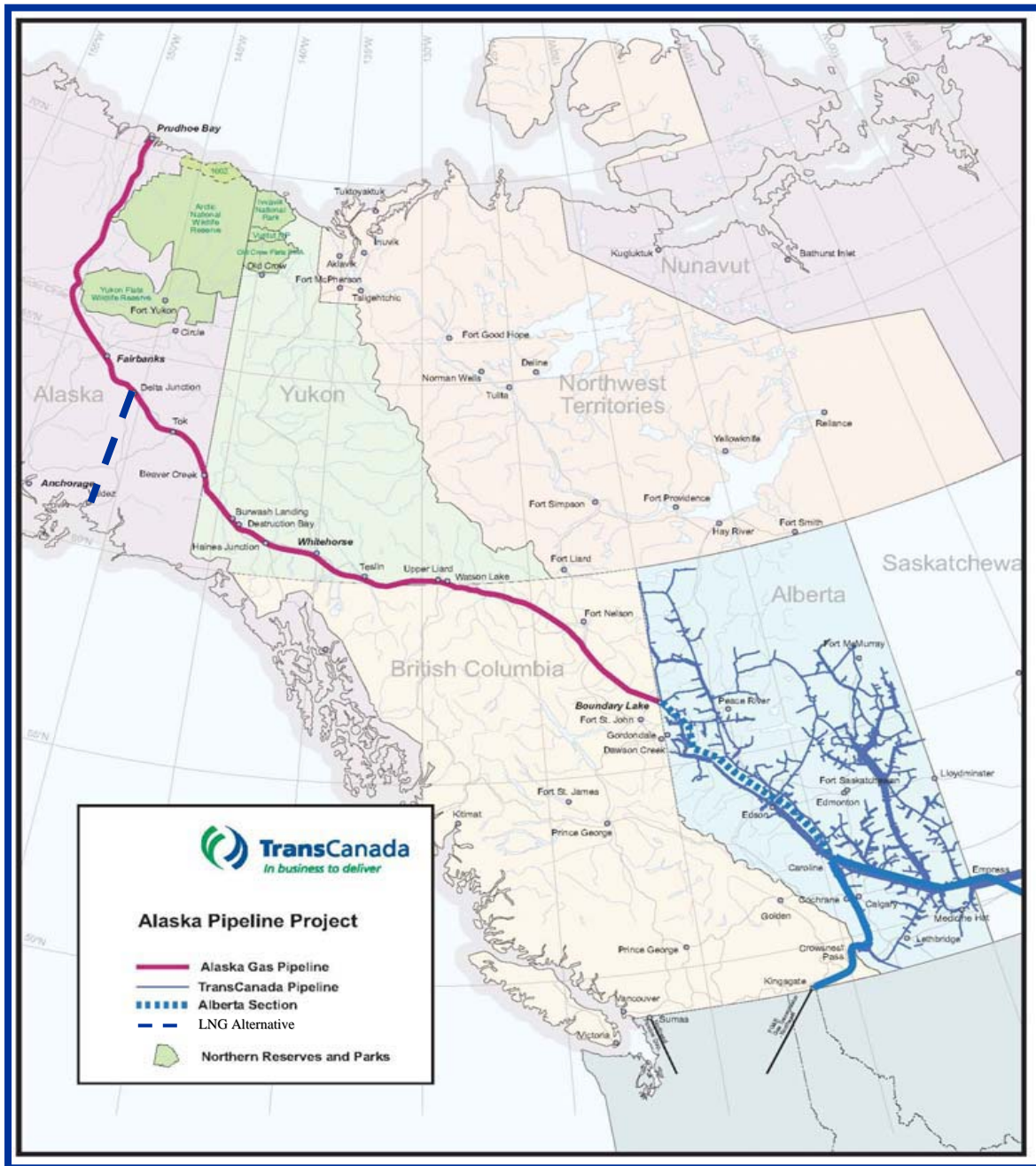


TransCanada's Alaska Pipeline Project House / Senate Resources Committees

Juneau, Alaska
January 26, 2009



TransCanada's Alaska Pipeline Project



Elements of a Successful Project



- **Attractive project economics**

- Natural gas prices are volatile and difficult to forecast
- Conventional Lower 48 and WCSB, LNG, shale and coalbed methane all competing for market share
- Project supporters must focus on factors that affect tolls
 - Commercial terms
 - Commercial and regulatory risk management
 - Schedule
 - Cost control
- Current toll estimate of \$US 2.76/MMBTU in 2018 to Alberta Hub
 - Important to keep tolls under \$3/MMBTU (incl. fuel)

Elements of a Successful Project



- **Government and community support**
 - U.S. / Canada
 - Alaska / Yukon / B.C. / Alberta
 - Alaska Natives and Canadian First Nations
 - Landowners
 - Other stakeholders
- **Commercial contracts with Shippers**
 - Long-term firm agreements
 - Creditworthy parties



Elements of a Successful Project

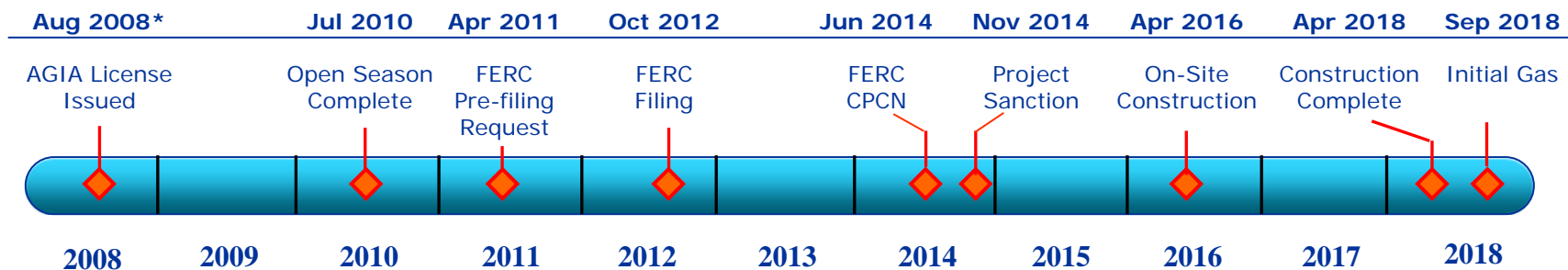


- **Project execution**

- Measured and focused project planning, structure and performance
- Proven project developer
 - TransCanada has 50 year successful track record as developer of long-distance multi-jurisdictional pipeline projects



Project Schedule



* AGIA license assumed to be issued in August 2008 – actual date December 5, 2008

Open Season Phase 2008 to July 2010



Key Objectives:

- Develop Class IV cost estimate to support Open Season
- Identify pipeline routing within study corridor to guide stakeholder and public engagement
- Execute preliminary environmental activities to prepare for pre-filing requirements and to develop permitting plan
- Conduct successful Open Season

Project Status – Engineering



August 2008 – January 2009

- Developed detailed plans for technology development, engineering, construction infrastructure, logistics and cost estimating
- Aerial photography for Alaska, including LNG alternative
- Commenced terrain mapping for Alaska
- Completed 360° video in Canada
- Planned winter geotechnical field program
- Collected arctic engineering test data and research on frost heave

Outlook – Q1 & Q2 2009

- Complete terrain mapping and winter geotechnical field program in Alaska
- Continue route reconnaissance and corridor selection in Alaska
- Begin engineering (Pre-FEED) for GTP



Project Status - Environmental



August 2008 – January 2009

- Established GIS needs to support environmental planning and permitting
- Completed preliminary environmental constraints report for Alaska routing
- Completed initial route update review in Canada



Outlook – Q1 & Q2 2009

- Complete environmental information needs analysis with regulatory agencies
- Commence development of RFP for TransCanada environmental contractor – issuance in Q3 2009



Project Status – Regulatory / Permitting



August 2008 – January 2009

- Preliminary environmental permitting strategy for Alaska and Canada
- Submitted all permit applications to support winter geotechnical program North Slope Borough, ADNIR, AF&G, USF&WS, USDOIR (BLM), USACE, as well as referral to SHPO

Outlook – Q1 & Q2 2009

- Complete permitting for winter geotechnical field program
- Continue FERC discussions
- Commence discussions with individual agencies to update Environmental Information Needs Analysis

Project Status – Regulatory / Permitting (cont'd)



August 2008 – January 2009

- U.S. multi-agency meetings:
 - January 5 – FERC
 - January 6 – in D.C.; Office of Federal Coordinator, Departments of Defense, Energy, Homeland Security, Interior, Transportation, Commerce, State, Treasury, Advisory Council on Historic Preservation, Environmental Protection Agency, FERC, Council on Environmental Quality, Office of Management & Budget
 - January 14/15 – in Anchorage/Fairbanks; JPO/SPCO, ADNOR, ADOT, ADF&G, SHPO, ADEC, NOAA, EPA, DOI (BLM), OFC, USFWS & University of Alaska Fairbanks

Project Status - Commercial



August 2008 – January 2009

- Continued discussions with potential shippers



Outlook – Q1 & Q2 2009

- Select contractor for In-State Gas Study
- Continue discussions with potential shippers
- Continue to develop plans for Open Season



Project Status - Administrative



August 2008 – January 2009

- Office
 - Dec. 1, 2008 lease for Anchorage office
 - Dedicated project office space in Calgary
- Reimbursement
 - Initial discussions with Administration regarding AGIA reimbursement process and mechanics
 - Initiated required cost reimbursement agreements with State of Alaska and BLM for Open Season field activities including winter 2009 geotech program

Outlook – Q1 & Q2 2009

- Office
 - Anchorage Office Manager in place by early February
- Reimbursement
 - Finalize discussions with State on AGIA reimbursement details
 - Finalize reimbursement agreements with BLM and DNR (for access and permits)

Project Status – Alaska Contractors



- Aerial Photography – Aero-Metric Inc., Anchorage
 - Sub-contractor - Lounsbury & Associates Inc., Anchorage
- Terrain Mapping – R&M Consultants Inc., Anchorage
- Geotechnical fieldwork – Golder Associates Inc., Anchorage,
 - Sub-contractor – Discovery Drilling Inc., Anchorage
- Environmental Planning and Permitting – ENSR AECOM, Anchorage
 - Sub-contract with Clarus Technologies LLC, Eagle River for SHPO submission
- Geothermal Modeling and Support – Northern Engineering and Scientific, Anchorage
- External relations – Jade North, Anchorage

Project Status – Alignment Meetings



- Alyeska, ANGDA, ENSTAR
- DOT (Alaska)
 - Alaska / Yukon Infrastructure Improvements workshop
 - State Infrastructure Conference
- Department of Labor (Alaska)
 - AGIA Training Strategic Plan Steering and Implementation Committee
 - Alaska Pipeline Trades Academy Dedication & Tour
 - Alaska Workforce Investment Board
- Alaska Natives / Socio-Economic
 - Outreach and meetings with Regional Corporations, Village Corporations and Tribal Entities that are stakeholders

Summary



- AGIA Bill approved and License issued
- Significant work underway – Engineering / Cost Estimation, Environmental, Administrative, etc.
- Commercial and Regulatory engagement commencing
- Alaska contractors retained
- Anchorage office in-place
- Target to conclude Open Season by summer 2010
- TransCanada will continue to focus on costs, schedule and attracting customers.



Thank You