



Foothills Shipper Meeting

October 15, 2013

2014 Preliminary Rates

Introduction



- Foothills will be filing 2014 effective rates for January 1, 2014
- Foothills effective rates are based on:
 - 2014 forecast contracts / throughput
 - 2014 forecast of costs

Overview of Zone 9 (SK)



- **The Revenue Requirement:**
 - 2014 - \$48.5 Million (2013 Rate Filing: \$46.5 Million)
 - After adjustments for (over)/under:
 - 2014 - \$46.1 Million (2013 Rate Filing: \$27.6 Million)
- **Total Throughput:**
 - 2014 – 2,071 TJ/d (2013 Rate Filing: 1,892 TJ/d)
- **Results in an FT Rate of:**
 - 2014 – 6.8 ¢/GJ (2013 Rate: 4.0 ¢/GJ)

Zone 9 - Costs and Revenue (\$000)



	2013 Rate Filing	2014 Rate Filing	Difference
Cost			
O&M	4,806	6,599	1,793
Return & Depr	32,893	30,240	(2,653)
Taxes (income + Other)	8,677	11,478	2,801
Special Charge	106	140	34
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	46,482	48,457	1,975
Adjustments			
Previous (Over) Under	(18,904)	(2,316)	16,588
Total	<hr/>	<hr/>	<hr/>
	27,578	46,141	18,562
Other Revenue			
STFT	(18,730)	(30,313)	(11,583)
IT & SGS	(5,375)	(6,342)	(967)
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Firm Rev Rqmt¹	3,473	9,486	6,013

1. Totals may not add due to rounding

Provided to Foothills shippers without prejudice

Zone 9 - Contracts and Throughput (TJ/d)



	2013	2014	
	Rate Filing	Rate Filing	Difference
Firm Contract Demand¹	272	365	93
Throughput to Services:			
Firm Volumes	268	349	81
STFT Volumes	1,265	1,377	111
Interruptible Volumes	359	346	(13)
Total²	1,892	2,071	179

1. Annualized contract demand quantity

2. Totals may not add due to rounding

Zone 9 2014 Rate Sensitivity – Rule of Thumb



- A \$1 million dollar increase (decrease) in revenue requirement results in approximately a 0.15¢/GJ increase (decrease) in the FT rate
- A 100 TJ/d increase (decrease) in throughput results in approximately a 0.35¢ /GJ decrease (increase) in the FT rate

Overview of Zone 8 (BC)



- **The Revenue Requirement:**
 - 2014 - \$64.9 Million (2013 Rate Filing: \$63.9 Million)
 - After adjustments for (over)/under:
 - 2014 - \$60.3 Million (2013 Rate Filing: \$54.2 Million)
- **Total Firm Contract :**
 - 2014 – 1,819 TJ/d (2013 Rate Filing: 1,804 TJ/d)
- **Results in an FT Rate of:**
 - 2014 – 8.6 ¢/GJ (2013 Rate: 7.6 ¢/GJ)

Zone 8 – Costs and Revenue (\$000)



	2013 Rate Filing	2014 Rate Filing	Difference
Cost			
O&M	12,589	13,765	1,176
Return & Depr	31,611	29,079	(2,533)
Taxes (income + Other)	19,210	21,544	2,334
Special Charge	535	530	(5)
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	63,945	64,917	972
Adjustments			
Previous (Over) Under	(9,770)	(4,611)	5,159
Total	<hr/>	<hr/>	<hr/>
	54,176	60,306	6,130
Other Revenue			
STFT	(3,289)	(2,529)	760
IT	(898)	(924)	(26)
Firm Rev Rqmt¹	<hr/>	<hr/>	<hr/>
	49,988	56,852	6,864

1. Totals may not add due to rounding

Zone 8 - Contract and Throughput (TJ/d)



	2013	2014	
	Rate Filing	Rate Filing	Difference
Firm Contract Demand¹	1,804	1,819	14
Throughput to Services:			
Firm Volumes	1,749	1,812	63
STFT Volumes	118	81	(37)
Interruptible Volumes	30	27	(3)
Total²	1,896	1,920	24

1. Annualized contract demand quantity

2. Totals may not add due to rounding

Zone 8 2014 Rate Sensitivity – Rule of Thumb



- A \$1 million dollar increase (decrease) in revenue requirement results in approximately a 0.14¢/GJ increase (decrease) in the average FT rate
- A 100 TJ/d increase (decrease) in contract level results in approximately a 0.42¢ decrease (increase) in the average FT rate

Filing Timeline



- **Presentation material posted on web site on October 15, 2013.**
- **Review of 2014 preliminary rates at October 15, 2013 customer meeting.**
- **In the event of changes to the 2014 preliminary rates, it would be posted on web site with email and NRG notification:**
 - <http://www.transcanada.com/customerexpress/935.html>
- **Foothills intends to file for 2014 effective rates by the end of October.**

2014 Preliminary Rates - Contacts



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