



April 22, 2008

Legislative Budget & Audit Committee
Alaska State Capitol,
Juneau, Alaska
99801-1182

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Attention: Representative Ralph Samuels
Chairman

Subject: Alaska Gasline Inducement Act
TransCanada Application for License
Additional Clarifying Information

Dear Representative Samuels:

TransCanada acknowledges receipt of your correspondence dated April 2, 2008 in which TransCanada is asked to provide additional clarifying information to its November 30, 2007 Application for License. In that regard, please find attached our response to the question.

We are submitting this reply to you by two means:

- we are today e-mailing an electronic copy to your attention at Representative_Ralph_Samuels@legis.state.ak.us ; and
- we are today forwarding the originally signed document by courier to your office.

I remain available to provide further information or participate in discussions that the State may wish to initiate.

Sincerely,

Anthony (Tony) M. Palmer
Vice President, Alaska Development

SUBJECT: GENERAL TARIFF AND RATE STRUCTURE

Legislative Budget & Audit Committee Request

TransCanada in sections 2.2.3.4 and 2.2.3.5 proposes certain general tariff and rate structure it plans to offer at the binding open season. *If the FERC or NEB do not authorize those terms, how will the FERC or NEB decision affect the Alternative Ratemaking Methods and Incentives proposed in section 2.2.3.6?*

TransCanada Response

Without knowing the complete terms of a FERC or NEB decision, at this time, TransCanada cannot determine what effect such a decision would have on the Alternative Ratemaking Methods and Incentives as proposed in Section 2.2.3.6 of TransCanada's AGIA Application.