



Foothills Linepack Management – Operational Process

Foothills Shipper Meeting

October 12, 2016

For Discussion Purposes with Foothills Shippers



Linepack Management Operational Process



- **Linepack is the amount of gas present in a pipeline system at a given point in time**
 - Used to balance operational flexibility and efficiency
 - High linepack levels increase efficiency, but increase risk of exceeding the maximum operating pressure
 - Low linepack levels provide flexibility, but reduce efficiency and delivery capability
- **Foothills currently manages linepack levels by adjusting the fuel rate setting on a monthly basis and utilizing operating balancing agreement (OBA)**
- **Current process does not allow for dynamic linepack adjustments if required**
- **Foothills requires a mechanism to respond to events in a timely manner that maintains operational flexibility and efficiency**

Linepack Management Operational Process Options



- 1. Periods of Suboptimal Linepack and OBA Position -**
Foothills will continue to adjust fuel rate settings and use OBA to manage linepack levels
- 2. Single Request for Proposals (RFP) -** Foothills will request proposals during the occurrence when necessary and as required
- 3. Term Request for Proposals (RFP) -** Foothills will request proposals for a specified term to manage purchase/sale of linepack as required
- 4. Utilize existing TransCanada processes -** Foothills to manage purchase/sale of linepack using existing TransCanada processes

Next Steps



- **Foothills to implement linepack purchase/sale process utilizing existing TransCanada processes**
 - Index market price utilized when purchasing/selling linepack
 - Low administrative complexity
 - Provides ability to respond in timely manner to changes in pipeline operations, maintaining flexibility, efficiency, and capability

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