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April 1, 2008

Representative Ralph Samuels, Chair
Legislative Budget & Audit Committee
Alaska State Capitol
Juneau, AK 99801-1182

Dear Representative Samuels,

I am responding to your letter of February 29, 2008, and the two questions that you asked. Sempra Energy is the ultimate parent for Pacific Interstate Transmission Company (PITCO), the “withdrawn partner” of the Alaskan Northwest National Gas Transportation Company (ANNGTC)

In response to your two specific questions:

1. Question: Our first question is whether you would be willing to waive rights under the ANNGTC partnership agreement?

Answer: PITCO is a “withdrawn partner” of ANNGTC, as that term is defined in the partnership agreement. To the extent that PITCO has certain continuing rights under the ANNGTC agreements, PITCO is not willing to waive any of its rights as a withdrawn partner.

2. Question: Do you believe the corporate structure used by TransCanada in its Alaska Gasline Inducement Act (AGIA) application violates any obligation to your company?

Answer: Based upon the information available to us regarding the manner in which TransCanada is proposing to carry out the project, we are not aware of any obligation under the ANNGTC General Partnership Agreement that is being violated by TransCanada.

I am available to discuss the matter further, should you require additional information.

Very truly yours

A handwritten signature in black ink that reads "Javade Chaudhri".

Javade Chaudhri

JC:bjj