA	525,000	700,000	825,000
- Union CDA	525,000	700,000	825,000
Southwest Delivery Area (SWDA)	30,000	30,000	140,000
Niagara	30,000	30,000	140,000

Existing FT, STS, STS-L Capacity Open Season & Bidding Procedure Highlights

- Term: Minimum one (1) year term for all posted service;
- Toll: All posted capacity will be at the NEB approved toll (no discounts);
- System Segment Capacity:
 - TransCanada will accept bids (for evaluation and allocation) for capacity within the path of the posted system segments,
 - No shorthaul will be available at this time from the Dawn Area¹.
 - Some posted segments share common capacity. i.e. A successful bid on one system segment may reduce the capacity on another system segment.
 - Any bids that pertain to common capacity will be evaluated together for allocation purposes.
 - Each capacity segment requested must be on an individual bid form.
- Conditional Bidding: Mainline capacity bids can be conditioned on another Mainline capacity bid;
- Minimum Acceptable Quantity: May be specified by the bidder in the event that prorating of capacity is necessary.
- Deposits:
 - Deposit are required with each bid submitted – lesser of \$10,000 CAD or 1 month demand charge
 - Deposits must be received within 2 banking days after the close of the Open Season.
- Successful bidders will be notified within 2 banking days after the close of the Open Season.

EXISTING FT-NR CAPACITY OPEN SEASON DETAILS

Available Existing FT-NR Capacity: For non-renewable service commencing December 1, 2006 and ending April 30, 2008 subject to all capacity in Table 1 that is posted to the SSDA, MDA being sold.

Table 2: FT-NR Capacity

Posted System Segments for FT-NR Service	Quantity (GJ/d) Available December 1 2006 to April 30, 2008
Empress to SSDA & MDA	575,000

¹ The Dawn Area includes receipts points like SS. Marie, St. Clair, Dawn, Kirkwall, Niagara and Chippawa.

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Existing FT-NR Capacity Open Season & Bidding Procedure Highlights

- The commencement dates for FT-NR system capacity is offered for the dates and system segments as outlined in Table 2.
- No FT-NR capacity will be awarded to bidders unless all of the posted renewable FT, STS, STS-L system capacity in Table 1 to the SSDA and MDA has been awarded.
- Term: Minimum FT-NR term of one (1) year ending April 30, 2008.
- No renewal rights or FT-RAM is available for any FT-NR service.
- Toll: All posted capacity will be at the NEB approved toll (no discounts);
- System Segment Capacity:
 - TransCanada will accept bids (for evaluation and allocation) for capacity within the path of the posted system segments,
 - Some posted segments share common capacity. i.e. A successful bid on one system segment may reduce the capacity on another system segment.
 - Any bids that pertain to common capacity will be evaluated together for allocation purposes.
 - Each capacity segment requested must be on an individual bid form.
- Conditional Bidding: Mainline capacity bids can be conditioned on another Mainline capacity bid;
- Minimum Acceptable Quantity: May be specified by the bidder in the event that prorating of capacity is necessary.
- Deposits:
 - Deposit are required with each bid submitted – lesser of \$10,000 CAD or 1 month demand charge
 - Deposits must be received within 2 banking days after the close of the Open Season.
- Successful bidders will be notified within 2 banking days after the close of the Open Season.

EXISTING FT, FT-NR, STS, STS-L CAPACITY OPEN SEASON DEPOSIT INFORMATION & PROCEDURE:

A **Deposit** in Canadian dollars (as noted above) must accompany each bid. This deposit is refundable except as described in "Notification to Customers" in TransCanada's Transportation Access Procedure.

The deposit can be provided by either wire transfer or cheque:

- **Wire Transfers:** If you wish to wire transfer your deposit, please contact your Sales Representative to obtain the TransCanada Bank Account Information.
- **Cheques** should be made payable to TransCanada PipeLines Limited and mailed to:

Sean Meilleur - TransCanada PipeLines Limited
450 – 1st Street S.W. Calgary
Alberta Canada T2P 5H1

LINKS TO ADDITIONAL INFORMATION:

- [Existing Capacity Open Season Bid Form](#)
- [Mainline Tariff](#): All Mainline Toll Schedules & Pro Forma Contracts
- [TAPs](#): Transportation Access Procedure
- [2006 Mainline Tolls](#) – As of March 01, 2006
- Other TransCanada Information: www.transcanada.com/Customer_Express

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EVALUATION OF BIDS:

- No priority will be given to bids posted early in the open season process.
- Bids will be evaluated according to the following criteria:
 1. **Demand Toll multiplied by contract term , with the bid(s) or combination of bids yielding the highest overall product having the highest priority.**
 2. **Commencement of service date if bids are otherwise equivalent i.e. service commencing on earlier start dates will be given higher priority.**
- If a bidder's allocated share (rounded to the nearest GJ) of capacity falls within the minimum and maximum quantities specified, TransCanada will have the right to amend the contract quantity requested. If the allocated quantity is less than the minimum requested, the bid is rejected.
- If oversubscribed, tied bids will be allocated pro-rata.
- No FT-NR capacity will be awarded to bidders unless all of the posted renewable FT system capacity in Table 1 to the SSDA & MDA has been awarded.
- Bid information will be kept confidential, however TransCanada will provide the bid information to the National Energy Board, if required.

NOTIFICATION TO CUSTOMERS & FINANCIAL ASSURANCES:

- TransCanada will notify successful bidders as soon as possible (no longer than two business days after the open season closes).
- Pursuant to Section XXIII of the General Terms and Conditions of the Canadian Mainline Tariff, the successful bidders will be required to provide financial assurances as required by TransCanada. For financial assurance information please refer to http://www.transcanada.com/Mainline/info_postings/tariff/gtc.pdf
- As per section 3.5 (b) of TransCanada's Transportation Access Procedure, once notified, successful bidders will have one business day to provide TransCanada with adequate financial assurances. TransCanada may extend the one business day period.
- Once financial assurance requirements are satisfied, TransCanada will send a formal contract for execution. **If the contract has not been executed and returned to TransCanada within 10 business days, the offer is withdrawn and the bid deposit is forfeited.**

GST PROCEDURES FOR FT, FT-NR, STS, STS-L – FOR EXPORT POINTS ONLY:

Pursuant to the Excise Tax Act all Canadian natural gas transporters are required to invoice GST on all services. GST for transportation of gas that is consumed in Canada is set at 6%. GST for transportation of gas for that is contracted to an export point may qualify for zero-rating (0% GST).

For export contracts, Shippers may execute a Declaration which notifies TransCanada that the Shipper's contract is intended to serve an export market and therefore any potential Unutilized Demand Charges (UDC) should be zero-rated.

Please note, at the nominations level, Shippers must still zero-rate their export nominations if they wish to be zero-rated. Enhancements to TransCanada's nomination screens have been released to assist

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Customers in this process. However, this does not zero-rate the contract and any potential UDC's will be charged GST.

On an ongoing basis, Shippers may replace their Declaration with a new Declaration to accommodate new and existing export contracts. For existing contracts, TransCanada will only effect changes at the beginning of the month. For new contracts, the Shipper can zero-rate on the effective date as long as the new Declaration is received by TransCanada before its effective date. Each Declaration will supersede and replace any prior Declaration and as a result, require a complete list of export contracts to be zero-rated. TransCanada will assist Shippers in determining their contract numbers. TransCanada will only apply Declarations on a prospective basis.

For more information about TransCanada's GST Practices please see the [FT Declaration](#).

QUESTIONS: Please contact your Mainline Sales & Marketing Representative

Calgary

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450 - 1st Street S.W. , 14th Floor
Calgary, Alberta T2P 5H1

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Toronto

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**Completed bids must be faxed by 3:00 p.m. Calgary time, 5:00 p.m. Toronto time
Tuesday November 14, 2006 to the Mainline Contracting group @
Fax # (403) 920-2303**