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INFORMATION BULLETIN 2006-01

SUBJECT: APMC-631 FORM – ADJUSTING EX-ALBERTA TRANSPORTATION COSTS FOR TRANSCANADA FT-RAM CREDITS

This information bulletin replaces Information Bulletin: 2004-03 and is effective this day forward. This bulletin provides further clarification as to how TransCanada FT-RAM Credits should be used to adjust ex-Alberta transportation costs when reporting arm's length sales on the APMC-631.

When determining the appropriate amount of ex-Alberta transportation costs to be reported on the APMC-631, TransCanada FT-Ram Credits should be offset against the demand charges of the Firm Service Transportation (FT) contract that generated the credits. If there are any excess credits, those credits should be totalled and then allocated against each interruptible transportation (IT) contract path. Only the total Available Credits that have been offset against IT billings (Used Credits) should be used to reduce FT demand charges. If there are Unused Credits, reduce the Available Credits for each FT contract by the percentage of Unused Credits to total Available Credits.

Attached is an example that uses information from a typical TransCanada Pipelines FT Ram Credits Status Report that may assist in the calculation process. A copy of the excel spreadsheet is available with the Information Bulletin at <http://www.energy.gov.ab.ca/1818.asp>

If you have any questions, please contact your Gas Royalty Valuation & Markets Analyst at the Alberta Department of Energy.

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Attachment