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**Keystone XL Oil Pipeline Project
US Component**

Services Contract

No. 6414

effective
December 15, 2008

between

TransCanada Keystone Pipeline, LP,
by its general partner, **TransCanada Keystone Pipeline GP, LLC**

and

ENTRIX, Inc.

for

**Provision of Department of State Environmental Impact Statement
Third-Party Contractor Services for the Keystone XL Pipeline Project**

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KEYSTONE XL PROJECT - SERVICES CONTRACT NO. 6414

THIS SERVICES CONTRACT made as of the 15th day of December, 2008

BETWEEN:

TransCanada Keystone Pipeline, LP

a limited partnership formed under the laws of Delaware,
by its general partner,

TransCanada Keystone Pipeline GP, LLC

a limited liability company formed under the laws of Delaware

(herein TransCanada Keystone Pipeline, LP
is referred to as "the Company")

- and -

ENTRIX, Inc.

a Corporation formed under the laws of Texas,

(herein the "Contractor")

WITNESSETH:

1 Scope of Work

- 1.1 The Contractor shall prepare an Environmental Impact Statement ("EIS") and related documents and services for the Keystone XL Project, all as more particularly set forth in the Scope of Work attached as Schedule "A" (the "Work"). All Work is to be performed under the direction of the Department of State ("DOS").
- 1.2 The Contractor shall perform the Work in accordance with the terms and conditions contained herein and in the following exhibits attached hereto and made part hereof:

Schedule "A" - Scope of Work

Schedule "B" - Compensation

Schedule "C" - Rules and Guidelines

(sometimes collectively, the "Contract"). Where the Contract describes the scope of Work in general terms, but not in complete detail, it is understood and agreed that the scope of Work includes any incidental work which can be reasonably inferred as required and necessary to perform the Work in accordance with this Contract.

2 Schedule

- 2.1 The Contractor shall commence the Work on or about **December 15, 2008** or the date on which the Contract has been formally executed by the Contractor and delivered to the Company and shall complete the Work in accordance with the DOS mandated schedule. If necessary, DOS will approve revisions to deliverable due dates. Any request for extension of time must be presented at least 5 days prior to the due date.

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3 Representatives

- 3.1 The representative of the Company (the "Company Representative") shall be [REDACTED] or such other person or persons as may be designated in writing to the Contractor by the Company.
- 3.2 The representative of the Contractor (the "Contractor Representative") shall be [REDACTED] or such other person or persons as may be designated in writing to the Contractor by the Company. The Contractor Representative shall have full authority to act on behalf of the Contractor for all purposes in connection with this Contract. The Contractor shall provide to the Company complete contact information for the Contractor's Representative.

4 Quality of Work

- 4.1 The Contractor represents, warrants and covenants that it and any subcontractors providing labor, services, supplies or equipment related to the Work, and the employees and agents of the Contractor and each subcontractor, are fully and professionally licensed, certified, registered, qualified, staffed and equipped to perform the Work in accordance with the terms and conditions of this Contract within the time period and for the price specified in this Contract. The Contractor further represents, warrants and covenants that in the performance by the Contractor and its subcontractors, and the employees and agents of each of them of the obligations and Work hereunder, such performance and Work shall:

- (a) be of a quality specified by the DOS;
- (b) be acceptable to the DOS Project Manager;
- (c) be done in a good and workmanlike manner in accordance with generally recognized professional standards; and
- (d) comply with all applicable laws, orders, regulations, ordinances, standards, codes and other rules of all governmental authorities acting within their power including, but not limited to, all wage, labor, non-discrimination, health, safety, security and environmental laws and regulations.

The Contract further represents, warrants and covenants that it has or will obtain at the Contractor's expense, prior to commencing the Work, authority to do business in the location(s) in which the Work are to be performed, including appropriate certifications, permits or licenses or visas (generally, and specifically those required for the Work, if any), to the extent required by any applicable law or governmental authority having jurisdiction over such matters. The Contractor shall, when requested, promptly provide the Company with written evidence documenting the Contractor's compliance with this Article 4.

If the Contractor becomes aware of any divergence between any applicable law, order, regulation, rule or other governmental authorization and the Scope of Work set forth in Schedule "A" or any other provision of this Contract, it shall immediately notify Company of the nature and extent of the divergence and its proposal for addressing such divergence.

5 Examination by Contractor of Contract Documents

- 5.1 The Contractor represents that it has had an opportunity to negotiate the terms and conditions of this Contract and examine, and has carefully examined, all of the Contract documents and that it has, before commencing the Work, fully acquainted itself with the circumstances and conditions pertaining to the Contract and the Work and has made all inquiry and investigation essential to a full understanding of the potential conditions, circumstances and difficulties which may be encountered in performing and completing the Work and that anything in this Contract or any representations made or furnished by the Company notwithstanding, the Contractor shall complete the Work for the Contract Price set forth in Schedule "B".

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6 Contractor's Performance

- 6.1 The Contractor agrees to manage, supervise, perform, complete, and warranty the Work in accordance with, and to be bound by, all of the terms and conditions of this Contract and any and all Change Orders. Except as otherwise specified in writing by the Company, the Contractor shall furnish all required and requested personnel, management and supervision, office and technical space, software, hardware, equipment, tools, supplies, materials and other facilities or things of any nature necessary to manage, supervise, perform and complete the Work.
- 6.2 The performance of the Work or any part thereof will be subject to direction by the DOS Project Manager. Any contact between the Company and the Contractor (other than billing and payment) shall be routed through the DOS staff.
- 6.3 The conduct of the Contractor will adhere to a high level of professional ethics and standards, as is appropriate for performing the Work, and also avoid any conflicts of interest that may interfere with the Work.
- 6.4 In performing the Work, the Contractor shall not discriminate against any employee or applicant for employment because of race, creed, color, religion, sex, national origin, age or handicap, and will comply with all provisions of Executive Order 11246 of September 24, 1965 and any successor order thereto, to the extent that such provisions are applicable. This Paragraph shall be applicable to any subcontractors retained by the Contractor.

7 Independent Contractor

- 7.1 The Contractor shall be an independent contractor and nothing contained in this Contract shall be construed as constituting a joint venture or partnership between the Contractor and the Company. The Contractor shall have control over and be responsible for the means, methods, techniques, procedures, safety and security for performing the Work. Neither the Contractor nor subcontractors or the employees and agents of the Contractor and its subcontractor shall be or deemed to be employees, agents or subcontractors of the Company. The Contractor shall be fully responsible for any act or omission of the Contractor or its subcontractor or any person, directly or indirectly, employed or otherwise engaged by the Contractor or its subcontractor.

8 Conflict of Interest

- 8.1 The Contractor represents, warrants, covenants and agrees that:
- (a) it is not aware of the existence of any relationship, family, business, contractual or otherwise, between itself, its principals, officers or employees and the Company, including but limited to subsidiaries, affiliates and joint ventures of the Company, their directors, officers or employees;
 - (b) It will not perform any services for or enter into any contract with others that may conflict with its contractual, professional, equitable or other obligations to the Company, its subsidiaries, affiliates and joint ventures without first obtaining the written approval of the Company and DOS; however, it is recognized by all parties that in the normal course of its business, the Contractor will engage in business development activities that may result in contracted work with other entities engaged in petroleum or natural gas transportation, and that such activities do not require notification of and written approval from the Company and DOS; and
 - (c) It will not use for the benefit of itself (other than with regard to the performance of the Work) or others, or make available, provide access to or reveal to others any information or knowledge, not otherwise in the public domain about the business and operation of the Company its subsidiaries, affiliates and joint ventures without first obtaining the written approval of the Company and DOS.

9 Prohibitions

- 9.1 The Contractor shall require all of its employees and the employees of its subcontractors to observe the Company's rules and regulations, including those relating to badges, parking, entrance facilities, safety, security, firearms, drug/alcohol and smoking. The use, possession, sale, manufacture or distribution by any person, of alcohol, illegal drugs, intoxicant or any prescription medicine (other than prescription medicine that does not cause impairment) or firearms, is strictly prohibited on the Company property, the Keystone XL Project site and at any location where the Work associated with this Contract, including any vehicle or equipment, is being performed.

10 Safety and Environment

- 10.1 In addition to the requirements set forth in Article 6, in performing the Work, the Contractor shall observe and comply with all of the Company's security, safety and environmental rules and regulations, including Company's Rules and Guidelines for Contractors, which are attached as Schedule "C" and the Contractor shall ensure that the Contractor's employees, subcontractors, agents and the employees of such subcontractors or agents, observe and comply with same.

11 Resources

- 11.1 The Contractor shall obtain written approval of the DOS and Company prior to assigning personnel to or reassignment of personnel from the Work. Such request for assignment shall specify the position's proposed classification, responsibilities and authorities, and shall detail the skills, experience and capabilities of the candidate evidencing his/her ability to competently perform the duties assigned. Removal or reassignment of such approved personnel from the Work shall only be with the prior written approval of the DOS and the Company.

12 Remedy of Defects

- 12.1 In addition to its obligation to indemnify the Company as provided for in Article 13 and the Company's other remedies, the Contractor, at no cost to the Company, shall provide or pay the costs and expense of work and services as may be necessary to remedy any defect or deficiency in the Work caused by the Contractor's failure, error, negligence or omission, or by any failure on the part of the Contractor to perform and complete the Work in accordance with the provisions of this Contract.

13 Indemnification of Company

- 13.1 The Contractor shall indemnify, defend and save harmless the Company, its directors, officers, employees, agents, servants and invitees (collectively the "Indemnified Parties") from any and all liens, actions, causes of action, suits, proceedings, judgments, claims, losses, costs, damages, fines, penalties and expenses of whatever nature, including, but not limited to, reasonable fees and charges of attorneys and court and arbitration costs (collectively "Losses") which may be brought against or suffered by the Indemnified Parties or which the Indemnified Parties may incur, sustain or pay arising out of or in connection with any claim or cause of action in respect of:

- (a) any lien or claim against the Company or the Keystone XL Project arising out of or relating to labor, services, equipment, materials or supplies related to the Work;
- (b) any fine, penalty, sanction imposed or assessed by any governmental authority;
- (c) the injury or sickness, disease or death of any person or loss of or damage to any property, including the Company's property, in any way sustained or alleged to have been sustained, from the breach or non-compliance with any term or provision of this Contract, inaccuracy or incompleteness of any representation or warranty herein, act, omission, default or representation, negligence, reckless misconduct or willful misconduct of the Contractor or any of its directors, officers, employees, agents,

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servants invitees, contractors, subcontractors, or any other party directly or indirectly for whom the Contractor is responsible in law or in any way incidental to the Work or this Contract;

- (d) any taxes and third party obligations, payable by such party as a result of this Contract, or for any related contributions and penalties imposed on the Contractor by any governmental or other agency having jurisdiction; or
 - (e) any claim or suit for alleged infringement of any patent, industrial design, license, copyright or trademark resulting from or arising in connection with the manufacture, sale, use or other disposition of the Work. If any of the Work constitutes an infringement, the Contractor shall, in addition to its other obligations under this Contract, at its own expense, and as directed by the Company, either procure for the company the right to continue using such Work without liability for such infringement, or modify or replace such Work with non-infringing Work accomplishing the same purpose as the replaced Work.
- 13.2 Neither party shall be liable for consequential, incidental, special, indirect, exemplary or primitive damages, including but not limited to downtime, loss of product, or loss of use, from any cause whether based in contract, tort, strict liability or otherwise.
- 13.3 The Contractor's total liability, in aggregate, to the Company for obligations in Article 13.1 above shall not exceed amounts equivalent to the Contractor's insurance coverages specified in Article 21, including the amount of any deductible specified in the Contractor's insurance policies.

14 Confidentiality

- 14.1 For the purposes of this Contract, "Confidential Information" means the all documents, information and data, written or oral, furnished by the Company to the Contractor or resulting from or coming to the knowledge of the Contractor in performing the Work or otherwise obtained (including but not limited to all contracts, financial information, environmental reports, environmental reports, land and lease information, technical and economic data, knowledge, know-how and related information such as plans, maps, drawings, field notes, sketches, photographs, specifications, models, reports, improvements, inventions, processes, formulae or technology and marketing terms and arrangements) or which is or may be either applicable to or related in any way to the Keystone XL Project or the assets, business or affairs of the Company or its affiliates, together with all analyses, compilations, data, studies or other documents prepared by the Contractor contained or based upon, in whole or in part, information acquired by the Contractor in providing the Work or during the term of the Contract.
- 14.2 The Contractor agrees and acknowledges that the Confidential Information:
- (a) Is the sole property of the Company and shall be returned to the Company at the earlier of the Company's request, or upon completion of Work;
 - (b) Shall not be used for any purpose whatsoever other than for the purpose of performing the Work; and
 - (c) Shall not without the Company's prior written consent be disclosed or made available or accessible to any person other than, to the extent required, the DOS or other agencies as directed by the DOS, the Contractor's employees, agents or subcontractors who have a need to know the Confidential Information or any part thereof for purposes of performing the Work in accordance with this Contract. If such Confidential Information is disclosed to any of the Contractor's employees, agents, or subcontractors, such persons shall be informed at the time of disclosure of its confidential nature and the terms of this Article 14 and, except in the case of employees of the Contractor, shall agree in writing to be bound by its terms. Contractor shall keep and provide the Company (at its election) a list of all persons and individuals that have been provided with any Confidential Information and copies of agreements by such persons to be bound to confidentiality.
- 14.3 The Contractor's obligations as set forth in this paragraph shall not apply to any data which is legally in the public domain, or known to the Contractor prior to commencing the Work, becomes known to the Contractor for an unrestricted sources or is required to be disclosed by law, government regulation or court order. The Contractor shall receive information from the Company only as it is filed with the DOS.

14.4 Money damages would not be a sufficient remedy for any breach of the above provisions of this Article 14 and the disclosing party shall be entitled to seek specific performance and injunctive relief as remedies for any such breach. Such remedies shall not be deemed to be the exclusive remedies for any such breach but shall be in addition to all other remedies available at law or in equity.

15 Covenant Not To Testify

15.1 The Contractor covenants and agrees not to voluntarily testify on any matter relating to the Work before any regulatory agency, governmental authority or court of law in opposition to any application by the Company, its affiliates, subsidiaries or partnerships, to construct operate and maintain the Keystone XL Project or perform the work to which the Work hereunder relate or pertain. This paragraph in no way abrogates the Contractor's professional and ethical duty to analyze alternatives to the Keystone XL Project as directed by the DOS Project Manager or to answer any kind of judicial, quasi judicial or administrative subpoena.

16 Reports

16.1 The Contractor, as required by this Contract and otherwise when requested in writing by the Company, shall furnish written reports containing project activity status and associated costs to the Company setting forth in reasonable detail this information. However, other than monthly invoices and supporting documentation, the Contractor shall not release any environmental documents or related studies, reports, or other materials, prepared under and discussed in the Request for Proposals, to the Company or any entity (other than DOS staff and cooperating agencies as identified by the DOS staff) without the prior written consent of the DOS Staff.

17 Compensation

17.1 For satisfactory performance of the Work hereunder, the Company shall pay the Contractor at the rates and under the terms set forth in Schedule "B". Such rates shall include the cost of all labor, materials, equipment and services (unless otherwise stated herein) and all other direct and indirect costs. [REDACTED]

18 Royalties, Permits, Licenses and Taxes

18.1 The Contractor shall pay all royalties, permit and license fees and applicable sales use, excise and other similar taxes imposed by any lawful authority on or relating to the Work, labor, equipment (including the cost of all rental equipment) and materials to be furnished by it. The Contractor shall be responsible for and pay the costs of all contributions, assessments and deductions for workers compensation, labor unions or associations, welfare funds and for taxes and other payments for unemployment funds, unemployment benefits, disability benefits, social security benefits, and old age benefits and pensions which are or may be required under any present or future law or laws of any lawful authority upon or in respect of salaries, wages and other compensation of personnel employed in the performance of the Work, together with all other taxes imposed by any lawful authority. The Contractor shall indemnify, defend and hold harmless the Company from any and all claims, penalties, interest and costs and any of the same which may be made or assessed against the Company in respect of the Contractor's obligations under this Section 18.1.

19 Invoices, Payments and Reporting

19.1 The Contractor shall invoice the Company in duplicate within 10 days of the end of each month for the Work performed during such month. Each invoice shall be dated and numbered and shall describe the Work rendered, the date rendered and the name of the person(s) rendering the Work, with the charges for each category of Work shown separately in accordance with the categories of Work and charges described and defined in Schedule "B", together with such documentation as the Company deems reasonably necessary to substantiate and verify the charges shown on the invoice. Where specifically provided for in Schedule "B,"

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expenses shall be supported by invoices and vouchers or, with the Company's written consent, photocopies or a brief statement explaining such expenses.

- 19.2 Within 30 days of receipt and approval of an invoice, the Company will pay the Contractor the undisputed amount of each approved valid invoice.
- 19.3 The Company retains the right to refuse to pay any invoice unless the Contractor provides at the Company's election a written release, waiver or estoppel certificate (the form and substance of which is acceptable to the Company) from the Contractor and/or any or all of its subcontractors or agents specific by the Company releasing, waiving or certifying that as of the time of the release, waiver or certificate they have been fully paid for all Work performed, and have no lien claim or basis upon which to assert any claim connected with, arising out of or related to the Work of the Keystone XL Project except for authorized retentions. For any invoice amount not approved or paid by the Company, the Company shall furnish the Contractor with a statement of the charges, if any, which the Company has not approved and paid, together with the reasons therefor.
- 19.4 Unless otherwise directed by the Company, prior to the payment of the first billing hereunder, the Contractor shall furnish to the Company, at its own expense, proof that it has obtained the applicable licenses, permits and other authorization(s) to transact business for each location in which the Work is being performed or the Keystone XL Project is located and the appropriate sales tax permit, or other applicable permits, licenses and visas required by the Contractor to perform the Work, or evidence satisfactory to the Company that same are not required by law. In the event that the Contractor fails to furnish the documentation required in this Article, payments due to the Contractor may be withheld by the Company, without payment of interest, until such documentation is furnished.
- 19.5 Notwithstanding anything herein to the contrary, all Work performed by, through or for the Contractor shall be delivered to the DOS free and clear of all labor, material and construction liens, security interests, charges and any other encumbrances whatsoever, which might be occasioned by or permitted to be created by the Contractor, its employees, subcontractors or agents. The Contractor shall promptly pay or discharge, and discharge of record, or provide security reasonably acceptable to the Company with respect to, any such lien against the Company or the Keystone XL Project or other charge which, if unpaid, might be or become a lien. The Contractor shall immediately notify the Company of the assertion of any lien. Upon the Contractor's failure to promptly pay, discharge or provide security for any Contractor Lien within three days of the existence thereof, the Company may pay or discharge such lien and, upon the payment or discharge thereof, the Company shall be entitled to immediately recover from Contractor the amount thereof together with all expenses incurred by it in connection with such payment or discharge or to set off all such amounts against any sums owed by the Company to the Contractor.

20 Audits

- 20.1 The Company shall have the right to audit and have access at all reasonable time to all records, ledgers, invoices, expense receipts, cancelled cheques, notes, memoranda, files and other documents ("Account Records"), as well as the personnel necessary to audit any disbursements and miscellaneous charges payable to the Contractor. Any agreement entered into by the Contractor for services of any subcontractor or agent shall grant the same privileges to the Company. Any adjustments to the disbursements and miscellaneous charges payable hereunder arising out of any audit of Account Records shall be requested in writing within 12 months following receipt of the invoice containing such charges. Notwithstanding the foregoing, the Company's right to audit Account Records shall not extend to the composition of the Contractor's fixed rates and fees, standard charges and percentage multipliers.

21 Insurance

- 21.1 Without limiting the obligations as stated elsewhere in this Contract, unless the Company specifies otherwise in writing, the Contractor shall, at its own expense, prior to the commencement of the Work, obtain and hereafter maintain and keep in full force and effect for the benefit of the Contractor and the Company in relation to the Work, the following insurances with companies authorized to insure and/or provide indemnity or insurance in each jurisdiction where the Work are to be performed and the Keystone XL Project is located:

- (a) Comprehensive General Liability insurance having a minimum inclusive limit of not less than \$1,000,000 per occurrence, including personal injury and property damage. This policy shall include the following coverage extensions:
 - (i) Contractual Liability;
 - (ii) Products/Completed Operations Liability to be extended for a period of 12 months from the date of the Company's final acceptance of the Work;
 - (iii) Cross Liability / Severability of Interest Clause;
- (b) Employer's Liability insurance with a limit of not less than \$1,000,000 per occurrence for bodily injury and disease;
- (c) Automobile Liability insurance on all owned and non-owned vehicles used in connection with the Work with an inclusive limit of not less than \$1,000,000 per accident in respect of bodily injury (including passenger hazard) and property damage;
- (d) Aircraft liability insurance, if aircraft are involved, on all owned and non-owned aircraft (including helicopters) used in connection with the Work with an inclusive limit of not less than Five Million Dollars (\$5,000,000) per occurrence for bodily injury, property damage and passenger hazard liability;
- (e) Professional Errors and Omissions Liability insurance for protection from claims arising out of the performance or non-performance of the Work under this Contract caused by or arising from any error, omission or act of the Contractor, its employees, agents, contractors or subcontractors, for an amount not less than \$1,000,000;
- (f) Where applicable, Workers' Compensation insurance in a form and amount acceptable to the appropriate governmental authority;
- (g) Adequate insurance in respect of loss or damage to the Contractor's equipment;
- (h) Personal insurance as may be required for Contractor's directors, officers, employees, agents, servants, invitees, contractors, subcontractors, or any other party for whom the Contractor is responsible, including but not limited to the following:
 - (i) medical and dental insurance and/or expense reimbursement;
 - (ii) life insurance;
 - (iii) accidental death and dismemberment insurance (including repatriation); and
 - (iv) disability insurance; and
- (i) Any additional or other insurance that, firstly may be required from time to time by any act, regulation or by-law, whether federal or otherwise or, secondly, as the Company may deem necessary.

The aforementioned amounts are in United States of America Dollars and all stipulated insurance coverage shall cover the Work performed by, through or for the Contractor in each jurisdiction where all or part of the Work are to be performed and the Keystone XL Project is to be located. All insurance shall be with insurers that are rated A- or better by Best's Insurance Guide and Key Ratings, or if not rated by Best's Insurance Guide and Key Ratings, an equivalent rating from another nationally recognized rating agency of similar standing.

The insurance policies described in subparagraphs (a), (c) and (d) of this Article 21.1 shall name the Company as an additional insured with respect to the scope of Work under this Contract and each such insurance policy limits may be applied through primary, excess or umbrella policies held by the Contractor.

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Prior to commencing the Work, the Contractor shall furnish to the Company an insurance certificate, in a form satisfactory to the Company, which confirms compliance with the insurance requirements of this Article 21.1 (collectively, the "Insurance Policies"). Policies of insurance shall apply as primary insurance with respect to this Contract and not in excess of, or contributing with, any insurance maintained by the Company and shall contain an endorsement which requires the insurers under the Insurance Policies to provide the Company with at least 30 days prior written notice before cancelling, terminating or materially altering the terms of such policies. The Contractor covenants that it shall not cancel, terminate or materially alter the terms of any of the Insurance Policies without giving the Company as least 30 days prior written notice.

Regardless of the requirements as to insurance set out herein, insolvency, bankruptcy or failure of any insurer of the Contractor or failure of any insurer to pay any claim that may arise shall not constitute a waiver by the Company of any of the provisions of this Contract.

- 21.2 The Contractor shall, at its cost and for the duration of this Contract, be registered and remain in good standing with the Workers' Compensation Board of the jurisdiction(s) in which the Work are being performed. If the Contractor fails to remain so registered, the Contractor shall and does hereby indemnify, defend and hold harmless the Company, its directors, officers, employees, agents, servants and invitees from and against all losses or expenses suffered or incurred by the Company, its directors, officers, employees, agents, servants and invitees arising from or connected with any personal injury, disability or death, however cause, to the Contractor's directors, officer, employees, agents, servants, invitees or subcontractors. The Contractor shall, when requested, provide the Company with evidence of the Contractor's registration with the appropriate Workers' Compensation Board or Workers' Compensation Insurance carrier or other such applicable authority or entity in respect of worker's compensation insurance.
- 21.3 Should the Contractor fail to provide or maintain, or cause to be provided or maintained, any of the insurance coverage required under this Article 21, they Company shall have the right, but not the obligation, to provide or maintain, or cause to be provided or maintained, such coverage at the Contractor's expense, either by direct charge or set-off.
- 21.4 Before permitting any subcontractor to perform any Work, the Contractor shall obtain a certificate of insurance from each such subcontractor evidencing that such subcontractor has obtained, from insurance carriers licensed to do business as required by applicable law, insurance in such amounts and against such risks as is prudent in light of the Work to be performed by such subcontractor commensurate with normal practices in the location where such Work is performed.

22 Change Orders

- 22.1 Any changes to the provisions of or documents constituting this Contract shall only be made by means of a change order given in writing by the Company, and accepted and signed by the Company and the Contractor (a "Change Order").
- 22.2 The Contractor shall not make or proceed with any additions, changes, alterations or omission to the Work to be performed hereunder, or perform extra work or supply or use additional materials of any kind unless a Change Order as described above, has been accepted and signed by the Company and the Contractor.
- 22.3 If any addition, change, alteration or omission authorized by a Change Order either increases or decreases the cost of the Work to the Contractor, or the time of performance of the Work, the additional amount payable by or credit to the Company, or the change in time for performance of the Work, shall be agreed between the Company and the Contractor.

23 Delays

- 23.1 After commencement, the Work shall be diligently performed by the Contractor until final completion. If the Contractor or any of the Contractor's subcontractors is responsible for a delay in the performance or progress of the Work, the Contractor shall, without additional cost to the Company, work overtime, acquire necessary additional equipment, hire additional manpower or perform other acts as may be necessary to avoid delay in the completion of the Work.

23.2 The Contractor shall review with the Company the DOS mandated schedule of deliverable dates and all associated trend/change order lists on a weekly basis and shall issue to the Company a monthly report detailing all trend/change order lists inclusive of all deliverable schedule impacts and cost impacts. Any changes to these deliverable dates, items and associated costs presented by the Contractor must be approved by the DOS Project Manager by issuance of a Change Order.

23.3 For the purposes of this Contract the term "force majeure" shall mean acts of God, strikes, lockouts, or other industrial disturbances, prohibition or prevention of law, wars, blockades, insurrections, riots, epidemics, landslides, lightning, earthquakes, fires, storms, floods, washouts, arrests and restraints of rulers and people, civil disturbances, explosions, and any other cause not due to the negligence or fault of or within the control of the party (or its subcontractors) claiming a suspension, which by the exercise of due diligence such party shall not have been able to prevent, avoid or overcome.

23.4 In the event that either party is rendered unable wholly, or in part, by force majeure to perform its obligations under this Contract, other than its obligations to make payments of money due hereunder, such party shall immediately give written notice to the other party, stating full particulars of such force majeure and the obligations which it is unable to perform and exercise diligence to mitigate the effects of such force majeure and resume performance of the affected obligations.

The non-performance of the party affected by such force majeure shall be permitted only during the period that such force majeure situation is in effect and only if the party relying on the force majeure provides the aforesaid written notice.

23.5 The obligations under this Contract of the party giving such notice shall be suspended during the duration of the delay resulting from such force majeure and the time for completion of the affected obligations shall be extended for a period equal to the duration of the delay. No extra compensation shall be payable to the Contractor as a result of such delay.

23.6 In the event of: (i) a strike, lockout or other labor disturbance against any other contractor or its subcontractors or any materialman or supplier or carrier which, in the opinion of the Company prevents or obstructs the performance of the Work; or (ii) an environmental disturbance which, in the opinion of the independent environmental consultants retained by the Company or in the opinion of any governmental agency responsible for the protection of the environment, necessitates a stoppage of the Work, the Company may shutdown the Work or any part thereof upon giving notice to the Contractor specifying the reason therefore. The period of shutdown shall continue until receipt by the Contractor of notice from the Company to recommence the Work.

The sole remedy for such shutdowns shall be an extension of time for the completion of the Work equivalent to the duration of the shutdowns. No extra compensation shall be payable to the Contractor as a result of such shutdowns.

24 Termination by the Company

24.1 The Company, upon notice to DOS, may, at its option and for any reason, terminate this Contract or any part thereof (hereinafter called the "Cancelled Work") upon three days notice to the Contractor in the manner set out in Article 30, whether or not the Contractor is in default.

24.2 Upon any such termination, the Contractor agrees to waive any claims for damages, including loss of anticipated profits on account thereof and agrees that the sole remedy for such termination, unless otherwise specifically set out in such notice, shall be to receive the sum of the following:

(a) all amounts due and not previously paid to the Contractor for that part of the Work performed or completed prior to the delivery of such notice and as specified by the Company for that part of the Work thereafter performed or completed; and

(b) all other amounts directly arising out of the termination of the Work which, in the opinion of the Company, shall be reasonable.

25 **Default of the Contractor**

25.1 Should the Contractor commit any act of bankruptcy, or should it make a general assignment for the benefit of creditors, or should a receiver be appointed on account of its insolvency, or should it take advantage of any statute for the benefit of insolvent persons, or enter into any arrangement with its creditors, then the Company may at its option terminate the Contract.

25.2 Should the Contractor at any time:

- (a) refuse or neglect to supply properly skilled professionals, workers or materials and equipment of the proper quality or quantity; or
- (b) fail in any respect to perform the Work or any portion thereof in an efficient, workmanlike, skilled, careful or safe or environmentally competent manner to the complete satisfaction of the Company; or
- (c) fail to timely pay any of its subcontractors, suppliers, employees, or agents; or
- (d) fail to perform the Work in accordance with the project schedule or Change Orders to the project schedule as may be agreed to during the Term of this Contract; or
- (e) fail to comply with any applicable laws or any of the provisions of this Contract or any Change Order hereunder; or
- (f) make any representation or warranty which is not correct, accurate and complete; or
- (g) perform in bad faith;

then the Company may give notice in the manner set out in Article 30 to the Contractor stating the event in which the Contract is in default.

25.3 Should the Contractor fail to commence appropriate action to remedy the default referenced in Article 25.2 above within five days after receipt of such notice and then fails to remedy such default within an agreed to time period, which shall not in any event exceed 30 days then the Company shall have the right to:

- (a) provide labor, equipment and materials as may be required to remedy the default and to bill the Contractor for expenses, costs and damages so incurred or to set off against and deduct such amount due or to become due to the Contractor; or
- (b) terminate the right of the Contractor to proceed with the Work or any part thereof, regardless of its state of completion without prejudice to any claims or remedies that the Company may have hereunder.

25.4 In the event of termination pursuant to either Article 25.1 or 25.3 above, the Company and DOS, for the purpose of completing the Work shall have the right to take possession of and use all or any part of the records, Confidential Information provided by, through or for the Contractor and may finish the Work by whatever method it and the DOS Project Manager may deem expedient, including the hiring of any contractor(s) under such form of contract as the Company may deem desirable. The Contractor shall deliver to the Company and the DOS Project Manager all records, Confidential Information, governmental authorizations and other documents, data and information prepared in connection with the Work and shall provide the Company, its designee, and DOS any proprietary documents needed for completion of the Work.

25.5 In the event of termination pursuant to either Article 25.1 or 25.3 above, the Contractor shall only be entitled to compensation for that portion of the Work performed by the Contractor to the date of termination. However, all payments shall be suspended until the Work has been completed. The expenses of completing the Work together with any reasonable charge for administering such completion shall be charged to the Contractor, and such expenses shall be set off against and deducted by the Company from any monies which may be due or which may at any time thereafter become due to the Contractor. In case such expenses exceed the sum which would have otherwise been payable under the Contract, then the



Contractor shall be liable for and shall pay the amount of such excess to the Company upon receipt of the Contractor's invoices therefor. The Company shall not be required to obtain the lowest bid for completing the Work but may make such expenditures as, in its sole judgment, will best accomplish the completion of the Work.

26 **No Waiver**

26.1 Any failure by the Company at any time, or from time to time, to enforce or require the strict keeping and performance of any of the terms and conditions of this Contract shall not constitute a waiver of such terms or conditions, shall not affect or impair such terms or conditions in any way, or the right of the Company at any time to avail itself of such remedies as it may have for any breach or breaches of such terms or conditions.

27 **Remedies of Company**

27.1 To the fullest extent permitted by applicable law, remedies provided to the Company and DOS under this Contract shall be cumulative and in addition to and not in substitution for any rights or remedies provided by law or in equity. The Company may, without prejudice to any right or remedy it may have at law or in equity, terminate this Contract and take possession of all Records, materials, data and Confidential Information, subject to Paragraph 44.1.

28 **Assignment**

28.1 This Contract and its rights and obligations of the Contractor hereunder shall not be assigned, subcontracted, mortgaged or hypothecated by the Contractor without the prior written consent of the Company and DOS.

28.2 The Company, upon notice to DOS, may assign this Contract and its rights and obligations hereunder without the consent of the Contractor and the Contractor agrees, upon request by the Company, to enter into an assignment and novation agreement (on terms to be specified by the Company) to give effect to such assignment by the Company.

29 **Dispute Resolution**

29.1 Except for matters requiring immediate injunctive or similar equitable relief, all claims, disputes or other matters in question between the parties arising out of or relating in any way to this Contract ("Disputes") will be resolved pursuant to this Article 32.

29.2 If a Dispute arises between Company and Contractor regarding the application or interpretation of any provision of this Contract, the aggrieved party will promptly provide notice of the Dispute to the other party within 30 days after such Dispute arises. Contractor will grant to Company audit rights with respect to all documentation pertaining to any Dispute sufficient to allow Company to investigate the Dispute. A meeting will be held promptly between the parties, to attempt in good faith to negotiate a resolution of the Dispute. If the Parties cannot succeed in negotiating a resolution of the Dispute, they agree to submit the Dispute to binding arbitration in accordance with Article 29.3.

29.3 (a) All Disputes that cannot be resolved by negotiation pursuant to Article 29.2 within 30 days after the Notice in Article 29.2 is given will be settled exclusively by arbitration pursuant to the then-current Arbitration Rules of the International Commercial Court and in accordance with any applicable legislation or regulations in the State of New York dealing with arbitration of commercial disputes.

(b) Any party may commence an arbitration proceeding by serving a Notice (an "Arbitration Notice") on the other party (with a notice to the International Commercial Court in accordance with its rules) not more than 60 days after the expiration of the time period provided in Article 29.3(a) for the resolution of the Dispute by negotiation. The Arbitration Notice will contain a reasonably detailed description of the Dispute and the remedy sought. The party receiving the Arbitration Notice will, within 15 days after receipt thereof, deliver a notice (the "Reply Notice") to the party commencing

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the arbitration. Each Reply Notice will contain a reasonably detailed response to the claim (including any counterclaims and remedies sought).

- (c) The parties to the Arbitration shall appoint an arbitrator within 20 days after delivery of the Reply Notice. In the event the parties to the arbitration are unable to agree upon an arbitrator within such time frame, the International Commercial Court will be requested to designate three potential arbitrators, each of whom (1) will have agreed to arbitrate the Dispute, (2) will be unaffiliated with any party to the Dispute or their Affiliates, (3) will be generally qualified by training or experience to address the issue in controversy, and (4) will be available to fulfill the responsibilities of the arbitration in a timely manner. Each party to the arbitration will be provided relevant information related to each potential arbitrator, including applicable fees; and each shall designate its first, second and third choices among the potential arbitrators, with the designated choice receiving four, three, and one point(s), respectively. In the event a party to the arbitration fails to designate an order of choice, each potential arbitrator shall receive one point. The potential arbitrator receiving the most points shall be the arbitrator; provided, however that if two potential arbitrators have the same number of points, the potential arbitrator with the least average deviation in the points assigned to him or her will be the arbitrator. The arbitrator will be entitled to a fee commensurate with his or her fees for professional services requiring similar time and effort. If the arbitrator so desires, he or she will have the authority to retain the services of a neutral judge or attorney (whose fees will be treated as an arbitrator's fees) to assist him or her in administering the arbitration and conducting any hearings and taking evidence at the hearings or otherwise.
- (d) The Parties will have 90 days from delivery of the Reply Notice to perform discovery and present evidence and argument to the arbitrators, in accordance with a schedule proposed by the parties and approved by the arbitrators. The arbitrators will use all reasonable means to expedite discovery and will be available to resolve discovery disputes, and to sanction non-compliance with reasonable discovery requests. The arbitrators will receive and consider all such evidence as is relevant, within reasonable limits permitted by the restricted schedule, and will hear as much argument as is feasible, giving a fair allocation of time to each party. The arbitrators will not consider any evidence or argument not presented during such period and will not extend such period except by the written consent of both parties.
- (e) Within 10 days after the end of the period prescribed in Article 29.3(d), the arbitrators will furnish to the parties a written determination on the matters in Dispute, which will contain such findings of fact and conclusions of law as may be necessary or appropriate in the circumstances. The arbitrators will have the right only to interpret and apply the terms and conditions of the agreement(s) in question in accordance with the laws of the Province of Ontario and may not change any such term or condition.
- (f) Each Party will bear its own expenses (including attorneys' fees) with respect to the arbitration, unless the arbitrators decide on a different allocation of expenses. The arbitrators will designate the party to bear the expenses of the arbitrator or the respective amounts of such expense to be borne by each party.

29.4 Arbitration involving Third Parties. Arbitration arising out of or relating to this Contract or the Work may include, by consolidation, joinder, or joint filing, any additional person or entity not a party to this Contract to the extent necessary, appropriate, or desirable.

29.5 Continued Performance. During the continuation of any dispute arising under this Contract, so long as the dispute resolution procedure selected for resolution of such disputes is continued by both parties in good faith, the parties shall continue to perform their respective obligations under this Contract including prompt and timely payment of all amounts due hereunder until a final non-appealable resolution is reached.

30 Notices

30.1 All notices and communications hereunder shall be in writing and may be given or made by personal service or by prepaid telecommunication to the parties at the addresses listed below. Notices and communications made by personal service shall be deemed to have been given when so served, and if transmitted by telecommunication shall be deemed to have been received six hours after the transmission thereof.

The addresses for the parties hereto, which may be changed by notice to the other party, shall as of the date of this Contract be:

The Company at:

TransCanada Keystone Pipeline, LP
450 - 1st Street SW
Calgary, Alberta, Canada T2P 5H1

Attention: [REDACTED]
Fax: [REDACTED]

The Contractor at:

ENTRIX, Inc.
[REDACTED]

Attention: [REDACTED]
Fax: [REDACTED]

31 Governing Law

31.1 This Contract shall be interpreted in accordance with the substantive laws of the State of New York, United States of America without application of principles of conflicts of laws.

32 Conflict of Law

32.1 If any provisions of this Contract are invalid under any applicable statute or rule of law, they are, to that extent, omitted, but the remainder of this Contract shall continue to be binding upon the parties hereto.

33 Priority of Documents

33.1 In the event of any conflict between any of the provisions of the Contract documents and any of the Schedules of this Contract, the provisions of the Contract documents shall prevail.

34 Entire Agreement

34.1 This Contract embodies the entire agreement between the Company and the Contractor with respect to the Work and no other understandings or agreements, verbal or otherwise, exist.

35 Time

35.1 Time shall in all respects be of the essence of this Contract provided that the time for doing or completing of any or all of the Work provided for herein may only be extended or changed by a Change Order signed by the Company and the Contractor.

36 Other Documents

36.1 The Contractor agrees to execute and deliver such other additional instruments and documents, provide such data and information and to do or refrain from doing such other acts as may be reasonably necessary to effectuate this Contract or which would be reasonably requested by the Company for the development, permitting, financing, design, engineering, construction and operation of the Keystone XL Project.

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36.2 The Contractor shall ensure that all necessary provisions of this Contract as they may apply to the Contractor's employees, subcontractors, contractors, agents, and others providing Work pursuant to this Contract, are included in any subcontracts or other arrangements with such parties.

37 Headings

37.1 The insertion of headings to the provisions hereof are for convenience of reference only and shall not be used to construe or interpret this Contract or any portion thereof.

38 Survival Provisions

38.1 Notwithstanding any termination of this Contract, the Contractor shall continue to be bound by all terms of this Contract in respect of all obligations or events which arose or occurred prior to the date of termination hereof and with respect to indemnity, remedies, confidentiality, choice of law and resolution of disputes.

39 Mutually Prepared Contract

39.1 The Contractor and the Company agree that this Contract and the Contract documents have been prepared through their joint efforts, that both parties are sophisticated parties, and that this Contract and the Contract documents should not be construed against either party based on the party which prepared the initial or any subsequent draft or the execution version of the Contract or Contract documents.

40 Amendments

40.1 No change, amendment, or modification of this Contract shall be valid or binding upon the parties hereto unless such change, amendment or modification shall be in writing and duly executed by both parties hereto.

41 No Third Party Beneficiaries

41.1 Unless otherwise expressly provided herein, no person except DOS shall be deemed a third-party beneficiary of any provision of this Contract.

42 Successors and Assigns

42.1 This Contract shall be binding upon and shall inure to the benefit of the parties hereto and their successors and permitted assigns.

43 Counterparts

43.1 This Contract and any Change Order hereunder may be executed in any number of counterparts, all of which, when taken together, shall constitute one and the same instrument and any of the parties hereto may execute this Contract by signing any such counterpart. Any party hereto may evidence its execution of this Contract by providing the other parties with an executed counterpart by means of facsimile transmission, telecopy or other similar means of electronic communication and any counterpart provided as aforesaid shall bind the party providing same in the same fashion as if such party had provided an originally executed counterpart provided that an executed original promptly follows.

44 Ownership of Work

44.1 All original drawings, plans, specifications, calculations, sketches, designs, reports, files (electronic or otherwise), records and other documents regardless of the media or means of storage and access thereto ("Records") developed by, through or for the Contractor pursuant to this Contract or any Change Order shall be the absolute property of the DOS. The Company shall be entitled to duplicates of all such Records. The

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Records shall be delivered to the DOS upon completion of the Work or at any time during performance of the Work at the request of the DOS. The Contractor may use the Records related to its services expended on behalf of the Company related to the Work for its general reference and enhancement of its Work, but shall not market or sell the Records without the prior written consent of the DOS and the Company.

IN WITNESS WHEREOF the Company and the Contractor have executed this Contract as of the day and year first above written.

TransCanada Keystone Pipeline, LP,
by its general partner,
TransCanada Keystone Pipeline GP, LLC

ENTRIX, Inc.

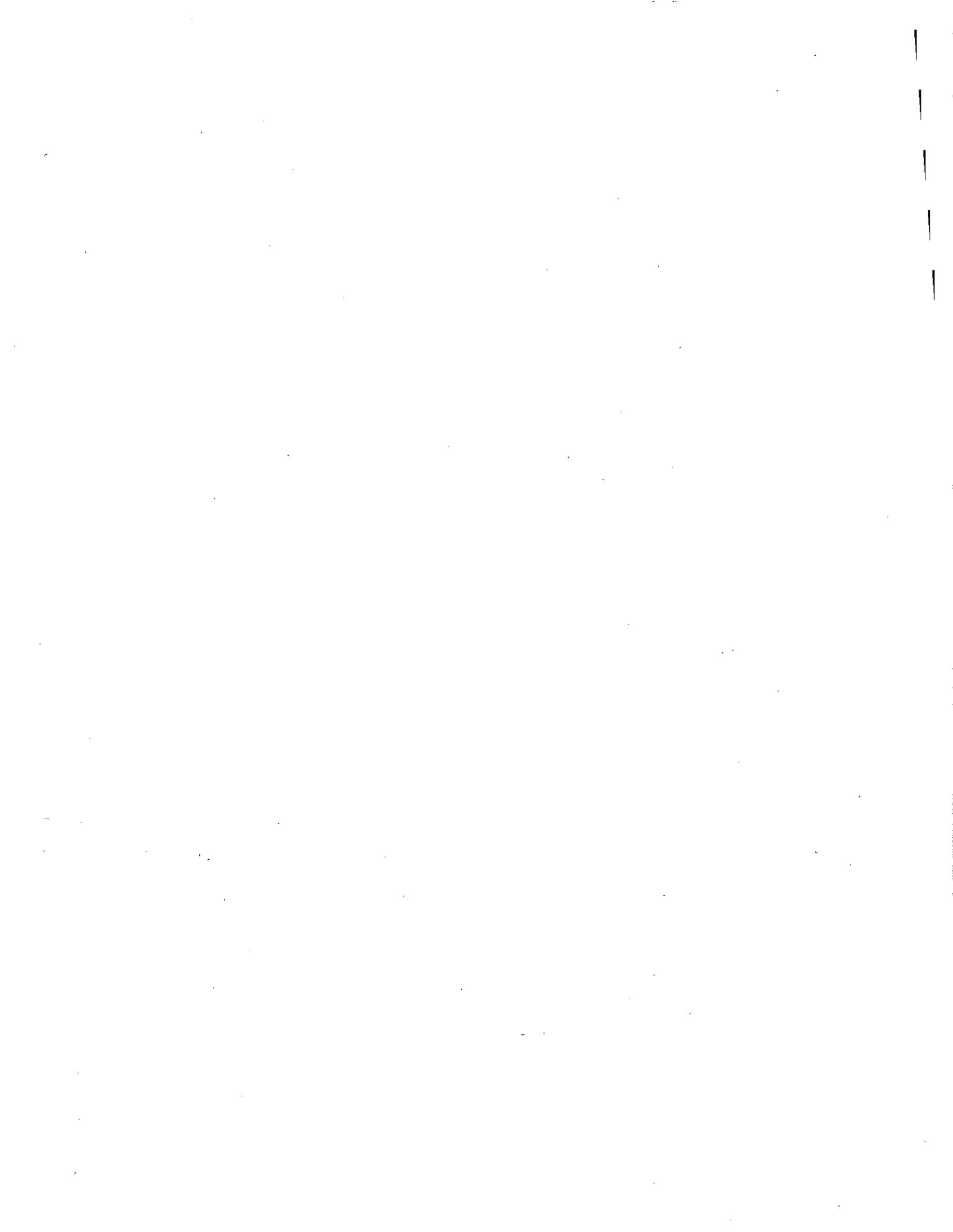
Per: _____
Name: _____
Title: _____
Vice President

Per: _____
Name: _____
Title: Senior Vice President

Per: _____
Name: _____
Title: Secretary

Per: _____
Name: _____
Title: _____

ORIGINATOR	SCM	BUSINESS	LEGAL	INS. RISK	COM. RISK	QUALITY
[REDACTED]						



SCHEDULE "A"

SCOPE OF WORK

**Attached to and forming part of Contract No. 6414
Between the Company and the Contractor**

Exhibit "A-1" Project Background and Scope of Services

Exhibit "A-2" Project Map

Exhibit "A-3" Contractor's Technical Proposal

SCHEDULE "A" – EXHIBIT "A-1"

PROJECT BACKGROUND AND SCOPE OF SERVICES

Attached to and forming part of Contract No. 6414 Between the Company and the Contractor

1.0 BACKGROUND, OVERVIEW AND SCOPE OF WORK

1.1 Background

TransCanada Keystone Pipeline, LP ("Keystone") a subsidiary of, TransCanada PipeLines Limited ("TransCanada"), is developing a new pipeline project to transport crude oil from Hardisty, Alberta, Canada, across the United States border and on to refineries in Texas Gulf Coast area of the United States. This project is known as the Keystone XL Project (hereinafter called the "Project" or "Keystone XL"). In the U.S., the Project involves the construction of a new crude oil pipeline and related facilities, including pumping stations, across Montana, South Dakota, Nebraska, Oklahoma and Texas. Pump stations will also be added in Kansas along the Cushing Extension segment of the Keystone Pipeline. The project is more specifically described in Section 1.2.

Keystone is soliciting proposals for the preparation of an Environmental Impact Statement (EIS) and related documents and services for the proposed Project. The EIS will be prepared under a third-party contractual agreement to Keystone, with Keystone being the Applicant. The Department of State (DOS) will act as the lead Federal agency for preparing the EIS in conformance with the National Environmental Policy Act (NEPA). Additionally, the Bureau of Land Management (BLM) will participate in the EIS as a cooperating agency to ensure the EIS satisfies BLM's requirements prior to issuing right(s)-of-way grant(s) and temporary use permits across federal lands and the Montana Department of Environmental Quality (MDEQ) will also participate and review the EIS to ensure that the EIS satisfies its requirements under the Montana Environmental Policy Act (MEPA). The DOS will be responsible for providing supervisory and technical direction to the third-party contractor. A contract will be executed pursuant to third-party contracting procedures consistent with 40 CFR 1506.5(c).

As the Applicant, Keystone is soliciting proposals through this RFP for a third-party contractor to provide the services described in sections 1.3 and 2.0. The technical and cost proposals will be initially reviewed and evaluated by Keystone, which will then submit the top three proposals to the DOS. The DOS, in consultation with the BLM and MDEQ and other appropriate agencies, will make the final selection of the third-party contractor, based on its independent review of the technical, managerial, personnel, and Organizational Conflict of Interest (OCI) aspects of each proposal. Ultimately, DOS will make the final decision. Upon selection of the third-party contractor, Keystone, will finalize a contract with and fund the successful contractor for the preparation of an EIS and attendant activities. Keystone will be responsible for answering any questions from non-selected bidders.

Once a third-party contractor is selected, the DOS will direct the activities of the contractor in the consultation, review, and preparation and processing of documents within the scope identified herein. Neither Keystone nor TransCanada will have control over, or direct the activities of the contractor. Federal agencies participating in the NEPA process may include the BLM, U.S. Fish and Wildlife Service, U.S. Army Corps of Engineers, U.S. Environmental Protection Agency, National Parks Service, and the National Resources Conservation Service. Appropriate regulatory agencies in Montana, South Dakota, Nebraska, Kansas, Oklahoma, and Texas will be invited to participate in the NEPA process.

Keystone has compiled a team to manage, design, and permit the proposed Project. This team has selected a preferred route for the proposed pipeline, along with certain possible alternatives, and has secured the services of ENSR as the prime environmental and cultural resources consultant for the Project. Keystone filed a Preliminary Environmental Report (ER) along with a Presidential Permit Application with the DOS on September 19, 2008. Field surveys of the entire project footprint, where landowner permission has been secured, were completed and will be filed with the DOS on or about November 19, 2008, as part of a comprehensive Environmental Report (ER). A preliminary SF 299 application for a pipeline right-of-way and ancillary facilities under the Mineral Leasing Act (MLA) of 1920 was filed with the BLM in Montana to initiate the cost recovery agreement process in March 2008. Applications for a right-of-way under the MLA and the

Federal Land Policy Management Act are expected to be filed with BLM by utilities (local power providers) for purposes of supplying power to the Project. An application to MDEQ under the Montana Facility Siting Act (MFSA) will be filed on or about December 22, 2008.

1.2 Overview of the Project

Keystone is proposing to construct and operate a crude oil pipeline and related facilities from Hardisty, Alberta, Canada, to the Port Arthur and east Houston areas of Texas in the United States (US). The Project "Keystone XL" will have a nominal capacity to deliver up to 900,000 barrels per day (bpd) of crude oil from an oil supply hub near Hardisty to existing terminals in Nederland near Port Arthur, and the Houston Ship Channel in Houston, Texas. The Steele City Segment of the Project extends from Hardisty, Alberta, crosses the US/Canadian border at Morgan, Montana, and continues southeast to Steele City, Nebraska. The Gulf Coast Segment of the Project extends from Cushing, Oklahoma south to Nederland, Texas. The Houston Lateral extends from the Gulf Coast Segment, Liberty County, Texas southwest to Moore Junction, Harris County, Texas. (Figure 1) In total, the Project will consist of approximately 1,704 miles of new, NPS 36-inch-diameter pipeline, consisting of about 329 miles in Canada and about 1,375 miles within the US. It will interconnect with the northern and southern termini of the 298-mile-long, 36-inch-diameter Cushing Extension segment of the Keystone Pipeline Project (Keystone Cushing Extension). DOS prepared an EIS on the original Keystone Pipeline project that included this segment.

The Project is planned to be placed into service in phases. The Gulf Coast segment is planned to be in service in 2011 and the Steele City Segment is planned to be in-service in 2012.

In the US, the Project will be constructed as follows:

- 36-inch diameter Steele City Segment, approximately 850 miles in length, from the US/Canadian Border at Morgan, Montana to Steele City, Nebraska, which will be constructed with seven mainline spreads, approximately 120 miles each, from 2011 to 2012.
- 36-inch diameter Gulf Coast segment, approximately 478 miles in length, from Lincoln County, Oklahoma to Nederland, Texas, which will be constructed with five mainline spreads, varying in lengths from 65 to 122 miles each, from 2010 to 2011.
- 36-inch diameter Houston Lateral, approximately 47 miles in length, from Liberty County, Texas to Harris County, Texas, which will be constructed with one main spread, in 2011.

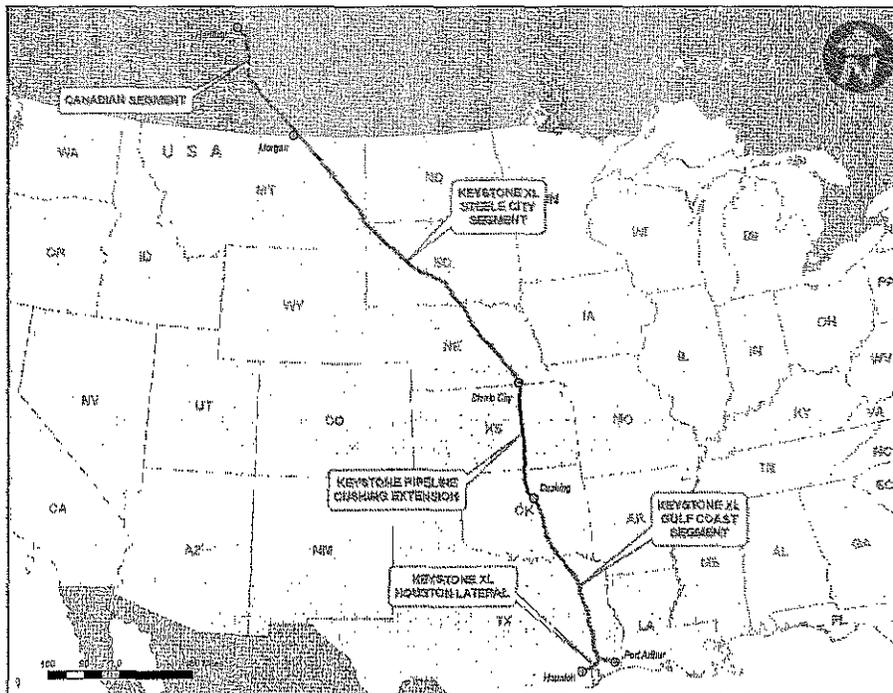


Figure 1- Proposed Keystone XL Project

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Temporary use access roads to the construction right of way and temporary use contractor yards or stockpile sites will be required during the construction. Access roads will vary in length and will be required on every 5 to 10 miles along the pipeline route and will be about 20-30 feet wide. Temporary use construction stockpile sites will be about up to 30 acres in size while contractor yards will be about 30 acres in size. Stockpile sites will be located at 30 to 80 mile intervals along the proposed route. Contractor yards are expected to be needed approximately every 60 miles.

A total of 30 new pump stations will be constructed in the US; 18 on the Steele City Segment and 10 on the Gulf Coast Segment. In addition, two (2) new pump stations will be added along the Keystone Cushing Extension in Kansas. A tank farm consisting of three tanks will be constructed on approximately 50 acres near the junction of the Project with the Keystone Cushing Extension at Steele City, Nebraska. Each tank will have a designed capacity of 350,000 barrels and will be used operationally for the management of batch movements.

Valves will be installed and located as dictated by the hydraulic characteristics of the pipeline, as required by federal regulations, and with the intent to enhance public safety and environmental protection as part of Keystone's integrity management practices. Permanent access will be obtained to each of these intermediate sites. Intermediate mainline valves will have a typical spacing of 30 miles.

Densitometer sites for detection of crude oil batch interfaces will be co-located at the last sectional valve upstream of each delivery location as well as at each delivery location.

Delivery metering and proving facilities at Nederland and the Houston Ship Channel will measure the amount of product transported and delivered to terminals.

Finally, electric power lines will be constructed by local power providers to provide power for the new pump stations and to power remotely activated valves and densitometers located along the pipeline route.

While the Project will require electrical transmission lines and facility upgrades in multiple locations along its route, Keystone will not construct and will not be responsible for the permitting of new electrical transmission lines and related facility construction. Local power providers will be responsible for obtaining any necessary approvals or authorizations from federal, state, and local governments for such facilities. The permitting process for the electrical facilities is an independent process but Keystone has included information that could be used in the NEPA document. Construction and operation of these facilities are considered connected actions under NEPA and are evaluated within the Keystone Environmental Report on this project. Keystone will file a separate ROW Grant application with BLM for power lines that cross BLM lands along the Steele City segment. This is required by the BLM in order to ensure those ROWs are processed in parallel with the Keystone XL ROW grant. However, Keystone will transfer those ROW grants to the appropriate power providers once those power providers have been selected and have started their permitting process.

The crude oil transported by the Project to market destinations in the US is expected to be integrated into the existing US crude oil pipeline system and processed at existing refineries.

1.3 Scope of Work

Subject to the requirements, descriptions, and timelines, set forth at Sections 1.4 and 2.0, the selected third-party contractor will work under the direction of the DOS to perform the following tasks:

- Verify, supplement as appropriate, update, and maintain mailing lists.
- Create and host project website.
- Create web-based administrative record inventory and assemble and house the administrative record on the Keystone XL application.
- Review and/or prepare draft Notice(s) of Intent to Prepare EIS and Notice(s) of Public Scoping Meetings. Finalize and assist the DOS in issuing these Notices in print, by mail, and in media releases.
- Coordinate and attend scoping meetings and other meetings (including tribal consultation meetings) and site visits, as required by the DOS and other regulatory agencies.

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- Work with the DOS to identify and summarize concerns of affected/adjacent landowners, landowner organizations, environmental groups, other interested stakeholders, and Federal, State and local agencies.
 - Communicate with and assess information from those concerned parties and advise Keystone's staff and Keystone's environmental consultant regarding the collection of additional data, suggested alternative routes, and/or mitigation to respond to these concerns.
 - Review and comment on the background and field survey data developed by Keystone's environmental consultant to support the ER that will be filed on or about November 19, 2008. Request additional data where needed for the development of the EIS. This review may include the following items:
 - maps and alignment sheets;
 - work required to comply with the Endangered Species Act, including field surveys;
 - work required to comply with the National Historic Preservation Act, including field surveys;
 - work required to comply with BLM requirements for Minerals Leasing Act and Federal Land Policy Management Act;
 - work required to comply with the Montana Major Facilities Siting Act (MFSA); and
 - work (including field surveys) required to delineate waters of the U.S. and wetlands that will be subject to the Federal permitting requirements.
 - Review and comment on field surveys conducted by Keystone's environmental consultant, to include:
 - review information that will be the basis of the EIS; and
 - review alternatives analysis completed to date for adequacy in the EIS/MEPA process.
 - Prepare and submit a Preliminary Draft EIS (PDEIS) to the DOS for review and comment.
 - Incorporate comments from the DOS into the PDEIS.
 - Prepare and submit the revised PDEIS to the DOS and cooperating agencies.
 - Incorporate/resolve comments on the PDEIS from the DOS and the cooperating agencies.
 - Prepare and submit a Draft EIS (DEIS) to the DOS with copies to EPA and Congress. Prepare, print and mail public copies including copies to identified libraries and other stakeholders (assume 100 copies).
 - Draft the notice of Public Availability and public comment period on the DEIS and assist the DOS in issuing these notices by printing and mailing.
 - Coordinate public comment on DEIS, including helping DOS arrange public comment meetings to include a court reporter, news releases, mailings and other logistical needs.
- Assist the DOS in preparing responses to public comments on the DEIS to include creating web-based tracking of all comments.
- Prepare and submit a draft Final EIS (FEIS) to the DOS and the cooperating agencies, as necessary for review and comment.
 - Prepare, print, and submit a revised Final EIS (FEIS) to the DOS, EPA and Congress. Prepare, print, and mail public copies (assume 250 copies).
 - Draft the notice of Public Availability of the FEIS and assist State in issuing that notice to include mailings and media releases.
 - The contractor may also be required to assist the DOS in preparing a Record of Decision (ROD).
 - The contractor will likely be required to help draft and finalize a Programmatic Agreement under Section 106 of the NHPA for treatment of cultural resources after possible permit award.
 - Create log, store and organize the Administrative Record

1.4 Services Required

The selected third-party contractor will be responsible for working with the DOS, Keystone, Keystone's environmental consultant, and the various stakeholders. The selected third-party contractor will keep the DOS apprised of issues as they arise, and when the DOS determines it is appropriate, participate in stakeholder meetings and site visits to identify and possibly help resolve issues.

The third-party contractor will also be responsible for assisting the DOS in conducting the NEPA review, preparing an EIS, and completing related work as provided in Section 1.3 within an agreed-upon schedule and approved budget. It will be the contractor's responsibility to notify Keystone if the work effort required by the DOS exceeds the work effort on which the bid was based, or the approved budget.

The third-party contractor will be responsible for providing the following services:

- 1.4.1 Preparation, printing and reproduction of all project-related documents, reports, and notices required by the DOS. In addition to paper copies, all materials must be provided to the DOS on compact disk, in Microsoft Word and Acrobat PDF format. Keystone will provide any required databases (such as mailing lists). The camera-ready DEIS and FEIS will be provided as .pdf files in addition to hard copy. Note, that all printing and mass mailings will be completed by the contractor.
- 1.4.2 Keystone, or its environmental contractor, may prepare draft notices and presentation materials for public scoping and DEIS public comment meetings, as well as public meetings required by the Montana statutes (one required per county crossed). If so, the selected contractor will be responsible for review and finalizing these materials with the DOS and for their issuance and use. The selected contractor may be responsible for drafting this notice. The selected contractor will also set-up and coordinate the public meetings, including arrangement for and payment of a court stenographer. This task will require close coordination with the DOS. Required work will include arranging for meeting places, placing notices/announcements in the appropriate news media (local newspapers, radio stations, etc.), and mailings to stakeholders to include each landowner, working with Keystone under DOS' direction regarding preparation of materials for meetings, participating in meetings, and preparing reports summarizing the scoping meetings and public comment meetings on the DEIS. The selected contractor will prepare a summary of agency scoping comments/issues for subsequent agency review and concurrence, as well as summarizing written public comments received during the scoping process and the DEIS public comment process. The comments will be posted on the contractor's hosted web-site. For the purposes of this RFP, assume a minimum of twelve (12) scoping meetings and public comment meetings will be conducted. In Montana, these meetings will need to occur in each county where the proposed and alternative routes are located.
- 1.4.3 Maintenance of a computerized (sortable database) mailing list of all interested agencies, officials, members of Congress, community/environmental groups, concerned citizens, affected property owners, and other interested parties. Keystone will provide the contractor with an initial mailing list, as well as providing updates throughout the NEPA process.
- 1.4.4 Set up and maintain on a daily basis a computerized, web based administrative record similar to an Electronic Docket system.
- 1.4.5 Set-up and maintain an internet website with the capability to accept public comments, and post public information regarding the project.
- 1.4.6 Characterization of existing environmental conditions, incorporation of issues identified during scoping, assessment of potential environmental effects and significance associated with implementation of the Keystone XL Project, identification of potential route location alternatives (both locally and regionally), and determination of necessary mitigation to avoid and/or reduce impacts to acceptable levels for the environmental topics listed below. Studies shall take into account both direct and indirect effects of project facilities construction, operation and maintenance, upset conditions, and abandonment. The ER contained in the application, the subsequent field surveys, and other already available technical data shall be used to the maximum extent practicable. Use of any data not in the public record for the project must be approved by the DOS.
- 1.4.7 Preparation of the PDEIS, DEIS, and FEIS to meet the requirements of NEPA; the National Historic Preservation Act; Endangered Species Act; MEPA; other applicable laws and regulations; any additional requirements of the DOS; and to address comments and issues raised during the scoping, DEIS and public meeting processes.

The EIS shall include, in conformance with the CEQ Regulations 40 CFR Section 1502.10, but not necessarily be limited to, the following sections:

- Cover Sheet
- Executive Summary (including Impact Summary Table)
- Introduction
- Description of Proposed Project and Alternatives
- Affected Environment
- Environmental Consequences (including Cumulative Impacts)
- Comparison of Alternatives
- Conclusions (including summary of unavoidable significant adverse effect) and Recommendations (mitigation measures, including mitigation monitoring plan)
- Agencies and Sources Consulted
- List of Preparers and Contributors
- References
- EIS Distribution List
- Index (FEIS only)
- Comments and Responses (FEIS only)
- Appendices and Technical Reports

The EIS should fully address the following resource topics in conformance with CEQ Regulations and current legal standards and case law (as applicable):

- Geology and Mineral Resources
- Soils (including erosion control and restoration/revegetation)
- Water Resources (surface water and groundwater hydrology and quality)
- Biological Resources (including wildlife, vegetation, wetlands, aquatic biology, and threatened and endangered species)
- Land Ownership, Land Use, and Recreation
- Socioeconomics
- Environmental Justice
- Visual Resources/Aesthetics
- Air Quality
- Noise
- Cultural and Paleontological Resources to include TCP issues
- Public Safety
- Potential cumulative Impacts including, for example: Greenhouse Gas Emissions (GHG), climate change and carbon footprint issues
- Potential connected actions, such as refining oil sand products

1.4.8 Some of the information necessary for preparation of the EIS will be available in the Environmental Report (ER) and the field survey reports to be provided by Keystone on or about November 19, 2008 and the MFSA application to be filed on or about December 22, 2008. A Plan of Development (POD) describing the Keystone XL Project planned design, construction, operation, maintenance, and termination will also be provided to the BLM as part of its right-of-way Grant requirements and will be filed in late 2008/early 2009. A supplemental environmental filing will be made in June 2009. The selected contractor will review this information for accuracy and adequacy to ensure compliance with the NEPA requirements for preparation of an EIS. If necessary, the contractor will prepare a timely data request(s) to Keystone (approved by DOS) requesting any other data that may be needed.

1.4.9 In conjunction with the DOS and Keystone, the third-party contractor will be responsible for identifying and assessing potential alternatives to the proposed project that are capable of meeting the project's goals and

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are sufficient to meet NEPA requirements, including reducing potentially significant effects associated with the proposed project and fostering informed decision-making. Potential alternatives to the Keystone XL Project will be identified in the ER. Any project alternatives identified by the DOS shall also be addressed to include those raised in the scoping or DEIS phases of the process.

The Description of the Proposed Project and Alternatives should include, at a minimum, the following subsections:

- Purpose and Need for the Project
- Approvals to be Sought through Use of the EIS
- Pipeline Route Description
- Pump Station Facilities
- Ancillary Facilities
- General Design Parameters
- Construction Methods for pipelines and pumping stations (including Applicant-Proposed Mitigation Measures)
- Construction Schedule and Work Force
- Operation and Maintenance Procedures
- Abandonment Procedures
- Interrelationships with Other Planned Projects and Non-jurisdictional Facilities
- Alternatives (including the No Action alternative)

- 1.4.10 Keystone will be responsible for developing the maps requested by the third-party contractor. Map scale will range from 1:24,000 to 1:3,600 depending on the complexity/sensitivity of the resources potentially affected and project specifics.
- 1.4.11 Maintain ongoing review of potential environmental issues and assessment of adequacy of overall scope of the environmental analysis. The DOS shall be advised immediately of any potential data gaps or analysis shortcomings.
- 1.4.12 May arrange with Keystone to participate in site inspections with the DOS. This may occur in conjunction with the scoping meetings.
- 1.4.13 Accept, analyze and prepare draft responses to comments on the PDEIS, DEIS, and FEIS, and other related documents.
- 1.4.14 Prepare camera-ready copies of the PDEIS, DEIS and FEIS and any required notices for submission to the DOS and arrange for printing and mailing. For purposes of proposal preparation, assume that the contractor will print and distribute a minimum of 100 copies of the DEIS and 250 of the FEIS (a mixture of CD and hard copies) to cooperating and consulting agencies and other interested stakeholders. (The actual number of preliminary documents required will be determined based on consideration of cooperating agencies' needs.) Please note that mailing to federal agencies must be carried out by Federal Express or equivalent service to avoid irradiation of regular Department mail. Five (5) hard copies of DEIS and FEIS must be filed with EPA. CDs may be distributed to appropriate members of Congress
- 1.4.15 Develop and maintain a formal project management system to allow for weekly tracking of schedule and budget status for the prime contractor and any subcontractors.
- 1.4.16 Prepare a Biological Assessment, if appropriate.
- 1.4.17 Regular consultation with the DOS, BLM, and MDEQ, including travel to Washington, DC and/or Billings and Helena Montana to meet as required.

1.5 Keystone's Application Development Work

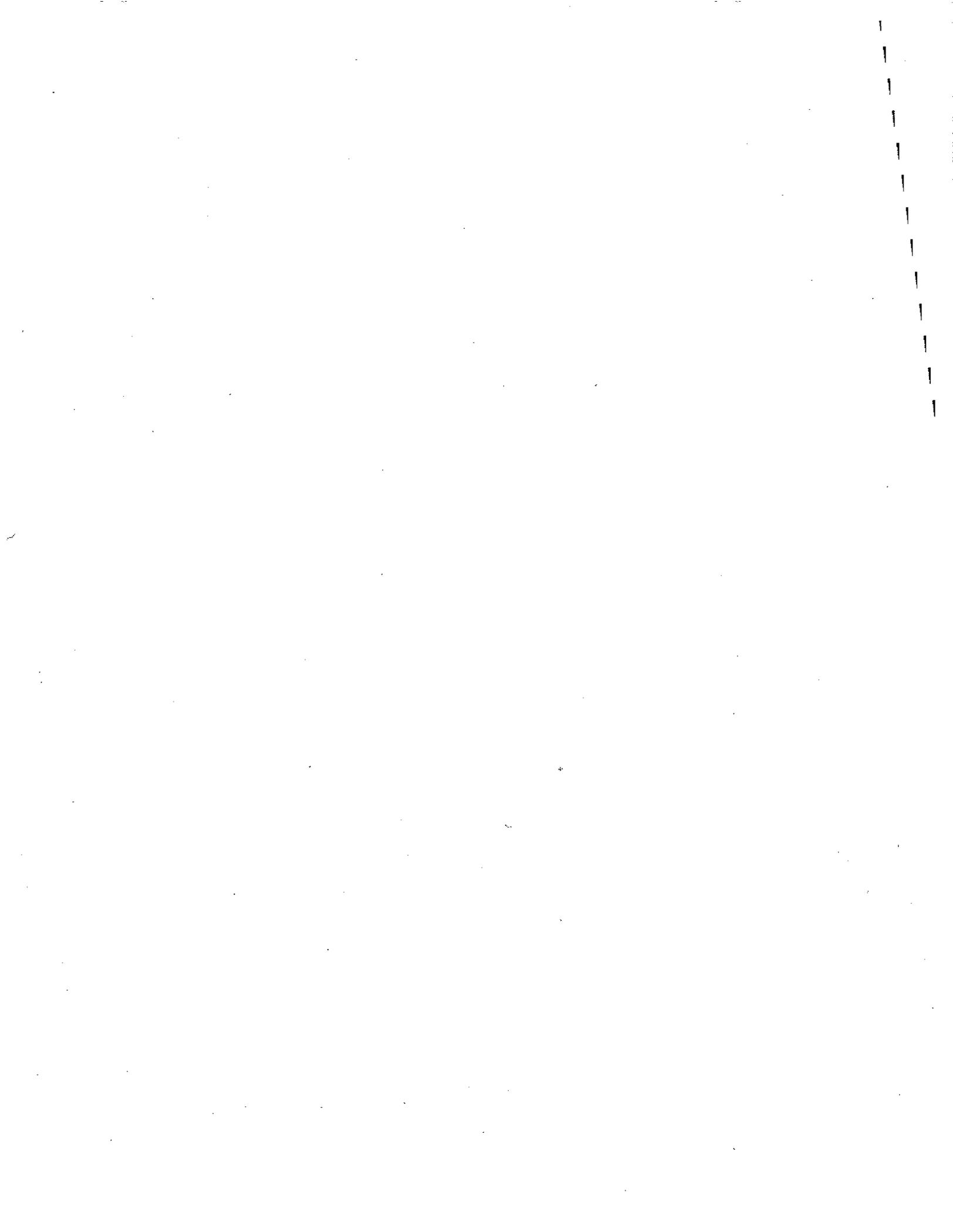
Conduct open houses:	Completed, summer 2008
Environmental surveys, 2008:	May to August, 2008
Environmental Report	November 19, 2008
File MFSA application with MDEQ	December 22, 2008
File final SF 299 and Plan of Development with BLM	late 2008/early 2009
Environmental surveys, 2009:	Winter and spring 2009
Supplement to Environmental Report	June 2009
Draft Biological Assessment	May 2009

1.6 Schedule Milestones for the Project

The scheduled applicable to the EIS process will be established by DOS with the selected contractor. The following schedule of milestones is illustrative.

Activity	Date
Keystone submits to the DOS a draft Notice of Intent to Prepare EIS and Notice of Public Scoping Meetings, and Mailing List	December 10, 2008
Contractor Finalizes Notice of Intent, Notice of Public Scoping Meetings, and mailing list and issues through the DOS	December 22, 2008
Scoping Meetings	January 12 - February 20, 2009
Section 106 work begins with tribal Consultation and development of PA	
Review Keystone Route and surveys	December 2008 - March 2009
Contractor delivers draft PDEIS to the DOS	May 4, 2009
Comments on draft PDEIS returned to contractor	June 1, 2009
Contractor delivers PDEIS to the DOS, Cooperating Agencies, consulting parties, other identified relevant federal and state officials and relevant stakeholders.	July 13, 2009
Comments on PDEIS returned to contractor	August 10, 2009
Contractor delivers DEIS to the DOS with copies to file with EPA and deliver to Congress	August 31, 2009
DOS authorizes mailing of DEIS	September 4, 2009
Hold public meetings to receive comments on DEIS	September - October, 2009
Contractor delivers preliminary FEIS to DOS	December 1, 2009
Comments on preliminary FEIS returned to contractor	January 18, 2010
Contractor delivers FEIS to DOS with copies to file with EPA and deliver to Congress	February 19, 2010
DOS authorizes mailing of FEIS	
Section 106 completed with PA finalized and signed	March 24, 2010
ESA consultations under ESA 7 complete	
DOS issues ROD	May 8, 2010
Contractor prepares Admin Record	

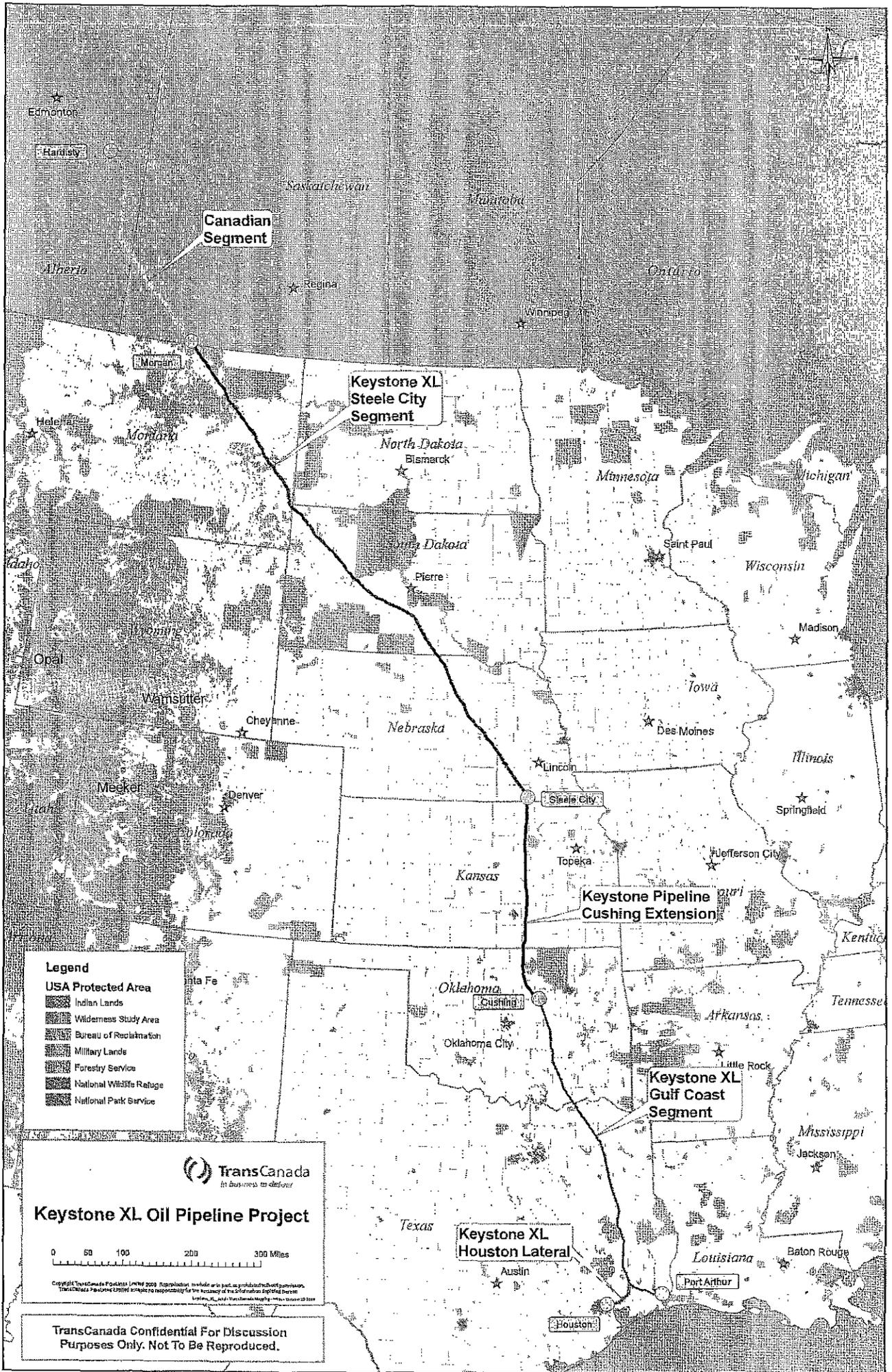
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SCHEDULE "A" – EXHIBIT "A-2"

PROJECT MAP

**Attached to and forming part of Contract No. 6414
Between the Company and the Contractor**



- Legend**
- USA Protected Area
 - Indian Lands
 - Wilderness Study Area
 - Bureau of Reclamation
 - Military Lands
 - Forest Service
 - National Wildlife Refuge
 - National Park Service

TransCanada
in business to deliver

Keystone XL Oil Pipeline Project

0 50 100 200 300 Miles

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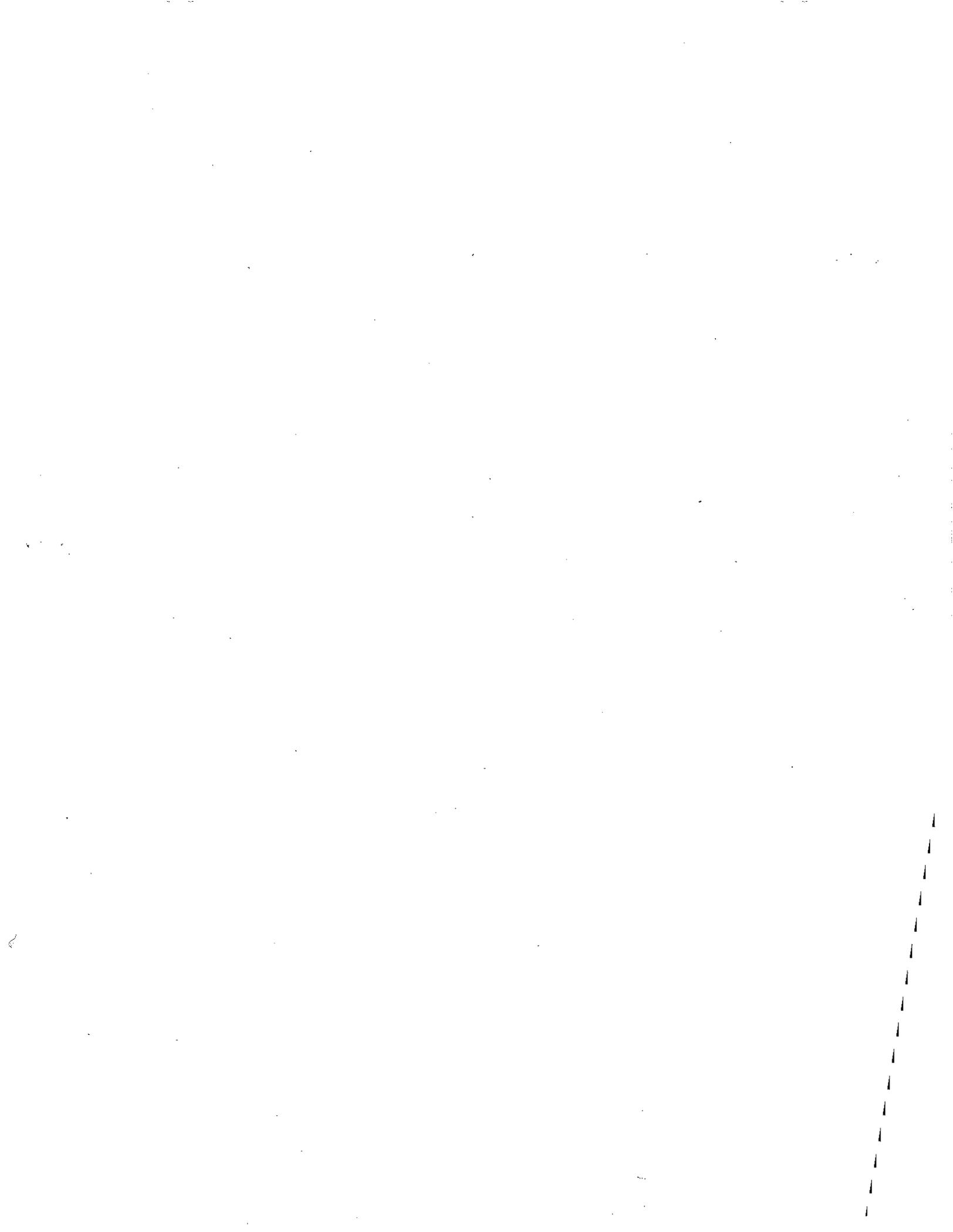
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SCHEDULE "A" – EXHIBIT "A-3"

CONTRACTOR'S TECHNICAL PROPOSAL

**Attached to and forming part of Contract No. 6414
Between the Company and the Contractor**

Contractor's Technical Proposal dated November 20, 2008



SCHEDULE "B"

COMPENSATION

**Attached to and forming part of Contract No. 6414
Between the Company and the Contractor**

Exhibit "B-1"	Contract Price
Exhibit "B-2"	Contractor's Salary Structure
Exhibit "B-3"	Cost Estimate

SCHEDULE "B" – EXHIBIT "B-1"

CONTRACT PRICE

Attached to and forming part of Contract No. 6414
Between the Company and the Contractor

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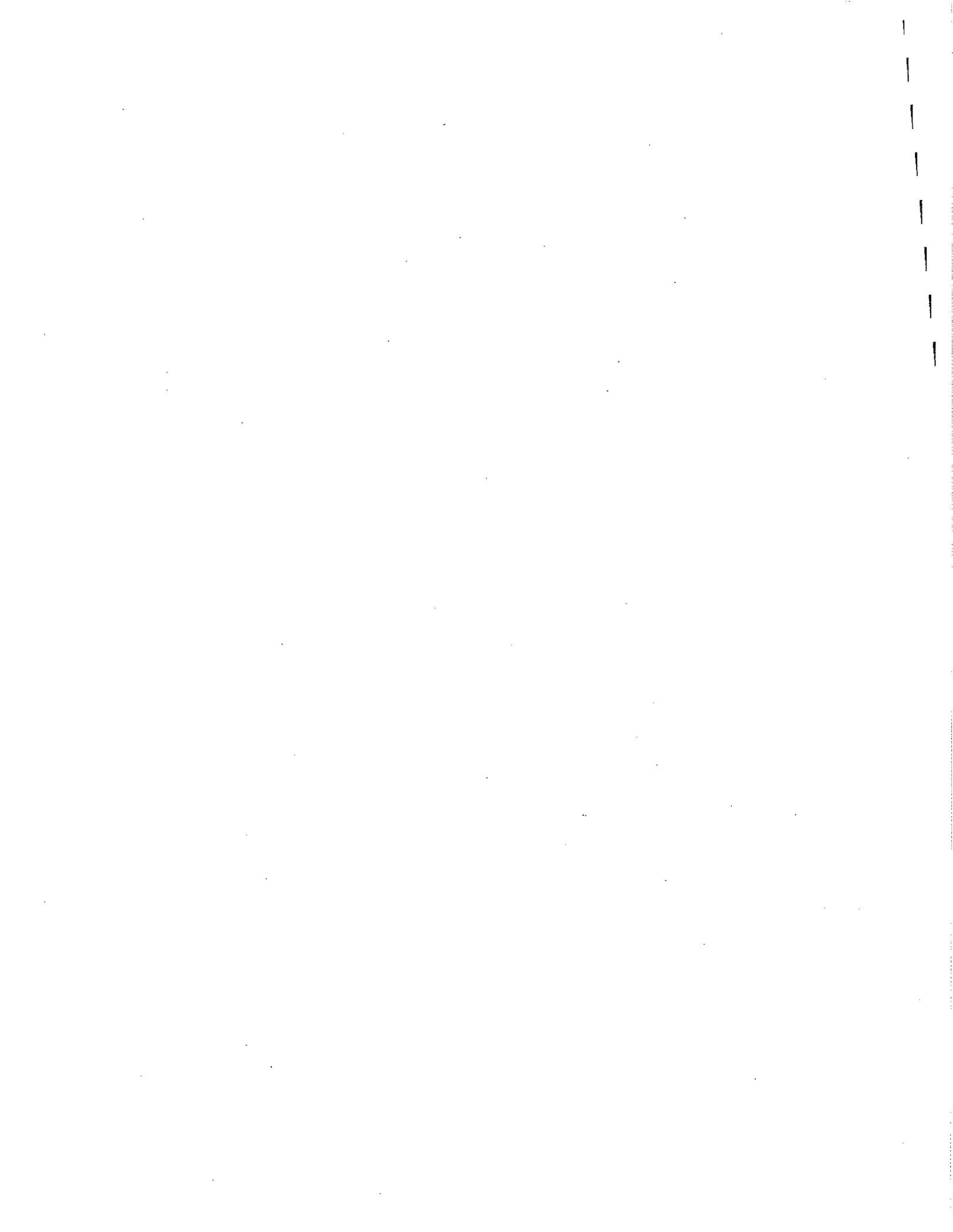
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SCHEDULE "B" – EXHIBIT "B-2"

CONTRACTOR'S SALARY STRUCTURE

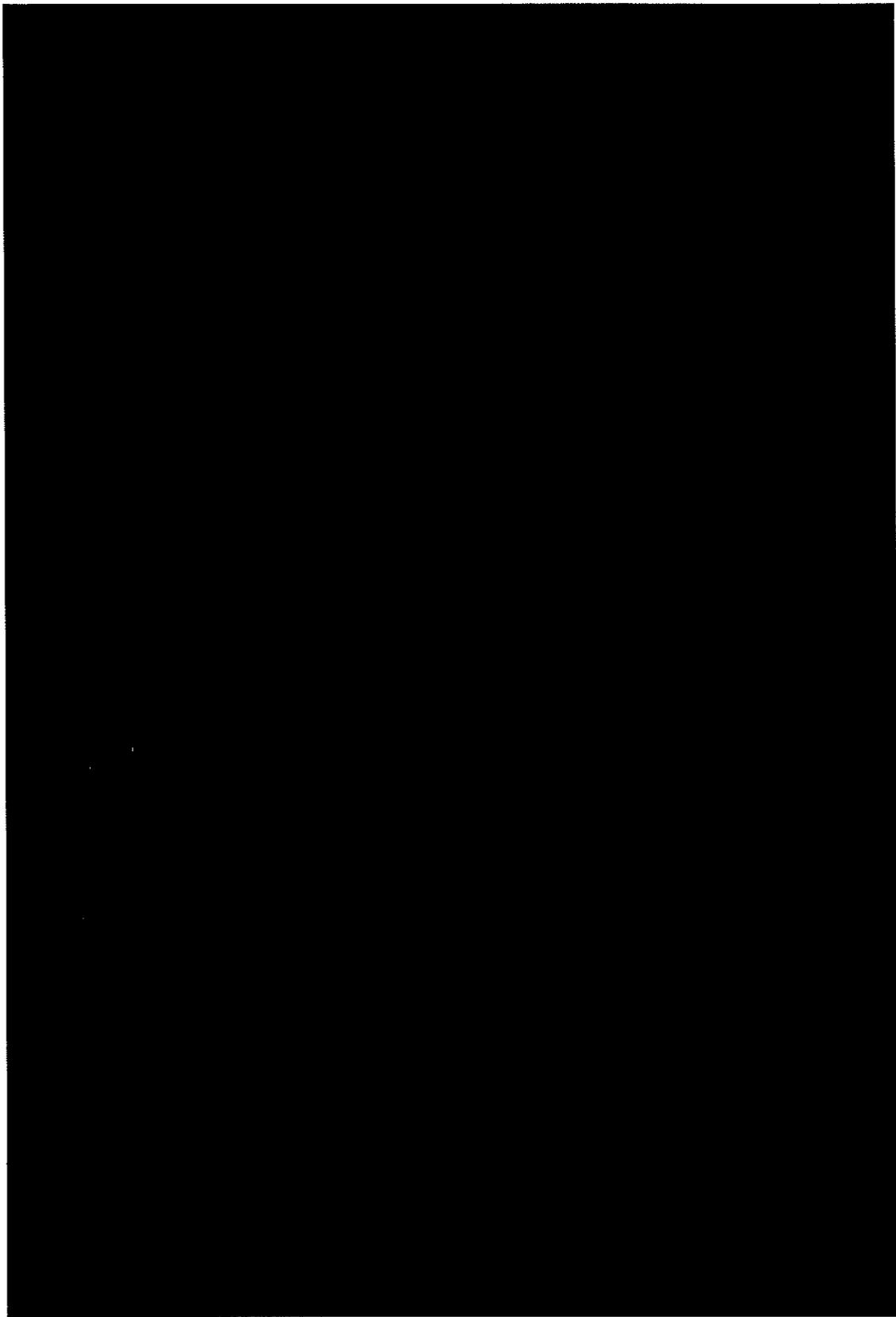
**Attached to and forming part of Contract No. 6414
Between the Company and the Contractor**



SCHEDULE "B" – EXHIBIT "B-3"

COST ESTIMATE

**Attached to and forming part of Contract No. 6414
Between the Company and the Contractor**



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SCHEDULE "C"

RULES AND GUIDELINES

**Attached to and forming part of Contract No. 6414
between the Company and the Contractor**

- Exhibit C-1 TransCanada's Alcohol and Drug Guidelines for Suppliers and TransCanada's Drug & Alcohol Policy
- Exhibit C -2 TransCanada Contractor Safety Management Guiding Principles
- Exhibit C -3 TransCanada's Harassment-Free Workplace Policy
- Exhibit C -4 TransCanada's Code of Business Ethics for Contract Workers and Independent Consultants
- Exhibit C -5 Not Used
- Exhibit C -6 TransCanada's Public Disclosure Policy
- Exhibit C -7 TransCanada's Trading Policy for Employees and Insiders

Exhibit 1

TransCanada Policies and Procedures		
Title: Drug & Alcohol Policy		
Effective Date (Date of Last Revision): 2008/03/10	UNCONTROLLED IF PRINTED	
		Status: Approved

This policy outlines the expectations of all Personnel (including all full-time and part-time employees, contract workers, contractors and consultants) of TransCanada Corporation and its wholly-owned subsidiaries, and operated entities in Canada, the United States and Mexico (the "Company") regarding the use of alcohol and drugs. Where there is a conflict between this policy and any applicable collective bargaining agreement, that collective bargaining agreement shall apply. This policy applies whether conducting Company business on or off Company-owned or -controlled property, including Company vehicles (includes all vehicles covered by the Company's Motor Vehicle Operation Policy). All Company properties will be free from alcohol and illicit drugs.

1. Prohibited Conduct

Subject to the terms of this policy, the following conduct while on Company business or on Company premises is prohibited:

- Intentional or unlawful misuse of medications or the unlawful distribution or possession of medications (including medications classified as "controlled substances").
- Manufacture, possession, use, distribution, offering or sale of illicit drugs or illicit drug paraphernalia.
- The consumption of alcoholic beverages.
- Impairment resulting from the use of medications, alcohol or illicit drugs.
- Failure to report for a test, refusal to submit to a test, failure to allow test results to be reported to the Company or attempt to tamper with a test sample.

2. Company Functions

The Company recognizes that, on occasion, Company functions may occur where there is alcohol available. Alcohol is permissible in the following circumstances:

- off Company premises,
- at Company-leased entertainment venues (e.g. corporate boxes), and
- on the Company jet.

Company functions should be managed to minimize the potential for impaired driving and accidents. Personnel have a responsibility to drink responsibly.

3. Impaired Driving Charges and Convictions

The loss of a driver's license as a result of a conviction for an impaired driving offence while driving on Company business could be grounds for termination of employment, termination of contract or removal from the Company's worksite

Personnel are required to notify their employer of any drug or alcohol related convictions, including pleas of guilty or no contest, within five days when:

- a) convictions are for violations that occur while conducting business, or
- b) convictions are for violations that occur outside the workplace that could impact the individual's ability to conduct Company business.

The following sections (4 and 5) apply only to full-time and part-time employees of the Company.

4. Assessment/Treatment/Rehabilitation

The Company recognizes that alcohol or drug dependency is a treatable condition. Where such dependency is established, the Company will provide confidential counseling, referral, treatment and aftercare services, supporting the rehabilitation and return to work of employees through Health Services and available Employee Assistance Programs.

The Company supports employees who come forward to request assistance with a drug or alcohol dependency. Employees will not be penalized for seeking help in overcoming a drug or alcohol

TransCanada Policies and Procedures		
Title: Drug & Alcohol Policy		
Effective Date (Date of Last Revision): 2008/03/10	UNCONTROLLED IF PRINTED Status: Approved	

dependency or because of involvement in a treatment and rehabilitation effort. Employees are required to participate in any directed referral, treatment or rehabilitation program, including any required testing.

5. Referrals

Employees who feel they have an alcohol or other drug dependency are encouraged to seek confidential assistance and to follow appropriate treatment promptly, before violations of this policy occur.

Leaders who have reason to believe that performance is being adversely affected by a drug or alcohol dependency may direct employees to Health and Industrial Hygiene to participate in a fitness to work assessment based on his or her ability to perform his or her job duties. Testing may be part of this assessment and may be required during any subsequent treatment and rehabilitation.

6. Controls

The Company will conduct investigations or searches in certain situations.

- **Investigations** – The Company will conduct comprehensive investigations of work-related incidents as part of the Incident Management Process.
- **Searches** – The Company reserves the right to conduct searches for alcohol, illicit drugs, or illicit drug paraphernalia on and in Company premises and Company vehicles. Leaders will identify situations where a search may be required and review it first with their Human Resources consultant, Health and Industrial Hygiene and Law. Such searches will be coordinated by Corporate Security.

The Company will only undertake, or direct Contract Companies to do testing in limited circumstances:

- As part of the hiring process for safety-sensitive positions only, for both internal transfers and external candidates.
- In situations where personnel are identified as directly involved in the chain of acts or omissions leading up to a work-related incident. They could potentially be directed for testing as part of the incident investigation.
- As permitted or required by law.
- Personnel working on or in the vicinity of gas transmission pipelines in the United States are subject under federal law to random drug testing.
- Personnel or their Contract Company, in the case of contract workers, will be advised if random drug testing is or will be an occupational requirement.
- Where testing is a part of an individual's return to work plan.

Positive test results will be reported and will result in consequences for the employee, up to and including termination.

Any failure to report for a test, refusal to submit to a test, failure to allow test results to be reported to the Company, or attempt to tamper with a test sample will be treated as a positive test result. Personnel who fail to report an incident to avoid a test will be subject to disciplinary action up to and including termination, termination of contract or removal from the Company's worksite.

7. Privacy and Confidentiality

Confidentiality of medical records and communications retained by the Company regarding alcohol and drug usage pertaining to personnel will be maintained in the same manner as for any other medical condition. Such information will not be disclosed except:

- With the individual's prior informed and written consent;
- As required by law; or
- Where there is a serious and imminent risk that the health or safety of the individual or others would be jeopardized.

RESPONSIBILITIES

TransCanada Policies and Procedures		
Title: Drug & Alcohol Policy		
Effective Date (Date of Last Revision): 2008/03/10	UNCONTROLLED IF PRINTED	
		Status: Approved

Personnel:

- Arrive fit for work and remain fit for work during the time they are at work including time on-call.
- Cooperate with investigations relating to this policy.
- Act responsibly while consuming alcohol at Company functions or in the course of conducting Company business.

Leaders:

- Ensure this policy is communicated to all Personnel.
- Identify and manage all performance issues that may be caused by alcohol or drug use including consideration of a referral for a fitness to work assessment if appropriate.
- Contact their Human Resources consultant to discuss the possible need to conduct an investigation, search, or test.

Contract Companies:

- While on Company premises or conducting business on behalf of the Company, abide by this policy and ensure their personnel and subcontractors comply with this policy.
- Inform the Company of any convictions under section 3 of this policy.
- Understand that any contravention of this policy may be considered a breach of the contract.

Human Resources:

- Assist Leaders in dealing with alcohol or drug use related performance concerns.
- Be available to personnel to help access the appropriate resources.
- Vice-President responsible for Human Resources will review all breaches of this policy to ensure consistency of any disciplinary action.

Health and Industrial Hygiene:

- Develop and deliver training and awareness programs regarding this policy.
- Facilitate the directed referral process.
- Coordinate the acceptable and necessary actions with other areas, i.e. Corporate Security and Law.

COMPLIANCE

Personnel are expected to comply with all aspects of this policy and to support others in doing so. A violation of this policy could result in disciplinary action up to and including termination of employment, termination of contract or removal from the Company's worksite. Provisions in the policy shall not prevent the Company from imposing disciplinary actions, up to and including termination, for violations of the law. Please refer to the [TransCanada Policies and Procedures Web Site](#) for more information.

REFERENCES AND LINKS

- [Questions and Comments](#)
- [Safety-Sensitive Position Assessment Form](#)
- [List of Safety-Sensitive Positions](#)
- [Drug and Alcohol Testing Cut Off Levels](#)
- [Frequently Asked Questions](#)
- [Duty to Accommodate Policy](#)
- [Employee Family Assistance Program \(Canada\)](#)
- [Employee Assistance Program \(U.S.\)](#)

TransCanada Policies and Procedures		 TransCanada <i>In business to deliver</i>
Title: Drug & Alcohol Policy		
Effective Date (Date of Last Revision): 2008/03/10	UNCONTROLLED IF PRINTED Status: Approved	

Document Originator(s) ██████████ Health and Industrial Hygiene	Signature
Approval(s) for Issuance Chair of the Corporate Performance Committee, on behalf of the Committee	Signature

Exhibit 2

(US & Canada) TransCanada Policies and Procedures		
Title: Contractor Safety Management Program		
Effective Date (Date of Last Revision): 2005/10/31 Original Execution Date: 2004/08/08	UNCONTROLLED IF PRINTED Status: <u>Approved</u>	

Contractor Safety Management Guiding Principles

The following principles will guide TransCanada in meeting the goals and objectives in managing safety risks associated with the use of Contracted services.

- We will formally implement the specific elements of the Contractor Safety Management Program to enhance the overall protection of Contractor and TransCanada Employees, property and the environment.
- We will plan for Contractor safety at the earliest time possible during the project life cycle.
- We will endeavor to ensure all Contractors provide their services or materials in a manner that protects the health and safety of all workers.
- A strategic safety plan by type of contract will be developed as a basis for completing the tactical safety plan to influence contracts at the right phase of the project.
- We will identify all significant safety risks in order to establish and prioritize both our and the Contractor's safety activities to control risk exposures.
- We will communicate the minimum safety requirements expected and required of all Contractors.
- We will strive to approve and utilize qualified and competent Contractors that share our safety values and beliefs – all workplace injuries, illnesses and fatalities are preventable.
- We will clearly establish and communicate the roles and responsibilities for all safety activities associated with the execution of contracted work.
- We will strive to ensure that there are appropriate orientation, training and communications programs to provide adequate information, instruction and coordination prior to, and during the job.
- We will incorporate formal and informal assurance procedures to monitor, measure and provide performance feedback to Contractors to assist them in their continuous improvement efforts.
- We will set disciplinary measures to exclude Contractors who have been expelled for reasons of poor safety performance or inadequate qualifications.
- We will recognize Contractors who demonstrate strong, consistent and superior safety performance that meet or exceed TransCanada's performance expectations by continuing their contractual relationship and awarding them additional work.

Strong, consistent and equal management of all safety aspects associated with contracted services by TransCanada and Contractors will enhance the health and safety protection provided to our Employees, our Contractor and our Communities.

Exhibit 3

TransCanada Policies and Procedures		
Title: Harassment-Free Workplace Policy		
Effective Date (Date of Last Revision): 2007/01/17	UNCONTROLLED IF PRINTED	
Original Execution Date: 2001/01/01	Status: Approved	

This Policy applies to all personnel (including full-time and part-time employees, contract workers, contractors and independent consultants) of TransCanada Corporation, its wholly-owned subsidiaries, and operated entities in Canada, the United States and Mexico (the "Company"). The Harassment Free Workplace policy applies in situations related to job responsibilities, whether they occur in or away from the workplace, such as conferences, trade shows or work related social events. Where there is a conflict between this policy and any applicable collective bargaining agreement, the agreement shall apply.

POLICY

TransCanada fosters a respectful and safe work environment where harassment is not tolerated.

Terms in **bold** are defined at the end of this Policy.

1. Harassment is any behaviour that creates an intimidating, demeaning, embarrassing, humiliating, threatening or hostile work environment, or any conduct, comment, gesture or contact of a sexual nature such that an individual's performance is impaired or the individual feels s/he is not being treated with dignity and respect. In particular, unwanted comments or behaviors regarding gender, racial, national or ethnic origin, disability, religion, age, sexual orientation, marital status, family status, veteran status, National Guard or reserve unit obligations, a pardoned conviction, or any other basis as recognized by law are prohibited. Harassment includes any such unwelcome behaviour and need not be intentional.

Harassment may include, but is not limited to:

- Physical, written or verbal abuse;
 - Threats, bullying or intimidation;
 - Racial or ethnic slurs, or name calling;
 - Degrading comments about a person's body, attire, age, marital status, ethnic or racial origin, religion, disability or sexual orientation;
 - Conduct perceived by an individual as placing a condition of a sexual nature on employment, work assignment, or on any opportunity for training or promotion;
 - Abuse of power;
 - Unwelcome invitations, requests or demands with sexual overtones;
 - Offensive remarks, jokes or innuendo;
 - Unwelcome physical contact such as touching or patting; and
 - Unwelcome display or distribution of objects, pictures, or language of a sexual nature.
2. The following policy statements govern the Company's response to any allegations of harassment.
 - Complaints will be dealt with promptly and in a respectful manner by trained investigators.
 - An individual who files a complaint in good faith will not be penalized for doing so and no documentation of the complaint will be placed in the individual's file.
 - To the extent possible, confidentiality will be maintained as the complaint is investigated. Details of the complaint, including the name of the **Complainant**, will be disclosed only where it is necessary to the investigation or taking corrective action.
 - Corrective action in such form as the Company deems appropriate to the circumstances, up to and including termination of employment or contract, may be taken against:
 - A **Respondent** who is found to have harassed.
 - A **Complainant** who is found to have made a complaint knowing that the complaint was false.

TransCanada Policies and Procedures		
Title: Harassment-Free Workplace Policy		
Effective Date (Date of Last Revision): 2007/01/17	UNCONTROLLED IF PRINTED	
Original Execution Date: 2001/01/01	Status: Approved	

- Anyone who interferes with the investigation or resolution of a complaint.
 - A leader who is aware of harassment and who fails to take appropriate action.
3. The Company strictly prohibits reprisals or retaliation against anyone who files or participates in the investigation of a harassment complaint. If you feel you have been subjected to retaliatory or disciplinary action because you have filed or participated in the investigation of a harassment complaint, contact one of the resources listed in this Policy. Disciplinary action initiated due to violation of this policy is not considered retaliatory action.
 4. The Company strongly encourages and supports all personnel to remove themselves from potentially harmful or violent situations that arise in the workplace or at off site business related functions. Any such situations must be immediately reported to any of the resources noted within this Policy.
 5. Complaints of workplace harassment and violence are taken seriously and will be treated as privately as possible, involving as few individuals as possible under the circumstances. The name(s) of the **Complainant(s)** and **Respondent(s)** and the circumstances related to the issue or complaint will only be shared as required for investigation, resolution and decision making, or as required by law. Formal investigations and resulting final reports will be subject to solicitor-client or attorney-client privilege.

RESPONSIBILITIES

Employees:

- Use and cooperate with the established resolution process, and attend available training.
- Promote and support a respectful workplace through behaviours.
- Respect the privacy of individuals involved in harassment-related situations.
- Take responsibility to resolve situations where possible and/or encourage and support others in utilizing the policy.

Complainant:

- Make complaints in a timely manner and cooperate with the resolution process.
- Be prepared to provide full details, including dates (where possible), of the alleged behaviour(s).
- Solicit any personal support necessary through the resources available within this policy or otherwise.

Respondent:

- Familiarize yourself with the details of what is being presented as the complaint.
- Cooperate with the resolution process.
- Solicit any personal support necessary through the resources available within this policy or otherwise.

Leaders:

- Assist personnel in understanding the policy and associated processes by actively communicating expectations.
- Enforce the policy and foster a culture and environment that is free of harassment.
- Assist Human Resources in the resolution or investigation procedures of a complaint.
- Maintain privacy and provide support to all parties involved.

Human Resources Consultants:

- Assist leaders in providing employee awareness of the policy.
- Notify the **Harassment Investigation Coordinator** of any allegations of harassment
- Coordinate and facilitate resolution sessions; participate in investigations.

TransCanada Policies and Procedures		
Title: Harassment-Free Workplace Policy		
Effective Date (Date of Last Revision): 2007/01/17	UNCONTROLLED IF PRINTED	
Original Execution Date: 2001/01/01	Status: Approved	

- Maintain privacy of situations and details.
- Provide coaching to leaders through the final investigation, recommendations, and potential impact on employee performance plans.
- Provide support to personnel in their assessment, treatment, and rehabilitation efforts.

Harassment Investigation Coordinator:

- Carry out or oversee formal investigations under the direction of the Law Department.
- Submit report of investigation results and subsequent recommendations to the Law Department.

Law Department:

- Initiate formal investigation and resulting final reports under solicitor-client or attorney-client privilege.
- Provide legal support and guidance to the investigation.
- Maintain the confidential incident/investigation records.

RESOLUTION PROCESS

Personal resolution is often the most effective means and should be thoughtfully considered as a first step to address any issues or concerns where harassing behaviours may have occurred. If resolving a situation personally is not an option, there are alternative processes available which may include an objectively facilitated discussion, mediation or formal investigation.

Guide to Personal Resolution:

- If you feel you are being harassed, you should advise the offending party in a reasonable and appropriate manner, either verbally or in writing, that the behaviour or comment is unwelcome and should stop. Attempts at personal resolution are often very effective, but are not required to advance to the formal resolution process.
- If you think someone has misinterpreted your behaviour or comment as harassment, you should clear up the misconception quickly and privately.
- In either situation, if you are uncomfortable talking to the individual directly, you are encouraged to involve your leader or Human Resources Consultant to assist in your resolution efforts.

Two Step Resolution Process:

Step 1: Facilitated Resolution

- This step includes consultation and assessment of the harassment complaint. It is the first contact or communication of a complaint to an individual's leader, any other leader, Human Resources Consultant, or the Company's Code of Business Ethics Help-Line.
- Once the **Complainant** makes contact with one of the above listed resources that resource will listen to the description of the incident and determine:
 - What has given rise to the complaint
 - What action, if any, the **Complainant** has taken
 - What the **Complainant** needs and wants
 - Next steps (if any)
- The use of coaching, counseling, facilitation, and conflict resolution can, in many instances, resolve the issue and prevent escalation to Step 2.
- If the **Complainant** is satisfied with the outcome of the facilitated resolution, the **Complainant** can decide to stop at this step and no formal investigation will be conducted.

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- In the event the alleged harassment is serious or criminal in nature, the Company, the **Complainant** or the **Respondent** can choose to continue to Step 2 or may elect to bypass Step 1 and move directly to a formal investigation.
- If facilitated resolution is unsuccessful, or if the behaviour has been repeated even after the **Complainant** told the **Respondent** that it was unwelcome, the **Complainant** may wish to lodge a formal complaint.
- Any documentation created during this step will be destroyed within six months of the finish of this step unless a formal complaint and investigation are initiated.

Step 2: Formal Investigation

- If the complaint cannot be resolved in Step 1, a formal complaint can be filed.
- The **Harassment Investigation Coordinator** will interview the **Complainant** determine whether to proceed with a formal investigation.
- Where it is determined that a formal investigation is warranted, the **Harassment Investigation Coordinator** will assist the **Complainant** in writing a formal complaint.
- The **Respondent** is advised that a complaint has been made and is provided with a copy of the written formal complaint. The **Respondent** will be given adequate time to provide a response to the complaint.
- The leaders of the **Complainant(s)** and **Respondent(s)** are advised that a formal complaint has been made.
- An investigation commences and affected parties and witnesses are interviewed.
- The **Harassment Investigation Coordinator** will prepare a report of findings and recommendations for the Law Department.
- All relevant information/evidence is considered and a determination is made.

Step 3: Corrective Action (if required)

- If required, the **Harassment Investigation Coordinator** will develop a recommendation for corrective action with the appropriate individuals' leader(s).
- Both parties will be notified of the corrective action and its associate timelines.
- Those interviewed in the course of the investigation will be notified that it has been completed. Results of the investigation will not be shared.

Step 4: Follow-Up Action (2 weeks, 4 weeks, 6 months and 12 months)

- The **Harassment Investigation Coordinator** will formally contact both parties as appropriate to:
 - Ensure the harassment has stopped
 - Ensure there was no retaliation
 - Determine if the work group is functioning effectively

Resolution Timelines

Harassment is serious and high priority is placed on the resolution process. The timeline for investigation and resolution of alleged harassment is dependent on the complexity of the complaint. Every effort will be made to conduct the investigation and determine corrective action should it be found that harassment did occur in an expedient manner.

External Resolution

The Company prefers to resolve all matters of workplace harassment internally. However, complaints related to harassment on legally prohibited grounds, can be filed directly with the appropriate federal, provincial or state agency without first filing the complaint internally. There are specific time lines you

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must meet to file a complaint with these agencies and it is the individual's responsibility to be aware of the time lines and file the complaint accordingly. Any investigation under this procedure will be coordinated with such other investigations as may be in progress.

DEFINITIONS

- **Complainant(s)** – person(s) lodging a complaint; usually the person to whom the alleged inappropriate behaviour was directed.
- **Respondent(s)** – person(s) alleged to have behaved in an inappropriate manner.
- **Harassment Investigation Coordinator** - individual in TransCanada's Human Resources department responsible to oversee the application of the Harassment Policy, or that individual's designate.

COMPLIANCE

Personnel are expected to comply with all aspects of this Policy and to support others in doing so. A violation of this Policy could result in disciplinary action up to and including termination of employment, termination of contract or removal from the Company's worksite. Please refer to the TransCanada Policies and Procedures Web Site for more information.

REFERENCES AND LINKS

General

- [Questions and Comments](#)
- [Employee Assistance Program \(U.S.\)](#)
- [Employee Family Assistance Program \(Canada\)](#)
- [TransCanada's Values, SPIRIT](#)
- [Canadian Human Rights Commission](#)
- [U.S. Agency Contacts](#)
- [United States Equal Employment Opportunity Commission's Legal Definition of Harassment](#)

Related TransCanada Policies

- [Code of Business Ethics Policy](#)
- [Employment Equity & Non-Discrimination Policy](#)

Document Originator(s) [Redacted] Human Resources, Client Relations	Signature
Approval(s) for Issuance [Redacted] Executive Vice-President, Law and General Counsel For the Corporate Performance Committee	Signature

Exhibit 4

TransCanada Policies and Procedures		
Title: Code of Business Ethics for Contract Workers and Independent Consultants		
Effective Date (Date of Last Revision): 2006/12/01	UNCONTROLLED IF PRINTED	
Original Execution Date:	Status: Approved	

This policy applies to all contract workers and independent consultants of TransCanada Corporation and its wholly-owned subsidiaries, and operated entities in Canada, the United States and Mexico (the "Company"). These personnel are expected to act with honesty, integrity and reliability. TransCanada's Code of Business Ethics for Contract workers and independent consultants (the "COBECON") is a statement on how we do business. The COBECON applies to all contract workers and independent consultants of TransCanada. When you have a question about ethics or compliance, please refer to this policy.

The following definitions will apply throughout this policy:

Contractor: the corporate entity, which under an Agreement with TransCanada provides goods, services or contract workers to TransCanada. The Contractor has overall responsibility to manage, administer and train its own Contract Workers.

Contract workers: Individuals brought in for short, clearly defined projects to supply additional skills necessary to complete a project or meet peak or unusual demands. Contract workers are subcontractors or employees of third-party personnel providers who provide services to TransCanada through a contractual arrangement.

Independent consultant: Individual or corporate entity that has a contractual relationship either directly with TransCanada or through a third-party provider, typically on a short-term or project basis to provide specialized expertise not available in-house. They are on a contract for service and invoice TransCanada directly or through third-party provider.

Third-party provider: The corporate entity who under an Agreement with TransCanada provides contract workers to TransCanada either directly (its own staff) or indirectly through sub-contractors. The Third-Party Personnel Provider has overall responsibility to manage, administer, and train its contract workers.

The following fundamental principles of appropriate business conduct have been established for all the Company's Contract workers and independent consultants. Contract workers and independent consultants are expected to adhere to these principles. Each Company employee managing a Contract worker or independent consultant is responsible to ensure procedures are in place to ensure that such Contract worker or independent consultant complies with this policy.

Fundamental Principles

A. Compliance with Laws

- The Contract worker and Independent consultant will conduct their business in compliance with all laws, regulations and other legal requirements applicable wherever the Contract worker and Independent consultant is carrying on business on behalf of TransCanada. No Contract worker and Independent consultant shall directly or indirectly give, offer or agree to give or offer a loan, reward, advantage or benefit of any kind to a foreign public official or to any person for the benefit of a foreign public official in contravention of the *Corruption of Foreign Public Officials Act* or other similar applicable law.

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B. Conflict of Interest

- Contract workers and Independent consultants must ensure that no conflict exists between their obligations to the Company and other interests. Some examples of possible conflicts include:
 - **Employment** – Contract workers and Independent consultants must not directly or indirectly offer employment to TransCanada employees during the currency of their contract and for a reasonable time thereafter.
 - **Gifts and Entertainment** - Contract workers and Independent consultants must be prudent in offering or accepting gifts (including tickets to sporting, recreational or other events) to or from the Company. Contract workers and Independent consultants must not offer preferential pricing or benefits to individual Company employees unless such pricing or benefits are available to all Company employees.
 - **Customer and Supplier Relations** – Contract workers and Independent consultants shall not seek to do business with the Company’s customers or to do business with the Company’s competitors using special knowledge obtained during Contract worker and Independent consultant’s business relationship with the Company.
 - **Personal Relationships** – Contract workers and Independent consultants shall avoid any arrangement or circumstance, including personal relationships that may compromise their ability to act in the best interest of the Company.
 - **Financial Interest** - Contract workers and Independent consultants must disclose to the Company any ownership interest of any Company employee in the Contract worker or Independent consultant.

C. Confidential Information

In the course of providing goods or services to the Company, Contract workers and Independent consultants may have access to information that is non-public, confidential, privileged, or of value to competitors of the Company or that may be damaging to the Company if improperly disclosed. Contract workers and Independent consultants may also have access to the confidential information of companies with which the Company does business.

Contract workers and Independent consultants must protect the confidentiality of information concerning the Company and its business activities as well as that of companies having business dealings with the Company.

Some situations involving confidential information include:

- **Technical, Business and Commercial Data** - Contract workers and Independent consultants must ensure against disclosure of competitive business strategies and plans, special methods of operation, technical innovations, and other information that may be of value to competitors of the Company.

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- **Insider Trading** - Securities laws explicitly prohibit any person in a special relationship with the Company from trading with knowledge of “material non-public information” or “insider information” which has not been generally disclosed. In addition, securities laws prohibit any person in a special relationship with the Company from informing another person of any “material non-public” or “insider” information which has not been generally disclosed. See the Company's Trading Policy for Employees and Insiders for further details.
- **Trading Guidelines for All Contract Workers and Independent Consultants** - Those possessing confidential information are expected to show integrity and use proper judgement in timing their investments in accordance with Company policy and regulatory rules and guidelines. See the Company's Trading Policy for Employees and Insiders for further details.
- **Media/Public Discussion** - If responding to questions by a representative of the news media or investment community is not part of a Contract worker and Independent consultant's regular duties, the media representative must be referred to the appropriate Company spokesperson. See the Company's Public Disclosure Policy for further details.

Adherence to these policy statements, while required, is not intended to supersede adherence to specific clauses in the contract.

D. Fiscal Integrity and Responsibility

All Contract workers and Independent consultants are responsible for protecting Company assets against loss from unauthorised or improper use or disposition:

- **Reporting Integrity** - No false, artificial or misleading entries in the books, records and documents of the Company shall be made for any reason and no Contract worker and Independent consultant shall engage in any arrangement that results in such prohibited acts.
- **Use of Company Resources** - Company resources include Company time, materials, supplies, equipment, information, electronic mail and computer systems. These resources are only to be used for Company-specific purposes.
- **Use of Internet and Email** - TransCanada's computer networks and information resources include electronic mail and messaging systems, internal Intranet and the public Internet. TransCanada's computer resources and networks are provided for company-related business purposes. Excessive personal use is inappropriate. Use of TransCanada's computer resources to view, retrieve or send sexually-related or pornographic messages or material; violent or hate-related messages or material; bigoted, racist or other offensive messages or other messages or material related to illegal activities is strictly prohibited.
- **Use of Company Name** - Contract workers and Independent consultants must not use their relationship with the Company to obtain personal gain from those doing or seeking to do business with the Company except as may be expressly permitted by contract.
- **Patents and Inventions** - Inventions, discoveries, and copyright material, made or developed by Contract workers and Independent consultants in the course of, and relating to, their

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contract or engagement with the Company, are the property of the Company unless a written release is obtained or covered by contract.

- **Records Retention** - Business documents and records (voice, paper and electronic) are to be retained in accordance with the law and the Company's record retention policies.

In protecting the Company's resources, TransCanada reserves the right to periodically monitor access and contents of the Company's computer systems and networks. Contract workers and Independent consultants should not assume they have any right to privacy of electronic data residing on the Company's computer resources.

E. Health, Safety and Environment

TransCanada is committed to providing a safe and healthy working environment and protecting the public interest with standards and programs that meet or exceed industry standards and applicable government codes, standards and regulations in all jurisdictions in which it does business.

All TransCanada operations are to be conducted in accordance with TransCanada Operating Procedures and in a manner that protects the health and safety of its personnel and all people in the communities where the Company operates. All Contract workers and Independent consultants are responsible for supporting TransCanada's commitment to environmental responsibility. See the Company's Health Safety and Environment Policies and Programs for further details.

F. Employment Practices

TransCanada is committed to a workplace environment where personnel are treated with dignity, fairness and respect. All personnel have the right to work in an atmosphere that provides equal employment opportunities and is free of discriminatory practices and illegal harassment:

- **Discrimination** - Contract workers and Independent consultants shall not refuse to employ or continue to employ, nor shall they discriminate against any person with regard to employment, term or condition of employment, based on race, national or ethnic origin, colour, religion, age, sex (including pregnancy or child-birth) sexual orientation, marital status, family status, disability and conviction for which a pardon has been granted, all as defined by the *Canadian Human Rights Act* or other applicable similar law.
- **Harassment** - Any form of illegal harassment or any other conduct that interferes with an individual's work performance or creates an intimidating, hostile, or offensive work environment will not be tolerated. See the Company's Harassment-Free Workplace Policy for further details.
- **Drug and Alcohol Policy** - The Company is committed to providing a safe and healthy work environment. The use of illicit drugs, the inappropriate use of alcohol and the misuse of medications and other substances is prohibited. See the Company's Drug and Alcohol Policy for further guidance.

G. Inter-Affiliate Codes of Conduct

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The Company is committed to ensuring that its operations are conducted appropriately and transparently. The National Energy Board (NEB), Alberta Energy and Utilities Board (AEUB), and the Federal Energy Regulatory Commission (FERC) in the U.S. have established certain standards of conduct for regulated companies' interaction with affiliated companies to safeguard against improper sharing of information, people, or resources and to ensure that affiliates of the regulated companies do not obtain an inappropriate advantage due to their affiliation.

NGTL and Mainline Codes of Conduct (the "Codes")

Both the NEB and AEUB Codes of Conduct establish rules governing the interaction between NGTL, TransCanada and the TransCanada Mainline and their Regulated and Non-Regulated Affiliates. Under these rules:

- NGTL and the TransCanada Mainline may not provide their Non-Regulated Affiliates with information relating to the planning, operations, finances or strategy of NGTL or the TransCanada Mainline before such information is publicly available (unless an exception in Section 6.2 of the NGTL Code and Mainline Code applies)
 - "Regulated Affiliates" are those affiliates whose tolls and tariffs are regulated by either the AEUB, NEB or FERC.
 - Some examples of Regulated Affiliates are TransCanada PipeLines Limited, NGTL, Foothills Pipe Lines Ltd., Trans Quebec & Maritimes, Gas Transmission Northwest Corporation, Great Lakes Gas Transmission, Portland Natural Gas Transmission System, Iroquois Gas Transmission, Northern Border Pipeline Company, TransCanada Keystone Pipeline, Tuscarora Gas Transmission Company and North Baja Pipeline.
 - "Non-Regulated" affiliates are those affiliates whose tolls and tariffs are not regulated by either the AEUB, NEB or FERC.
 - Some examples of Non-Regulated Affiliates are TransCanada Energy Ltd., TransCanada Pipeline Ventures Ltd., Cancarb Limited, Edson Gas Storage and CrossAlta Gas Storage.
 - An "Affiliate" is an entity defined as such in the Codes (Please see definition of Affiliate in NGTL Code and Mainline Code).
 - For a more complete listing of Regulated and Non-Regulated Affiliates please click on the link.
- NGTL and the TransCanada Mainline may not disclose customer Confidential Information to Non-Regulated and Regulated affiliated companies (unless exceptions in Sections 6.3, 6.4 and 6.5 of the NGTL Code and Mainline Code apply)
 - "Confidential Information" under the Codes means any information relating to a specific customer or potential customer of NGTL or the TransCanada Mainline, which information NGTL or the TransCanada Mainline has obtained or compiled in the process of providing current or prospective NGTL or Mainline Services and which is not otherwise available to the public.
- the TransCanada Mainline and NGTL may not cross-subsidize affiliate activities;

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- affiliates and their customers do not have preferential access to services; and
- uncompetitive practices between the TransCanada Mainline and NGTL and their Affiliates, which may be detrimental to the interests of customers must be avoided.

FERC

The rules governing U.S. pipelines are undergoing changes. FERC is currently reconsidering its policies with respect to energy affiliates, and is likely to issue an order clarifying and/or adopting new policies and procedures in the near future.

It is a requirement for all employees to be aware of, to understand, and to abide by the respective requirements. For further guidance please see the NGTL Code of Conduct and the Canadian Mainline Code of Conduct.

COMPLIANCE / EXCEPTIONS

Contract workers and Independent consultants are expected to comply with all aspects of this policy and to support others in doing so. In the event that Contract workers and Independent consultants violate the COBECON, company policies and procedures or any of the laws that govern the Company's business, TransCanada will take immediate and appropriate action up to and including termination of the contractual arrangement, claims for reimbursement of losses or damages and reference to criminal authorities. Please refer to the TransCanada Policies and Procedures Web Site for more information.

HOW TO RAISE A CONCERN

Contract workers and Independent consultants are obligated to promptly report any problems or concerns or any potential or actual violation of the COBECON. Contract workers and Independent consultants should raise the problem with the contact identified in their contract or call the Ethics Help-Line at 1-888-920-2042. Callers do not have to reveal their identities.

REFERENCES AND LINKS

- [Questions and Comments](#)
- [Drug and Alcohol Policy](#)
- [Harassment-Free Workplace Policy](#)
- [Public Disclosure Policy](#)
- [Trading Policy for Employees and Insiders](#)
- [NGTL Code of Conduct](#)
- [Canadian Mainline Code of Conduct](#)
- [NGTL Code of Conduct Compliance Plan](#)
- [Health, Safety and Environment Policies and Programs](#)
- [COBECON Guidance Notes](#)

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Document Originator(s) [Redacted] Director, Internal Audit Department [Redacted] Vice-President, Human Resources Department [Redacted] Corporate Secretary, Corporate Secretarial Department	Signature
Approval(s) for Issuance Board of Directors	Signature

Exhibit 6

TransCanada Policies and Procedures		
Title: Public Disclosure Policy		
Effective Date (Date of Last Revision): 2006/10/01	UNCONTROLLED IF PRINTED	
Original Execution Date: 2001/02/26	Status: Approved	

This Policy applies to all personnel (including the board of directors, full-time and part-time employees, contract workers, contractors and consultants) of TransCanada Corporation and its wholly-owned subsidiaries, and operated entities in Canada, the United States and Mexico ("TransCanada" or the "Company").

Personnel are expected to act in accordance with this Public Disclosure Policy. TransCanada is committed to full and fair disclosure that will meet the requirements of applicable securities legislation and rules of securities commissions, as well as the Toronto Stock Exchange (TSX) and New York Stock Exchange (NYSE) policies on disclosure standards. TransCanada adheres to the principle that all persons investing shall have equal access to information that may affect their investment decisions.

This policy includes, but is not limited to, written statements made in the Company's annual and quarterly reports and other documents filed with securities regulators, news and earnings releases, speeches and presentations, and information contained on the Company's Internet Web site. It also covers oral statements made in group and individual meetings with analysts, investors, media, industry peers and with any other member of the public.

POLICY

Material Information

Under securities legislation, companies are required to immediately disclose any material change in their affairs. Companies must continually identify the information they are required to release to the public, and determine how and when to release that information.

While the TSX and NYSE may permit certain news releases to be issued after the close of trading, the policy of immediate disclosure frequently requires that news releases be issued during trading hours, especially when an important corporate development has occurred.

Securities laws, regulations and policies as well as TSX and NYSE policies, including the Canadian Securities Administrators' (CSA) National Instrument 51-102 and National Policy 51-201 on continuous and timely disclosure require that public companies make immediate disclosure, not only of material changes in a company's business, operations or capital, but also of all material information, whether or not that information constitutes such a material change.

In isolated and restricted circumstances, and in accordance with applicable securities legislation, the disclosure of a material change or material information may be delayed if the immediate release of the information would be unduly detrimental to the Company's interests.

The term "material information" is defined in the TSX company manual as:

any information relating to the business and affairs of a company that results in or would reasonably be expected to result in a significant change in the market price or value of any of the company's listed securities.

Under securities laws, the term "material change" is defined as:

(a) a change in the business, operations or capital of the reporting issuer that would reasonably be expected to have a significant effect on the market price or value of any of the securities of the reporting issuer; or

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(b) a decision to implement a change referred to in paragraph (a) made by the Board of Directors or other persons acting in a similar capacity or by senior management of the reporting issuer who believe that confirmation of the decision by the board of directors or any other persons acting in a similar capacity is probable.

The following are examples of developments which would require prompt disclosure, if material (as outlined in the TSX Company Manual):

- Changes in share ownership that may affect control of the Company;
- Changes in corporate structure, such as reorganizations, amalgamations or mergers ;
- Take-over bids or issuer bids;
- Significant acquisitions or dispositions of assets, property or joint venture interests;
- Changes in capital structure;
- Borrowing or lending of a significant amount of funds;
- Public or private sale of additional securities;
- Development of new products and developments affecting a company's resources, technology, products or market;
- Entering into, or loss of significant contracts;
- Firm evidence of significant increases or decreases in near-term earnings prospects;
- Changes in capital investment plans or corporate objectives;
- Changes to the board of directors or executive management of a company, including departure of its chief executive officer, chief financial officer, chief operating officer or president;
- Commencement of or changes in material litigation;
- Waivers of corporate ethics and conduct rules for officers, directors, and other key employees;
- Major labour disputes or disputes with major contractors or suppliers;
- Events of default under financing or other agreements; or
- Any other developments relating to the business and affairs of a company that would reasonably be expected to significantly affect the market price or value of any of a company's securities or that would reasonably be expected to have a significant influence on a reasonable investor's investment decisions.

Disclosure Policy Committee

The Company's Disclosure Policy Committee shall be the Company's Corporate Performance Committee as that committee is constituted from time to time. The Disclosure Policy Committee shall meet periodically as required. The corporate secretary shall review this policy annually and report to the Disclosure Policy Committee on its adequacy. TransCanada's Disclosure Policy Committee oversees the Company's compliance to this policy and makes applicable recommendations to the president and chief executive officer.

There shall also be a Public Disclosure Committee that shall be responsible for the review of the Company's quarterly and annual financial statements together with the accompanying management discussion and analysis of financial condition and results of operations ("MD&A") and any other ancillary financial information; as well as any prospectus, take-over bid circular, issuer bid circular, directors' circular, rights offering circular, information or proxy circular and annual information form (collectively referred to as "Core Disclosure Documents").

The Public Disclosure Committee shall ensure Core Disclosure Documents are in compliance with applicable securities laws and generally accepted accounting principles, as applicable. The Public

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Disclosure Committee shall also be responsible for advising the Company's certifying officers of any matters which would hinder their ability to provide certifications, as required by applicable securities laws.

The Public Disclosure Committee shall be composed of the Chief Executive Officer, Chief Financial Officer, the executive leadership team as constituted from time to time, the Vice-President and Controller, the Vice-President, Investor Relations and Communications, the Corporate Secretary, the Vice-President, Finance and Treasurer, the Vice-President, Risk Management, the Vice-President, Taxation, the Vice-President, Public Sector Relations, the Director, Internal Audit, and other such members of senior management as may be requested by the Chief Executive Officer or Chief Financial Officer from time to time.

Key personnel from the Company's operating business areas shall be accountable to keep a member of the Public Disclosure Committee fully apprised of all significant Company developments in order for the Public Disclosure Committee to determine their materiality and timing for public release of the information. Personnel who become aware of significant company developments must immediately advise key personnel in that employee's operating business unit of such developments.

Spokespersons

The primary, authorized spokespersons for the Company are the President and Chief Executive Officer, the President, Pipelines, the President, Energy and the Chief Financial Officer. Spokespersons should keep a record of contacts with analysts and investors. The Investor Relations and Communications Department will facilitate communications for media and will facilitate communication with analysts and investors. Please refer to the Communications Policy for further details.

Process for Disclosure

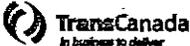
Material information will be disclosed in a manner that is both timely and efficient, providing the widest possible public dissemination. If material information is determined to constitute a material change, a material change report will be filed.

To ensure all stakeholders are aware of material information concurrently, TransCanada will issue public news releases using a news wire service which provides simultaneous national dissemination. In addition, news releases are faxed or e-mailed to relevant regulatory agencies and published on TransCanada's Internet Web site.

All TransCanada news releases will be managed by the Investor Relations and Communications Department or their designate. Investor Relations and Communications Department shall ensure that the Company's legal counsel has had the opportunity to review all news releases prior to their release.

When necessary, the Company's Corporate Secretary will notify the TSX and the NYSE prior to the planned news release time.

If material, non-public information is inadvertently disclosed in any way in a selective setting, the Chief Financial Officer, the General Counsel, the Corporate Secretary and the Vice President, Investor Relations and Communications will meet to determine the appropriate method by which the information will be broadly disseminated immediately. TransCanada will make reasonable efforts to inform all employees of who the authorized Company spokespersons are, and of those elements of this Public Disclosure Policy which are applicable to employees who have access to material, non-public information.

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Responding to Market Rumours/Misstatements

Unless there is unusual market activity in the trading of the Company's securities, TransCanada will not comment on market rumours or speculation, particularly where it is clear that the Company is not the source of the market rumour. The Chief Financial Officer, acting in consultation with the General Counsel, the Corporate Secretary and the Vice President, Investor Relations and Communications, will recommend an appropriate course of action where the Company or an employee of the Company is the apparent source of the rumour.

In the circumstance of unusual market activity in the trading of the Company's securities, the Chief Financial Officer, acting in consultation with the General Counsel, the Corporate Secretary and the Vice President, Investor Relations and Communications, will consider the matter and make a recommendation to the President and Chief Executive Officer as to the nature and content of any Company response.

If TransCanada discovers that a statement made was materially incorrect at the time it was disclosed by the Company, the Company will publicly issue a correction of the prior misstatement as soon as the error is discovered.

Communications with External Stakeholders

TransCanada does not discriminate among recipients of public information. TransCanada will provide the same public information that has been provided to financial analysts or portfolio managers to individual investors, reporters or others. TransCanada will only provide non-material and publicly available information to analysts. In cases where TransCanada holds an investor conference or investor conference call, a news release will be issued to ensure all interested parties are aware of these occurrences and of the details for attending either by telephone or by webcast. The information discussed will be available to all interested parties.

TransCanada will not recirculate financial analysts' reports outside the Company. TransCanada will provide, on its Internet Web site and via other appropriate means, a list of all analysts and firms that cover the Company. Individuals who request analysts' reports will be referred to the analysts' firms, which may provide reports if it is the firm's policy to do so. Financial analysts' reports on the Company will be provided periodically to the Board of Directors and to senior management.

Any analyst report reviewed shall only be commented on to identify publicly disclosed factual information that may affect an analyst's model or to point out inaccuracies or omissions with reference to publicly available information.

TransCanada will not provide members of the media with information on an exclusive or selective basis whereby the reporter has agreed to embargo or hold the story until the day that the Company makes the full public announcement. Members of the media will receive material information when a full public announcement is made.

Neither TransCanada nor anyone in a special relationship with the Company may disclose any material information or material change, other than in accordance with this policy, before the information has been generally disclosed. Material information will be considered generally disclosed on the third business day after a public announcement of such information has been made.

Persons in special relationships with the Company are:

- (a) Insiders;
- (b) Directors, officers or employees of the Company; and

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- (c) Persons engaging in professional or business activities for or on behalf of the Company.

Provisions may be made for selective disclosure if it is deemed in the necessary course of business. It will be communicated to those parties eligible for selective disclosure that the information they receive will be subject to confidentiality requirements restricting them from further disclosing or trading on the information.

Selective disclosure in the necessary course of business is a mixed question of law and fact but may include communications with:

- (a) Vendors, suppliers, or strategic partners on issues such as research and development, sales and marketing and supply contracts;
- (b) Employees, officers and directors;
- (c) Lenders, legal counsel, auditors, financial advisors and underwriters;
- (d) Parties to negotiations;
- (e) Labour unions and industry associations;
- (f) Government agencies and non-governmental regulators; and
- (g) Agencies formulating a credit rating that are or will be publicly available.

Selective disclosure in the necessary course of business does not include communications with:

- (a) The media;
- (b) Financial analysts, and
- (c) Institutional advisors or other market professionals.

Forward-looking Information

TransCanada will not provide forecasts of future earnings results. The Company may provide forward-looking information to enable the investment community to evaluate the Company and its prospects for performance. Forward-looking information will be updated in a consistent manner where required by law and in accordance with this Public Disclosure Policy and the Communications Policy.

Written documents of the Company which contain forward-looking information will be identified as such; will be reasonable in light of the information disclosed; will be accompanied with meaningful cautionary language that warns investors of the material factors that could cause the results to materially differ; will state that there is a risk that the statement could change materially; and will include a description of the factors or assumptions used in making the forward-looking statement.

Oral statements, including analysts, media and investor conference calls, which contain forward-looking information will include a statement that the oral statement contains forward-looking information; that the actual results could differ materially from those stated; that certain material factors or assumptions were applied when drawing a conclusion or making a forecast or projection included in the forward-looking information; and that additional information about the material factors that could cause the results to differ materially and the material factors or assumptions is contained in a specified readily available document.

Internet Web Site

TransCanada has an external Internet Web site that contains an Investor Relations information section. Documents will be made available on the Internet Web site including the annual and quarterly reports, Annual Information Form, Management Information Circular, material change reports, and news releases. Other information, such as audio broadcasts of quarterly earnings conference calls and the

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Effective Date (Date of Last Revision): 2006/10/01	UNCONTROLLED IF PRINTED	
Original Execution Date: 2001/02/26	Status: Approved	

Annual General Meeting of Shareholders, will also be made available on TransCanada's external Internet Web site. Investor Relations will ensure that the information in the Investor Relations section of the external Internet Web site is in compliance with this Policy and the Communications Policy.

News releases will be published on the external Internet Web site as soon as possible after they are released to the wire service. Other documents and presentations will be placed on the Internet Web site concurrently upon release or presentation.

TransCanada will not participate in, host, or link to external chat rooms or bulletin boards. All personnel will refrain from discussing corporate matters in these forums. Personnel who encounter a discussion pertaining to the Company should advise investor relations immediately so the discussion can be monitored.

Trading in Company Securities

The Company has a policy relative to trading in its securities which applies to directors, officers and employees. Please refer to the Trading Policy for Employees and Insiders for further information.

COMPLIANCE / EXCEPTIONS

Personnel are expected to comply with all aspects of this policy and to support others in doing so. A violation of this policy could result in disciplinary action up to and including termination of employment, termination of contract or removal from the Company's worksite. Please refer to the [TransCanada Policies and Procedures Web Site](#) for more information.

REFERENCES AND LINKS

- [Questions and Comments](#)
- [Code of Business Ethics](#)
- [Trading Policy for Employees and Insiders](#)
- [Communications Policy](#)

Document Originator(s)  Corporate Secretary	Signature
Approval(s) for Issuance  Executive Vice President and General Counsel on behalf of the Corporate Performance Committee	Signature

Exhibit 7

TransCanada Policies and Procedures		
Title: Trading Policy for Employees and Insiders		
Effective Date (Date of Last Revision): 2006/12/15	UNCONTROLLED IF PRINTED Status: Approved	

This Policy applies to all full-time and part-time employees, contract workers, independent consultants and professional advisors, in certain circumstances, and to Insiders, in all circumstances, of TransCanada Corporation and its wholly-owned subsidiaries, and operated entities in Canada, the United States, and Mexico including TransCanada Pipelines Limited, NOVA Gas Transmission Ltd. and TC Pipelines, LP (the "Company").

Securities to Which This Policy Applies:

- Any securities of the Company including public debt or equity - common shares, preferred shares, debt securities and options;
- Equity and debt securities of TransCanada PipeLines ("TCPL");
- Debt securities of NOVA Gas Transmission Ltd. ("NGTL"); and
- Units of any public TransCanada limited partnership – currently TC PipeLines, LP when and if units are issued ("LP").

(collectively referred to as "Securities").

POLICY

I. Introduction

Each Insider of the Company must comply with the applicable insider trading and information requirements of the various provincial regulations in Canada, of the Canadian and the United States governments, and of various stock exchanges.

In order to assist an Insider in compliance with the various laws and regulations, the Company will provide guidance to the Insider as to the timing of insider trading and any reporting requirements. This guidance, however, in no way reduces the obligations on the individual to comply with the law.

This Policy is intended to establish a strict standard which all Insiders are expected to meet. This Policy is also applicable in specified circumstances to employees, contract workers, independent consultants and professional advisors in such circumstances strict compliance is expected (see Sections III to V).

II. Definition of an Insider

For the purpose of this Policy an Insider of TransCanada includes every director or officer of the Company and its subsidiaries and affiliates (including TCPL, NGTL and the LP) ("Insider"). Other employees, contract workers or independent consultants and professional advisors are also governed by insider trading rules when they have access to material non-public information (see Section III).

III. Insider Information and Disclosure

The Company is subject to the securities legislation of various jurisdictions. An underlying principle of securities legislation is that the public should have the opportunity to decide whether to buy or sell the Securities on the basis of information equally available to all security holders. **Employees and Insiders are prohibited from using their knowledge of "material information" which has not been made public to trade in Securities. This prohibition applies to all employees and Insiders.**

"Material information" is, in the strictest definition, any information relating to the Company that results in or would reasonably be expected to result in a significant change in the market price or value of any of the Securities of any such entity. Examples include acquisitions, dispositions, developments in operations, changes in capital structure, changes in corporate structure, changes in financial results, changes in credit arrangements, dividend announcements and significant changes in earnings prospects.

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Disclosure of any material information must be made promptly to various stock exchanges, securities commissions and to the public.

IV. Insider Trading Rules

Trading of Securities owned, either directly or indirectly, is subject to insider trading rules. Securities include common and preferred shares, notes, bonds and debentures and public limited partnership units, and options, rights or warrants to acquire any of the same. Indirect holdings include Securities that are held by personal corporations, nominees or agents. In addition, trading of Securities over which the employee or Insider exercises direction or control is also subject to insider trading rules. This would generally include Securities that are held by a spouse or children who are in the employee's or Insider's household, and securities held by estates or trusts over which the employee or Insider exercises control. Trading includes purchases, sales and transfers of beneficial ownership of Securities, done on the Insiders behalf by brokers, agents or others.

Trading, for the purposes of this Policy, excludes the following:

1. The exercise of an option solely for the purposes of acquiring and holding the underlying securities, in the absence of the Insider's knowledge of material non-public information.
2. The automated, regular monthly share purchases made through the Employee Share Purchase Plan.
3. The automated, regular share purchases made through the Dividend Reinvestment Plan.

However, any sale of the Securities acquired under option or the shares acquired through the Employee Share Purchase Plan or the Dividend Reinvestment and Share Purchase Plan must comply with this Policy and reporting obligations under relevant law.

V. Insider Trading – Window Periods and Specific Times When Trades Should Not be Made

Employees and Insiders may trade in Securities either directly or indirectly, or may exercise direction or control over the trading of such Securities, except as follows:

1. **Trading by employees and Insiders is prohibited when the employee or Insider of the Company, TCPL, NGTL or the LP is in possession of material information which is being kept confidential and which has not been made public (see Section III).** The officer with executive responsibility must advise each individual who may have access to the material information that they must not trade Securities until the third business day after a public announcement has been made.

The officer must also advise the Corporate Secretary that material information is being kept confidential in order to provide direction to other Insiders.

2. **TransCanada has adopted a "window period" approach to trading by Insiders. Insiders are limited to trading Securities in the four approved annual windows.** Trading by Insiders should not take place until the third business day after important announcements of any material information in the media. Financial results are made public in the month following the end of each calendar quarter. **Therefore, the trading periods by Insiders, shall not take place until the third business day after the public announcement of quarterly earnings and will continue for 30 calendar days.** If material information regarding actions to be taken or other events likely to affect current or future earnings becomes known to an Insider, the procedures in paragraph 1 above must be followed.

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3. Employees and Insiders are prohibited from selling Securities which they do not own (short-selling) or Securities that have not been fully paid for. However, Securities may be sold, if the employee or Insider owns a security convertible into the security to be sold, or holds a right to receive such a security without payment of any additional consideration and, **within 10 days of the sale**, the employee or Insider exercises such right and delivers the Securities to the purchaser or transfers such right to the purchaser. Employees and Insiders may not buy put options or sell call options on the Securities.
4. In order to ensure compliance with insider trading rules, an Insider, when in doubt, should inquire of the Corporate Secretary as to any trading restrictions before entering into a transaction. Employees who are not Insiders but who are in possession of material undisclosed information should consult with their supervisors prior to trading any Securities.

VI. Reporting of Insider Transactions

Insiders who are required to file reports must report any transaction involving the Securities to the various securities commissions within 10 days of a transaction. A person who ceases to be a reporting Insider is required to report transactions, which occur within 1 month after the date that he or she ceases to be a director or officer. (Shares pledged by a director or officer as a collateral for a loan are not required to be reported if the pledger retains control or direction over the shares.)

Canadian Securities Administrators have adopted a late filing fee regime. **Reports not filed within 10 days of a transaction will be subject to a late filing penalty of \$50 per day per transaction up to a maximum of \$1000 per transaction. Late filing fees are the responsibility of the Insider.**

It is required that shares purchased under the Dividend Reinvestment and Employee Savings plans be reported in Canada once each year, no later than 90 days after the end of the calendar year.

The Corporate Secretary will advise you if you are an Insider who is required to report trades. In order to assist Insiders with reporting requirements, immediately contact [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED] to report the particulars of any transaction you make. From this information, an insider report, for signature in accordance with the Power of Attorney signed by each Insider, will be prepared and filed with the applicable securities commissions on the System for Electronic Disclosure by Insiders (SEDI).

VII. Insider Liability

Each employee or Insider who fails to comply with insider trading laws is exposed to civil liability, fines and/or imprisonment. Further, the reputation of the Company may be damaged, and it may be exposed to liability.

It should be noted that under U.S. securities laws, each employee or Insider who purchases or sells Securities while in possession of material, non-public information may be exposed to fines, imprisonment, other criminal penalties, and the following:

- i) civil penalties of up to three times the profit gained or loss avoided as a result of his or her trading while in possession of such information, as well as to
- ii) liability to market participants who traded the same class of securities "contemporaneously" with and on the opposite side of the market from the Insider trader.

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Moreover, the U.S. Securities and Exchange Commission now has the power to impose civil fines, cease and desist administrative orders, and accounting and disgorgement orders for violations of U.S. securities laws.

VIII. Further Information

Any questions concerning insider trading should be directed to the Corporate Secretary (██████████).

REFERENCES AND LINKS

- [Questions and Comments](#)
- [Public Disclosure Policy](#)
- [Communications Policy](#)
- [Code of Business Ethics Policy](#)

(NTD: Add the above links)

Document Originator(s) (██████████) Legal Counsel, Corporate Secretarial	Signature
Approval(s) for Issuance (██████████) Executive Vice President, Law and General Counsel On behalf of the Corporate Performance Committee (██████████) on behalf of the Board of Directors	Signature