



NewsRelease

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Sempra Pipelines & Storage Seeks Partnership Stake in Sunstone; Partners Encouraged by Open Season

TULSA, Okla., CALGARY, Alberta, and SAN DIEGO – Sunstone Pipeline, a venture of Williams (NYSE: WMB) and TransCanada Corporation (TSX, NYSE: TRP), announced today that Sempra Pipelines & Storage, a unit of Sempra Energy (NYSE: SRE), has signed a memorandum of understanding with the existing partners to acquire a 25 percent ownership interest in Sunstone Pipeline and for a Sempra Energy affiliate to contract for a significant amount of capacity in the proposed natural gas pipeline. The estimated US\$2.34 billion pipeline project would run from the Rockies to Oregon.

The news that Sempra Pipelines & Storage intends to acquire a stake in Sunstone came shortly after the conclusion of an open season for transmission capacity from the Rocky Mountain supply area at Opal, Wyo., to Stanfield, Ore.. Seven other shippers have made commitments to the proposed pipeline.

“We are encouraged by the results of the open season and are pleased to welcome the proposed partnership with Sempra Pipelines & Storage,” said Phil Wright, president of Williams Gas Pipeline Company. “This strong showing provides the momentum to continue discussions with several potential customers – including both market area and producer customers. This is a clear demonstration of the growing level of market support for the Sunstone project.”

“We believe the Sunstone Pipeline is the most promising of the proposed westbound natural gas pipelines from the Rocky Mountain producing region,” said George S. Liparidis, president and chief executive officer of Sempra Pipelines & Storage. “With expanding production in the Rockies, the Sunstone Pipeline will provide needed transportation from this basin to meet growing demand in the Pacific Northwest and California markets and offer a critical supply alternative for these gas customers.”

“Many of those that executed Sunstone Pipeline precedent agreements have agreed to cost-based rates for the project,” said Hal Kvisle, president and chief executive officer of TransCanada. “Their support underscores Sunstone’s advantages in providing western states with cost-effective new access to growing Rocky Mountain production.”

Sunstone Pipeline is a proposed 585-mile, 42-inch-diameter pipeline with capacity of up to 1.2 billion cubic feet per day. The project, which is proposed for service in 2011, would involve constructing a new pipeline substantially parallel to the existing Northwest Pipeline system which is jointly owned by Williams and Williams Pipeline Partners L.P. (WMZ). Sunstone will originate at the Opal Hub in Wyoming and extend to Stanfield,

Ore., where it will interconnect with Williams Northwest Pipeline system and TransCanada's Gas Transmission Northwest (GTN) pipeline system.

From Stanfield, natural gas can reach California and Nevada markets via GTN. Natural gas could also flow to Pacific Northwest markets such as Seattle and Portland via Williams Northwest Pipeline system and the proposed Blue Bridge Pipeline. Natural gas could also reach Oregon markets off of GTN via the proposed Palomar Pipeline.

About Williams

Williams, through its subsidiaries, finds, produces, gathers, processes and transports natural gas. Williams' operations are concentrated in the Pacific Northwest, Rocky Mountains, Gulf Coast, and Eastern Seaboard. More information is available at <http://www.williams.com>. Go to <http://www.b2i.us/irpass.asp?BzID=630&to=ea&s=0> to join our e-mail list.

About TransCanada

TransCanada is a leader in the responsible development and reliable operation of North American energy infrastructure. TransCanada's network of more than 36,500 miles of pipeline taps into virtually all major gas supply basins in North America. TransCanada is one of the continent's largest providers of gas storage and related services with approximately 355 billion cubic feet of storage capacity. A growing independent power producer, TransCanada owns, controls or is developing approximately 8,300 megawatts of power generation.

About Sempra Pipelines & Storage

Sempra Pipelines & Storage acquires, builds and operates natural gas pipelines and storage facilities in Mexico and the United States. Sempra Energy, based in San Diego, is a Fortune 500 energy services holding company with 2007 revenues of more than \$11 billion. The Sempra Energy companies' 13,500 employees serve more than 29 million consumers worldwide.

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This news release may contain certain information that is forward looking and is subject to important risks and uncertainties. The words “anticipate”, “expect”, “may”, “should”, “estimate”, “project”, “outlook”, “forecast” or other similar words are used to identify such forward looking information. All forward-looking statements are based on TransCanada’s beliefs and assumptions based on information available at the time such statements were made. The results or events predicted in this information may differ from actual results or events. Factors which could cause actual results or events to differ materially from current expectations include, among other things, the ability of TransCanada to successfully implement its strategic initiatives and whether such strategic initiatives will yield the expected benefits, the availability and price of energy commodities, regulatory decisions, changes in environmental and other laws and regulations, competitive factors in the pipeline and energy industry sectors, construction and completion of capital projects, access to capital markets, interest and currency exchange rates, technological developments and the current economic conditions in North America. By its nature, such forward-looking information is subject to various risks and uncertainties which could cause TransCanada’s actual results and experience to differ materially from the anticipated results or other expectations expressed. For additional information on these and other factors, see the reports filed by TransCanada with Canadian securities regulators and with the U.S. Securities and Exchange Commission. Readers are cautioned not to 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 TransCanada 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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Sempra Pipelines & Storage is not the same company as the utilities, SDG&E or SoCalGas, and Sempra Pipelines & Storage is not regulated by the California Public Utilities Commission.