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October 31, 2014

National Energy Board  
517 Tenth Avenue SW  
Calgary, Alberta T2R 0A8

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, 2015**

Foothills encloses for filing pursuant to section 60(1)(a) of the *National Energy Board Act*<sup>1</sup> rates and charges for transportation service on Foothills Zones 6, 7, 8 and 9 to be effective January 1, 2015 (Effective 2015 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 2015 Rates

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.

In addition to the rates and charges included in the Table of Effective Rates, Foothills shippers will be required to pay an abandonment surcharge as directed by the National Energy Board in MH-001-2013 Decision and Order MO-095-2014. The abandonment surcharge will be contained in a compliance filing to be made before December 5, 2014.

Foothills met with shippers and interested parties on October 9, 2014, and presented the preliminary 2015 revenue requirement and preliminary Effective 2015 Rates. Updated cost and related rate information were subsequently provided to shippers and interested parties. On the basis of these consultations, Foothills is not aware of any objections to its proposal for establishing the Effective 2015 Rates.

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<sup>1</sup> R.S.C. 1985, c. N-7, as amended, and the regulations made thereunder.

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>

Communication regarding this application should be directed to:

Darren Hoewing  
Project Manager, Regulatory Services  
TransCanada PipeLines Limited  
450 – 1 Street SW  
Calgary, Alberta T2P 5H1  
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Joel Forrest  
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TransCanada PipeLines Limited  
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Calgary, Alberta T2P 5H1  
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Email: joel\_forrest@transcanada.com

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

*Original signed by*

Robert Tarvydas  
Vice-President, 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, 2015

REVENUE REQUIREMENT	Schedule	Amount (\$000)			
		Zone 6	Zone 7	Zone 8	Zone 9
Estimated Costs of Service:					
Operating & Maintenance Expenses	A	34,294	4,223	13,995	8,374
Return on Rate Base	B	4,880	130	9,222	8,556
Depreciation & Amortization	C	17,353	1,591	20,250	19,873
Taxes: Income and Other	D	8,377	1,225	12,959	11,426
Special Charge		1,429	198	540	102
Carbon Taxes		600	n/a	4,785	n/a
Fuel Tax		n/a	n/a	1,993	506
Sub-Total		66,933	7,367	63,744	48,837
Adjustments:					
Previous (Over) / Under	E	(1,713)	(278)	(6,035)	5,734
Total Revenue Requirement		65,220	7,089	57,709	54,571
Other Service Revenue					
STFT		-	-	(2,299)	(39,100)
Interruptible/Overrun		-	-	(838)	(7,677)
SGS		-	-	-	(3)
FT Service Revenue Requirement		65,220	7,089	54,571	7,791

## BILLING DETERMINANTS

FT Contract MDQ (TJ/d)	F	2,173.16	920.47	1,821.62	304.51
Total FT MDQ x Distance	F	822,520.09	114,165.27	310,950.68	58,825.93
Estimated STFT MDQ (TJ/d)		-	-	76.76	1,140.01
Estimated Interruptible/Overrun Deliveries (TJ)		-	-	9,286.97	77,791.51
Estimated SGS Deliveries (TJ)		-	-	-	57.84

## TRANSPORTATION RATES

Effective Rates					
Demand Rate (\$/GJ / Km / Month)		0.0066077414	0.0051745157	0.0146248074	0.0110366323
Overrun Service (\$/GJ / Km)		0.0002389649	0.0001871332	n/a	n/a
Interruptible Rate (\$/GJ / Km)		n/a	n/a	0.0005288971	0.0003991330
Full Haul Rates (100% Load Factor)					
Demand Rate (\$/GJ)		0.0822234754	0.0211001156	0.0820752205	0.0939667945
Overrun Service (\$/GJ)		0.0904458250	0.0232101308	n/a	n/a
Interruptible Rate (\$/GJ)		n/a	n/a	0.0902827350	0.1033634730

## SCHEDULE A

## OPERATING AND MAINTENANCE EXPENSES

For the year ended December 31, 2015

(\$000)

	<u>Total</u>	<u>Zone 6</u>	<u>Zone 7</u>	<u>Zone 8</u>	<u>Zone 9</u>
<b>Operations, Maintenance and Administrative Costs</b>	28,644	16,777	2,410	6,169	3,288
<b>Electrical power</b>					
Jenner, Acme and Crawling Valley	3,863	3,863	-	-	-
De/re Facilities at Empress	8,119	8,119	-	-	-
BC	716	-	-	716	-
Saskatchewan	860	-	-	-	860
	<u>13,558</u>	<u>11,982</u>	<u>-</u>	<u>716</u>	<u>860</u>
<b>Compressor Repair</b>	2,005	475	-	965	565
<b>Pipeline Integrity Program</b>	12,779	2,646	1,478	5,234	3,421
<b>Government Agency Costs Recovery</b>	<u>3,900</u>	<u>2,414</u>	<u>335</u>	<u>911</u>	<u>240</u>
<b>Total</b>	<u><u>60,886</u></u>	<u><u>34,294</u></u>	<u><u>4,223</u></u>	<u><u>13,995</u></u>	<u><u>8,374</u></u>

DEEMED AVERAGE CAPITALIZATION AND  
RETURN ON RATE BASE  
FOR THE YEAR ENDING DECEMBER 31, 2015

**ZONE 6**

	AMOUNT (\$000)	RATIO %	COST RATE %	COST COMPONENT %
Debt - Funded	45,622	47.93	1.92	0.92
- Unfunded/(Prefunded)	11,493	12.07	1.50	0.18
	57,115	60.00		1.10
Common Equity	38,077	40.00	10.10	4.04
Total Capitalization	<u>95,192</u>	<u>100.00</u>		<u>5.14</u>
Rate Base	94,939			
GPUC	253			
Total Capitalization	<u>95,192</u>			
Return on Rate Base	<u>4,880</u>	=	94,939	X
				5.14%

**ZONE 7**

	AMOUNT (\$000)	RATIO %	COST RATE %	COST COMPONENT %
Debt - Funded	2,347	93.62	1.92	1.80
- Unfunded/(Prefunded)	(843)	(33.62)	1.92	(0.65)
	1,504	60.00		1.15
Common Equity	1,003	40.00	10.10	4.04
Total Capitalization	<u>2,507</u>	<u>100.00</u>		<u>5.19</u>
Rate Base	2,507			
GPUC	-			
Total Capitalization	<u>2,507</u>			
Return on Rate Base	<u>130</u>	=	2,507	X
				5.19%

DEEMED AVERAGE CAPITALIZATION AND  
RETURN ON RATE BASE  
FOR THE YEAR ENDING DECEMBER 31, 2015

**ZONE 8**

	AMOUNT (\$000)	RATIO %	COST RATE %	COST COMPONENT %	
Debt - Funded	77,024	42.76	1.92	0.82	
- Unfunded/(Prefunded)	31,044	17.24	1.50	0.26	
	108,068	60.00		1.08	
Common Equity	72,046	40.00	10.10	4.04	
Total Capitalization	<u>180,114</u>	<u>100.00</u>		<u>5.12</u>	
Rate Base	180,114				
GPUC	-				
Total Capitalization	<u>180,114</u>				
Return on Rate Base	<u>9,222</u>	=	180,114	X	5.12%

**ZONE 9**

	AMOUNT (\$000)	RATIO %	COST RATE %	COST COMPONENT %	
Debt - Funded	75,007	44.69	1.92	0.86	
- Unfunded/(Prefunded)	25,686	15.31	1.50	0.23	
	100,693	60.00		1.09	
Common Equity	67,129	40.00	10.10	4.04	
Total Capitalization	<u>167,822</u>	<u>100.00</u>		<u>5.13</u>	
Rate Base	166,781				
GPUC	1,041				
Total Capitalization	<u>167,822</u>				
Return on Rate Base	<u>8,556</u>	=	166,781	X	5.13%

RATE BASE - 2015

(\$000)

ZONE 6

Month	Net Plant Month End	Materials Supplies & Prepaid	Working Capital	Linepack	Rate Base End Month
January Opening Balance	94,387	960	4,463	2,577	102,387
January	93,079	960	3,765	2,577	100,381
February	91,746	959	3,714	2,577	98,996
March	90,421	959	3,929	2,577	97,886
April	89,083	958	3,930	2,577	96,548
May	87,744	958	3,936	2,577	95,215
June	86,865	958	3,912	2,577	94,312
July	85,520	957	3,920	2,577	92,974
August	84,173	957	4,011	2,577	91,718
September	82,825	956	4,688	2,577	91,046
October	81,475	956	5,043	2,577	90,051
November	82,424	956	5,172	2,577	91,129
December	81,716	955	6,321	2,577	91,569
Average Rate Base - 13 Month					<u>94,939</u>

ZONE 7

Month	Net Plant Month End	Materials Supplies & Prepaid	Working Capital	Linepack	Rate Base End Month
January Opening Balance	1,862	-	724	1,039	3,625
January	1,686	-	197	1,039	2,922
February	1,506	-	365	1,039	2,910
March	1,323	-	369	1,039	2,731
April	1,139	-	267	1,039	2,445
May	956	-	393	1,039	2,388
June	771	-	1,226	1,039	3,036
July	585	-	407	1,039	2,031
August	442	-	372	1,039	1,853
September	441	-	789	1,039	2,269
October	441	-	732	1,039	2,212
November	440	-	758	1,039	2,237
December	435	-	464	1,039	1,938
Average Rate Base - 13 Month					<u>2,507</u>



RATE BASE - 2015

(\$000)

**ZONE 8**

Month	Net Plant Month End	Materials Supplies & Prepaid	Working Capital	Linepack	Rate Base End Month
January Opening Balance	180,614	2,081	4,475	1,473	188,643
January	179,241	2,080	1,871	1,473	184,665
February	178,325	2,080	2,316	1,473	184,194
March	177,024	2,079	2,499	1,473	183,075
April	175,576	2,079	1,404	1,473	180,532
May	175,548	2,079	1,887	1,473	180,987
June	173,976	2,078	2,153	1,473	179,680
July	172,356	2,078	2,435	1,473	178,342
August	171,685	2,077	2,990	1,473	178,225
September	170,057	2,077	3,489	1,473	177,096
October	168,427	2,076	3,315	1,473	175,291
November	169,097	2,076	3,132	1,473	175,778
December	167,761	2,076	3,669	1,473	174,979
Average Rate Base - 13 Month					<u>180,114</u>

**ZONE 9**

Month	Net Plant Month End	Materials Supplies & Prepaid	Working Capital	Linepack	Rate Base End Month
January Opening Balance	169,862	681	1,444	2,316	174,303
January	168,378	671	560	2,316	171,925
February	166,873	670	1,107	2,316	170,966
March	166,989	670	764	2,316	170,739
April	165,447	669	639	2,316	169,071
May	163,903	669	645	2,316	167,533
June	162,369	668	728	2,316	166,081
July	160,821	668	1,770	2,316	165,575
August	159,269	668	1,263	2,316	163,516
September	157,714	667	1,703	2,316	162,400
October	157,178	667	1,605	2,316	161,766
November	157,463	666	1,545	2,316	161,990
December	158,307	666	995	2,316	162,284
Average Rate Base - 13 Month					<u>166,781</u>

DEPRECIATION AND AMORTIZATION  
FOR THE PERIOD ENDING DECEMBER 31, 2015

(\$000)

**ZONE 6**

Month	Depreciation	Amortization	Depreciation & Amortization
January	1,426	-	1,426
February	1,436	-	1,436
March	1,437	-	1,437
April	1,441	-	1,441
May	1,442	-	1,442
June	1,444	-	1,444
July	1,448	-	1,448
August	1,450	-	1,450
September	1,451	-	1,451
October	1,453	-	1,453
November	1,455	-	1,455
December	1,470	-	1,470
<b>TOTAL</b>	<u>17,353</u>	<u>-</u>	<u>17,353</u>

**ZONE 7**

Month	Depreciation	Amortization	Depreciation & Amortization
January	196	-	196
February	196	-	196
March	197	-	197
April	197	-	197
May	198	-	198
June	198	-	198
July	198	-	198
August	156	-	156
September	13	-	13
October	13	-	13
November	14	-	14
December	15	-	15
<b>TOTAL</b>	<u>1,591</u>	<u>-</u>	<u>1,591</u>

DEPRECIATION AND AMORTIZATION  
FOR THE PERIOD ENDING DECEMBER 31, 2015

(\$000)

**ZONE 8**

Month	Depreciation	Amortization	Depreciation & Amortization
January	1,655	-	1,655
February	1,659	-	1,659
March	1,668	-	1,668
April	1,675	-	1,675
May	1,679	-	1,679
June	1,692	-	1,692
July	1,694	-	1,694
August	1,696	-	1,696
September	1,703	-	1,703
October	1,704	-	1,704
November	1,705	-	1,705
December	1,720	-	1,720
<b>TOTAL</b>	<u>20,250</u>	<u>-</u>	<u>20,250</u>

**ZONE 9**

Month	Depreciation	Amortization	Depreciation & Amortization
January	1,634	-	1,634
February	1,637	-	1,637
March	1,640	-	1,640
April	1,653	-	1,653
May	1,655	-	1,655
June	1,657	-	1,657
July	1,659	-	1,659
August	1,661	-	1,661
September	1,664	-	1,664
October	1,666	-	1,666
November	1,670	-	1,670
December	1,677	-	1,677
<b>TOTAL</b>	<u>19,873</u>	<u>-</u>	<u>19,873</u>

DEPRECIATION BY ACCOUNT - 2015

(\$000)

ZONE 6

NEB Account No and Description	Depreciation Rate	Gross Plant at 31-Dec-2014	Additions & Retirements	Gross Plant at 31-Dec-2015	Depreciation For Year
460-Land	0.00%	222	-	222	-
461-Land Rights	3.00%	3,412	-	3,412	102
462-Compressor Structures	3.00%	34,726	-	34,726	1,042
465-Pipeline Mains	3.00%	302,714	-	302,714	9,081
466-Compressor Equipment	3.00%	173,125	676	173,801	5,194
466-Compressor Overhaul	7.69%	10,536	2,950	13,486	849
468-Communications	3.00%	467	-	467	14
482-Leasehold Improvements	10.00%	621	245	866	57
483-Computer Equipment	24.41%	2,524	400	2,924	678
483-Office Furniture & Eqmt	8.90%	221	21	242	21
484-Transportation Eqmt	30.00%	66	186	252	36
485-Heavy Work Equipment	2.19%	80	-	80	-
486-Tools & Work Equipment	2.01%	588	10	598	12
488-Communication STR	5.21%	33	-	33	2
496-Unclassified Plant	3.00%	8,836	-	8,836	265
TOTAL Gas Plant in Service		<u>538,171</u>	<u>4,488</u>	<u>542,659</u>	<u>17,353</u>
Composite Depreciation Rate	3.21%				

DEPRECIATION BY MONTH - 2015

(\$000)

Month	Gross Plant Start Month	Additions In Month	Retirements In Month	Gross Plant End Month	Depreciation By Month
January	538,171	118	-	538,289	1,426
February	538,289	103	-	538,392	1,436
March	538,392	112	-	538,504	1,437
April	538,504	103	-	538,607	1,441
May	538,607	103	-	538,710	1,442
June	538,710	564	-	539,274	1,444
July	539,274	103	-	539,377	1,448
August	539,377	103	-	539,480	1,450
September	539,480	103	-	539,583	1,451
October	539,583	103	-	539,686	1,453
November	539,686	2,403	-	542,089	1,455
December	542,089	764	(194)	542,659	1,470
TOTAL		<u>4,682</u>	<u>(194)</u>		<u>17,353</u>

DEPRECIATION BY ACCOUNT - 2015

(\$000)

ZONE 7

NEB Account No and Description	Depreciation Rate	Gross Plant at 31-Dec-2014	Additions & Retirements	Gross Plant at 31-Dec-2015	Depreciation For Year
461-Land Rights	3.00%	1,081	-	1,081	-
465-Pipeline Mains	3.00%	74,310	-	74,310	1,443
482-Leasehold Improvements	10.00%	94	47	141	16
483-Computer Equipment	24.41%	467	79	546	128
483-Office Furniture & Eqmt	8.90%	37	4	41	4
486-Tools & Work Equip	2.01%	11	-	11	-
488-Communication STR	5.21%	5	-	5	-
496-Unclassified Plant	3.00%	23,072	-	23,072	-
TOTAL Gas Plant in Service		<u>99,077</u>	<u>130</u>	<u>99,207</u>	<u>1,591</u>
Composite Depreciation Rate	1.60%				

DEPRECIATION BY MONTH - 2015

(\$000)

Month	Gross Plant Start Month	Additions In Month	Retirements In Month	Gross Plant End Month	Depreciation By Month
January	99,077	19	-	99,096	196
February	99,096	17	-	99,113	196
March	99,113	14	-	99,127	197
April	99,127	13	-	99,140	197
May	99,140	15	-	99,155	198
June	99,155	13	-	99,168	198
July	99,168	13	-	99,181	198
August	99,181	13	-	99,194	156
September	99,194	13	-	99,207	13
October	99,207	13	-	99,220	13
November	99,220	13	-	99,233	14
December	99,233	9	(35)	99,207	15
TOTAL		<u>165</u>	<u>(35)</u>		<u>1,591</u>

DEPRECIATION BY ACCOUNT - 2015

(\$000)

ZONE 8

NEB Account No and Description	Depreciation Rate	Gross Plant at 31-Dec-2014	Additions & Retirements	Gross Plant at 31-Dec-2015	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%	20,973	-	20,973	629
463-Meas & Reg Structures	3.00%	1,773	-	1,773	53
465-Pipeline Mains	3.00%	282,234	80	282,314	8,467
466-Compressor Equipment	3.00%	235,993	-	235,993	7,080
466-Compressor Overhaul	7.69%	13,193	5,150	18,343	1,147
467-Meas & Reg Equipment	3.00%	13,406	-	13,406	402
468-Communications	3.00%	2,687	247	2,934	81
482-Leasehold Improvements	10.00%	308	272	580	44
482-Leasehold Improvements	6.67%	83	-	83	40
482-Leasehold Improvements	5.61%	596	-	596	-
483-Computer Equipment	24.41%	6,913	1,398	8,311	1,945
483-Office Furniture & Eqmt	8.90%	382	23	405	36
484-Transportation Eqmt	30.00%	323	-	323	1
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%	485	-	485	22
496-Unclassified Plant	3.00%	4,469	-	4,469	134
TOTAL Gas Plant in Service		<u>591,883</u>	<u>7,170</u>	<u>599,053</u>	<u>20,250</u>
Composite Depreciation Rate	3.40%				

DEPRECIATION BY MONTH - 2015

(\$000)

Month	Gross Plant Start Month	Additions In Month	Retirements In Month	Gross Plant End Month	Depreciation By Month
January	591,883	282	-	592,165	1,655
February	592,165	744	-	592,909	1,659
March	592,909	366	-	593,275	1,668
April	593,275	228	-	593,503	1,675
May	593,503	1,651	-	595,154	1,679
June	595,154	121	-	595,275	1,692
July	595,275	75	-	595,350	1,694
August	595,350	1,024	-	596,374	1,696
September	596,374	74	-	596,448	1,703
October	596,448	74	-	596,522	1,704
November	596,522	2,375	-	598,897	1,705
December	598,897	382	(226)	599,053	1,720
TOTAL		<u>7,396</u>	<u>(226)</u>		<u>20,250</u>

DEPRECIATION BY ACCOUNT - 2015

(\$000)

ZONE 9

NEB Account No and Description	Depreciation Rate	Gross Plant at 31-Dec-2014	Additions & Retirements	Gross Plant at 31-Dec-2015	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	65	40,470	1,212
463-Meas & Reg Structures	3.00%	5,575	3,711	9,286	177
464-Other Structures	3.00%	1,632	-	1,632	49
465-Pipeline Mains	3.00%	326,333	-	326,333	9,790
466-Compressor Equipment	3.00%	198,652	1,010	199,662	5,960
466-Compressor Overhaul	7.69%	11,948	1,962	13,910	1,025
467-Meas & Reg Equipment	3.00%	14,130	63	14,193	425
468-Communications	3.00%	658	494	1,152	20
482-Leasehold Improvements	10.00%	468	278	746	93
483-Computer Equipment	24.41%	2,907	467	3,374	790
483-Office Furniture & Eqmt	8.90%	166	24	190	17
484-Transportation Eqmt	30.00%	303	(11)	292	-
485-Heavy Work Equip	2.19%	172	-	172	-
486-Tools & Work Equip	2.01%	528	-	528	-
488-Communication STR	5.21%	41	-	41	2
496-Unclassified Plant	3.00%	10,509	-	10,509	313
TOTAL Gas Plant in Service		<u>615,864</u>	<u>8,063</u>	<u>623,927</u>	<u>19,873</u>
Composite Depreciation Rate	3.21%				

DEPRECIATION BY MONTH - 2015

(\$000)

Month	Gross Plant Start Month	Additions In Month	Retirements In Month	Gross Plant End Month	Depreciation By Month
January	615,864	150	-	616,014	1,634
February	616,014	132	-	616,146	1,637
March	616,146	1,755	-	617,901	1,640
April	617,901	111	-	618,012	1,653
May	618,012	110	-	618,122	1,655
June	618,122	123	-	618,245	1,657
July	618,245	111	-	618,356	1,659
August	618,356	110	-	618,466	1,661
September	618,466	109	-	618,575	1,664
October	618,575	1,129	-	619,704	1,666
November	619,704	1,955	-	621,659	1,670
December	621,659	2,522	(254)	623,927	1,677
TOTAL		<u>8,317</u>	<u>(254)</u>		<u>19,873</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	4,880	130	9,222	8,556
Add:				
Depreciation and Amortization	17,353	1,591	20,250	19,873
Deduct:				
Return on Debt	1,044	29	1,945	1,818
Capital Cost Allowance	4,332	736	8,118	6,149
Compressor Overhaul Capitalized	2,950	-	5,150	1,962
Total Taxable Amount	<u>13,907</u>	<u>956</u>	<u>14,259</u>	<u>18,500</u>
Income Tax Rate	25.00%	25.00%	26.00%	27.00%
Income Tax Provision (at R/(1-R) x Taxable Amount)	4,636	319	5,010	6,842
Taxes - Other than Income Tax	3,741	906	7,949	4,584
Total Taxes: Income and Other	<u><u>8,377</u></u>	<u><u>1,225</u></u>	<u><u>12,959</u></u>	<u><u>11,426</u></u>



ADJUSTMENT FOR (OVER) OR UNDER COLLECTION

(\$000)

ZONE 6

	<u>2013 Forecast</u>		<u>2013 Actual</u>		<u>2014 Forecast</u>		
<b>Cost of Service</b>							
Operating & Maintenance	34,561	6-2	35,760		31,434		
Return on Rate Base	8,322	6-3	8,311		5,396		
Depreciation & Amortization	16,557	6-4	16,533		17,019		
Taxes: Income and Other	7,884	6-5	8,198		8,187		
Special Charge	1,378	6-6	1,378		1,397		
Carbon Tax	500		-		(190)		
Fuel Tax	-		-		-		
Sub-Total	<u>69,202</u>		<u>70,180</u>		<u>63,243</u>		
Adjustments:							
Previous (Over) / Under	1,588		1,588		(402)		
Overrun Service	-		-		-		
Total Firm Revenue Requirement	<u>70,790</u>		<u>71,768</u>		<u>62,841</u>		
<b>Service Revenue</b>							
FT Service	71,226		71,226		65,510		
Total Revenue Generated	<u>71,226</u>	6-1	<u>71,226</u>		<u>65,510</u>		
<b>Variance</b>	<u>2013<sup>1</sup></u>		<u>2013</u>		<u>2013<sup>2</sup></u>	<u>2014<sup>3</sup></u>	<u>Total<sup>4</sup></u>
Revenue Required minus Revenue Generated	(436)		542		978	(2,669)	(1,691)
Interest on Variance	(6)		8		14	(36)	(22)
BILLING ADJUSTMENT FOR TEST YEAR	<u>(442)</u>		<u>550</u>		<u>992</u>	<u>(2,705)</u>	<u>(1,713)</u>

ZONE 7

	<u>2013 Forecast</u>		<u>2013 Actual</u>		<u>2014 Forecast</u>		
<b>Cost of Service</b>							
Operating & Maintenance	3,788	7-2	3,821		5,234		
Return on Rate Base	526	7-3	526		249		
Depreciation & Amortization	2,993	7-4	2,991		2,967		
Taxes: Income and Other	1,658	7-5	1,696		1,645		
Special Charge	191	7-6	191		194		
Fuel Tax	-		-		-		
Sub-Total	<u>9,156</u>		<u>9,225</u>		<u>10,289</u>		
Adjustments:							
Previous (Over) / Under	(522)		(522)		(782)		
Overrun Service	-		-		-		
Total Firm Revenue Requirement	<u>8,634</u>	7-1	<u>8,703</u>		<u>9,507</u>		
<b>Service Revenue</b>							
FT Service	9,385		9,385		9,849		
Total Revenue Generated	<u>9,385</u>		<u>9,385</u>		<u>9,849</u>		
<b>Variance</b>	<u>2013<sup>1</sup></u>		<u>2013</u>		<u>2013<sup>2</sup></u>	<u>2014<sup>3</sup></u>	<u>Total<sup>4</sup></u>
Revenue Required minus Revenue Generated	(751)		(682)		69	(342)	(273)
Interest on Variance	(10)		(10)		-	(5)	(5)
BILLING ADJUSTMENT FOR TEST YEAR	<u>(761)</u>		<u>(692)</u>		<u>69</u>	<u>(347)</u>	<u>(278)</u>

Note(s):

1. Forecast 2013 as identified in the 2014 rates application.
2. Estimate/Actual (over)/under collection from 2013.
3. 2014 estimated (over)/under collection.
4. Total adjustment from 2013 and 2014.

ADJUSTMENT FOR (OVER) OR UNDER COLLECTION

(\$000)

**ZONE 8**

	<u>2013 Forecast</u>		<u>2013 Actual</u>		<u>2014 Forecast</u>	
<b>Cost of Service</b>						
Operating & Maintenance	12,137	8-2	13,295		15,568	
Return on Rate Base	13,484	8-3	13,423		9,313	
Depreciation & Amortization	17,692	8-4	17,726		18,827	
Taxes: Income and Other	13,068	8-5	12,653		12,149	
Special Charge	532	8-6	532		533	
Carbon Tax	5,407	8-7	6,122		4,846	
Fuel Tax	2,251	8-8	2,489		2,212	
Sub-Total	<u>64,571</u>		<u>66,240</u>		<u>63,448</u>	
Adjustments:						
Previous (Over) / Under	(9,770)		(9,770)		(4,611)	
STFT & IT Service	(7,938)	8-1	(8,918)		(7,767)	
Total Firm Revenue Requirement	<u>46,863</u>		<u>47,552</u>		<u>51,070</u>	
<b>Service Revenue</b>						
FT Service	51,567		51,717		57,564	
Total Revenue Generated	<u>51,567</u>	8-1	<u>51,717</u>		<u>57,564</u>	
<b>Variance</b>						
	<u>2013<sup>1</sup></u>		<u>2013</u>	<u>2013<sup>2</sup></u>	<u>2014<sup>3</sup></u>	<u>Total<sup>4</sup></u>
Revenue Required minus Revenue Generated	(4,704)		(4,165)	539	(6,494)	(5,955)
Interest on Variance	(68)		(60)	8	(88)	(80)
BILLING ADJUSTMENT FOR TEST YEAR	<u>(4,772)</u>		<u>(4,225)</u>	<u>547</u>	<u>(6,582)</u>	<u>(6,035)</u>

**ZONE 9**

	<u>2013 Forecast</u>		<u>2013 Actual</u>		<u>2014 Forecast</u>	
<b>Cost of Service</b>						
Operating & Maintenance	5,634	9-2	5,503		6,047	
Return on Rate Base	13,237	9-3	13,222		8,960	
Depreciation & Amortization	18,892	9-4	18,876		19,421	
Taxes: Income and Other	8,999	9-5	9,468		11,233	
Special Charge	168	9-6	168		146	
Fuel Tax	674	9-7	559		654	
Sub-Total	<u>47,604</u>		<u>47,796</u>		<u>46,461</u>	
Adjustments:						
Previous (Over) / Under	(18,904)		(18,904)		(2,316)	
STFT, IT & SGS Service	(24,981)	9-1	(24,859)		(30,219)	
Total Firm Revenue Requirement	<u>3,719</u>		<u>4,033</u>		<u>13,926</u>	
<b>Service Revenue</b>						
FT Service	5,973		6,017		8,539	
Total Revenue Generated	<u>5,973</u>	9-1	<u>6,017</u>		<u>8,539</u>	
<b>Variance</b>						
	<u>2013<sup>1</sup></u>		<u>2013</u>	<u>2013<sup>2</sup></u>	<u>2014<sup>3</sup></u>	<u>Total<sup>4</sup></u>
Revenue Required minus Revenue Generated	(2,254)		(1,984)	270	5,387	5,657
Interest on Variance	(33)		(29)	4	73	77
BILLING ADJUSTMENT FOR TEST YEAR	<u>(2,287)</u>		<u>(2,013)</u>	<u>274</u>	<u>5,460</u>	<u>5,734</u>

Note(s):

- Forecast 2013 as identified in the 2014 rates application.
- Estimate/Actual (over)/under collection from 2013.
- 2014 estimated (over)/under collection.
- Total adjustment from 2013 and 2014.

## 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 (%)
<b>Zone 6</b>				
NOVA Gas Transmission Ltd.	2,173.162	378.49	822,520.0854	
	<u>2,173.162</u>		<u>822,520.0854</u>	62.958%
<b>Zone 7</b>				
NOVA Gas Transmission Ltd.	920.465	124.03	114,165.2740	
	<u>920.465</u>		<u>114,165.2740</u>	8.739%
<b>Zone 8</b>				
Avista Corporation	216.237	170.70	36,911.6559	
British Columbia Hydro and Power Authority	43.673	170.70	7,454.9811	
Canadian Natural Resources	17.925	170.70	3,059.7975	
Cascade Natural Gas Corporation	29.411	170.70	5,020.4719	
Chevron Canada Resources	21.932	170.70	3,743.7924	
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	
Encana Corporation	67.948	170.70	11,598.7236	
FortisBC Energy Inc.	142.974	170.70	24,405.7045	
Iberdrola Canada Energy Services Ltd.	82.623	170.70	14,103.7461	
Intermountain Gas Company	112.653	170.70	19,229.8387	
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	
PacifiCorp	47.708	170.70	8,143.7556	
Paramount Resources Ltd.	21.187	170.70	3,616.6209	
Portland General Electric Company	74.477	170.70	12,713.1670	
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.	7.243	170.70	1,236.3801	
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>1,821.621</u>		<u>310,950.676</u>	23.801%
<b>Zone 9</b>				
Encana Corporation	60.000	258.97	15,538.2000	
Husky Oil Operations Limited	98.036	258.97	25,388.3829	
MDU Resources Group, Inc.	10.656	258.97	2,759.5843	
Tenaska Marketing Canada, a division of TMV Corp.	21.000	258.97	5,438.3700	
Twin Eagle Resource Management Canada, LLC	10.650	258.97	2,758.0305	
TransGas Limited	44.167	92.00	4,063.3640	
TransGas Limited	60.000	48.00	2,880.0000	
	<u>304.509</u>		<u>58,825.932</u>	4.502%

**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	0.00663711550.0066077414
Zone 7	0.00718916490.0051745157
Zone 8*	0.01526152410.0146248074
Zone 9	0.00803589410.0110366323

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

	Commodity Rate (\$/GJ/Km)
Zone 6	0.00024002720.0002389649
Zone 7	0.00025999170.0001871332

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

	Commodity Rate (\$/GJ/Km)
Zone 8*	0.00055192360.0005288971
Zone 9	0.00029061320.0003991330

### 4. Monthly Abandonment Surcharge\*\*

<u>All Zones</u>	<u>To Be Filed by December 5, 2014</u>
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### 5. Daily Abandonment Surcharge\*\*\*

<u>All Zones</u>	<u>To Be Filed by December 5, 2014</u>
------------------	----------------------------------------

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

\*\*Monthly Abandonment Surcharge applicable to Rate Schedule Firm Transportation Service, and Short Term Firm Transportation Service for all zones.

\*\*\*Daily Abandonment Surcharge applicable to Rate Schedule Overrun Transportation Service for zone 6 & 7, Interruptible Transportation Service for zone 8 & 9, and Small General Service for zone 9.

**Attachment 3**

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

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

	Demand Rate (\$/GJ/Km/Month)
Zone 6	0.0066077414
Zone 7	0.0051745157
Zone 8*	0.0146248074
Zone 9	0.0110366323

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

	Commodity Rate (\$/GJ/Km)
Zone 6	0.0002389649
Zone 7	0.0001871332

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

	Commodity Rate (\$/GJ/Km)
Zone 8*	0.0005288971
Zone 9	0.0003991330

**4. Monthly Abandonment Surcharge\*\***

All Zones *To Be Filed by December 5, 2014*

**5. Daily Abandonment Surcharge\*\*\***

All Zones *To Be Filed by December 5, 2014*

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

\*\*Monthly Abandonment Surcharge applicable to Rate Schedule Firm Transportation Service, and Short Term Firm Transportation Service for all zones.

\*\*\*Daily Abandonment Surcharge applicable to Rate Schedule Overrun Transportation Service for zone 6 & 7, Interruptible Transportation Service for zone 8 & 9, and Small General Service for zone 9.