

05 76-NG



Margaret Crossen
US Regulatory Analyst
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September 23, 2005

Ms. Allyson Reilly
Office for Oil and Gas Global Security and Supply
U.S. Department of Energy
Forrestal Building, Room 3E-042
1000 Independence Avenue SW
Washington, DC, 20585

RECEIVED
SEP 27 2005
DOE/OFE/NGR

Dear Madam:

**Re: TransCanada PipeLines Limited
DOE/FE Order Nos. 536 and 795-A**

Attached please find four applications for TransCanada PipeLines Limited ("TransCanada") to import and export gas from and to Canada. TransCanada currently holds two long term import/export authorizations related to transportation contracts on the Great Lakes Gas Transmission System. DOE/FE Order No. 536 authorizes TransCanada to import up to 98.35 million cubic feet per day ("Mmcf/d") to be used as compressor fuel. DOE/FE Order No. 795-A authorizes TransCanada to import and export up to 1,717,000 Mmcf/d. The authorizations expire October 31, 2005. Renegotiation of the underlying transportation contracts resulted in seven contracts for varying terms. As a result, TransCanada is concurrently making four applications for blanket and long term authorizations to permit the import and subsequent export of gas from and to Canada. A cheque payable to the US Treasury in the amount of \$200 is attached.

Please contact the writer at (403) 920 2153 if you have any questions about the foregoing.

Yours truly,

Margaret Crossen
US Regulatory Analyst
TransCanada PipeLines Limited

UNITED STATES OF AMERICA
DEPARTMENT OF ENERGY
OFFICE OF FOSSIL ENERGY

RECEIVED

SEP 27 2005

DOE/OFE/NGR

TransCanada PipeLines Limited)

Docket No. 05-1049

**APPLICATION OF TRANSCANADA PIPELINES LIMITED
FOR A LONG TERM AUTHORIZATION TO
IMPORT AND EXPORT NATURAL GAS FROM AND TO CANADA**

Pursuant to Section 3 of the Natural Gas Act ("NGA"), 15 U.S.C. § 717b and 10 C.F.R. § 590, TransCanada PipeLines Limited ("TransCanada") hereby submits to the United States of America Department of Energy, Office of Fossil Energy ("DOE/FE") this application for a long term authorization to import and export natural gas from and to Canada. In support of this application, TransCanada respectfully shows as follows:

I.
GENERAL

The name, title, and mailing address of the person who should be served with communications concerning this proceeding is:

Kristine L. Delkus
Vice President, Law - Gas Transmission
TransCanada PipeLines Limited
450 1st Street SW
Calgary, Alberta
Canada T2P 5H1
Tel: (403) 920 2161
Fax: (403) 920 2392

II.
BACKGROUND

The exact legal name of the Applicant and its principal place of business is:

TransCanada Pipelines Limited
450 1st Street SW
Calgary, Alberta
Canada T2P 5H1
Tel: (403) 920 2000

TransCanada is a Canadian public company incorporated in 1951 by a Special Act of the Parliament of Canada and continued on June 1, 1979 under the *Canada Business Corporations Act*. All of the common shares in TransCanada are held by TransCanada Corporation. TransCanada Corporation is a holding company created under a plan of arrangement approved by TCPL's common shareholders on April 25, 2003 and subsequently by the Court of Queen's Bench of Alberta, Canada. TransCanada is a leading North American energy company with a natural gas transmission network in Canada and the U.S. comprising over 25,000 miles of pipeline.

III. AUTHORIZATION REQUESTED

TransCanada was authorized by DOE/FE Order No. 795 on April 30, 1993 to import and export up to 1,405,000 million cubic feet per day ("Mmcf/d) of natural gas from and to Canada beginning on April 30, 1993 and extending through November 1, 2005. Order 795-A, issued 16, 1999, authorized an increase in volume to 1,717,000 Mmcf/d. Renegotiation of the underlying transportation contracts resulted in multiple contracts for varying terms. As a result, TransCanada is concurrently making four applications for blanket and long term authorizations to permit the import and subsequent export of gas from and to Canada.

In this Application TransCanada requests a long term authorization to import up to 487.1 Mmcf/d of natural gas to an annual maximum of 129,828.6 Mmcf for a period of five years commencing November 1, 2005 and extending through to October 31, 2010¹. The gas will enter the United States at the interconnection between the TransCanada PipeLines system and the Great Lakes Gas Transmission System ("Great Lakes") at a point near Emerson, Manitoba and leave the United States at the international border near Sault St. Marie and/or St. Clair, Michigan.

IV. PUBLIC INTEREST

TransCanada's proposed import and export of natural gas continues to be consistent with the public interest. Section 3(c) of the NGA provides that imports from, or exports to, countries that have in effect a Free Trade Agreement with the United States requiring

¹ See Transportation Service Agreement FT4761 ("Transportation Agreement") attached as Exhibit B.

national treatment for trade in natural gas "shall be deemed to be consistent with the public interest and applications for importation or exportation shall be granted without modification or delay."² The United States and Canada are parties to a Free Trade Agreement that requires each party to provide national treatment to the goods of the other party. Therefore, imports from Canada and exports to Canada, as proposed herein, are deemed consistent with the public interest.

V.
ENVIRONMENTAL IMPACT

No new facilities will be constructed in the United States for the proposed importation and exportation of natural gas. Consequently, granting this application will not be a federal action significantly affecting the quality of the human environment within the meaning of the National Environmental Policy Act, 42 U.S.C. § 4321, *et seq.* Therefore, an environmental impact statement or environmental assessment is not required.

VI.
REPORTING REQUIREMENTS

With respect to all imports and exports made pursuant to the authorization requested herein, TransCanada will undertake to file with the DOE/FE within 30 days following each calendar month a report indicating whether imports and/or exports have been made describing the country of origin, point(s) of entry or exit, volumes delivered/exported and the country of destination. In addition, in the month following the close of each calendar quarter, reports indicating by month whether imports or exports have occurred, and if so, the details of each transaction, including the total volumes of imports and exports in Mcf and the average price for the imports and exports per MMBtu at the international border. The reports shall include the name of the seller, the name of the purchaser, the estimated or actual duration of the agreements, the name of the U.S. transporter(s), the point of entry or point of exit, whether the sales are made on an interruptible or firm basis, and, if applicable, the per unit (MMBtu) demand/commodity charge breakdown of the contract price.

² 15 U.S.C. § 717(b) (1996).

VII.
CONCLUSION

WHEREFORE, for the foregoing reasons TransCanada respectfully requests that its authorization be granted to import and export up to 487.1 Mmcf/d to an annual maximum of 129,828.6 Mmcf of natural gas from and to Canada extending from November 1, 2005 to October 31, 2010.

Respectfully submitted,

ON BEHALF OF TRANSCANADA PIPELINES
LIMITED

By  _____

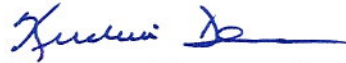
Kristine Delkus
Vice President, Law - Gas Transmission
TransCanada PipeLines Limited
450 1st Street SW
Calgary, Alberta T2P 5H1
(403) 920 2161

September 23rd, 2005

VERIFICATION

I, Kristine Delkus, hereby certify that I am counsel for TransCanada PipeLines Limited and have authority to sign the foregoing; and that to the best of my knowledge, information and belief the import and export of natural gas is within the corporate powers of TransCanada Pipelines Limited; and that to the best of my knowledge, information and belief TransCanada Pipelines Limited has complied with State laws and regulatory authorities.

Dated at Calgary, Alberta, Canada, this 23rd day of September, 2005.



Kristine Delkus

Exhibit B
Transportation Agreement FT4761



TRANSPORTATION SERVICE AGREEMENT
Contract Identification FT4761

This Transportation Service Agreement (Agreement) is entered into by Great Lakes Gas Transmission Limited Partnership (Transporter) and TRANSCANADA PIPELINES LIMITED (Shipper).

WHEREAS, Shipper has requested Transporter to transport Gas on its behalf and Transporter represents that it is willing to transport Gas under the terms and conditions of this Agreement.

NOW, THEREFORE, Transporter and Shipper agree that the terms below constitute the transportation service to be provided and the rights and obligations of Shipper and Transporter.

1. **CONTRACT DATE:** November 04, 2004
2. **CONTRACT IDENTIFICATION:** FT4761
3. **RATE SCHEDULE:** FT
4. **SHIPPER TYPE:** Other
5. **STATE/PROVINCE OF INCORPORATION:** Canada
6. **TERM:** November 01, 2005 to October 31, 2010

Transporter and Shipper agree that Shipper may extend the primary term of this Agreement by exercising a contractual Right of First Refusal, pursuant to the procedures set forth in Section 16 of the General Terms and Conditions of Transporter's FERC Gas Tariff.

7. **EFFECT ON PREVIOUS CONTRACTS:**
This Agreement supersedes, cancels and terminates, as of the effective date stated above, the following contract(s): N/A
8. **MAXIMUM DAILY QUANTITY (Dth/Day):** 361,000
Please see Appendix A for further detail.
9. **RATES:**
Unless Shipper and Transporter have agreed to a Discounted Rate, pursuant to Section 19.2 of the General Terms and Conditions, or to a Negotiated Rate, pursuant to Section 4.5 of the Rate Schedule named above, rates shall be Transporter's maximum rates and charges plus all applicable surcharges in effect from time to time under the applicable Rate Schedule (as stated above) on file with the Commission unless otherwise agreed to by the parties in writing. Provisions governing a Discounted Rate shall be set forth in this Paragraph 9. Provisions governing a Negotiated Rate shall be set forth on Appendix B hereto.

Shipper and Transporter agree that for service under this Agreement from the point(s) of receipt listed on Appendix A to the point(s) of delivery listed on Appendix A, the Reservation Fee to be charged shall be \$9.520.

10. **POINTS OF RECEIPT AND DELIVERY:**
The primary receipt and delivery points are set forth on Appendix A.

11. RELEASED CAPACITY:

N/A

12. INCORPORATION OF TARIFF INTO AGREEMENT:

This Agreement shall incorporate and in all respects be subject to the "General Terms and Conditions" and the applicable Rate Schedule (as stated above) set forth in Transporter's FERC Gas Tariff, Second Revised Volume No. 1, as may be revised from time to time. Transporter may file and seek Commission approval under Section 4 of the Natural Gas Act (NGA) at any time and from time to time to change any rates, charges or provisions set forth in the applicable Rate Schedule (as stated above) and the "General Terms and Conditions" in Transporter's FERC Gas Tariff, Second Revised Volume No. 1, and Transporter shall have the right to place such changes in effect in accordance with the NGA, and this Agreement shall be deemed to include such changes and any such changes which become effective by operation of law and Commission Order, without prejudice to Shipper's right to protest the same.

13. MISCELLANEOUS:

No waiver by either party to this Agreement of any one or more defaults by the other in the performance of this Agreement shall operate or be construed as a waiver of any continuing or future default(s), whether of a like or a different character.

Any controversy between the parties arising under this Agreement and not resolved by the parties shall be determined in accordance with the laws of the State of Michigan.

14. OTHER PROVISIONS:

It is agreed that no personal liability whatsoever shall attach to, be imposed on or otherwise be incurred by any Partner, agent, management official or employee of the Transporter or any director, officer or employee of any of the foregoing, for any obligation of the Transporter arising under this Agreement or for any claim based on such obligation and that the sole recourse of Shipper under this Agreement is limited to assets of the Transporter.

Upon termination of this Agreement, Shipper's and Transporter's obligations to each other arising under this Agreement, prior to the date of termination, remain in effect and are not being terminated by any provision of this Agreement.

Notwithstanding the provisions of Number 8 hereof, Shipper may request transportation of quantities of gas in excess of the MDQ, and Transporter agrees to receive, transport, and redeliver Equivalent Quantities of gas to Shipper, or for the account of Shipper, in accordance with Section 11 of the General Terms and Conditions, or succeeding effective provisions, of Transporter's FERC Gas Tariff, Second Revised Volume No. 1, up to an aggregate excess quantity of 133,333 Dth per day or such other aggregate excess quantity authorized by Commission orders. All deliveries in excess of Shipper's MDQ shall be deemed to be advance deliveries or post deliveries, as the case may be, of contract quantities; rather than excess quantities and shall be billed at the applicable Utilization Fee under Rate Schedule FT. If for the twelve months of any Contract Year ended October 31, the total quantities delivered are in excess of the contract quantity multiplied by the number of days, exclusive of *force majeure* days, in said Contract Year, then Transporter will bill Shipper the Rate Schedule FT Overrun Charge (reduced by the Utilization Fee) times the excess quantities of gas delivered, such amount to be billed at the end of each Contract Year. The provisions of this section are not intended to modify the provisions of Section 4.1(a)(2), or succeeding effective provisions, of Rate Schedule FT with respect to periods of force majeure on Great Lakes' system, and the sum of the quantities delivered during such periods shall be excluded from all calculations provided herein.

15. NOTICES AND COMMUNICATIONS:

All notices and communications with respect to this Agreement shall be in writing and sent to the addresses stated below or at any other such address(es) as may be designated in writing:

ADMINISTRATIVE MATTERS

Great Lakes Gas Transmission Limited
Partnership
5250 Corporate Drive
Troy, MI 48098
Attn: Transportation Services

TRANSCANADA PIPELINES LIMITED
450 - 1st Street S.W.
Calgary, AB T2P 5H1
Canada
Attn: Ches Maciorowski

PAYMENT BY ELECTRONIC TRANSFER

Great Lakes Gas Transmission Limited
Partnership
Bank One, Detroit, MI ABA No. 072000326
Account No: 07308-43

TRANSCANADA PIPELINES LIMITED
Attn: Adrea Morrical

AGREED TO BY:

**GREAT LAKES GAS TRANSMISSION
LIMITED PARTNERSHIP**

By: Great Lakes Gas Transmission Company

Operator and Agent for Great Lakes Gas
Transmission Limited Partnership

By: Martin Wilde
Martin Wilde
Title: Director, Marketing & Business
Operations

TRANSCANADA PIPELINES LIMITED

By: [Signature]
Signature

By: Craig Frew
Please Print
Vice President
Title: Gas Transmission East
TransCanada
Please Print

By: [Signature]
Signature

By: RHONDDA E.S. GRANT
Please Print
Vice-President, Communications
and Corporate Secretary
Title: and Corporate Secretary
Please Print



APPENDIX A
Contract Identification FT4761

Date: November 04, 2004
Supersedes Appendix Dated: Not Applicable

Shipper: TRANSCANADA PIPELINES LIMITED

Maximum Daily Quantity (Dth/Day) per Location:

<u>Begin Date</u>	<u>End Date</u>	<u>Point(s) of Primary Receipt</u>	<u>Point(s) of Primary Delivery</u>	<u>MDQ</u>	<u>(MAOP)</u>
11/01/2005	10/31/2010	EMERSON		361,000	974
11/01/2005	10/31/2010	SOUTH CHESTER		37,988	974
11/01/2005	10/31/2010	DEWARD		37,988	974
11/01/2005	10/31/2010	FARWELL		37,988	974
11/01/2005	10/31/2010	CAPAC		37,988	974
11/01/2005	10/31/2010	MUTTONVILLE-ANR		37,988	974
11/01/2005	10/31/2010	BELLE RIVER MILLS		37,988	974
11/01/2005	10/31/2010		FARWELL	29,377	974
11/01/2005	10/31/2010		ST. CLAIR	361,000	974