



TransCanada

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TransCanada PipeLines Limited
450 - 1st Street S.W.
Calgary, Alberta, Canada T2P 5H1

tel 403.920.2000

fax 403.920.2200

web www.transcanada.com

June 1, 2004

Mr. William Corbus
Commissioner of Revenue
State of Alaska
333 Willoughby Avenue, 11th Floor
Juneau, AK 99801
U.S.A.

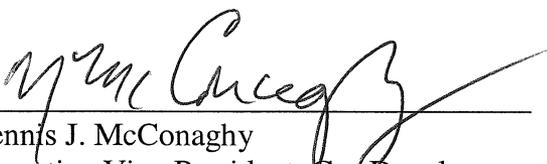
Re: Stranded Gas Development Act Application

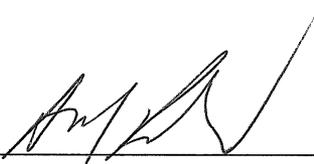
Dear Mr. Corbus

TransCanada Corporation (“TransCanada”) and its wholly owned subsidiary, Alaskan Northwest Natural Gas Transportation Company (“ANNGTC”), are pleased to submit the attached Application under the State’s Stranded Gas Development Act to construct and own the Alaska segment of the Alaska Highway Natural Gas Pipeline. TransCanada and its various subsidiaries have been working diligently and relentlessly for more than 25 years to commercialize the Alaska North Slope natural gas by connecting it to markets in the U.S. lower-48. TransCanada through its subsidiaries, ANNGTC in Alaska and Foothills Pipe Lines Ltd. in Canada, is the holder of the valid certificates and permits issued by the Federal Energy Regulatory Commission in U.S. and the Northern Pipeline Agency in Canada to construct the pipeline.

Given the tight natural gas supply and demand situation in North America, TransCanada believes the market conditions are right to advance the pipeline. For this reason, TransCanada and ANNGTC submit the attached Application and request the Commissioner determine that (1) the Alaska Highway Natural Gas Pipeline as being proposed by TransCanada and ANNGTC constitutes a “qualified project” as defined in AS 43.82.100, and (2) TransCanada and ANNGTC are a “qualified sponsor” as defined in AS 43.82.110. TransCanada and ANNGTC further request the Commissioner, with the concurrence of the Commissioner of Natural Resources, determine that the proposed project plan as set forth in the Application is a “qualified project plan” as defined in AS 43.82.130.

Respectfully submitted,


Dennis J. McConaghy
Executive Vice-President, Gas Development
TransCanada Corporation


Anthony (Tony) M. Palmer
Designate Member of the Executive Committee
Alaskan Northwest Natural Gas Transportation
Company

cc: Mr. Tom Irwin, Commissioner of Natural Resources