

October 30, 2020

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, 2021**

Foothills encloses for filing 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, 2021 (Effective 2021 Rates).

The following attachments are included with this letter:

- Attachment 1 consists of supporting Schedules A through G¹
- Attachments 2 and 3 are black-lined and clean copies, respectively, of the Table of Effective Rates for 2021

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, 2021, which are included in the Table of Effective Rates for 2021. The supporting information on the Abandonment Surcharge calculations are provided in the attached Schedule G.

Foothills met with shippers and interested parties on October 23, 2020 and presented the preliminary 2021 revenue requirement, preliminary Effective 2021 Rates and preliminary Abandonment Surcharges. Based on this consultation, Foothills is not aware of any objections to its proposal for establishing the Effective 2021 Rates.

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

¹ 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C from previous years' filings has been terminated as the related Special Charge has been fully amortized and is no longer applicable.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 shippers 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:

Laura Albrecht
Regulatory Project Manager
Tolls and Tariffs, Canadian Natural Gas Pipelines

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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 2021 Rates

SUMMARY

Foothills Pipe Lines Ltd.

TRANSPORTATION RATES

Effective: January 1, 2021

REVENUE REQUIREMENT	Schedule	Amount (\$000)			
		Zone 6	Zone 7	Zone 8	Zone 9
Estimated Costs of Service:					
Operating & Maintenance	A	33,076	4,901	16,743	11,161
Return on Rate Base	B	3,242	96	8,719	5,016
Depreciation & Amortization	C	9,323	71	24,380	21,423
Taxes: Income and Other	D	4,096	813	9,965	9,493
Emissions Compliance Costs		3,765	n/a	19,203	892
Fuel Tax		n/a	n/a	4,849	411
Methane Emissions Costs		112	21	67	24
Sub-Total		53,614	5,902	83,926	48,420
Adjustments:					
Previous Under / (Over)	E	(18,048)	(3,000)	(19,072)	2,773
Total Revenue Requirement		35,566	2,903	64,854	51,193
Other Service Revenue					
STFT		-	-	-	(1,409)
Interruptible/Overrun		-	-	(1,257)	(3,272)
SGS		-	-	-	(6)
FT Service Revenue Requirement		35,566	2,903	63,597	46,506

BILLING DETERMINANTS

FT Contract MDQ (TJ/d)	F	2,261.62	1,257.99	2,980.79	1,006.47
Total FT MDQ x Distance	F	856,001.69	156,028.75	508,820.72	181,961.74
Estimated STFT MDQ (TJ/d)		-	-	-	21.28
Estimated Interruptible/Overrun Deliveries (TJ)		-	-	19,553.56	16,704.07
Estimated SGS Deliveries (TJ)		-	-	-	60.79

TRANSPORTATION RATES

Effective Rates					
Demand Rate (\$/GJ / Km / Month)		0.0034624211	0.0015502446	0.0104157408	0.0212983994
Overrun Service (\$/GJ / Km)		0.0001252163	0.0000560636	n/a	n/a
Interruptible Rate (\$/GJ / Km)		n/a	n/a	0.0003766788	0.0007702435
Full Haul Rates					
Demand Rate (\$/GJ)		0.0430846607	0.0063214303	0.0584537081	0.1813363230
Overrun Service (\$/GJ)		0.0473931174	0.0069535683	n/a	n/a
Interruptible Rate (\$/GJ)		n/a	n/a	0.0642990712	0.1994699553

SCHEDULE A

**OPERATING AND MAINTENANCE EXPENSES
FOR THE YEAR ENDING DECEMBER 31, 2021**

(\$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	32,713	15,249	2,437	10,585	4,442
Electrical power					
Jenner, Acme and Crawling Valley	3,578	3,578	-	-	-
De/re Facilities at Empress	4,634	4,634	-	-	-
BC	850	-	-	850	-
Saskatchewan	795	-	-	-	795
	<u>9,857</u>	<u>8,212</u>	<u>-</u>	<u>850</u>	<u>795</u>
Compressor Repair	2,240	505	-	1,300	435
Pipeline Integrity Program	16,849	6,986	2,077	2,737	5,049
Government Agency Cost Recovery	<u>4,222</u>	<u>2,124</u>	<u>387</u>	<u>1,271</u>	<u>440</u>
Total	<u><u>65,881</u></u>	<u><u>33,076</u></u>	<u><u>4,901</u></u>	<u><u>16,743</u></u>	<u><u>11,161</u></u>

SCHEDULE B

Page 1 of 2

**DEEMED AVERAGE CAPITALIZATION AND
RETURN ON RATE BASE
FOR THE YEAR ENDING DECEMBER 31, 2021**

ZONE 6

	AMOUNT (\$000)	RATIO %	COST RATE %	COST COMPONENT %
Debt - Funded	34,584	51.38	2.13	1.09
- Unfunded/(Prefunded)	<u>5,802</u>	<u>8.62</u>	0.63	<u>0.05</u>
	40,386	60.00		1.14
Common Equity	<u>26,924</u>	<u>40.00</u>	10.10	<u>4.04</u>
Total Capitalization	<u><u>67,310</u></u>	<u><u>100.00</u></u>		<u><u>5.18</u></u>
Rate Base	62,580			
GPUC	<u>4,730</u>			
Total Capitalization	<u><u>67,310</u></u>			
Return on Rate Base	<u><u>3,242</u></u>	=	62,580	X 5.18%

ZONE 7

	AMOUNT (\$000)	RATIO %	COST RATE %	COST COMPONENT %
Debt - Funded	944	41.90	2.13	0.89
- Unfunded/(Prefunded)	<u>408</u>	<u>18.10</u>	0.63	<u>0.11</u>
	1,352	60.00		1.00
Common Equity	<u>902</u>	<u>40.00</u>	10.10	<u>4.04</u>
Total Capitalization	<u><u>2,254</u></u>	<u><u>100.00</u></u>		<u><u>5.04</u></u>
Rate Base	1,914			
GPUC	<u>340</u>			
Total Capitalization	<u><u>2,254</u></u>			
Return on Rate Base	<u><u>96</u></u>	=	1,914	X 5.04%

SCHEDULE B

Page 2 of 2

**DEEMED AVERAGE CAPITALIZATION AND
RETURN ON RATE BASE
FOR THE YEAR ENDING DECEMBER 31, 2021**

ZONE 8

	AMOUNT (\$000)	RATIO %	COST RATE %	COST COMPONENT %
Debt - Funded	100,058	47.20	2.13	1.00
- Unfunded/(Prefunded)	<u>27,147</u>	<u>12.80</u>	0.63	<u>0.08</u>
	127,205	60.00		1.08
Common Equity	<u>84,804</u>	<u>40.00</u>	10.10	<u>4.04</u>
Total Capitalization	<u><u>212,009</u></u>	<u><u>100.00</u></u>		<u><u>5.12</u></u>
Rate Base	170,295			
GPUC	<u>41,714</u>			
Total Capitalization	<u><u>212,009</u></u>			
Return on Rate Base	<u><u>8,719</u></u>	=	170,295	X 5.12%

ZONE 9

	AMOUNT (\$000)	RATIO %	COST RATE %	COST COMPONENT %
Debt - Funded	56,721	58.45	2.13	1.24
- Unfunded/(Prefunded)	<u>1,505</u>	<u>1.55</u>	0.63	<u>0.01</u>
	58,226	60.00		1.25
Common Equity	<u>38,818</u>	<u>40.00</u>	10.10	<u>4.04</u>
Total Capitalization	<u><u>97,044</u></u>	<u><u>100.00</u></u>		<u><u>5.29</u></u>
Rate Base	94,813			
GPUC	<u>2,231</u>			
Total Capitalization	<u><u>97,044</u></u>			
Return on Rate Base	<u><u>5,016</u></u>	=	94,813	X 5.29%

SCHEDULE B-1

Page 1 of 2

RATE BASE - 2021

(\$000)

ZONE 6

Month	Net Plant Month End	Materials Supplies & Prepaid	Working Capital	Linepack	Rate Base End Month
January Opening Balance	56,008	1,076	6,465	2,577	66,126
January	55,209	1,076	3,758	2,577	62,620
February	54,483	1,076	4,025	2,577	62,161
March	53,889	1,075	4,384	2,577	61,925
April	53,294	1,075	4,860	2,577	61,806
May	52,696	1,074	4,574	2,577	60,921
June	52,094	1,074	4,399	2,577	60,144
July	52,591	1,073	4,202	2,577	60,443
August	53,084	1,073	4,665	2,577	61,399
September	53,564	1,073	4,571	2,577	61,785
October	52,987	1,072	4,969	2,577	61,605
November	52,360	1,072	4,481	2,577	60,490
December	61,922	1,071	6,541	2,577	72,111
Average Rate Base - 13 Month					62,580

ZONE 7

Month	Net Plant Month End	Materials Supplies & Prepaid	Working Capital	Linepack	Rate Base End Month
January Opening Balance	153	-	1,063	1,039	2,255
January	156	-	394	1,039	1,589
February	156	-	377	1,039	1,572
March	156	-	343	1,039	1,538
April	156	-	367	1,039	1,562
May	156	-	700	1,039	1,895
June	155	-	1,496	1,039	2,690
July	154	-	940	1,039	2,133
August	153	-	668	1,039	1,860
September	151	-	720	1,039	1,910
October	149	-	535	1,039	1,723
November	147	-	494	1,039	1,680
December	1,090	-	349	1,039	2,478
Average Rate Base - 13 Month					1,914

RATE BASE - 2021

(\$000)

ZONE 8

Month	Net Plant Month End	Materials Supplies & Prepaid	Working Capital	Linepack	Rate Base End Month
January Opening Balance	157,760	2,214	9,374	1,473	170,821
January	157,820	2,213	4,451	1,473	165,957
February	164,054	2,213	4,748	1,473	172,488
March	163,725	2,212	4,760	1,473	172,170
April	161,959	2,212	4,759	1,473	170,403
May	162,162	2,211	4,776	1,473	170,622
June	160,554	2,211	4,854	1,473	169,092
July	159,737	2,211	5,156	1,473	168,577
August	159,847	2,210	5,255	1,473	168,785
September	162,185	2,210	6,507	1,473	172,375
October	162,548	2,209	5,259	1,473	171,489
November	162,719	2,209	5,237	1,473	171,638
December	160,206	2,209	5,531	1,473	169,419
Average Rate Base - 13 Month					<u><u>170,295</u></u>

ZONE 9

Month	Net Plant Month End	Materials Supplies & Prepaid	Working Capital	Linepack	Rate Base End Month
January Opening Balance	96,132	889	1,096	2,316	100,433
January	95,637	889	1,128	2,316	99,970
February	95,213	888	1,465	2,316	99,882
March	94,688	888	1,100	2,316	98,992
April	93,155	888	1,052	2,316	97,411
May	91,514	887	1,081	2,316	95,798
June	89,881	887	1,018	2,316	94,102
July	88,201	886	1,029	2,316	92,432
August	86,522	886	2,572	2,316	92,296
September	85,032	885	2,970	2,316	91,203
October	83,549	885	2,617	2,316	89,367
November	82,874	885	1,295	2,316	87,370
December	88,704	884	1,404	2,316	93,308
Average Rate Base - 13 Month					<u><u>94,813</u></u>

DEPRECIATION BY ACCOUNT - 2021

(\$000)

ZONE 6

Account No and Description	Depreciation Rate	Gross Plant at 31-Dec-2020	Additions & Retirements	Gross Plant at 31-Dec-2021	Depreciation For Year
460-Land	0.00%	222	-	222	-
461-Land Rights	3.00%	3,412	-	3,412	-
462-Compressor Structures	3.00%	34,621	-	34,621	1,039
465-Pipeline Mains	3.00%	309,638	4,093	313,731	82
466-Compressor Equipment	3.00%	178,786	6,094	184,880	5,364
466-Compressor Overhaul	7.69%	29,710	4,700	34,410	2,409
467-Meas & Reg Equipment	3.00%	1,219	-	1,219	37
468-Communications	3.00%	74	-	74	2
482-Leasehold Improvements	10.00%	947	(34)	913	67
483-Computer Equipment	24.41%	1,316	(104)	1,212	218
483-Office Furniture & Equipment	8.90%	319	9	328	29
484-Transportation Equipment	30.00%	215	11	226	66
485-Heavy Work Equipment	2.19%	80	-	80	-
486-Tools & Work Equipment	2.01%	599	-	599	-
488-Communication STR	5.21%	153	76	229	10
496-Unclassified Plant	3.00%	8,836	-	8,836	-
TOTAL Gas Plant in Service		<u>570,147</u>	<u>14,845</u>	<u>584,992</u>	<u>9,323</u>
Composite Depreciation Rate	1.61%				

DEPRECIATION BY ACCOUNT - 2021

(\$000)

ZONE 7

Account No and Description	Depreciation Rate	Gross Plant at 31-Dec-2020	Additions & Retirements	Gross Plant at 31-Dec-2021	Depreciation For Year
461-Land Rights	3.00%	1,081	-	1,081	-
465-Pipeline Mains	3.00%	74,683	946	75,629	-
482-Leasehold Improvements	10.00%	137	10	147	6
483-Computer Equipment	24.41%	247	(39)	208	58
483-Office Furniture & Equipment	8.90%	49	2	51	4
484-Transportation Eqmt	30.00%	1	2	3	1
486-Tools & Work Equipment	2.01%	27	-	27	-
488-Communication STR	5.21%	27	13	40	2
496-Unclassified Plant	3.00%	23,072	-	23,072	-
TOTAL Gas Plant in Service		<u>99,324</u>	<u>934</u>	<u>100,258</u>	<u>71</u>
Composite Depreciation Rate	0.07%				

DEPRECIATION BY ACCOUNT - 2021

(\$000)

ZONE 8

Account No and Description	Depreciation Rate	Gross Plant at 31-Dec-2020	Additions & Retirements	Gross Plant at 31-Dec-2021	Depreciation For Year
401-Franchises and Consents	0.00%	468	-	468	-
402-Other Intangibles	3.00%	3,367	-	3,367	100
460-Land	0.00%	51	-	51	-
461-Land Rights	3.00%	874	-	874	-
462-Compressor Structures	3.00%	25,894	-	25,894	777
463-Meas & Reg Structures	3.00%	1,790	-	1,790	54
465-Pipeline Mains	3.00%	307,345	3,446	310,791	9,252
466-Compressor Equipment	3.00%	251,281	6,355	257,636	7,696
466-Compressor Overhaul	7.69%	56,926	14,871	71,797	4,968
467-Meas & Reg Equipment	3.00%	15,825	1,545	17,370	483
468-Communications	3.00%	451	(62)	389	14
482-Leasehold Improvements	10.00%	356	72	428	40
482-Leasehold Improvements	6.67%	205	-	205	-
482-Leasehold Improvements	5.61%	597	-	597	60
483-Computer Equipment	24.41%	3,125	7	3,132	566
483-Office Furniture & Equipment	8.90%	230	10	240	11
484-Transportation Equipment	30.00%	886	(116)	770	121
485-Heavy Work Equipment	2.19%	918	-	918	20
486-Tools & Work Equipment	2.01%	2,528	-	2,528	51
488-Communication STR	5.21%	620	82	702	33
496-Unclassified Plant	3.00%	4,469	-	4,469	134
TOTAL Gas Plant in Service		<u>678,206</u>	<u>26,210</u>	<u>704,416</u>	<u>24,380</u>
Composite Depreciation Rate	3.53%				

DEPRECIATION BY ACCOUNT - 2021

(\$000)

ZONE 9

Account No and Description	Depreciation Rate	Gross Plant at 31-Dec-2020	Additions & Retirements	Gross Plant at 31-Dec-2021	Depreciation For Year
460-Land	0.00%	130	-	130	-
461-Land Rights	3.00%	1,307	-	1,307	-
462-Compressor Structures	3.00%	41,190	-	41,190	1,236
463-Meas & Reg Structures	3.00%	4,969	8	4,977	149
464-Other Structures	3.00%	1,328	-	1,328	40
465-Pipeline Mains	3.00%	337,211	818	338,029	10,121
466-Compressor Equipment	3.00%	206,382	8,355	214,737	6,196
466-Compressor Overhaul	7.69%	24,045	4,160	28,205	2,093
467-Meas & Reg Equipment	3.00%	19,824	44	19,868	595
468-Communications	3.00%	1,896	-	1,896	57
482-Leasehold Improvements	10.00%	543	56	599	10
483-Computer Equipment	24.41%	2,241	(3)	2,238	578
483-Office Furniture & Equipment	8.90%	176	10	186	16
484-Transportation Equipment	30.00%	513	13	526	13
485-Heavy Work Equipment	2.19%	172	-	172	-
486-Tools & Work Equipment	2.01%	895	-	895	-
488-Communication STR	5.21%	176	88	264	11
496-Unclassified Plant	3.00%	10,254	-	10,254	308
TOTAL Gas Plant in Service		<u>653,252</u>	<u>13,549</u>	<u>666,801</u>	<u>21,423</u>
Composite Depreciation Rate	3.25%				

SCHEDULE D

**TAXES: INCOME AND OTHER
FOR THE YEAR ENDING DECEMBER 31, 2021**

(\$000)

	<u>Zone 6</u>	<u>Zone 7</u>	<u>Zone 8</u>	<u>Zone 9</u>
Return on Rate Base	3,242	96	8,719	5,016
Add:				
Depreciation and Amortization	9,323	71	24,380	21,423
Deduct:				
Return on Debt	713	19	1,839	1,185
Capital Cost Allowance	5,821	551	10,716	8,673
Compressor Overhaul Capitalized	4,700	-	14,871	4,160
Total Taxable Amount	<u>1,331</u>	<u>(403)</u>	<u>5,673</u>	<u>12,421</u>
Income Tax Rate (R)	23.00%	23.00%	27.00%	27.00%
Income Tax Provision (at R/(1-R) x Taxable Amount)	397	(120)	2,098	4,594
Taxes - Other than Income Tax	3,699	933	7,867	4,899
Total Taxes: Income and Other	<u><u>4,096</u></u>	<u><u>813</u></u>	<u><u>9,965</u></u>	<u><u>9,493</u></u>

ADJUSTMENT FOR (OVER) OR UNDER COLLECTION

(\$000)

ZONE 6

	<u>2019 Forecast</u>	<u>2019 Actual</u>	<u>2020 Forecast</u>		
Cost of Service					
Operating & Maintenance	28,479	23,672	26,737		
Return on Rate Base	3,494	3,519	3,448		
Depreciation & Amortization	10,101	10,119	9,848		
Taxes: Income and Other	6,331	5,849	4,758		
Emissions Compliance Costs	3,865	3,673	3,482		
Methane Emissions Costs	536	425	414		
Sub-Total	<u>52,806</u>	<u>47,257</u>	<u>48,687</u>		
Adjustments:					
Previous (Over) / Under	(2,728)	(2,728)	(5,106)		
Overrun Service	-	-	-		
Total Firm Revenue Requirement	<u>50,078</u>	<u>44,529</u>	<u>43,581</u>		
Service Revenue					
FT Service	53,603	53,603	56,001		
Total Revenue Generated	<u>53,603</u>	<u>53,603</u>	<u>56,001</u>		
Variance	<u>2019¹</u>	<u>2019</u>	<u>2019²</u>	<u>2020³</u>	<u>Total⁴</u>
Revenue Required minus Revenue Generated	(3,525)	(9,074)	(5,549)	(12,420)	(17,969)
Interest on Variance	(97)	(98)	(1)	(78)	(79)
BILLING ADJUSTMENT FOR TEST YEAR	<u>(3,622)</u>	<u>(9,172)</u>	<u>(5,550)</u>	<u>(12,498)</u>	<u>(18,048)</u>

ZONE 7

	<u>2019 Forecast</u>	<u>2019 Actual</u>	<u>2020 Forecast</u>		
Cost of Service					
Operating & Maintenance	3,991	4,728	5,267		
Return on Rate Base	97	96	99		
Depreciation & Amortization	658	323	185		
Taxes: Income and Other	877	838	812		
Methane Emissions Costs	83	65	71		
Sub-Total	<u>5,706</u>	<u>6,050</u>	<u>6,434</u>		
Adjustments:					
Previous (Over) / Under	(1,394)	(1,394)	(2,057)		
Overrun Service	-	-	-		
Total Firm Revenue Requirement	<u>4,312</u>	<u>4,656</u>	<u>4,377</u>		
Service Revenue					
FT Service	4,598	4,598	7,709		
Total Revenue Generated	<u>4,598</u>	<u>4,598</u>	<u>7,709</u>		
Variance	<u>2019¹</u>	<u>2019</u>	<u>2019²</u>	<u>2020³</u>	<u>Total⁴</u>
Revenue Required minus Revenue Generated	(286)	58	344	(3,332)	(2,988)
Interest on Variance	(8)	1	9	(21)	(12)
BILLING ADJUSTMENT FOR TEST YEAR	<u>(294)</u>	<u>59</u>	<u>353</u>	<u>(3,353)</u>	<u>(3,000)</u>

Notes:

- Forecast 2019 as identified in the 2020 rates application.
- Estimate/Actual (over)/under collection from 2019.
- 2020 estimated (over)/under collection.
- Total adjustment from 2019 and 2020.

ADJUSTMENT FOR (OVER) OR UNDER COLLECTION

(\$000)

ZONE 8

	<u>2019 Forecast</u>	<u>2019 Actual</u>	<u>2020 Forecast</u>		
Cost of Service					
Operating & Maintenance	20,063	18,398			18,428
Return on Rate Base	8,068	7,830			7,967
Depreciation & Amortization	21,484	21,411			22,085
Taxes: Income and Other	12,952	13,375			8,192
Emissions Compliance Costs	16,660	12,995			16,105
Fuel Tax	5,018	4,535			4,554
Methane Emissions Costs	279	220			242
Sub-Total	<u>84,524</u>	<u>78,764</u>			<u>77,573</u>
Adjustments:					
Previous (Over) / Under	4,069	4,069			(2,811)
STFT & IT Service	<u>(3,516)</u>	<u>(3,139)</u>			<u>(1,873)</u>
Total Firm Revenue Requirement	<u>85,077</u>	<u>79,694</u>			<u>72,889</u>
Service Revenue					
FT Service	<u>84,975</u>	<u>86,256</u>			<u>85,146</u>
Total Revenue Generated	<u>84,975</u>	<u>86,256</u>			<u>85,146</u>
Variance	<u>2019¹</u>	<u>2019</u>	<u>2019²</u>	<u>2020³</u>	<u>Total⁴</u>
Revenue Required minus Revenue Generated	102	(6,562)	(6,664)	(12,257)	(18,921)
Interest on Variance	<u>3</u>	<u>(71)</u>	<u>(74)</u>	<u>(77)</u>	<u>(151)</u>
BILLING ADJUSTMENT FOR TEST YEAR	<u>105</u>	<u>(6,633)</u>	<u>(6,738)</u>	<u>(12,334)</u>	<u>(19,072)</u>

ZONE 9

	<u>2019 Forecast</u>	<u>2019 Actual</u>	<u>2020 Forecast</u>		
Cost of Service					
Operating & Maintenance	10,397	9,421			9,675
Return on Rate Base	6,176	6,234			5,697
Depreciation & Amortization	20,471	20,535			20,825
Taxes: Income and Other	11,613	10,741			10,392
Emissions Compliance Costs	1,679	1,102			(550)
Fuel Tax	576	342			400
Methane Emissions Costs	163	134			89
Sub-Total	<u>51,075</u>	<u>48,509</u>			<u>46,528</u>
Adjustments:					
Previous (Over) / Under	9,934	9,934			(2,550)
STFT, IT & SGS Service	<u>(12,742)</u>	<u>(13,515)</u>			<u>(6,825)</u>
Total Firm Revenue Requirement	<u>48,267</u>	<u>44,928</u>			<u>37,153</u>
Service Revenue					
FT Service	<u>50,869</u>	<u>46,702</u>			<u>35,273</u>
Total Revenue Generated	<u>50,869</u>	<u>46,702</u>			<u>35,273</u>
Variance	<u>2019¹</u>	<u>2019</u>	<u>2019²</u>	<u>2020³</u>	<u>Total⁴</u>
Revenue Required minus Revenue Generated	(2,602)	(1,774)	828	1,880	2,708
Interest on Variance	<u>(72)</u>	<u>(19)</u>	<u>53</u>	<u>12</u>	<u>65</u>
BILLING ADJUSTMENT FOR TEST YEAR	<u>(2,674)</u>	<u>(1,793)</u>	<u>881</u>	<u>1,892</u>	<u>2,773</u>

Notes:

1. Forecast 2019 as identified in the 2020 rates application.
2. Estimate/Actual (over)/under collection from 2019.
3. 2020 estimated (over)/under collection.
4. Total adjustment from 2019 and 2020.

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.	2,261.623	378.49	856,001.6893	
	<u>2,261.623</u>		<u>856,001.6893</u>	50.27%
Zone 7				
NOVA Gas Transmission Ltd.	1,257.992	124.03	156,028.7478	
	<u>1,257.992</u>		<u>156,028.7478</u>	9.16%
Zone 8				
Access Gas Services Inc.	0.350	170.70	59.7450	
ARC Resources Ltd.	101.400	170.70	17,308.9800	
Avista Corporation	216.237	170.70	36,911.6559	
BP Canada Energy Group ULC	33.302	170.70	5,684.6514	
Canadian Natural Resources	77.071	170.70	13,156.0197	
Cascade Natural Gas Corporation	29.387	170.70	5,016.4081	
Castleton Commodities Merchant Trading L.P.	67.543	170.70	11,529.5901	
Cenovus Energy Inc.	51.631	170.70	8,813.4117	
City of Glendale	4.362	170.70	744.5934	
City of Pasadena	4.362	170.70	744.5934	
FortisBC Energy Inc.	175.378	170.70	29,937.0246	
Hammerhead Resources Inc.	24.630	170.70	4,204.3410	
Husky Oil Operations Limited	12.500	170.70	2,133.7500	
Intermountain Gas Company	122.309	170.70	20,878.1903	
Jupiter Resources Inc.	49.250	170.70	8,406.9750	
Labatt Brewing Company Limited	0.270	170.70	46.0890	
Mercuria Commodities Canada Corporation	173.000	170.70	29,531.1000	
Murphy Canada, Ltd.	57.093	170.70	9,745.7751	
Northern California Power Agency	2.967	170.70	506.4669	
Northwest Natural Gas Company	157.243	170.70	26,841.3025	
NuVista Energy Ltd.	40.000	170.70	6,828.0000	
Ovintiv Canada ULC	119.181	170.70	20,344.1967	
Pacific Gas and Electric Company	386.355	170.70	65,950.7985	
PacifiCorp	16.142	170.70	2,755.4394	
Paramount Resources Ltd.	21.187	170.70	3,616.6209	
Portland General Electric Company	128.122	170.70	21,870.4254	
Powerex Corp.	43.600	170.70	7,442.5200	
Puget Sound Energy, Inc.	126.160	170.70	21,535.5120	
Repsol Canada Energy Partnership	4.406	170.70	752.1042	
Sacramento Municipal Utility District	24.034	170.70	4,102.6038	
Seven Generations Energy Ltd.	99.000	170.70	16,899.3000	
Shell Energy North America (Canada) Inc.	62.490	170.70	10,667.0547	
Sierra Pacific Power Company	136.031	170.70	23,220.4917	
Southern California Gas Company	56.783	170.70	9,692.8581	
Tenaska Marketing Canada, a division of TMV Corp.	22.215	170.70	3,792.1122	
Tourmaline Oil Corp.	317.700	170.70	54,231.3900	
Turlock Irrigation District	17.098	170.70	2,918.6286	
	<u>2,980.789</u>		<u>508,820.719</u>	29.88%
Zone 9				
ARC Resources Ltd.	19.000	258.97	4,920.4300	
BP Canada Energy Group ULC	59.605	258.97	15,435.9069	
ConocoPhillips Canada Marketing & Trading ULC	11.233	258.97	2,908.9781	
EDF Trading North America, LLC	74.648	258.97	19,331.5443	
Freepoint Commodities LLC	8.788	258.97	2,275.7461	
Husky Oil Operations Limited	58.000	258.97	15,020.2600	
MDU Resources Group, Inc.	10.656	258.97	2,759.5843	
NJR Energy Services Company	30.000	258.97	7,769.1000	
Sequent Energy Canada Corp.	42.202	258.97	10,929.0519	
Tenaska Marketing Canada, a division of TMV Corp.	218.500	258.97	56,584.9450	
Tidal Energy Marketing Inc.	18.108	258.97	4,689.5565	
Tourmaline Oil Corp.	10.656	258.97	2,759.5843	
TransGas Limited	225.000	48.00	10,800.0000	
TransGas Limited	150.077	92.00	13,807.0540	
TransGas Limited	70.000	171.00	11,970.0000	
	<u>1,006.473</u>		<u>181,961.741</u>	10.69%

SCHEDULE G

ABANDONMENT SURCHARGE CALCULATIONS

Abandonment Surcharge calculations reflect the last approved ACE¹ and the last approved ACA, which is approximately \$7.83 million². The adjusted Foothills ACA is comprised of the Foothills ACA and tax true-ups totaling \$80 thousand to be contributed by Foothills³.

	Total	Zone 6	Zone 7	Zone 8	Zone 9
Billing Determinants (GJ/year)	2,740,010,016	825,492,395	459,167,080	1,087,988,064	367,362,477
Percentage of Total BDs	100.0%	30.13%	16.76%	39.71%	13.41%

Monthly Abandonment Surcharge Calculation
 (ACA) / (Total Foothills Billing Determinants) =
 (\$7.75 Million/year) / (2,740,010,016 GJ/year) * (365/12) = **0.0860448629 \$/GJ/Month**

Daily Abandonment Surcharge Calculation
 (ACA) / (Total Foothills Billing Determinants)
 (\$7.75 Million/year) / 2,740,010,016 GJ/year = **0.0028288722 \$/GJ/Day**

Note(s):

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 2019, 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 2021 Rates

TABLE OF EFFECTIVE RATES

1. Rate Schedule FT, Firm Transportation Service

	Demand Rate (\$/GJ/Km/Month)
Zone 6	<u>0.0034624211</u> 0.0056645474
Zone 7	<u>0.0015502446</u> 0.0045283284
Zone 8*	<u>0.0104157408</u> 0.0146950612
Zone 9	<u>0.0212983994</u> 0.0170835998

2. Rate Schedule OT, Overrun Transportation Service

	Commodity Rate (\$/GJ/Km)
Zone 6	<u>0.0001252163</u> 0.0002042952
Zone 7	<u>0.0000560636</u> 0.0001633168

3. Rate Schedule IT, Interruptible Transportation Service

	Commodity Rate (\$/GJ/Km)
Zone 8	<u>0.0003766788</u> 0.0005299858
Zone 9	<u>0.0007702435</u> 0.0006161298

4. Monthly Abandonment Surcharge**

All Zones	<u>0.0860448629</u> 0.0919685746 (\$/GJ/Month)
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5. Daily Abandonment Surcharge***

All Zones	<u>0.0028288722</u> 0.0030153631 (\$/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.

Foothills Pipe Lines Ltd.

Attachment 3
Table of Effective Rates
Clean Version
Effective 2021 Rates

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

	Demand Rate (\$/GJ/Km/Month)
Zone 6	0.0034624211
Zone 7	0.0015502446
Zone 8*	0.0104157408
Zone 9	0.0212983994

2. Rate Schedule OT, Overrun Transportation Service

	Commodity Rate (\$/GJ/Km)
Zone 6	0.0001252163
Zone 7	0.0000560636

3. Rate Schedule IT, Interruptible Transportation Service

	Commodity Rate (\$/GJ/Km)
Zone 8	0.0003766788
Zone 9	0.0007702435

4. Monthly Abandonment Surcharge**

All Zones	0.0860448629 (\$/GJ/Month)
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5. Daily Abandonment Surcharge***

All Zones	0.0028288722 (\$/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.