Received: 10/31/2005

Status: CANCELLED
Effective Date: 11/01/2005

SERVICE CLASSIFICATION No. 9 - Continued

TRANSPORTATION SERVICE - Continued

Rates - Continued

(J) Other Rates, Charges and Adjustments - Continued

(5) Capacity Release Service Adjustment:

A Customer electing Capacity Release Service is subject to a Capacity Release Service Adjustment ("CRSA") to its SC No. 9 transportation rate to the extent that the maximum reservation rate on the pipelines on which capacity is released varies from the Company's weighted average cost of capacity which includes the cost of capacity associated with bundled Citygate purchases ("WACOC"). The CRSA shall be set for annual periods commencing November 1, 2005, and shall reflect an estimate of the Company's WACOC for the applicable annual period, the current interstate pipeline reservation rates for the pipelines upon which the Company releases capacity, and an estimate of the annual therm deliveries to firm transportation customers during the annual period. The CRSA will be credited or surcharged through the Monthly Rate Adjustment applicable to SC 9 Firm Transportation Customers. At the end of each annual period, the Company will reconcile the projected CRSA with the calculated adjustment based upon actual released capacity and actual firm transportation therms over the twelve-month period. Any reconciling amounts will be included in the MRA applicable to SC 9 Firm Transportation Customers in the second month following the end of the twelve month period, either as an adjustment to a new CRSA (assuming the Capacity Release Service continues beyond October 2006) or as a separate reconciling adjustment (if Capacity Release Service is not continued). The tariff provides the Company flexibility to apply the adjustment over more than one month if the impact on the MRA would be material. The Company's WACOC shall be updated periodically to reflect the Company's current cost of firm pipeline capacity. The WACOC will be adjusted to reduce TransCanada demand charges to the extent necessary to result in comparability between Canadian and domestic commodity costs. The WACOC, as adjusted, shall be set forth on the Statement of Rate for SC No. 9.

(6) Pipeline Transition Cost Charge:

All Customers shall pay a Transition Cost Charge per therm to recover Order No. 636 transition costs, except a Customer(s) who provides the Company suitable documentation demonstrating that it is paying Order No. 636 transition costs directly to a pipeline for firm pipeline transportation.

(Service Classification No. 9 - Continued on Leaf No. 303.1)

Cancelled by 8 Rev. Leaf No. 303 Effective 08/25/2006