



April 16, 2007

Secretary  
National Energy Board  
444-7<sup>th</sup> Avenue S.W.  
Calgary, Alberta T2P 0X8

File 0F-Tolls-Group 1-T211-2007-05 01

Dear Sir:

**Re: TransCanada Pipeline Limited (TransCanada)  
Application for Approval of a Multi-Year Negotiated Settlement and 2007 Mainline Tolls**

I am responding on behalf of the Canadian Association of Petroleum Producers (CAPP) to the Board's letter of March 27, 2007 on the above subject.

CAPP was an active participant in the negotiations for this multi-year negotiated Settlement. CAPP supports the negotiated Settlement and would note that the Tolls Task Force also supported the Settlement by unopposed TTF resolution 04.2007.

This Settlement is the result of broad industry negotiations and represents a balance of interests and compromises among the Mainline's TTF members. Therefore, no single component of this Settlement can be said to be acceptable to any TTF member independent of the entire Settlement. Further as stated in point 5 of the section of the Settlement entitled Overview, "the TTF and TransCanada acknowledge that all elements related to TransCanada's mainline pipeline (the "Mainline System") revenue requirement will be subject to negotiation or litigation for the tolls in 2012" based on the then prevailing circumstances.

The negotiation process was open and all TTF members were invited to participate in the Settlement negotiations. All TTF members were provided with a fair opportunity to participate and to have their interests recognized and appropriately weighed.

CAPP's objective in this Settlement negotiation was to obtain the lowest reasonable toll for the longest reasonable period. CAPP believes it achieved this objective.

CAPP urges the Board to approve this multi-year negotiated Settlement and the 2007 Mainline final tolls as expeditiously as possible

Yours truly,

Barry J. Jardine  
Manager, Regulated Transportation

cc. TransCanada – Ms. Jennifer Scott  
TTF Members  
RH-2-2004 Interested Parties

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