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October 31, 2011

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

Filed Electronically

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

Dear Ms. Erickson:

**Re: Foothills Pipe Lines Ltd. (Foothills)
Statement of Rates and Charges effective January 1, 2012**

Foothills encloses for filing pursuant to section 60(1)(a) of the *National Energy Board Act* new rates and charges for transportation service on Foothills Zones 6, 7, 8 and 9, to be effective January 1, 2012.

The following attachments are included with this letter:

- Attachment 1 includes supporting Schedules A¹ through F;
- Attachment 2 is a black-line copy of the relevant section of the Tariff illustrating the rates effective January 1, 2012; and
- Attachment 3 is a clean copy of the relevant section of the Tariff incorporating the amendments.

The rates and charges are based on the methodology approved by the Board in Decision TG-8-2004 as amended by order TG-03-2007.

As the Board is aware, Foothills is a co-applicant to the Business and Services Restructuring Proposal and 2012 and 2013 Mainline Final Tolls Application filed with the Board on September 1, 2011.² Approvals sought in that Application do not impact the 2012 rates on Foothills Zones 6, 7, 8 and 9.

¹ The reporting of Operating and Maintenance Expenses in Schedule A has been revised to reflect the expiry of the Foothills General and Administrative Incentive Plan in 2011, pursuant to Order TG-2-2003.

² NEB File Number: OF-Tolls-Group1-T211-2011-04 01.

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Ms. A. Erickson

Foothills will notify its shippers and interested parties of the filing and post a copy of this filing on TransCanada's Foothills System website at:

<http://www.transcanada.com/customerexpress/934.html>

In preparing this filing, Foothills provided the rates and charges effective January 1, 2012 to Foothills System shippers and interested parties, and met with shippers and interested parties on October 18, 2011. Foothills understands that any party that is opposed to the rates and charges will advise the Board accordingly.

Please direct all notices and communications regarding this filing to Stella Morin at stella_morin@transcanada.com or at (403) 920-6844.

Yours truly,

Foothills Pipe Lines Ltd.

Original Signed by

Murray Sondergard, P. Eng.
Director, Regulatory Services

Enclosures

cc: Foothills Firm and Interruptible Shippers

Attachment 1
Foothills Pipe Lines Ltd.
Supporting Schedules A through F

SUMMARY

Foothills Pipe Lines Ltd.

TRANSPORTATION RATES

Effective: January 1, 2012

REVENUE REQUIREMENT	Schedule	Amount (\$000)			
		Zone 6	Zone 7	Zone 8	Zone 9
Estimated Costs of Service:					
Operating & Maintenance	A	35,857	3,359	19,167	5,700
Return on Rate Base	B	9,700	714	15,142	14,742
Depreciation & Amortization	C	16,370	2,994	17,673	18,362
Taxes: Income and Other	D	8,262	1,746	13,539	10,126
Special Charge		1,427	198	542	103
Carbon Taxes		-	n/a	3,344	n/a
Fuel Tax		n/a	n/a	1,521	567
Sub-Total		<u>71,615</u>	<u>9,012</u>	<u>70,926</u>	<u>49,601</u>
Adjustments:					
Previous (Over) Under	E	(4,835)	(515)	(5,845)	(3,549)
Total Revenue Requirement		<u>66,779</u>	<u>8,497</u>	<u>65,082</u>	<u>46,052</u>
Other Service Revenue					
STFT Revenue		-	-	(1,360)	(28,988)
Interruptible/Overrun Revenue		-	-	(923)	(10,593)
SGS Revenue		-	-	-	(2)
FT Service Revenue Requirement		<u>66,779</u>	<u>8,497</u>	<u>62,798</u>	<u>6,469</u>

BILLING DETERMINANTS

FT Contract MDQ (TJ/d)	F	2,173.16	920.47	1,829.26	230.02
Maximum Haul Distance (Km)		378.49	124.03	170.70	258.97
Total FT MDQ x Distance	F	822,520.09	114,165.27	312,254.57	59,567.50
Estimated STFT MDQ (TJ/d)		-	-	40	1,031
Estimated Interruptible/Overrun Deliveries (TJ)		-	-	8,949	125,324
Estimated SGS Deliveries (TJ)		-	-	-	55

TRANSPORTATION RATES

Effective Rates					
Demand Rate (\$/GJ / Km / Month)		0.0067657123	0.0062022433	0.0167593368	0.0090496758
Overrun Service (\$/GJ / Km)		0.0002440093	0.0002236875	n/a	n/a
Interruptible Rate (\$/GJ / Km)		n/a	n/a	0.0006044351	0.0003263818
Full Haul Rates (100% Load Factor)					
Demand Rate (\$/GJ)		0.0839591622	0.0252217782	0.0937973374	0.0768391653
Overrun Service (\$/GJ)		0.0923550800	0.0277439606	n/a	n/a
Interruptible Rate (\$/GJ)		n/a	n/a	0.1031770716	0.0845230947

SCHEDULE A

OPERATING AND MAINTENANCE EXPENSES

For the 12-month period: January 1, 2012 to December 31, 2012

(\$000)

	<u>Total</u>	<u>Zone 6</u>	<u>Zone 7</u>	<u>Zone 8</u>	<u>Zone 9</u>
OPERATIONS, MAINTENANCE AND ADMINISTRATIVE COSTS	27,243	15,107	2,114	7,294	2,728
ELECTRICAL POWER					
JENNER, ACME AND CRAWLING VALLEY	8,927	8,927	-	-	-
DE/RE FACILITIES AT EMPRESS	8,110	8,110	-	-	-
BC	421	-	-	421	-
SASKATCHEWAN	<u>675</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>675</u>
	18,132	17,036	-	421	675
COMPRESSOR REPAIR	1,352	248	-	503	601
PIPELINE INTEGRITY PROGRAM	12,199	224	795	9,718	1,462
GOVERNMENT AGENCY COSTS RECOVERY	5,158	3,242	450	1,231	235
TOTAL	<u>64,083</u>	<u>35,857</u>	<u>3,359</u>	<u>19,167</u>	<u>5,700</u>

SCHEDULE B

**DEEMED AVERAGE CAPITALIZATION AND
RETURN ON RATE BASE
FOR THE YEAR ENDING DECEMBER 31, 2012**

(\$000)

ZONE 6

	<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	83,793	62.30	5.59	3.48
- Unfunded (Prefunded)	<u>(3,091)</u>	<u>(2.30)</u>	5.59	<u>(0.13)</u>
	80,702	60.00		3.35
Common Equity	<u>53,801</u>	<u>40.00</u>	9.70	<u>3.88</u>
Total Capitalization	<u><u>134,503</u></u>	<u><u>100.00</u></u>		<u><u>7.23</u></u>
Rate Base	134,160			
GPUC	<u>343</u>			
Total Capitalization	<u><u>134,503</u></u>			
Return on Rate Base	<u><u>9,700</u></u>	= 134,160	X 7.23%	

ZONE 7

	<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	9,115	92.14	5.59	5.15
- Unfunded (Prefunded)	<u>(3,180)</u>	<u>(32.14)</u>	5.59	<u>(1.80)</u>
	5,936	60.00		3.35
Common Equity	<u>3,957</u>	<u>40.00</u>	9.70	<u>3.88</u>
Total Capitalization	<u><u>9,893</u></u>	<u><u>100.00</u></u>		<u><u>7.23</u></u>
Rate Base	9,872			
GPUC	21			
Total Capitalization	<u><u>9,893</u></u>			
Return on Rate Base	<u><u>714</u></u>	= 9,872	X 7.23%	

**DEEMED AVERAGE CAPITALIZATION AND
RETURN ON RATE BASE
FOR THE YEAR ENDING DECEMBER 31, 2012**

(\$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	122,107	57.54	5.59	3.22
- Unfunded (Prefunded)	<u>5,224</u>	<u>2.46</u>	1.65	<u>0.04</u>
	127,331	60.00		3.26
Common Equity	<u>84,887</u>	<u>40.00</u>	9.70	<u>3.88</u>
Total Capitalization	<u><u>212,218</u></u>	<u><u>100.00</u></u>		<u><u>7.14</u></u>
Rate Base	212,075			
GPUC	<u>144</u>			
Total Capitalization	<u><u>212,218</u></u>			
Return on Rate Base	<u><u>15,142</u></u>	= 212,075	X 7.14%	

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	120,984	58.70	5.59	3.28
- Unfunded (Prefunded)	<u>2,685</u>	<u>1.30</u>	1.65	<u>0.02</u>
	123,669	60.00		3.30
Common Equity	<u>82,446</u>	<u>40.00</u>	9.70	<u>3.88</u>
Total Capitalization	<u><u>206,116</u></u>	<u><u>100.00</u></u>		<u><u>7.18</u></u>
Rate Base	205,319			
GPUC	<u>796</u>			
Total Capitalization	<u><u>206,116</u></u>			
Return on Rate Base	<u><u>14,742</u></u>	= 205,319	X 7.18%	

SCHEDULE B-1

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RATE BASE - 2012

(\$000)

ZONE 6

Month	Net Plant Month End	Materials Supplies & Prepaid	Working Capital	Linepack	Rate Base End Month
January Opening Balance	132,600	708	4,119	2,577	140,004
January	131,292	708	4,482	2,577	139,059
February	129,963	707	4,482	2,577	137,730
March	128,684	707	4,482	2,577	136,450
April	129,448	706	4,482	2,577	137,213
May	128,547	706	4,482	2,577	136,313
June	127,228	705	4,482	2,577	134,993
July	125,904	705	4,482	2,577	133,668
August	124,565	705	4,482	2,577	132,330
September	123,235	704	4,482	2,577	130,999
October	121,905	704	4,482	2,577	129,668
November	120,634	703	4,482	2,577	128,397
December	119,488	703	4,482	2,577	127,251
Average Rate Base - 13 Month					<u>134,160</u>

ZONE 7

Month	Net Plant Month End	Materials Supplies & Prepaid	Working Capital	Linepack	Rate Base End Month
January Opening Balance	9,886	-	349	1,039	11,273
January	9,641	-	420	1,039	11,100
February	9,396	-	420	1,039	10,855
March	9,152	-	420	1,039	10,611
April	8,907	-	420	1,039	10,366
May	8,663	-	420	1,039	10,122
June	8,418	-	420	1,039	9,877
July	8,174	-	420	1,039	9,633
August	7,930	-	420	1,039	9,389
September	7,685	-	420	1,039	9,144
October	7,441	-	420	1,039	8,900
November	7,198	-	420	1,039	8,656
December	6,952	-	420	1,039	8,411
Average Rate Base - 13 Month					<u>9,872</u>

SCHEDULE B-1
Page 2 of 2

RATE BASE - 2012

(\$000)

ZONE 8

Month	Net Plant Month End	Materials Supplies & Prepaid	Working Capital	Linepack	Rate Base End Month
January Opening Balance	213,427	2,096	2,130	1,473	219,126
January	212,008	2,095	3,004	1,473	218,580
February	211,394	2,094	3,004	1,473	217,965
March	210,002	2,093	3,004	1,473	216,572
April	208,599	2,093	3,004	1,473	215,169
May	207,171	2,092	3,004	1,473	213,739
June	205,725	2,091	3,004	1,473	212,293
July	204,281	2,090	3,004	1,473	210,848
August	202,837	2,089	3,004	1,473	209,404
September	201,402	2,088	3,004	1,473	207,967
October	199,969	2,088	3,004	1,473	206,533
November	198,527	2,087	3,004	1,473	205,091
December	197,123	2,086	3,004	1,473	203,686
Average Rate Base - 13 Month					<u><u>212,075</u></u>

ZONE 9

Month	Net Plant Month End	Materials Supplies & Prepaid	Working Capital	Linepack	Rate Base End Month
January Opening Balance	208,116	787	741	2,316	211,960
January	207,861	787	783	2,316	211,747
February	206,361	787	783	2,316	210,247
March	204,865	786	783	2,316	208,750
April	203,391	786	783	2,316	207,276
May	201,897	785	783	2,316	205,781
June	200,434	785	783	2,316	204,318
July	199,107	785	783	2,316	202,990
August	197,614	784	783	2,316	201,497
September	198,333	784	783	2,316	202,216
October	198,215	783	783	2,316	202,097
November	196,719	783	783	2,316	200,601
December	195,788	782	783	2,316	199,669
Average Rate Base - 13 Month					<u><u>205,319</u></u>

SCHEDULE C

Page 1 of 2

DEPRECIATION AND AMORTIZATION

(\$000)

ZONE 6

Month	Depreciation	Amortization	Amortization & Depreciation
January	1,356	(3)	1,353
February	1,356	(3)	1,353
March	1,356	(3)	1,353
April	1,357	(3)	1,354
May	1,371	(3)	1,367
June	1,372	(3)	1,369
July	1,372	(3)	1,369
August	1,373	(3)	1,370
September	1,373	(3)	1,370
October	1,373	(3)	1,370
November	1,374	(3)	1,371
December	1,374	(3)	1,371
TOTAL	<u><u>16,407</u></u>	<u><u>(37)</u></u>	<u><u>16,370</u></u>

ZONE 7

Month	Depreciation	Amortization	Amortization & Depreciation
January	249	-	249
February	249	-	249
March	249	-	249
April	249	-	249
May	249	-	249
June	249	-	249
July	250	-	250
August	250	-	250
September	250	-	250
October	250	-	250
November	250	-	250
December	250	-	250
TOTAL	<u><u>2,994</u></u>	<u><u>-</u></u>	<u><u>2,994</u></u>

SCHEDULE C

DEPRECIATION AND AMORTIZATION

(\$000)

ZONE 8

Month	Depreciation	Amortization	Amortization & Depreciation
January	1,470	(5)	1,466
February	1,470	(5)	1,466
March	1,476	(5)	1,471
April	1,477	(5)	1,472
May	1,478	(5)	1,473
June	1,478	(5)	1,474
July	1,479	(5)	1,474
August	1,479	(5)	1,475
September	1,479	(5)	1,475
October	1,480	(5)	1,475
November	1,480	(5)	1,476
December	1,481	(5)	1,476
TOTAL	<u><u>17,728</u></u>	<u><u>(55)</u></u>	<u><u>17,673</u></u>

ZONE 9

Month	Depreciation	Amortization	Amortization & Depreciation
January	1,520	(1)	1,519
February	1,528	(1)	1,527
March	1,528	(1)	1,527
April	1,528	(1)	1,528
May	1,529	(1)	1,528
June	1,529	(1)	1,528
July	1,530	(1)	1,529
August	1,530	(1)	1,530
September	1,531	(1)	1,530
October	1,537	(1)	1,536
November	1,540	(1)	1,540
December	1,541	(1)	1,540
TOTAL	<u><u>18,371</u></u>	<u><u>(9)</u></u>	<u><u>18,362</u></u>

SCHEDULE C-1

DEPRECIATION BY ACCOUNT - 2012

(\$000)

ZONE 6

NEB Account No and Description	Depreciation Rate	Gross Plant at 31-Dec-2011	Additions & Retirements	Gross Plant at 31-Dec-2012	Depreciation For Year
460-Land	0.00%	222	-	222	-
461-Land Rights	3.00%	3,412	-	3,412	102
462-Compressor Structures	3.00%	34,465	-	34,465	1,034
465-Pipeline Mains	3.00%	303,943	-	303,943	9,118
466-Compressor Equipment	3.00%	171,645	746	172,391	5,158
466-Compressor Overhaul	7.69%	3,406	2,190	5,596	374
468-Communications	3.00%	435	25	460	13
482-Leasehold Improvements	10.00%	387	112	499	32
483-Computer Equipment	24.41%	1,099	(82)	1,017	281
483-Office Furniture & Eqmt	8.90%	49	46	95	6
484-Transportation Eqmt	30.00%	72	-	72	22
485-Heavy Work Equipment	2.19%	80	-	80	-
486-Tools & Work Equipment	2.01%	538	-	538	-
488-Communication STR	5.21%	22	11	32	1
496-Unclassified Plant	3.00%	8,836	-	8,836	265
TOTAL Gas Plant in Service		<u>528,611</u>	<u>3,048</u>	<u>531,659</u>	<u>16,407</u>
Composite Depreciation Rate	3.09%				

DEPRECIATION BY MONTH - 2012

(\$000)

Month	Gross Plant Start Month	Additions In Month	Retirements In Month	Gross Plant End Month	Depreciation For Month
January	528,611	45	-	528,656	1,356
February	528,656	25	-	528,680	1,356
March	528,680	74	-	528,754	1,356
April	528,754	2,117	-	530,872	1,357
May	530,872	467	-	531,339	1,371
June	531,339	49	-	531,388	1,372
July	531,388	45	-	531,434	1,372
August	531,434	31	-	531,465	1,373
September	531,465	40	-	531,504	1,373
October	531,504	40	-	531,544	1,373
November	531,544	100	-	531,644	1,374
December	531,644	226	(210)	531,659	1,374
TOTAL		<u>3,258</u>	<u>(210)</u>		<u>16,407</u>

SCHEDULE C-1

DEPRECIATION BY ACCOUNT - 2012

(\$000)

ZONE 7

NEB Account No and Description	Depreciation Rate	Gross Plant at 31-Dec-2011	Additions & Retirements	Gross Plant at 31-Dec-2012	Depreciation For Year
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%	73,367	-	73,367	2,201
466-Compressor Equipment	3.00%	-	-	-	-
466-Compressor Overhaul	7.69%	-	-	-	-
467-Meas & Reg Equipment	3.00%	-	-	-	-
468-Communications	3.00%	0	5	5	-
469-Other Equipment	3.00%	-	-	-	-
482-Leasehold Improvements	10.00%	54	21	75	-
483-Computer Equipment	24.41%	203	(12)	191	52
483-Office Furniture & Eqmt	8.90%	9	9	18	1
484-Transportation Eqmt	30.00%	-	-	-	0
486-Tools & Work Equip	2.01%	18	-	18	-
488-Communication STR	5.21%	4	2	6	-
489-Other Equipment	0.00%	-	-	-	-
496-Unclassified Plant	3.00%	23,072	-	23,072	692
TOTAL Gas Plant in Service		<u>98,300</u>	<u>25</u>	<u>98,324</u>	<u>2,994</u>
Composite Depreciation Rate	3.04%				

DEPRECIATION BY MONTH - 2012

(\$000)

Month	Gross Plant Start Month	Additions In Month	Retirements In Month	Gross Plant End Month	Depreciation For Month
January	98,300	5	-	98,304	249
February	98,304	5	-	98,309	249
March	98,309	5	-	98,314	249
April	98,314	5	-	98,318	249
May	98,318	5	-	98,324	249
June	98,324	5	-	98,328	249
July	98,328	5	-	98,334	250
August	98,334	5	-	98,339	250
September	98,339	5	-	98,344	250
October	98,344	6	-	98,350	250
November	98,350	6	-	98,356	250
December	98,356	5	(37)	98,324	250
TOTAL		<u>61</u>	<u>(37)</u>		<u>2,994</u>

SCHEDULE C-1

DEPRECIATION BY ACCOUNT - 2012

(\$000)

ZONE 8

NEB Account No and Description	Depreciation Rate	Gross Plant at 31-Dec-2011	Additions & Retirements	Gross Plant at 31-Dec-2012	Depreciation For Year
401-Franchises and Consents	0.00%	468	-	468	-
402-Other Intangibles	3.00%	3,367	-	3,367	101
460-Land	0.00%	51	-	51	-
461-Land Rights	3.00%	874	-	874	-
462-Compressor Structures	3.00%	20,973	-	20,973	629
463-Meas & Reg Structures	3.00%	1,773	-	1,773	53
465-Pipeline Mains	3.00%	280,528	50	280,578	8,416
466-Compressor Equipment	3.00%	235,280	-	235,280	7,058
466-Compressor Overhaul	7.69%	3,444	925	4,369	323
467-Meas & Reg Equipment	3.00%	13,358	-	13,358	401
468-Communications	3.00%	2,657	28	2,685	80
482-Leasehold Improvements	10.00%	113	-	113	-
482-Leasehold Improvements	6.67%	81	120	202	9
482-Other Structures	2.19%	-	-	-	-
482-Leasehold Improvements	5.61%	589	-	589	33
483-Computer Equipment	24.41%	1,279	(141)	1,137	326
483-Office Furniture & Eqmt	8.90%	1,254	50	1,304	-
484-Transportation Eqmt	30.00%	206	46	252	71
485-Heavy Work Equipment	2.19%	918	-	918	20
486-Tools & Work Equip	2.01%	2,394	-	2,394	48
488-Communication STR	5.21%	460	12	471	24
496-Unclassified Plant	3.00%	4,469	-	4,469	134
TOTAL Gas Plant in Service		<u>574,538</u>	<u>1,089</u>	<u>575,627</u>	<u>17,728</u>
Composite Depreciation Rate	3.08%				

DEPRECIATION BY MONTH - 2012

(\$000)

Month	Gross Plant Start Month	Additions In Month	Retirements In Month	Gross Plant End Month	Depreciation For Month
January	574,538	47	-	574,585	1,470
February	574,585	851	-	575,436	1,470
March	575,436	79	-	575,516	1,476
April	575,516	70	-	575,585	1,477
May	575,585	45	-	575,630	1,478
June	575,630	28	-	575,658	1,478
July	575,658	30	-	575,688	1,479
August	575,688	31	-	575,720	1,479
September	575,720	39	-	575,759	1,479
October	575,759	42	-	575,801	1,480
November	575,801	34	-	575,835	1,480
December	575,835	77	(284)	575,627	1,481
TOTAL		<u>1,373</u>	<u>(284)</u>		<u>17,728</u>

SCHEDULE C-1

DEPRECIATION BY ACCOUNT - 2012

(\$000)

ZONE 9

NEB Account No and Description	Depreciation Rate	Gross Plant at 31-Dec-2011	Additions & Retirements	Gross Plant at 31-Dec-2012	Depreciation For Year
460-Land	0.00%	130	-	130	-
461-Land Rights	3.00%	1,307	-	1,307	39
462-Compressor Structures	3.00%	40,377	-	40,377	1,211
463-Meas & Reg Structures	3.00%	5,575	2,935	8,510	187
464-Other Structures	3.00%	1,632	-	1,632	49
465-Pipeline Mains	3.00%	326,617	-	326,617	9,799
466-Compressor Equipment	3.00%	197,009	1,303	198,312	5,916
466-Compressor Overhaul	7.69%	785	1,500	2,285	161
467-Meas & Reg Equipment	3.00%	11,507	100	11,607	345
468-Communications	3.00%	658	29	687	20
482-Leasehold Improvements	10.00%	287	126	413	-
483-Computer Equipment	24.41%	1,243	(94)	1,148	318
483-Office Furniture & Eqmt	8.90%	56	52	108	7
484-Transportation Eqmt	30.00%	417	-	417	1
485-Heavy Work Equip	2.19%	172	0	172	0
486-Tools & Work Equip	2.01%	882	-	882	-
488-Communication STR	5.21%	19	12	31	1
489-Other Equipment	0.00%	-	-	-	-
496-Unclassified Plant	3.00%	10,509	-	10,509	315
TOTAL Gas Plant in Service		<u>599,180</u>	<u>5,963</u>	<u>605,143</u>	<u>18,371</u>
Composite Depreciation Rate	3.05%				

DEPRECIATION BY MONTH - 2012

(\$000)

Month	Gross Plant Start Month	Additions In Month	Retirements In Month	Gross Plant End Month	Depreciation For Month
January	599,180	1,434	-	600,614	1,520
February	600,614	27	-	600,641	1,528
March	600,641	31	-	600,673	1,528
April	600,673	54	-	600,726	1,528
May	600,726	33	-	600,761	1,529
June	600,761	66	-	600,827	1,529
July	600,827	201	-	601,028	1,530
August	601,028	36	-	601,065	1,530
September	601,065	2,250	-	603,314	1,531
October	603,314	1,417	-	604,732	1,537
November	604,732	44	-	604,776	1,540
December	604,776	608	(240)	605,144	1,541
TOTAL		<u>6,203</u>	<u>(240)</u>		<u>18,371</u>

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 RATE BASE	9,700	714	15,142	14,742
Add:				
Depreciation and Amortization	16,370	2,994	17,673	18,362
Non-allowed Amortization of Debt Discount and Expense	27	3	258	37
Deduct:				
Return on Debt	4,494	331	6,914	6,776
Capital Cost Allowance	4,869	739	6,833	5,993
Compressor Overhaul Capitalized	2,190	-	925	1,500
TAXABLE INCOME EXCLUDING PROVISION	<u>14,543</u>	<u>2,641</u>	<u>18,401</u>	<u>18,872</u>
INCOME TAX RATE	25.00%	25.00%	25.00%	27.00%
INCOME TAX PROVISION (at R/(1-R) x Taxable Income Excluding Provision)	4,848	880	6,134	6,980
Taxes - Other than Income Tax	3,414	867	7,405	3,146
TOTAL TAXES: INCOME AND OTHER	<u><u>8,262</u></u>	<u><u>1,746</u></u>	<u><u>13,539</u></u>	<u><u>10,126</u></u>

SCHEDULE E

ADJUSTMENT FOR (OVER) OR UNDER COLLECTION

(\$000)

ZONE 6

	<u>2010 Forecast¹</u>	<u>2010 Actual</u>	<u>2011 Forecast</u>		
Cost of Service					
Operating & Maintenance	38,624	35,815		34,060	
Return on Rate Base	11,091	10,925		10,320	
Depreciation & Amortization	16,194	16,194		16,180	
Taxes - Income + Other	9,579	8,962		7,433	
Special Charge	1,313	1,313		1,344	
Carbon Tax	427	427		-	
Fuel Tax	n/a	n/a		n/a	
Sub-Total	<u>77,229</u>	<u>73,636</u>		<u>69,337</u>	
Adjustments:					
Previous (Over) Under	(23,197)	(23,197)		(3,780)	
G&A Settlement Savings	(2,578)	(2,602)		(1,854)	
Overrun Service	-	-		-	
Total Firm Revenue Requirement	<u>51,454</u>	<u>47,836</u>		<u>63,703</u>	
Service Revenue					
FT Service	<u>55,180</u>	<u>55,180</u>		<u>64,853</u>	
Total Revenue Generated	<u>55,180</u>	<u>55,180</u>		<u>64,853</u>	
Variance	<u>2010</u>	<u>2010</u>	<u>2010²</u>	<u>2011³</u>	<u>Total⁴</u>
Revenue Required minus Revenue Generated	(3,726)	(7,343)	(3,618)	(1,150)	(4,768)
Interest on Variance	(54)	(106)	(52)	(15)	(68)
BILLING ADJUSTMENT FOR TEST YEAR	<u>(3,780)</u>	<u>(7,450)</u>	<u>(3,670)</u>	<u>(1,165)</u>	<u>(4,835)</u>

ZONE 7

	<u>2010 Forecast¹</u>	<u>2010 Actual</u>	<u>2011 Forecast</u>		
Cost of Service					
Operating & Maintenance	4,348	4,095		3,098	
Return on Rate Base	1,126	1,117		914	
Depreciation & Amortization	2,988	2,987		2,992	
Taxes - Income + Other	2,019	1,915		1,848	
Special Charge	184	184		171	
Fuel Tax	n/a	n/a		n/a	
Sub-Total	<u>10,664</u>	<u>10,297</u>		<u>9,024</u>	
Adjustments:					
Previous (Over) Under	(164)	(164)		506	
G&A Settlement Savings	(352)	(353)		(230)	
Overrun Service	-	-		-	
Total Firm Revenue Requirement	<u>10,148</u>	<u>9,781</u>		<u>9,300</u>	
Service Revenue					
FT Service	<u>9,649</u>	<u>9,496</u>		<u>9,594</u>	
Total Revenue Generated	<u>9,649</u>	<u>9,496</u>		<u>9,594</u>	
Variance	<u>2010</u>	<u>2010</u>	<u>2010²</u>	<u>2011³</u>	<u>Total⁴</u>
Revenue Required minus Revenue Generated	499	284	(215)	(294)	(508)
Interest on Variance	7	4	(3)	(4)	(7)
BILLING ADJUSTMENT FOR TEST YEAR	<u>506</u>	<u>288</u>	<u>(218)</u>	<u>(297)</u>	<u>(515)</u>

Note(s):

1. 2010 Forecast as identified in the 2011 rates application.
2. Actual (over) under collection from 2010.
3. 2011 estimated (over) under collection.
4. Total adjustment from 2010 and 2011.

ADJUSTMENT FOR (OVER) OR UNDER COLLECTION

(\$000)

ZONE 8

	<u>2010 Forecast¹</u>	<u>2010 Actual</u>	<u>2011 Forecast</u>		
Cost of Service					
Operating & Maintenance	15,907	17,690		11,425	
Return on Rate Base	16,657	16,274		15,833	
Depreciation & Amortization	17,404	17,401		17,533	
Taxes - Income + Other	14,618	14,199		13,480	
Special Charge	616	616		574	
Carbon Tax	4,034	3,678		2,854	
Fuel Tax	2,744	2,504		1,588	
Sub-Total	<u>71,979</u>	<u>72,362</u>		<u>63,287</u>	
Adjustments:					
Previous (Over) Under	(3,834)	(3,834)		804	
G&A Settlement Savings	(1,072)	(974)		(714)	
STFT & IT Service	(1,427)	(1,639)		(1,020)	
Total Firm Revenue Requirement	<u>65,646</u>	<u>65,915</u>		<u>62,357</u>	
Service Revenue					
FT Service	<u>64,853</u>	<u>64,971</u>		<u>68,277</u>	
Total Revenue Generated	<u>64,853</u>	<u>64,971</u>		<u>68,277</u>	
Variance	<u>2010</u>	<u>2010</u>	<u>2010²</u>	<u>2011³</u>	<u>Total⁴</u>
Revenue Required minus Revenue Generated	793	944	151	(5,920)	(5,769)
Interest on Variance	11	14	2	(78)	(76)
BILLING ADJUSTMENT FOR TEST YEAR	<u>804</u>	<u>958</u>	<u>153</u>	<u>(5,998)</u>	<u>(5,845)</u>

ZONE 9

	<u>2010 Forecast¹</u>	<u>2010 Actual</u>	<u>2011 Forecast</u>		
Cost of Service					
Operating & Maintenance	6,001	5,595		5,635	
Return on Rate Base	16,299	16,076		15,314	
Depreciation & Amortization	18,193	18,174		18,243	
Taxes - Income + Other	11,875	11,426		10,922	
Special Charge	157	157		179	
Fuel Tax	740	816		587	
Sub-Total	<u>53,265</u>	<u>52,244</u>		<u>50,880</u>	
Adjustments:					
Previous (Over) Under	3,574	3,574		(15,014)	
G&A Settlement Savings	(405)	(498)		(311)	
STFT, IT & SGS Service	(58,696)	(59,212)		(28,232)	
Total Firm Revenue Requirement	<u>(2,262)</u>	<u>(3,892)</u>		<u>7,324</u>	
Service Revenue					
FT Service	<u>12,537</u>	<u>12,819</u>		<u>8,913</u>	
Total Revenue Generated	<u>12,537</u>	<u>12,819</u>		<u>8,913</u>	
Variance	<u>2010</u>	<u>2010</u>	<u>2010²</u>	<u>2011³</u>	<u>Total⁴</u>
Revenue Required minus Revenue Generated	(14,800)	(16,711)	(1,911)	(1,589)	(3,500)
Interest on Variance	(215)	(242)	(28)	(21)	(49)
BILLING ADJUSTMENT FOR TEST YEAR	<u>(15,014)</u>	<u>(16,953)</u>	<u>(1,939)</u>	<u>(1,610)</u>	<u>(3,549)</u>

Note(s):

1. 2010 Forecast as identified in the 2011 rates application.
2. Actual (over) under collection from 2010.
3. 2011 estimated (over) under collection.
4. Total adjustment from 2010 and 2011.

SCHEDULE F

FIRM TRANSPORTATION VOLUMES AND HAUL DISTANCE

SHIPPER	Annual Average MDQ (TJ/d)	Haul Distance (Km)	Annual Average MDQ x Dist. (TJ x Km)	Zone Allocation (%)
Zone 6				
NOVA Gas Transmission Ltd.	2,173.162	378.49	822,520.0854	
	<u>2,173.162</u>		<u>822,520.0854</u>	62.859%
Zone 7				
NOVA Gas Transmission Ltd.	920.465	124.03	114,165.2740	
	<u>920.465</u>		<u>114,165.2740</u>	8.725%
Zone 8				
Apache Canada Ltd.	12.712	170.70	2,169.9384	
Avista Corporation	199.462	170.70	34,048.0781	
British Columbia Hydro and Power Authority	43.673	170.70	7,454.9811	
Cascade Natural Gas Corporation	29.411	170.70	5,020.4719	
Chevron Canada Resources	21.932	170.70	3,743.7924	
City of Glendale	4.362	170.70	744.5934	
City of Pasadena	4.362	170.70	744.5934	
City of Redding	8.117	170.70	1,385.5719	
Columbia Brewing Company	0.270	170.70	46.0890	
ConocoPhillips Canada (BRC) Partnership	40.816	170.70	6,967.2912	
ConocoPhillips Western Canada Partnership	10.815	170.70	1,846.1205	
Devon Canada Corporation	17.925	170.70	3,059.7975	
Encana Corporation	67.948	170.70	11,598.7236	
FortisBC Energy Inc.	110.474	170.70	18,857.9545	
Iberdrola Canada Energy Services Ltd.	82.623	170.70	14,103.7461	
Intermountain Gas Company	113.278	170.70	19,336.4693	
J.P. Morgan Commodities Canada Corporation	0.352	170.70	60.0864	
Northern California Power Agency	2.967	170.70	506.4669	
Northwest Natural Gas Company	157.267	170.70	26,845.4769	
Pacific Gas and Electric Company	440.075	170.70	75,120.8025	
Pacificorp	47.920	170.70	8,179.9440	
Paramount Resources Ltd.	21.187	170.70	3,616.6209	
Portland General Electric Company	47.654	170.70	8,134.5378	
Puget Sound Energy, Inc.	82.960	170.70	14,161.2720	
Sacramento Municipal Utility District	13.217	170.70	2,256.1419	
Shell Energy North America (Canada) Inc.	23.211	170.70	3,962.1177	
Sierra Pacific Power Company	136.031	170.70	23,220.4917	
Southern California Gas Company	56.783	170.70	9,692.8581	
Talisman Energy Canada	4.406	170.70	752.1042	
Tembec	3.500	170.70	597.4500	
Turlock Irrigation District	17.098	170.70	2,918.6286	
United States Gypsum Company	6.452	170.70	1,101.3564	
	<u>1,829.259</u>		<u>312,254.5682</u>	23.863%
Zone 9				
BP Canada Energy Company	137.157	258.97	35,519.5483	
Encana Corporation	60.000	258.97	15,538.2000	
J. Aron & Company	22.143	258.97	5,734.3727	
MDU Resources Group, Inc.	10.717	258.97	2,775.3815	
	<u>230.017</u>		<u>59,567.5025</u>	4.552%

Attachment 2
Foothills Pipe Lines Ltd.
Table of Effective Rates
Blackline

TABLE OF EFFECTIVE RATES
1. Rate Schedule FT, Firm Transportation Service

	Demand Rate (\$/GJ/Km/Month)
Zone 6	0.0064669166 <u>0.0067657123</u>
Zone 7	0.0075037155 <u>0.0062022433</u>
Zone 8*	0.0158521729 <u>0.0167593368</u>
Zone 9	0.0063707902 <u>0.0090496758</u>

2. Rate Schedule OT, Overrun Transportation Service

	Commodity Rate (\$/GJ/Km)
Zone 6	0.0002338721 <u>0.0002440093</u>
Zone 7	0.0002713672 <u>0.0002236875</u>

3. Rate Schedule IT, Interruptible Transportation Service

	Commodity Rate (\$/GJ/Km)
Zone 8*	0.0005732841 <u>0.0006044351</u>
Zone 9	0.0002303957 <u>0.0003263818</u>

* For Zone 8, Shippers Haul Distance shall be 170.7 km.

Attachment 3
Foothills Pipe Lines Ltd.
Table of Effective Rates
Clean Copy

TABLE OF EFFECTIVE RATES**1. Rate Schedule FT, Firm Transportation Service**

	Demand Rate (\$/GJ/Km/Month)
Zone 6	0.0067657123
Zone 7	0.0062022433
Zone 8*	0.0167593368
Zone 9	0.0090496758

2. Rate Schedule OT, Overrun Transportation Service

	Commodity Rate (\$/GJ/Km)
Zone 6	0.0002440093
Zone 7	0.0002236875

3. Rate Schedule IT, Interruptible Transportation Service

	Commodity Rate (\$/GJ/Km)
Zone 8*	0.0006044351
Zone 9	0.0003263818

* For Zone 8, Shippers Haul Distance shall be 170.7 km.