Northern Border Pipeline Company Customer Meeting

Scottsdale, Arizona

April 9-10, 2008

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Welcome

Bill Fonda

Manager, Marketing

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Business Meeting Agenda – April 10, 2008

Welcome & Opening Comments	Bill Fonda	8:00 – 8:10 a.m.
Bison	Dick Shepherd	8:10 – 8:30
Pathfinder Gas Pipeline	Todd Johnson Director, US Pipeline Development TransCanada	8:30 - 8:45
Break		8:45 – 9:00
Available Capacity	Jeff Nielsen	9:00 – 9:15
Operational Update	Scott Coburn	9:15 – 9:30
Update on Alaska and Mackenzie Projects; Climate Change Legislation & Impact on Natural Gas Demand	Bill Langford Vice President, Pipeline Strategy TransCanada	9:30 - 10:00

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Bison Discussion

Dick Shepherd
Account Director, Marketing & Optimization

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Agenda

- Rockies Production
- Bison
  - Status Update
  - Open Season & Overview
  - Assumption & Terms
  - Netback Comparison
  - Milestones & Timeline
  - Cheyenne Backhaul
- Summary

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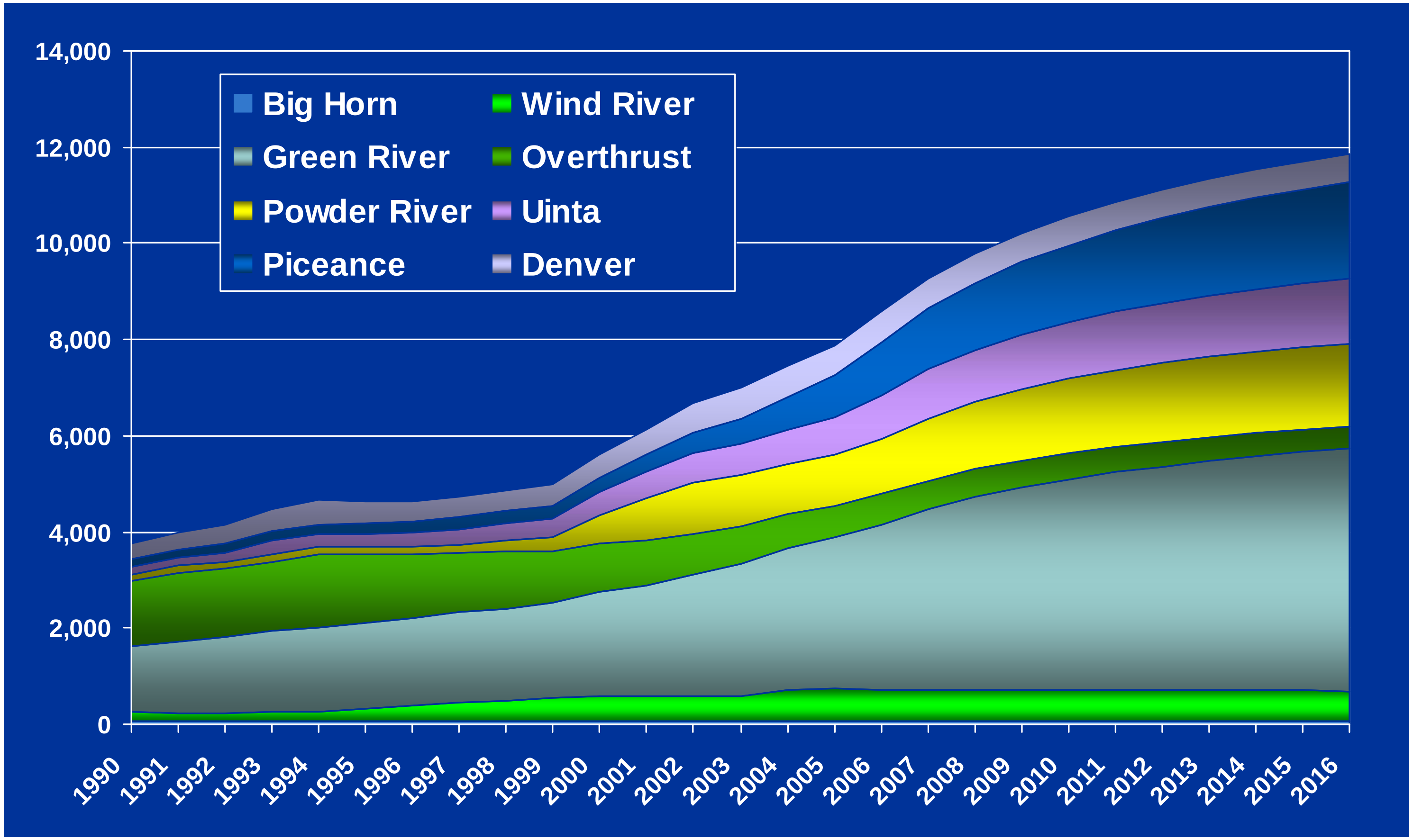
Rocky Mountain Production by Basin

(Volumes are Wellhead – Measured in MMcfd)



Source: El Paso

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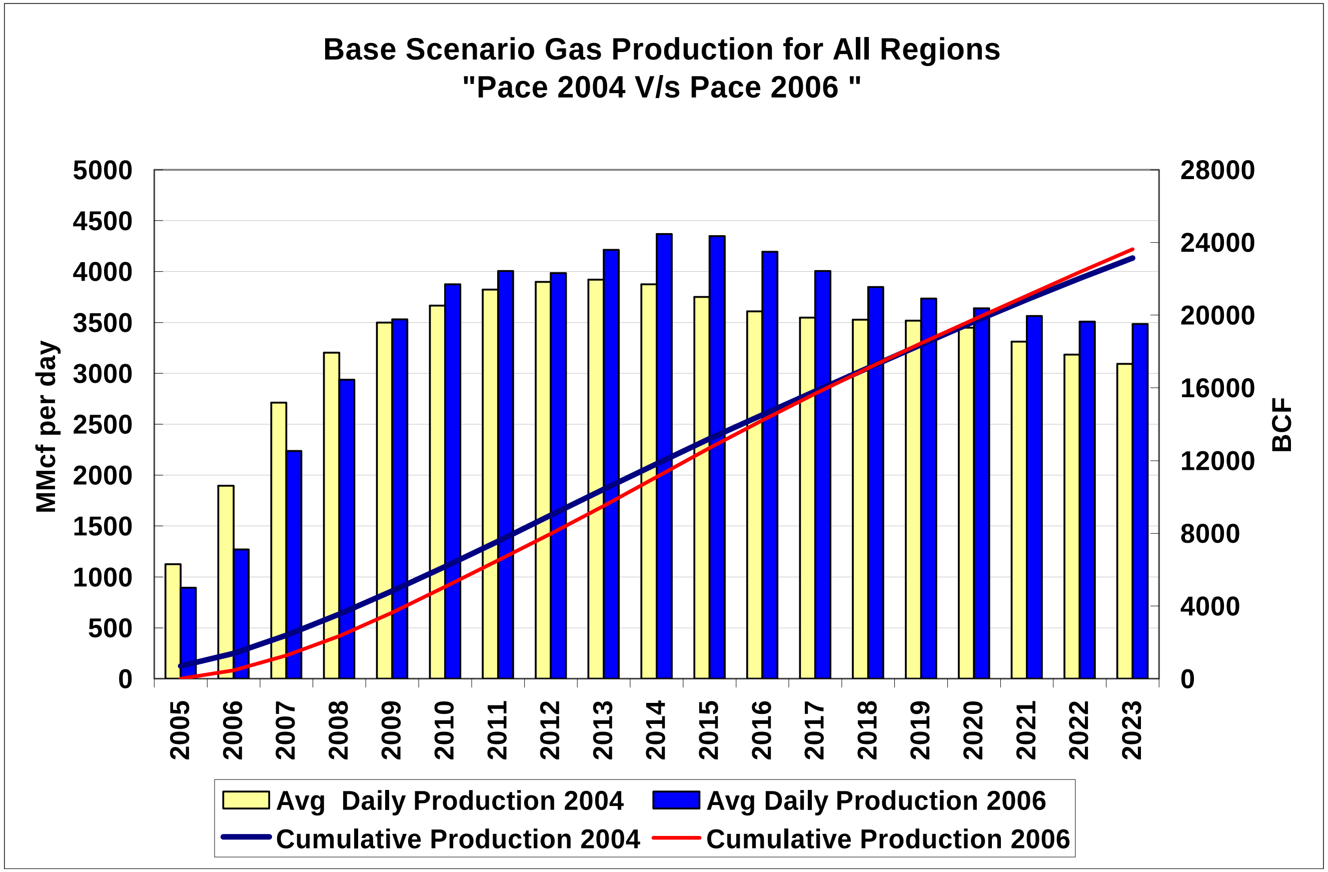
Powder River Basin Gas Production



Source: PACE Global Energy Services
WPA – 10/24/2006

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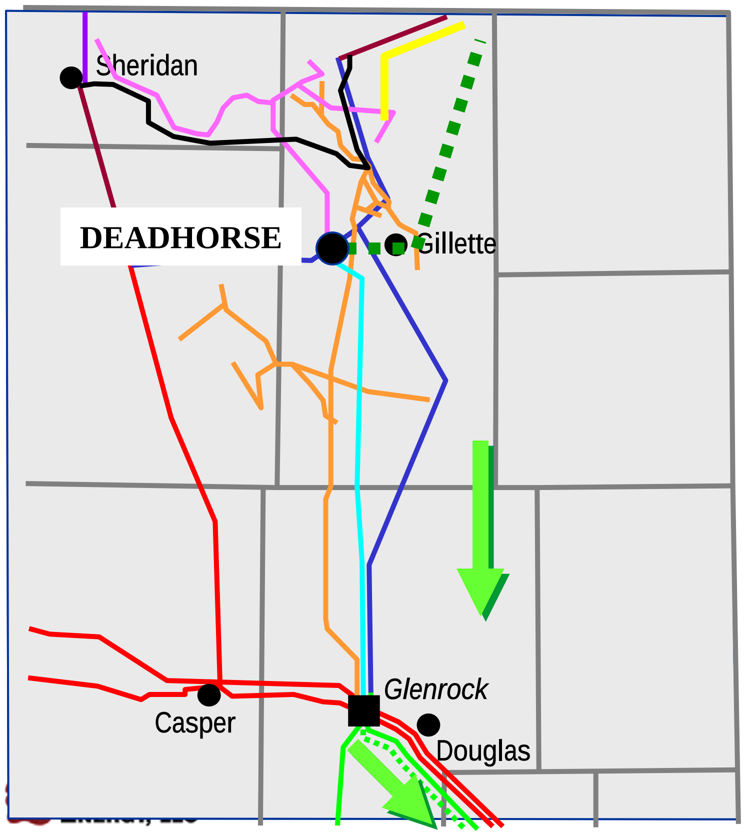
Powder River Basin Pipelines



LEGEND

- KNI 245 MMCFD
- CIG 212 MMCFD
- MIGC 130 MMCFD
- WBI 96 MMCFD
- TCGS 450 MCFD
- FUGG 1.2 BCFD (2008)
- Redstone 20 MMCFD
- BHGG 250 MMCFD
- WBI BC 150 MMCFD
- WIC MB 1.08 BCFD
- Grasslands 80-200 MMCFD
- Bison up to 660 MMCFD

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Status Update

- Comprehensive negotiations nearing completion with Foundation Shipper
- Advanced negotiations with Anchor Shippers
- Bison, coupled with Northern Border transportation, continues to offer superior netbacks

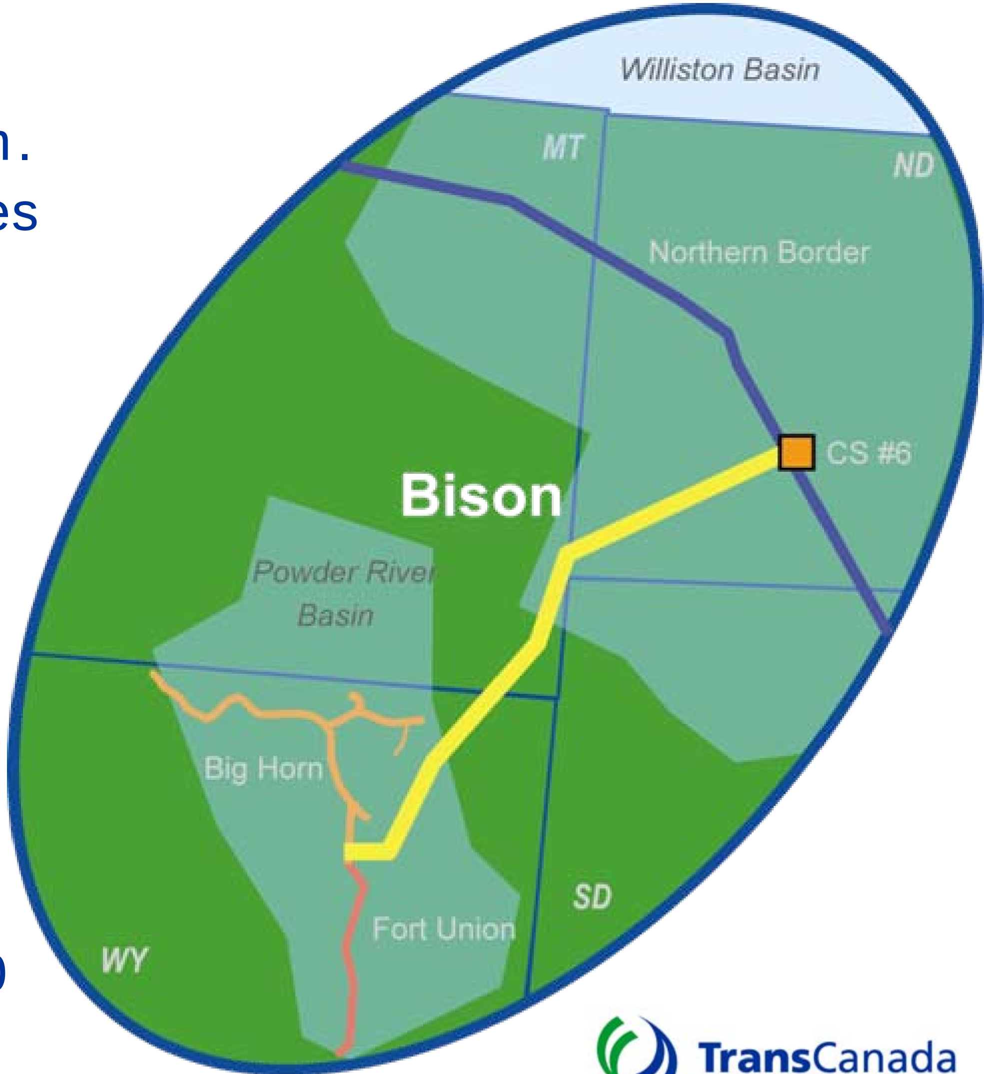
Bison Open Season & Overview

Open Season

- Commenced 4/4/08
- Closes 5/16/08 @ 12:00 p.m.
- Deadline for bid contingencies 5/30/08 @ 12:00 p.m.
- www.northernborder.com

Overview

- 289 Miles
- 24" Pipeline
- Capacity 406 MMcf/d
  - 13,000 HP
  - Fuel .62%
  - Capital $498 Million
- Max. Capacity 660 MMcf/d
- In-Service date: 11/15/2010



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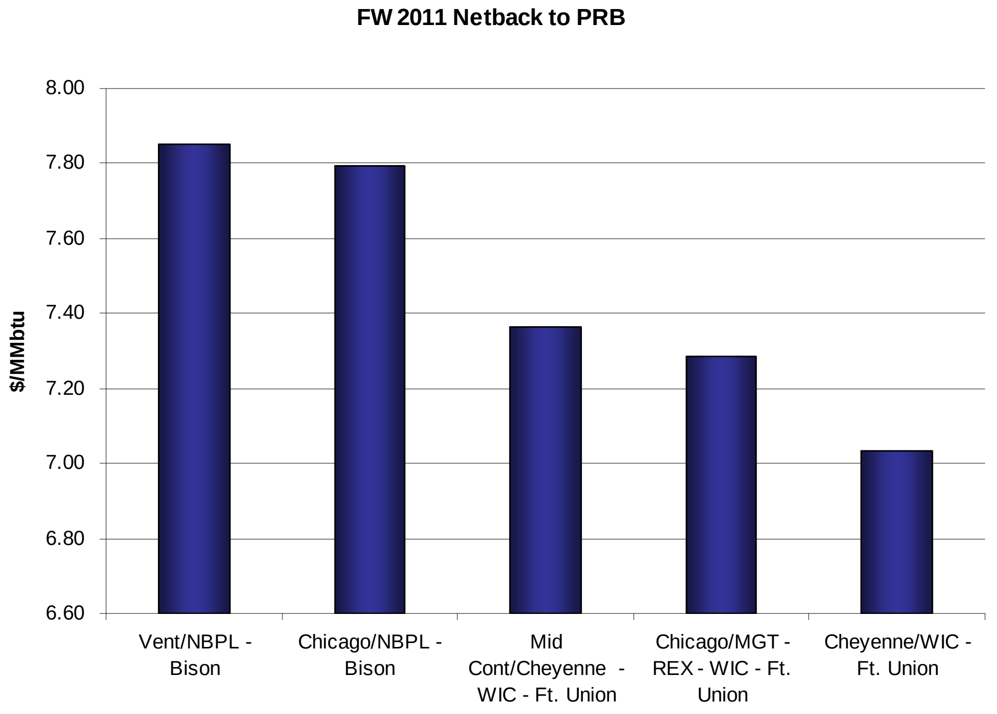
Bison Assumptions & Terms

- Rate Summary
  - Bison
    - $.55 reservation rate – Deadhorse to CS6
    - Reservation rate subject to 10% rate cap based on final costs
    - Fuel estimated at .62%
    - Receipt Pressure 1400 psig
  - Northern Border Pipeline
    - $.23 reservation rate – POM to Ventura
    - Fuel Average CS6 to Ventura at 1.29%
  - 10-Year Term

Bison Netback Comparison to Deadhorse, WY
March 31, 2008

Path	*
Vent/NBPL – Bison	7.85
Chicago/NBPL – Bison	7.79
Mid Cont/Cheyenne Plains – WIC – Ft. Union	7.36
Chicago/MGT – REX – WIC – Ft. Union	7.29
Cheyenne/WIC – Ft. Union	7.03

*FW 2011 Netback to Deadhorse



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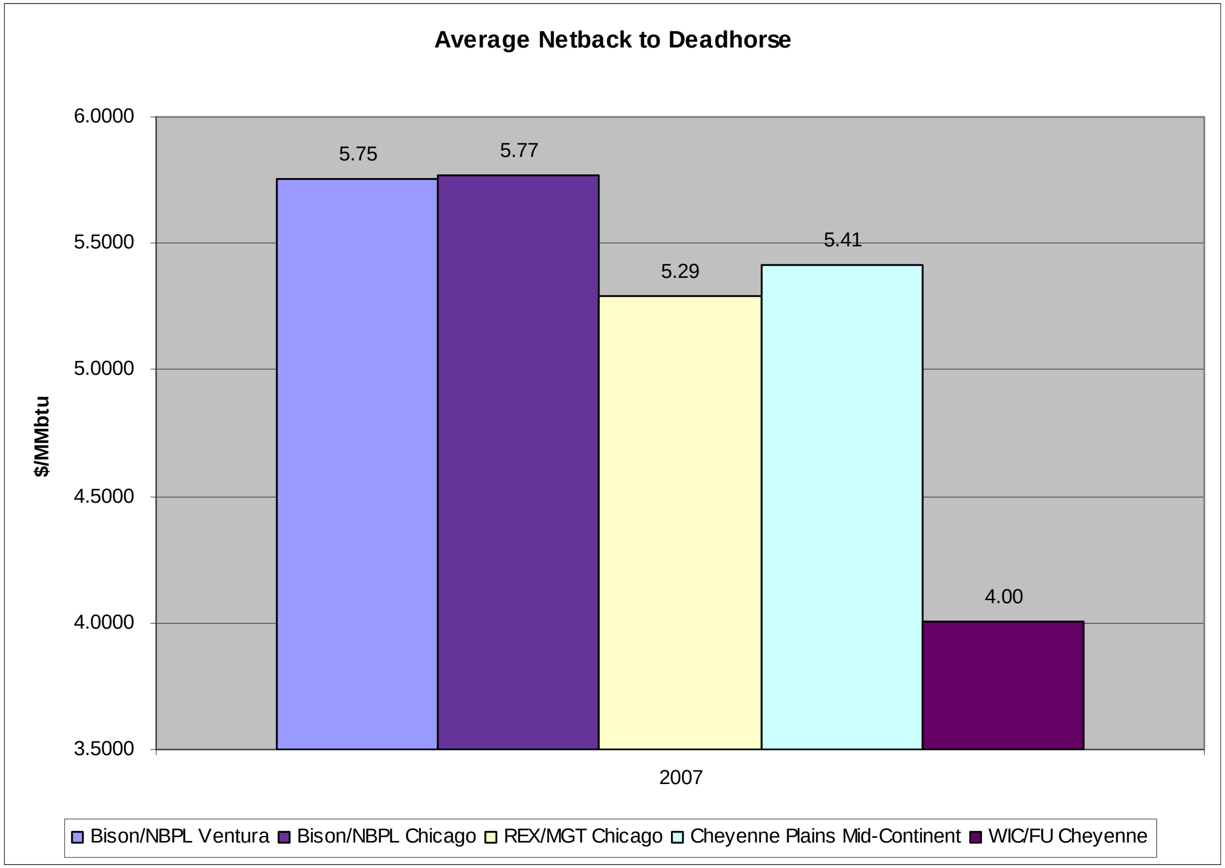
Bison Netback Comparison to Deadhorse, WY
Historical 2007



Source: Platts Gas Daily prices and internal analysis

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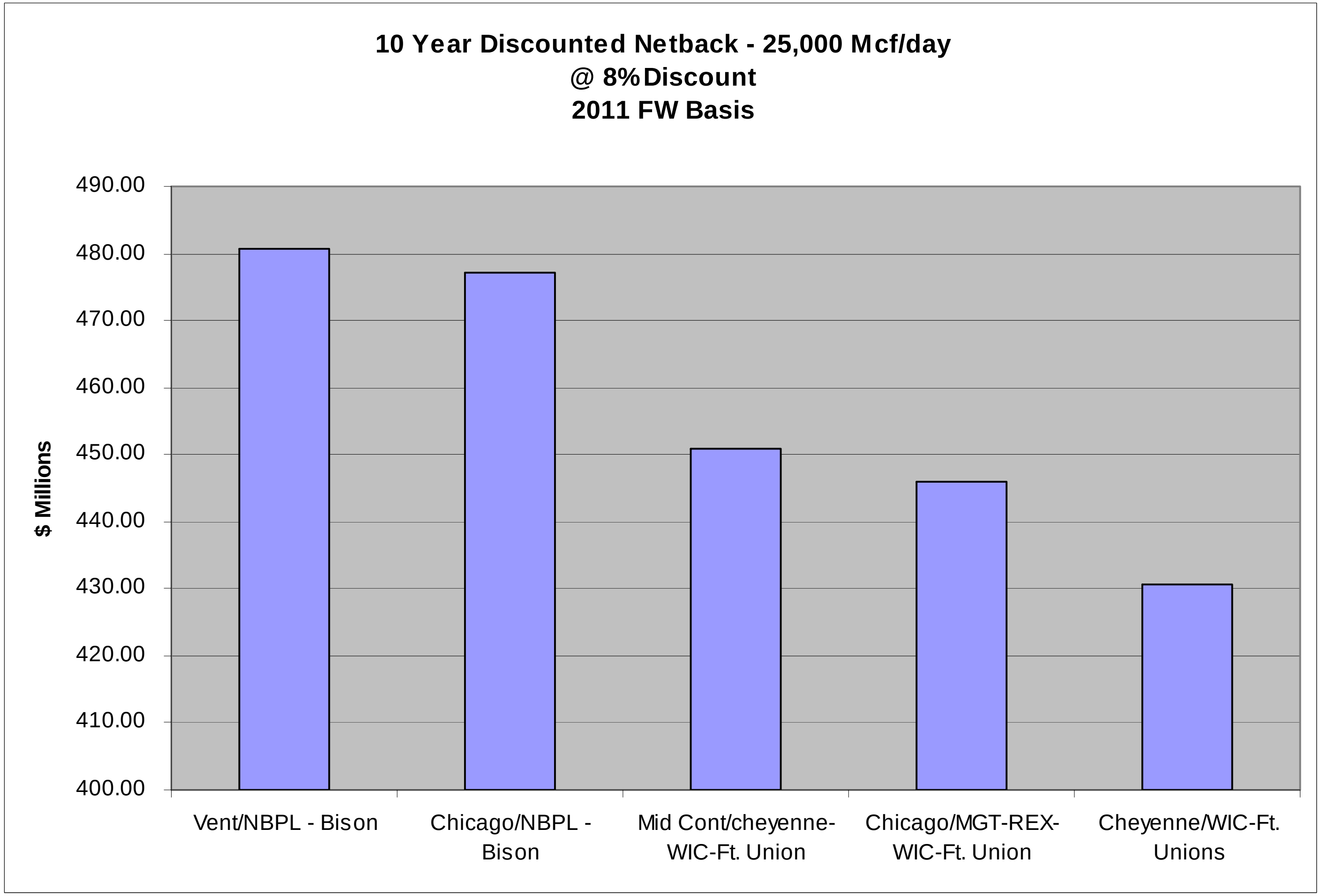
Bison Netback Comparison
10 Year



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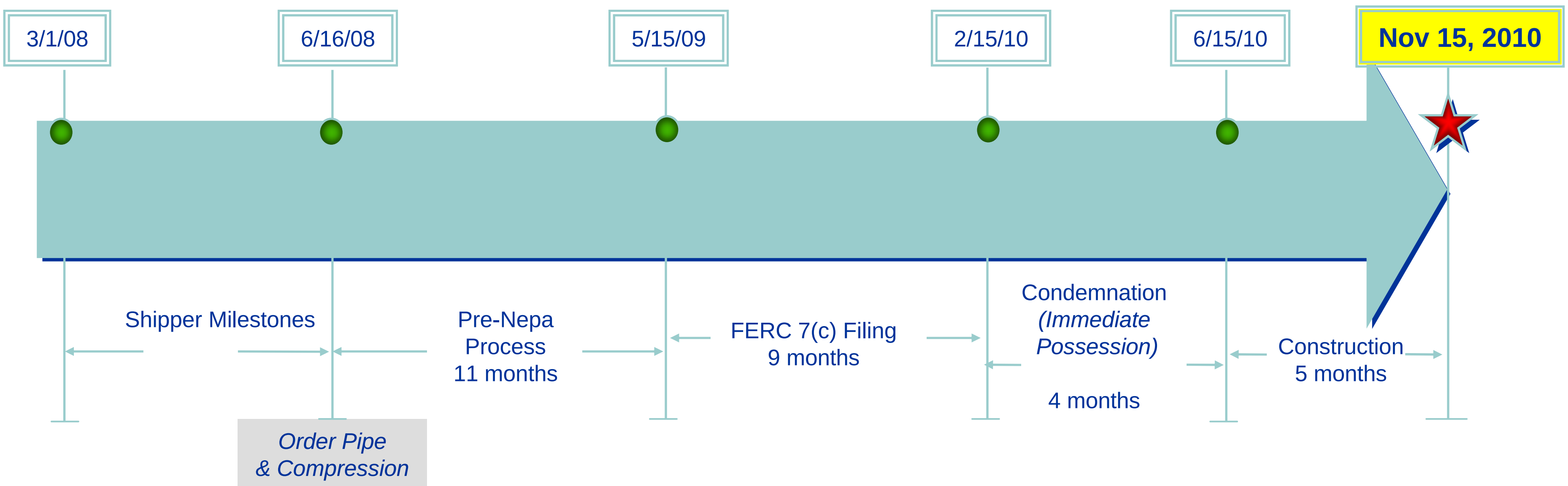
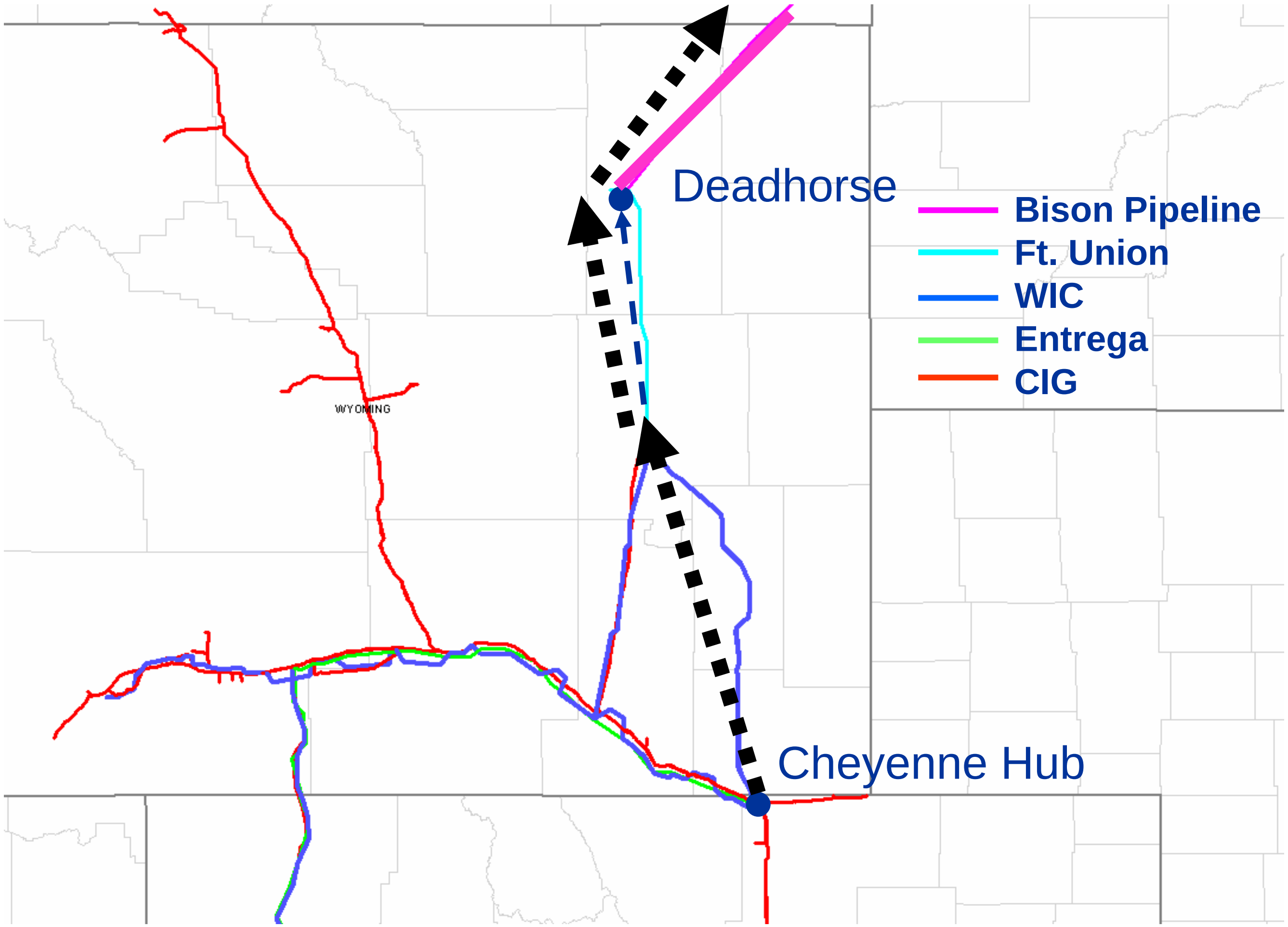
Bison Milestones & Timeline



Bison Backhaul from Cheyenne, WY



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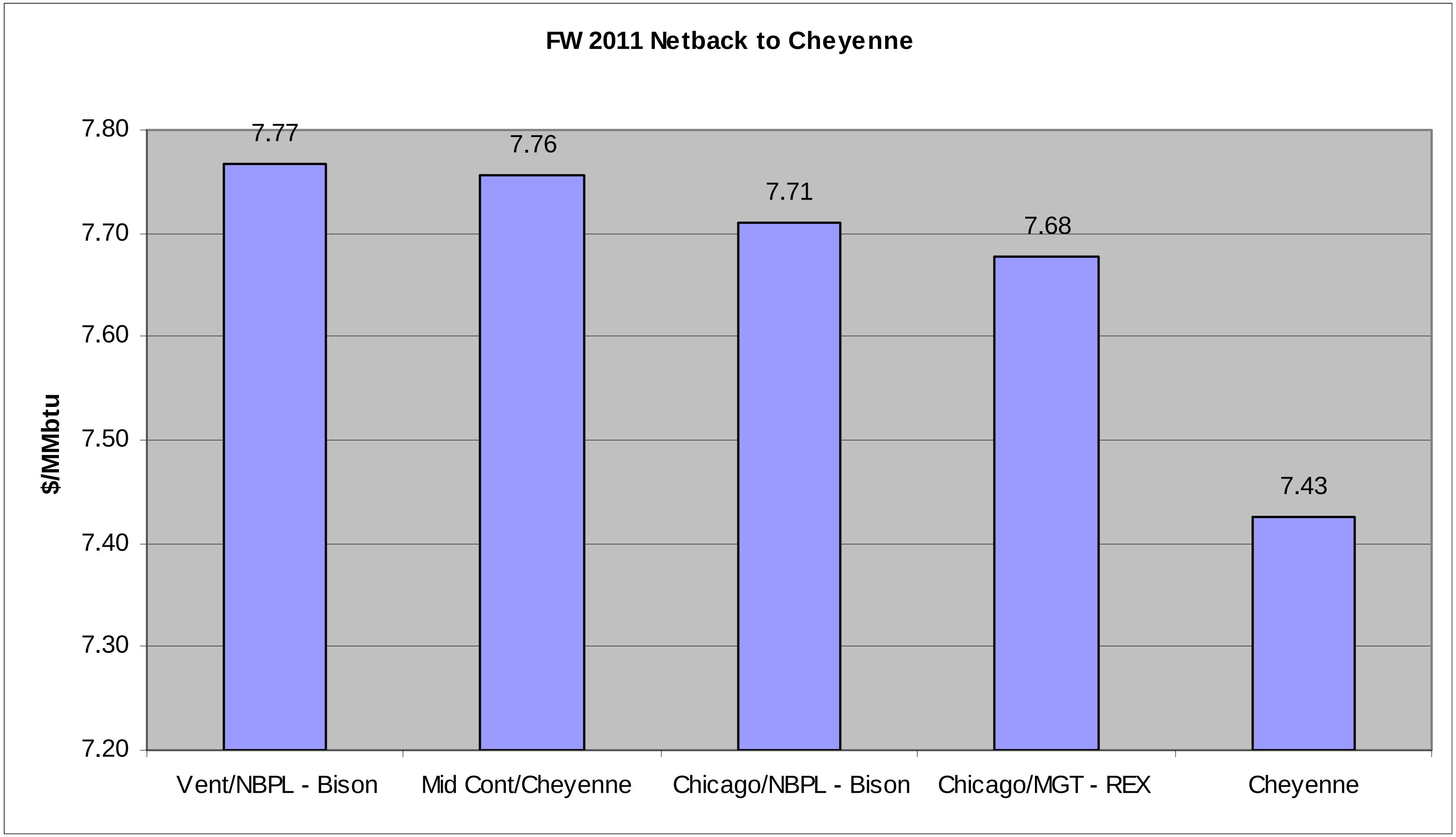
Bison Netback Comparison to Cheyenne, WY
Forward 2011



Bison netback includes variable costs only from Cheyenne to Deadhorse

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Bison Shipper Benefits - Summary


- Competitive netback pricing
- Provides transportation and pricing diversity for Powder River Basin Pipeline grid
- Efficiently utilizes existing downstream assets to attractive markets (minimizes new infrastructure)
- Minimal impact on downstream pricing due to displacement of Canadian production
- North outlet enhances existing gathering capability and value
- Seamless transportation (one nom) from PRB to Market
- Incremental export capacity to benefit overall Rockies, in particular eastern constraints

Transportation Update

Jeff Nielsen
Manager, Pricing/Marketing

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Available Capacity

Fundamental Update

- Increasing Market Demand
- Continued High Utilization
- Pricing
- TransCanada Contracting
- Strong Southwest Pricing
- Strong Hydro Levels
- Fundamental Challenges
- WCSB Production Statistics
- Long Term Supply Dynamics

Available Capacity (MMcf/d)

April 2008

- Port of Morgan to Ventura: 805
- Port of Morgan to Welcome: 50

December 22, 2008

- Port of Morgan to Harper: 163,988
- Port of Morgan to Ventura: 135,000

Fundamentals Update

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Additional Demand

Ventura Market Area

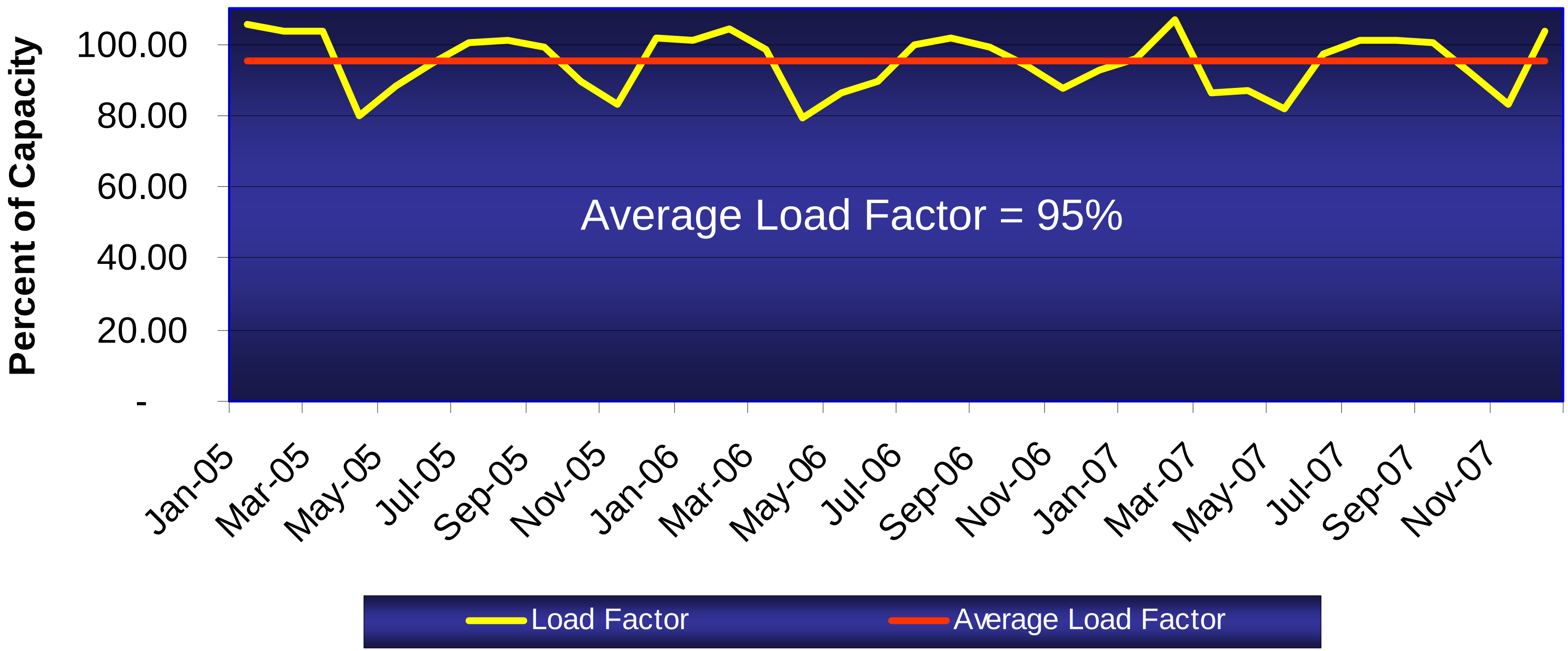
- Northern Lights expansion project increases Northern Natural Gas' demand
- Northern Natural Gas has 8 Bcf of additional storage on-line June 1
- Additional on-system ethanol load of 40 MMcf/d

Chicago Market Area

- Vector's 200 MMcf/d of additional capacity in-service

Source: NNG and Vector website

Load Factor
Relative to Summer Design Capacity



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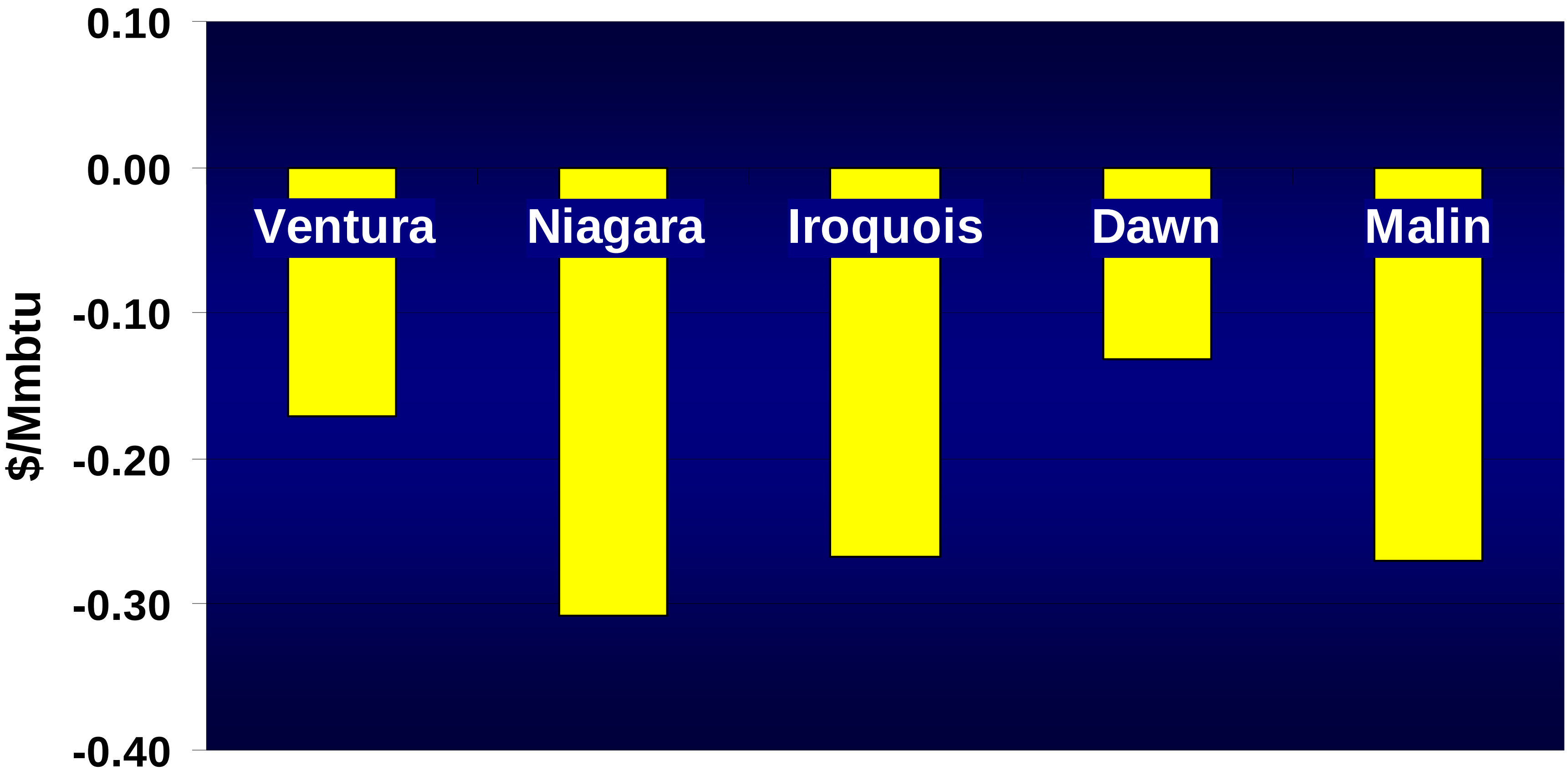
Forward Netback to AECO
Summer 2008



**** Interim TCPL mainline tolls effective April 1, 2008***

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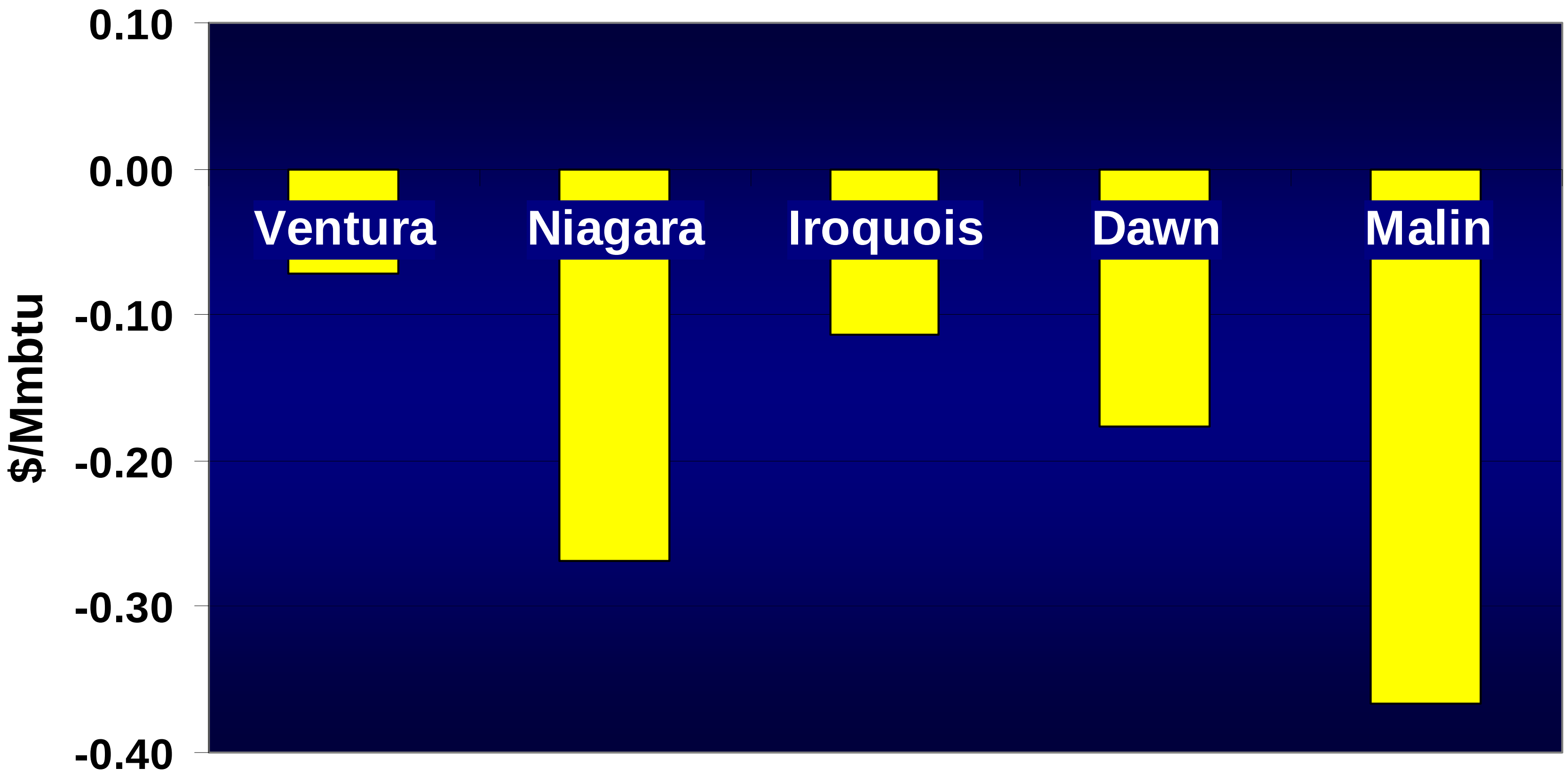
Forward Netback to AECO
November 1 Year Forward



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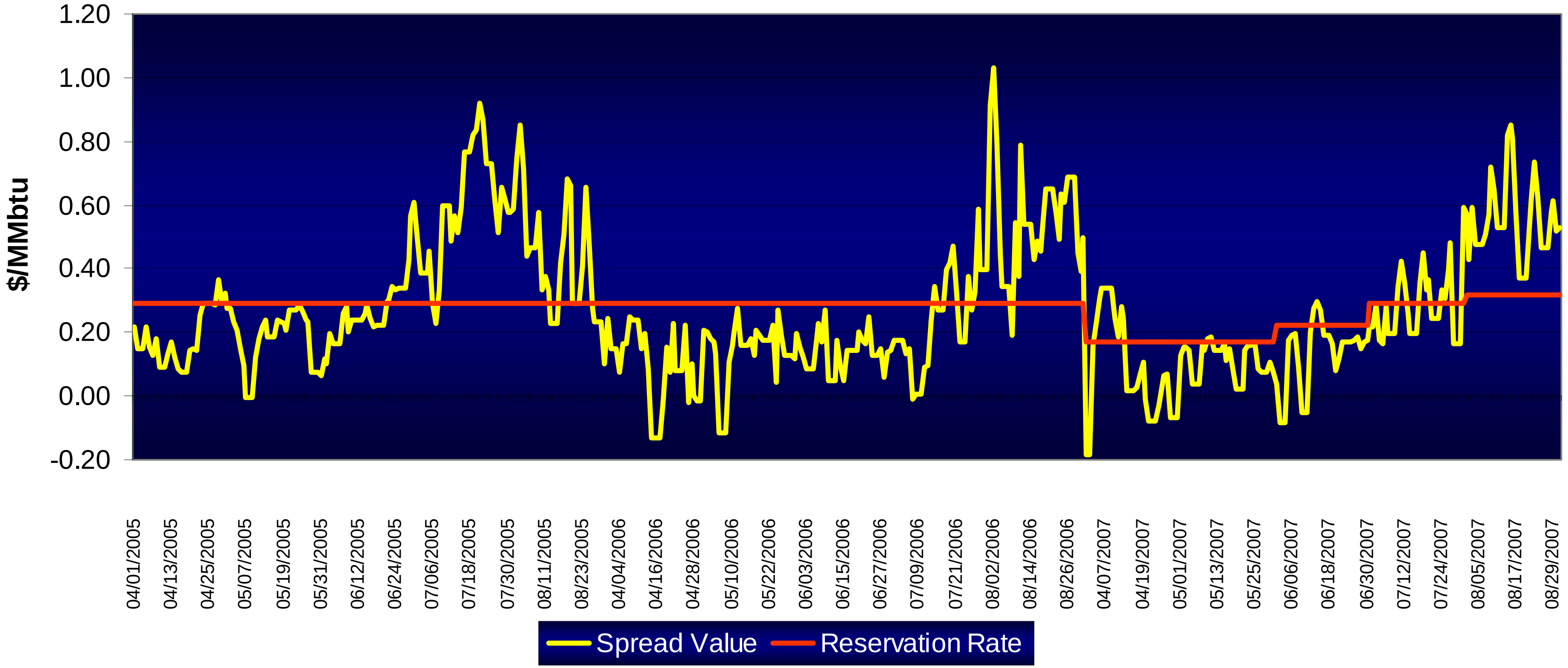
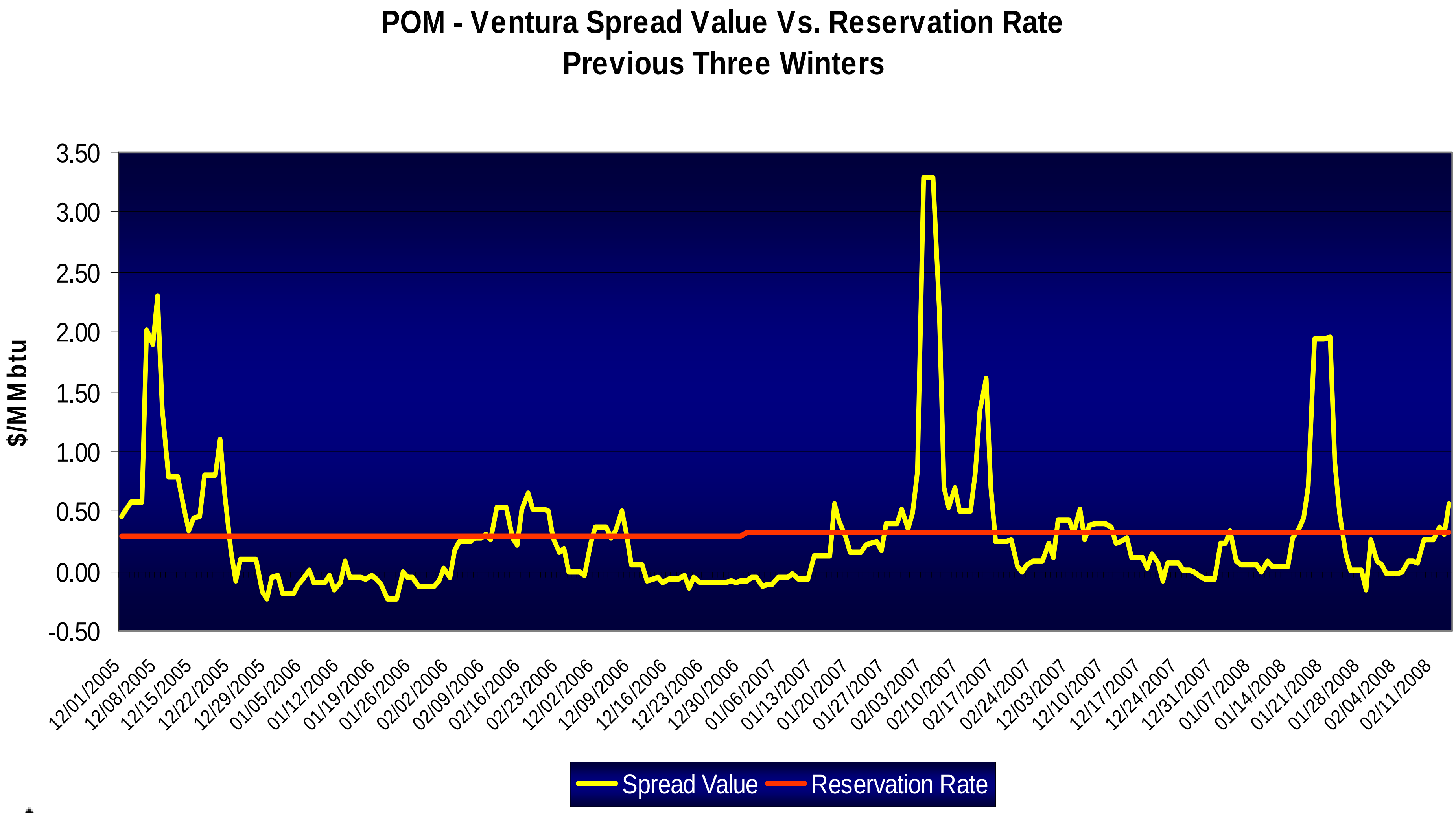
Summer Pricing Opportunities

POM - Ventura Spread Value Vs. Reservation Rate
Previous Three Summers



Winter Pricing Opportunities



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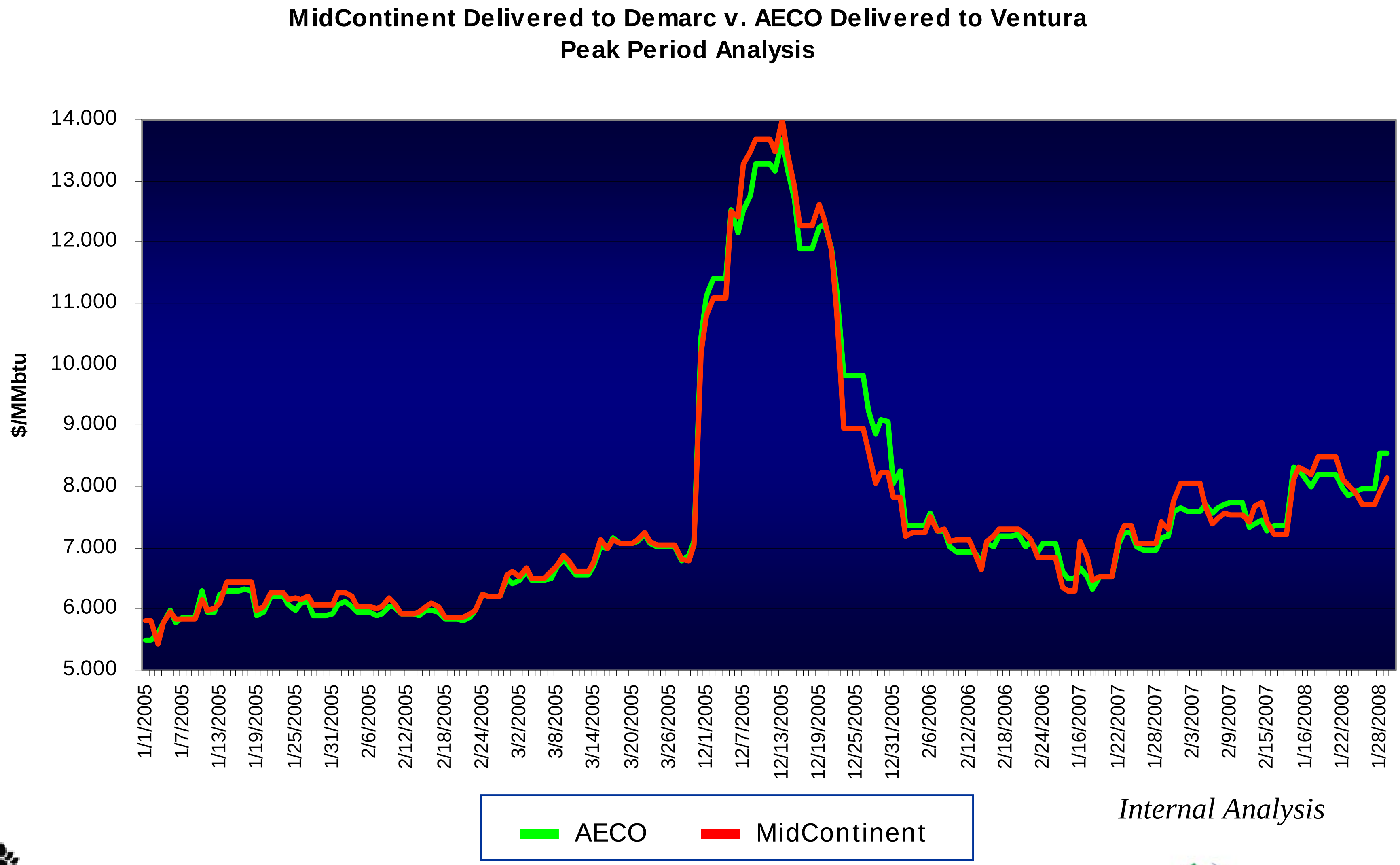
Northern Natural Gas Supply Analysis



Internal Analysis

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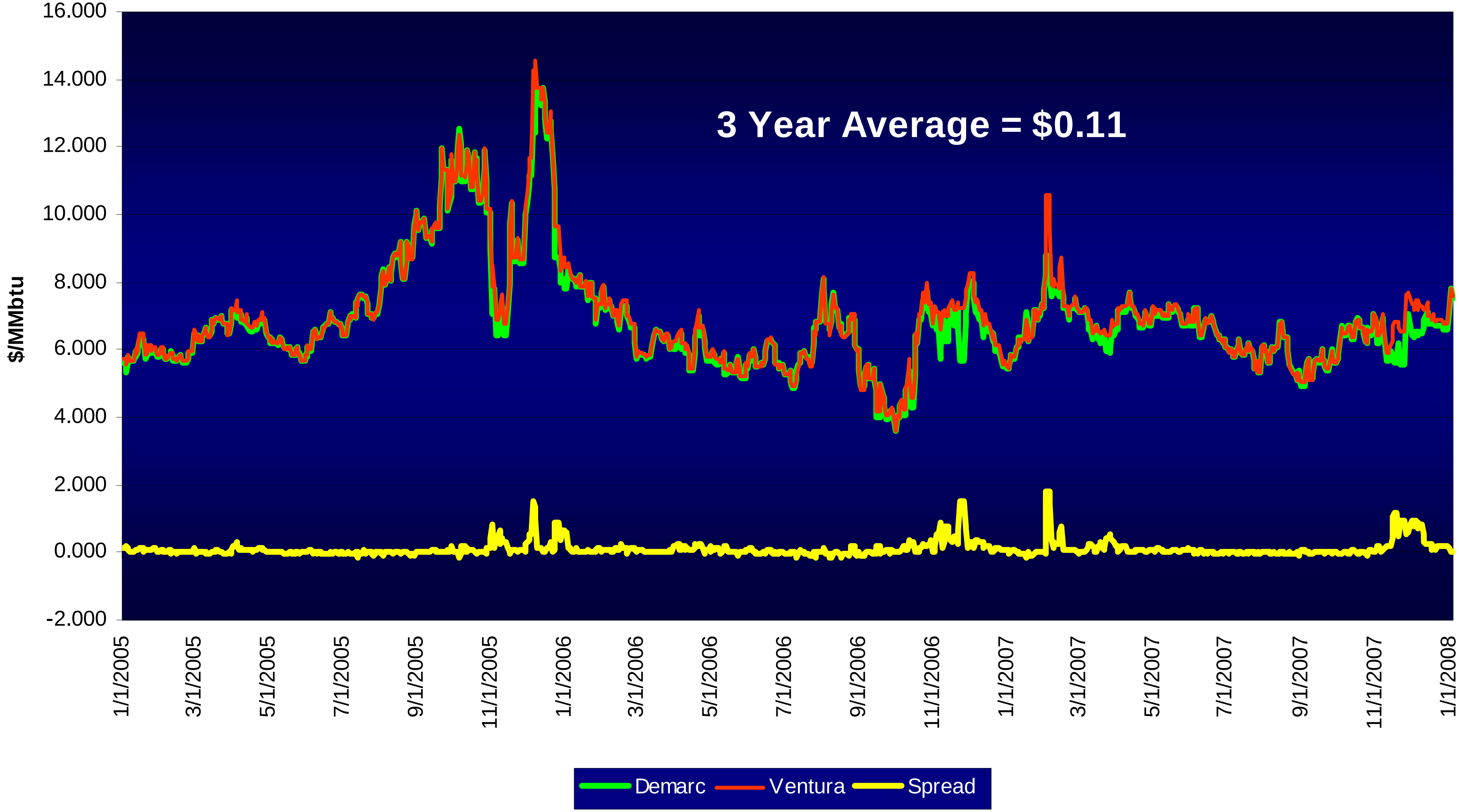
Ventura - Demarc Price Differential



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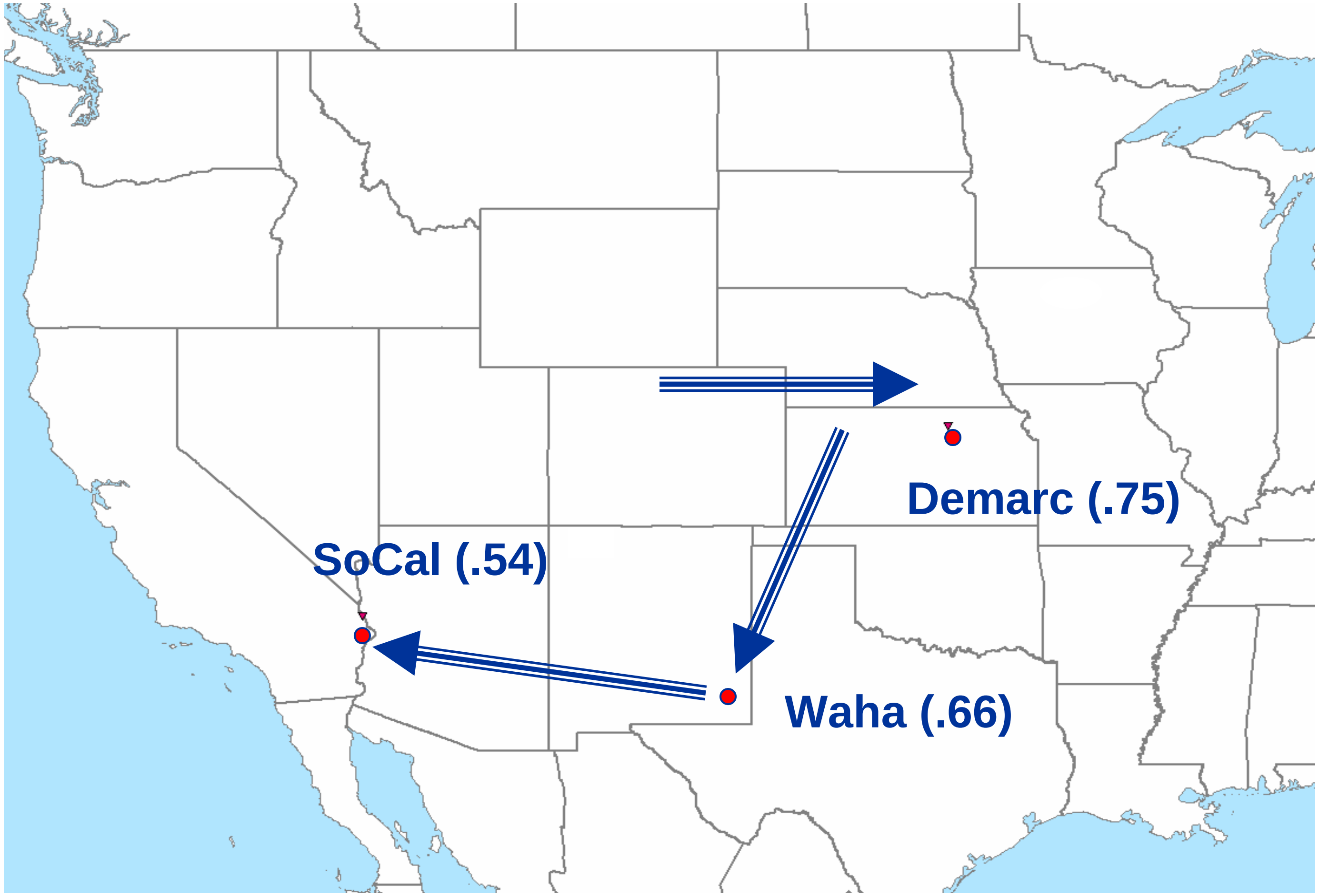
TransCanada Contracting

- TransCanada has the following contract expirations:
  - 1 Bcf/d of FT and STFT by May 31, 2008
    - Includes Empress and Saskatchewan Receipts
  - 2.1 Bcf/d expires on October 31, 2008
  - 628 MMcf/d expires on March 31, 2009

Where is REX gas going to end up this summer ?



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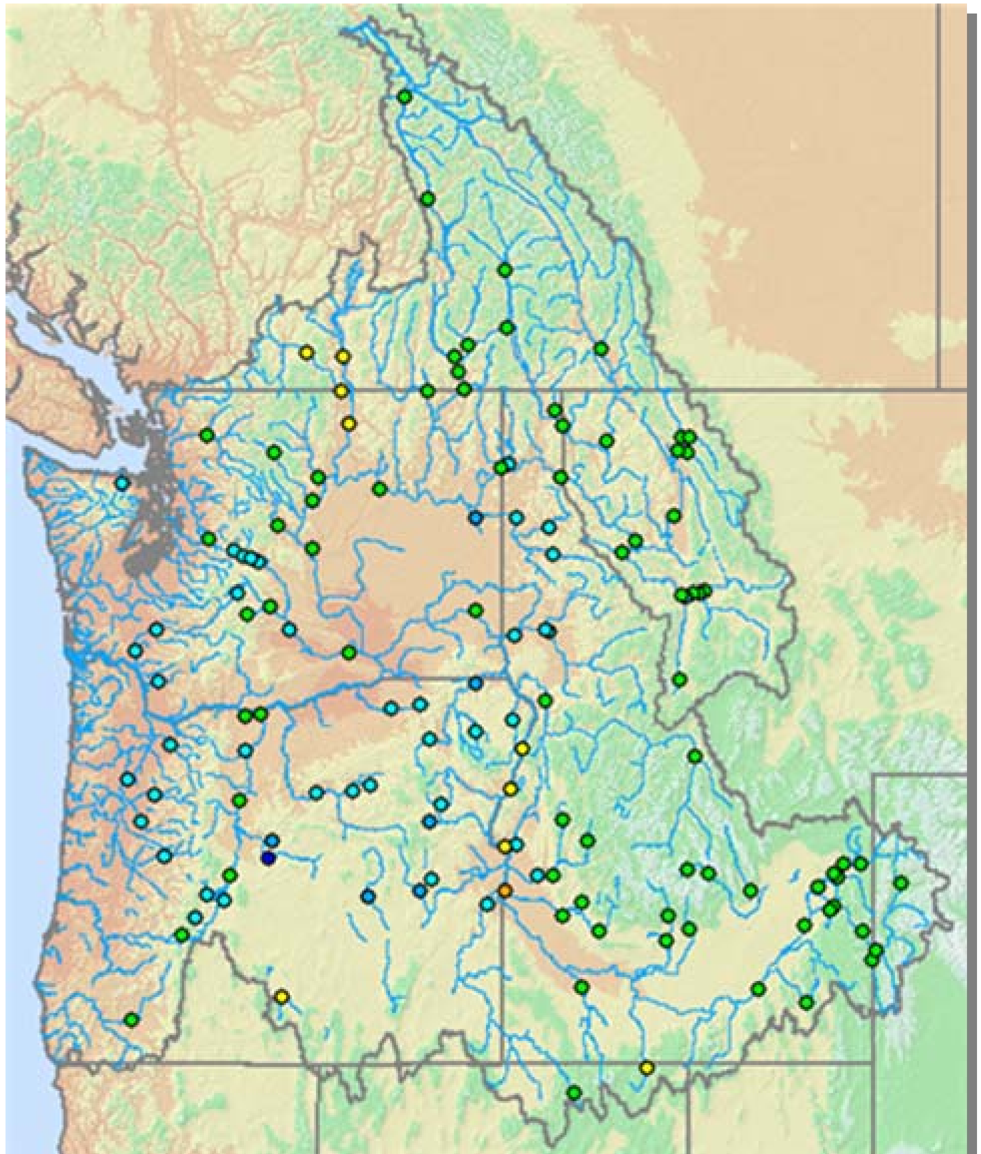
Hydro Levels
(March 27, 2008)



Water Supply Forecast (% Avg)

- No Average, No data
- < 25
- 25-50
- 50-75
- 75-90
- 90-110
- 110-125
- 125-150
- 150-175
- > 175

Fundamental Challenges

- Western Canadian Supply
- Storage Conditions

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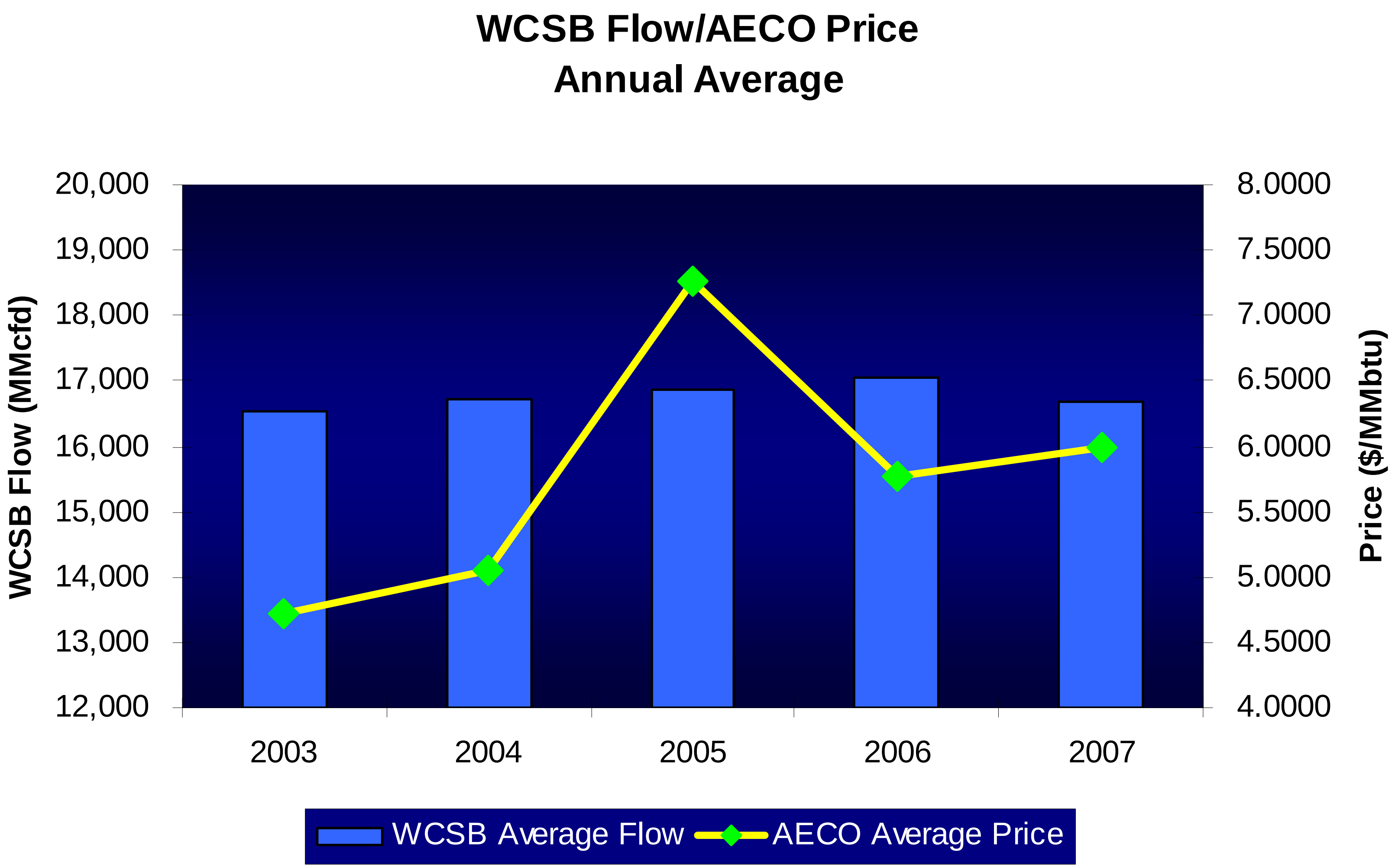
Price Motivated Industry

- Natural Gas prices have risen nearly $2 in the past 12 months
- Canadian rig count has grown:
  - 22 more rigs operating in Spring, 2008 vs. Spring, 2007
- Canadian natural gas exports actually rose in 2007 vs. 2006
- WCSB production for Q1 2008 only shows a 450 Mcf/d decline vs. 2007 annual levels
- Alberta Royalty review could be revisited due to producer backlash

WCSB Daily Receipts (Mmcf)



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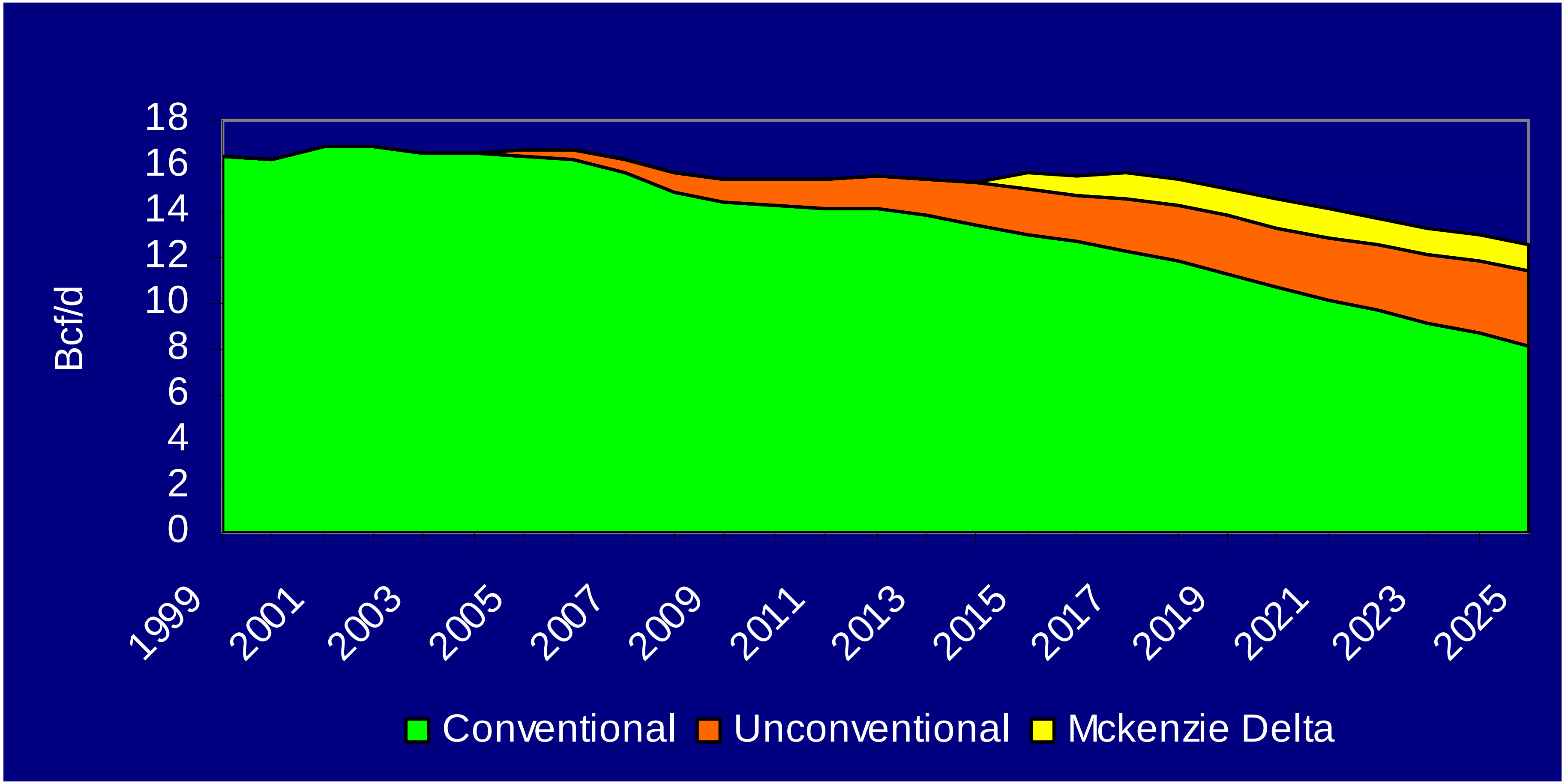
WCSB Supply Outlook



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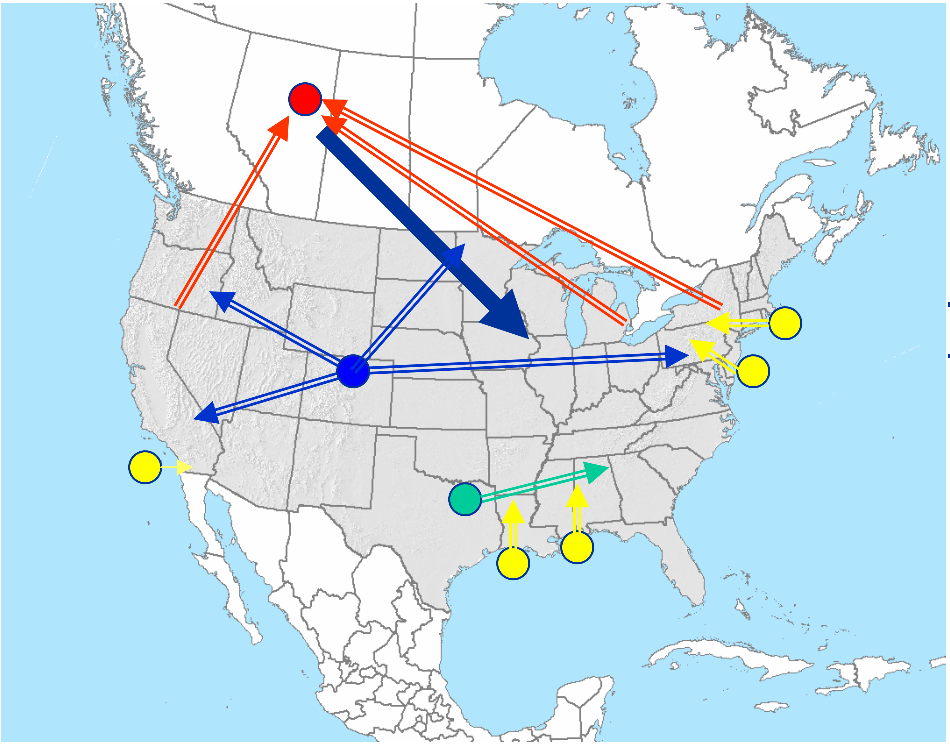
Longer Term Supply Dynamics

New pipeline projects built from non-traditional supply areas:

- Rockies ( )
- Barnett Shale ( )
- LNG ( )

New supply displaces traditional supply sources (Canadian),

- More Canadian supply at AECO Hub
- More attractive basis at AECO Hub



Effect on Northern Border ( ):

More Supply

Attractive Delivery for Excess Volume

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Operational Update

Scott Coburn
Manager, Customer Service

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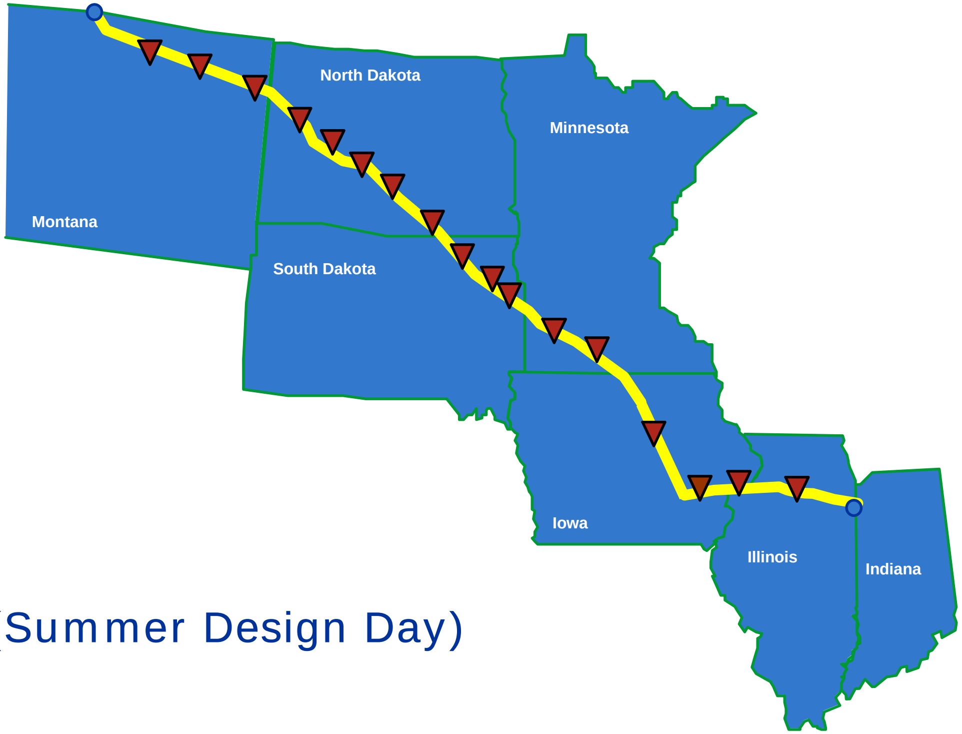
Operational Update Topics

- Pipeline Facilities
- Key Pipeline Metrics
- New Interconnects
- Outage Planning
- System Enhancements
- NAESB Cycles

Pipeline Facilities



Overview

1,249 Miles of Mainline

17 Compressor Stations

515,000 Installed HP

2,374 MMcf/day Received (Summer Design Day)

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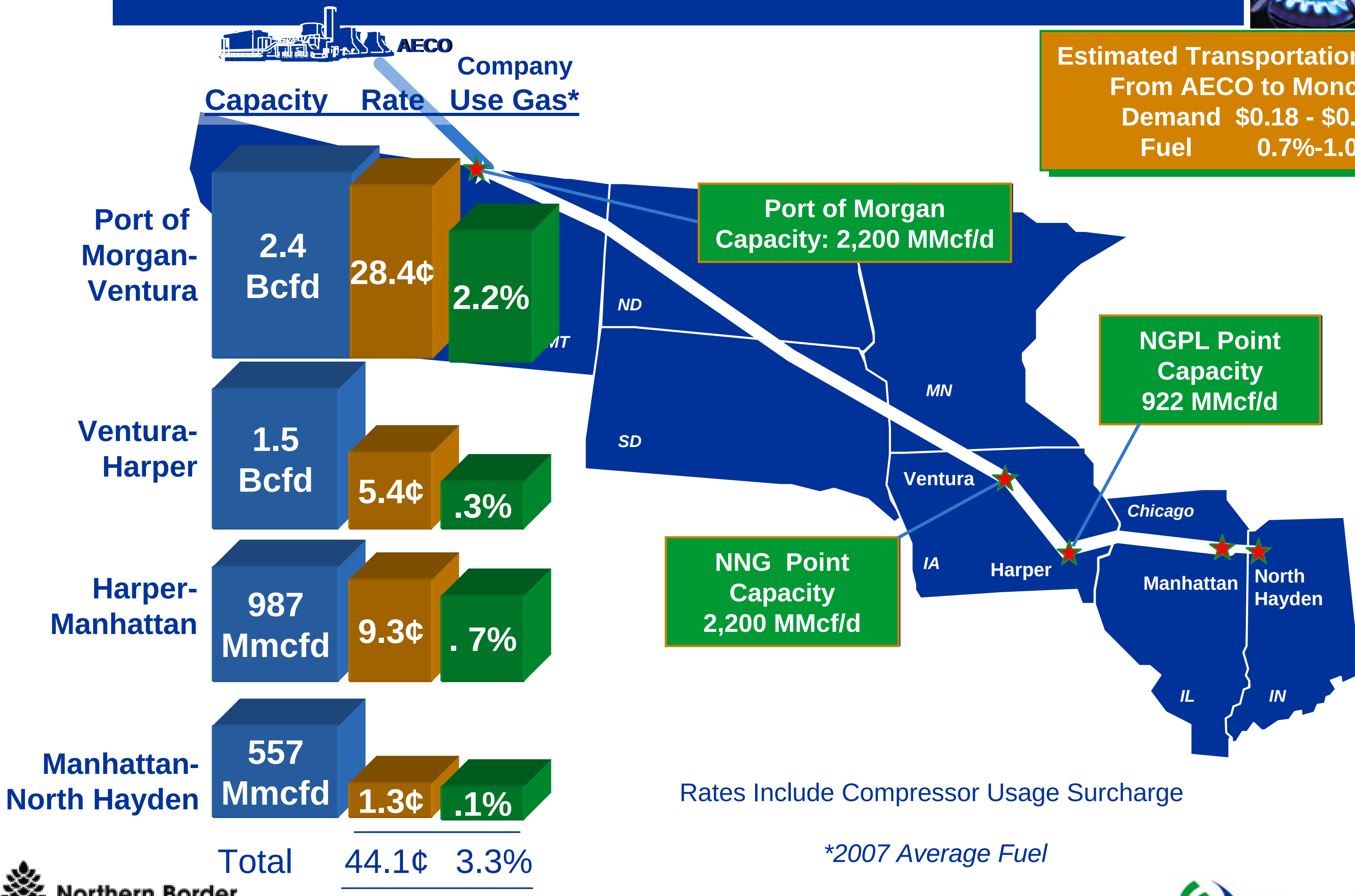
Pipeline Overview

Estimated Transportation Costs
From AECO to Monchy:
Demand $0.18 - $0.21
Fuel 0.7%-1.0%



Rates Include Compressor Usage Surcharge

**2007 Average Fuel*

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Key Pipeline Metrics

2007 Results

- 94.5% Load Factor

- 99.3% Compressor Station Reliability Factor

    Averaged 7 Hours Downtime Per Outage

Key Pipeline Metrics

1st Quarter 2008

- 103.0% Load Factor
- 99.6% Compressor Station Reliability Factor

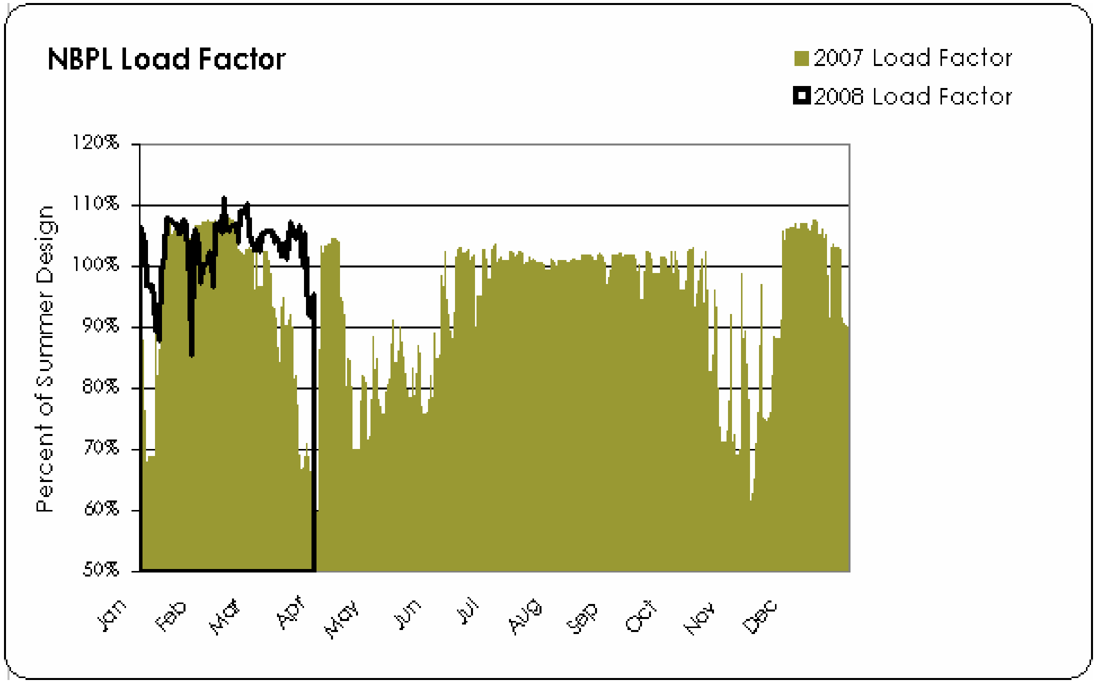
  Averaged 4 Hours Downtime Per Outage

- No Capacity Reduction Events

NBPL Outage Planning

Considerations

- Historical Flows
- Weather Forecasts
- Pricing Outlook
- Contracting Trends
- Field Staffing
- 3rd Party Availability
- Instinct



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2008 Scheduled Outages

Key Activity

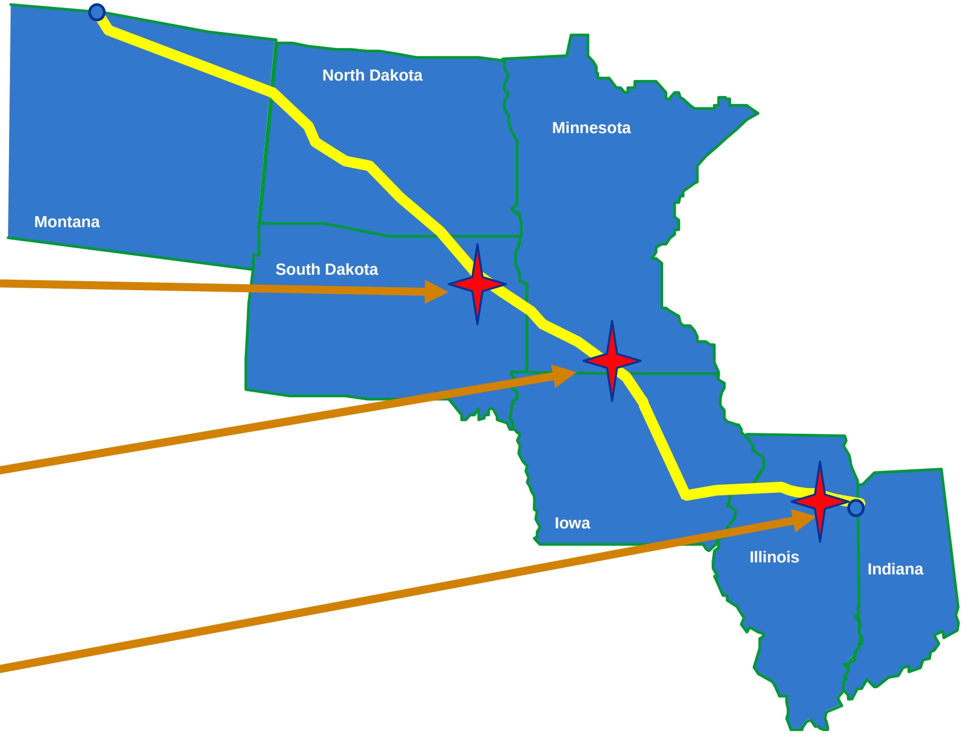
- Internal Pipeline Inspections
  (May)

- External Pipeline Inspections
  (April – May, September – October)

- Planned Compressor Station Maintenance
  (Ongoing)

New Interconnects

Currently In-service



Davis (Heartland)

15,000 Mcf/d Max Delivery

Rutland (Buffalo Lake)

14,000 Mcf/d Max Delivery

Torrence (KMIP)

360,000 Mcf/d Max Delivery

New Interconnects

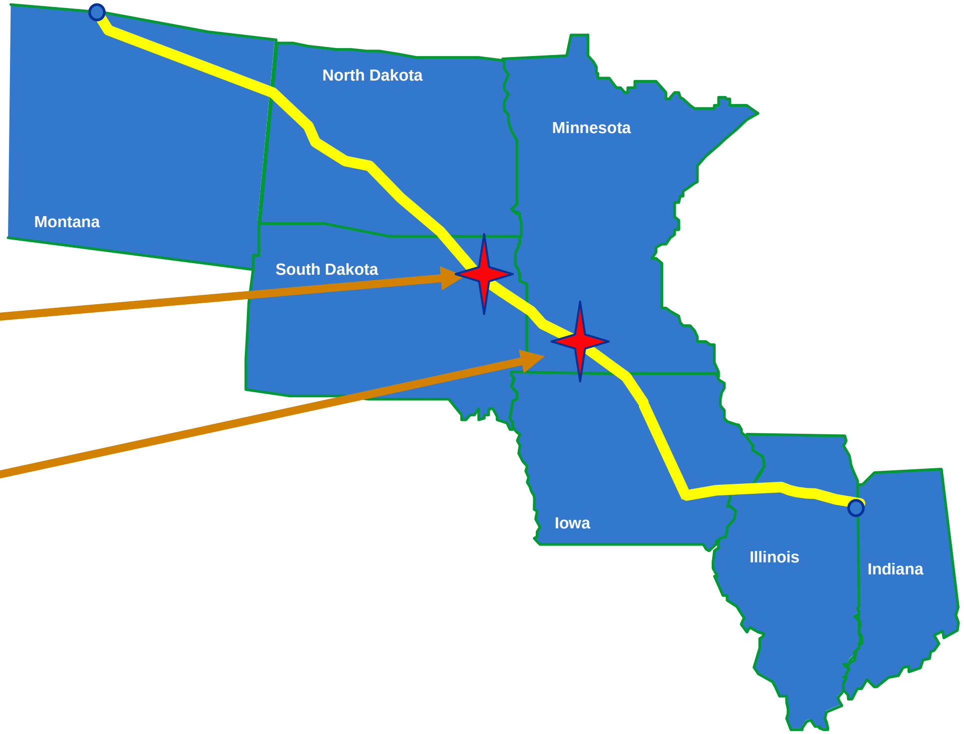
2008 In-service

Edmunds (NW Energy)

10,100 Mcf/d Max Delivery

Fraser (VeraSun)

21,200 Mcf/d Max Delivery



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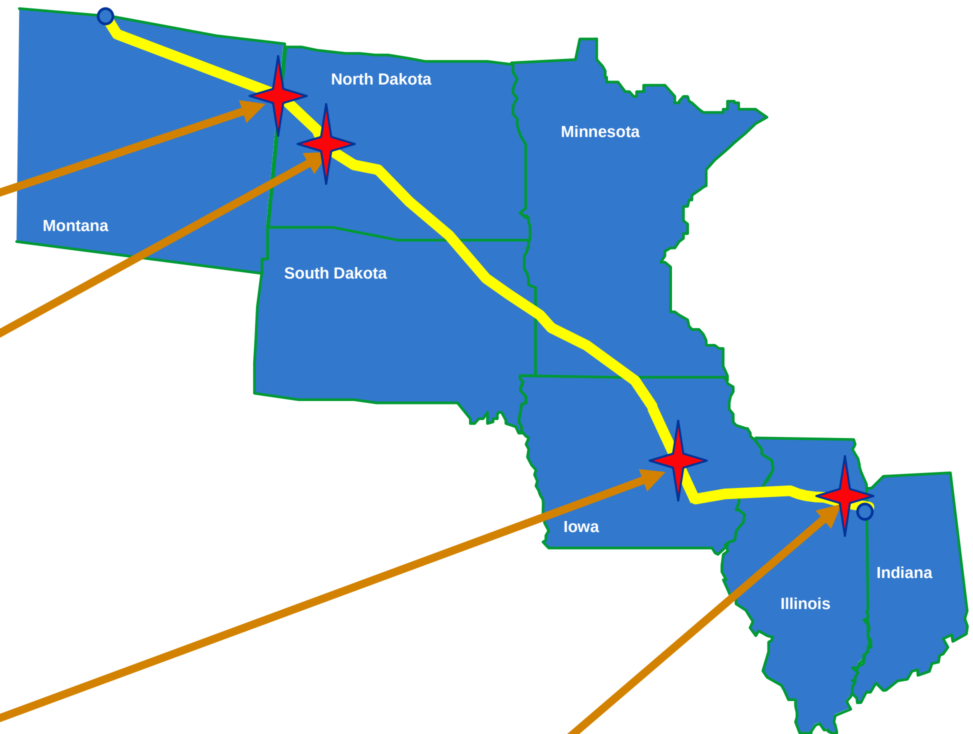
New Interconnects



2008 Construction/ In-service

Lanark (Basin Electric)

46,000 Mcf/d Max Delivery

Charbonneau (WBI)

60,000 Mcf/d Max Receipt

Long Point (NNG) – Limited Use

1,933 Mcf/d Max Delivery

Des Plaines (ANR)

60,000 Mcf/d Receipt

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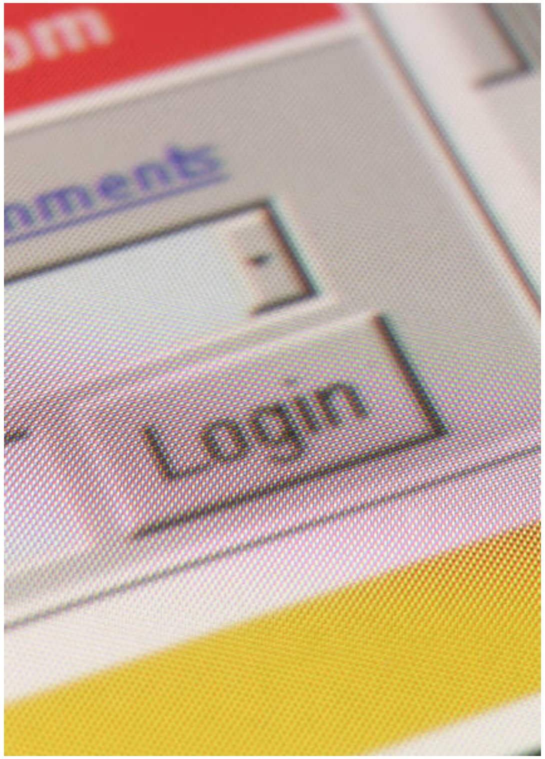
2007 System Enhancements

Addressed the Whale

2007 System Enhancements

Eliminated Second Login



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2008 System Enhancements

Reengineering Nom Reconciliation Report Functionality

2008 System Enhancements

- A Number of Enhancements are in the Queue
- Continually Looking for Ways to Better Serve Our Customers

NAESB Cycles

- Discussions on Modifying Current NAESB Nomination and Scheduling Timeline Underway