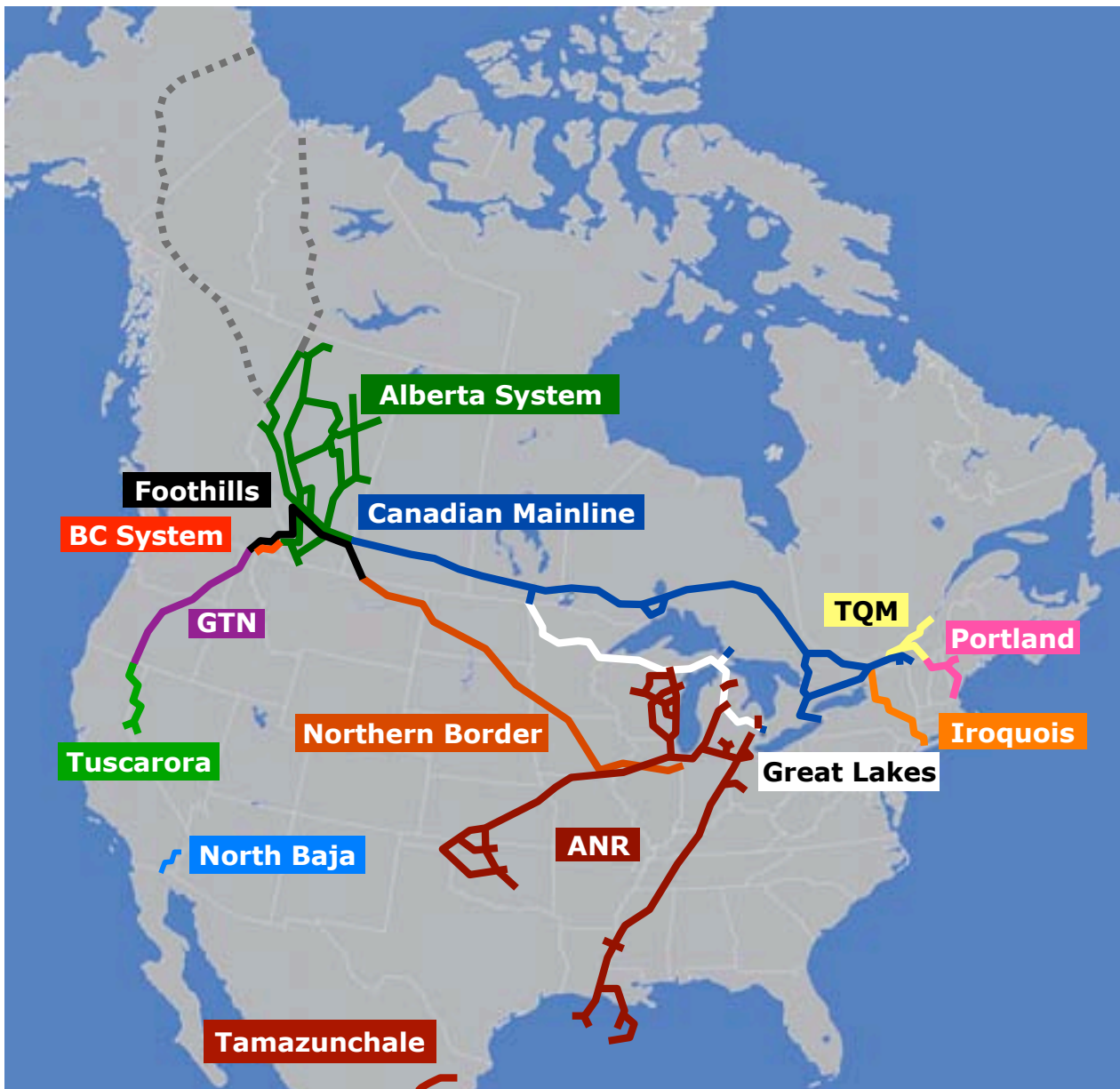


RDC Presentation Alaska Highway Gas Pipeline Project

Anchorage – Via Teleconference
April 9, 2007



TransCanada Natural Gas Pipeline Network



- **36,500 miles of wholly-owned pipeline**
- **Interests in an additional 4,600 miles of pipeline**
- **Unparalleled connections from traditional and emerging basins to growing North American markets**
- **Average daily volume of approximately 15 Bcf**

TransCanada's Pipeline Assets

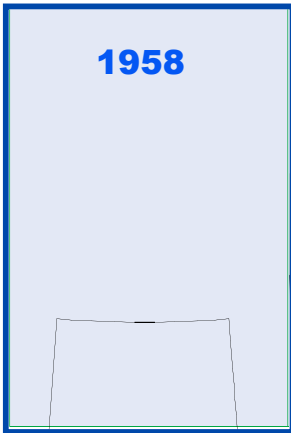


- TC is North America's largest gas transmission company, owning approximately 2/3 of the take-away capacity from Alberta hub to North American markets.
- TC owns 36,500 miles of natural gas transmission pipelines and provides service to Northeast, Midwest, Pacific NW, California, Eastern Canada and Western Canadian markets WCSB markets.
- TC also owns 360 Bcf of natural gas storage capacity.
- One-third of the Alaska Highway Pipeline Project is in the ground and transporting approximately 3 Bcf/d every day (Foothills Prebuild, Northern Border and GTN loops).
- TC has strong cash-flows (C\$2.4 B in 2006) and growing financial capacity from its pipeline assets and 7700 MW of power generation assets (in-service or under development).
- TC has 50 years experience as a builder/owner/operator of cold-weather North American regulated pipelines.

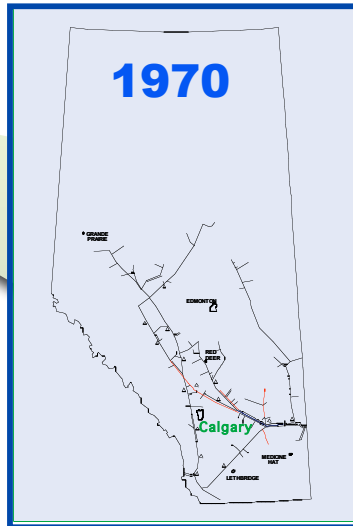
TransCanada - Proven Basin Developer



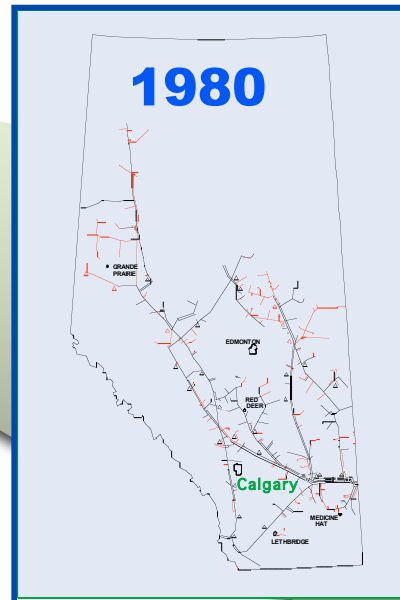
1958



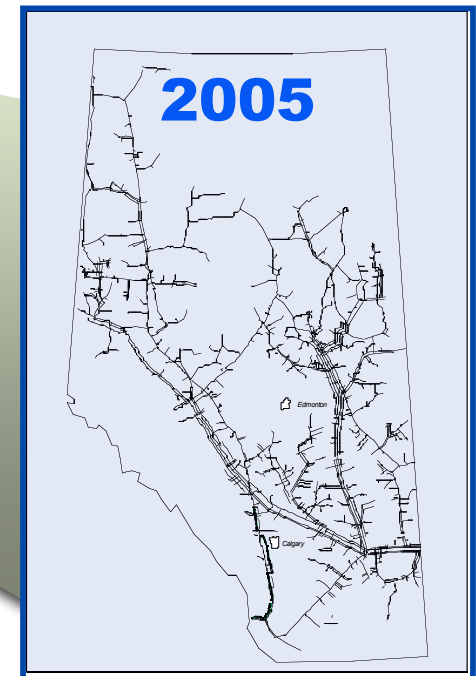
1970



1980



2005



Regulatory Structure

- Independent pipeline model
- Rolled-in tolls

Alaska Highway Pipeline



TransCanada's Interest



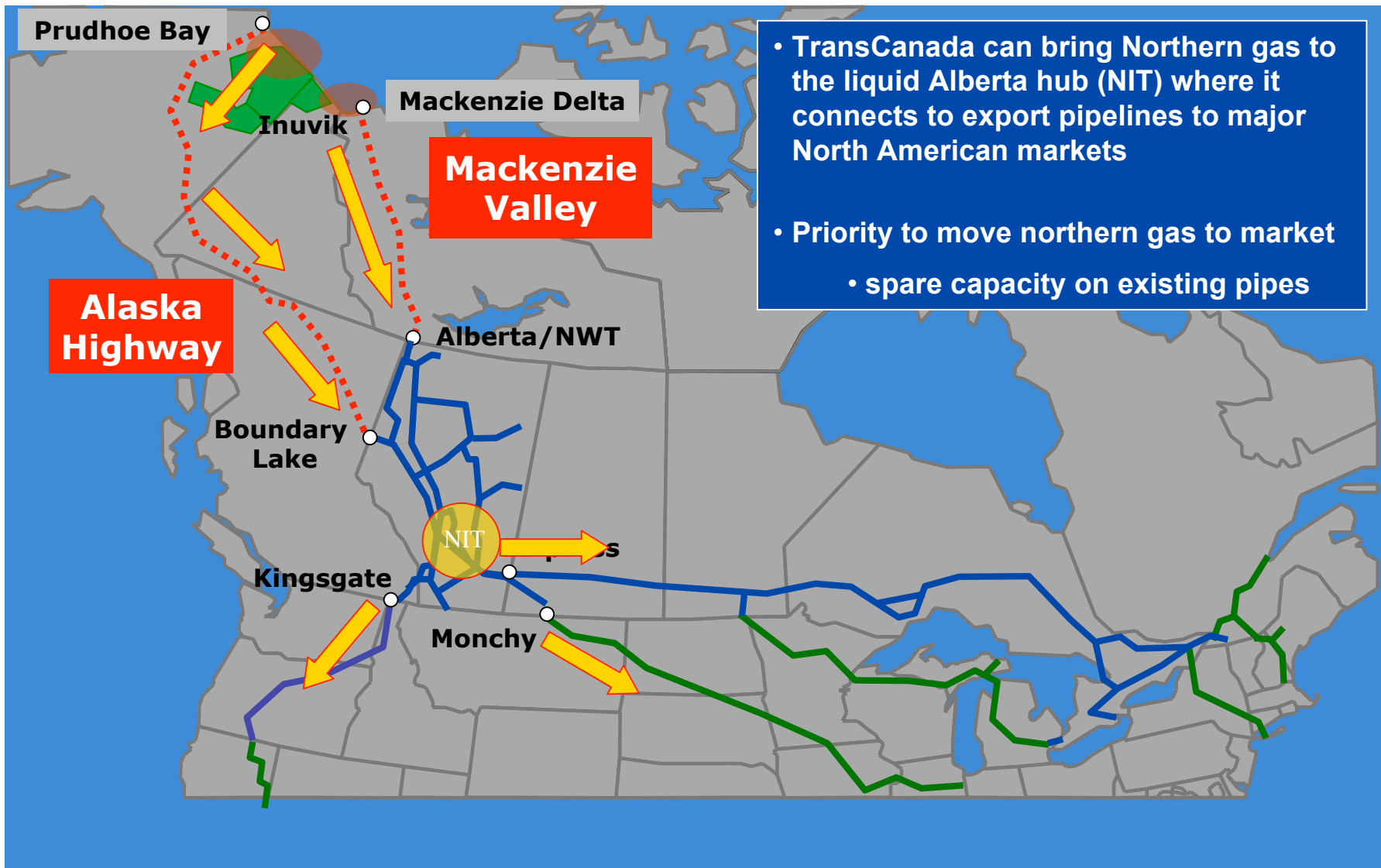
- TransCanada (TC) has been a lead player in the project since its inception. We have more than \$2B and 30 years invested in bringing Alaskan gas to market.
- TC's subsidiary, Foothills, holds valid and exclusive certificates issued under the Northern Pipeline Act (NPA) for Canadian section of the project – these certificates do not have a sunset or expiry date.
- Foothills is named Canadian Project Sponsor in Canada/U.S. Treaty.
- TC has an easement under NPA for entire route in Yukon recognized in Umbrella Final Agreement between Government of Canada, Government of Yukon and Yukon First Nations.
- TC holds key land and environmental permits in Alaska.

Legislative/Regulatory Structure - Competition Held, and Canadian Project Sponsor Selected

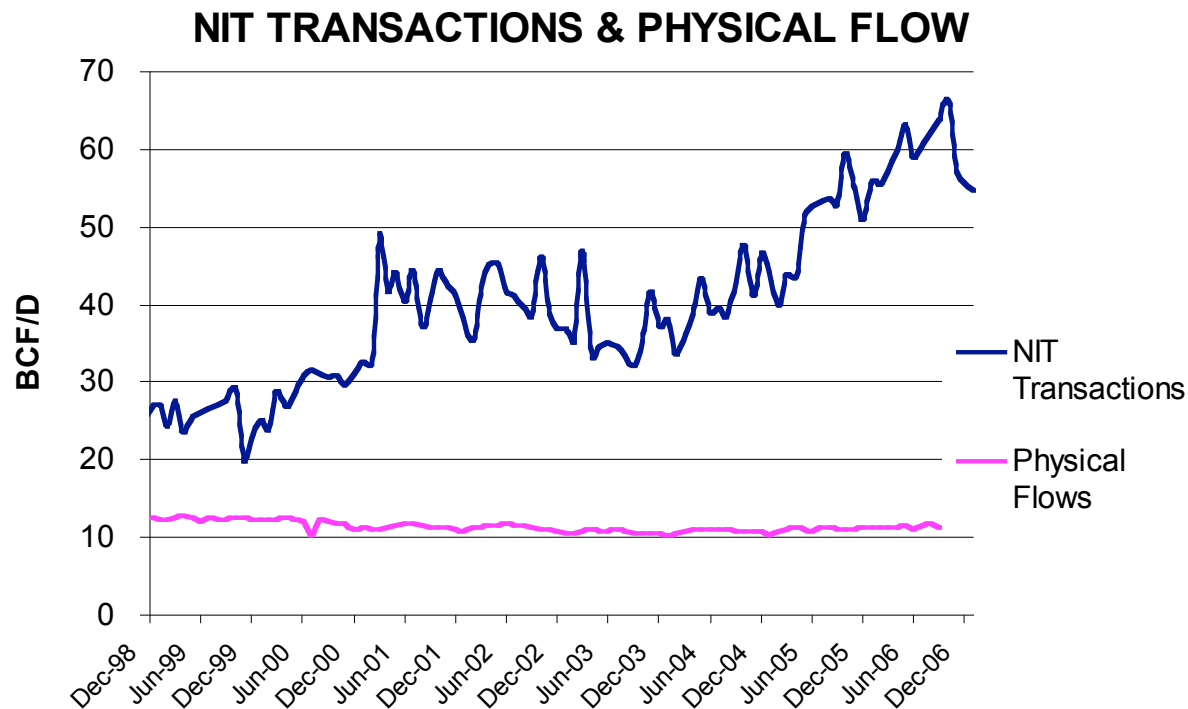


- NEB held competitive hearings, open to all parties
 - Selected Foothills as Canadian project sponsor
 - Rejected other applications (Arctic Gas)
- Canada / U.S. negotiated Treaty for Alaskan gas project
 - Canada obtained benefits in exchange for access across Canada for Alaskan gas
 - Foothills named Canadian sponsor in Treaty
- Canada enacted Northern Pipeline Act (NPA)
 - Enshrined Foothills rights and obligations
 - Established single-window regulator, complement to NEB
- Foothills granted exclusive rights – only reasonable interpretation.
 - Project expedition not achievable unless exclusive
 - No commercial party would invest necessary billions without exclusivity.
 - No expiry or “sunset” date in Foothills certificates.

TransCanada is ready to move Northern Gas to North American markets

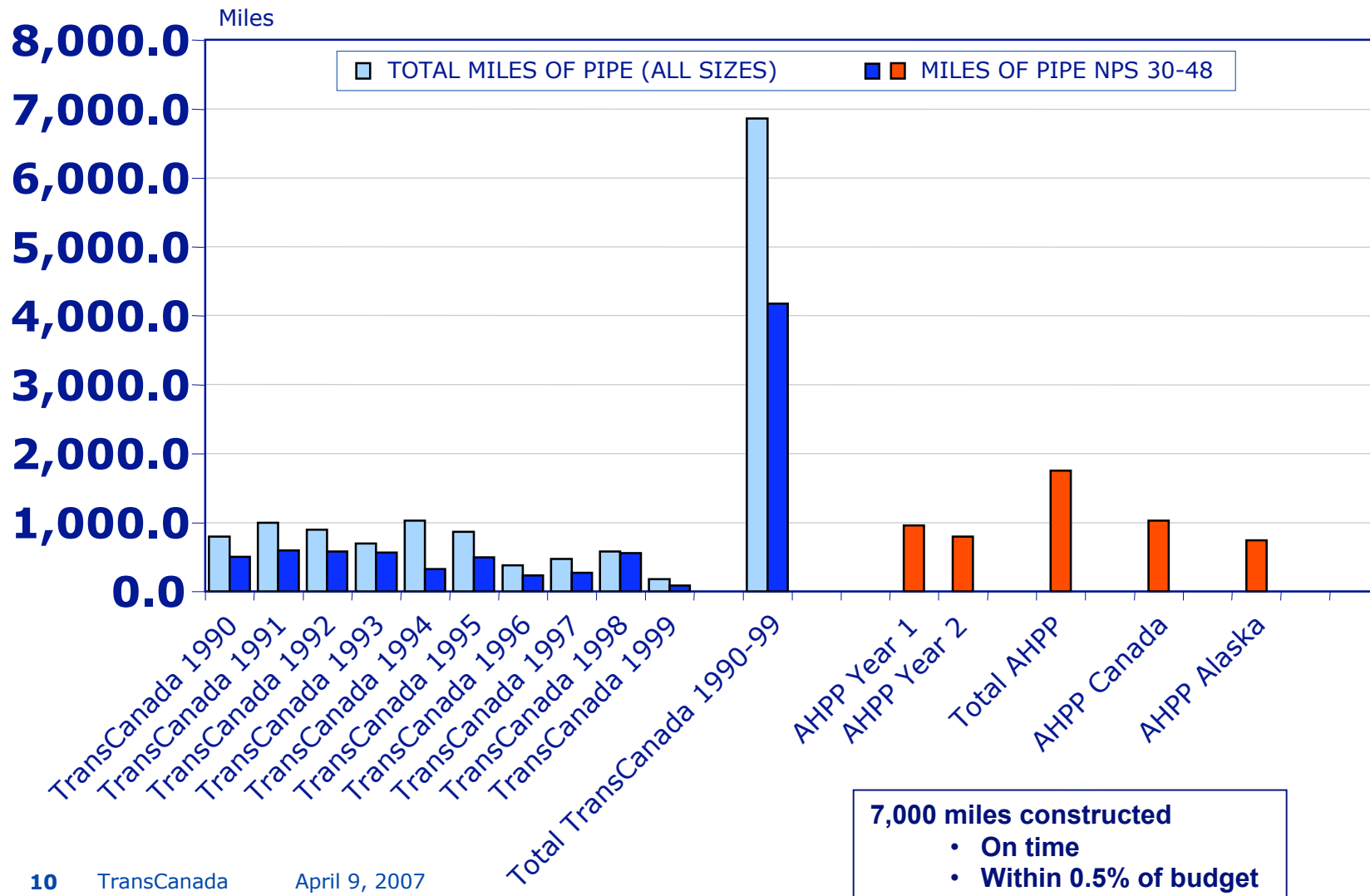


The Alberta Hub (NIT) is the most liquid natural gas market in North America

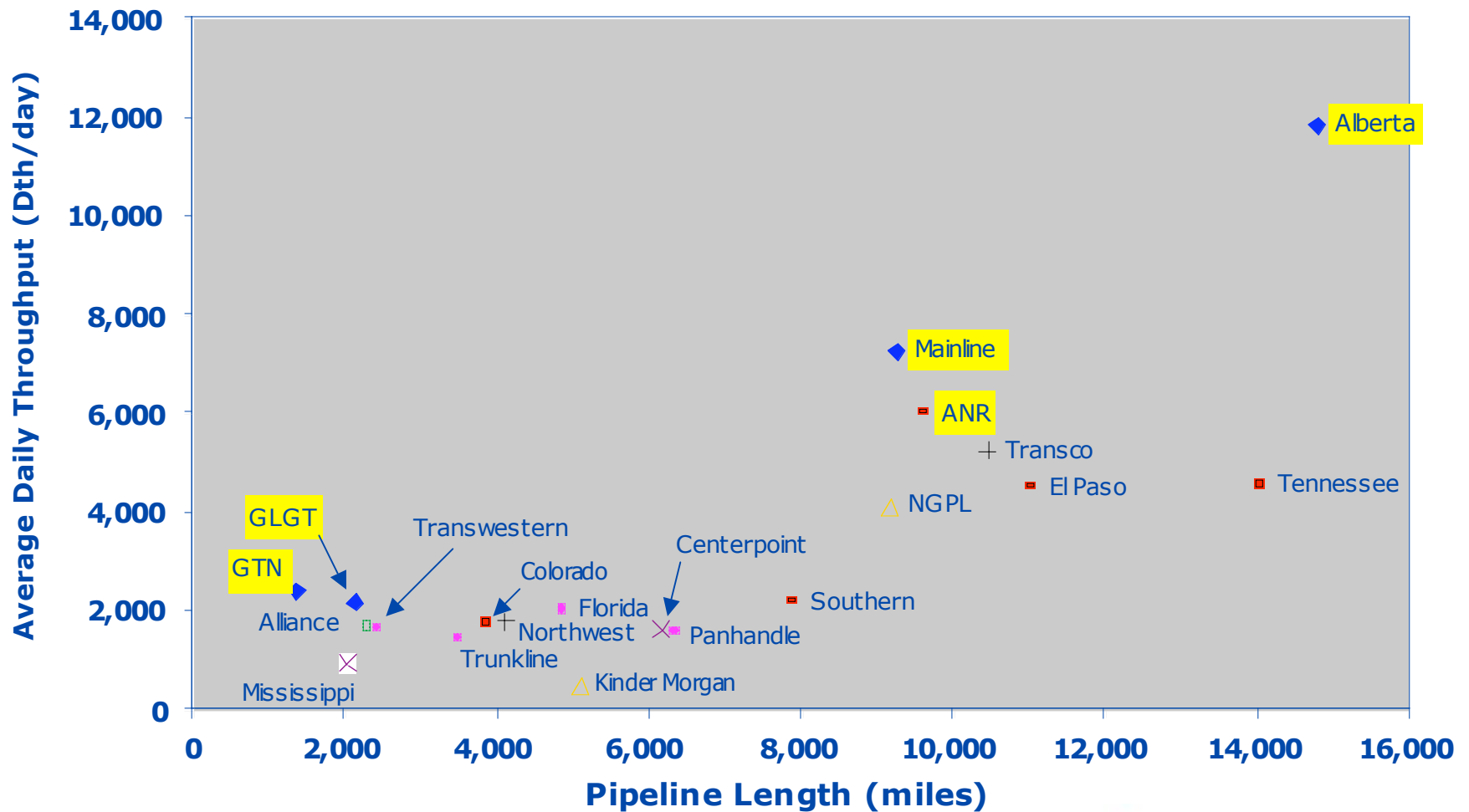


- **Alberta liquidity continues to grow**
- **Transaction statistics suggest that NIT is the most liquid market in North America**

Our Western Canada Track Record: 1990s Miles Constructed

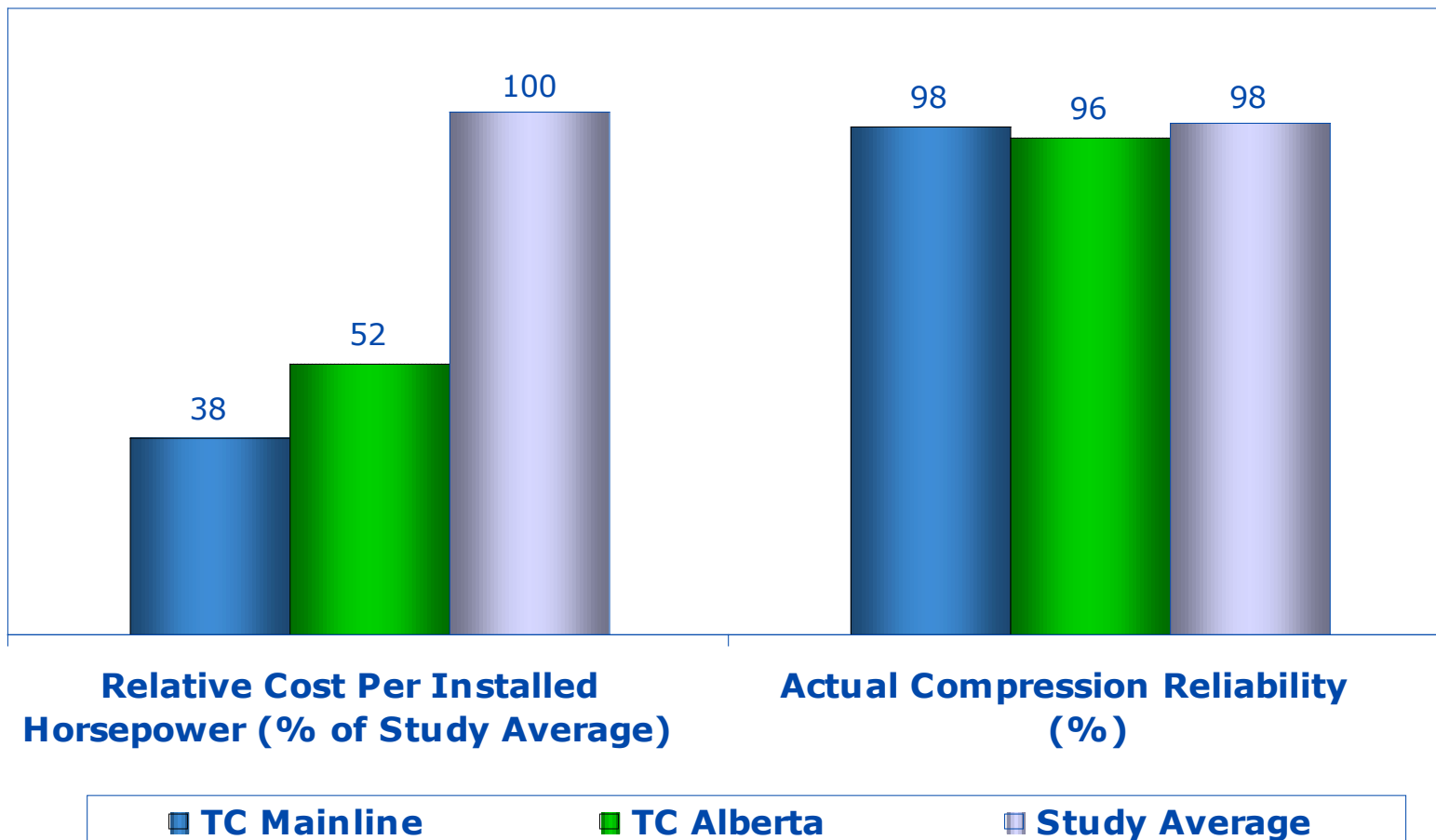


Operating Costs & Reliability – Study Participants



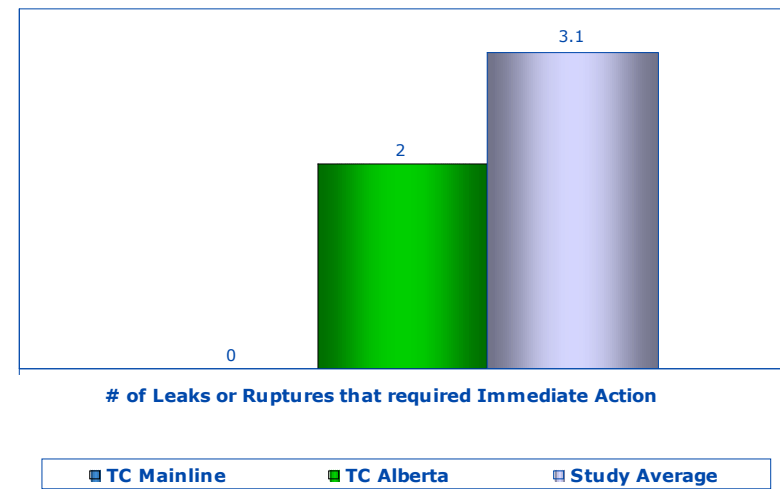
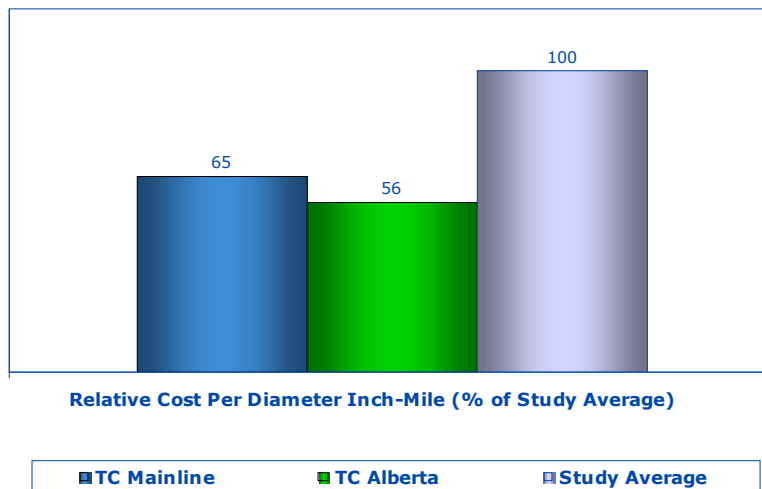
Source (Operating data): "Major Interstate Pipelines" (2004, Foster Associates)

Compression Maintenance Comparisons



Source: Solomon Associates Natural Gas Transmission System Performance Analysis for Operating Year 2004

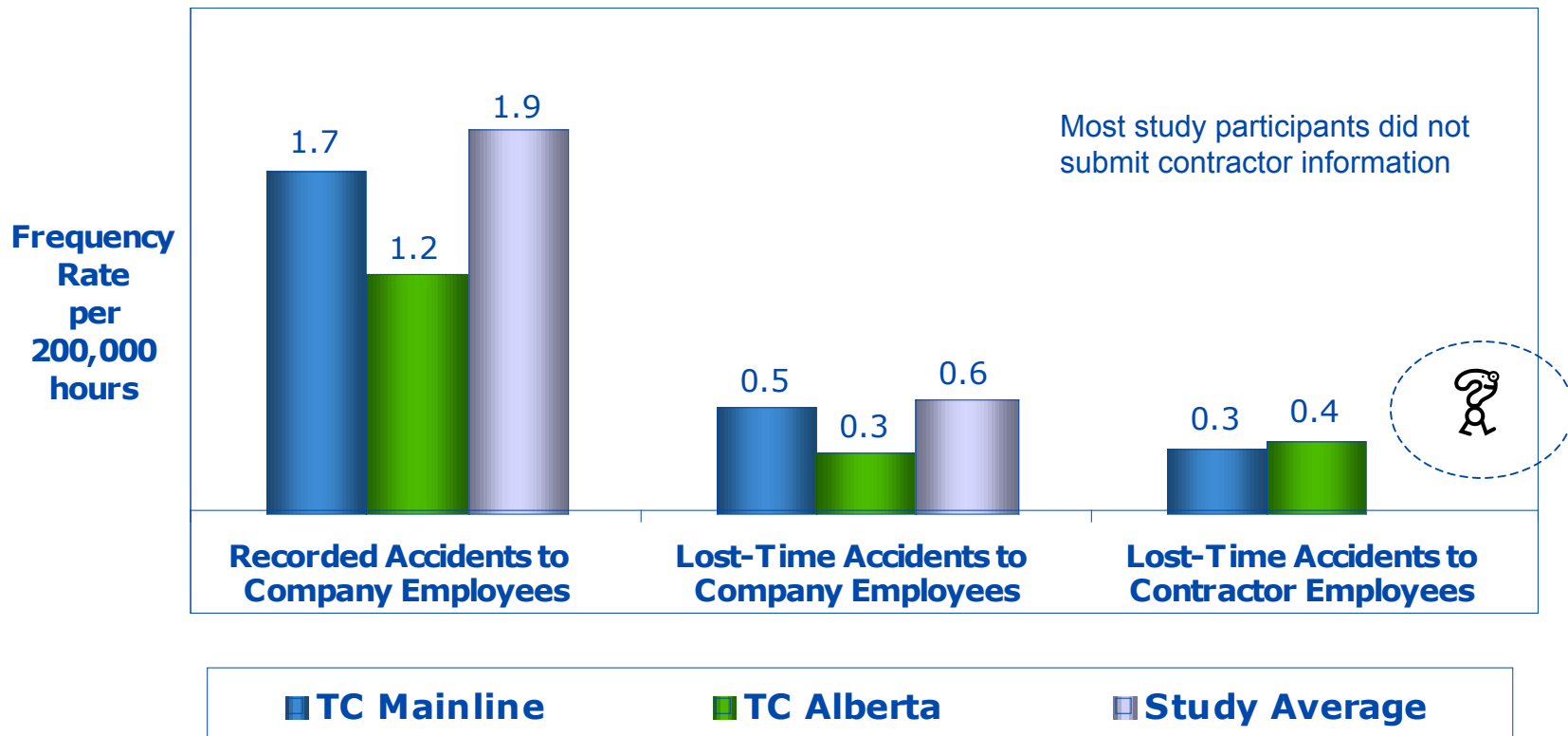
Pipeline Maintenance Comparisons



Note: Diameter Inch-Mile (DIM) is calculated by multiplying each pipe diameter by its length and summing the products

Source: Solomon Associates Natural Gas Transmission System Performance Analysis for Operating Year 2004

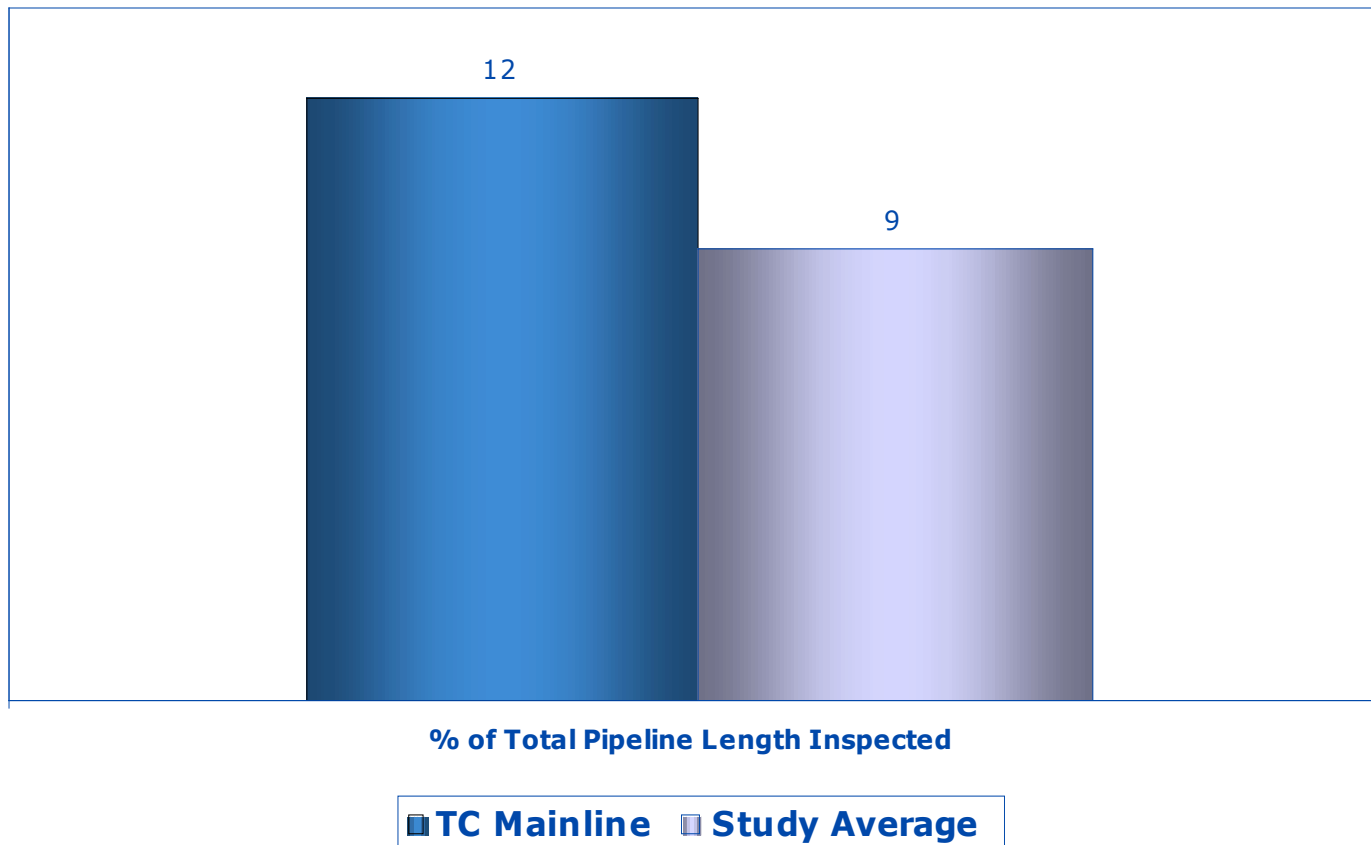
Safety Performance



TransCanada expects the same high standards of Health, Safety and Environmental (HSE) performance from its contractors as from its employees

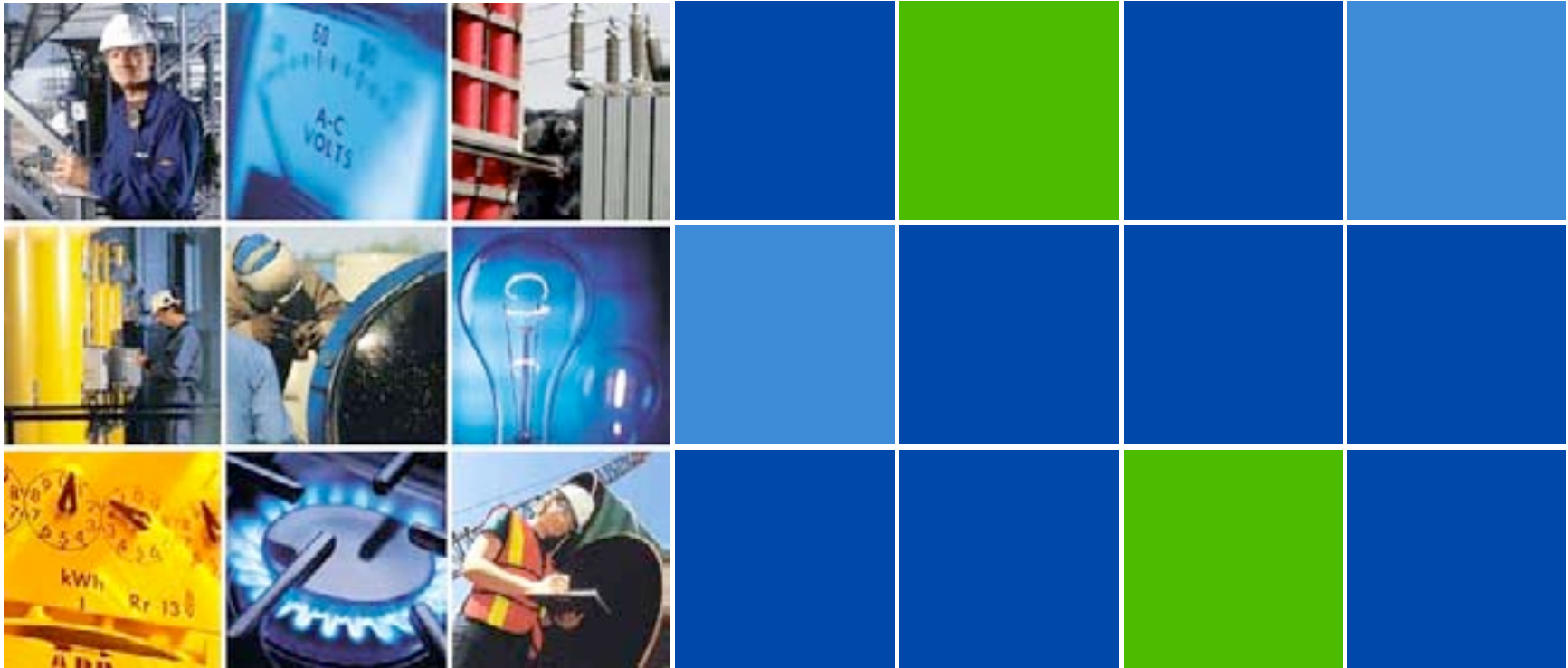
Source: Solomon Associates Natural Gas Transmission System Performance Analysis for Operating Year 2004

% of Total Pipeline Length Inspected Annually



Mainline is a similar type of pipeline as the proposed Alaska project

Source: Solomon Associates Natural Gas Transmission System Performance Analysis for Operating Year 2004



Thank You

