

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:

Maintenance Cost Estimate \$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.

Fuel Cost \$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:

Depreciation (@ 4.10% / year) \$615.0 K

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

Ad Valorem Taxes (@ 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

	State Sales Tax	Project Labour \$	MATLS, CONTRACTS ALL EXPENSES	TOTAL EST COST
NPS 24 Block Valve & Two NPS 12 Side Valves with Mainline Outage for Station Tie-Ins				
Totals	\$22,000	\$469,453	\$1,702,547	\$2,194,000
Compressor Station				
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)				
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

	State Sales Tax	Project Labour \$	MATLS, CONTRACTS ALL EXPENSES	TOTAL EST COST
Combined NPS 24 Block Valve & Launcher Receiver Facilities (Excluding Stopple By-Pass)				
Totals	\$46,000	\$861,253	\$2,786,747	\$3,694,000
Compressor Station				
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)				
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 BHP 1080 @ 1700 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 \$	TOTAL		
TA000	PROJECT COORDINATION		\$357,167	\$137,833	\$495,000	4%	
TB000	COMPRESSOR PACKAGE Skid Mounted Recip	\$75,000		\$1,488,000	\$1,573,000	14%	
TB000	BULK OWNER SUPPLIED MATERIALS	\$57,000		\$1,121,000	\$1,178,000	10%	
	Subtotals Owner Supplied Materials	\$132,000		\$2,610,000	\$2,751,000	24%	
TC000	CONSTRUCTION SERVICES PRIME & MINOR CONTRACTS	\$50,000		\$3,328,000	\$3,378,000	29%	
TD000	INTERNAL ENGINEERING & DRAFTING COORD.		\$136,799	\$38,201	\$175,000	2%	
TD000	EXTERNAL ENGINEERING & DRAFTING		\$1,221,455	\$23,505	\$1,245,000		
	Subtotal Engineering & Drafting Services		\$1,358,254	\$61,706	\$1,420,000	12%	
TE110	INTERNAL CONST MANAGER		\$208,000	\$56,600	\$264,600	2%	
TE110	EXTERNAL CONST INSPECTORS & OFFICE SUPPORT		\$376,000	\$25,400	\$401,400	3%	
TE200	REGIONAL SUPPORT DURING CONSTRUCTION		\$44,729	\$9,271	\$54,000	0%	
TE300	COMMISSIONING TEAM		\$160,249	\$32,751	\$193,000	2%	
	Subtotal Const Mgm & Regional Support & Commissioning Team		\$788,978	\$124,622	\$913,600	8%	
TF000	LAND			\$250,000	\$250,000	1%	
TX000	GAS USED			\$0	\$0	0%	
	Subtotals Excluding Contingency & AFUDC	\$182,000	\$2,504,439	\$6,500,561	\$9,207,000	79%	
TY000	CONTINGENCY	20%		\$1,841,000	\$1,841,000	16%	
	PROJECT ESTIMATE - SUB-TOTALS		\$182,000	\$2,504,439	\$8,361,561	85%	
TZ000	Escalation			\$0.0	\$0	0%	
	Overhead Calculation	35%	PNGTS TC Labour \$ =	\$317,000	\$317,000	2.8%	
FS000	AFUDC	2.0%	\$906,944	\$227,000	\$227,000	2.0%	
			State Sales Tax	LABOUR \$	MATLS, CONTRACTS ALL EXPENSES	TOTAL EST COST	
	TOTALS		\$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	EST	LABOUR \$	EXPENSE \$	TOTAL		
TA000	PROJECT COORDINATION	\$0	\$268,853	\$37,147	\$306,000	14%	
TB000	MATERIALS	\$15,000		\$306,000	\$321,000	15%	
TC000	CONSTRUCTION SERVICES & FABRICATION SHOP	\$7,000	\$0	\$784,000	\$791,000	36%	
TD000	ENGINEERING & DRAFTING & SURVEY COORD.	0	\$95,380	\$24,620	\$120,000	5%	
TE000	CONST MANAGEMENT & COMMISSIONING TEAM	0	\$105,220	\$28,780	\$134,000	6%	
TF000	LAND & ROAD USE AGREEMENTS	0		\$0	\$0	0%	
TX000	GAS USED	0		\$0	\$0	0%	
TY000	CONTINGENCY	20%	0	\$0	\$334,000	20%	
	PROJECT ESTIMATE - SUB-TOTALS		\$22,000	\$469,453	\$1,514,547	\$2,006,000	91%
TZ000	Escalation	0%		\$0	\$0	0%	
	2010 Overhead Calculation at 35% on TC & PNGTS Labour	35%		\$145,000	\$145,000		
FS000	AFUDC	2%		\$43,000	\$43,000	2%	
			State Sales Tax	LABOUR \$	MATLS, CONTRACTS ALL EXPENSES	TOTAL EST COST	
	TOTALS		\$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:	10/12/09			
		Estimated By:	Cam Macleod			
Class V Cost Estimate for Project Capital Budget Screening Purposes Only						
CBS	DESCRIPTION	EST	LABOUR \$	EXPENSE \$	TOTAL	
TA000	PROJECT COORDINATION	\$0	\$36,800	\$9,200	\$46,000	
TB000	MATERIALS	\$10,000		\$200,000	\$210,000	
TC000	CONSTRUCTION SERVICES & FABRICATION SHOP	\$14,000	\$0	\$462,000	\$476,000	
TD000	ENGINEERING & DRAFTING & SURVEY COORD.	0	\$252,000	\$52,000	\$304,000	
TE000	CONST MANAGEMENT & COMMISSIONING TEAM	0	\$53,000	\$27,000	\$80,000	
TF000	LAND & ROAD USE AGREEMENTS	0	\$0	\$0	\$0	
TX000	GAS USED	0		\$0	\$0	
TY000	CONTINGENCY	30%	0	\$0	\$232,000	\$232,000
	PROJECT ESTIMATE - SUB-TOTALS		\$24,000	\$381,800	\$978,200	\$1,382,000
TZ000	Escalation	0%	\$0.0	\$0.0	\$0	\$0
	2010 Overhead Calculation at 35% on TC & PNGTS Labour	35%			\$78,000.0	\$78,000
FS000	AFUDC	2%	\$0.0	\$0.0	\$28,000	\$28,000
			State Sales Tax	LABOUR \$	MATLS, CONTRACTS ALL EXPENSES	TOTAL EST COST
	TOTALS		\$24,000	\$391,800	\$1,084,200	\$1,500,000

