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December 1, 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 January 1, 2009**

Pursuant to Section 60(1)(a) of the *National Energy Board Act*, Foothills encloses for filing, rates and charges for transportation service on Foothills Zones 6, 7, 8 and 9 to be effective January 1, 2009.

The following attachments are included with this letter:

- Attachment 1 includes supporting Schedules A through F;
- Attachment 2 is a black-line copy of the relevant section of the Tariff illustrating the 2009 effective rates; and
- Attachment 3 is a clean copy of the relevant section of the Tariff incorporating the amendments.

The rates and charges are based on methodology approved by the National Energy Board (“Board”) in Decision TG-8-2004 as amended by order TG-03-2007.

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 filing on TransCanada’s Foothills System website at:

http://www.transcanada.com/Foothills/regulatory/reg_filings/index.html

In preparing this filing, Foothills provided the rates and charges effective January 1, 2009 to Foothills System shippers and interested parties, and met with shippers and interested parties on

December 1, 2008
Page 2
Ms. C. Dutil-Berry

November 17, 2008. 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 Stella Morin by e-mail at stella_morin@transcanada.com or by phone at (403) 920-6844.

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

SUMMARY

Foothills Pipe Lines Ltd.

TRANSPORTATION RATES

Effective: January 1, 2009

REVENUE REQUIREMENT	Schedule	Amount (\$000)			
		Zone 6	Zone 7	Zone 8	Zone 9
Estimated Costs of Service:					
Operating & Maintenance	A	51,941	2,719	17,342	10,501
Return on Rate Base	B	11,223	1,204	16,447	16,242
Depreciation & Amortization	C	16,110	2,977	17,691	18,044
Taxes: Income and Other	D	9,632	2,010	14,012	11,417
Special Charge		1,292	153	600	224
Carbon Taxes		350	n/a	2,756	n/a
Fuel Tax		n/a	n/a	2,733	1,247
Sub-Total		90,549	9,063	71,581	57,674
Adjustments:					
Previous (Over) Under	E	167	(77)	(4,751)	7,148
G&A Settlement Savings ¹		(2,256)	(247)	(943)	(555)
Total Revenue Requirement		88,460	8,739	65,887	64,267
Other Service Revenue					
STFT Revenue		-	-	(396)	(27,736)
Interruptible/Overrun Revenue		-	-	(58)	(14,318)
SGS Revenue		-	-	-	(2)
Calpine Settlement ²		-	-	(22,296)	-
FT Service Revenue Requirement		88,460	8,739	43,137	22,210

BILLING DETERMINANTS

FT Contract MDQ (TJ/d)	F	2,207.99	800.28	2,267.10	558.94
Maximum Haul Distance (Km)		378.49	124.03	170.70	258.97
Total FT MDQ x Distance	F	835,702	99,259	386,994	144,749
Estimated STFT MDQ (TJ/d)		-	-	20.8	698
Estimated Interruptible/Overrun Deliveries (TJ)		-	-	1,016	119,563
Estimated SGS Deliveries (TJ)		-	-	-	43

TRANSPORTATION RATES

Effective Rates					
Demand Rate (\$/GJ / Km / Month)		0.0088209313	0.0073370959	0.0092889366	0.0127867269
Overrun Service (\$/GJ / Km)		0.0003190035	0.0002653416	n/a	n/a
Interruptible Rate (\$/GJ / Km)		n/a	n/a	0.0003359287	0.0004624241
Full Haul Rates (100% Load Factor)					
Demand Rate (\$/GJ)		0.1097633190	0.0299184659	0.0521300212	0.1088672438
Overrun Service (\$/GJ)		0.1207396347	0.0329103186	n/a	n/a
Interruptible Rate (\$/GJ)		n/a	n/a	0.0573430291	0.1197539692

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

Note(s):

- Forecasted Shippers' Savings with respect to Foothills' General & Administrative Expenses Settlement Agreement dated January 13, 2003 as approved in Board Order TG-2-2003, as amended November 3, 2006 and approved in Board Order TG-03-2007.
- Remaining balance of Calpine Settlement and carrying charges.

SCHEDULE A

OPERATING AND MAINTENANCE EXPENSES

For the 12-month period: January 1, 2009 to December 31, 2009

(\$000)

	<u>Total</u>	<u>Zone 6</u>	<u>Zone 7</u>	<u>Zone 8</u>	<u>Zone 9</u>
FIELD OPERATIONS EXPENSE					
TCPL OPERATING AGREEMENT	8,514	3,116	144	3,194	2,060
BP CANADA OPERATING AGREEMENT	<u>2,768</u>	<u>2,768</u>	<u>-</u>	<u>-</u>	<u>-</u>
	11,282	5,884	144	3,194	2,060
ELECTRICAL POWER					
JENNER, ACME AND CRAWLING VALLEY	14,910	14,910	-	-	-
DE/RE FACILITIES AT EMPRESS	8,598	8,598	-	-	-
BC	469	-	-	469	-
SASKATCHEWAN	<u>744</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>744</u>
	24,721	23,508	-	469	744
MAINTENANCE & INTEGRITY PROGRAM					
INVENTORY & MAINTENANCE PARTS	689	251	-	200	238
MAINTENANCE PROJECTS	9,126	1,930	-	2,937	4,259
COMMUNICATIONS	452	115	-	183	154
INTEGRITY PROGRAM	<u>6,385</u>	<u>3,358</u>	<u>36</u>	<u>2,869</u>	<u>122</u>
	16,652	5,653	36	6,189	4,774
G&A SETTLEMENT ¹					
	23,319	13,279	1,577	6,163	2,300
LAND PAYMENTS					
	1,511	760	622	-	129
INSURANCE & PENSION OBLIGATIONS					
	517	294	35	137	51
GOVERNMENT AGENCY COSTS RECOVERY					
	<u>4,500</u>	<u>2,562</u>	<u>304</u>	<u>1,189</u>	<u>444</u>
TOTAL	<u><u>82,502</u></u>	<u><u>51,941</u></u>	<u><u>2,719</u></u>	<u><u>17,342</u></u>	<u><u>10,501</u></u>

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

Note(s):

1. Agreed to amount for Foothills' General & Administrative Expenses pursuant to the Settlement Agreement dated January 13, 2003 as approved in Board Order TG-2-2003, as amended November 3, 2006 and approved in Board Order TG-03-2007.

**DEEMED AVERAGE CAPITALIZATION AND
RETURN ON RATE BASE
FOR THE YEAR ENDING DECEMBER 31, 2009**

(\$000)

ZONE 6

	<u>AMOUNT</u> <u>(\$000)</u>	<u>RATIO</u> <u>%</u>	<u>COST</u> <u>RATE</u> <u>%</u>	<u>COST</u> <u>COMPONENT</u> <u>%</u>
Debt - Funded	89,217	50.48	5.48	2.77
- Unfunded (Prefunded)	<u>23,894</u>	<u>13.52</u>	3.65	<u>0.49</u>
	113,111	64.00		3.26
Common Equity	<u>63,625</u>	<u>36.00</u>	8.57	<u>3.09</u>
Total Capitalization	<u><u>176,736</u></u>	<u><u>100.00</u></u>		<u><u>6.35</u></u>
Return on Rate Base	<u><u>11,223</u></u>			

ZONE 7

	<u>AMOUNT</u> <u>(\$000)</u>	<u>RATIO</u> <u>%</u>	<u>COST</u> <u>RATE</u> <u>%</u>	<u>COST</u> <u>COMPONENT</u> <u>%</u>
Debt - Funded	10,848	58.48	5.48	3.20
- Unfunded (Prefunded)	<u>1,023</u>	<u>5.52</u>	3.65	<u>0.20</u>
	11,871	64.00		3.40
Common Equity	<u>6,678</u>	<u>36.00</u>	8.57	<u>3.09</u>
Total Capitalization	<u><u>18,549</u></u>	<u><u>100.00</u></u>		<u><u>6.49</u></u>
Return on Rate Base	<u><u>1,204</u></u>			

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

**DEEMED AVERAGE CAPITALIZATION AND
RETURN ON RATE BASE
FOR THE YEAR ENDING DECEMBER 31, 2009**

(\$000)

ZONE 8

	<u>AMOUNT</u> <u>(\$000)</u>	<u>RATIO</u> <u>%</u>	<u>COST</u> <u>RATE</u> <u>%</u>	<u>COST</u> <u>COMPONENT</u> <u>%</u>
Debt - Funded	129,750	50.10	5.48	2.75
- Unfunded (Prefunded)	<u>36,014</u>	<u>13.90</u>	3.65	<u>0.51</u>
	165,764	64.00		3.26
Common Equity	<u>93,242</u>	<u>36.00</u>	8.57	<u>3.09</u>
Total Capitalization	<u><u>259,006</u></u>	<u><u>100.00</u></u>		<u><u>6.35</u></u>
Return on Rate Base	<u><u>16,447</u></u>			

ZONE 9

	<u>AMOUNT</u> <u>(\$000)</u>	<u>RATIO</u> <u>%</u>	<u>COST</u> <u>RATE</u> <u>%</u>	<u>COST</u> <u>COMPONENT</u> <u>%</u>
Debt - Funded	134,129	52.77	5.48	2.89
- Unfunded (Prefunded)	<u>28,546</u>	<u>11.23</u>	3.65	<u>0.41</u>
	162,675	64.00		3.30
Common Equity	<u>91,505</u>	<u>36.00</u>	8.57	<u>3.09</u>
Total Capitalization	<u><u>254,179</u></u>	<u><u>100.00</u></u>		<u><u>6.39</u></u>
Return on Rate Base	<u><u>16,242</u></u>			

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

SCHEDULE B-1
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RATE BASE - 2009

(\$000)

ZONE 6

Month	Net Plant Month End	Materials Supplies & Prepaid	Working Capital	Linepack	Rate Base End Month
January Opening Balance	174,723	1,501	5,071	2,644	183,940
January	173,806	1,483	5,821	2,644	183,754
February	172,638	1,464	5,821	2,644	182,567
March	171,352	1,445	5,821	2,644	181,262
April	170,052	1,426	5,821	2,644	179,943
May	168,747	1,407	5,821	2,644	178,619
June	167,439	1,388	5,821	2,644	177,292
July	166,130	1,369	5,821	2,644	175,965
August	164,897	1,351	5,821	2,644	174,713
September	163,752	1,332	5,821	2,644	173,549
October	162,569	1,313	5,821	2,644	172,347
November	161,310	1,294	5,821	2,644	171,070
December	160,014	1,275	5,821	2,644	169,754
Average Rate Base - 12 Month					<u>176,736</u>

ZONE 7

Month	Net Plant Month End	Materials Supplies & Prepaid	Working Capital	Linepack	Rate Base End Month
January Opening Balance	18,816	-	204	1,039	20,059
January	18,583	-	261	1,039	19,882
February	18,350	-	261	1,039	19,650
March	18,107	-	261	1,039	19,407
April	17,863	-	261	1,039	19,163
May	17,619	-	261	1,039	18,918
June	17,374	-	261	1,039	18,674
July	17,129	-	261	1,039	18,429
August	16,884	-	261	1,039	18,184
September	16,639	-	261	1,039	17,939
October	16,393	-	261	1,039	17,693
November	16,148	-	261	1,039	17,447
December	15,902	-	261	1,039	17,202
Average Rate Base - 12 Month					<u>18,549</u>

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

SCHEDULE B-1
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RATE BASE - 2009

(\$000)

ZONE 8

Month	Net Plant Month End	Materials Supplies & Prepaid	Working Capital	Linepack	Rate Base End Month
January Opening Balance	260,067	2,511	2,511	1,473	266,562
January	259,495	2,495	2,831	1,473	266,294
February	258,579	2,478	2,831	1,473	265,361
March	257,156	2,461	2,831	1,473	263,922
April	255,733	2,445	2,831	1,473	262,482
May	254,304	2,428	2,831	1,473	261,036
June	252,870	2,411	2,831	1,473	259,585
July	251,434	2,395	2,831	1,473	258,132
August	249,995	2,378	2,831	1,473	256,677
September	248,759	2,361	2,831	1,473	255,424
October	247,517	2,345	2,831	1,473	254,166
November	246,078	2,328	2,831	1,473	252,710
December	245,670	2,311	2,831	1,473	252,286
Average Rate Base - 12 Month					<u>259,006</u>

ZONE 9

Month	Net Plant Month End	Materials Supplies & Prepaid	Working Capital	Linepack	Rate Base End Month
January Opening Balance	259,436	766	1,663	1,823	263,688
January	257,915	755	1,137	2,156	261,963
February	256,323	746	1,137	2,489	260,695
March	254,897	737	1,137	2,489	259,260
April	253,462	728	1,137	2,489	257,816
May	252,024	719	1,137	2,489	256,369
June	250,596	709	1,137	2,489	254,931
July	249,147	700	1,137	2,489	253,473
August	247,662	691	1,137	2,489	251,980
September	246,176	682	1,137	2,489	250,484
October	244,688	673	1,137	2,489	248,987
November	243,410	664	1,137	2,489	247,699
December	242,215	654	1,137	2,489	246,496
Average Rate Base - 12 Month					<u>254,179</u>

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

SCHEDULE C

DEPRECIATION AND AMORTIZATION

(\$000)

ZONE 6

Month	Depreciation	Amortization	Amortization & Depreciation
January	1,327	14	1,341
February	1,328	14	1,342
March	1,329	14	1,343
April	1,329	14	1,343
May	1,329	14	1,344
June	1,330	14	1,344
July	1,330	14	1,344
August	1,331	14	1,345
September	1,326	14	1,340
October	1,327	14	1,341
November	1,328	14	1,342
December	1,328	14	1,342
TOTAL	<u><u>15,941</u></u>	<u><u>169</u></u>	<u><u>16,110</u></u>

ZONE 7

Month	Depreciation	Amortization	Amortization & Depreciation
January	248	-	248
February	248	-	248
March	248	-	248
April	248	-	248
May	248	-	248
June	248	-	248
July	248	-	248
August	248	-	248
September	248	-	248
October	248	-	248
November	248	-	248
December	248	-	248
TOTAL	<u><u>2,977</u></u>	<u><u>-</u></u>	<u><u>2,977</u></u>

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

SCHEDULE C

DEPRECIATION AND AMORTIZATION

(\$000)

ZONE 8

Month	Depreciation	Amortization	Amortization & Depreciation
January	1,486	(5)	1,481
February	1,485	(5)	1,480
March	1,477	(5)	1,472
April	1,477	(5)	1,473
May	1,478	(5)	1,474
June	1,479	(5)	1,474
July	1,480	(5)	1,475
August	1,481	(5)	1,476
September	1,475	(5)	1,470
October	1,476	(5)	1,471
November	1,476	(5)	1,472
December	1,477	(5)	1,472
TOTAL	<u><u>17,746</u></u>	<u><u>(55)</u></u>	<u><u>17,691</u></u>

ZONE 9

Month	Depreciation	Amortization	Amortization & Depreciation
January	1,502	(2)	1,500
February	1,503	(2)	1,501
March	1,504	(2)	1,502
April	1,504	(2)	1,502
May	1,505	(2)	1,503
June	1,505	(2)	1,504
July	1,506	(2)	1,504
August	1,506	(2)	1,505
September	1,507	(2)	1,505
October	1,507	(2)	1,505
November	1,508	(2)	1,506
December	1,509	(2)	1,507
TOTAL	<u><u>18,066</u></u>	<u><u>(22)</u></u>	<u><u>18,044</u></u>

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

SCHEDULE C-1

Page 1 of 4

DEPRECIATION BY ACCOUNT - 2009

(\$000)

ZONE 6

NEB Account No and Description	Depreciation Rate	Gross Plant at 31-Dec-2008	Additions & Retirements	Gross Plant at 31-Dec-2009	Depreciation For Year
460-Land	0.00%	222	-	222	-
461-Land Rights	3.00%	3,412	-	3,412	102
462-Compressor Structures	3.00%	34,412	-	34,412	1,032
463-Meas & Reg Structures	3.00%	-	-	-	-
464-Other Structures	3.00%	-	-	-	-
465-Pipeline Mains	3.00%	303,943	-	303,943	9,118
466-Compressor Equipment	3.00%	171,978	651	172,629	5,169
467-Meas & Reg Equipment	3.00%	-	-	-	-
468-Communications	3.00%	435	-	435	13
469-Other Equipment	3.00%	-	-	-	-
482-Leasehold Improvements	10.00%	332	-	332	33
483-Computer Equipment	24.41%	811	213	1,024	207
483-Office Furniture & Eqmt	8.90%	14	-	14	1
484-Transportation Eqmt	30.00%	-	-	-	-
485-Heavy Work Equipment	2.19%	80	-	80	-
486-Tools & Work Equipment	2.01%	686	-	686	-
488-Communication STR	5.21%	15	4	19	-
489-Other Equipment	0.00%	-	-	-	-
496-Standby Plant	3.00%	8,836	-	8,836	265
496-Engineering Adj. Unclassified	0.00%	-	-	-	-
497-Unallocated Plant	3.00%	-	-	-	-
TOTAL Gas Plant in Service		<u>525,177</u>	<u>868</u>	<u>526,046</u>	<u>15,941</u>
Composite Depreciation Rate	3.03%				

DEPRECIATION BY MONTH - 2009

(\$000)

Month	Gross Plant Start Month	Additions In Month	Retirements In Month	Gross Plant End Month	Depreciation For Month
January	525,177	221	-	525,398	1,327
February	525,398	49	-	525,448	1,328
March	525,448	28	-	525,475	1,329
April	525,475	24	-	525,499	1,329
May	525,499	19	-	525,518	1,329
June	525,518	18	-	525,536	1,330
July	525,536	18	-	525,555	1,330
August	525,555	169	-	525,724	1,331
September	525,724	191	-	525,914	1,326
October	525,914	91	-	526,005	1,327
November	526,005	41	-	526,045	1,328
December	526,045	17	(16)	526,046	1,328
TOTAL		<u>885</u>	<u>(16)</u>		<u>15,941</u>

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

SCHEDULE C-1

DEPRECIATION BY ACCOUNT - 2009

(\$000)

ZONE 7

NEB Account No and Description	Depreciation Rate	Gross Plant at 31-Dec-2008	Additions & Retirements	Gross Plant at 31-Dec-2009	Depreciation For Year
460-Land	0.00%	-	-	-	-
461-Land Rights	3.00%	1,081	-	1,081	32
462-Compressor Structures	3.00%	490	-	490	15
463-Meas & Reg Structures	3.00%	-	-	-	-
464-Other Structures	3.00%	-	-	-	-
465-Pipeline Mains	3.00%	73,367	-	73,367	2,201
466-Compressor Equipment	3.00%	-	-	-	-
467-Meas & Reg Equipment	3.00%	-	-	-	-
468-Communications	3.00%	-	-	-	0
469-Other Equipment	3.00%	-	-	-	-
482-Leasehold Improvements	10.00%	44	-	44	-
483-Computer Equipment	24.41%	129	38	167	37
483-Office Furniture & Eqmt	8.90%	3	-	3	0
484-Transportation Eqmt	30.00%	-	-	-	-
486-Tools & Work Equip	2.01%	18	-	18	-
488-Communication STR	5.21%	3	1	4	-
489-Other Equipment	0.00%	0	-	0	-
496-Standby Plant	3.00%	23,072	-	23,072	692
496-Engineering Adj. Unclassified	0.00%	-	-	-	-
TOTAL Gas Plant in Service		<u>98,207</u>	<u>39</u>	<u>98,246</u>	<u>2,977</u>
Composite Depreciation Rate	3.03%				

DEPRECIATION BY MONTH - 2009

(\$000)

Month	Gross Plant Start Month	Additions In Month	Retirements In Month	Gross Plant End Month	Depreciation For Month
January	98,207	5	-	98,212	248
February	98,212	5	-	98,217	248
March	98,217	4	-	98,221	248
April	98,221	4	-	98,225	248
May	98,225	3	-	98,228	248
June	98,228	3	-	98,232	248
July	98,232	3	-	98,235	248
August	98,235	3	-	98,238	248
September	98,238	3	-	98,241	248
October	98,241	3	-	98,243	248
November	98,243	3	-	98,246	248
December	98,246	2	(2)	98,246	248
TOTAL		<u>41</u>	<u>(2)</u>		<u>2,977</u>

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

DEPRECIATION BY ACCOUNT - 2009

(\$000)

ZONE 8

NEB Account No and Description	Depreciation Rate	Gross Plant at 31-Dec-2008	Additions & Retirements	Gross Plant at 31-Dec-2009	Depreciation For Year
401-Franchises and Consents	0.00%	468	-	468	-
402-Other Intangibles	3.00%	3,367	-	3,367	101
460-Land	0.00%	113	-	113	-
461-Land Rights	3.00%	874	-	874	26
462-Compressor Structures	3.00%	18,241	-	18,241	547
463-Meas & Reg Structures	3.00%	1,747	-	1,747	52
464-Other Structures	3.00%	-	-	-	-
465-Pipeline Mains	3.00%	284,594	2,048	286,642	8,538
466-Compressor Equipment	3.00%	237,429	402	237,831	7,126
467-Meas & Reg Equipment	3.00%	13,264	75	13,339	398
468-Communications	3.00%	2,876	-	2,876	86
469-Other Equipment	0.00%	343	-	343	10
482-Leasehold Improvements	10.00%	113	-	113	-
482-Leasehold Improvements	6.67%	448	-	448	3
482-Other Structures	2.19%	4,215	-	4,215	55
482-Leasehold Improvements	5.61%	588	-	588	33
483-Computer Equipment	24.41%	1,791	137	1,927	494
483-Office Furniture & Eqmt	8.90%	1,215	-	1,215	19
484-Transportation Eqmt	30.00%	1,937	-	1,937	-
485-Heavy Work Equipment	2.19%	2,411	-	2,411	53
486-Tools & Work Equip	2.01%	2,394	-	2,394	46
488-Communication STR	5.21%	462	15	477	24
489-Other Equipment	0.00%	-	-	-	-
496-Standby Plant	3.00%	4,469	-	4,469	134
496-Engineering Adj. Unclassified	0.00%	-	-	-	-
TOTAL Gas Plant in Service		<u>583,358</u>	<u>2,676</u>	<u>586,034</u>	<u>17,746</u>
Composite Depreciation Rate	3.04%				

DEPRECIATION BY MONTH - 2009

(\$000)

Month	Gross Plant Start Month	Additions In Month	Retirements In Month	Gross Plant End Month	Depreciation For Month
January	583,358	59	-	583,417	1,486
February	583,417	55	-	583,472	1,485
March	583,472	51	-	583,522	1,477
April	583,522	47	-	583,570	1,477
May	583,570	42	-	583,612	1,478
June	583,612	38	-	583,650	1,479
July	583,650	37	-	583,687	1,480
August	583,687	38	-	583,725	1,481
September	583,725	436	-	584,160	1,475
October	584,160	25	-	584,186	1,476
November	584,186	39	-	584,224	1,476
December	584,224	2,091	(281)	586,034	1,477
TOTAL		<u>2,957</u>	<u>(281)</u>		<u>17,746</u>

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

SCHEDULE C-1

DEPRECIATION BY ACCOUNT - 2009

(\$000)

ZONE 9

NEB Account No and Description	Depreciation Rate	Gross Plant at 31-Dec-2008	Additions & Retirements	Gross Plant at 31-Dec-2009	Depreciation For Year
460-Land	0.00%	130	-	130	-
461-Land Rights	3.00%	1,310	-	1,310	39
462-Compressor Structures	3.00%	40,343	-	40,343	1,210
463-Meas & Reg Structures	3.00%	5,593	-	5,593	168
464-Other Structures	3.00%	1,632	-	1,632	49
465-Pipeline Mains	3.00%	326,467	55	326,522	9,794
466-Compressor Equipment	3.00%	196,668	62	196,730	5,901
467-Meas & Reg Equipment	3.00%	11,576	420	11,996	348
468-Communications	3.00%	162	239	401	10
469-Other Equipment	3.00%	-	-	-	-
482-Leasehold Improvements	10.00%	233	-	233	0
483-Computer Equipment	24.41%	799	251	1,050	229
483-Office Furniture & Eqmt	8.90%	16	-	16	1
484-Transportation Eqmt	30.00%	247	-	247	-
485-Heavy Work Equip	2.19%	132	-	132	-
486-Tools & Work Equip	2.01%	850	-	850	-
488-Communication STR	5.21%	11	5	16	1
489-Other Equipment	0.00%	-	-	-	-
496-Standby Plant	3.00%	10,509	-	10,509	315
496-Engineering Adj. Unclassified	0.00%	-	-	-	-
497-Unallocated Plant	3.00%	-	-	-	-
TOTAL Gas Plant in Service		<u>596,677</u>	<u>1,032</u>	<u>597,710</u>	<u>18,066</u>
Composite Depreciation Rate	3.03%				

DEPRECIATION BY MONTH - 2009

(\$000)

Month	Gross Plant Start Month	Additions In Month	Retirements In Month	Gross Plant End Month	Depreciation For Month
January	596,677	86	-	596,764	1,502
February	596,764	79	-	596,843	1,503
March	596,843	73	-	596,916	1,504
April	596,916	67	-	596,983	1,504
May	596,983	61	-	597,044	1,505
June	597,044	91	-	597,135	1,505
July	597,135	21	-	597,156	1,506
August	597,156	22	-	597,178	1,506
September	597,178	18	-	597,196	1,507
October	597,196	18	-	597,214	1,507
November	597,214	438	-	597,652	1,508
December	597,652	69	(11)	597,710	1,509
TOTAL		<u>1,044</u>	<u>(11)</u>		<u>18,066</u>

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

SCHEDULE D

TAXES: INCOME AND OTHER

(\$000)

	<u>Zone 6</u>	<u>Zone 7</u>	<u>Zone 8</u>	<u>Zone 9</u>
RETURN ON RATE BASE	11,223	1,204	16,447	16,242
Add:				
Depreciation and Amortization	16,110	2,977	17,691	18,044
Deduct:				
Return on Debt	5,731	627	8,181	8,341
Capital Cost Allowance	6,677	935	9,852	7,899
TAXABLE INCOME EXCLUDING PROVISION	<u>14,924</u>	<u>2,620</u>	<u>16,106</u>	<u>18,046</u>
INCOME TAX RATE	29.00%	29.00%	30.00%	31.00%
INCOME TAX PROVISION (at R/(1-R) x Taxable Income Excluding Provision)	6,096	1,070	6,902	8,108
Taxes - Other than Income Tax	3,536	940	7,110	3,309
TOTAL TAXES: INCOME AND OTHER	<u><u>9,632</u></u>	<u><u>2,010</u></u>	<u><u>14,012</u></u>	<u><u>11,417</u></u>

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

ADJUSTMENT FOR (OVER) OR UNDER COLLECTION

(\$000)

ZONE 6

	<u>2007 Forecast¹</u>	<u>2007 Actual</u>	<u>2008 Forecast²</u>		
Cost of Service					
Operating & Maintenance	27,863	29,559		35,849	
Return on Rate Base	11,779	12,648		11,737	
Depreciation & Amortization	16,004	15,708		15,835	
Taxes - Income + Other	10,258	10,416		9,609	
Special Charge	1,251	1,166		1,162	
Carbon Tax	n/a	n/a		346	
Fuel Tax	n/a	n/a		n/a	
Sub-Total	<u>67,156</u>	<u>69,497</u>		<u>74,538</u>	
Adjustments:					
Previous (Over) Under	(13,040)	(13,040)		(8,597)	
G&A Settlement Savings	(1,203)	(1,281)		(1,177)	
Overrun Service	-	-		-	
Total Firm Revenue Requirement	<u>52,913</u>	<u>55,176</u>		<u>64,764</u>	
Service Revenue					
FT Service	<u>60,107</u>	<u>60,107</u>		<u>66,899</u>	
Total Revenue Generated	<u>60,107</u>	<u>60,107</u>		<u>66,899</u>	
Variance	<u>2007</u>		<u>2007³</u>	<u>2008⁴</u>	<u>Total⁵</u>
Revenue Required minus Revenue Generated	(7,194)	(4,931)	2,263	(2,135)	128
Interest on Variance	(350)	(240)	110	(70)	40
BILLING ADJUSTMENT FOR TEST YEAR	<u>(7,543)</u>	<u>(5,170)</u>	<u>2,373</u>	<u>(2,206)</u>	<u>167</u>

ZONE 7

	<u>2007 Forecast¹</u>	<u>2007 Actual</u>	<u>2008 Forecast²</u>		
Cost of Service					
Operating & Maintenance	1,975	1,997		2,123	
Return on Rate Base	1,469	1,535		1,368	
Depreciation & Amortization	3,132	3,124		2,973	
Taxes - Income + Other	2,171	2,198		1,970	
Special Charge	142	133		132	
Fuel Tax	n/a	n/a		n/a	
Sub-Total	<u>8,889</u>	<u>8,987</u>		<u>8,566</u>	
Adjustments:					
Previous (Over) Under	(120)	(120)		(289)	
G&A Settlement Savings	(128)	(137)		(122)	
Overrun Service	-	-		-	
Total Firm Revenue Requirement	<u>8,641</u>	<u>8,730</u>		<u>8,155</u>	
Service Revenue					
FT Service	<u>8,838</u>	<u>8,838</u>		<u>8,319</u>	
Total Revenue Generated	<u>8,838</u>	<u>8,838</u>		<u>8,319</u>	
Variance	<u>2007</u>		<u>2007³</u>	<u>2008⁴</u>	<u>Total⁵</u>
Revenue Required minus Revenue Generated	(197)	(108)	89	(164)	(76)
Interest on Variance	(10)	(5)	4	(5)	(1)
BILLING ADJUSTMENT FOR TEST YEAR	<u>(206)</u>	<u>(113)</u>	<u>93</u>	<u>(170)</u>	<u>(77)</u>

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

Note(s):

- Forecast of 2007 as included in the 2008 rates application.
- Forecast of 2008 includes 9 months of actuals.
- Estimate/Actual (over) under collection from 2007.
- 2008 estimated (over) under collection.
- Total adjustment from 2007 and 2008.

ADJUSTMENT FOR (OVER) OR UNDER COLLECTION

(\$000)

ZONE 8

	<u>2007 Forecast¹</u>	<u>2007 Actual</u>	<u>2008 Forecast²</u>		
Cost of Service					
Operating & Maintenance	24,280	24,488	16,030		
Return on Rate Base	14,696	14,532	17,191		
Depreciation & Amortization	15,089	15,081	17,523		
Taxes - Income + Other	8,440	8,047	14,254		
Special Charge	295	601	555		
Carbon Tax	n/a	n/a	900		
Fuel Tax	2,358	2,565	2,662		
Sub-Total	<u>65,157</u>	<u>65,314</u>	<u>69,115</u>		
Adjustments:					
Previous (Over) Under	(362)	(362)	9,277		
G&A Settlement Savings	(520)	(225)	(496)		
Calpine Settlement	-	-	(23,500)		
STFT & IT Service	<u>(2,924)</u>	<u>(3,308)</u>	<u>(3,137)</u>		
Total Firm Revenue Requirement	<u>61,352</u>	<u>61,419</u>	<u>51,259</u>		
Service Revenue					
FT Service	<u>52,878</u>	<u>52,880</u>	<u>55,925</u>		
Total Revenue Generated	<u>52,878</u>	<u>52,880</u>	<u>55,925</u>		
Variance					
	<u>2007</u>		<u>2007³</u>	<u>2008⁴</u>	<u>Total⁵</u>
Revenue Required minus Revenue Generated	8,474	8,539	65	(4,666)	(4,601)
Interest on Variance	<u>412</u>	<u>415</u>	<u>3</u>	<u>(154)</u>	<u>(151)</u>
BILLING ADJUSTMENT FOR TEST YEAR	8,886	8,954	68	(4,820)	(4,751)
BILLING ADJUSTMENT FROM BC SYSTEM (Schedule E-1)					0
BILLING ADJUSTMENT FOR TEST YEAR (TOTAL)					<u>(4,751)</u>

ZONE 9

	<u>2007 Forecast¹</u>	<u>2007 Actual</u>	<u>2008 Forecast²</u>		
Cost of Service					
Operating & Maintenance	12,884	11,705	10,283		
Return on Rate Base	17,708	18,535	17,331		
Depreciation & Amortization	18,266	17,901	17,947		
Taxes - Income + Other	13,124	12,855	11,288		
Special Charge	581	371	420		
Fuel Tax	1,179	1,131	1,434		
Sub-Total	<u>63,742</u>	<u>62,498</u>	<u>58,703</u>		
Adjustments:					
Previous (Over) Under	(1,453)	(1,453)	1,165		
G&A Settlement Savings	(507)	(519)	(532)		
STFT, IT & SGS Service	<u>(25,288)</u>	<u>(24,384)</u>	<u>(20,410)</u>		
Total Firm Revenue Requirement	<u>36,494</u>	<u>36,142</u>	<u>38,926</u>		
Service Revenue					
FT Service	<u>38,234</u>	<u>38,234</u>	<u>31,649</u>		
Total Revenue Generated	<u>38,234</u>	<u>38,234</u>	<u>31,649</u>		
Variance					
	<u>2007</u>		<u>2007³</u>	<u>2008⁴</u>	<u>Total⁵</u>
Revenue Required minus Revenue Generated	(1,740)	(2,092)	(352)	7,277	6,925
Interest on Variance	<u>(85)</u>	<u>(102)</u>	<u>(17)</u>	<u>240</u>	<u>223</u>
BILLING ADJUSTMENT FOR TEST YEAR	(1,825)	(2,194)	(369)	7,517	7,148

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

Note(s):

- Forecast of 2007 as included in the 2008 rates application.
- Forecast of 2008 includes 9 months of actuals.
- Estimate/Actual (over) under collection from 2007.
- 2008 estimated (over) under collection.
- Total adjustment from 2007 and 2008.

SCHEDULE E-1

**TransCanada BC System
ADJUSTMENT FOR (OVER) OR UNDER COLLECTION**

(\$000)

REVENUE REQUIRED

	<u>2007 Forecast</u> ¹	<u>2007 Actual</u>
Costs		
Operating & Maintenance	3,256	3,256
NEB Cost Recovery	756	756
Compressor Fuel Tax	860	860
Property and Capital Tax	1,000	1,000
Earned Return	3,114	3,114
Depreciation	3,023	3,023
Income Taxes	(51)	(51)
Foothills Pipelines	5,556	5,556
Total Costs	<u>17,514</u>	<u>17,514</u>
Previous (Over) Under	-	-
Total Revenue Requirement	<u>17,514</u>	<u>17,514</u>
Other Services		
Deduct Interruptible Revenue	(1,006)	(1,006)
Deduct Other Revenues	(468)	(468)
Total Other Services	<u>(1,474)</u>	<u>(1,474)</u>
FT Revenue Required	<u><u>16,040</u></u>	<u><u>16,040</u></u>

REVENUE GENERATED

Service Revenue		
FT	15,355	15,355
Total Revenue Generated	<u><u>15,355</u></u>	<u><u>15,355</u></u>

VARIANCE

			2007 ²	Total ³
Revenue Required minus Revenue Generated	685	685	0	0
Interest on Variance	44	44	0	0
BILLING ADJUSTMENT FOR TEST YEAR	729	729	0	0

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

Note(s):

1. Forecast of 2007 as included in the 2008 rates application.
2. 2007 estimated (over) under collection.
3. Billing adjustment for TransCanada BC System for first 3 month of 2007 prior to integration with Foothills Pipe Lines Ltd.

SCHEDULE F

FIRM TRANSPORTATION VOLUMES AND HAUL DISTANCE

SHIPPER	Annual Average MDQ (TJ)	Haul Distance (Km)	Annual Average MDQ x Dist. (TJ x Km)	Zone Allocation (%)
Zone 6				
NOVA Gas Transmission Ltd.	<u>2,207,989</u>	378.49	<u>835,701.7566</u>	56.978%
Zone 7				
NOVA Gas Transmission Ltd.	<u>800,279</u>	124.03	<u>99,258.6044</u>	6.767%
Zone 8				
Apache Canada Ltd.	10.593	170.70	1,808.2251	
Avista Corporation	182.341	170.70	31,125.6087	
Avista Energy, Inc.	27.841	170.70	4,752.4587	
British Columbia Hydro and Power Authority	43.673	170.70	7,454.9811	
Cascade Natural Gas Corporation	29.411	170.70	5,020.4577	
Chevron Canada Resources	22.144	170.70	3,779.9808	
City of Glendale	4.362	170.70	744.5934	
City of Pasadena	4.362	170.70	744.5934	
City of Redding	8.117	170.70	1,385.5719	
Columbia Brewing Company	0.270	170.70	46.0890	
ConocoPhillips Canada (BRC) Partnership	40.816	170.70	6,967.2912	
ConocoPhillips Western Canada Partnership	10.815	170.70	1,846.1205	
Devon Canada Corporation	17.925	170.70	3,059.7975	
EnCana Oil & Gas Partnership	67.948	170.70	11,598.7236	
Hermiston Generating Company, L.P.	47.708	170.70	8,143.7556	
Husky Energy Marketing Inc.	12.630	170.70	2,155.9410	
Iberdrola Canada Energy Services Ltd.	82.623	170.70	14,103.7461	
Intermountain Gas Company	116.960	170.70	19,965.0720	
Nexen Marketing	26.817	170.70	4,577.6619	
Northern California Power Agency	5.935	170.70	1,013.1045	
Northwest Natural Gas Company	157.267	170.70	26,845.4769	
Oxy Energy Canada, Inc.	39.960	170.70	6,821.1720	
Pacific Gas and Electric Company	644.696	170.70	110,049.6072	
Paramount Resources Ltd.	21.187	170.70	3,616.6209	
Petro-Canada Oil and Gas	30.100	170.70	5,138.0700	
PG&E Corporation	26.860	170.70	4,585.0020	
Portland General Electric Company	43.810	170.70	7,478.3670	
Puget Sound Energy, Inc.	82.960	170.70	14,161.2720	
Sacramento Municipal Utility District	31.526	170.70	5,381.4882	
Sempra Energy Trading LLC	0.352	170.70	60.0864	
Shell Energy North America (Canada) Inc.	42.466	170.70	7,248.9462	
Sierra Pacific Power Company	136.031	170.70	23,220.4917	
Southern California Gas Company	56.783	170.70	9,692.8581	
Suncor Energy Inc.	43.648	170.70	7,450.7136	
Talisman Energy Canada	4.406	170.70	752.1042	
Tembec Enterprises Inc.	3.500	170.70	597.4500	
Terasen Gas Inc.	117.675	170.70	20,087.1225	
Turlock Irrigation District	14.130	170.70	2,411.9910	
United States Gypsum Company	6.452	170.70	1,101.3564	
	<u>2,267,100</u>		<u>386,993.9700</u>	26.385%
Zone 9				
BP Canada Energy Company	113.982	258.97	29,517.9185	
Canadian Natural Resources	28.699	258.97	7,432.1800	
ConocoPhillips Canada (BRC) Partnership	43.527	258.97	11,272.1872	
ConocoPhillips Canada Energy Partnership	21.371	258.97	5,534.4479	
Constellation Energy Commodities Group, Inc.	20.010	258.97	5,181.9897	
EnCana Oil & Gas Partnership	70.937	258.97	18,370.5549	
Hess Canada Gas Ltd.	21.207	258.97	5,491.9768	
Husky Energy Marketing Inc.	111.422	258.97	28,854.9553	
Minnesota Corn Processors, LLC	8.550	258.97	2,214.1935	
Nexen Inc.	22.143	258.97	5,734.3727	
Nexen Marketing	10.580	258.97	2,739.9026	
Petro-Canada Oil and Gas	64.760	258.97	16,770.8972	
PrimeWest Energy Inc.	1.745	258.97	451.9027	
Tenaska Marketing Canada, a division of TMV Corp.	20.009	258.97	5,181.7307	
	<u>558,942</u>		<u>144,749.2097</u>	9.869%

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

Foothills Pipe Lines Ltd.**TABLE OF EFFECTIVE RATES****1. Rate Schedule FT, Firm Transportation Service**

	Demand Rate (\$/GJ/Km/Month)
Zone 6	<u>0.00672130260.0088209313</u>
Zone 7	<u>0.00734363170.0073370959</u>
Zone 8*	<u>0.01014545670.0092889366</u>
Zone 9	<u>0.00941987450.0127867269</u>

2. Rate Schedule OT, Overrun Transportation Service

	Commodity Rate (\$/GJ/Km)
Zone 6	<u>0.00024240760.0003190035</u>
Zone 7	<u>0.00026485230.0002653416</u>

3. Rate Schedule IT, Interruptible Transportation Service

	Commodity Rate (\$/GJ/Km)
Zone 8*	<u>0.00036590170.0003359287</u>
Zone 9	<u>0.00033973320.0004624241</u>

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

TABLE OF EFFECTIVE RATES

1. Rate Schedule FT, Firm Transportation Service

	Demand Rate (\$/GJ/Km/Month)
Zone 6	0.0088209313
Zone 7	0.0073370959
Zone 8*	0.0092889366
Zone 9	0.0127867269

2. Rate Schedule OT, Overrun Transportation Service

	Commodity Rate (\$/GJ/Km)
Zone 6	0.0003190035
Zone 7	0.0002653416

3. Rate Schedule IT, Interruptible Transportation Service

	Commodity Rate (\$/GJ/Km)
Zone 8*	0.0003359287
Zone 9	0.0004624241

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