



450 – 1 Street S.W.  
Calgary, Alberta T2P 5H1  
Tel: (403) 920-6844  
Fax: (403) 920-2347  
Email: stella\_morin@transcanada.com

November 25, 2011

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

Filed Electronically

**Attention: Ms. Louise George, Secretary of the Board**

Dear Ms. George:

**Re: Foothills Pipe Lines Ltd. (Foothills)  
Response to NEB Information Request 1 on November 15, 2011  
NEB File OF-Tolls-Group1-F115-2011-02 01**

On October 31, 2011, Foothills filed with the Board its Statement of Rates and Charges to be effective January 1, 2012.

On November 15, 2011, the Board issued an information request to Foothills regarding the filing and directed a response be filed with the Board no later than November 25, 2011.

Enclosed for filing with the Board is Foothills' response.

Should the Board require additional information regarding this filing, please contact me at (403) 920-6844 or stella\_morin@transcanada.com.

Yours truly,  
**Foothills Pipe Lines Ltd.**

*Original Signed by*

Stella Morin  
Regulatory Project Manager  
Regulatory Services

Attachment

cc: Foothills Firm and Interruptible Shippers

## General Matters

**Topic:** Notification of Commercial Third Parties

**Reference:** i) NEB Filing Manual, Chapter 3.4: Notification of Commercial Third parties

ii) Filing A2G8C7: 31 October 2011, Foothills filing for Statements of Rates and Changes effective 1 January 2012 (Pages 1-2)

iii) Filing A2C6L9: 1 September 2011, TransCanada Pipelines Limited (TransCanada), NOVA Gas Transmission Ltd. (NGTL), and Foothills Joint Application for Approval of the Business and Services Restructuring Proposal and Mainline Final Tolls for 2012-2013 – Section 6: Alberta System Extension (Page 1 of 22)

**Preamble:** The Board's Filing Manual (Reference i)) states:

The Board must be assured that all commercial third parties who could be affected by the decision are aware of the application and have had the opportunity to comment should they wish to do so.

Commercial third parties include those who could be directly or indirectly commercially affected by the outcome of an application.

In reference ii) Foothills states that its joint application, Business and Services Restructuring Proposal and Mainline Final Tolls for 2012 and 2013, filed with the Board on 1 September 2011 does not impact the 2012 rates on Foothills Zones 6, 7, 8 and 9.

Reference iii) states that costs from Foothills Zones 8 and 9 will be rolled into the Alberta System Revenue Requirement.

## Request:

- a) Please confirm that Foothills has provided a copy of this filing to all commercial third parties that may be affected if the costs from Foothills Zones 8 and 9 were to be rolled into the Alberta System Revenue Requirement.
- b) Please describe any unresolved issues and concerns regarding the Rates and Charges effective 1 January 2012.

**Response:**

- a) Foothills presented the Rates and Charges to be effective January 1, 2012 as proposed in the October 31, 2011 filing (Filing) to Foothills System shippers and interested parties at a meeting on October 18, 2011. Foothills also notified Foothills System shippers of the Filing through a posting on TransCanada's Foothills System website, in accordance with its usual practice.

Foothills also independently provided notice of the Mainline Business and Services Restructuring Proposal and 2012-2013 Final Tolls Application (the Application), which includes discussion of the proposal to extend the Alberta System to provide service on Foothills Zones 8 and 9, to Foothills System shippers on September 1, 2011.

Foothills did not provide notice to other parties because it does not expect the 2012 Rates and Charges proposed in the Filing to be affected by the Alberta System Extension proposal (the ASE Proposal) in the Application, whether it is approved or not. Under the ASE Proposal, NOVA Gas Transmission Ltd. will contract for service on the Foothills System and then include these costs in the Alberta System revenue requirement. Foothills has established the Rates and Charges for 2012 as it does in the ordinary course based on forecast billing determinants. Foothills does not expect the billing determinants to change, whether service is held by existing customers or held in aggregate by NOVA Gas Transmission Ltd. Consistent with the cost of service methodology applicable to the Foothills System, changes in contracting levels during a year or variances between forecast and actual costs in that year are reflected in the calculation of tolls for the subsequent year. Therefore, the outcome of the RH-003-2011 proceeding with regard to the ASE Proposal does not impact the level of Rates and Charges proposed in the Filing for 2012 on Foothills Zones 6, 7, 8 or 9.

- b) Foothills is not aware of any unresolved issues and concerns regarding the Rates and Charges proposed in the Filing to be effective January 1, 2012.