

## **PRESS RELEASE**

March 20, 2009

TQM receives NEB Decision on Cost of Capital Application

MONTRÉAL, Québec – March 20, 2009 –Trans Québec & Maritimes Pipeline Inc. (TQM) today announced that it has received the decision of the National Energy Board (NEB) on TQM's 2007 and 2008 Cost of Capital Application.

In its decision, the NEB agreed to vary from its previous methodology and set a 6.4 per cent total weighted average after-tax cost of capital for each of the two years. The NEB granted TQM an aggregate return on capital, leaving it to TQM to choose its optimal capital structure.

For comparison purposes, the NEB decision equates to a 9.85 per cent return on 40 per cent deemed equity in 2007 and a 9.75 per cent return on 40 per cent deemed equity in 2008. Had no changes been made, TQM's total allowed return would have been equal to an 8.46 per cent return on 30 per cent deemed equity in 2007 and 8.71 per cent on 30 per cent deemed equity in 2008.

In arriving at its decision, the NEB agreed with TQM's submission that changes in the dynamics of natural gas end-use markets and potential supply sources, as well as increased competition among pipelines, have combined to create greater business risk for TQM.

TQM believes that the return awarded by the NEB in its decision is in keeping with the fair return standard. TQM is optimistic that this important decision will help ensure that the Canadian natural gas pipeline industry continues to invest in critical energy infrastructure.

Owned 50 per cent by TransCanada Corporation and 50 per cent by Gaz Metro Limited Partnership, Trans Québec & Maritimes Pipeline Inc. is a 572 km (355 mile) pipeline system that connects with TransCanada's Canadian Mainline and transports natural gas from Saint-Lazare to a point near Québec City, and connects with the Portland Natural Gas Transmission system at the Québec/New Hampshire border.

### **TQM Forward-Looking Information**

This news release may contain certain information that is forward looking and is subject to important risks and uncertainties. The words "anticipate", "expect", "believe", "may", "should", "estimate", "project", "outlook", "forecast" or other similar words are used to identify such forward-looking information. Forward-looking statements in this document are intended to provide information regarding future financial and operational plans and outlook. Forward-looking statements in this document may include, among others, statements regarding the anticipated business prospects and financial performance, expectations or projections about the future, and strategies and goals for growth and expansion. All forward-looking statements reflect TQM's beliefs and assumptions based on information available at the time the statements were made. Actual results or events may differ from those predicted in these forward-looking statements. Factors that could cause actual results or events to differ materially from current expectations include, among others, the ability of TQM to successfully implement its strategic initiatives and whether such strategic initiatives will yield the expected benefits, the operating performance of TQM, the availability and price of energy commodities, regulatory processes and decisions, changes in environmental and other laws and regulations, competitive factors in the pipeline and energy sectors, construction and completion of capital projects, labour, equipment and material costs, access to capital markets, interest and currency exchange rates, technological developments and the current economic

conditions in North America. By its nature, forward looking information is subject to various risks and uncertainties, which could cause TQM's actual results and experience to differ materially from the anticipated results or expectations expressed. Additional information on these and other factors is available in the reports filed by TQM with Canadian securities regulators. Readers are cautioned to not place undue reliance on this forward looking information, which is given as of the date it is expressed in this news release or otherwise, and to not use future-oriented information or financial outlooks for anything other than their intended purpose. TQM undertakes no obligation to update publicly or revise any forward looking information, whether as a result of new information, future events or otherwise, except as required by law.

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