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March 14, 2008

National Energy Board  
444 Seventh Avenue S.W.  
Calgary, Alberta  
T2P 0X8

Filed Electronically

**Attention: Ms. Claudine Dutil-Berry, Secretary**

Dear Madam:

**Re: Foothills Pipe Lines Ltd. (“Foothills”)  
Statement of Rates and Charges effective April 1, 2008**

Pursuant to Section 60(1)(a) of the *National Energy Board Act*, Foothills encloses for filing revised rates and charges for transportation service on Foothills Zone 8. Attachment 1 provides the revised 2008 Zone 8 Transportation Rates on an annual basis. Attachment 2 provides the 2008 Revised Rates inclusive of an adjustment to account for rates in place from January 1, 2008 to March 31, 2008. Foothills intends the 2008 Revised Rates to be effective April 1, 2008.

The rates and charges are based on the methodology approved by the Board in Decision TG-8-2004 as amended by Order TG-03-2007.

Foothills is filing these rates now as a result of a settlement following the bankruptcy of Calpine Corporation, a shipper on TransCanada’s B.C. System now incorporated into Foothills Zone 8. As a result of the settlement, Calpine has paid to Foothills a total of \$44.4 million. Foothills intends to refund the settlement amount plus carrying charges to Zone 8 shippers over 2008 and 2009. This results in an adjustment to Foothills Zone 8 2008 FT Service Revenue Requirement, provided to the Board in Foothills November 30, 2007 filing, of \$23.5 million.

The Foothills Zone 8 full haul demand rate will decrease from \$0.0918/GJ to \$0.0568/GJ.

Attachment 3 to this letter is a black-lined copy of the relevant section of the Tariff illustrating the 2008 rates.

Attachment 4 to this letter is a clean copy of the relevant section of the Tariff incorporating the revised rates.

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Ms. C. Dutil-Berry

Foothills will notify its shippers and interested parties of the filing pursuant to Order TG-6-81, and will also post a copy of this Application on TransCanada's Foothills System website at:

[http://www.transcanada.com/Foothills/regulatory/reg\\_filings/index.html](http://www.transcanada.com/Foothills/regulatory/reg_filings/index.html)

On March 4, 2008 Foothills provided notice to shippers and interested parties of the rate reduction and its intention to file the revised rates. Foothills understands that any party that is opposed to the rates and charges will advise the Board accordingly.

Please direct all notices and communications regarding this filing to Greg Szuch by e-mail at [greg\\_szuch@transcanada.com](mailto:greg_szuch@transcanada.com) or by phone at (403) 920-5321.

Yours truly,

**Foothills Pipe Lines Ltd.**

a wholly owned subsidiary of TransCanada PipeLines Limited

*Original Signed by*

Murray Sondergard,  
Director, Regulatory Services

Encls.

cc: Interested Parties – TG-6-81  
Foothills Firm and Interruptible Shippers

Foothills Pipe Lines Ltd.

REVISED ZONE 8 TRANSPORTATION RATES

REVENUE REQUIREMENT	Schedule	Amount (\$000)
		Zone 8
Estimated Costs of Service:		
Operating & Maintenance	A	19,056
Return on Rate Base	B	17,798
Depreciation & Amortization	C	17,637
Taxes: Income and Other	D	15,643
Special Charge		555
Fuel Tax		3,000
Sub-Total		<u>73,689</u>
Adjustments:		
Previous (Over) Under	E	9,277
G&A Settlement Savings <sup>1</sup>		<u>(833)</u>
Total Revenue Requirement		<u><u>82,132</u></u>
Other Service Revenue		
STFT Revenue		(2,798)
Interruptible/Overrun Revenue		(190)
SGS Revenue		-
Calpine Settlement <sup>2</sup>		<u>(23,500)</u>
FT Service Revenue Requirement		<u><u>55,644</u></u>

**BILLING DETERMINANTS**

FT Contract MDQ (TJ/d)	F	2,319.79
Maximum Haul Distance (Km)		170.70
Total FT MDQ x Distance	F	395,989
Estimated STFT MDQ (TJ/d)		116.67
Estimated Interruptible/Overrun Deliveries (TJ)		2,636
Estimated SGS Deliveries (TJ)		-

**TRANSPORTATION RATES <sup>3</sup>**

Effective Rates		
Demand Rate (\$/GJ / Km / Month)		0.0117099104
Overrun Service (\$/GJ / Km)		n/a
Interruptible Rate (\$/GJ / Km)		0.0004223246
Full Haul Rates (100% Load Factor)		
Demand Rate (\$/GJ)		0.0655371051
Overrun Service (\$/GJ)		n/a
Interruptible Rate (\$/GJ)		0.0720908092

\* Numbers may not add up to totals due to rounding.

Note(s):

1. Forecasted Shippers' Savings with respect to Foothills' General & Administrative Expenses Settlement Agreement dated January as approved in Board Order TG-2-2003, as amended November 3, 2006 and approved in Board Order TG-03-2007.
2. 2008 portion of Calpine Settlement refund.
3. 2008 revised annual rates. See Attachment 2 for the 2008 revised rates effective April 1, 2008.

Revised 2008 Rates effective April 1, 2008

	2008 Current Effective Rate <sup>1</sup>	2008 Revised Annual Rate <sup>2</sup>	Adjustment Formula <sup>3</sup>	2008 Revised Effective Rate <sup>4</sup>
FT Demand Rate (\$/GJ/Km/Month)	0.0164032716	0.0117099104	$=[(0.0117099104 \times 12) - (0.0164032716 \times 3)]/9$	0.0101454567
IT Interruptible Rate (\$/GJ/Km)	0.0005915934	0.0004223246	$=[(0.0004223246 \times 12) - (0.0005915934 \times 3)]/9$	0.0003659017
<b>Full Haul Rates (100% Load Factor)</b>				
FT Demand Rate (\$/GJ)	0.0918045397	0.0655371051	$=[(0.0655371051 \times 12) - (0.0918045397 \times 3)]/9$	0.0567812935
IT Interruptible Rate (\$/GJ)	0.1009849934	0.0720908092	$=[(0.0720908092 \times 12) - (0.1009849934 \times 3)]/9$	0.0624594145

1. 2008 rates in effect from January 1 to March 31, 2008
2. 2008 revised annual rates are calculated as an annual 12 month rate
3.  $[(2008 \text{ revised annual rate} \times 12) - (2008 \text{ current effective rate} \times 3)]/9$
4. 2008 revised rates are to be in effect for 9 months, from April 1 to December 31, 2008

**TABLE OF EFFECTIVE RATES**

**1. Rate Schedule FT, Firm Transportation Service**

	Demand Rate (\$/GJ/Km/Month)
Zone 6	0.0067213026
Zone 7	0.0073436317
Zone 8*	<u>0.01640327160101454567</u>
Zone 9	0.0094198745

**2. Rate Schedule OT, Overrun Transportation Service**

	Commodity Rate (\$/GJ/Km)
Zone 6	0.0002424076
Zone 7	0.0002648523

**3. Rate Schedule IT, Interruptible Transportation Service**

	Commodity Rate (\$/GJ/Km)
Zone 8*	<u>0.00059159340003659017</u>
Zone 9	0.0003397332

\*For Zone 8, Shippers Haul Distance shall be 170.7 km.

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