STATE OF ALASKA

SARAH PALIN, GOVERNOR

DEPARTMENT OF NATURAL RESOURCES & DEPARTMENT OF REVENUE

ALASKA GASLINE INDUCEMENT ACT

December 4, 2007

TransCanada Alaska Company, LLC & Foothills Pipe Lines Ltd.
Mr. Tony Palmer
450 - 1st Street S.W.
Calgary, Alberta,Canada T2P 5H1

Subject: Receipt of AGIA Application

Dear Mr. Palmer:

We are pleased to receive your application under the Alaska Gasline Inducement Act ("AGIA") Request for Proposals ("RFA"). The initial completeness review process established in AS 43.90.140 has commenced and will be completed as soon as possible.

As stated more fully in AS 43.90.140, the purpose of initial review is to determine whether the application meets the requirements of AS 43.90.130 and is consistent with the terms of the RFA. If additional information relating to your application is required to complete the review, state personnel will contact your designated agent by electronic mail, with a copy by postal mail. Because of the highly expedited nature of this phase of the process, we request that you respond to requests for additional information as rapidly as possible by electronic mail, with a paper copy by hand-delivery or postal mail. The State also anticipates it will need to receive responses to any such requests within one week after the request is made. However, the specific response deadline will be provided in each request for additional information.

Chris Rutz is the state's designated contact person for this phase of the project. Any questions you may have regarding the process should be directed to him at crutz@aidea.org or by phone at 907-771-3015.

Thank you for your application, and your interest in facilitating construction of an Alaska natural gas pipeline.

Sincerely,

Marty Rutherford
Deputy Commissioner