



450 – 1 Street SW  
Calgary, Alberta T2P 5H1

Tel: (587) 933-0055  
Email: [albin\\_antony@tcenergy.com](mailto:albin_antony@tcenergy.com)

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Filed Electronically

Canada Energy Regulator  
Suite 210, 517 Tenth Avenue SW  
Calgary, Alberta T2R 0A8

**Attention: Ramona Sladic, Secretary of the Commission**

Dear Ramona Sladic:

**Re: Foothills Pipe Lines Ltd. (Foothills)  
Quarterly Surveillance Report  
For the Fourth Quarter Ended December 31, 2024**

Please find enclosed the Foothills System's Quarterly Surveillance Report for the period ended December 31, 2024.

Foothills is notifying customers of the availability of this filing on the Commission's repository as well as on TC Energy's Foothills System website at the following address:

<http://www.tccustomerexpress.com/934.html>

Should the Commission require additional information regarding this filing, please contact me by phone at (587) 933-0055 or by email at [albin\\_antony@tcenergy.com](mailto:albin_antony@tcenergy.com).

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

***Original signed by***

Albin Antony  
Regulatory Tolls and Tariffs Analyst  
Canadian Natural Gas Pipelines

Enclosure

cc: Foothills Firm and Interruptible Customers

**Foothills Pipe Lines Ltd. - Foothills System**  
**Quarterly Surveillance Report**  
**Commission of the Canada Energy Regulator (CER or Commission)**

For the Year Ended December 31, 2024

Pursuant to the Toll Information Regulations and Guide BB of the Filing Manual, as revised in December 2016, Letter Decision of June 2, 2000 attaching Order TG-2-2000 and Order MO-036-2017 dated July 10, 2017, Foothills submits its year-end report for 2024.

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*Numbers within the attached schedules may not add due to rounding.*

**Foothills Pipe Lines (Alta.) Ltd. - Zone 6**  
**INCOME SUMMARY**  
For the Year Ended December 31, 2024  
(\$000s)

Line No.	Particulars	CER Account(s)	Period Actual	Decision	Variance (c) - (d)	Note
	(a)	(b)	(c)	(d)	(e)	(f)
<b>Revenues</b>						
1	Transportation Revenue <sup>(i)</sup>	300	51,168	70,019	(18,851)	
<b>Operating Expenses</b>						
2	Operating, Maintenance & Administrative	301	17,961	18,202	(241)	
3	Fuel & Power	301	5,254	15,837	(10,583)	(1)
4	Emissions Compliance Costs	301	4,100	7,562	(3,462)	(2)
5	Depreciation	303/304	10,346	14,342	(3,996)	(3)
6	Income Taxes	306	915	1,106	(191)	
7	Municipal Taxes	305	3,888	3,795	93	
8	CER & NPA Cost Recovery	301	2,716	2,939	(223)	
9	Methane Emissions	301	487	115	372	
10	<b>Total Operating Expenses</b>		45,667	63,898	(18,231)	
11	<b>Operating Income</b>		5,501	6,121	(620)	
12	Financial Charges	320	2,406	2,779	(373)	
13	<b>Net Income Applicable to Common Equity</b>		3,095	3,342	(247)	
14	Rate Base (Schedule 2.0 (a))		76,614	82,713	(6,099)	(4)
15	Return on Rate Base		7.18%	7.40%		
16	Return on Common Equity		10.10%	10.10%		

(i) Transportation Revenue reflects Total Revenue Requirement.

**Note:**

- (1) Decrease primarily due to lower utilization of compressor unit.
- (2) Decrease primarily due to lower fuel usage.
- (3) Decrease primarily due to lower additions to a fully depreciated asset class.
- (4) Refer to Schedule 2.0 for rate base variance explanations.

**Foothills Pipe Lines (Alta.) Ltd. - Zone 7**  
**INCOME SUMMARY**  
For the Year Ended December 31, 2024  
(\$000s)

Line No.	Particulars	CER Account(s)	Period Actual	Decision	Variance (c) - (d)	Note
	(a)	(b)	(c)	(d)	(e)	(f)
<b>Revenues</b>						
1	Transportation Revenue <sup>(i)</sup>	300	4,963	7,737	(2,774)	
<b>Operating Expenses</b>						
2	Operating, Maintenance & Administrative	301	3,360	6,115	(2,755)	(1)
3	Depreciation	303/304	71	68	3	
4	Income Taxes	306	(67)	(89)	22	
5	Municipal Taxes	305	983	941	42	
6	CER & NPA Cost Recovery	301	487	534	(47)	
7	Methane Emissions	301	12	18	(6)	
8	<b>Total Operating Expenses</b>		4,846	7,587	(2,741)	
9	<b>Operating Income</b>		117	150	(33)	
10	Financial Charges	320	52	68	(16)	
11	<b>Net Income Applicable to Common Equity</b>		66	82	(16)	
12	Rate Base (Schedule 2.0 (b))		1,622	2,024	(402)	
13	Return on Rate Base		7.23%	7.41%		
14	Return on Common Equity		10.10%	10.10%		

(i) Transportation Revenue reflects Total Revenue Requirement.

**Note:**

(1) Decrease primarily due to lower pipeline integrity costs.

**Foothills Pipe Lines (Alta.) Ltd. - Zone 8**  
**INCOME SUMMARY**  
For the Year Ended December 31, 2024  
(\$000s)

Line No.	Particulars	CER Account(s)	Period Actual	Decision	Variance (c) - (d)	Note
	(a)	(b)	(c)	(d)	(e)	(f)
<b>Revenues</b>						
1	Transportation Revenue <sup>(i)</sup>	300	169,656	190,474	(20,818)	
<b>Operating Expenses</b>						
2	Operating, Maintenance & Administrative	301	22,975	20,160	2,815	(1)
3	Fuel & Power	301	733	755	(22)	
4	Emissions Compliance Costs	301	7,584	27,263	(19,679)	(2)
5	Depreciation	303/304	50,681	51,851	(1,170)	(3)
6	Income Taxes	306	2,939	2,105	834	(4)
7	Municipal Taxes	305	10,564	9,344	1,220	(5)
8	Fuel Tax	305	3,859	4,270	(411)	
9	CER & NPA Cost Recovery	301	1,981	2,078	(97)	
10	Methane Emissions	301	95	121	(26)	
11	<b>Total Operating Expenses</b>		101,411	117,947	(16,536)	
12	<b>Operating Income</b>		68,245	72,527	(4,282)	
13	Financial Charges	320	29,845	32,878	(3,032)	(6)
14	<b>Net Income Applicable to Common Equity</b>		38,400	39,650	(1,250)	
15	Rate Base (Schedule 2.0 (c))		950,487	981,427	(30,940)	(7)
16	Return on Rate Base		7.18%	7.39%		
17	Return on Common Equity		10.10%	10.10%		

(i) Transportation Revenue reflects Total Revenue Requirement.

**Note:**

- (1) Increase primarily due to higher personnel costs.
- (2) Decrease due to the new provincial Output Based Pricing System (OBPS), lower fuel usage, and the CleanBC Industrial Incentive Program grant.
- (3) Decrease primarily due to lower opening Gas Plant in Service (GPIS) balance and lower in service additions.
- (4) Increase due to lower Capitalized Cost Allowance and lower capitalized repair and overhaul costs.
- (5) Increase due to higher assessed asset value.
- (6) Decrease primarily due to lower weighted cost of debt.
- (7) Refer to Schedule 2.0 for rate base variance explanations.

**Foothills Pipe Lines (Alta.) Ltd. - Zone 9**  
**INCOME SUMMARY**  
For the Year Ended December 31, 2024  
(\$000s)

Line No.	Particulars	CER Account(s)	Period Actual	Decision	Variance (c) - (d)	Note
	(a)	(b)	(c)	(d)	(e)	(f)
<b>Revenues</b>						
1	Transportation Revenue <sup>(i)</sup>	300	31,931	35,329	(3,398)	
<b>Operating Expenses</b>						
2	Operating, Maintenance & Administrative	301	6,823	8,182	(1,359)	(1)
3	Fuel & Power	301	603	693	(90)	
4	Emissions Compliance Costs	301	(338)	1,904	(2,242)	(2)
5	Depreciation	303/304	14,272	13,038	1,234	(3)
6	Income Taxes	306	118	784	(666)	(4)
7	Municipal Taxes	305	3,976	3,951	25	
8	Fuel Tax	305	182	446	(264)	
9	CER & NPA Cost Recovery	301	618	650	(32)	
10	Methane Emissions Cost	301	39	37	2	
11	<b>Total Operating Expenses</b>		26,294	29,687	(3,393)	
12	<b>Operating Income</b>		5,637	5,642	(5)	
13	Financial Charges	320	2,466	2,562	(97)	
14	<b>Net Income Applicable to Common Equity</b>		3,172	3,080	92	
15	Rate Base (Schedule 2.0 (d))		78,519	76,251	2,268	(5)
16	Return on Rate Base		7.18%	7.40%		
17	Return on Common Equity		10.10%	10.10%		

(i) Transportation Revenue reflects Total Revenue Requirement.

**Note:**

- (1) Decrease primarily due to lower pipeline integrity costs.
- (2) Decrease due to Saskatchewan's new provincial OBPS carbon pricing program and lower fuel usage.
- (3) Increase due to higher opening GPIS balance and higher in service additions.
- (4) Decrease primarily due to higher Capitalized Cost Allowance deductions.
- (5) Refer to Schedule 2.0 for rate base variance explanations.

**Foothills Pipe Lines (Alta.) Ltd. - Zone 6**  
**AVERAGE PIPELINE RATE BASE**  
For the Year Ended December 31, 2024  
(\$000s)

Line No.	Particulars	Period Actual	Decision Decision	Variance (b) - (c)	Note
	(a)	(b)	(c)	(d)	(e)
<b>Utility Investment</b>					
1	Net Plant	65,203	69,841	(4,638)	(1)
<b>Working Capital</b>					
2	Cash	3,693	5,425	(1,732)	
3	Materials and Supplies	1,125	1,212	(87)	
4	Transmission Linepack	2,577	2,577	-	
5	Prepayments and Deposits	99	99	-	
6	Greenhouse Gas (GHG) Emissions Credits	3,785	3,559	226	
7	<b>Total Working Capital</b>	<b>11,279</b>	<b>12,872</b>	<b>(1,593)</b>	
<b>Miscellaneous Deferred Costs</b>					
8	Debt Discount & Expense	132	-	132	
9	<b>Total Miscellaneous Deferred Costs</b>	<b>132</b>	<b>-</b>	<b>132</b>	
10	<b>Total Rate Base</b>	<b>76,614</b>	<b>82,713</b>	<b>(6,099)</b>	

**Note:**

(1) Variance due to fewer assets placed in service in 2024.

**Foothills Pipe Lines (Alta.) Ltd. - Zone 7**  
**AVERAGE PIPELINE RATE BASE**  
For the Year Ended December 31, 2024  
(\$000s)

Line No.	Particulars	Period Actual	Decision Decision	Variance (b) - (c)
	(a)	(b)	(c)	(d)
<b>Utility Investment</b>				
1	Net Plant	113	190	(77)
<b>Working Capital</b>				
2	Cash	466	795	(329)
3	Transmission Linepack	1,039	1,039	-
4	Total Working Capital	1,505	1,834	(329)
<b>Miscellaneous Deferred Costs</b>				
5	Debt Discount & Expense	4	-	4
6	Total Miscellaneous Deferred Costs	4	-	4
7	<b>Total Rate Base</b>	1,622	2,024	(402)



**Foothills Pipe Lines (Alta.) Ltd. - Zone 8**  
**AVERAGE PIPELINE RATE BASE**  
For the Year Ended December 31, 2024  
(\$000s)

Line No.	Particulars	Period Actual	Decision	Variance (b) - (c)	Note
	(a)	(b)	(c)	(d)	(e)
<b>Utility Investment</b>					
1	Net Plant	938,491	969,342	(30,851)	(1)
<b>Working Capital</b>					
2	Cash	4,726	6,697	(1,971)	
3	Materials and Supplies	4,410	3,652	758	
4	Transmission Linepack	1,473	1,736	(263)	
6	Total Working Capital	10,609	12,085	(1,476)	
<b>Miscellaneous Deferred Costs</b>					
7	Debt Discount & Expense	1,387	-	1,387	
8	Total Miscellaneous Deferred Costs	1,387	-	1,387	
9	<b>Total Rate Base</b>	<b>950,487</b>	<b>981,427</b>	<b>(30,940)</b>	

**Note:**

(1) Variance due to a lower 2024 opening Net Plant and fewer assets placed in service in 2024.

**Foothills Pipe Lines (Alta.) Ltd. - Zone 9**  
**AVERAGE PIPELINE RATE BASE**  
For the Year Ended December 31, 2024  
(\$000s)

Line No.	Particulars	Period Actual	Decision	Variance (b) - (c)
	(a)	(b)	(c)	(d)
<b>Utility Investment</b>				
1	Net Plant	72,768	70,231	2,537
<b>Working Capital</b>				
2	Cash	981	1,463	(482)
3	Materials and Supplies	2,324	2,241	83
4	Transmission Linepack	2,316	2,316	-
5	Total Working Capital	5,621	6,020	(399)
<b>Miscellaneous Deferred Costs</b>				
6	Debt Discount & Expense	130	-	130
7	Total Miscellaneous Deferred Costs	130	-	130
8	<b>Total Rate Base</b>	78,519	76,251	2,268

**Foothills Pipe Lines Ltd. - Foothills System**  
**DEFERRED BALANCES**  
For the Year Ended December 31, 2024

Foothills Pipe Lines Ltd. is regulated on a cost of service basis and over or under-collections are adjusted in tolls annually.

**Foothills Pipe Lines Ltd. - Foothills System**  
**HISTORICAL ANNUAL INTEGRITY SPENDING**

For the Year Ended December 31, 2024

(\$000s)

Line No.	Particulars	Period Actual	
		Operating	Capital
	(a)	(b)	(c)
1	Program Management	2,206	-
2	Surveillance, Condition Monitoring and Integrity Hazard Assessment	6,214	-
3	Mitigation and Remediation	4,135	14,011
4	Other Expenditures	18	-
5	<b>Total Integrity Spending</b>	<b>12,573</b>	<b>14,011</b>

**Foothills Pipe Lines Ltd. - Foothills System**  
**ACTUAL AND APPROVED RATE OF RETURN**  
 For the Year Ended December 31, 2024  
 (2020-2024)

Line No.	Particulars	2020	2021	2022	2023	2024
	(a)	(b)	(c)	(d)	(e)	(f)
1	Actual and Approved Rates of Return on Common Equity	10.10%	10.10%	10.10%	10.10%	10.10%
2	Actual Rate of Return on Rate Base	5.42%	4.76%	4.78%	7.13%	7.18%
3	Approved Rate of Return on Rate Base	5.56%	5.18%	4.63%	6.79%	7.39%

**Foothills Pipe Lines Ltd. - Foothills System**  
**INTERCORPORATE TRANSACTIONS**

For the Year Ended December 31, 2024  
(includes total transactions greater than \$100,000)

**- Summary Receipts -**

Line No.	Contracting Party (a)	Nature of Service (b)	(\$000s) (c)	Sch.# (d)
1	NGTL Limited Partnership	Gas Transportation Service and Sale of Inventory	80,236	6.2
2	TransCanada PipeLines Limited	Sale of Inventory	339	6.2
3	<b>Total</b>		<b><u>80,575</u></b>	

**Foothills Pipe Lines Ltd. - Foothills System**  
**INTERCORPORATE TRANSACTIONS**

For the Year Ended December 31, 2024  
(includes total transactions greater than \$100,000)

**- Summary Payments -**

Line No.	Contracting Party (a)	Nature of Service (b)	(\$000s) (c)	Sch.# (d)
1	NGTL Limited Partnership	Purchase of Inventory	733	6.3
2	TransCanada PipeLines Limited	Administrative and Operating Expensive, Interest Costs on Intercompany Debt, Purchase of Greenhouse Gas Emissions Credits, Purchase of Inventory and Virtual Power Purchase Agreement	51,271	6.3
3	<b>Total</b>		<b><u>52,004</u></b>	

**Foothills Pipe Lines Ltd. - Foothills System  
INTERCORPORATE TRANSACTIONS**

For the Year Ended December 31, 2024

('000s)

**- Receipts -**

Contracting Party: NGTL Limited Partnership

Nature Of Service: Gas Transportation and Sale of Inventory

Description: Transportation services associated with movement of gas on the Foothills System and billed in accordance with Foothills System tolls.  
Sale of inventory.

	Gas Transportation	Sale of Inventory	Total
Amount	79,866	370	80,236

Contracting Party: TransCanada PipeLines Limited

Nature Of Service: Sale of Inventory

Description: Sale of inventory.

	Sale of Inventory
Amount	339



**Foothills Pipe Lines Ltd. - Foothills System**  
**INTERCORPORATE TRANSACTIONS**  
For the Year Ended December 31, 2024  
('000s)

**- Payments -**

Contracting Party: NGTL Limited Partnership

Nature Of Service: Purchase of Inventory

Description: Purchase of inventory.

	Purchase of Inventory
Amount	733

Contracting Party: TransCanada PipeLines Limited

Nature Of Service: Administrative and Operating Services, Interest Costs on Intercompany Debt, Purchase of Greenhouse Gas Emissions Credits, Purchase of Inventory and Virtual Power Purchase Agreement.

Description: Master Services Agreement for administrative and operating services including operations and engineering, regulatory services, business and information services.  
Interest costs of intercompany debt.  
Purchase of greenhouse gas emissions credits and purchase of inventory.  
Environmental attributes related to electric fuel costs through the Virtual Power Purchase Agreement.

	Administrative and Operating Services	Interest Costs	Purchase of Greenhouse Gas Emissions Credit	Purchase of Inventory	Virtual Power Purchase Agreement	Total
Amount	22,936	23,467	2,652	114	2,102	51,271

**Foothills Pipe Lines Ltd. - Foothills System**  
**TRAFFIC DATA**  
For the Year Ended December 31, 2024

In accordance with Section BB.2 of Guide BB of the CER Filing Manual, Traffic Data is being provided to the CER in a machine-readable format and will be posted by the CER at:

<https://apps.cer-rec.gc.ca/PPS/en/pipeline-profiles>