



STATE OF ALASKA

SARAH PALIN, GOVERNOR

DEPARTMENT OF NATURAL RESOURCES & DEPARTMENT OF REVENUE

ALASKA GASLINE INDUCEMENT ACT

January 4, 2008

Anthony M. Palmer
Vice President Alaska Development
TransCanada PipeLines Limited
450 - 1st Street S.W.
Calgary, AM T2P, 5H1
Canada

Re: Completeness Determination Under the Request for Applications Issued Under the Alaska Gasline Inducement Act

Dear Mr. Palmer:

The Commissioner of the Alaska Department of Revenue and the Commissioner of the Alaska Department of Natural Resources ("Commissioners") appreciate the effort made by TransCanada Alaska Company, LLC and Foothills Pipe Lines, Ltd. (collectively referred to herein as "TransCanada") to submit an Application in response to the Request for Applications ("RFA") issued pursuant to the Alaska Gasline Inducement Act ("AGIA"), AS 43.90, *et seq.* As explained below, the Commissioners have determined TransCanada's Application is complete pursuant to AS 43.90.140(d).

AS 43.90.140(a) requires the Commissioners to "review each application to determine whether it is consistent with the terms of the request for applications" and satisfies the mandatory requirements contained in AS 43.90.130. Under AS 43.90.140(a), "[t]he commissioners shall reject as incomplete an application that does not meet the requirements of AS 43.90.130." Thus, for an application to be considered "complete" under the statute, and thereby proceed to be evaluated for a license as established by AS 43.90.170, it must, as a threshold matter, unconditionally satisfy the mandatory requirements set forth in AS 43.90.130 and be consistent with the terms of the RFA.

The Commissioners have concluded their completeness review. As explained below, based on a detailed review of the TransCanada Application dated November 30, 2007, and the clarifying information TransCanada provided on December 14, 2007 in response to the Commissioners' December 11, 2007 Clarification Request, the Commissioners have determined that TransCanada's Application satisfies all of the mandatory requirements set forth in AS 43.90.130 and complies with the requirements set forth in the RFA. Accordingly, TransCanada's Application is complete under AS

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43.90.140(a), and will be evaluated under AS 43.90.170 to determine if the Application proposes a project that will sufficiently maximize the benefits to the people of the State of Alaska and merits issuance of a License under AGIA.

TransCanada's Application, and other information timely submitted in response to the Commissioners' request for clarifying information (exclusive of those portions that are confidential under AGIA),¹ will now be made public. The Application will be subject to a 60-day public comment period under AS 43.90.160, and the Commissioners will consider the public's comments in evaluating the Application.

This is the Commissioners' final determination of the completeness of the Application under AS 43.90.140.² The Commissioners thank you for your interest in this project, and congratulate you for having submitted an Application that is complete under the requirements of AS 43.90.140.

Sincerely,



Patrick Galvin

Commissioner
Alaska Department of Revenue



Tom Irwin

Commissioner
Alaska Department of Natural Resources

¹ The Commissioners determined, pursuant to AS 43.90.150 and RFA Section 1.13.6, that the documents TransCanada identified in the Application as proprietary and trade secrets are confidential and not subject to public disclosure.

² By submitting an Application, TransCanada has agreed to waive the right to appeal as provided by AS 43.90.130(16).