



LEGISLATIVE BUDGET & AUDIT COMMITTEE

REPRESENTATIVE RALPH SAMUELS, CHAIRMAN

February 29, 2008

Carrie J. Hightman
Executive Vice President and Chief Legal Officer
NiSource Inc.
801 East 86th Avenue
Merrillville, IN 46410

Dear Ms. Hightman:

TransCanada has identified your company as a "withdrawn partner" of the Alaskan Northwest National Gas Transportation Company (ANNGTC). The withdrawn company is Columbia Alaskan Gas Transmission Corporation and the date of the withdrawal is 1984. TransCanada listed the current ultimate parent as NiSource Inc. This information is listed in a response from TransCanada to the State of Alaska that we enclosed with this letter.

Our first question is whether you would be willing to waive your rights under the ANNGTC partnership agreement?

Do you believe the corporate structure [see attached] used by TransCanada in its Alaska Gasline Inducement Act (AGIA) application violates any obligation to your company?

Thank you for your attention and response.

Sincerely,

A handwritten signature in black ink, appearing to read "Ralph Samuels".

Representative Ralph Samuels, Chair
Legislative Budget & Audit Committee

Enclosures

State of Alaska Request #1

Please provide copies of the ANNGTC partnership agreement and any ancillary agreement(s) relating to the obligations of the partners of ANNGTC as the same have been amended or modified, and please identify the ultimate parent company for each withdrawn partner from that partnership.

Response

Exhibit 1-A to this response is a copy of the ANNGTC General Partnership Agreement, including all amendments to date. Exhibit 1-B includes copies of all withdrawal notices received from the Withdrawn Partners of ANNGTC of which we are aware. We are not aware of any ancillary agreements that would affect the obligations of the ANNGTC partners to each other or to the Withdrawn Partners.

Set forth below is a chart listing the name of each Withdrawn Partner of ANNGTC, the year such Withdrawn Partner withdrew from the Partnership and the entity we believe is the current ultimate parent of such Withdrawn Partner.

| Name of Withdrawn Partner (Year of Withdrawal from ANNGTC) | Current Ultimate Parent of Withdrawn Partner* |
|--|---|
| Texas Gas Alaska Corporation (1981)..... | Loews Corporation |
| American Natural Alaskan Company (1982)..... | TransCanada Corporation |
| Northern Arctic Gas Company (1984)..... | MidAmerican Energy Holdings Company, a consolidated subsidiary of Berkshire Hathaway Inc. |
| Columbia Alaskan Gas Transmission Corporation (1984)..... | NiSource Inc. |
| Pan Alaskan Gas Company (1984)..... | TransCanada Corporation |
| Pacific Interstate Transmission Company (Arctic) (1985)** | Sempra Energy |
| TETCO Four, Inc. (1989)..... | TransCanada Corporation |
| Calaska Energy Company (1993)..... | PG&E Corporation |
| Northwest Alaskan Pipeline Company (1994)..... | The Williams Companies, Inc. |

* Information regarding the Withdrawn Partners' ultimate parent (other than those that are currently affiliates of TransCanada Corporation) is given to the best of our information and belief. We make no representation or warranty as to the accuracy of the information provided.

** We understand that Pacific Interstate Transmission Company (Arctic) has transferred its right to any contingent payments under Section 4.4.4 of the ANNGTC General Partnership Agreement to a trust for the benefit of the California Public Utility Commission.

State of Alaska Request #2

Please provide an organizational chart that shows the relationship between TransCanada Corporation and the following entities: (1) TransCanada Alaska Company, LLC (one of the Co-applicants for the AGIA license); (2) Foothills Pipe Lines Ltd. (the other Co-Applicant for the AGIA license); (3) United Alaska Fuels Corporation (partner in ANNGTC) and (4) TransCanada PipeLine USA Ltd. (partner in ANNGTC).

Response

Set forth below is an organizational chart that graphically depicts the relationship between TransCanada Corporation (the ultimate parent in the TransCanada corporate structure) and the entities referenced in the State’s request.

