

**GAS TRANSPORTATION TARIFF
OF
FOOTHILLS PIPE LINES (South B.C.) LTD. (“Company”)
WITH
FOOTHILLS PIPE LINES LTD. (“Shipper”)**

This Gas Transportation Tariff is subject to the National Energy Board Act and is available for inspection during normal business hours. Communications concerning this Gas Transportation Tariff should be addressed to:

Foothills Pipe Lines Ltd.
450 First Street S.W.
Calgary, Alberta
T2P 5H1

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DESCRIPTION OF COMPANY AND SERVICES RENDERED

Foothills Pipe Lines (South B.C.) Ltd. (hereinafter referred to as “Company”) owns and operates a natural gas pipeline network, in the Province of British Columbia engaged primarily in rendering natural gas transportation service to Foothills Pipe Lines Ltd. (hereinafter referred to as “Shipper”).

Company has the capacity within or outside of Canada to construct, purchase, or otherwise acquire and hold, develop, operate, maintain, control, lease, mortgage, hypothecate, create liens or other security upon, sell, convey, or otherwise dispose of and turn to account any and all interprovincial, extraprovincial and/or international pipelines and all appurtenances relative thereto. Company may engage in other miscellaneous services generally of a relatively minor magnitude.

This Gas Transportation Tariff sets forth the Rate Schedule, the General Terms and Conditions, and the Pro Forma Service Agreement applicable to the gas transportation service provided by Company. In general Company shall provide a gas transportation service for Shipper and in turn shall receive a cost of service payment for this service. Company shall determine an annual cost of service and Shipper shall be obligated to pay this cost of service.