

October 29, 2021

Canada Energy Regulator  
Suite 210, 517 Tenth Avenue SW  
Calgary, Alberta T2R 0A8

Filed Electronically

**Attention: Mr. Jean-Denis Charlebois, Secretary of the Commission**

Dear Mr. Charlebois:

**Re: Foothills Pipe Lines Ltd. (Foothills)  
Statement of Rates and Charges effective January 1, 2022**

Foothills encloses for filing with the Commission pursuant to section 229(1)(a) of the *Canadian Energy Regulator Act* rates and charges for transportation service on Foothills Zones 6, 7, 8 and 9 to be effective January 1, 2022 (Effective 2022 Rates).

The following attachments are included with this letter:

- Attachment 1 consists of supporting Schedules A through G<sup>1,2</sup>
- Attachments 2 and 3 are black-lined and clean copies, respectively, of the Table of Effective Rates for 2022

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

The filing also includes the Foothills Abandonment Surcharges effective January 1, 2022, which are included in the Table of Effective Rates for 2022. The supporting information on the Abandonment Surcharge calculations are provided in the attached Schedule G.

Foothills met with customers and interested parties on October 25, 2021 and presented the preliminary 2022 revenue requirement, preliminary Effective 2022 Rates and preliminary Abandonment Surcharges. Based on this consultation, Foothills is not aware of any objections to its proposal for establishing the Effective 2022 Rates.

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

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<sup>1</sup> Certain line items in Schedules A through G have been renamed to enhance consistency with the terminology used in regulatory filings by other TC Energy CER-regulated gas pipelines.

<sup>2</sup> Schedule C from previous years' filings has been terminated as the related Special Charge has been fully amortized and is no longer applicable. As a result, the previous Schedule C-1 has been relabeled to Schedule C in the current filing. In addition, Schedule C will only show depreciation by account by zone annually rather than monthly.

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

<http://www.tccustomerexpress.com/934.html>

Communication regarding this filing should be directed to:

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Yours truly,  
**Foothills Pipe Lines Ltd.**

*Original signed by*

Bernard Pelletier  
Director, Regulatory Tolls and Tariffs  
Canadian Natural Gas Pipelines

Attachments

cc: Foothills Firm Customers  
Interruptible Customers and Interested Parties

**Foothills Pipe Lines Ltd.**

Attachment 1  
Supporting Schedules A through G  
Effective 2022 Rates

**FOOTHILLS PIPE LINES LTD.**  
**FOOTHILLS SYSTEM**  
**STATEMENT OF RATES AND CHARGES**  
**EFFECTIVE JANUARY 1, 2022**

**INDEX**

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**TRANSPORTATION RATES**  
FOR THE YEAR ENDED DECEMBER 31, 2022

LINE NO.	DESCRIPTION	SCH. REF.	ZONE 6	ZONE 7	ZONE 8	ZONE 9
(a)		(b)	(c)	(d)	(e)	(f)
<u>Effective Rates</u>						
1	Demand Rate (\$/GJ / Km / Month)		0.0048085566	0.0034837767	0.0148256225	0.0149212538
2	Overrun Service (\$/GJ / Km)		0.0001738985	0.0001259886	n/a	n/a
3	Interruptible Rate (\$/GJ / Km)		n/a	n/a	0.0005361595	0.0005396179
<u>Full Haul Rates</u>						
4	Demand Rate (\$/GJ)		0.0598353070	0.0142057915	0.0832022058	0.1270407813
5	Overrun Service (\$/GJ)		0.0658188433	0.0156263661	n/a	n/a
6	Interruptible Rate (\$/GJ)		n/a	n/a	0.0915224267	0.1397448594

**REVENUE REQUIREMENT**  
FOR THE YEAR ENDED DECEMBER 31, 2022  
(\$000s)

LINE NO.	DESCRIPTION	SCH. REF.	ZONE 6	ZONE 7	ZONE 8	ZONE 9
(a)		(b)	(c)	(d)	(e)	(f)
<u>Estimated Costs of Service</u>						
1	Operating & Maintenance	A	23,954	5,499	23,244	12,018
2	Return on Rate Base	B	2,754	89	9,057	3,926
3	Depreciation & Amortization	C	12,313	75	25,444	21,424
4	Income and Other Taxes	D	5,852	804	5,749	7,857
5	Emissions Compliance Costs		3,261	n/a	26,651	621
6	Fuel Tax		n/a	n/a	6,519	613
7	Methane Emissions		97	17	74	35
8	Sub-Total		48,231	6,484	96,738	46,494
9	Previous Under / (Over)	E	(7,482)	(252)	(3,339)	(4,279)
10	Total Revenue Requirement		40,749	6,232	93,399	42,215
<u>Other Service Revenue</u>						
11	STFT		-	-	-	-
12	Interruptible/Overrun		-	-	(2,153)	(12,397)
13	SGS		-	-	-	(4)
14	FT Service Revenue Requirement		40,749	6,232	91,246	29,814

**BILLING DETERMINANTS**  
FOR THE YEAR ENDED DECEMBER 31, 2022

LINE NO.	DESCRIPTION	SCH. REF.	ZONE 6	ZONE 7	ZONE 8	ZONE 9
(a)		(b)	(c)	(d)	(e)	(f)
1	FT Contract MDQ (TJ/d)	F	1,865.81	1,201.86	3,004.59	953.55
2	Total FT MDQ x Distance	F	706,189.67	149,066.70	512,883.61	166,507.46
3	Estimated STFT MDQ (TJ/d)		-	-	-	-
4	Estimated Interruptible/Overrun Deliveries (TJ)		-	-	23,529.66	88,712.59
5	Estimated SGS Deliveries (TJ)		-	-	-	57.82

**OPERATING AND MAINTENANCE EXPENSES**  
FOR THE YEAR ENDED DECEMBER 31, 2022  
(\$000s)

LINE NO.	DESCRIPTION	ZONE 6	ZONE 7	ZONE 8	ZONE 9	TOTAL
(a)	(b)	(c)	(d)	(e)	(f)	
1	Operations, Maintenance and Administrative Costs	13,066	2,426	10,116	4,528	30,136
	<u>Electrical Power</u>					
2	Jenner, Acme and Crawling Valley	3,828	-	-	-	3,828
3	De/re Facilities at Empress	3,427	-	-	-	3,427
4	BC	-	-	700	-	700
5	Saskatchewan	-	-	-	795	795
6	Total Electrical Power	<u>7,255</u>	<u>-</u>	<u>700</u>	<u>795</u>	<u>8,750</u>
7	Compressor Repair Expense	505	-	2,175	715	3,395
8	Pipeline Integrity Expense	1,086	2,701	9,031	5,556	18,374
9	Government Agency Cost Recovery	<u>2,042</u>	<u>372</u>	<u>1,222</u>	<u>424</u>	<u>4,060</u>
10	Total	<u>23,954</u>	<u>5,499</u>	<u>23,244</u>	<u>12,018</u>	<u>64,715</u>

Foothills Pipe Lines (Alta.) Ltd.- Zone 6

**AVERAGE CAPITALIZATION AND OVERALL RATE OF RETURN**

FOR THE YEAR ENDED DECEMBER 31, 2022

(\$000)

LINE NO.	DESCRIPTION	SCH. REF.	AMOUNT (\$000)	RATIO	COST RATE	COST COMPONENT
(a)	(b)	(c)	(d)	(e)	(f)	
1	Debt - Funded		33,609	51.00%	1.08%	0.55%
2	Debt - Unfunded		5,933	9.00%	0.63%	0.06%
3	Total Debt		39,542	60.00%		0.61%
4	Common Equity		26,361	40.00%	10.10%	4.04%
5	Total Capitalization and Rate of Return		65,903	100%		4.65%
6	Rate Base	B-1	59,226			
7	Gas Plant Under Construction (GPUC)		6,677			
8	Total Capitalization		65,903			
9	Return on Rate Base		2,754	=	59,226 X 4.65%	

Foothills Pipe Lines (Alta.) Ltd.- Zone 7

**AVERAGE CAPITALIZATION AND OVERALL RATE OF RETURN**

FOR THE YEAR ENDED DECEMBER 31, 2022

(\$000s)

LINE NO.	DESCRIPTION	SCH. REF.	AMOUNT (\$000)	RATIO	COST RATE	COST COMPONENT
(a)	(b)	(c)	(d)	(e)	(f)	
1	Debt - Funded		860	10.36%	1.08%	0.11%
2	Debt - Unfunded		4,124	49.64%	0.63%	0.31%
3	Total Debt		4,984	60.00%		0.42%
4	Common Equity		3,323	40.00%	10.10%	4.04%
5	Total Capitalization and Rate of Return		8,307	100%		4.46%
6	Rate Base	B-1	1,989			
7	GPUC		6,318			
8	Total Capitalization		8,307			
9	Return on Rate Base		89	=	1,989 X 4.46%	

Foothills Pipe Lines (South B.C.) Ltd.- Zone 8

**AVERAGE CAPITALIZATION AND OVERALL RATE OF RETURN**

FOR THE YEAR ENDED DECEMBER 31, 2022

(\$000)

LINE NO.	DESCRIPTION	SCH. REF.	AMOUNT (\$000)	RATIO	COST RATE	COST COMPONENT
(a)	(b)	(c)	(d)	(e)	(f)	
1	Debt - Funded		137,362	43.43%	1.08%	0.47%
2	Debt - Unfunded		52,395	16.57%	0.63%	0.10%
3	Total Debt		189,757	60.00%		0.57%
4	Common Equity		126,505	40.00%	10.10%	4.04%
5	Total Capitalization		316,262	100%		4.61%
6	Rate Base	B-1	196,461			
7	GPUC		119,801			
8	Total Capitalization		316,262			
9	Return on Rate Base		9,057	=	196,461	X 4.61%

Foothills Pipe Lines (Sask.) Ltd.- Zone 9

**AVERAGE CAPITALIZATION AND OVERALL RATE OF RETURN**

FOR THE YEAR ENDED DECEMBER 31, 2022

(\$000)

LINE NO.	DESCRIPTION	SCH. REF.	AMOUNT (\$000)	RATIO	COST RATE	COST COMPONENT
(a)	(b)	(c)	(d)	(e)	(f)	
1	Debt - Funded		51,245	57.31%	1.08%	0.62%
2	Debt - Unfunded		2,405	2.69%	0.63%	0.02%
3	Total Debt		53,650	60.00%		0.64%
4	Common Equity		35,767	40.00%	10.10%	4.04%
5	Total Capitalization		89,417	100%		4.68%
6	Rate Base	B-1	83,890			
7	GPUC		5,527			
8	Total Capitalization		89,417			
9	Return on Rate Base		3,926	=	83,890	X 4.68%



Foothills Pipe Lines (Alta.) Ltd.- Zone 6

**AVERAGE RATE BASE SUMMARY**  
FOR THE YEAR ENDED DECEMBER 31, 2022  
(\$000)

LINE NO.	MONTH	NET PLANT MONTH END	MATERIALS		WORKING CAPITAL	LINEPACK	RATE BASE END MONTH
			SUPPLIES & PREPAID				
(a)		(b)	(c)		(d)	(e)	(f)
1	January Opening Balance	53,619	831		5,070	2,577	62,097
2	January	52,411	831		2,782	2,577	58,601
3	February	51,659	831		3,030	2,577	58,097
4	March	51,130	831		3,047	2,577	57,585
5	April	50,477	831		3,323	2,577	57,208
6	May	49,828	831		3,188	2,577	56,424
7	June	51,655	831		3,316	2,577	58,379
8	July	51,004	831		3,311	2,577	57,723
9	August	51,742	831		3,050	2,577	58,200
10	September	52,897	831		3,300	2,577	59,605
11	October	51,561	831		3,886	2,577	58,855
12	November	54,260	831		3,587	2,577	61,255
13	December	57,352	831		5,149	2,577	65,909
14	Average Rate Base - 13 Month						<u>59,226</u>

Foothills Pipe Lines (Alta.) Ltd.- Zone 7

**AVERAGE RATE BASE SUMMARY**  
FOR THE YEAR ENDED DECEMBER 31, 2022  
(\$000)

LINE NO.	MONTH	NET PLANT MONTH END	MATERIALS		WORKING CAPITAL	LINEPACK	RATE BASE END MONTH
			SUPPLIES & PREPAID				
(a)		(b)	(c)		(d)	(e)	(f)
1	January Opening Balance	143	-		1,128	1,039	2,310
2	January	138	-		311	1,039	1,488
3	February	137	-		1,318	1,039	2,494
4	March	139	-		569	1,039	1,747
5	April	143	-		1,605	1,039	2,787
6	May	149	-		1,042	1,039	2,230
7	June	160	-		1,281	1,039	2,480
8	July	176	-		402	1,039	1,617
9	August	195	-		289	1,039	1,523
10	September	210	-		334	1,039	1,583
11	October	220	-		477	1,039	1,736
12	November	223	-		306	1,039	1,568
13	December	921	-		338	1,039	2,298
14	Average Rate Base - 13 Month						<u>1,989</u>

Foothills Pipe Lines (South B.C.) Ltd.- Zone 8

**AVERAGE RATE BASE SUMMARY**  
FOR THE YEAR ENDED DECEMBER 31, 2022  
(\$000)

LINE NO.	MONTH	NET PLANT MONTH END	MATERIALS		WORKING CAPITAL	LINEPACK	RATE BASE END MONTH
			SUPPLIES & PREPAID				
(a)		(b)	(c)		(d)	(e)	(f)
1	January Opening Balance	164,481	2,772		6,833	1,473	175,559
2	January	162,519	2,772		6,505	1,473	173,269
3	February	161,175	2,772		9,276	1,473	174,696
4	March	160,554	2,772		7,348	1,473	172,147
5	April	159,956	2,772		6,960	1,473	171,161
6	May	159,915	2,772		6,272	1,473	170,432
7	June	159,036	2,772		7,154	1,473	170,435
8	July	157,804	2,772		6,776	1,473	168,825
9	August	156,406	2,772		7,580	1,473	168,231
10	September	165,556	2,772		6,632	1,473	176,433
11	October	165,318	2,772		7,702	1,473	177,265
12	November	311,165	2,772		6,258	1,473	321,668
13	December	323,359	2,772		6,265	1,473	333,869
14	Average Rate Base - 13 Month						<u>196,461</u>

Foothills Pipe Lines (Sask.) Ltd.- Zone 9

**AVERAGE RATE BASE SUMMARY**  
FOR THE YEAR ENDED DECEMBER 31, 2022  
(\$000)

LINE NO.	MONTH	NET PLANT MONTH END	MATERIALS		WORKING CAPITAL	LINEPACK	RATE BASE END MONTH
			SUPPLIES & PREPAID				
(a)		(b)	(c)		(d)	(e)	(f)
1	January Opening Balance	79,207	1,939		1,058	2,316	84,520
2	January	77,600	1,939		1,110	2,316	82,965
3	February	76,579	1,939		1,425	2,316	82,259
4	March	75,835	1,939		1,003	2,316	81,093
5	April	75,572	1,939		1,325	2,316	81,152
6	May	75,917	1,939		1,300	2,316	81,472
7	June	76,951	1,939		1,463	2,316	82,669
8	July	76,496	1,939		944	2,316	81,695
9	August	75,904	1,939		2,761	2,316	82,920
10	September	81,748	1,939		1,639	2,316	87,642
11	October	80,413	1,939		1,640	2,316	86,308
12	November	78,762	1,939		1,347	2,316	84,364
13	December	83,477	1,745		3,974	2,316	91,512
14	Average Rate Base - 13 Month						<u>83,890</u>

Foothills Pipe Lines (Alta.) Ltd.- Zone 6

**DEPRECIATION**  
 FOR THE YEAR ENDED DECEMBER 31, 2022  
 (\$000)

LINE NO.	CANADA ENERGY REGULATOR (CER) ACCOUNT NO. AND DESCRIPTION (a)	DEPRECIATION RATE (b)	GROSS PLANT AT 31-DEC-2021 (c)	ADDITIONS & RETIREMENTS (d)	GROSS PLANT AT 31-DEC-2022 (e)	DEPRECIATION FOR YEAR (f)
1	460-Land	0.00%	222	-	222	-
2	461-Land Rights	3.00%	3,412	-	3,412	-
3	462-Compressor Structures	3.00%	34,621	-	34,621	1,039
4	465-Pipeline Mains	3.00%	310,189	9,060	319,249	2,794
5	466-Compressor Equipment	3.00%	182,528	5,564	188,092	5,530
6	466-Compressor Overhaul	7.69%	32,684	1,000	33,684	2,542
7	468-Communications	3.00%	391	-	391	12
8	482-Leasehold Improvements	10.00%	880	63	943	67
9	483-Computer Equipment	24.41%	1,356	(35)	1,321	260
10	483-Office Furniture & Equipment	8.90%	329	14	343	30
11	484-Transportation Equipment	30.00%	245	-	245	20
12	485-Heavy Work Equipment	2.19%	80	-	80	-
13	486-Tools & Work Equipment	2.01%	388	-	388	8
14	488-Communication Structure	5.21%	187	65	252	11
15	496-Unclassified Plant	3.00%	8,836	-	8,836	-
16	Total Gas Plant in Service (GPIS) and Depreciation Expense		<u>576,348</u>	<u>15,731</u>	<u>592,079</u>	<u>12,313</u>
17	Composite Depreciation Rate	<u>2.11%</u>				

Foothills Pipe Lines (Alta.) Ltd.- Zone 7

**DEPRECIATION**  
 FOR THE YEAR ENDED DECEMBER 31, 2022  
 (\$000)

LINE NO.	CER ACCOUNT NO. AND DESCRIPTION (a)	DEPRECIATION RATE (b)	GROSS PLANT AT 31-DEC-2021 (c)	ADDITIONS & RETIREMENTS (d)	GROSS PLANT AT 31-DEC-2022 (e)	DEPRECIATION FOR YEAR (f)
1	461-Land Rights	3.00%	1,081	-	1,081	-
2	465-Pipeline Mains	3.00%	74,702	705	75,407	-
3	482-Leasehold Improvements	10.00%	145	12	157	7
4	483-Computer Equipment	24.41%	232	65	297	60
5	483-Office Furniture & Equipment	8.90%	51	2	53	5
6	486-Tools & Work Equipment	2.01%	26	-	26	1
7	488-Communication Structure	5.21%	31	11	42	2
8	496-Unclassified Plant	3.00%	23,072	-	23,072	-
9	Total GPIS and Depreciation Expense		99,340	795	100,135	75
10	Composite Depreciation Rate	<u>0.07%</u>				

Foothills Pipe Lines (South B.C.) Ltd.- Zone 8

**DEPRECIATION**  
FOR THE YEAR ENDED DECEMBER 31, 2022  
(\$000)

LINE NO.	CER ACCOUNT NO. AND DESCRIPTION	DEPRECIATION RATE	GROSS PLANT AT 31-DEC-2021	ADDITIONS & RETIREMENTS	GROSS PLANT AT 31-DEC-2022	DEPRECIATION FOR YEAR
	(a)	(b)	(c)	(d)	(e)	(f)
1	401-Franchises and Consents	0.00%	468	-	468	-
2	402-Other Intangibles	3.00%	3,367	-	3,367	101
3	460-Land	0.00%	51	-	51	-
4	461-Land Rights	3.00%	874	-	874	-
5	462-Compressor Structures	3.00%	25,828	-	25,828	775
6	463-Meas & Reg Structures	3.00%	1,790	-	1,790	54
7	465-Pipeline Mains	3.00%	311,060	171,549	482,609	9,870
8	466-Compressor Equipment	3.00%	267,470	883	268,353	8,045
9	466-Compressor Overhaul	7.69%	66,357	8,850	75,207	5,290
10	467-Meas & Reg Equipment	3.00%	16,035	-	16,035	481
11	468-Communications	3.00%	497	2,529	3,026	15
12	482-Leasehold Improvements	10.00%	1,176	73	1,249	100
13	483-Computer Equipment	24.41%	1,740	(26)	1,714	398
14	483-Office Furniture & Equipment	8.90%	242	16	258	18
15	484-Transportation Equipment	30.00%	892	-	892	107
16	485-Heavy Work Equipment	2.19%	918	-	918	20
17	486-Tools & Work Equipment	2.01%	2,631	-	2,631	53
18	488-Communication Structure	5.21%	569	(181)	388	30
19	496-Unclassified Plant	3.00%	4,469	-	4,469	87
20	Total GPIS and Depreciation Expense		<u>706,434</u>	<u>183,693</u>	<u>890,127</u>	<u>25,444</u>
21	Composite Depreciation Rate	<u>3.19%</u>				

Foothills Pipe Lines (Sask.) Ltd.- Zone 9

**DEPRECIATION**  
FOR THE YEAR ENDED DECEMBER 31, 2022  
(\$000)

LINE NO.	CER ACCOUNT NO. AND DESCRIPTION	DEPRECIATION RATE	GROSS PLANT AT 31-DEC-2021	ADDITIONS & RETIREMENTS	GROSS PLANT AT 31-DEC-2022	DEPRECIATION FOR YEAR
(a)		(b)	(c)	(d)	(e)	(f)
1	460-Land	0.00%	130	-	130	-
2	461-Land Rights	3.00%	1,307	-	1,307	-
3	462-Compressor Structures	3.00%	41,158	-	41,158	1,235
4	463-Meas & Reg Structures	3.00%	4,915	2	4,917	148
5	464-Other Structures	3.00%	1,328	-	1,328	40
6	465-Pipeline Mains	3.00%	335,914	11,387	347,301	10,128
7	466-Compressor Equipment	3.00%	211,881	6,991	218,872	6,448
8	466-Compressor Overhaul	7.69%	23,519	6,800	30,319	2,028
9	467-Meas & Reg Equipment	3.00%	19,503	12	19,515	585
10	468-Communications	3.00%	1,003	-	1,003	30
11	482-Leasehold Improvements	10.00%	568	71	639	10
12	483-Computer Equipment	24.41%	1,804	(19)	1,785	434
13	483-Office Furniture & Equipment	8.90%	188	17	205	18
14	484-Transportation Equipment	30.00%	549	(173)	376	-
15	485-Heavy Work Equipment	2.19%	328	-	328	-
16	486-Tools & Work Equipment	2.01%	1,111	-	1,111	-
17	488-Communication Structure	5.21%	201	76	277	12
18	496-Unclassified Plant	3.00%	10,254	-	10,254	308
19	Total GPIS and Depreciation Expense		655,661	25,164	680,825	21,424
20	Composite Depreciation Rate	3.21%				

**SCHEDULE OF FLOW-THROUGH INCOME TAXES**  
FOR THE YEAR ENDED DECEMBER 31, 2022  
(\$000s)

LINE NO.	DESCRIPTION (a)	SCH. REF. (b)	ZONE 6 (c)	ZONE 7 (d)	ZONE 8 (e)	ZONE 9 (f)
1	Return on Rate Base	B	2,754	89	9,057	3,926
	<u>Add:</u>					
2	Depreciation and Amortization	C	12,313	75	25,444	21,424
	<u>Deduct:</u>					
3	Return on Debt		361	8	1,120	537
4	Capital Cost Allowance		6,535	607	31,287	9,488
5	Capitalized Repair and Overhaul Costs		1,000	-	8,850	6,800
6	Sub-Total		7,896	615	41,257	16,825
7	Total Taxable Amount		7,171	(451)	(6,756)	8,525
8	Income Tax Rate		23.00%	23.00%	27.00%	27.00%
9	Taxes Thereon (Tax Rate/(1-Tax Rate))		2,142	(135)	(2,499)	3,153
10	Other Taxes		3,710	939	8,248	4,704
11	Total Income and Other Taxes		5,852	804	5,749	7,857

Foothills Pipe Lines (Alta.) Ltd.- Zone 6

**ADJUSTMENT FOR (OVER) OR UNDER COLLECTION**  
**FOR THE YEAR ENDED DECEMBER 31, 2022**  
(\$000s)

LINE NO.	DESCRIPTION	2020 FORECAST	2020 ACTUAL	2021 FORECAST		
(a)		(b)	(c)	(d)		
	<u>Cost of Service</u>					
1	Operating & Maintenance	26,737	25,180	28,844		
2	Return on Rate Base	3,448	3,396	2,804		
3	Depreciation & Amortization	9,848	9,900	9,380		
4	Income and Other Taxes	4,758	4,974	4,476		
5	Emissions Compliance Costs	3,482	3,474	641		
6	Methane Emissions Costs	414	545	180		
7	Sub-Total	48,687	47,469	46,325		
	<u>Adjustments</u>					
8	Previous (Over) / Under	(5,106)	(5,106)	(18,048)		
9	Overrun Service	-	-	-		
10	Total Firm Revenue Requirement	43,581	42,363	28,277		
	<u>Service Revenue</u>					
11	FT Service	56,001	56,001	34,529		
12	Total Revenue Generated	56,001	56,001	34,529		
	<u>Variance</u>	<u>2020</u> <sup>1</sup>	<u>2020</u>	<u>2020</u> <sup>2</sup>	<u>2021</u> <sup>3</sup>	<u>TOTAL</u> <sup>4</sup>
13	Revenue Required minus Revenue Generated	(12,420)	(13,638)	(1,218)	(6,252)	(7,470)
14	Interest on Variance	(78)	(51)	27	(39)	(12)
15	Billing Adjustment for Test Year	(12,498)	(13,689)	(1,191)	(6,291)	(7,482)

Notes:

- 1 Forecast 2020 as identified in the 2021 rates application.
- 2 Estimate/Actual (over)/under collection from 2020.
- 3 2021 estimated (over)/under collection.
- 4 Total adjustment from 2020 and 2021.



Foothills Pipe Lines (Alta.) Ltd.- Zone 7

**ADJUSTMENT FOR (OVER) OR UNDER COLLECTION**  
FOR THE YEAR ENDED DECEMBER 31, 2022  
(\$000s)

LINE NO.	DESCRIPTION	2020 FORECAST	2020 ACTUAL	2021 FORECAST		
(a)		(b)	(c)	(d)		
<u>Cost of Service</u>						
1	Operating & Maintenance	5,267	4,257	5,591		
2	Return on Rate Base	99	91	90		
3	Depreciation & Amortization	185	83	192		
4	Income and Other Taxes	812	771	851		
5	Methane Emissions Costs	71	93	34		
6	Sub-Total	<u>6,434</u>	<u>5,295</u>	<u>6,758</u>		
<u>Adjustments</u>						
4	Previous (Over) / Under	(2,057)	(2,057)	(3,000)		
8	Overrun Service	-	-	-		
9	Total Firm Revenue Requirement	<u>4,377</u>	<u>3,238</u>	<u>3,758</u>		
<u>Service Revenue</u>						
10	FT Service	7,709	7,709	2,881		
11	Total Revenue Generated	<u>7,709</u>	<u>7,709</u>	<u>2,881</u>		
<u>Variance</u>						
12	Revenue Required minus Revenue Generated	<u>2020</u> <sup>1</sup> (3,332)	<u>2020</u> (4,471)	<u>2020</u> <sup>2</sup> (1,139)	<u>2021</u> <sup>3</sup> 877	<u>TOTAL</u> <sup>4</sup> (262)
13	Interest on Variance	(21)	(17)	4	6	10
14	Billing Adjustment for Test Year	<u>(3,353)</u>	<u>(4,488)</u>	<u>(1,135)</u>	<u>883</u>	<u>(252)</u>

Notes:

- 1 Forecast 2020 as identified in the 2021 rates application.
- 2 Estimate/Actual (over)/under collection from 2020.
- 3 2021 estimated (over)/under collection.
- 4 Total adjustment from 2020 and 2021.

Foothills Pipe Lines (South B.C.) Ltd.- Zone 8

**ADJUSTMENT FOR (OVER) OR UNDER COLLECTION**  
**FOR THE YEAR ENDED DECEMBER 31, 2022**  
(\$000s)

LINE NO.	DESCRIPTION	2020 FORECAST	2020 ACTUAL	2021 FORECAST		
(a)		(b)	(c)	(d)		
<u>Cost of Service</u>						
1	Operating & Maintenance	18,428	15,165	19,467		
2	Return on Rate Base	7,967	7,765	7,731		
3	Depreciation & Amortization	22,085	22,042	23,811		
4	Income and Other Taxes	8,192	9,433	10,214		
5	Emissions Compliance Costs	16,105	13,441	17,601		
6	Fuel Tax	4,554	4,559	4,893		
7	Methane Emissions Costs	242	298	110		
8	Sub-Total	<u>77,573</u>	<u>72,703</u>	<u>83,827</u>		
<u>Adjustments</u>						
9	Previous (Over) / Under	(2,811)	(2,811)	(19,072)		
10	STFT & IT Service	(1,873)	(1,211)	(691)		
11	Total Firm Revenue Requirement	<u>72,889</u>	<u>68,681</u>	<u>64,064</u>		
<u>Service Revenue</u>						
12	FT Service	<u>85,146</u>	<u>85,146</u>	<u>63,215</u>		
13	Total Revenue Generated	<u>85,146</u>	<u>85,146</u>	<u>63,215</u>		
<u>Variance</u>						
14	Revenue Required minus Revenue Generated	<u>2020<sup>1</sup></u> (12,257)	<u>2020</u> (16,465)	<u>2020<sup>2</sup></u> (4,208)	<u>2021<sup>3</sup></u> 849	<u>TOTAL<sup>4</sup></u> (3,359)
15	Interest on Variance	(77)	(62)	15	5	20
16	Billing Adjustment for Test Year	<u>(12,334)</u>	<u>(16,527)</u>	<u>(4,193)</u>	<u>854</u>	<u>(3,339)</u>

Notes:

- 1 Forecast 2020 as identified in the 2021 rates application.
- 2 Estimate/Actual (over)/under collection from 2020.
- 3 2021 estimated (over)/under collection.
- 4 Total adjustment from 2020 and 2021.

Foothills Pipe Lines (Sask.) Ltd. - Zone 9

**ADJUSTMENT FOR (OVER) OR UNDER COLLECTION  
 FOR THE YEAR ENDED DECEMBER 31, 2022  
 (\$000s)**

LINE NO.	DESCRIPTION	2020 FORECAST	2020 ACTUAL	2021 FORECAST		
(a)		(b)	(c)	(d)		
<u>Cost of Service</u>						
1	Operating & Maintenance	9,675	11,990	9,524		
2	Return on Rate Base	5,697	5,710	4,331		
3	Depreciation & Amortization	20,825	20,817	20,930		
4	Income and Other Taxes	10,392	10,606	10,635		
5	Emissions Compliance Costs	(550)	(552)	439		
6	Fuel Tax	400	360	498		
7	Methane Emissions Costs	89	139	39		
8	Sub-Total	<u>46,528</u>	<u>49,070</u>	<u>46,396</u>		
<u>Adjustments</u>						
9	Previous (Over) / Under	(2,550)	(2,550)	2,773		
10	STFT, IT & SGS Service	(6,825)	(7,322)	(9,889)		
11	Total Firm Revenue Requirement	<u>37,153</u>	<u>39,198</u>	<u>39,280</u>		
<u>Service Revenue</u>						
12	FT Service	35,273	35,529	45,312		
13	Total Revenue Generated	<u>35,273</u>	<u>35,529</u>	<u>45,312</u>		
<u>Variance</u>						
14	Revenue Required minus Revenue Generated	<u>2020<sup>1</sup></u> 1,880	<u>2020</u> 3,669	<u>2020<sup>2</sup></u> 1,789	<u>2021<sup>3</sup></u> (6,032)	<u>TOTAL<sup>4</sup></u> (4,243)
15	Interest on Variance	12	14	2	(38)	(36)
16	Billing Adjustment for Test Year	<u>1,892</u>	<u>3,683</u>	<u>1,791</u>	<u>(6,070)</u>	<u>(4,279)</u>

Notes:

- 1 Forecast 2020 as identified in the 2021 rates application.
- 2 Estimate/Actual (over)/under collection from 2020.
- 3 2021 estimated (over)/under collection.
- 4 Total adjustment from 2020 and 2021.

**FIRM TRANSPORTATION VOLUMES AND HAUL DISTANCE  
FOR THE YEAR ENDED DECEMBER 31, 2022**

LINE NO.	CUSTOMER (a)	ANNUAL AVERAGE	HAUL	ANNUAL AVERAGE	ZONE
		MDQ (TJ/D) (b)	DISTANCE (KM) (c)	MDQ x DIST. (TJ x KM) (d)	ALLOCATION (%) (e)
<b>Zone 6</b>					
1	NOVA Gas Transmission Ltd.	1,865,808	378.49	706,189.670	
2	Total Zone 6	<u>1,865,808</u>		<u>706,189.670</u>	46.02%
<b>Zone 7</b>					
3	NOVA Gas Transmission Ltd.	1,201,860	124.03	149,066.696	
4	Total Zone 7	<u>1,201,860</u>		<u>149,066.696</u>	9.71%
<b>Zone 8</b>					
5	Access Gas Services Inc.	0.350	170.70	59.745	
6	ARC Resources Ltd.	101.400	170.70	17,308.980	
7	Avista Corporation	216.237	170.70	36,911.656	
8	BP Canada Energy Group ULC	33.302	170.70	5,684.651	
9	Canadian Natural Resources	77.071	170.70	13,156.020	
10	Cascade Natural Gas Corporation	29.370	170.70	5,013.528	
11	Castleton Commodities Merchant Trading L.P.	67.543	170.70	11,529.590	
12	Cenovus Energy Inc.	51.631	170.70	8,813.412	
13	City of Glendale	4.362	170.70	744.593	
14	City of Pasadena	4.362	170.70	744.593	
15	FortisBC Energy Inc.	175.378	170.70	29,937.025	
16	Hammerhead Resources Inc.	24.630	170.70	4,204.341	
17	Husky Oil Operations Limited	12.500	170.70	2,133.750	
18	Intermountain Gas Company	138.714	170.70	23,678.524	
19	Labatt Brewing Company Limited	0.270	170.70	46.089	
20	Mercuria Commodities Canada Corporation	173.000	170.70	29,531.100	
21	Murphy Canada, Ltd.	57.093	170.70	9,745.775	
22	Northern California Power Agency	2.967	170.70	506.467	
23	Northwest Natural Gas Company	157.243	170.70	26,841.302	
24	NuVista Energy Ltd.	40.000	170.70	6,828.000	
25	Ovintiv Canada ULC	119.181	170.70	20,344.197	
26	Pacific Gas and Electric Company	386.355	170.70	65,950.799	
27	PacifiCorp	16.142	170.70	2,755.439	
28	Paramount Resources Ltd.	21.187	170.70	3,616.621	
29	Portland General Electric Company	128.122	170.70	21,870.425	
30	Powerex Corp.	43.600	170.70	7,442.520	
31	Puget Sound Energy, Inc.	126.160	170.70	21,535.512	
32	Repsol Canada Energy Partnership	4.406	170.70	752.104	
33	Sacramento Municipal Utility District	24.034	170.70	4,102.604	
34	Seven Generations Energy Ltd.	82.595	170.70	14,098.967	
35	Shell Energy North America (Canada) Inc.	69.175	170.70	11,808.173	
36	Sierra Pacific Power Company	136.031	170.70	23,220.492	
37	Southern California Gas Company	56.783	170.70	9,692.858	
38	Tenaska Marketing Canada, a division of TMV Corp.	22.215	170.70	3,792.112	
39	Tourmaline Oil Corp.	385.062	170.70	65,730.081	
40	Turlock Irrigation District	16.119	170.70	2,751.569	
41	Total Zone 8	<u>3,004,591</u>		<u>512,883.614</u>	33.42%
<b>Zone 9</b>					
42	ARC Resources Ltd.	18.724	258.97	4,848.954	
43	BP Canada Energy Group ULC	59.605	258.97	15,435.907	
44	ConocoPhillips Canada Marketing & Trading ULC	9.995	258.97	2,588.281	
45	EDF Trading North America, LLC	85.480	258.97	22,136.816	
46	Husky Oil Operations Limited	17.323	258.97	4,486.137	
47	Montana-Dakota Utilities Co.	10.656	258.97	2,759.584	
48	Sequent Energy Canada Corp.	42.202	258.97	10,929.052	
49	Tenaska Marketing Canada, a division of TMV Corp.	243.486	258.97	63,055.647	
50	Tourmaline Oil Corp.	10.656	258.97	2,759.584	
51	TransGas Limited	225.000	48.00	10,800.000	
52	TransGas Limited	160.426	92.00	14,759.192	
53	TransGas Limited	70.000	170.69	11,948.300	
54	Total Zone 9	<u>953,553</u>		<u>166,507.455</u>	10.85%

**ABANDONMENT SURCHARGE CALCULATION  
FOR THE YEAR ENDED DECEMBER 31, 2022**

LINE No.	DESCRIPTION	TOTAL	ZONE 6	ZONE 7	ZONE 8	ZONE 9
(a)	(b)	(c)	(d)	(e)	(f)	
1	Billing Determinants (GJ/year) <sup>1</sup>	2,564,421,249	681,019,920	438,678,900	1,096,675,564	348,046,865
2	Percentage of Total BDs	100.0%	26.5%	17.1%	42.8%	13.6%
3	<b>Monthly Abandonment Surcharge Calculation</b>					
4	(ACA) / (Total Foothills Billing Determinants) =					
5	(\$7.90 Million/year) / (2,564,421,249 GJ/year) * (365/12) = <b>0.0936544028 \$GJ/Month</b>					
6	<b>Daily Abandonment Surcharge Calculation</b>					
7	(ACA) / (Total Foothills Billing Determinants) =					
8	(\$7.90 Million/year) / 2,564,421,249 GJ/year = <b>0.0030790489 \$GJ/Day</b>					

Abandonment Surcharge calculations reflect the last approved ACE<sup>1</sup> and the last approved ACA, which is approximately \$7.83 million<sup>2</sup>. The adjusted Foothills ACA is comprised of the Foothills ACA and tax true-ups totaling \$65 thousand to be retained by Foothills<sup>3</sup>.

Notes:

- 1 NEB Letter Decision on Group 1 ACE Review 2016 Filings dated April 18, 2018 [Filing ID: A91357].
- 2 NEB Letter on Foothills Revised Abandonment Surcharges dated June 18, 2019 [Filing ID: C00011].
- 3 Tax True-ups are amounts to be retained and/or contributed by Foothills related to (a) the tax differential arising from accrued surcharges receivable but not received in 2020, and (b) adjustment for the tax rate differential between Foothills and the Trust on income earned in the Trust.

**Foothills Pipe Lines Ltd.**

Attachment 2  
Table of Effective Rates  
Blackline Version  
Effective 2022 Rates

## TABLE OF EFFECTIVE RATES

### 1. Rate Schedule FT, Firm Transportation Service

	Demand Rate (\$/GJ/Km/Month)
Zone 6	<u>0.0048085566</u> <del>0.0034624211</del>
Zone 7	<u>0.0034837767</u> <del>0.0015502446</del>
Zone 8*	<u>0.0148256225</u> <del>0.0104157408</del>
Zone 9	<u>0.0149212538</u> <del>0.0212983994</del>

### 2. Rate Schedule OT, Overrun Transportation Service

	Commodity Rate (\$/GJ/Km)
Zone 6	<u>0.0001738985</u> <del>0.0001252163</del>
Zone 7	<u>0.0001259886</u> <del>0.0000560636</del>

### 3. Rate Schedule IT, Interruptible Transportation Service

	Commodity Rate (\$/GJ/Km)
Zone 8	<u>0.0005361595</u> <del>0.0003766788</del>
Zone 9	<u>0.0005396179</u> <del>0.0007702435</del>

### 4. Monthly Abandonment Surcharge\*\*

All Zones	<u>0.0936544028</u> <del>0.0860448629</del> (\$/GJ/Month)
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### 5. Daily Abandonment Surcharge\*\*\*

All Zones	<u>0.0030790489</u> <del>0.0028288722</del> (\$/GJ/Day)
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\* For Zone 8, ~~Customers~~ ~~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.

**Foothills Pipe Lines Ltd.**

Attachment 3  
Table of Effective Rates  
Clean Version  
Effective 2022 Rates



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

	Demand Rate (\$/GJ/Km/Month)
Zone 6	0.0048085566
Zone 7	0.0034837767
Zone 8*	0.0148256225
Zone 9	0.0149212538

**2. Rate Schedule OT, Overrun Transportation Service**

	Commodity Rate (\$/GJ/Km)
Zone 6	0.0001738985
Zone 7	0.0001259886

**3. Rate Schedule IT, Interruptible Transportation Service**

	Commodity Rate (\$/GJ/Km)
Zone 8	0.0005361595
Zone 9	0.0005396179

**4. Monthly Abandonment Surcharge\*\***

All Zones	0.0936544028 (\$/GJ/Month)
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**5. Daily Abandonment Surcharge\*\*\***

All Zones	0.0030790489 (\$/GJ/Day)
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\* For Zone 8, Customers 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.