

**SUMMARY**

**Foothills Pipe Lines Ltd.**

**TRANSPORTATION RATES**

Effective: January 1, 2006

REVENUE REQUIREMENT	Schedule	Amount (\$000)			
		Zone 6	Zone 7	Zone 8	Zone 9
Estimated Costs of Service:					
Operating & Maintenance	A	37,348	1,542	3,461	10,122
Return on Rate Base	B	13,656	1,759	6,272	19,850
Depreciation & Amortization	C	16,233	3,197	6,699	18,390
Taxes: Income and Other	D	11,114	2,363	6,255	16,258
Special Charge		1,251	142	295	581
Fuel Tax		n/a	n/a	n/a	2,417
Sub-Total		79,602	9,004	22,982	67,619
Adjustments:					
Previous (Over) Under	E	(3,358)	(215)	(566)	2,652
G&A Settlement Savings <sup>1</sup>		(883)	(90)	(191)	(481)
Total Revenue Requirement		<u>75,361</u>	<u>8,699</u>	<u>22,225</u>	<u>69,790</u>
Other Service Revenue					
STFT Revenue		-	-	-	(12,870)
Interruptible/Overrun Revenue		-	-	-	(9,645)
SGS-1 Revenue		-	-	-	(1)
T-1 Service Revenue Requirement		<u>75,361</u>	<u>8,699</u>	<u>22,225</u>	<u>47,274</u>

**BILLING DETERMINANTS**

T-1 Contract MDQ (10 <sup>6</sup> m <sup>3</sup> /d)	F	63.16	20.42	31.59	39.94
Maximum Haul Distance (Km)		378.49	124.03	165.96	258.97
Total T-1 MDQ x Distance	F	22,250.66	2,532.44	5,241.96	10,342.31
Estimated STFT MDQ (10 <sup>6</sup> m <sup>3</sup> /d)		-	-	-	10.87
Estimated Interruptible/Overrun Deliveries (10 <sup>6</sup> m <sup>3</sup> )		-	-	-	2,703.60
Estimated SGS-1 Deliveries(10 <sup>6</sup> m <sup>3</sup> )		-	-	-	0.88

**TRANSPORTATION RATES**

Effective Rates					
Demand Rate (\$/10 <sup>3</sup> m <sup>3</sup> / Km / Month)		0.282241	0.286239	0.353326	0.380908
Overrun Service (\$/10 <sup>3</sup> m <sup>3</sup> / Km)		0.010207	0.010352	0.012778	n/a
Interruptible Rate (\$/10 <sup>3</sup> m <sup>3</sup> / Km)		n/a	n/a	n/a	0.013775
Full Haul Rates (100% Load Factor)					
Demand Rate (\$/10 <sup>3</sup> m <sup>3</sup> )		3.51	1.17	1.93	3.24
Overrun Service (\$/10 <sup>3</sup> m <sup>3</sup> )		3.86	1.28	2.12	n/a
Interruptible Rate (\$/10 <sup>3</sup> m <sup>3</sup> )		n/a	n/a	n/a	3.57

\* Numbers may not add up to totals due to rounding.

Note(s):

- Forecasted Shippers' Savings with respect to Foothills' General & Administrative Expenses Settlement Agreement dated January 13, 2003 as approved in Board Order TG-2-2003.

SCHEDULE A

OPERATING AND MAINTENANCE EXPENSES

For the 12-month period: January 1, 2006 to December 31, 2006

(\$000)

	<u>Total</u>	<u>Zone 6</u>	<u>Zone 7</u>	<u>Zone 8</u>	<u>Zone 9</u>
<b>FIELD OPERATIONS EXPENSE</b>					
TCPL OPERATING AGREEMENT	3,793	1,508	47	194	2,044
BP CANADA OPERATING AGREEMENT	<u>1,850</u>	<u>1,850</u>	-	-	-
	5,643	3,358	47	194	2,044
<b>ELECTRICAL POWER</b>					
JENNER, ACME AND CRAWLING VALLEY	13,209	13,209	-	-	-
DE/RE FACILITIES AT EMPRESS	7,896	7,896	-	-	-
SASKATCHEWAN	<u>602</u>	<u>-</u>	-	-	602
	21,707	21,105	-	-	602
<b>MAINTENANCE &amp; INTEGRITY PROGRAM</b>					
INVENTORY & MAINTENANCE PARTS	475	195	-	-	280
MAINTENANCE PROJECTS	3,970	1,785	-	-	2,185
COMMUNICATIONS	180	90	-	-	90
INTEGRITY PROGRAM	<u>1,358</u>	<u>312</u>	<u>13</u>	<u>897</u>	<u>136</u>
	5,983	2,382	13	897	2,691
<b>G&amp;A SETTLEMENT<sup>1</sup></b>	14,182	7,817	890	1,842	3,633
<b>LAND PAYMENTS</b>	890	444	336	-	110
<b>INSURANCE &amp; PENSION OBLIGATIONS</b>	1,125	620	71	146	288
<b>GOVERNMENT AGENCY COSTS RECOVERY</b>	<u>2,943</u>	<u>1,622</u>	<u>185</u>	<u>382</u>	<u>754</u>
<b>TOTAL</b>	<u><u>52,473</u></u>	<u><u>37,348</u></u>	<u><u>1,542</u></u>	<u><u>3,461</u></u>	<u><u>10,122</u></u>

\* Numbers may not add up to totals due to rounding.

Note(s):

1. Agreed to amount for Foothills' General & Administrative Expenses pursuant to the Settlement Agreement dated January 13, 2003 as approved in Board Order TG-2-2003.

**DEEMED AVERAGE CAPITALIZATION AND  
RETURN ON RATEBASE  
FOR THE YEAR ENDING DECEMBER 31, 2006**

(\$000)

**ZONE 6**

	AMOUNT (\$000)	RATIO %	COST RATE %	COST COMPONENT %
Debt - Funded	131,668	61.64	5.03	3.10
- Unfunded (Prefunded)	<u>4,701</u>	<u>2.20</u>	3.55	<u>0.08</u>
	136,369	63.84		3.18
Common Equity	<u>77,235</u>	36.16	8.88	<u>3.21</u>
Total Capitalization	<u><u>213,604</u></u>	<u><u>100.00</u></u>		<u><u>6.39</u></u>
Return on Rate Base	<u><u>13,656</u></u>			

**ZONE 7**

	AMOUNT (\$000)	RATIO %	COST RATE %	COST COMPONENT %
Debt - Funded	17,546	63.72	5.03	3.18
- Unfunded (Prefunded)	<u>65</u>	<u>0.24</u>	3.55	<u>0.01</u>
	17,611	63.96		3.19
Common Equity	<u>9,925</u>	<u>36.04</u>	8.88	<u>3.20</u>
Total Capitalization	<u><u>27,536</u></u>	<u><u>100.00</u></u>		<u><u>6.39</u></u>
Return on Rate Base	<u><u>1,759</u></u>			

\* Numbers may not add up to totals due to rounding.

**DEEMED AVERAGE CAPITALIZATION AND  
RETURN ON RATEBASE  
FOR THE YEAR ENDING DECEMBER 31, 2006**

(\$000)

**ZONE 8**

	<u>AMOUNT</u> <u>(\$000)</u>	<u>RATIO</u> <u>%</u>	<u>COST</u> <u>RATE</u> <u>%</u>	<u>COST</u> <u>COMPONENT</u> <u>%</u>
Debt - Funded	64,462	65.94	5.03	3.32
- Unfunded (Prefunded)	<u>(1,898)</u>	<u>(1.94)</u>	5.03	<u>(0.10)</u>
	62,564	64.00		3.22
Common Equity	<u>35,192</u>	<u>36.00</u>	8.88	<u>3.20</u>
Total Capitalization	<u><u>97,757</u></u>	<u><u>100.00</u></u>		<u><u>6.42</u></u>
Return on Rate Base	<u><u>6,272</u></u>			

**ZONE 9**

	<u>AMOUNT</u> <u>(\$000)</u>	<u>RATIO</u> <u>%</u>	<u>COST</u> <u>RATE</u> <u>%</u>	<u>COST</u> <u>COMPONENT</u> <u>%</u>
Debt - Funded	186,324	59.85	5.03	3.03
- Unfunded (Prefunded)	<u>12,563</u>	<u>4.04</u>	3.55	<u>0.14</u>
	198,887	63.89		3.17
Common Equity	<u>112,428</u>	<u>36.11</u>	8.88	<u>3.21</u>
Total Capitalization	<u><u>311,315</u></u>	<u><u>100.00</u></u>		<u><u>6.38</u></u>
Return on Rate Base	<u><u>19,850</u></u>			

\* Numbers may not add up to totals due to rounding.

**SCHEDULE B-1**

Page 1 of 2

**RATE BASE - 2006**

(\$000)

**ZONE 6**

Month	Net Plant Month End	Materials Supplies & Prepaid	Working Capital	Linepack	IROR	Rate Base End Month
January Opening Balance	211,611	1,262	5,916	2,644	764	222,197
January	210,361	1,150	6,765	2,644	725	221,645
February	209,076	1,133	6,043	2,644	686	219,582
March	207,790	1,116	6,049	2,644	647	218,246
April	206,510	1,098	6,049	2,644	608	216,909
May	205,242	1,081	6,042	2,644	569	215,578
June	203,958	1,064	6,051	2,644	530	214,247
July	202,671	1,047	6,007	2,644	491	212,860
August	201,385	1,030	6,009	2,644	452	211,520
September	200,099	1,012	6,009	2,644	413	210,177
October	198,812	995	6,010	2,644	374	208,835
November	197,527	978	6,008	2,644	335	207,492
December	196,241	961	6,009	2,644	296	206,151
Average Rate Base - 12 Month						<u>213,604</u>

**ZONE 7**

Month	Net Plant Month End	Materials Supplies & Prepaid	Working Capital	Linepack	IROR	Rate Base End Month
January Opening Balance	27,462	373	349	1,039	68	29,291
January	27,230	358	373	1,039	58	29,058
February	26,994	344	261	1,039	48	28,686
March	26,759	330	260	1,039	38	28,426
April	26,523	315	261	1,039	28	28,166
May	26,288	300	261	1,039	18	27,906
June	26,052	286	261	1,039	8	27,646
July	25,816	271	260	1,039	-	27,386
August	25,580	257	256	1,039	-	27,132
September	25,344	242	255	1,039	-	26,880
October	25,108	228	256	1,039	-	26,631
November	24,872	213	256	1,039	-	26,380
December	24,636	199	256	1,039	-	26,130
Average Rate Base - 12 Month						<u>27,536</u>

\* Numbers may not add up to totals due to rounding.

**SCHEDULE B-1**

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**RATE BASE - 2006**

(\$000)

**ZONE 8**

Month	Net Plant Month End	Materials Supplies & Prepaid	Working Capital	Linepack	IROR	Rate Base End Month
January Opening Balance	99,515	1,209	640	-	-	101,364
January	99,029	1,149	803	-	-	100,981
February	98,543	1,090	559	-	-	100,192
March	98,057	1,030	559	-	-	99,646
April	97,571	971	557	-	-	99,099
May	97,084	911	559	-	-	98,554
June	96,599	852	558	-	-	98,009
July	96,113	792	559	-	-	97,464
August	95,627	733	559	-	-	96,919
September	95,141	673	558	-	-	96,372
October	94,655	614	558	-	-	95,827
November	94,168	554	560	-	-	95,282
December	93,683	495	559	-	-	94,737
Average Rate Base - 12 Month						<u>97,757</u>

**ZONE 9**

Month	Net Plant Month End	Materials Supplies & Prepaid	Working Capital	Linepack	IROR	Rate Base End Month
January Opening Balance	311,033	-	3,470	6,086	739	321,328
January	309,825	-	3,755	6,086	708	320,374
February	308,335	-	3,272	6,086	677	318,370
March	306,848	-	3,046	6,086	646	316,626
April	305,358	-	3,048	6,086	615	315,107
May	303,868	-	3,046	6,086	584	313,584
June	302,405	-	3,032	6,086	553	312,076
July	300,914	-	3,044	6,086	522	310,566
August	299,424	-	2,854	6,086	491	308,855
September	297,936	-	2,854	6,086	460	307,336
October	296,446	-	2,856	6,086	429	305,817
November	294,955	-	2,854	6,086	398	304,293
December	293,464	-	2,856	6,086	367	302,773
Average Rate Base - 12 Month						<u>311,315</u>

\* Numbers may not add up to totals due to rounding.

**SCHEDULE C**

**DEPRECIATION AND AMORTIZATION**

(\$000)

**ZONE 6**

Month	Depreciation	Amortization	Depreciation & Amortization
January	1,299	54	1,353
February	1,299	54	1,353
March	1,299	53	1,352
April	1,299	53	1,352
May	1,299	53	1,352
June	1,300	53	1,353
July	1,300	53	1,353
August	1,300	53	1,353
September	1,300	53	1,353
October	1,300	53	1,353
November	1,300	53	1,353
December	1,300	53	1,353
<b>TOTAL</b>	<u><u>15,596</u></u>	<u><u>637</u></u>	<u><u>16,233</u></u>

**ZONE 7**

Month	Depreciation	Amortization	Depreciation & Amortization
January	246	25	271
February	246	25	271
March	246	25	271
April	246	24	270
May	246	23	269
June	246	23	269
July	246	23	269
August	246	15	261
September	246	15	261
October	247	15	262
November	247	15	262
December	247	15	262
<b>TOTAL</b>	<u><u>2,954</u></u>	<u><u>243</u></u>	<u><u>3,197</u></u>

\* Numbers may not add up to totals due to rounding.

**SCHEDULE C**

**DEPRECIATION AND AMORTIZATION**

(\$000)

**ZONE 8**

Month	Depreciation	Amortization	Depreciation & Amortization
January	498	61	559
February	498	60	558
March	498	60	558
April	498	60	558
May	499	60	558
June	499	60	558
July	499	60	558
August	499	60	558
September	499	60	558
October	499	60	559
November	499	60	559
December	499	60	559
<b>TOTAL</b>	<u><u>5,984</u></u>	<u><u>715</u></u>	<u><u>6,699</u></u>

**ZONE 9**

Month	Depreciation	Amortization	Depreciation & Amortization
January	1,501	32	1,533
February	1,501	31	1,532
March	1,501	31	1,532
April	1,501	31	1,532
May	1,501	31	1,532
June	1,501	31	1,532
July	1,502	31	1,533
August	1,502	31	1,533
September	1,502	31	1,533
October	1,502	31	1,533
November	1,502	31	1,533
December	1,502	31	1,533
<b>TOTAL</b>	<u><u>18,017</u></u>	<u><u>373</u></u>	<u><u>18,390</u></u>

\* Numbers may not add up to totals due to rounding.



**SCHEDULE C-1**

**DEPRECIATION BY ACCOUNT - 2006**

(\$000)

**ZONE 6**

NEB Account No and Description	Depreciation Rate	Gross Plant at 31-Dec-2005	Additions & Retirements	Gross Plant at 31-Dec-2006	Depreciation For Year
460-Land	0.00%	222	-	222	-
461-Land Rights	3.00%	3,412	-	3,412	102
462-Compressor Structures	3.00%	34,266	0	34,266	1,028
463-Meas & Reg Structures	3.00%	-	-	-	-
464-Other Structures	3.00%	-	-	-	-
465-Pipeline Mains	3.00%	303,998	3	304,001	9,120
466-Compressor Equipment	3.00%	163,936	23	163,959	4,918
467-Meas & Reg Equipment	3.00%	-	-	-	-
468-Communications	3.00%	433	-	433	13
469-Other Equipment	3.00%	-	-	-	-
482-Leasehold Improvements	10.00%	289	2	291	29
483-Computer Equipment	10.00%	-	-	-	-
483-Office Furniture & Eqmt	10.00%	176	147	323	26
484-Transportation Eqmt	30.00%	-	-	-	-
485-Heavy Work Equipment	30.00%	80	-	80	24
486-Tools & Work Equipment	10.00%	686	-	686	69
488-Communication STR	10.00%	15	-	15	1
489-Other Equipment	0.00%	-	-	-	-
496-Standby Plant	3.00%	8,836	-	8,836	265
496-Engineering Adj. Unclassified	0.00%	-	-	-	-
497-Unallocated Plant	3.00%	-	-	-	-
<b>TOTAL Gas Plant in Service</b>		<u>516,350</u>	<u>174</u>	<u>516,524</u>	<u>15,596</u>
Composite Depreciation Rate	3.02%				

**DEPRECIATION BY MONTH - 2006**

(\$000)

Month	Gross Plant Start Month	Additions In Month	Retirements In Month	Gross Plant End Month	Depreciation For Month
January	516,350	32	-	516,382	1,299
February	516,382	11	-	516,393	1,299
March	516,393	11	-	516,404	1,299
April	516,404	16	-	516,420	1,299
May	516,420	28	-	516,448	1,299
June	516,448	13	-	516,461	1,300
July	516,461	11	-	516,472	1,300
August	516,472	11	-	516,483	1,300
September	516,483	11	-	516,494	1,300
October	516,494	10	-	516,504	1,300
November	516,504	10	-	516,514	1,300
December	516,514	10	-	516,524	1,300
<b>TOTAL</b>		<u>174</u>	<u>-</u>		<u>15,596</u>

\* Numbers may not add up to totals due to rounding.

**SCHEDULE C-1**

**DEPRECIATION BY ACCOUNT - 2006**

(\$000)

**ZONE 7**

NEB Account No and Description	Depreciation Rate	Gross Plant at 31-Dec-2005	Additions & Retirements	Gross Plant at 31-Dec-2006	Depreciation For Year
460-Land	0.00%	-	-	-	-
461-Land Rights	3.00%	1,081	-	1,081	32
462-Compressor Structures	3.00%	490	-	490	15
463-Meas & Reg Structures	3.00%	-	-	-	-
464-Other Structures	3.00%	-	-	-	-
465-Pipeline Mains	3.00%	73,377	(0)	73,377	2,201
466-Compressor Equipment	3.00%	-	-	-	-
467-Meas & Reg Equipment	3.00%	-	-	-	-
468-Communications	3.00%	0	-	0	0
469-Other Equipment	0.00%	-	-	-	-
482-Leasehold Improvements	10.00%	37	0	37	4
483-Computer Equipment	10.00%	-	-	-	-
483-Office Furniture & Eqmt	10.00%	21	128	148	8
484-Transportation Eqmt	30.00%	-	-	-	-
486-Tools & Work Equip	10.00%	18	-	18	2
488-Communication STR	10.00%	3	-	3	0
489-Other Equipment	0.00%	-	-	-	-
496-Standby Plant	3.00%	23,072	-	23,072	692
496-Engineering Adj. Unclassified	0.00%	-	-	-	-
<b>TOTAL Gas Plant in Service</b>		<u>98,099</u>	<u>128</u>	<u>98,227</u>	<u>2,954</u>
Composite Depreciation Rate	3.01%				

**DEPRECIATION BY MONTH - 2006**

(\$000)

Month	Gross Plant Start Month	Additions In Month	Retirements In Month	Gross Plant End Month	Depreciation For Month
January	98,099	13	-	98,112	246
February	98,112	11	-	98,123	246
March	98,123	11	-	98,134	246
April	98,134	11	-	98,145	246
May	98,145	11	-	98,156	246
June	98,156	11	-	98,167	246
July	98,167	10	-	98,177	246
August	98,177	10	-	98,187	246
September	98,187	10	-	98,197	246
October	98,197	10	-	98,207	247
November	98,207	10	-	98,217	247
December	98,217	10	-	98,227	247
<b>TOTAL</b>		<u>128</u>	<u>-</u>		<u>2,954</u>

\* Numbers may not add up to totals due to rounding.

**SCHEDULE C-1**

**DEPRECIATION BY ACCOUNT - 2006**

(\$000)

**ZONE 8**

NEB Account No and Description	Depreciation Rate	Gross Plant at 31-Dec-2005	Additions & Retirements	Gross Plant at 31-Dec-2006	Depreciation For Year
460-Land	0.00%	-	-	-	-
461-Land Rights	3.00%	80	-	80	2
462-Compressor Structures	3.00%	-	-	-	-
463-Meas & Reg Structures	3.00%	369	12	382	11
464-Other Structures	3.00%	-	-	-	-
465-Pipeline Mains	3.00%	189,365	18	189,383	5,681
466-Compressor Equipment	3.00%	-	-	-	-
467-Meas & Reg Equipment	3.00%	4,424	-	4,424	133
468-Communications	3.00%	-	-	-	-
469-Other Equipment	0.00%	-	-	-	-
482-Leasehold Improvements	10.00%	100	0	100	10
483-Computer Equipment	10.00%	38	134	172	10
483-Office Furniture & Eqmt	10.00%	-	-	-	-
484-Transportation Eqmt	30.00%	-	-	-	-
486-Tools & Work Equip	10.00%	17	-	17	2
488-Communication STR	10.00%	5	-	5	1
489-Other Equipment	0.00%	-	-	-	-
496-Standby Plant	3.00%	4,469	-	4,469	134
496-Engineering Adj. Unclassified	0.00%	-	-	-	-
<b>TOTAL Gas Plant in Service</b>		<u>198,867</u>	<u>165</u>	<u>199,032</u>	<u>5,984</u>
Composite Depreciation Rate	3.01%				

**DEPRECIATION BY MONTH - 2006**

(\$000)

Month	Gross Plant Start Month	Additions In Month	Retirements In Month	Gross Plant End Month	Depreciation For Month
January	198,867	25	-	198,892	498
February	198,892	13	-	198,905	498
March	198,905	12	-	198,917	498
April	198,917	12	-	198,929	498
May	198,929	12	-	198,941	499
June	198,941	13	-	198,954	499
July	198,954	13	-	198,967	499
August	198,967	13	-	198,980	499
September	198,980	13	-	198,993	499
October	198,993	13	-	199,006	499
November	199,006	13	-	199,019	499
December	199,019	13	-	199,032	499
<b>TOTAL</b>		<u>165</u>	<u>-</u>		<u>5,984</u>

\* Numbers may not add up to totals due to rounding.

**SCHEDULE C-1**

**DEPRECIATION BY ACCOUNT - 2006**

(\$000)

**ZONE 9**

NEB Account No and Description	Depreciation Rate	Gross Plant at 31-Dec-2005	Additions & Retirements	Gross Plant at 31-Dec-2006	Depreciation For Year
460-Land	0.00%	130	-	130	-
461-Land Rights	3.00%	1,165	-	1,165	35
462-Compressor Structures	3.00%	35,950	-	35,950	1,078
463-Meas & Reg Structures	3.00%	4,981	-	4,981	149
464-Other Structures	3.00%	1,445	-	1,445	43
465-Pipeline Mains	3.00%	290,426	312	290,739	8,722
466-Compressor Equipment	3.00%	174,965	24	174,990	5,249
467-Meas & Reg Equipment	3.00%	10,255	0	10,255	308
468-Communications	3.00%	143	-	143	4
469-Other Equipment	3.00%	-	-	-	-
482-Leasehold Improvements	10.00%	215	1	216	22
483-Computer Equipment	10.00%	(8)	142	134	7
483-Office Furniture & Eqmt	10.00%	58	-	58	6
484-Transportation Eqmt	30.00%	79	-	79	24
485-Heavy Work Equip	30.00%	126	-	126	38
486-Tools & Work Equip	10.00%	842	9	851	85
488-Communication STR	10.00%	11	-	11	1
489-Other Equipment	0.00%	-	-	-	-
496-Standby Plant	0.00%	9,348	-	9,348	280
496-Engineering Adj. Unclassified	0.00%	-	-	-	-
497-Unallocated Plant	3.00%	65,532	-	65,532	1,966
<b>TOTAL Gas Plant in Service</b>		<u>595,663</u>	<u>489</u>	<u>596,152</u>	<u>18,017</u>
Composite Depreciation Rate	3.02%				

**DEPRECIATION BY MONTH - 2006**

(\$000)

Month	Gross Plant Start Month	Additions In Month	Retirements In Month	Gross Plant End Month	Depreciation For Month
January	595,663	341	-	596,004	1,501
February	596,004	11	-	596,015	1,501
March	596,015	14	-	596,029	1,501
April	596,029	10	-	596,039	1,501
May	596,039	10	-	596,049	1,501
June	596,049	37	-	596,086	1,501
July	596,086	11	-	596,097	1,502
August	596,097	11	-	596,108	1,502
September	596,108	13	-	596,121	1,502
October	596,121	11	-	596,132	1,502
November	596,132	10	-	596,142	1,502
December	596,142	10	-	596,152	1,502
<b>TOTAL</b>		<u>489</u>	<u>-</u>		<u>18,017</u>

\* Numbers may not add up to totals due to rounding.

**SCHEDULE D**

**TAXES: INCOME AND OTHER**

(\$000)

	<u>Zone 6</u>	<u>Zone 7</u>	<u>Zone 8</u>	<u>Zone 9</u>
RETURN ON RATEBASE	13,656	1,759	6,272	19,850
Add:				
Depreciation and Amortization	16,233	3,197	6,699	18,390
Large Corporation Tax	197	85	105	377
Deferred Tax Payback	-	-	-	-
Deduct:				
Return on Debt	6,798	876	3,147	9,866
Capital Cost Allowance	7,152	1,093	3,660	9,900
TAXABLE INCOME EXCLUDING PROVISION	<u>16,135</u>	<u>3,072</u>	<u>6,269</u>	<u>18,852</u>
INCOME TAX RATE	33.62%	33.62%	34.12%	39.12%
INCOME TAX PROVISION (at R/(1-R) x Taxable Income Excluding Provision)	8,175	1,555	3,246	12,112
Deduct:				
Deferred Tax Payback	-	-	-	-
TOTAL INCOME TAXES	<u>8,175</u>	<u>1,555</u>	<u>3,246</u>	<u>12,112</u>
Taxes - Other than Income Tax	2,939	808	3,009	4,146
TOTAL TAXES: INCOME AND OTHER	<u><u>11,114</u></u>	<u><u>2,363</u></u>	<u><u>6,255</u></u>	<u><u>16,258</u></u>

\* Numbers may not add up to totals due to rounding.

ADJUSTMENT FOR (OVER) OR UNDER COLLECTION

(\$000)

ZONE 6

	<u>2004 Forecast</u> <sup>1</sup>	<u>2004 Actual</u>	<u>2005 Forecast</u> <sup>2</sup>		
<b>Cost of Service</b>					
Operating & Maintenance	-	-	25,002		
Return on Rate Base	-	-	14,124		
Depreciation & Amortization	-	-	16,259		
Taxes - Income + Other	-	-	3,552		
Special Charge	-	-	1,093		
Fuel Tax	-	-	-		
Sub-Total	-	-	60,030		
<b>Adjustments:</b>					
Previous (Over) Under	-	-	-		
G&A Settlement Savings	-	-	(559)		
OT-1 Service	-	-	-		
Total Firm Revenue Requirement	-	-	59,471		
<b>Service Revenue</b>					
T-1 Service	-	-	62,721		
Total Revenue Generated	-	-	62,721		
<b>Variance</b>				<u>2004</u> <sup>3</sup>	<u>2005</u> <sup>4</sup>
Revenue Required minus Revenue Generated	-	-	-	-	(3,250)
Interest on Variance	-	-	-	-	(108)
BILLING ADJUSTMENT FOR TEST YEAR	-	-	-	-	(3,358)
					<u>Total</u> <sup>5</sup>
					(3,250)
					(108)
					<u>(3,358)</u>

ZONE 7

	<u>2004 Forecast</u> <sup>1</sup>	<u>2004 Actual</u>	<u>2005 Forecast</u> <sup>2</sup>		
<b>Cost of Service</b>					
Operating & Maintenance	-	-	1,800		
Return on Rate Base	-	-	1,901		
Depreciation & Amortization	-	-	3,263		
Taxes - Income + Other	-	-	1,000		
Special Charge	-	-	124		
Fuel Tax	-	-	-		
Sub-Total	-	-	8,088		
<b>Adjustments:</b>					
Previous (Over) Under	-	-	-		
G&A Settlement Savings	-	-	(63)		
OT-1 Service	-	-	-		
Total Firm Revenue Requirement	-	-	8,025		
<b>Service Revenue</b>					
T-1 Service	-	-	8,230		
Total Revenue Generated	-	-	8,230		
<b>Variance</b>				<u>2004</u> <sup>3</sup>	<u>2005</u> <sup>4</sup>
Revenue Required minus Revenue Generated	-	-	-	-	(205)
Interest on Variance	-	-	-	-	(10)
BILLING ADJUSTMENT FOR TEST YEAR	-	-	-	-	(215)
					<u>Total</u> <sup>5</sup>
					(205)
					(10)
					<u>(215)</u>

\* Numbers may not add up to totals due to rounding.

Note(s):

- Forecast of 2004 as included in the 2005 rates application. Place holder for future years.
- Forecast of 2005 includes 9 months of actuals.
- Estimate/Actual (over) under collection from 2004. No adjustments as all under and overcollections have been credited or debited to shippers as of March 31, 2005.
- 2005 estimated (over) under collection.
- Total adjustment from 2004 and 2005.

ADJUSTMENT FOR (OVER) OR UNDER COLLECTION

(\$000)

**ZONE 8**

	<u>2004 Forecast</u> <sup>1</sup>	<u>2004 Actual</u>	<u>2005 Forecast</u> <sup>2</sup>		
<b>Cost of Service</b>					
Operating & Maintenance	-	-	3,077		
Return on Rate Base	-	-	6,579		
Depreciation & Amortization	-	-	6,782		
Taxes - Income + Other	-	-	4,577		
Special Charge	-	-	265		
Fuel Tax	-	-	-		
Sub-Total	<u>-</u>	<u>-</u>	<u>21,280</u>		
Adjustments:					
Previous (Over) Under	-	-	-		
G&A Settlement Savings	-	-	(150)		
OT-1 Service	-	-	-		
Total Firm Revenue Requirement	<u>-</u>	<u>-</u>	<u>21,130</u>		
<b>Service Revenue</b>					
T-1 Service	-	-	21,670		
Total Revenue Generated	<u>-</u>	<u>-</u>	<u>21,670</u>		
<b>Variance</b>				<u>2004</u> <sup>3</sup>	<u>2005</u> <sup>4</sup>
Revenue Required minus Revenue Generated	-	-	-	-	(540)
Interest on Variance	-	-	-	-	(26)
BILLING ADJUSTMENT FOR TEST YEAR	-	-	-	-	<u>(566)</u>
					<u>Total</u> <sup>5</sup>
					(540)
					(26)
					<u>(566)</u>

**ZONE 9**

	<u>2004 Forecast</u> <sup>1</sup>	<u>2004 Actual</u>	<u>2005 Forecast</u> <sup>2</sup>		
<b>Cost of Service</b>					
Operating & Maintenance	-	-	11,425		
Return on Rate Base	-	-	20,110		
Depreciation & Amortization	-	-	18,661		
Taxes - Income + Other	-	-	3,528		
Special Charge	-	-	787		
Fuel Tax	-	-	2,505		
Sub-Total	<u>-</u>	<u>-</u>	<u>57,016</u>		
Adjustments:					
Previous (Over) Under	-	-	-		
G&A Settlement Savings	-	-	(384)		
STFT, IT & SGS-1 Service	-	-	(14,922)		
Total Firm Revenue Requirement	<u>-</u>	<u>-</u>	<u>41,710</u>		
<b>Service Revenue</b>					
T-1 Service	-	-	39,119		
Total Revenue Generated	<u>-</u>	<u>-</u>	<u>39,119</u>		
<b>Variance</b>				<u>2004</u> <sup>3</sup>	<u>2005</u> <sup>4</sup>
Revenue Required minus Revenue Generated	-	-	-	-	2,591
Interest on Variance	-	-	-	-	61
BILLING ADJUSTMENT FOR TEST YEAR	-	-	-	-	<u>2,652</u>
					<u>Total</u> <sup>5</sup>
					2,591
					61
					<u>2,652</u>

\* Numbers may not add up to totals due to rounding.

Note(s):

- Forecast of 2004 as included in the 2005 rates application. Place holder for future years.
- Forecast of 2005 includes 9 months of actuals.
- Estimate/Actual (over) under collection from 2004. No adjustments as all under and overcollections have been credited or debited to shippers as of March 31, 2005.
- 2005 estimated (over) under collection.
- Total adjustment from 2004 and 2005.

## SCHEDULE F

## FIRM GAS VOLUMES AND HAUL DISTANCE

2006 Forecasted

SHIPPER	Annual Average MDQ (10 <sup>6</sup> m <sup>3</sup> )	Haul Distance (Km)	Annual Average MDQ x Dist. (10 <sup>6</sup> m <sup>3</sup> x Km)	Zone Allocation (%)
<b>Zone 6</b>				
NOVA Gas Transmission Ltd.	4.3868	1.55	6.7995	
NOVA Gas Transmission Ltd.	58.7700	378.49	22,243.8573	
	<u>63.1568</u>		<u>22,250.6568</u>	55.120%
<b>Zone 7</b>				
NOVA Gas Transmission Ltd.	<u>20.4180</u>	124.03	<u>2,532.4445</u>	6.273%
<b>Zone 8</b>				
TransCanada PipeLines Limited	<u>31.5857</u>	165.96	<u>5,241.9628</u>	12.986%
<b>Zone 9</b>				
Amerada Hess Canada Gas Ltd.	0.5734	258.97	148.4934	
Apache Canada Ltd.	1.0034	258.97	259.8505	
ARC Resources Ltd.	0.2884	258.97	74.6869	
BP Canada Energy Company	9.2737	258.97	2,401.6015	
Burlington Resources Canada	1.6070	258.97	416.1648	
Canadian Natural Resources	1.7120	258.97	443.3566	
Cargill Gas Marketing Ltd.	6.4223	258.97	1,663.1830	
Conoco Phillips Canada Limited	1.2186	258.97	315.5808	
Coral Resources Canada	0.7288	258.97	188.7460	
Devon Canada	0.0865	258.97	22.4009	
EnCana Gas Marketing	4.8700	258.97	1,261.1839	
Enermark	0.2884	258.97	74.6869	
ExxonMobil Canada Energy	0.1682	258.97	43.5588	
Hunt Oil Company	0.1463	258.97	37.8873	
Husky Energy	3.4434	258.97	891.7459	
Middleton Energy	0.3443	258.97	89.1634	
Minnesota Corn Processors	0.1927	258.97	49.8949	
Montana Dakota Utilities	0.2875	258.97	74.4539	
Nexen Canada	0.6000	258.97	155.3820	
Nexen Marketing	0.2867	258.97	74.2467	
Oneok Energy Marketing & Trading	0.1731	258.97	44.8212	
Petro-Canada	1.7400	258.97	450.6078	
Progas	0.8800	258.97	227.8936	
Shiningbank Energy Ltd.	0.1185	258.97	30.6879	
Tenaska	0.1415	258.97	36.6443	
WPS Energy Services of Canada	0.0860	258.97	22.2714	
Estimated New Service	3.2557	258.97	843.1179	
	<u>39.9363</u>		<u>10,342.3123</u>	25.620%