

Exhibit No. PNG-06
Engineering Estimate

EXHIBIT No. PNG-06

**ESTIMATED OPERATING AND MAINTENANCE COSTS
FOR NEW PNGTS COMPRESSOR STATION NEAR GILEAD, MAINE**

Facility Design

The facility design contemplates the level of additional facilities that would have been necessary in order for PNGTS to maintain its previous firm system capacity of 210,840 Dth/d following the Maritimes Phase IV Expansion.

Required Facilities

PNGTS has determined that the required facilities would have included the installation of one new 1,070 BHP reciprocating compressor station near the municipality of Gilead, Oxford County, Maine. A detailed Class 5 estimate, as well as a diagram of the facility design is attached.

Construction Capital Cost Estimate

Based on the proposed facility design, the estimated capital costs are as follows:

<u>Compression</u>	<u>Estimated Cost</u>
- new 1,070 BHP reciprocating compressor station	\$15.0 MM
<u>Pipeline Looping</u>	
- none	\$0
<u>Land Cost</u>	\$0.3 MM
<u>Total Estimated Capital Cost:</u>	<u>\$15.3 MM</u>

Annual Operating and Maintenance Cost Estimates

Based on the proposed facility design, the estimated operating and maintenance costs are as follows:

<u>Maintenance Cost Estimate</u>	\$11.3 K
----------------------------------	----------

Based on flows observed during the base period, PNGTS estimates that the facility would be required to run for approximately 1,728 hours / year. PNGTS further estimates maintenance costs of \$6.53 / fired hour for this compressor unit, based on actual maintenance costs observed on similar sized units currently operated by TransCanada.

<u>Fuel Cost</u>	\$72.2 K
------------------	----------

When operating, the new compressor station would consume 205 Dth/d of fuel. The fuel cost is based on 72 days of operation per year, at the average Dracut, MA price for the base period, as reported by Gas Daily of \$4.66, plus applicable Maine sales tax.

Total Estimated Operating and Maintenance Costs:	\$83.5 K / YEAR
---------------------------------------------------------	------------------------

Other Annual Costs (Depreciation / Return / Ad Valorem Taxes)

Based on the proposed facility design, the estimated depreciation / return / ad valorem tax costs are as follows:

<u>Depreciation</u> (@ 4.10% / year)	\$615.0 K
--------------------------------------	-----------

<u>Pre-Tax Return</u> (@ 15.6791 % – see Exhibit No. PNG-21) ¹	\$1,898.6 K
---------------------------------------------------------------------------	-------------

<u>Ad Valorem Taxes</u> (@ 1.73% for Gilead, ME)	\$264.7 K
--------------------------------------------------	-----------

Total Estimated Other Costs:	\$2,778.3 K / YEAR
-------------------------------------	---------------------------

TOTAL ANNUAL COSTS:	\$2,861,800 / YEAR
----------------------------	---------------------------

¹ Reflects 50% bonus tax depreciation pursuant to the American Recovery and Reinvestment Act of February 2009.

COST ESTIMATE SUMMARY

Project Name:	PNGTS Comp Stn & ML Tie-Ins
Estimate Number:	2010-04-15-1-0
Project Scope:	New Compressor Stn 1070BHP Reciprocating Facility mainline Tie-Ins - NPS 24 B/V Two NPS 12 S/V Launcher & Receiver
Phase:	Prospecting
Location:	PNGTS Pipeline - Gilead Maine
Estimated By:	TC Project Estimating Services
Estimate Type / Range:	Class 5 (-20%, +30%)
Estimate Date:	April 15, 2010
Client(s):	PNGTS
Estimate Total \$2010-Q2 (US):	\$15,286,000

PROJECT ASSUMPTIONS AND METHODOLOGY	
Introduction: PNGTS Delivery - Install 1070BHP Reciprocating compressor and driver. A NPS 24 mainline block valve and two NPS 12 station side valves are required and are estimated separately	
Launcher and receiver facilities are incremental costs to the block valve and side valve facilities.	
Mainline tie-in facility estimates are based on an assumed mainline outage. Estimate assumes no stopple by-pass required.	
Estimate assumes station driveway only assumes no access road required	
Estimate assume purchase power available locally. Estimates includes electrical power hook-up costs only	
Estimate assumes no extra sound attenuation costs. No location sound criteria available.	
Schedule: No Escalation included in the cost estimates - 2010 USD	
Estimate Classification	
Class 5 with a accuracy range of -20% to +30%	
Cost Basis: Ballpark Quote \$1,250,000 CD \$'s(+ / - 20%) from compressor package manufacturer for skid mounted reciprocating driver and compressor package.	
Recent historical US project costs used to benchmark cost estimate wherever applicable to project scope of work and activities	
ESTIMATE BASIS	
A	Project Management: Estimate assumes one Project Manager for all facility project(s).
B	Materials: See attached 'Estimate Facility Design Basis Plot Plan'. NPS 12 high pressure gas piping bill of materials used in the materials cost estimate. Estimate assumes skid mounted packaged compressor facility installed on piles.
C	Construction: Estimate benchmarked with recent small sized compressor facility construction historical costs with adjustments.
D	Land: Assumed land costs at \$250,000
E	EPCM/Owner's Costs Estimate assumes both Internal Engineering and External Engineering and Drafting Services activities
F	Cost in directs Contingency: 20% Place holder pending A Risk Analysis for proposed Project(s)
G	State Sales Tax at 5% on Materials and Shop Fabrication Services

PNGTS - Delivery Expansion - Install 1070 BHP Reciprocating Compressor Station & NPS 24 Mainline Block Valve & NPS 12 Side Valves

NPS 24 Block Valve & Two NPS 12 Side Valves with Mainline Outage for Station Tie-Ins				
	State Sales Tax	Project LABOUR \$	MATLS, CONTRACTS ALL EXPENSES	TOTAL EST COST
Totals	\$22,000	\$469,453	\$1,702,547	\$2,194,000
Compressor Station				
	State Sales Tax	Project LABOUR \$	MATLS, CONTRACTS ALL EXPENSES	TOTAL EST COST
Totals	\$182,000	\$2,504,439	\$8,905,561	\$11,592,000
Combined Comp Stn & M/L Tie-Ins (Excluding Launcher Receiver and Excluding a Stopple By-Pass)				
	State Sales Tax	Project LABOUR \$	MATLS, CONTRACTS ALL EXPENSES	TOTAL EST COST
Totals	\$204,000	\$2,973,892	\$10,608,108	\$13,786,000

Or Compressor Station With a M/L Tie-Ins Plus Launcher Receiver Facilities

Combined NPS 24 Block Valve & Launcher Receiver Facilities (Excluding Stopple By-Pass)				
	State Sales Tax	LABOUR \$	MATLS, CONTRACTS ALL EXPENSES	TOTAL EST COST
Totals	\$46,000	\$861,253	\$2,786,747	\$3,694,000
Compressor Station				
	State Sales Tax	Project LABOUR \$	MATLS, CONTRACTS ALL EXPENSES	TOTAL EST COST
Totals	\$182,000	\$2,504,439	\$8,905,561	\$11,592,000
Combined Comp Stn & M/L Tie-Ins With Launcher and Receiver (No Stopple By-Pass)				
	State Sales Tax	Project LABOUR \$	MATLS, CONTRACTS ALL EXPENSES	TOTAL EST COST
Totals	\$228,000	\$3,365,692	\$11,692,308	\$15,286,000

PROJECT - Estimate PNGTS Expansion Compressor Stn - Delivery Reciprocating Compressor & Driver - See separate Estimate(s) for M/L Tie-Ins				
SUMMARY OF ESTIMATED COSTS BY CBS			Estimated On: 4/11/2010	
			Estimated By: Cam Macleod	
Estimate for a Skid Mounted RHP 1060 @ 1200 RPM Ariel Reciprocating Compressor New Station c/w NPS 12 Yard Piping - Excludes Mainline Tie-Ins - See Separate Estimates.				
CBS	DESCRIPTION	State Sales Tax	LABOUR \$	EXPENSE \$
TA000	PROJECT COORDINATION		\$357,167	\$137,833
TB000	COMPRESSOR PACKAGE Skid Mounted Recip	\$75,000		\$1,498,000
TC000	BULK OWNER SUPPLIED MATERIALS	\$57,000		\$1,121,000
	Subtotals Owner Supplied Materials	\$132,000		\$2,619,000
TD000	CONSTRUCTION SERVICES PRIME & MINOR CONTRACTS	\$50,000		\$3,328,000
TE000	INTERNAL ENGINEERING & DRAFTING COORD.		\$136,799	\$38,201
TF000	EXTERNAL ENGINEERING & DRAFTING		\$1,221,485	\$23,505
	Subtotal Engineering & Drafting Services		\$1,358,284	\$61,706
TE110	INTERNAL CONST MANAGER		\$208,000	\$56,600
TE110	EXTERNAL CONST INSPECTORS & OFFICE SUPPORT		\$375,000	\$25,400
TE200	REGIONAL SUPPORT DURING CONSTRUCTION		\$44,729	\$9,271
TE300	COMMISSIONING TEAM		\$160,249	\$32,751
	Subtotal Const Mgm & Regional Support & Commissioning Team		\$788,978	\$124,022
TF000	LAND			\$250,000
TX000	GAS USED			\$0
	Subtotals Excluding Contingency & AFUDC	\$182,000	\$2,504,439	\$6,520,361
TY000	CONTINGENCY	20%		\$1,841,000
	PROJECT ESTIMATE - SUB-TOTALS		\$182,000	\$2,504,439
TZ000	Escalation			\$0.0
	Overhead Calculation	35%	PNGTS TC Labour \$ = \$906,944	\$317,000
FS000	AFUDC	2.0%		\$227,000
	TOTALS		State Sales Tax LABOUR \$	MATLS, CONTRACTS ALL EXPENSES TOTAL EST COST
			\$182,000	\$2,504,439
				\$8,905,561
				\$11,592,000
				100%

PROJECT - PNGTS C/S Addition - Mainline Tie-Ins - NPS 24 BV c/w Two NPS 12 Side Valves - Excluded Stopple By-Pass - Estimate Assumes M/L Outage for Installation of Block Valve and Side Valves				
SUMMARY OF ESTIMATED COSTS BY CBS			Estimated On: 01-Apr-10	
			Estimated By: Cam Macleod	
Class V Cost Estimate				
CBS	DESCRIPTION	ST	LABOUR \$	EXPENSE \$
TA000	PROJECT COORDINATION	\$0	\$268,853	\$37,147
TB000	MATERIALS	\$15,000		\$306,000
TC000	CONSTRUCTION SERVICES & FABRICATION SHOP	\$7,000		\$784,000
TD000	ENGINEERING & DRAFTING & SURVEY COORD.	0	\$95,380	\$24,620
TE000	CONST MANAGEMENT & COMMISSIONING TEAM	0	\$105,220	\$28,780
TF000	LAND & ROAD USE AGREEMENTS	0		\$0
TX000	GAS USED	\$0		\$0
TY000	CONTINGENCY	20%	0	\$334,000
	PROJECT ESTIMATE - SUB-TOTALS		\$22,000	\$469,453
TZ000	Escalation	0%		\$0
	2010 Overhead Calculation at 35% on TC & PNGTS Labour	35%		\$145,000
FS000	AFUDC	2%		\$43,000
	TOTALS		State Sales Tax LABOUR \$	MATLS, CONTRACTS ALL EXPENSES TOTAL EST COST
			\$22,000	\$469,453
				\$1,702,547
				\$2,194,000
				100%

PROJECT - PNGTS C/S Addition - Mainline Tie-Ins - NPS 24 Launcher and Receiver Incremental Costs				
SUMMARY OF ESTIMATED COSTS BY CBS			Estimated On: 10/1/2010	
			Estimated By: Cam Macleod	
Class V Cost Estimate for Project Capital Budget Screening Purposes Only				
CBS	DESCRIPTION	ST	LABOUR \$	EXPENSE \$
TA000	PROJECT COORDINATION	\$0	\$35,800	\$9,200
TB000	MATERIALS	\$10,000		\$200,000
TC000	CONSTRUCTION SERVICES & FABRICATION SHOP	\$14,000		\$462,000
TD000	ENGINEERING & DRAFTING & SURVEY COORD.	0	\$292,000	\$52,000
TE000	CONST MANAGEMENT & COMMISSIONING TEAM	0	\$53,000	\$21,000
TF000	LAND & ROAD USE AGREEMENTS	0		\$0
TX000	GAS USED	\$0		\$0
TY000	CONTINGENCY	30%	0	\$232,000
	PROJECT ESTIMATE - SUB-TOTALS		\$24,000	\$381,800
TZ000	Escalation	0%	\$0.0	\$0
	2010 Overhead Calculation at 35% on TC & PNGTS Labour	35%		\$79,000.0
FS000	AFUDC	2%	\$0.0	\$28,000
	TOTALS		State Sales Tax LABOUR \$	MATLS, CONTRACTS ALL EXPENSES TOTAL EST COST
			\$24,000	\$391,800
				\$1,084,200
				\$1,500,000

