



West Path Delivery Program (Foothills Zone 8) *Class 4 Estimate Update*

February 17, 2021



For information purposes only

Foothills Zone 8 – 2023 West Path Delivery Program Project Cost Estimate Update

Purpose:

- Foothills Pipe Lines Ltd. (FHPL) wishes to inform Foothills Zone 8 shippers of the updated project cost estimate for the 2023 West Path Delivery Project (the Project) as a result of the recently conducted Class 4 estimate. FHPL is targeting filing a Section 214 application with the Canada Energy Regulator (CER) by March 1, 2021 for the Project, which will reflect the updated cost estimate.
- This slide deck provides information on the updated cost estimate associated with the Project for Foothills Zone 8. The cost increase in this updated cost estimate is entirely attributable to the Elko Section Loop of the 2023 tranche; the estimated cost of the Yahk Section Loop remains unchanged from the October 2020 presentation at \$133 MM.

Note: edits reflected in “Track Changes” indicate changes compared to the information provided at the October 2020 Foothills Customer meeting

Updated Foothills Zone 8 - West Path Delivery Project cost estimate: \$535MM (2022 - \$133MM & 2023 - \$402MM)

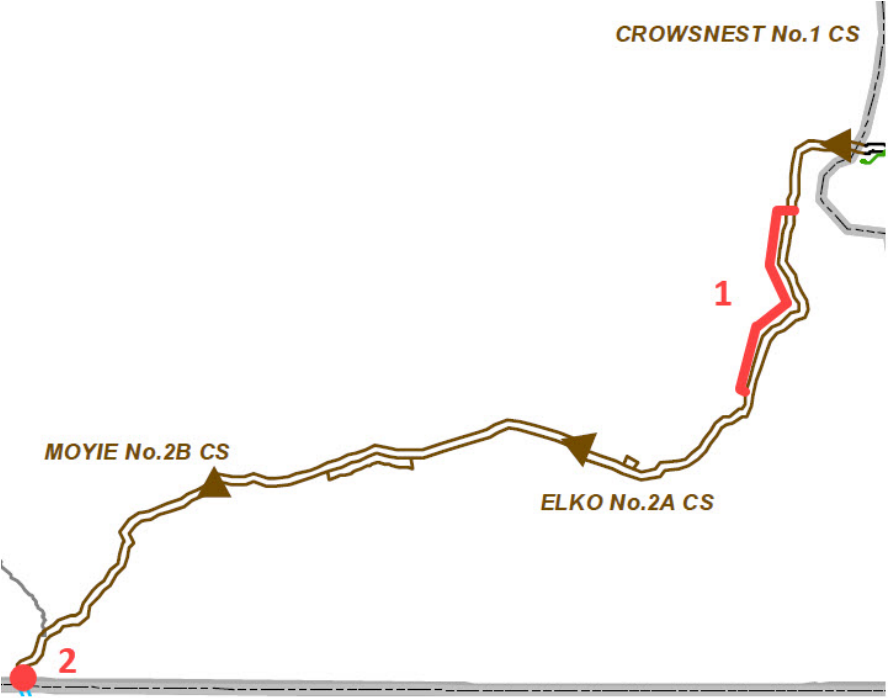
Previous communications on Foothills Zone 8 - West Path Delivery Project cost estimates:

1. *March 2020 Foothills Customer meeting:* \$538MM (2022- \$226MM & 2023-\$312MM)
2. *October 2020 Foothills Customer meeting:* \$439MM (2022 - \$133MM & 2023 - \$306MM)
 - 2022 - removal of 4kms of the Crowsnest Loop (resultant cost savings: \$93MM)
 - 2023 – reduction of upgrades required for Kingsgate meter station (resultant cost savings: \$6.5MM)

Agenda

- 1 Foothills BC (FHBC) Expansion – Class 4 Estimate Update
- 2 Illustrative Toll Impact on Foothills BC

Proposed Mainline Facilities for Area Demands (FHBC)



MAP I.D.	FACILITY	DESCRIPTION	TARGET IN-SERVICE DATE	CAPITAL COST (\$Millions)
FHBC Export Expansion Tranche 2				
1	BCML Loop Elko Section	31 km NPS 48	Nov-23	401
2	Kingsgate Meter Station Expansion		Nov-23	0.5

Approved Applied-for To Be Applied-for

LEGEND:

- Proposed Facility
- ▲ Proposed Compressor
- ▬ Proposed Pipe

Proposed Mainline Facilities – Kingsgate Export (FHBC)

Purpose:

- Increase capability to transport gas to growing markets

Scope:

- 31 km of NPS 48 for 2023

Estimated Cost:

- Total: \$~~306~~ 402 Million (2023) – *updated with Class 4 estimate*

Capacity:

- Expected Existing FHBC Capacity 2023: ~ ~~81,700~~ 82,200 10³m³/d (~~3,090~~ 3,109 TJ/d)
- Incremental Capacity: ~ 4,300 10³m³/d (160 TJ/d)

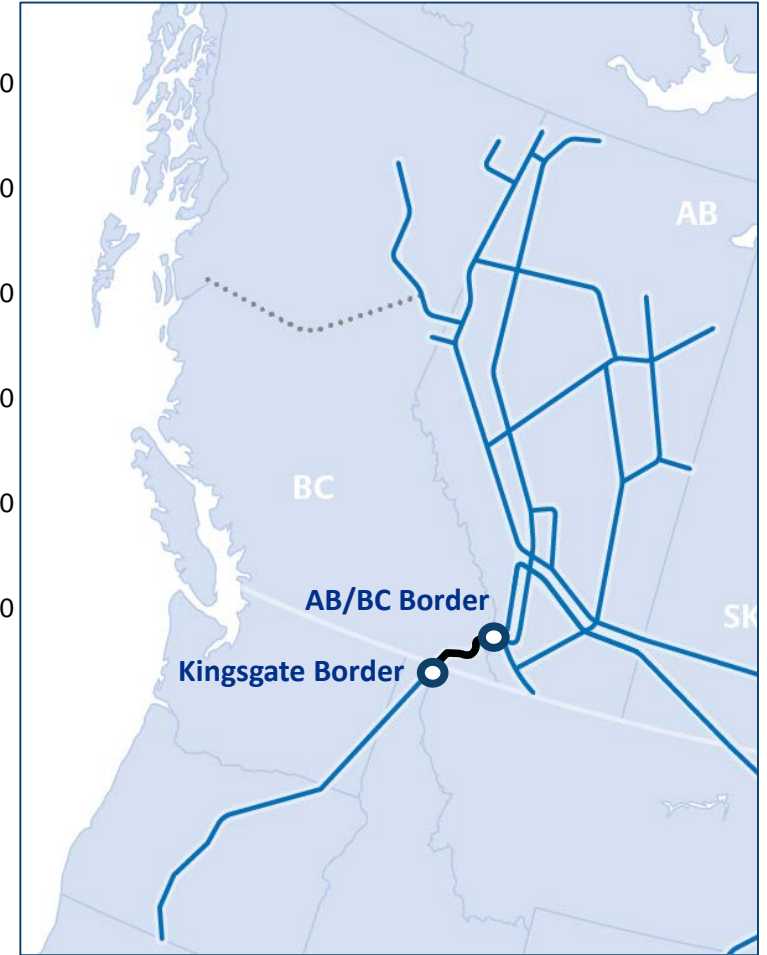
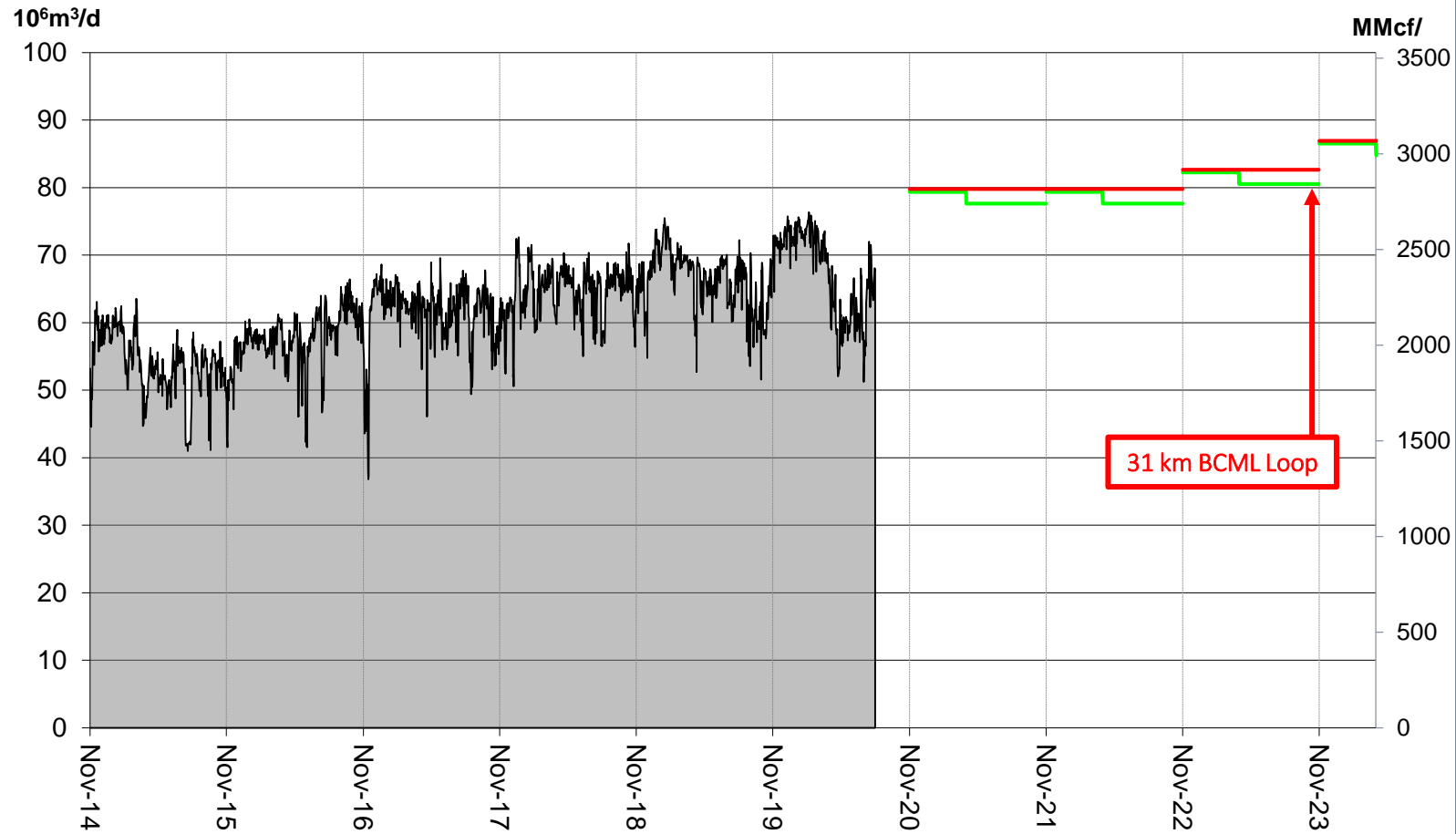
Incremental Contracts:

- 162 TJ/d for Nov 2023

Schedule:

- CER s.214 Application, **Target application filing: March 1, 2021**
- In-service Nov 2023

Foothills BC Delivery Design Chart



Estimated Future Abandonment Costs

- \$5.3 million estimate to abandon the proposed facilities
- Specific abandonment approach and cost estimate will be updated when an application to abandon these facilities is filed in the future

Illustrative Toll Impact – FHBC

Toll/Revenue impact assessment based on the following:

- Total capital costs: \$133 Million (2022) & ~~\$306~~ 402 Million (2023)

	2022	2023	2024	2025	2026	2027	Average Toll Impact (2022–2027)
Illustrative Toll Impact (¢/GJ/d)	(0.3)	0.5	3.9 5.2	3.9 5.1	3.9 5.1	3.9 5.1	2.6 3.5

Contacts

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