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October 30, 2015

National Energy Board
517 Tenth Avenue SW
Calgary, Alberta T2R 0A8

Filed Electronically

Attention: Ms. Sheri Young, Secretary of the Board

Dear Ms. Young:

**Re: Foothills Pipe Lines Ltd. (Foothills)
Statement of Rates and Charges effective January 1, 2016**

Foothills encloses for filing pursuant to section 60(1)(a) of the *National Energy Board Act*¹ rates and charges for transportation service on Foothills Zones 6, 7, 8 and 9 to be effective January 1, 2016 (Effective 2016 Rates).

The following attachments are included with this letter:

- Attachment 1 consists of supporting Schedules A through G
- Attachments 2 and 3 are black-lined and clean copies, respectively, of the relevant section of the Tariff showing the Effective 2016 Rates

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.

The filing is also made in accordance with the MH-001-2013 Decision² with respect to Foothills' Abandonment Surcharges effective January 1, 2016, which are also included in the Table of Effective 2016 Rates. The supporting information on the Abandonment Surcharges calculation is provided in the attached Schedule G.

Foothills met with shippers and interested parties on October 14, 2015, and presented the preliminary 2016 revenue requirement and preliminary Effective 2016 Rates. On the basis of this consultation, Foothills is not aware of any objections to its proposal for establishing the Effective 2016 Rates.

¹ R.S.C. 1985, c. N-7, as amended, and the regulations made thereunder.

² See MH-001-2013 Decision, page 75.

Foothills understands that any party that is opposed to the rates and charges will advise the Board accordingly.

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

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

Communication regarding this application should be directed to:

Mark Manning
Senior Project Manager, Tolls and Tariffs
Canadian Gas Pipelines
TransCanada PipeLines Limited
450 – 1 Street SW
Calgary, Alberta T2P 5H1
Telephone: (403) 920-6098
Facsimile: (403) 920-2347
Email: mark_manning@transcanada.com

Joel Forrest
Director Canadian Law
Natural Gas Pipelines
TransCanada PipeLines Limited
450 – 1 Street SW
Calgary, Alberta T2P 5H1
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Yours truly,
Foothills Pipe Lines Ltd.

Original signed by

Robert Tarvydas
Vice-President, Regulatory, Canadian Gas Pipelines

Attachments

cc: Foothills Firm Shippers
Interruptible Shippers and Interested Parties

Attachment 1

**Foothills Pipe Lines Ltd.
Supporting Schedules A through F**

SUMMARY

**Foothills Pipe Lines Ltd.
TRANSPORTATION RATES
Effective: January 1, 2016**

REVENUE REQUIREMENT	Schedule	Amount (\$000)			
		Zone 6	Zone 7	Zone 8	Zone 9
Estimated Costs of Service:					
Operating & Maintenance	A	36,396	5,027	14,008	6,425
Return on Rate Base	B	4,234	114	8,448	7,753
Depreciation & Amortization	C	16,760	222	20,787	20,410
Taxes: Income and Other	D	7,845	769	13,389	11,140
Carbon Taxes		1,100	n/a	7,268	n/a
Fuel Tax		n/a	n/a	3,026	668
Sub-Total		66,335	6,132	66,926	46,396
Adjustments:					
Previous (Over) / Under	E	(3,249)	(526)	(3,866)	(4,118)
Total Revenue Requirement		63,086	5,606	63,060	42,278
Other Service Revenue					
STFT		-	-	(792)	(26,299)
Interruptible/Overrun		-	-	(1,615)	(5,402)
SGS		-	-	-	(2)
FT Service Revenue Requirement		63,086	5,606	60,654	10,576

BILLING DETERMINANTS

FT Contract MDQ (TJ/d)	F	2,123.15	1,041.13	2,039.04	508.78
Total FT MDQ x Distance	F	803,591.04	129,130.73	348,064.27	102,402.59
Estimated STFT MDQ (TJ/d)		-	-	26.61	983.37
Estimated Interruptible/Overrun Deliveries (TJ)		-	-	18,060.42	83,060.68
Estimated SGS Deliveries (TJ)		-	-	-	51.67

TRANSPORTATION RATES

Effective Rates					
Demand Rate (\$/GJ / Km / Month)		0.0065420922	0.0036177806	0.0145216983	0.0086057582
Overrun Service (\$/GJ / Km)		0.0002359443	0.0001304773	n/a	n/a
Interruptible Rate (\$/GJ / Km)		n/a	n/a	0.0005237334	0.0003103716
Full Haul Rates					
Demand Rate (\$/GJ)		0.0811841468	0.0147119124	0.0812738984	0.0730699410
Overrun Service (\$/GJ)		0.0893025581	0.0161830995	n/a	n/a
Interruptible Rate (\$/GJ)		n/a	n/a	0.0894012914	0.0803769333

SCHEDULE A

OPERATING AND MAINTENANCE EXPENSES

For the year ended December 31, 2016

(\$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	28,496	15,156	2,481	6,933	3,926
Electrical power					
Jenner, Acme and Crawling Valley	7,289	7,289	-	-	-
De/re Facilities at Empress	7,190	7,190	-	-	-
BC	597	-	-	597	-
Saskatchewan	1,349	-	-	-	1,349
	<u>16,425</u>	<u>14,479</u>	<u>-</u>	<u>597</u>	<u>1,349</u>
Compressor Repair	1,110	400	-	275	435
Pipeline Integrity Program	11,925	3,900	2,205	5,281	539
				-	
Government Agency Costs Recovery	<u>3,900</u>	<u>2,461</u>	<u>341</u>	<u>922</u>	<u>176</u>
Total	<u><u>61,856</u></u>	<u><u>36,396</u></u>	<u><u>5,027</u></u>	<u><u>14,008</u></u>	<u><u>6,425</u></u>

SCHEDULE B

**DEEMED AVERAGE CAPITALIZATION AND
RETURN ON RATE BASE
FOR THE YEAR ENDING DECEMBER 31, 2016**

ZONE 6

	AMOUNT (\$000)	RATIO %	COST RATE %	COST COMPONENT %	
Debt - Funded	45,622	54.94	1.92	1.05	
- Unfunded/(Prefunded)	4,203	5.06	1.00	0.05	
	<u>49,825</u>	<u>60.00</u>		<u>1.10</u>	
Common Equity	33,216	40.00	10.10	4.04	
Total Capitalization	<u><u>83,041</u></u>	<u><u>100.00</u></u>		<u><u>5.14</u></u>	
Rate Base	82,381				
GPUC	<u>660</u>				
Total Capitalization	<u><u>83,041</u></u>				
Return on Rate Base	<u><u>4,234</u></u>	=	82,381	X	5.14%

ZONE 7

	AMOUNT (\$000)	RATIO %	COST RATE %	COST COMPONENT %	
Debt - Funded	2,347	106.49	1.92	2.04	
- Unfunded/(Prefunded)	(1,025)	(46.49)	1.92	(0.89)	
	<u>1,322</u>	<u>60.00</u>		<u>1.15</u>	
Common Equity	882	40.00	10.10	4.04	
Total Capitalization	<u><u>2,204</u></u>	<u><u>100.00</u></u>		<u><u>5.19</u></u>	
Rate Base	2,204				
GPUC	<u>-</u>				
Total Capitalization	<u><u>2,204</u></u>				
Return on Rate Base	<u><u>114</u></u>	=	2,204	X	5.19%

SCHEDULE B

**DEEMED AVERAGE CAPITALIZATION AND
RETURN ON RATE BASE
FOR THE YEAR ENDING DECEMBER 31, 2016**

ZONE 8

	AMOUNT (\$000)	RATIO %	COST RATE %	COST COMPONENT %	
Debt - Funded	77,024	45.37	1.92	0.87	
- Unfunded/(Prefunded)	<u>24,840</u>	<u>14.63</u>	1.00	<u>0.15</u>	
	101,864	60.00		1.02	
Common Equity	<u>67,910</u>	<u>40.00</u>	10.10	<u>4.04</u>	
Total Capitalization	<u><u>169,774</u></u>	<u><u>100.00</u></u>		<u><u>5.06</u></u>	
Rate Base	166,948				
GPUC	<u>2,826</u>				
Total Capitalization	<u><u>169,774</u></u>				
Return on Rate Base	<u><u>8,448</u></u>	=	166,948	X	5.06%

ZONE 9

	AMOUNT (\$000)	RATIO %	COST RATE %	COST COMPONENT %	
Debt - Funded	75,007	49.25	1.92	0.95	
- Unfunded/(Prefunded)	<u>16,367</u>	<u>10.75</u>	1.00	<u>0.11</u>	
	91,374	60.00		1.06	
Common Equity	<u>60,916</u>	<u>40.00</u>	10.10	<u>4.04</u>	
Total Capitalization	<u><u>152,290</u></u>	<u><u>100.00</u></u>		<u><u>5.10</u></u>	
Rate Base	152,019				
GPUC	<u>271</u>				
Total Capitalization	<u><u>152,290</u></u>				
Return on Rate Base	<u><u>7,753</u></u>	=	152,019	X	5.10%

SCHEDULE B-1

RATE BASE - 2016

(\$000)

ZONE 6

Month	Net Plant Month End	Materials Supplies & Prepaid	Working Capital	Linepack	Rate Base End Month
January Opening Balance	81,465	717	5,529	2,577	90,288
January	80,161	717	4,176	2,577	87,631
February	78,840	716	4,250	2,577	86,383
March	77,539	716	6,113	2,577	86,945
April	76,231	716	4,287	2,577	83,811
May	74,913	715	4,007	2,577	82,212
June	73,597	715	4,188	2,577	81,077
July	72,267	714	4,167	2,577	79,725
August	71,036	714	4,409	2,577	78,736
September	69,688	713	4,793	2,577	77,771
October	68,334	713	5,001	2,577	76,625
November	69,100	713	4,992	2,577	77,382
December	73,210	712	5,864	2,577	82,363
Average Rate Base - 13 Month					82,381

ZONE 7

Month	Net Plant Month End	Materials Supplies & Prepaid	Working Capital	Linepack	Rate Base End Month
January Opening Balance	526	-	432	1,039	1,997
January	537	-	281	1,039	1,857
February	545	-	266	1,039	1,850
March	551	-	342	1,039	1,932
April	556	-	318	1,039	1,913
May	559	-	729	1,039	2,327
June	562	-	1,760	1,039	3,361
July	562	-	288	1,039	1,889
August	560	-	401	1,039	2,000
September	558	-	873	1,039	2,470
October	554	-	809	1,039	2,402
November	550	-	936	1,039	2,525
December	545	-	539	1,039	2,123
Average Rate Base - 13 Month					2,204

SCHEDULE B-1

RATE BASE - 2016

(\$000)

ZONE 8

Month	Net Plant Month End	Materials Supplies & Prepaid	Working Capital	Linepack	Rate Base End Month
January Opening Balance	165,586	2,112	4,014	1,473	173,185
January	166,216	2,112	2,372	1,473	172,173
February	164,624	2,112	2,553	1,473	170,762
March	163,037	2,111	2,741	1,473	169,362
April	161,443	2,111	2,021	1,473	167,048
May	159,841	2,110	2,099	1,473	165,523
June	158,236	2,110	2,280	1,473	164,099
July	158,126	2,109	3,885	1,473	165,593
August	157,999	2,109	3,413	1,473	164,994
September	156,359	2,109	3,342	1,473	163,283
October	154,714	2,108	3,071	1,473	161,366
November	153,782	2,108	4,374	1,473	161,737
December	163,317	2,107	4,305	1,473	171,202
Average Rate Base - 13 Month					<u><u>166,948</u></u>

ZONE 9

Month	Net Plant Month End	Materials Supplies & Prepaid	Working Capital	Linepack	Rate Base End Month
January Opening Balance	156,076	641	939	2,316	159,972
January	154,718	640	752	2,316	158,426
February	153,210	640	1,223	2,316	157,389
March	151,712	640	786	2,316	155,454
April	150,208	639	785	2,316	153,948
May	148,691	639	777	2,316	152,423
June	147,169	638	789	2,316	150,912
July	147,543	638	776	2,316	151,273
August	146,000	638	915	2,316	149,869
September	144,427	637	1,085	2,316	148,465
October	142,874	637	936	2,316	146,763
November	142,263	636	963	2,316	146,178
December	141,370	636	855	2,316	145,177
Average Rate Base - 13 Month					<u><u>152,019</u></u>

SCHEDULE C

**DEPRECIATION AND AMORTIZATION
FOR THE PERIOD ENDING DECEMBER 31, 2016**

(\$000)

ZONE 6

Month	Depreciation	Amortization	Depreciation & Amortization
January	1,471	-	1,471
February	1,473	-	1,473
March	1,475	-	1,475
April	1,478	-	1,478
May	1,479	-	1,479
June	1,474	-	1,474
July	1,475	-	1,475
August	1,476	-	1,476
September	1,479	-	1,479
October	1,480	-	1,480
November	1,261	-	1,261
December	739	-	739
TOTAL	<u><u>16,760</u></u>	<u><u>-</u></u>	<u><u>16,760</u></u>

ZONE 7

Month	Depreciation	Amortization	Depreciation & Amortization
January	15	-	15
February	16	-	16
March	17	-	17
April	17	-	17
May	18	-	18
June	18	-	18
July	19	-	19
August	19	-	19
September	20	-	20
October	20	-	20
November	21	-	21
December	22	-	22
TOTAL	<u><u>222</u></u>	<u><u>-</u></u>	<u><u>222</u></u>

SCHEDULE C

Page 2 of 2

**DEPRECIATION AND AMORTIZATION
FOR THE PERIOD ENDING DECEMBER 31, 2016**

(\$000)

ZONE 8

Month	Depreciation	Amortization	Depreciation & Amortization
January	1,699	-	1,699
February	1,718	-	1,718
March	1,720	-	1,720
April	1,722	-	1,722
May	1,724	-	1,724
June	1,726	-	1,726
July	1,727	-	1,727
August	1,739	-	1,739
September	1,750	-	1,750
October	1,752	-	1,752
November	1,753	-	1,753
December	1,757	-	1,757
TOTAL	<u><u>20,787</u></u>	<u><u>-</u></u>	<u><u>20,787</u></u>

ZONE 9

Month	Depreciation	Amortization	Depreciation & Amortization
January	1,684	-	1,684
February	1,686	-	1,686
March	1,688	-	1,688
April	1,690	-	1,690
May	1,692	-	1,692
June	1,694	-	1,694
July	1,696	-	1,696
August	1,711	-	1,711
September	1,713	-	1,713
October	1,715	-	1,715
November	1,717	-	1,717
December	1,724	-	1,724
TOTAL	<u><u>20,410</u></u>	<u><u>-</u></u>	<u><u>20,410</u></u>

SCHEDULE C-1

DEPRECIATION BY ACCOUNT - 2016

(\$000)

ZONE 6

NEB Account No and Description	Depreciation Rate	Gross Plant at 31-Dec-2015	Additions & Retirements	Gross Plant at 31-Dec-2016	Depreciation For Year
460-Land	0.00%	222	-	222	-
461-Land Rights	3.00%	3,412	-	3,412	44
462-Compressor Structures	3.00%	34,604	-	34,604	1,038
465-Pipeline Mains	3.00%	302,721	1,811	304,532	8,103
466-Compressor Equipment	3.00%	172,954	243	173,197	5,192
466-Compressor Overhaul	7.69%	13,263	5,013	18,276	1,038
468-Communications	3.00%	450	-	450	13
482-Leasehold Improvements	10.00%	947	575	1,522	86
483-Computer Equipment	24.41%	3,167	599	3,766	860
483-Office Furniture & Eqmt	8.90%	298	116	414	32
484-Transportation Eqmt	30.00%	245	1	246	74
485-Heavy Work Equipment	2.19%	80	-	80	-
486-Tools & Work Equipment	2.01%	605	-	605	12
488-Communication STR	5.21%	49	19	68	3
496-Unclassified Plant	3.00%	8,836	-	8,836	265
TOTAL Gas Plant in Service		<u>541,853</u>	<u>8,377</u>	<u>550,230</u>	<u>16,760</u>
Composite Depreciation Rate	3.07%				

DEPRECIATION BY MONTH - 2016

(\$000)

Month	Gross Plant Start Month	Additions In Month	Retirements In Month	Gross Plant End Month	Depreciation By Month
January	541,853	167	-	542,020	1,471
February	542,020	152	-	542,172	1,473
March	542,172	174	-	542,346	1,475
April	542,346	170	-	542,516	1,478
May	542,516	161	-	542,677	1,479
June	542,677	158	-	542,835	1,474
July	542,835	144	-	542,979	1,475
August	542,979	246	-	543,225	1,476
September	543,225	130	-	543,355	1,479
October	543,355	127	-	543,482	1,480
November	543,482	2,026	-	545,508	1,261
December	545,508	4,850	(128)	550,230	739
TOTAL		<u>8,505</u>	<u>(128)</u>		<u>16,760</u>

DEPRECIATION BY ACCOUNT - 2016

(\$000)

ZONE 7

NEB Account No and Description	Depreciation Rate	Gross Plant at 31-Dec-2015	Additions & Retirements	Gross Plant at 31-Dec-2016	Depreciation For Year
461-Land Rights	3.00%	1,081	-	1,081	-
465-Pipeline Mains	3.00%	74,282	-	74,282	-
482-Leasehold Improvements	10.00%	151	84	235	55
483-Computer Equipment	24.41%	595	115	710	162
483-Office Furniture & Eqmt	8.90%	45	15	60	5
486-Tools & Work Equip	2.01%	30	-	30	-
488-Communication STR	5.21%	7	4	11	-
496-Unclassified Plant	3.00%	23,072	-	23,072	-
TOTAL Gas Plant in Service		<u>99,264</u>	<u>218</u>	<u>99,482</u>	<u>222</u>
Composite Depreciation Rate	0.22%				

DEPRECIATION BY MONTH - 2016

(\$000)

Month	Gross Plant Start Month	Additions In Month	Retirements In Month	Gross Plant End Month	Depreciation By Month
January	99,264	27	-	99,291	15
February	99,291	24	-	99,315	16
March	99,315	23	-	99,338	17
April	99,338	22	-	99,360	17
May	99,360	21	-	99,381	18
June	99,381	21	-	99,402	18
July	99,402	19	-	99,421	19
August	99,421	18	-	99,439	19
September	99,439	17	-	99,456	20
October	99,456	17	-	99,473	20
November	99,473	17	-	99,490	21
December	99,490	16	(24)	99,482	22
TOTAL		<u>242</u>	<u>(24)</u>		<u>222</u>

SCHEDULE C-1

DEPRECIATION BY ACCOUNT - 2016

(\$000)

ZONE 8

NEB Account No and Description	Depreciation Rate	Gross Plant at 31-Dec-2015	Additions & Retirements	Gross Plant at 31-Dec-2016	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%	21,097	725	21,822	635
463-Meas & Reg Structures	3.00%	1,773	-	1,773	53
465-Pipeline Mains	3.00%	280,407	1,227	281,634	8,411
466-Compressor Equipment	3.00%	237,965	106	238,071	7,140
466-Compressor Overhaul	7.69%	15,925	5,750	21,675	1,503
467-Meas & Reg Equipment	3.00%	13,531	-	13,531	406
468-Communications	3.00%	2,721	-	2,721	82
482-Leasehold Improvements	10.00%	287	378	665	48
482-Leasehold Improvements	6.67%	406	-	406	195
482-Leasehold Improvements	5.61%	596	-	596	-
483-Computer Equipment	24.41%	7,078	665	7,743	1,824
483-Office Furniture & Eqmt	8.90%	398	(140)	258	38
484-Transportation Eqmt	30.00%	396	2	398	119
485-Heavy Work Equipment	2.19%	918	-	918	20
486-Tools & Work Equip	2.01%	2,416	10	2,426	49
488-Communication STR	5.21%	539	21	560	29
496-Unclassified Plant	3.00%	4,469	-	4,469	134
TOTAL Gas Plant in Service		<u>595,682</u>	<u>8,744</u>	<u>604,426</u>	<u>20,787</u>
Composite Depreciation Rate	3.46%				

DEPRECIATION BY MONTH - 2016

(\$000)

Month	Gross Plant Start Month	Additions In Month	Retirements In Month	Gross Plant End Month	Depreciation By Month
January	595,682	2,842	-	598,524	1,699
February	598,524	126	-	598,650	1,718
March	598,650	133	-	598,783	1,720
April	598,783	129	-	598,912	1,722
May	598,912	122	-	599,034	1,724
June	599,034	121	-	599,155	1,726
July	599,155	1,617	-	600,772	1,727
August	600,772	1,611	-	602,383	1,739
September	602,383	111	-	602,494	1,750
October	602,494	107	-	602,601	1,752
November	602,601	821	-	603,422	1,753
December	603,422	8,675	(7,671)	604,426	1,757
TOTAL		<u>16,415</u>	<u>(7,671)</u>		<u>20,787</u>

DEPRECIATION BY ACCOUNT - 2016

(\$000)

ZONE 9

NEB Account No and Description	Depreciation Rate	Gross Plant at 31-Dec-2015	Additions & Retirements	Gross Plant at 31-Dec-2016	Depreciation For Year
460-Land	0.00%	130	-	130	-
461-Land Rights	3.00%	1,307	-	1,307	-
462-Compressor Structures	3.00%	40,405	540	40,945	1,212
463-Meas & Reg Structures	3.00%	5,706	-	5,706	171
464-Other Structures	3.00%	1,632	-	1,632	49
465-Pipeline Mains	3.00%	326,278	82	326,360	9,788
466-Compressor Equipment	3.00%	198,431	252	198,683	5,957
466-Compressor Overhaul	7.69%	12,896	3,175	16,071	1,069
467-Meas & Reg Equipment	3.00%	16,715	99	16,814	503
468-Communications	3.00%	689	-	689	21
482-Leasehold Improvements	10.00%	751	268	1,019	174
483-Computer Equipment	24.41%	3,655	678	4,333	990
483-Office Furniture & Eqmt	8.90%	152	16	168	14
484-Transportation Eqmt	30.00%	405	185	590	143
485-Heavy Work Equip	2.19%	172	-	172	-
486-Tools & Work Equip	2.01%	583	18	601	-
488-Communication STR	5.21%	62	21	83	4
496-Unclassified Plant	3.00%	10,509	-	10,509	315
TOTAL Gas Plant in Service		<u>620,478</u>	<u>5,334</u>	<u>625,812</u>	<u>20,410</u>
Composite Depreciation Rate	3.28%				

DEPRECIATION BY MONTH - 2016

(\$000)

Month	Gross Plant Start Month	Additions In Month	Retirements In Month	Gross Plant End Month	Depreciation By Month
January	620,478	201	-	620,679	1,684
February	620,679	150	-	620,829	1,686
March	620,829	175	-	621,004	1,688
April	621,004	170	-	621,174	1,690
May	621,174	162	-	621,336	1,692
June	621,336	162	-	621,498	1,694
July	621,498	2,063	-	623,561	1,696
August	623,561	162	-	623,723	1,711
September	623,723	137	-	623,860	1,713
October	623,860	160	-	624,020	1,715
November	624,020	1,105	-	625,125	1,717
December	625,125	832	(145)	625,812	1,724
TOTAL		<u>5,479</u>	<u>(145)</u>		<u>20,410</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	4,234	114	8,448	7,753
Add:				
Depreciation and Amortization	16,760	222	20,787	20,410
Deduct:				
Return on Debt	906	25	1,703	1,611
Capital Cost Allowance	4,265	718	6,400	6,198
Compressor Overhaul Capitalized	5,013	-	5,750	3,175
Total Taxable Amount	<u>10,810</u>	<u>(407)</u>	<u>15,382</u>	<u>17,179</u>
Income Tax Rate	27.00%	27.00%	26.00%	27.00%
Income Tax Provision (at R/(1-R) x Taxable Amount)	3,998	(151)	5,404	6,354
Taxes - Other than Income Tax	3,847	920	7,985	4,786
Total Taxes: Income and Other	<u><u>7,845</u></u>	<u><u>769</u></u>	<u><u>13,389</u></u>	<u><u>11,140</u></u>

ADJUSTMENT FOR (OVER) OR UNDER COLLECTION

(\$000)

ZONE 6

	<u>2014 Forecast</u>	<u>2014 Actual</u>	<u>2015 Forecast</u>		
Cost of Service					
Operating & Maintenance	31,434	30,136			32,461
Return on Rate Base	5,396	5,388			4,776
Depreciation & Amortization	17,019	17,059			17,363
Taxes: Income and Other	8,187	8,170			8,533
Special Charge	1,397	1,397			1,329
Carbon Tax	(190)	10			337
Fuel Tax	-	-			-
Sub-Total	<u>63,243</u>	<u>62,160</u>			<u>64,799</u>
Adjustments:					
Previous (Over) / Under	(402)	(402)			(1,713)
Overrun Service	-	-			-
Total Firm Revenue Requirement	<u>62,841</u>	<u>61,758</u>			<u>63,086</u>
Service Revenue					
FT Service	<u>65,510</u>	<u>65,510</u>			<u>65,220</u>
Total Revenue Generated	<u>65,510</u>	<u>65,510</u>			<u>65,220</u>
Variance	<u>2014¹</u>	<u>2014</u>	<u>2014²</u>	<u>2015³</u>	<u>Total⁴</u>
Revenue Required minus Revenue Generated	(2,669)	(3,752)	(1,083)	(2,134)	(3,217)
Interest on Variance	(36)	(51)	(15)	(17)	(32)
BILLING ADJUSTMENT FOR TEST YEAR	<u>(2,705)</u>	<u>(3,803)</u>	<u>(1,098)</u>	<u>(2,151)</u>	<u>(3,249)</u>

ZONE 7

	<u>2014 Forecast</u>	<u>2014 Actual</u>	<u>2015 Forecast</u>		
Cost of Service					
Operating & Maintenance	5,234	4,906			4,067
Return on Rate Base	249	247			129
Depreciation & Amortization	2,967	2,967			1,559
Taxes: Income and Other	1,645	1,676			1,202
Special Charge	194	194			189
Fuel Tax	-	-			-
Sub-Total	<u>10,289</u>	<u>9,990</u>			<u>7,146</u>
Adjustments:					
Previous (Over) / Under	(782)	(782)			(278)
Overrun Service	-	-			-
Total Firm Revenue Requirement	<u>9,507</u>	<u>9,208</u>			<u>6,868</u>
Service Revenue					
FT Service	<u>9,849</u>	<u>9,849</u>			<u>7,089</u>
Total Revenue Generated	<u>9,849</u>	<u>9,849</u>			<u>7,089</u>
Variance	<u>2014¹</u>	<u>2014</u>	<u>2014²</u>	<u>2015³</u>	<u>Total⁴</u>
Revenue Required minus Revenue Generated	(342)	(641)	(299)	(221)	(520)
Interest on Variance	(5)	(9)	(4)	(2)	(6)
BILLING ADJUSTMENT FOR TEST YEAR	<u>(347)</u>	<u>(650)</u>	<u>(303)</u>	<u>(223)</u>	<u>(526)</u>

Note(s):

1. Forecast 2014 as identified in the 2015 rates application.
2. Estimate/Actual (over)/under collection from 2014.
3. 2015 estimated (over)/under collection.
4. Total adjustment from 2014 and 2015.

ADJUSTMENT FOR (OVER) OR UNDER COLLECTION

(\$000)

ZONE 8

	<u>2014 Forecast</u>	<u>2014 Actual</u>	<u>2015 Forecast</u>		
Cost of Service					
Operating & Maintenance	15,568	14,701			15,358
Return on Rate Base	9,313	9,268			8,878
Depreciation & Amortization	18,827	18,677			19,892
Taxes: Income and Other	12,149	11,973			13,508
Special Charge	533	533			572
Carbon Tax	4,846	6,059			5,566
Fuel Tax	2,212	2,476			2,291
Sub-Total	<u>63,448</u>	<u>63,687</u>			<u>66,065</u>
Adjustments:					
Previous (Over) / Under	(4,611)	(4,611)			(6,035)
STFT & IT Service	<u>(7,767)</u>	<u>(8,259)</u>			<u>(3,552)</u>
Total Firm Revenue Requirement	<u>51,070</u>	<u>50,817</u>			<u>56,478</u>
Service Revenue					
FT Service	<u>57,564</u>	<u>58,017</u>			<u>59,604</u>
Total Revenue Generated	<u>57,564</u>	<u>58,017</u>			<u>59,604</u>
Variance	<u>2014¹</u>	<u>2014</u>	<u>2014²</u>	<u>2015³</u>	<u>Total⁴</u>
Revenue Required minus Revenue Generated	(6,494)	(7,200)	(706)	(3,126)	(3,832)
Interest on Variance	<u>(88)</u>	<u>(97)</u>	<u>(9)</u>	<u>(25)</u>	<u>(34)</u>
BILLING ADJUSTMENT FOR TEST YEAR	<u>(6,582)</u>	<u>(7,297)</u>	<u>(715)</u>	<u>(3,151)</u>	<u>(3,866)</u>

ZONE 9

	<u>2014 Forecast</u>	<u>2014 Actual</u>	<u>2015 Forecast</u>		
Cost of Service					
Operating & Maintenance	6,047	5,386			8,271
Return on Rate Base	8,960	8,948			8,323
Depreciation & Amortization	19,421	19,446			19,847
Taxes: Income and Other	11,233	11,403			11,590
Special Charge	146	146			179
Fuel Tax	654	613			421
Sub-Total	<u>46,461</u>	<u>45,942</u>			<u>48,631</u>
Adjustments:					
Previous (Over) / Under	(2,316)	(2,316)			5,734
STFT, IT & SGS Service	<u>(30,219)</u>	<u>(31,151)</u>			<u>(44,552)</u>
Total Firm Revenue Requirement	<u>13,926</u>	<u>12,475</u>			<u>9,813</u>
Service Revenue					
FT Service	<u>8,539</u>	<u>8,666</u>			<u>12,311</u>
Total Revenue Generated	<u>8,539</u>	<u>8,666</u>			<u>12,311</u>
Variance	<u>2014¹</u>	<u>2014</u>	<u>2014²</u>	<u>2015³</u>	<u>Total⁴</u>
Revenue Required minus Revenue Generated	5,387	3,809	(1,578)	(2,498)	(4,076)
Interest on Variance	<u>73</u>	<u>51</u>	<u>(22)</u>	<u>(20)</u>	<u>(42)</u>
BILLING ADJUSTMENT FOR TEST YEAR	<u>5,460</u>	<u>3,860</u>	<u>(1,600)</u>	<u>(2,518)</u>	<u>(4,118)</u>

Note(s):

1. Forecast 2014 as identified in the 2015 rates application.
2. Estimate/Actual (over)/under collection from 2014.
3. 2015 estimated (over)/under collection.
4. Total adjustment from 2014 and 2015.

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.	2,123.150	378.49	803,591.0435	58.10%
	<u>2,123.150</u>		<u>803,591.0435</u>	
Zone 7				
NOVA Gas Transmission Ltd.	1,041.125	124.03	129,130.7338	9.34%
	<u>1,041.125</u>		<u>129,130.7338</u>	
Zone 8				
Access Gas Services Inc.	0.350	170.70	59.7450	25.16%
Avista Corporation	216.237	170.70	36,911.6559	
British Columbia Hydro and Power Authority	43.673	170.70	7,454.9811	
Canadian Natural Resources	17.925	170.70	3,059.7975	
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	
Encana Corporation	67.948	170.70	11,598.7236	
FortisBC Energy Inc.	142.974	170.70	24,405.7045	
Husky Oil Operations Limited	12.500	170.70	2,133.7500	
Iberdrola Canada Energy Services Ltd.	82.623	170.70	14,103.7461	
Iberdrola Energy Services, LLC	34.100	170.70	5,820.8700	
Intermountain Gas Company	113.278	170.70	19,336.4693	
Mercuria Commodities Canada Corporation	0.352	170.70	60.0864	
Noble Americas Gas & Power Corp.	73.000	170.70	12,461.1000	
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	386.355	170.70	65,950.7985	
PacifiCorp	47.708	170.70	8,143.7556	
Paramount Resources Ltd.	21.187	170.70	3,616.6209	
Portland General Electric Company	128.122	170.70	21,870.4254	
Puget Sound Energy, Inc.	126.160	170.70	21,535.5120	
Sacramento Municipal Utility District	13.217	170.70	2,256.1419	
Shell Energy North America (Canada) Inc.	7.243	170.70	1,236.3801	
Sierra Pacific Power Company	136.031	170.70	23,220.4917	
Skookumchuck Pulp Inc.	3.000	170.70	512.1000	
Southern California Gas Company	56.783	170.70	9,692.8581	
Talisman Energy Canada	4.406	170.70	752.1042	
Turlock Irrigation District	17.098	170.70	2,918.6286	
United States Gypsum Company	6.452	170.70	1,101.3564	
	<u>2,039.041</u>		<u>348,064.270</u>	
Zone 9				
Encana Corporation	22.909	258.97	5,932.7437	7.40%
Husky Oil Operations Limited	158.103	258.97	40,943.9339	
J. Aron & Company	71.500	258.97	18,516.3550	
MDU Resources Group, Inc.	10.656	258.97	2,759.5843	
Shell Energy North America (Canada) Inc.	50.000	258.97	12,948.5000	
Tenaska Marketing Canada, a division of TMV Corp.	35.608	258.97	9,221.4685	
TransGas Limited	100.000	92.00	9,200.0000	
TransGas Limited	60.000	48.00	2,880.0000	
	<u>508.776</u>		<u>102,402.585</u>	

SCHEDULE G

ABANDONMENT SURCHARGE CALCULATION

Following the NEB approved methodology from the MH-001-2013 Decision, the Foothills System Abandonment Surcharges were calculated by dividing the 2016 Annual Collection Amount (ACA) by the total billing determinants on the Foothills System Zones 6, 7, 8, and 9. There were no changes made to the ACA for 2016 and the Foothills filing included an ACA of \$8.8 million as in 2015

	<u>Total</u>	<u>Zone 6</u>	<u>Zone 7</u>	<u>Zone 8</u>	<u>Zone 9</u>
Billing Determinants (GJ/year) ¹	2,561,451,546	777,072,900	381,051,750	774,088,815	629,238,081
Percentage of Total BDs	100%	30.3%	14.9%	30.2%	24.6%

Monthly Abandonment Surcharge Calculation

(ACA) / (Total Foothills Billing Determinants) =
(\$8.8 Million/year) / (2,561,451,546 GJ/year) * (366/12) = **0.1047843362 \$/GJ/Month**

Daily Abandonment Surcharge Calculation

(ACA) / (Total Foothills Billing Determinants)
(\$8.8 Million/year) / (2,561,451,546 GJ/year) = **0.0034355520 \$/GJ/Day**

Note(s):

1. Billing Determinants include any known contracts and forecasts for the following services: Firm Transportation Service (FT), Short Term Firm Transportation Service (STFT), Small General Service (SGS), and Interruptible Transportation Service (IT).

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	0.0066077414 <u>0.0065420922</u>
Zone 7	0.0051745157 <u>0.0036177806</u>
Zone 8*	0.0146248074 <u>0.0145216983</u>
Zone 9	0.0110366323 <u>0.0086057582</u>

2. Rate Schedule OT, Overrun Transportation Service

	Commodity Rate (\$/GJ/Km)
Zone 6	0.0002389649 <u>0.0002359443</u>
Zone 7	0.0001871332 <u>0.0001304773</u>

3. Rate Schedule IT, Interruptible Transportation Service

	Commodity Rate (\$/GJ/Km)
Zone 8*	0.0005288971 <u>0.0005237334</u>
Zone 9	0.0003991330 <u>0.0003103716</u>

4. Monthly Abandonment Surcharge**

All Zones	0.1098584422 <u>0.1047843362</u> (\$/GJ/Month)
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5. Daily Abandonment Surcharge***

All Zones	0.0036117844 <u>0.0034355520</u> (\$/GJ/Day)
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* For Zone 8, Shippers Haul Distance shall be 170.7 km.

**Monthly Abandonment Surcharge applicable to Rate Schedule Firm Transportation Service, and Short Term Firm Transportation Service for all zones.

***Daily Abandonment Surcharge applicable to Rate Schedule Overrun Transportation Service for zone 6 & 7, Interruptible Transportation Service for zone 8 & 9, and Small General Service for zone 9.

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	0.0065420922
Zone 7	0.0036177806
Zone 8*	0.0145216983
Zone 9	0.0086057582

2. Rate Schedule OT, Overrun Transportation Service

	Commodity Rate (\$/GJ/Km)
Zone 6	0.0002359443
Zone 7	0.0001304773

3. Rate Schedule IT, Interruptible Transportation Service

	Commodity Rate (\$/GJ/Km)
Zone 8*	0.0005237334
Zone 9	0.0003103716

4. Monthly Abandonment Surcharge**

All Zones	0.1047843362 (\$/GJ/Month)
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5. Daily Abandonment Surcharge***

All Zones	0.0034355520 (\$/GJ/Day)
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* For Zone 8, Shippers Haul Distance shall be 170.7 km.

**Monthly Abandonment Surcharge applicable to Rate Schedule Firm Transportation Service, and Short Term Firm Transportation Service for all zones.

***Daily Abandonment Surcharge applicable to Rate Schedule Overrun Transportation Service for zone 6 & 7, Interruptible Transportation Service for zone 8 & 9, and Small General Service for zone 9.