April 24, 2008

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

Attention: Representative Ralph Samuels
                Chairman

Subject: **Alaska Gasline Inducement Act ("AGIA")**
                Confidential Request Relating to SGDA Work Product
                State's draft Term Sheet dated March 8, 2005

Dear Representative Samuels,

TransCanada acknowledges receipt of your correspondence dated April 4, 2008 in which TransCanada is asked to provide the "State's draft Term Sheet dated March 8, 2005" (the "**Draft Term Sheet**") referred to on page 51 of the power point presentation entitled "State of Alaska/TransCanada – Elements of a SGDA Framework" dated May 17, 2005 (the "**SGDA Work Product**") in order for those who have signed the SGDA Work Product Confidentiality Agreement to understand what TransCanada proposed regarding Shipper Creditworthiness.

As TransCanada has previously indicated, we do not believe that the terms and conditions of the SGDA Work Product are relevant to the application filed by the TC AGIA Applicants. Nevertheless, in the spirit of cooperation and recognizing that some Legislators had an opportunity to review the SGDA Work Product in 2005 under a Confidentiality Agreement, we have made the SGDA Work Product available to the Legislature and its staff on the same confidentiality terms as were applicable in 2005.

By allowing review of the SGDA Work Product, which contains the principal commercial terms, TransCanada has provided today's Legislators with access to the same information as was available to the Legislature in 2005. As such, we believe we have been more than responsive to the Legislature's requests and are not prepared to release any additional documentation related to the 2005 SGDA negotiations.

Sincerely,

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