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**Schnitker, John P**

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**From:** Izzo, Jeffrey R  
**Sent:** Wednesday, February 20, 2008 9:19 AM  
**To:** Schnitker, John P  
**Subject:** FW: Keystone Corporate Structure  
**Attachments:** 20080219143919341.pdf

Jeffrey R. Izzo  
Energy Officer  
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**From:** White, Jim [<mailto:jim.white@sidley.com>]  
**Sent:** Tuesday, February 19, 2008 4:57 PM  
**To:** Izzo, Jeffrey R  
**Subject:** RE: Keystone Corporate Structure

Jeff, I'm told the more accurate formulation is that TransCanada Corporation is a Canadian public company, incorporated pursuant to the Canada Business Corporation Act. Attached is description. Hope this helps.

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**From:** Izzo, Jeffrey R [<mailto:IzzoJR@state.gov>]  
**Sent:** Tuesday, February 19, 2008 4:24 PM  
**To:** White, Jim  
**Subject:** RE: Keystone Corporate Structure

"Canadian federal entity" – means chartered under an act of parliament?

Jeffrey R. Izzo  
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U.S. Department of State  
202-647-1291 (office)  
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**From:** White, Jim [<mailto:jim.white@sidley.com>]  
**Sent:** Tuesday, February 19, 2008 3:58 PM

UNITED STATES DEPARTMENT OF STATE  
REVIEW AUTHORITY: ADOLPH H EISNER  
DATE/CASE ID: 10 JUN 2010 200902435

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To: Izzo, Jeffrey R  
Cc: Jennifer Scott  
Subject: Keystone Corporate Structure

Jeff,

Two points with regard to our discussion this morning. The April 2006 Keystone application states that the Keystone entity (at that time the LLC) is a wholly-owned subsidiary of TransCanada Pipelines Limited. That statement is still accurate, except that the Keystone entity is now the L.P.

However, if you prefer to go to the top of the TransCanada org chart, the TransCanada parent reference would be to TransCanada Corporation, a Canadian federal entity, organized in Ottawa, Ontario, Canada.

Jim

Sidley Austin LLP mail server made the following annotations on 02/19/08, 14:54:55:

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IRS Circular 230 Disclosure: To comply with certain U.S. Treasury regulations, we inform you that, unless expressly stated otherwise, any U.S. federal tax advice contained in this communication, including attachments, was not intended or written to be used, and cannot be used, by any taxpayer for the purpose of avoiding any penalties that may be imposed on such taxpayer by the Internal Revenue Service. In addition, if any such tax advice is used or referred to by other parties in promoting, marketing or recommending any partnership or other entity, investment plan or arrangement, then (i) the advice should be construed as written in connection with the promotion or marketing by others of the transaction(s) or matter(s) addressed in this communication and (ii) the taxpayer should seek advice based on the taxpayer's particular circumstances from an independent tax advisor.

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Sidley Austin LLP mail server made the following annotations on 02/19/08, 15:52:34:

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TRANSCANADA CORPORATION

Corporate Structure

TransCanada's head office and registered office are located at 450 - 1st Street S.W., Calgary, Alberta, T2P 5H1.

TransCanada was incorporated pursuant to the provisions of the *Canada Business Corporation Act* on February 25, 2003 in connection with a plan of arrangement designed to establish TransCanada as the parent company of TCPL. The arrangement was approved by ICPL common shareholders on April 25, 2003 and, following court approval and the filing of Articles of Arrangement, the arrangement became effective May 15, 2003. Pursuant to the arrangement, the common shareholders of ICPL exchanged each of their TCPL common shares for one common share of TransCanada. The debt securities and preferred shares of TCPL remained obligations and securities of ICPL. TCPL continues to hold the assets it held prior to the arrangement and continues to carry on business as the principal operating subsidiary of the TransCanada group of entities. TransCanada does not hold any assets directly other than the common shares of TCPL.

TransCanada is a Canadian public company. Significant dates and events are set forth below.

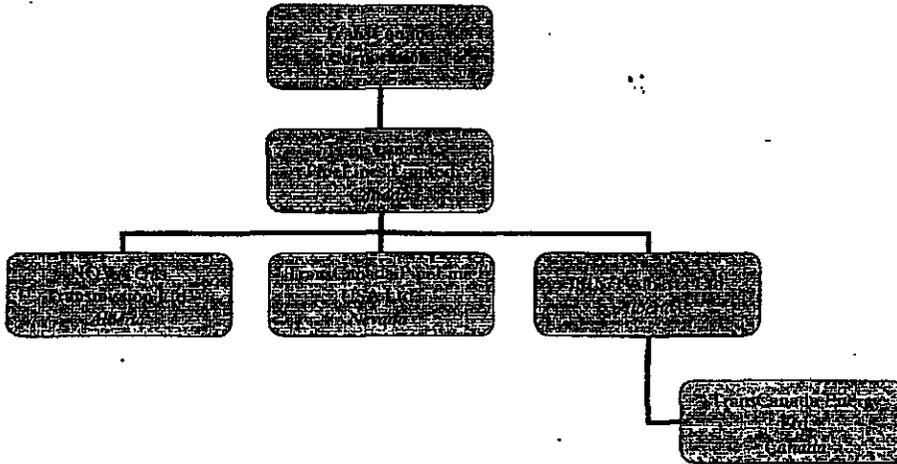
<u>Date</u>	<u>Event</u>
February 25, 2003	TransCanada incorporated under <i>Canada Business Corporations Act</i> .
May 15, 2003	Certificate of Arrangement issued.

The significant dates and events relating to ICPL are set out in ICPL's Annual Information Form for the year ended December 31, 2004, dated March 7, 2005.

TransCanada does not directly employ any employees or contractors. At Year End, TransCanada's principal operating subsidiary, ICPL, had approximately 2,473 employees, substantially all of whom were employed in Canada and the United States

Significant Subsidiaries

TransCanada's significant subsidiaries<sup>(1)</sup> at Year End and the jurisdiction under which each subsidiary was incorporated are noted below. TransCanada owns, directly or indirectly, 100 per cent of the voting shares of each of these subsidiaries.



(1) Excludes certain of TransCanada's subsidiaries where:

- the total assets of each excluded subsidiary does not exceed ten per cent of the consolidated assets of TransCanada at Year End;
- the sales and operating revenues of each excluded subsidiary does not exceed ten per cent of the consolidated sales and operating revenues of TransCanada for the year ended December 31, 2004;