



Foothills Pipe Lines Ltd. Customer Meeting

August 5, 2021



Participation Via Zoom

- Please sign-in with your full name and company name
- To reduce background noise and improve audio quality, all participants will be placed on mute
- Please use the 'hand raise' feature in Zoom to ask a question or make a comment

Important Note

- The information in this slide deck is for informational purposes only
- Actual results could be significantly different because of assumptions, risks or uncertainties related to the business or events that happen after the release of this information

How to activate happiness in tough times.

People who exercise have 43% fewer days of poor mental health than those who do not exercise.

In one study, taking a walk in nature decreased depression in 71% of participants.

In a 2003 study, oxytocin levels rose in both the dog and the owner after time spent "cuddling."

Serotonin (the mood stabilizer)

- Meditating
- Exercising
- Sun exposure
- Time in nature



Dopamine (the reward chemical)

- Completing a task
- Eating food
- Celebrating small wins
- Performing self-care



Endorphin (the pain killer)

- Laughing
- Exercising
- Dark chocolate



Oxytocin (the love hormone)

- Playing with animals
- Hugging and hand holding
- Giving compliments



Agenda

- 1 2021 Mid-Year Forecast for Foothills Pipe Lines
- 2 Confidentiality Provisions for Foothills Customer Meetings



2021 Mid-Year Forecast for Foothills Pipe Lines

Billing Adjustment Estimate Summary (\$Thousands)

	Zone 6 (AB)	Zone 7 (AB)	Zone 8 (BC)	Zone 9 (SK)
2021 Mid-Year Annual Forecast*				
Firm Revenue Requirement	32,536	3,551	69,358	42,964
Firm Service Revenue	34,529	2,881	63,445	46,104
Billing Adjustment for 2021	(1,993)	670	5,913	(3,140)
Billing Adjustment for 2020	(1,225)	(1,146)	(4,234)	1,800
Total Adjustment Estimate for 2020/2021 (Over) / Under	(3,218)	(476)	1,679	(1,340)

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Zone 8 (BC) – Costs and Revenue (\$Thousands)



	2021 Rates Filing	2021 Mid-Year Annual Forecast*	Difference
Cost of Service			
O&M	16,743	20,038	3,295
Return on Rate Base	8,719	7,781	(938)
Depreciation	24,380	23,870	(510)
Taxes: Income and Other	9,965	10,924	959
Emissions Compliance Costs	19,203	20,922	1,719
Fuel Tax	4,849	5,461	612
Methane Emissions Costs	67	124	57
Sub-Total	83,926	89,120	5,194
Adjustments			
Previous (Over) Under	(19,072)	(19,072)	-
Total Revenue Requirement	64,854	70,048	5,194
Other Revenue			
STFT / IT	(1,257)	(690)	567
Firm Revenue Requirement	63,597	69,358	5,761
<i>Firm Service Revenue</i>		<i>63,445</i>	
<i>Adjustment for 2020 True-Up</i>		<i>(4,234)</i>	
Total Adjustment Estimate for 2020/2021 (Over) / Under		1,679	

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Zone 8 (BC) – Contracts & Throughput (TJ/d)



	2021 Rates Filing	2021 Mid-Year Annual Forecast*	Difference
Firm Contract Demand	2,981	2,974	(7)
Throughput to Services			
Firm Volumes	2,587	2,644	57
STFT / IT Volumes	54	30	(24)
Total Throughput	2,641	2,674	33

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Zone 9 (SK) – Costs and Revenue (\$Thousands)



	2021 Rates Filing	2021 Mid-Year Annual Forecast*	Difference
Cost of Service			
O&M	11,161	9,782	(1,379)
Return on Rate Base	5,016	4,329	(687)
Depreciation	21,423	20,936	(487)
Taxes: Income and Other	9,493	9,858	365
Emissions Compliance Costs	892	896	4
Fuel Tax	411	520	109
Methane Emissions Costs	24	43	19
Sub-Total	48,420	46,364	(2,056)
Adjustments			
Previous (Over) Under	2,773	2,773	-
Total Revenue Requirement	51,193	49,137	(2,056)
Other Revenue			
STFT / IT / SGS	(4,687)	(6,173)	(1,486)
Firm Revenue Requirement	46,506	42,964	(3,542)
<i>Firm Service Revenue</i>		<i>46,104</i>	
<i>Adjustment for 2020 True-Up</i>		<i>1,800</i>	
Total Adjustment Estimate for 2020/2021 (Over) / Under		(1,340)	

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Zone 9 (SK) – Contracts & Throughput (TJ/d)



	2021 Rates Filing	2021 Mid-Year Annual Forecast*	Difference
Firm Contract Demand	1,006	1,000	(6)
Throughput to Services			
Firm Volumes	822	805	(17)
STFT / IT / SGS Volumes	67	86	19
Total Throughput	889	891	2

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Zone 6 (AB) – Costs and Revenue (\$Thousands)



	2021 Rates Filing	2021 Mid-Year Annual Forecast*	Difference
Cost of Service			
O&M	33,076	30,506	(2,570)
Return on Rate Base	3,242	2,869	(373)
Depreciation	9,323	9,525	202
Taxes: Income and Other	4,096	4,434	338
Emissions Compliance Costs	3,765	3,043	(722)
Fuel Tax	-	-	-
Methane Emissions Costs	112	207	95
Sub-Total	53,614	50,584	(3,030)
Adjustments			
Previous (Over) Under	(18,048)	(18,048)	-
Total Revenue Requirement	35,566	32,536	(3,030)
Other Revenue			
STFT / IT	-	-	-
Firm Revenue Requirement	35,566	32,536	(3,030)
<i>Firm Service Revenue</i>		<i>34,529</i>	
<i>Adjustment for 2020 True-Up</i>		<i>(1,225)</i>	
Total Adjustment Estimate for 2020/2021 (Over) / Under		(3,218)	

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Zone 7 (AB) – Costs and Revenue (\$Thousands)



	2021 Rates Filing	2021 Mid-Year Annual Forecast*	Difference
Cost of Service			
O&M	4,901	5,526	625
Return on Rate Base	96	89	(7)
Depreciation	71	75	4
Taxes: Income and Other	813	823	10
Emissions Compliance Costs	n/a	n/a	-
Fuel Tax	n/a	n/a	-
Methane Emissions Costs	21	38	17
Sub-Total	5,902	6,551	649
Adjustments			
Previous (Over) Under	(3,000)	(3,000)	-
Total Revenue Requirement	2,903	3,551	649
Other Revenue			
STFT / IT	-	-	-
Firm Revenue Requirement	2,903	3,551	649
<i>Firm Service Revenue</i>		<i>2,881</i>	
<i>Adjustment for 2020 True-Up</i>		<i>(1,146)</i>	
Total Adjustment Estimate for 2020/2021 (Over) / Under		(476)	

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Contacts

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Confidentiality Provisions for Foothills Customer Meetings

Agenda

- 1 Defining the need for confidentiality provisions
- 2 Timing and benefits
- 3 Proposed changes after August 5th
- 4 Next steps

Defining the need for confidentiality provisions

1

In the current format, anyone can attend Foothills (FH) customer meetings and the information shared by FH and its customers can be used by any attendee outside the forum, such as regulatory proceedings, without prior consent

2

Fosters meaningful and open conversations

Timing and benefits

Why now?

- Joint meeting for TTFP/TTF and FH customers on Emissions Policy Information Session in September 2021 (tentative)
 - FH customers are the only ones that are not bound by forum confidentiality
- Any future discussions around tolling, business model, emissions etc. would be more productive with confidentiality provisions in place

Benefits

- Information shared at meetings cannot be used in regulatory proceedings by parties, unless it's their own information
- Creates an environment conducive to information and idea sharing
- Encourages constructive discussions amongst customers and FH
- Ability to track and manage attendance

Proposed changes after August 5th

What's included

- Confidentiality provisions as per the draft Foothills Industry Committee Charter
- Foothills Industry Committee meetings will be restricted to FH customers that execute the Charter
- “Annual Rates” and “Mid-year forecast” presentations will continue to be posted to Customer Express
- All other presentation material will be posted to a SharePoint site restricted to FH Industry Committee members

- Introduction of other formalized procedures e.g. voting
- Changes to NGTL/FH Customer Operations Meetings

What's not included

Next steps

Please execute and return the Foothills Industry Committee Charter by August 31st, well in advance of the Emissions Policy Information Session planned for September and the regular FH October Rates meeting

- The Foothills Industry Committee Charter can be found at the end of this slide deck

Contact

Please feel free to reach out to Kevin D'Souza in advance of the meeting with any feedback or questions you may have

Kevin D'Souza

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This charter addresses the purpose and approach of the Foothills Pipe Lines Ltd. (Foothills) Industry Committee (Committee) when Committee meetings are required.

1.0 PURPOSE

- 1.1 To provide a confidential forum where members can discuss issues related to Foothills toll, tariff and facilities matters.
- 1.2 Depending on the matters being addressed, any one or more of the three “Cs of Engagement” may be employed:
 - Communication – to proactively share information;
 - Consultation – to understand and respond to concerns through open and constructive dialogue; and
 - Collaboration – to work in partnership to advance mutual goals.

2.0 GUIDING PRINCIPLES

- 2.1 The Committee will foster interest-based collaborative dialogue to achieve shared understanding and realize the Committee Purpose. To this end, representatives will participate openly in constructive, good faith dialogue.
- 2.2 Representatives of member organizations are expected to:
 - Be empowered by their respective organizations to discuss and provide input on matters before the Committee; and
 - Be prepared for Committee meetings and to participate in meaningful dialogue by acting in good faith and in an open, respectful, and professional manner.
- 2.3 The Committee process will be managed in a fair and efficient manner. The process will provide sufficient time for member organizations to thoughtfully consider information and further solicit views from others in order to effectively contribute to developing actions and solutions.
- 2.4 Membership is available to:
 - Foothills customers that hold a contract for the current year;
 - Governments of provinces producing, or consuming gas transported by Foothills;
 - Industry associations and committees that represent more than one organization whose members produce and/or consume gas transported by Foothills; and
 - Other parties who demonstrate to Foothills’ satisfaction that they may be directly and materially impacted by the matters being discussed in the Industry Committee.
- 2.5 Any member organization may bring forward an issue for discussion. The Committee will ensure that all member organizations have the opportunity to express their views.
- 2.6 Confidentiality is a cornerstone to maintaining trust among Committee members and as such all input is deemed to be shared confidentially and “without prejudice”. As with other similar committees, parties can choose to share their own information outside the forum but not the views of others without permission. It is understood that some information sharing beyond the immediate membership group (particularly with associations) may be necessary to advance issues, develop solutions and build consensus. Representatives are required to advise other participants from their organization of the requirement for Committee confidentiality.

- 2.7 All representatives are accountable to ensure that the Committee forum follows these guiding principles.
- 2.8 Each member organization may have two representatives.
- 2.9 Members will renew their membership in the Committee on a biennial basis through the execution of the Charter.

I acknowledge that I have reviewed and understand the Foothills Industry Committee Charter, and agree to abide by it:

Representative Signature: _____

Print Name: _____

Title: _____

Company or Association: _____

Date: _____

Alternate Representative Signature: _____

Print Name: _____

Title: _____

Company or Association: _____

Date: _____

Return completed form to Veronica Rojas via email at veronica_rojas@tcenergy.com