



450-1st Street S.W.
Calgary, Alberta, Canada T2P 5H1
Tel: (403) 920-6844
Fax: (403) 920-2347
Email: stella_morin@transcanada.com

March 9, 2010

National Energy Board
444 Seventh Avenue S.W.
Calgary, Alberta
T2P 0X8

Filed Electronically

Attention: Ms. Anne-Marie Erickson, Acting Secretary of the Board

Dear Ms. Erickson:

**Re: Foothills Pipe Lines Ltd. (“Foothills”)
2009 General and Administration (“G&A”) Expenses Report**

Pursuant to Section 4.6 of the Settlement Agreement with respect to the Special Charge and Certain Modifications to the Existing Cost of Service Methodology for Fixing Foothills Tolls, which was approved by Order TG-2-2003, Foothills is filing the G&A Expenses Report for the twelve months ended December 31, 2009.

Foothills is notifying shippers of the availability of this filing in the National Energy Board’s repository and TransCanada’s Foothills System Website at the address below.

http://www.transcanada.com/Foothills/regulatory/reg_filings/index.htm

If you have any questions or concerns with respect to the enclosed, please contact the undersigned at (403) 920-6844.

Yours truly,

Foothills Pipe Lines Ltd.

Original signed by

Stella Morin
Project Manager, Regulatory Services

Enclosure

cc: Foothills Firm and Interruptible Shippers
Interested Parties

FOOTHILLS PIPE LINES LTD.

REPORT ON GENERAL AND ADMINISTRATIVE EXPENSES FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2009
PURSUANT TO SECTION 4.6 OF THE SETTLEMENT AGREEMENT WITH RESPECT TO THE SPECIAL CHARGE AND CERTAIN
MODIFICATIONS TO THE EXISTING COST OF SERVICE METHODOLOGY FOR FIXING FOOTHILLS TOLLS DATED JANUARY 13, 2003
(\$000's)

<u>LINE</u>	<u>2009</u>
1 Agreed Amount	23,319.0
2 Actual Amount	12,832.6
3 Incentive Saving	10,486.4
4 Annual Collectible Amount	2,269.5
5 Foothills' Share of aggregate Incentive Amount	38,748.9

DEFINITIONS AND INTERPRETATION

"**Agreed Amount**" means, for any year during the Term, an initial amount equal to \$12,600,000, escalated by 3% per year commencing January 1, 2003, plus the addition of \$7,822,243 in 2009 for BC System Integration Settlement dated November 3, 2006.

"**Actual Amount**" has the meaning as defined in Section 3.1 of the Settlement; the actual amount of General and Administrative Expenses for any year.

"**Incentive Saving**" has the meaning as defined in Subsection 3.1(b)(ii) of the Settlement; the Agreed Amount less the Actual Amount for such year.

"**Collectible Amount**" has the meaning as defined in Section 2.1 of the Settlement; two-thirds (2/3) of the outstanding principal balance of the Phase II Preliminary Expenditures at November 1, 2002.