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October 31, 2013

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

Filed Electronically

**Attention: Ms. Sheri Young
Secretary of the Board**

Dear Ms. Young:

**Re: Foothills Pipe Lines Ltd. (Foothills)
Statement of Rates and Charges effective January 1, 2014**

Foothills encloses for filing pursuant to section 60(1)(a) of the *National Energy Board Act*¹ rates and charges for transportation service on Foothills Zones 6, 7, 8, and 9 to be effective January 1, 2014 (Effective 2014 Rates).

The following attachments are included with this letter:

- Attachment 1 consists of supporting Schedules A through F
- Attachments 2 and 3 are black-lined and clean copies, respectively, of the relevant section of the Tariff showing the Effective 2014 Rates

Foothills currently provides service under interim rates approved by the Board in Order TGI-003-2012 on December 12, 2012 (Interim 2013 Rates). On September 20, 2013, Foothills filed an application for approval of final 2013 rates and charges (Final 2013 Rates). As part of its application for Final 2013 Rates, Foothills indicated that it had discussed with Shippers and interested parties a proposal for establishing the basis for the Effective 2014 Rates at a shipper meeting held on September 18, 2013 (the 2014 Proposal).

The 2014 Proposal reflected a cost of capital determined at a return on equity of 10.10% on a 40% deemed equity and inclusion of the difference in the cost of capital amount collected under Interim 2013 Rates and the proposed return for the Final 2013 Rates.

¹ R.S., 1985, c. N-7, as amended, and the regulations made thereunder.

The Effective 2014 Rates are based on:

- an assumption that the Final 2013 Rates are approved as filed
- a forecast of 2014 revenue requirement that reflects the 2014 Proposal and adjusted for previous year over/under collections
- forecast 2014 billing determinants
- the methodology approved by the Board in Decision TG-8-2004 as amended by Order TG-03-2007

In the event the Effective 2014 Rates are inconsistent with the eventual Board Decision on the Final 2013 Rates Application, Foothills acknowledges it may be necessary to revise the Effective 2014 Rates.

Foothills met with shippers on October 15, 2013, and presented the 2014 revenue requirement and the Effective 2014 Rates. On the basis of its consultation with shippers and interested parties, Foothills is not aware of any objections to its proposal for establishing the 2014 Effective Rates. Foothills understands that any party that is opposed to the rates and charges will advise the Board accordingly.

Foothills will notify its shippers and interested parties of this filing and post a copy of it on TransCanada's Foothills System website at:

<http://www.transcanada.com/customerexpress/934.html>

Communications regarding this application should be directed to:

Darren Hoeving
Regulatory Project Manager, Regulatory Services

Catharine Davis
Vice President, Pipelines Law

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Yours truly,
Foothills Pipe Lines Ltd.

Original signed by

Kristine Delkus
Senior Vice-President
Pipelines Law and Regulatory Affairs

cc: Foothills Firm Shippers, Interruptible Shippers and Interested Parties

Attachments

Attachment 1

**Foothills Pipe Lines Ltd.
Supporting Schedules A through F**

SUMMARY

Foothills Pipe Lines Ltd.

TRANSPORTATION RATES

Effective: January 1, 2014

REVENUE REQUIREMENT	Schedule	Amount (\$000)			
		Zone 6	Zone 7	Zone 8	Zone 9
Estimated Costs of Service:					
Operating & Maintenance	A	33,481	5,542	13,765	6,599
Return on Rate Base	B	6,435	330	11,059	10,682
Depreciation & Amortization	C	17,034	2,990	18,020	19,557
Taxes: Income and Other	D	7,558	1,573	13,937	10,741
Special Charge		1,405	195	530	140
Carbon Taxes		-	n/a	5,371	n/a
Fuel Tax		n/a	n/a	2,236	737
Sub-Total		65,912	10,631	64,917	48,457
Adjustments:					
Previous (Over) Under	E	(402)	(782)	(4,611)	(2,316)
Total Revenue Requirement		65,510	9,849	60,306	46,140
Other Service Revenue					
STFT Revenue		-	-	(2,529)	(30,809)
Interruptible/Overrun Revenue		-	-	(927)	(7,433)
SGS Revenue		-	-	-	(2)
FT Service Revenue Requirement		65,510	9,849	56,850	7,897

BILLING DETERMINANTS

FT Contract MDQ (TJ/d)	F	2,173.16	920.47	1,818.52	365.09
Total FT MDQ x Distance	F	822,520.09	114,165.27	310,421.39	81,890.19
Estimated STFT MDQ (TJ/d)		-	-	81	1,234
Estimated Interruptible/Overrun Deliveries (TJ)		-	-	9,836	106,949
Estimated SGS Deliveries (TJ)		-	-	-	56

TRANSPORTATION RATES

Effective Rates					
Demand Rate (\$/GJ / Km / Month)		0.0066371155	0.0071891649	0.0152615241	0.0080358941
Overrun Service (\$/GJ / Km)		0.0002400272	0.0002599917	n/a	n/a
Interruptible Rate (\$/GJ / Km)		n/a	n/a	0.0005519236	0.0002906132
Full Haul Rates (100% Load Factor)					
Demand Rate (\$/GJ)		0.0825889922	0.0293152479	0.0856485095	0.0684182629
Overrun Service (\$/GJ)		0.0908478949	0.0322467706	n/a	n/a
Interruptible Rate (\$/GJ)		n/a	n/a	0.0942133585	0.0752601004

SCHEDULE A

OPERATING AND MAINTENANCE EXPENSES

For the year ended December 31, 2014

(\$000)

	<u>Total</u>	<u>Zone 6</u>	<u>Zone 7</u>	<u>Zone 8</u>	<u>Zone 9</u>
Operations, Maintenance and Administrative Costs	31,081	16,127	4,252	7,174	3,528
Electrical power					
Jenner, Acme and Crawling Valley	3,633	3,633	-	-	-
De/re Facilities at Empress	9,762	9,762	-	-	-
BC	457	-	-	457	-
Saskatchewan	767	-	-	-	767
	<u>14,619</u>	<u>13,395</u>	<u>-</u>	<u>457</u>	<u>767</u>
Compressor Repair	1,793	801	-	154	838
Pipeline Integrity Program	7,784	608	937	5,019	1,220
Government Agency Costs Recovery	<u>4,110</u>	<u>2,550</u>	<u>354</u>	<u>961</u>	<u>245</u>
Total	<u><u>59,387</u></u>	<u><u>33,481</u></u>	<u><u>5,542</u></u>	<u><u>13,765</u></u>	<u><u>6,599</u></u>

SCHEDULE B

**DEEMED AVERAGE CAPITALIZATION AND
RETURN ON RATE BASE
FOR THE YEAR ENDING DECEMBER 31, 2014**

(\$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	23,726	21.60	4.58	0.99
- Unfunded (Prefunded)	<u>42,184</u>	<u>38.40</u>	2.20	<u>0.84</u>
	65,910	60.00		1.83
Common Equity	<u>43,940</u>	<u>40.00</u>	10.10	<u>4.04</u>
Total Capitalization	<u><u>109,851</u></u>	<u><u>100.00</u></u>		<u><u>5.87</u></u>
Rate Base	109,627			
GPUC	<u>224</u>			
Total Capitalization	<u><u>109,851</u></u>			
Return on Rate Base	<u><u>6,435</u></u>	=	109,627	X
				5.87%

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	1,256	20.05	4.58	0.92
- Unfunded (Prefunded)	<u>2,501</u>	<u>39.95</u>	2.20	<u>0.88</u>
	3,757	60.00		1.80
Common Equity	<u>2,505</u>	<u>40.00</u>	10.10	<u>4.04</u>
Total Capitalization	<u><u>6,261</u></u>	<u><u>100.00</u></u>		<u><u>5.84</u></u>
Rate Base	5,657			
GPUC	<u>605</u>			
Total Capitalization	<u><u>6,261</u></u>			
Return on Rate Base	<u><u>330</u></u>	=	5,657	X
				5.84%

SCHEDULE B

**DEEMED AVERAGE CAPITALIZATION AND
RETURN ON RATE BASE
FOR THE YEAR ENDING DECEMBER 31, 2014**

(\$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	40,307	21.36	4.58	0.98
- Unfunded (Prefunded)	<u>72,912</u>	<u>38.64</u>	2.20	<u>0.85</u>
	113,219	60.00		1.83
Common Equity	<u>75,479</u>	<u>40.00</u>	10.10	<u>4.04</u>
Total Capitalization	<u><u>188,699</u></u>	<u><u>100.00</u></u>		<u><u>5.87</u></u>
Rate Base	188,393			
GPUC	<u>305</u>			
Total Capitalization	<u><u>188,699</u></u>			
Return on Rate Base	<u><u>11,059</u></u>	= 188,393	X 5.87%	

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	38,877	21.30	4.58	0.98
- Unfunded (Prefunded)	<u>70,612</u>	<u>38.70</u>	2.20	<u>0.85</u>
	109,489	60.00		1.83
Common Equity	<u>72,993</u>	<u>40.00</u>	10.10	<u>4.04</u>
Total Capitalization	<u><u>182,482</u></u>	<u><u>100.00</u></u>		<u><u>5.87</u></u>
Rate Base	181,981			
GPUC	<u>501</u>			
Total Capitalization	<u><u>182,482</u></u>			
Return on Rate Base	<u><u>10,682</u></u>	= 181,981	X 5.87%	

SCHEDULE B-1

Page 1 of 2

RATE BASE - 2014

(\$000)

ZONE 6

Month	Net Plant Month End	Materials Supplies & Prepaid	Working Capital	Linepack	Rate Base End Month
January Opening Balance	107,190	890	5,008	2,577	115,665
January	107,231	890	4,248	2,577	114,946
February	106,174	889	4,248	2,577	113,888
March	105,114	889	4,248	2,577	112,828
April	104,055	888	4,248	2,577	111,769
May	102,973	888	4,248	2,577	110,686
June	101,887	887	4,248	2,577	109,600
July	100,809	887	4,248	2,577	108,521
August	99,726	887	4,248	2,577	107,439
September	98,641	886	4,248	2,577	106,353
October	97,872	886	4,248	2,577	105,583
November	96,775	885	4,248	2,577	104,486
December	95,677	885	4,248	2,577	103,388
Average Rate Base - 13 Month					<u><u>109,627</u></u>

ZONE 7

Month	Net Plant Month End	Materials Supplies & Prepaid	Working Capital	Linepack	Rate Base End Month
January Opening Balance	4,426	-	632	1,039	6,097
January	4,451	-	693	1,039	6,183
February	4,206	-	693	1,039	5,938
March	3,962	-	693	1,039	5,694
April	3,718	-	693	1,039	5,449
May	3,469	-	693	1,039	5,201
June	3,220	-	693	1,039	4,952
July	2,971	-	693	1,039	4,703
August	2,722	-	693	1,039	4,453
September	2,472	-	693	1,039	4,204
October	4,953	-	693	1,039	6,685
November	5,139	-	693	1,039	6,871
December	5,374	-	693	1,039	7,106
Average Rate Base - 13 Month					<u><u>5,657</u></u>

SCHEDULE B-1

Page 2 of 2

RATE BASE - 2014

(\$000)

ZONE 8

Month	Net Plant Month End	Materials Supplies & Prepaid	Working Capital	Linepack	Rate Base End Month
January Opening Balance	189,009	2,176	3,113	1,473	195,771
January	189,173	2,176	2,671	1,473	195,492
February	187,773	2,175	2,671	1,473	194,092
March	186,372	2,175	2,671	1,473	192,691
April	184,972	2,174	2,671	1,473	191,290
May	183,547	2,174	2,671	1,473	189,865
June	182,164	2,173	2,671	1,473	188,481
July	180,737	2,173	2,671	1,473	187,054
August	179,310	2,173	2,671	1,473	185,626
September	177,877	2,172	2,671	1,473	184,193
October	176,452	2,172	2,671	1,473	182,767
November	175,022	2,171	2,671	1,473	181,338
December	174,139	2,171	2,671	1,473	180,454
Average Rate Base - 13 Month					<u><u>188,393</u></u>

ZONE 9

Month	Net Plant Month End	Materials Supplies & Prepaid	Working Capital	Linepack	Rate Base End Month
January Opening Balance	184,606	692	1,200	2,316	188,814
January	184,644	692	917	2,316	188,568
February	183,284	691	917	2,316	187,208
March	181,922	691	917	2,316	185,846
April	180,559	690	917	2,316	184,483
May	179,168	690	917	2,316	183,091
June	177,817	690	917	2,316	181,739
July	176,493	689	917	2,316	180,415
August	175,761	689	917	2,316	179,683
September	174,475	688	917	2,316	178,396
October	173,316	688	917	2,316	177,237
November	171,899	687	917	2,316	175,819
December	170,536	687	917	2,316	174,456
Average Rate Base - 13 Month					<u><u>181,981</u></u>

SCHEDULE C

DEPRECIATION AND AMORTIZATION

(\$000)

ZONE 6

Month	Depreciation	Amortization	Depreciation & Amortization
January	1,387	-	1,387
February	1,416	-	1,416
March	1,419	-	1,419
April	1,419	-	1,419
May	1,420	-	1,420
June	1,422	-	1,422
July	1,417	-	1,417
August	1,419	-	1,419
September	1,421	-	1,421
October	1,430	-	1,430
November	1,432	-	1,432
December	1,434	-	1,434
TOTAL	<u><u>17,034</u></u>	<u><u>-</u></u>	<u><u>17,034</u></u>

ZONE 7

Month	Depreciation	Amortization	Depreciation & Amortization
January	248	-	248
February	253	-	253
March	253	-	253
April	254	-	254
May	254	-	254
June	254	-	254
July	254	-	254
August	254	-	254
September	254	-	254
October	254	-	254
November	253	-	253
December	205	-	205
TOTAL	<u><u>2,990</u></u>	<u><u>-</u></u>	<u><u>2,990</u></u>

SCHEDULE C

DEPRECIATION AND AMORTIZATION

(\$000)

ZONE 8

Month	Depreciation	Amortization	Depreciation & Amortization
January	1,466	-	1,466
February	1,498	-	1,498
March	1,500	-	1,500
April	1,501	-	1,501
May	1,503	-	1,503
June	1,504	-	1,504
July	1,506	-	1,506
August	1,507	-	1,507
September	1,508	-	1,508
October	1,509	-	1,509
November	1,510	-	1,510
December	1,510	-	1,510
TOTAL	<u><u>18,020</u></u>	<u><u>-</u></u>	<u><u>18,020</u></u>

ZONE 9

Month	Depreciation	Amortization	Depreciation & Amortization
January	1,585	-	1,585
February	1,618	-	1,618
March	1,621	-	1,621
April	1,623	-	1,623
May	1,626	-	1,626
June	1,627	-	1,627
July	1,636	-	1,636
August	1,639	-	1,639
September	1,642	-	1,642
October	1,644	-	1,644
November	1,647	-	1,647
December	1,649	-	1,649
TOTAL	<u><u>19,557</u></u>	<u><u>-</u></u>	<u><u>19,557</u></u>

SCHEDULE C-1

DEPRECIATION BY ACCOUNT - 2014

(\$000)

ZONE 6

NEB Account No and Description	Depreciation Rate	Gross Plant at 31-Dec-2013	Additions & Retirements	Gross Plant at 31-Dec-2014	Depreciation For Year
460-Land	0.00%	222	-	222	-
461-Land Rights	3.00%	3,412	-	3,412	102
462-Compressor Structures	3.00%	34,465	-	34,465	1,034
465-Pipeline Mains	3.00%	302,714	-	302,714	9,081
466-Compressor Equipment	3.00%	173,625	321	173,947	5,210
466-Compressor Overhaul	7.69%	8,212	3,417	11,629	741
468-Communications	3.00%	435	-	435	13
482-Leasehold Improvements	10.00%	536	-	536	15
483-Computer Equipment	24.41%	957	1,514	2,471	555
483-Office Furniture & Eqmt	8.90%	159	-	159	14
484-Transportation Eqmt	30.00%	66	-	66	(0)
485-Heavy Work Equipment	2.19%	80	-	80	-
486-Tools & Work Equipment	2.01%	538	-	538	-
488-Communication STR	5.21%	41	(1)	40	2
496-Unclassified Plant	3.00%	8,836	-	8,836	265
TOTAL Gas Plant in Service		<u>534,299</u>	<u>5,251</u>	<u>539,550</u>	<u>17,034</u>
Composite Depreciation Rate	3.17%				

DEPRECIATION BY MONTH - 2014

(\$000)

Month	Gross Plant Start Month	Additions In Month	Retirements In Month	Gross Plant End Month	Depreciation For Month
January	534,299	1,428	-	535,727	1,387
February	535,727	358	-	536,085	1,416
March	536,085	358	-	536,444	1,419
April	536,444	360	-	536,804	1,419
May	536,804	338	-	537,142	1,420
June	537,142	337	-	537,478	1,422
July	537,478	339	-	537,817	1,417
August	537,817	336	-	538,153	1,419
September	538,153	336	-	538,489	1,421
October	538,489	660	-	539,149	1,430
November	539,149	335	-	539,484	1,432
December	539,484	336	(270)	539,550	1,434
TOTAL		<u>5,521</u>	<u>(270)</u>		<u>17,034</u>

SCHEDULE C-1

DEPRECIATION BY ACCOUNT - 2014

(\$000)

ZONE 7

NEB Account No and Description	Depreciation Rate	Gross Plant at 31-Dec-2013	Additions & Retirements	Gross Plant at 31-Dec-2014	Depreciation For Year
461-Land Rights	3.00%	1,081	-	1,081	-
462-Compressor Structures	3.00%	490	-	490	15
465-Pipeline Mains	3.00%	73,794	3,600	77,394	2,229
482-Leasehold Improvements	10.00%	78	-	78	8
483-Computer Equipment	24.41%	169	287	455	110
483-Office Furniture & Eqmt	8.90%	25	-	25	2
486-Tools & Work Equip	2.01%	11	-	11	0
488-Communication STR	5.21%	7	(1)	6	0
496-Unclassified Plant	3.00%	23,072	-	23,072	626
TOTAL Gas Plant in Service		<u>98,726</u>	<u>3,886</u>	<u>102,613</u>	<u>2,990</u>
Composite Depreciation Rate	2.97%				

DEPRECIATION BY MONTH - 2014

(\$000)

Month	Gross Plant Start Month	Additions In Month	Retirements In Month	Gross Plant End Month	Depreciation For Month
January	98,726	272	-	98,999	248
February	98,999	9	-	99,008	253
March	99,008	9	-	99,017	253
April	99,017	9	-	99,026	254
May	99,026	5	-	99,031	254
June	99,031	5	-	99,036	254
July	99,036	5	-	99,041	254
August	99,041	5	-	99,046	254
September	99,046	5	-	99,050	254
October	99,050	2,735	-	101,786	254
November	101,786	439	-	102,225	253
December	102,225	440	(52)	102,613	205
TOTAL		<u>3,938</u>	<u>(52)</u>		<u>2,990</u>

SCHEDULE C-1

DEPRECIATION BY ACCOUNT - 2014

(\$000)

ZONE 8

NEB Account No and Description	Depreciation Rate	Gross Plant at 31-Dec-2013	Additions & Retirements	Gross Plant at 31-Dec-2014	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%	51	-	51	-
461-Land Rights	3.00%	874	-	874	-
462-Compressor Structures	3.00%	5,973	-	5,973	179
463-Meas & Reg Structures	3.00%	1,773	-	1,773	53
465-Pipeline Mains	3.00%	280,554	495	281,048	8,417
466-Compressor Equipment	3.00%	235,737	98	235,835	7,072
466-Compressor Overhaul	7.69%	7,624	32	7,656	587
467-Meas & Reg Equipment	3.00%	13,406	-	13,406	402
468-Communications	3.00%	2,657	-	2,657	80
482-Leasehold Improvements	10.00%	266	296	562	40
482-Leasehold Improvements	6.67%	42	-	42	3
482-Leasehold Improvements	5.61%	588	-	588	24
483-Computer Equipment	24.41%	1,131	1,694	2,825	678
483-Office Furniture & Eqmt	8.90%	1,321	(813)	508	125
484-Transportation Eqmt	30.00%	319	43	362	30
485-Heavy Work Equipment	2.19%	918	-	918	20
486-Tools & Work Equip	2.01%	2,387	-	2,387	48
488-Communication STR	5.21%	487	6	493	26
496-Unclassified Plant	3.00%	4,469	-	4,469	134
TOTAL Gas Plant in Service		<u>564,414</u>	<u>1,851</u>	<u>566,264</u>	<u>18,020</u>
Composite Depreciation Rate	3.19%				

DEPRECIATION BY MONTH - 2014

(\$000)

Month	Gross Plant Start Month	Additions In Month	Retirements In Month	Gross Plant End Month	Depreciation For Month
January	564,414	1,630	-	566,044	1,466
February	566,044	98	-	566,142	1,498
March	566,142	99	-	566,241	1,500
April	566,241	101	-	566,342	1,501
May	566,342	78	-	566,420	1,503
June	566,420	121	-	566,540	1,504
July	566,540	79	-	566,619	1,506
August	566,619	80	-	566,699	1,507
September	566,699	75	-	566,774	1,508
October	566,774	83	-	566,857	1,509
November	566,857	80	-	566,937	1,510
December	566,937	627	(1,299)	566,264	1,510
TOTAL		<u>3,150</u>	<u>(1,299)</u>		<u>18,020</u>

SCHEDULE C-1

DEPRECIATION BY ACCOUNT - 2014

(\$000)

ZONE 9

NEB Account No and Description	Depreciation Rate	Gross Plant at 31-Dec-2013	Additions & Retirements	Gross Plant at 31-Dec-2014	Depreciation For Year
460-Land	0.00%	130	-	130	-
461-Land Rights	3.00%	1,307	-	1,307	-
462-Compressor Structures	3.00%	40,405	-	40,405	1,212
463-Meas & Reg Structures	3.00%	5,651	4	5,655	170
464-Other Structures	3.00%	1,637	-	1,637	49
465-Pipeline Mains	3.00%	326,318	55	326,373	9,790
466-Compressor Equipment	3.00%	197,598	1,126	198,724	5,938
466-Compressor Overhaul	7.69%	10,668	2,217	12,885	891
467-Meas & Reg Equipment	3.00%	14,112	10	14,122	424
468-Communications	3.00%	658	-	658	20
482-Leasehold Improvements	10.00%	378	-	378	-
483-Computer Equipment	24.41%	1,126	1,727	2,853	685
483-Office Furniture & Eqmt	8.90%	100	-	100	9
484-Transportation Eqmt	30.00%	241	43	283	43
485-Heavy Work Equip	2.19%	172	0	172	-
486-Tools & Work Equip	2.01%	526	-	526	11
488-Communication STR	5.21%	46	2	48	3
496-Unclassified Plant	3.00%	10,509	-	10,509	315
TOTAL Gas Plant in Service		<u>611,581</u>	<u>5,183</u>	<u>616,764</u>	<u>19,557</u>
Composite Depreciation Rate	3.18%				

DEPRECIATION BY MONTH - 2014

(\$000)

Month	Gross Plant Start Month	Additions In Month	Retirements In Month	Gross Plant End Month	Depreciation For Month
January	611,581	1,623	-	613,204	1,585
February	613,204	259	-	613,462	1,618
March	613,462	258	-	613,721	1,621
April	613,721	260	-	613,981	1,623
May	613,981	235	-	614,216	1,626
June	614,216	276	-	614,492	1,627
July	614,492	313	-	614,804	1,636
August	614,804	907	-	615,711	1,639
September	615,711	356	-	616,067	1,642
October	616,067	485	-	616,552	1,644
November	616,552	230	-	616,782	1,647
December	616,782	286	(304)	616,764	1,649
TOTAL		<u>5,487</u>	<u>(304)</u>		<u>19,557</u>

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	6,435	330	11,059	10,682
Add:				
Depreciation and Amortization	17,034	2,990	18,020	19,557
Non-allowed Amortization of Debt Discount and Expense	1	0	2	2
Deduct:				
Return on Debt	2,006	102	3,448	3,330
Capital Cost Allowance	5,979	1,139	8,049	7,652
Compressor Overhaul Capitalized	3,417	-	32	2,217
Total Taxable Amount	<u>12,068</u>	<u>2,079</u>	<u>17,552</u>	<u>17,042</u>
Income Tax Rate	25.00%	25.00%	26.00%	27.00%
Income Tax Provision (at R/(1-R) x Taxable Amount)	4,023	693	6,167	6,303
Taxes - Other than Income Tax	3,535	881	7,770	4,438
Total Taxes: Income and Other	<u><u>7,558</u></u>	<u><u>1,573</u></u>	<u><u>13,937</u></u>	<u><u>10,741</u></u>

SCHEDULE E

ADJUSTMENT FOR (OVER) OR UNDER COLLECTION

(\$000)

ZONE 6

	<u>2012 Forecast</u>	<u>2012 Actual</u>	<u>2013 Forecast</u>		
Cost of Service					
Operating & Maintenance	33,788	34,015		34,561	
Return on Rate Base	9,664	9,657		8,322	
Depreciation & Amortization	16,337	16,324		16,557	
Taxes: Income and Other	7,827	7,833		7,884	
Special Charge	1,405	1,405		1,378	
Carbon Tax	174	-		500	
Fuel Tax	n/a	n/a		-	
Sub-Total	<u>69,195</u>	<u>69,235</u>		<u>69,202</u>	
Adjustments:					
Previous (Over) Under	(4,835)	(4,835)		1,588	
Overrun Service	-	-		-	
Total Firm Revenue Requirement	<u>64,359</u>	<u>64,399</u>		<u>70,790</u>	
Service Revenue					
FT Service	<u>66,779</u>	<u>66,779</u>		<u>71,226</u>	
Total Revenue Generated	<u>66,779</u>	<u>66,779</u>		<u>71,226</u>	
Variance	<u>2012¹</u>	<u>2012</u>	<u>2012²</u>	<u>2013³</u>	<u>Total⁴</u>
Revenue Required minus Revenue Generated	(2,420)	(2,380)	40	(436)	(396)
Interest on Variance	(29)	(29)	0	(6)	(6)
BILLING ADJUSTMENT FOR TEST YEAR	<u>(2,449)</u>	<u>(2,409)</u>	<u>40</u>	<u>(442)</u>	<u>(402)</u>

ZONE 7

	<u>2012 Forecast</u>	<u>2012 Actual</u>	<u>2013 Forecast</u>		
Cost of Service					
Operating & Maintenance	2,917	2,862		3,788	
Return on Rate Base	716	717		526	
Depreciation & Amortization	2,996	2,996		2,993	
Taxes: Income and Other	1,693	1,727		1,658	
Special Charge	195	195		191	
Fuel Tax	n/a	n/a		-	
Sub-Total	<u>8,517</u>	<u>8,497</u>		<u>9,156</u>	
Adjustments:					
Previous (Over) Under	(515)	(515)		(522)	
Overrun Service	-	-		-	
Total Firm Revenue Requirement	<u>8,002</u>	<u>7,981</u>		<u>8,634</u>	
Service Revenue					
FT Service	<u>8,497</u>	<u>8,497</u>		<u>9,385</u>	
Total Revenue Generated	<u>8,497</u>	<u>8,497</u>		<u>9,385</u>	
Variance	<u>2012¹</u>	<u>2012</u>	<u>2012²</u>	<u>2013³</u>	<u>Total⁴</u>
Revenue Required minus Revenue Generated	(495)	(516)	(21)	(751)	(772)
Interest on Variance	(6)	(6)	-	(10)	(10)
BILLING ADJUSTMENT FOR TEST YEAR	<u>(501)</u>	<u>(522)</u>	<u>(21)</u>	<u>(761)</u>	<u>(782)</u>

Note(s):

- Forecast 2012 as identified in the 2013 rates application.
- Estimate/Actual (over)/under collection from 2012.
- 2013 estimated (over)/under collection.
- Total adjustment from 2012 and 2013.

ADJUSTMENT FOR (OVER) OR UNDER COLLECTION

(\$000)

ZONE 8

	<u>2012 Forecast</u>	<u>2012 Actual</u>	<u>2013 Forecast</u>		
Cost of Service					
Operating & Maintenance	14,217	13,205			12,137
Return on Rate Base	15,041	15,020			13,484
Depreciation & Amortization	17,619	17,651			17,692
Taxes: Income and Other	13,390	13,442			13,068
Special Charge	542	542			532
Carbon Tax	4,468	5,399			5,407
Fuel Tax	2,085	2,407			2,251
Sub-Total	<u>67,362</u>	<u>67,665</u>			<u>64,571</u>
Adjustments:					
Previous (Over) Under	(5,845)	(5,845)			(9,770)
Lehman Brothers Holdings Settlement	-	(23)			-
STFT & IT Service	(5,429)	(5,409)			(7,938)
Total Firm Revenue Requirement	<u>56,088</u>	<u>56,388</u>			<u>46,863</u>
Service Revenue					
FT Service	<u>63,802</u>	<u>63,942</u>			<u>51,567</u>
Total Revenue Generated	<u>63,802</u>	<u>63,942</u>			<u>51,567</u>
Variance	<u>2012¹</u>	<u>2012</u>	<u>2012²</u>	<u>2013³</u>	<u>Total⁴</u>
Revenue Required minus Revenue Generated	(7,713)	(7,554)	159	(4,704)	(4,545)
Interest on Variance	(93)	(91)	2	(68)	(66)
BILLING ADJUSTMENT FOR TEST YEAR	<u>(7,806)</u>	<u>(7,645)</u>	161	<u>(4,772)</u>	<u>(4,611)</u>

ZONE 9

	<u>2012 Forecast</u>	<u>2012 Actual</u>	<u>2013 Forecast</u>		
Cost of Service					
Operating & Maintenance	4,833	5,238			5,634
Return on Rate Base	14,684	14,685			13,237
Depreciation & Amortization	18,379	18,374			18,892
Taxes: Income and Other	9,797	9,710			8,999
Special Charge	128	128			168
Fuel Tax	586	657			674
Sub-Total	<u>48,408</u>	<u>48,792</u>			<u>47,603</u>
Adjustments:					
Previous (Over) Under	(3,549)	(3,549)			(18,904)
STFT, IT & SGS Service	(53,122)	(53,198)			(24,981)
Total Firm Revenue Requirement	<u>(8,264)</u>	<u>(7,954)</u>			<u>3,719</u>
Service Revenue					
FT Service	<u>8,157</u>	<u>8,495</u>			<u>5,973</u>
Total Revenue Generated	<u>8,157</u>	<u>8,495</u>			<u>5,973</u>
Variance	<u>2012¹</u>	<u>2012</u>	<u>2012²</u>	<u>2013³</u>	<u>Total⁴</u>
Revenue Required minus Revenue Generated	(16,420)	(16,450)	(29)	(2,254)	(2,283)
Interest on Variance	(197)	(197)	-	(33)	(33)
BILLING ADJUSTMENT FOR TEST YEAR	<u>(16,617)</u>	<u>(16,647)</u>	(29)	<u>(2,287)</u>	<u>(2,316)</u>

Note(s):

- Forecast 2012 as identified in the 2013 rates application.
- Estimate/Actual (over)/under collection from 2012.
- 2013 estimated (over)/under collection.
- Total adjustment from 2012 and 2013.

SCHEDULE F

FIRM TRANSPORTATION VOLUMES AND HAUL DISTANCE

SHIPPER	Annual Average MDQ (TJ/d)	Haul Distance (Km)	Annual Average MDQ x Dist. (TJ x Km)	Zone Allocation (%)
Zone 6				
NOVA Gas Transmission Ltd.	2,173.162	378.49	822,520.0854	
	<u>2,173.162</u>		<u>822,520.0854</u>	61.890%
Zone 7				
NOVA Gas Transmission Ltd.	920.465	124.03	114,165.2740	
	<u>920.465</u>		<u>114,165.2740</u>	8.590%
Zone 8				
Avista Corporation	199.462	170.70	34,048.0781	
British Columbia Hydro and Power Authority	43.673	170.70	7,454.9811	
Canadian Forest Products Ltd.	0.500	170.70	85.3500	
Cascade Natural Gas Corporation	29.411	170.70	5,020.4719	
Chevron Canada Resources	54.728	170.70	9,342.0696	
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 Corporation	67.948	170.70	11,598.7236	
FortisBC Energy Inc.	117.675	170.70	20,087.1367	
Iberdrola Canada Energy Services Ltd.	82.623	170.70	14,103.7461	
Intermountain Gas Company	116.960	170.70	19,965.0436	
J.P. Morgan Commodities Canada Corporation	0.352	170.70	60.0864	
Northern California Power Agency	2.967	170.70	506.4669	
Northwest Natural Gas Company	157.267	170.70	26,845.4769	
Pacific Gas and Electric Company	386.355	170.70	65,950.7985	
Pacific Gas and Electric Company,	31.337	170.70	5,349.1690	
PacifiCorp	47.708	170.70	8,143.7556	
Paramount Resources Ltd.	21.187	170.70	3,616.6209	
Portland General Electric Company	47.654	170.70	8,134.5378	
Puget Sound Energy, Inc.	82.960	170.70	14,161.2720	
Sacramento Municipal Utility District	13.217	170.70	2,256.1419	
Shell Energy North America (Canada) Inc.	4.100	170.70	699.8700	
Sierra Pacific Power Company	136.031	170.70	23,220.4917	
Skookumchuck Pulp Inc.	3.000	170.70	512.1000	
Southern California Gas Company	56.783	170.70	9,692.8581	
Talisman Energy Canada	4.406	170.70	752.1042	
Turlock Irrigation District	17.098	170.70	2,918.6286	
United States Gypsum Company	6.452	170.70	1,101.3564	
	<u>1,818.520</u>		<u>310,421.3925</u>	23.358%
Zone 9				
BP Canada Energy Group ULC	79.130	258.97	20,492.2961	
Citigroup Energy Canada ULC	33.340	258.97	8,634.0598	
Encana Corporation	60.000	258.97	15,538.2000	
J.P. Morgan Commodities Canada Corporation	10.551	258.97	2,732.3925	
MDU Resources Group, Inc.	10.773	258.97	2,789.8838	
Tenaska Marketing Canada, a division of TMV Corp.	90.000	258.97	23,307.3000	
Twin Eagle Resource Management Canada, LLC	21.300	258.97	5,516.0610	
TransGas Limited	60.000	48.00	2,880.0000	
	<u>365.094</u>		<u>81,890.193</u>	6.162%

Attachment 2

**Foothills Pipe Lines Ltd.
Table of Effective Rates
Blackline**

TABLE OF EFFECTIVE RATES

1. Rate Schedule FT, Firm Transportation Service

	Demand Rate (\$/GJ/Km/Month)
Zone 6	0.0072162549 <u>0.0066371155</u>
Zone 7	0.0068502712 <u>0.0071891649</u>
Zone 8*	0.0135260538 <u>0.0152615241</u>
Zone 9	0.0047553671 <u>0.0080358941</u>

2. Rate Schedule OT, Overrun Transportation Service

	Commodity Rate (\$/GJ/Km)
Zone 6	0.0002602584 <u>0.0002400272</u>
Zone 7	0.0002470590 <u>0.0002599917</u>

3. Rate Schedule IT, Interruptible Transportation Service

	Commodity Rate (\$/GJ/Km)
Zone 8*	0.0004878249 <u>0.0005519236</u>
Zone 9	0.0001715050 <u>0.0002906132</u>

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

Attachment 3

**Foothills Pipe Lines Ltd.
Table of Effective Rates
Clean Copy**

TABLE OF EFFECTIVE RATES**1. Rate Schedule FT, Firm Transportation Service**

	Demand Rate (\$/GJ/Km/Month)
Zone 6	0.0066371155
Zone 7	0.0071891649
Zone 8*	0.0152615241
Zone 9	0.0080358941

2. Rate Schedule OT, Overrun Transportation Service

	Commodity Rate (\$/GJ/Km)
Zone 6	0.0002400272
Zone 7	0.0002599917

3. Rate Schedule IT, Interruptible Transportation Service

	Commodity Rate (\$/GJ/Km)
Zone 8*	0.0005519236
Zone 9	0.0002906132

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