

National Energy
Board



Office national
de l'énergie

File OF-Tolls-Group1-F115-2019-01 01
18 June 2019

Mr. Bernard Pelletier
Foothills Pipe Lines Ltd.
Director, Regulatory Tolls and Tariffs
Canadian Gas Pipelines
450 – 1st Street SW
Calgary, AB T2P 5H1
Email: bernard_pelletier@transcanada.com

Dear Mr. Pelletier:

**Foothills Pipe Lines Ltd. (Foothills)
Application for Approval of Revised Abandonment Surcharges
Effective 1 July 2019 to 31 December 2019 (Application)**

The National Energy Board (Board) has received Foothills' filing dated 26 April 2019, pursuant to section 60(1)(a) of the *National Energy Board Act*.

On 26 April 2019, Foothills also filed a revised Statement of Investment Policy and Procedures (SIPP) and on 1 May 2019, the Board issued a letter soliciting comments on it. No comments were received.

The Board has reviewed Foothills' filings, including the revised Annual Contribution Amount (ACA) used to calculate the Revised Abandonment Surcharges. The Board notes that the revised ACA calculation utilizes an increased annual pre-tax return of 5.4%. This reflects the expected annual pre-tax return in the revised SIPP, which allows for a more diversified investment portfolio for the Foothills abandonment trust such that 40 per cent of the assets will be invested in equities, rather than the current portfolio of 100 per cent Fixed Income assets. The overall change in the ACA is a reduction from \$10.84 million to \$7.83 million.

The Board finds these adjustments made to the ACA reasonable and approves the revised ACA of \$7,831,449. The Board notes that the revised ACA results in revised abandonment surcharges that are approximately 28 per cent lower than the current abandonment surcharges.

Foothills is directed to serve a copy of this letter on its shippers and any other interested persons to the Application.

Yours truly,

Original signed by L. George for

Sheri Young
Secretary of the Board

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