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Filed Electronically

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

Attention: Ramona Sladic, Secretary of the Commission

Dear Ramona Sladic:

**Re: Foothills Pipe Lines Ltd. (Foothills)
Quarterly Surveillance Report
For the Fourth Quarter Ended December 31, 2025**

Please find enclosed the Foothills System's Quarterly Surveillance Report for the period ended December 31, 2025.

Foothills is notifying customers of the availability of this filing on the Commission's repository as well as on TC Energy's Foothills System website at the following address:

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

Should the Commission require additional information regarding this filing, please contact me by phone at (587) 933-0055 or by email at albin_antony@tcenergy.com.

Yours truly,
Foothills Pipe Lines Ltd.

Original signed by

Albin Antony
Regulatory Analyst
Canadian Natural Gas Pipelines

Enclosure

cc: Foothills Firm and Interruptible Customers

**Foothills Pipe Lines Ltd. - Foothills System
Quarterly Surveillance Report
Commission of the Canada Energy Regulator (CER or Commission)**

For the Year Ended December 31, 2025

Pursuant to the Toll Information Regulations and Guide BB of the Filing Manual, as revised in December 2016, Letter Decision of June 2, 2000 attaching Order TG-2-2000 and Order MO-036-2017 dated July 10, 2017, Foothills submits its year-end report for 2025.

CONTENTS

Schedule	Surveillance Report
1.0	Income Summary
(a)	Foothills Pipe Lines (Alta.) Ltd. - Zone 6
(b)	Foothills Pipe Lines (Alta.) Ltd. - Zone 7
(c)	Foothills Pipe Lines (South B.C.) Ltd. - Zone 8
(d)	Foothills Pipe Lines (Sask.) Ltd. - Zone 9
2.0	Average Pipeline Rate Base
(a)	Foothills Pipe Lines (Alta.) Ltd. - Zone 6
(b)	Foothills Pipe Lines (Alta.) Ltd. - Zone 7
(c)	Foothills Pipe Lines (South B.C.) Ltd. - Zone 8
(d)	Foothills Pipe Lines (Sask.) Ltd. - Zone 9
3.0	Deferred Balances
4.0	Historical Annual Integrity Spending
5.0	Actual and Approved Rate of Return
6.0 - 6.3	Intercorporate Transactions
7.0	Traffic Data

Numbers within the attached schedules may not add due to rounding.

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

For the Year Ended December 31, 2025

(\$000s)

Line No.	Particulars	CER Account(s)	Period Actual	Decision	Variance (c) - (d)	Note
	(a)	(b)	(c)	(d)	(e)	(f)
Revenues						
1	Transportation Revenue ⁽ⁱ⁾	300	63,917	72,060	(8,143)	
Operating Expenses						
2	Operating, Maintenance & Administrative	301	22,474	20,405	2,069	(1)
3	Fuel & Power	301	4,769	11,823	(7,054)	(2)
4	Emissions Compliance Costs	301	3,491	6,516	(3,025)	(3)
5	Depreciation	303/304	20,243	18,651	1,592	(4)
6	Income Taxes	306	163	1,220	(1,057)	(5)
7	Municipal Taxes	305	4,010	4,005	5	
8	CER & NPA Cost Recovery	301	2,565	2,716	(151)	
9	Methane Emissions	301	119	113	6	
10	Total Operating Expenses		<u>57,835</u>	<u>65,449</u>	<u>(7,614)</u>	
11	Operating Income		<u>6,083</u>	<u>6,611</u>	<u>(528)</u>	
12	Financial Charges	320	2,506	2,901	(395)	
13	Net Income Applicable to Common Equity		<u>3,577</u>	<u>3,710</u>	<u>(132)</u>	
14	Rate Base (Schedule 2.0 (a))		88,544	91,813	(3,269)	
15	Return on Rate Base		6.87%	7.20%		
16	Return on Common Equity		10.10%	10.10%		

(i) Transportation Revenue reflects Total Revenue Requirement.

Note:

- (1) Increase due to higher departmental costs, corporate support, and Facilities, Reliability and Integrity programs (FR&I).
- (2) Decrease primarily due to lower utilization of compressor unit.
- (3) Decrease is due to enhanced credit banking strategy, partially offset by higher fuel usage.
- (4) Increase due to higher composite depreciation rate.
- (5) Decrease primarily due to higher capitalized repair and overhaul costs deductions.

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

For the Year Ended December 31, 2025

(\$000s)

Line No.	Particulars	CER Account(s)	Period Actual	Decision	Variance (c) - (d)	Note
	(a)	(b)	(c)	(d)	(e)	(f)
Revenues						
1	Transportation Revenue ⁽ⁱ⁾	300	7,538	6,135	1,403	
Operating Expenses						
2	Operating, Maintenance & Administrative	301	5,708	4,285	1,423	(1)
3	Depreciation	303/304	217	237	(20)	
4	Income Taxes	306	(34)	(35)	1	
5	Municipal Taxes	305	1,031	1,012	19	
6	CER & NPA Cost Recovery	301	465	493	(28)	
7	Methane Emissions	301	15	17	(2)	
8	Total Operating Expenses		<u>7,403</u>	<u>6,009</u>	<u>1,394</u>	
9	Operating Income		<u>135</u>	<u>126</u>	<u>9</u>	
10	Financial Charges	320	56	54	2	
11	Net Income Applicable to Common Equity		<u>79</u>	<u>72</u>	<u>7</u>	
12	Rate Base (Schedule 2.0 (b))		1,958	1,783	175	
13	Return on Rate Base		6.91%	7.09%		
14	Return on Common Equity		10.10%	10.10%		

(i) Transportation Revenue reflects Total Revenue Requirement.

Note:

(1) Increase due to added scope within the pipeline integrity programs.

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

INCOME SUMMARY

For the Year Ended December 31, 2025

(\$000s)

Line No.	Particulars	CER Account(s)	Period Actual	Decision	Variance (c) - (d)	Note
	(a)	(b)	(c)	(d)	(e)	(f)
Revenues						
1	Transportation Revenue ⁽ⁱ⁾	300	170,688	180,266	(9,578)	
Operating Expenses						
2	Operating, Maintenance & Administrative	301	16,836	14,807	2,029	(1)
3	Fuel & Power	301	685	755	(70)	
4	Emissions Compliance Costs	301	11,567	18,273	(6,706)	(2)
5	Depreciation	303/304	52,371	53,630	(1,259)	(3)
6	Income Taxes	306	4,785	5,152	(367)	
7	Municipal Taxes	305	11,245	10,872	373	
8	Fuel Tax	305	4,622	4,499	123	
9	CER & NPA Cost Recovery	301	1,688	1,808	(120)	
10	Methane Emissions	301	78	114	(36)	
11	Total Operating Expenses		103,877	109,910	(6,033)	
12	Operating Income		66,811	70,356	(3,545)	
13	Financial Charges	320	27,974	30,878	(2,904)	(4)
14	Net Income Applicable to Common Equity		38,837	39,477	(640)	
15	Rate Base (Schedule 2.0 (c))		961,305	977,167	(15,862)	
16	Return on Rate Base		6.95%	7.20%		
17	Return on Common Equity		10.10%	10.10%		

(i) Transportation Revenue reflects Total Revenue Requirement.

Note:

- (1) Increase due to higher departmental, corporate support, and FR&I program costs, as well as added pipeline integrity scope, partially offset by lower repair & overhaul costs.
- (2) Decrease primarily due to CleanBC Industrial Incentive Program grant and lower fuel usage.
- (3) Decrease due to lower opening Gas Plant in Service (GPIS) and timing of retirements and in-servicing of new assets.
- (4) Decrease primarily due to lower weighted cost of debt and a lower rate base.

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

INCOME SUMMARY

For the Year Ended December 31, 2025

(\$000s)

Line No.	Particulars	CER Account(s)	Period Actual	Decision	Variance (c) - (d)	Note
	(a)	(b)	(c)	(d)	(e)	(f)
Revenues						
1	Transportation Revenue ⁽ⁱ⁾	300	39,737	36,113	3,624	
Operating Expenses						
2	Operating, Maintenance & Administrative	301	10,205	8,493	1,712	(1)
3	Fuel & Power	301	690	660	30	
4	Emissions Compliance Costs	301	2,209	272	1,937	(2)
5	Depreciation	303/304	13,168	13,714	(546)	(3)
6	Income Taxes	306	1,985	2,090	(105)	
7	Municipal Taxes	305	4,427	4,305	122	
8	Fuel Tax	305	266	235	31	
9	CER & NPA Cost Recovery	301	341	413	(72)	
10	Methane Emissions Cost	301	635	28	607	(4)
11	Total Operating Expenses		<u>33,926</u>	<u>30,210</u>	<u>3,716</u>	
12	Operating Income		<u>5,811</u>	<u>5,904</u>	<u>(93)</u>	
13	Financial Charges	320	2,404	2,600	(196)	
14	Net Income Applicable to Common Equity		<u>3,407</u>	<u>3,303</u>	<u>104</u>	
15	Rate Base (Schedule 2.0 (d))		84,341	81,769	2,572	
16	Return on Rate Base		6.89%	7.22%		
17	Return on Common Equity		10.10%	10.10%		

(i) Transportation Revenue reflects Total Revenue Requirement.

Note:

- (1) Increase primarily due to added scope within the pipeline integrity program, partially offset by lower repair & overhaul costs.
- (2) Increase due to higher emissions.
- (3) Decrease due to a lower composite depreciation rate.
- (4) Increase reflects essential maintenance to improve equipment performance.

Foothills Pipe Lines (Alta.) Ltd. - Zone 6
AVERAGE PIPELINE RATE BASE
For the Year Ended December 31, 2025
(\$000s)

Line No.	Particulars	Period Actual	Decision	Variance (b) - (c)
	(a)	(b)	(c)	(d)
Utility Investment				
1	Net Plant	74,428	74,116	312
Working Capital				
2	Cash	4,229	5,133	(904)
3	Materials and Supplies	1,281	1,154	127
4	Transmission Linepack	2,577	2,577	-
5	Prepayments and Deposits	99	99	-
6	Greenhouse Gas (GHG) Emissions Credits	5,775	8,525	(2,750)
7	Total Working Capital	13,961	17,488	(3,527)
Miscellaneous Deferred Costs				
8	Debt Discount & Expense	155	208	(53)
9	Total Miscellaneous Deferred Costs	155	208	(53)
10	Total Rate Base	88,544	91,813	(3,269)

Foothills Pipe Lines (Alta.) Ltd. - Zone 7
AVERAGE PIPELINE RATE BASE
For the Year Ended December 31, 2025
(\$000s)

Line No.	Particulars	Period Actual	Decision	Variance (b) - (c)
	(a)	(b)	(c)	(d)
Utility Investment				
1	Net Plant	163	157	6
Working Capital				
2	Cash	753	584	169
3	Transmission Linepack	1,039	1,039	-
4	Total Working Capital	1,792	1,623	169
Miscellaneous Deferred Costs				
5	Debt Discount & Expense	3	3	-
6	Total Miscellaneous Deferred Costs	3	3	-
7	Total Rate Base	1,958	1,783	175

Foothills Pipe Lines (South B.C.) Ltd. - Zone 8**AVERAGE PIPELINE RATE BASE**

For the Year Ended December 31, 2025

(\$000s)

Line No.	Particulars	Period Actual	Decision	Variance (b) - (c)	Note
	(a)	(b)	(c)	(d)	(e)
Utility Investment					
1	Net Plant	948,365	963,378	(15,013)	(1)
Working Capital					
2	Cash	4,643	5,067	(424)	
3	Materials and Supplies	4,855	4,804	51	
4	Transmission Linepack	1,473	1,736	(263)	
6	Total Working Capital	10,971	11,607	(636)	
Miscellaneous Deferred Costs					
7	Debt Discount & Expense	1,969	2,182	(213)	
8	Total Miscellaneous Deferred Costs	1,969	2,182	(213)	
9	Total Rate Base	961,305	977,167	(15,862)	

Note:

(1) Variance due to a lower 2025 opening net plant.

Foothills Pipe Lines (Sask.) Ltd. - Zone 9
AVERAGE PIPELINE RATE BASE
For the Year Ended December 31, 2025
(\$000s)

Line No.	Particulars	Period Actual	Decision	Variance (b) - (c)
	(a)	(b)	(c)	(d)
Utility Investment				
1	Net Plant	77,888	75,508	2,380
Working Capital				
2	Cash	1,757	1,300	457
3	Materials and Supplies	2,226	2,448	(222)
4	Transmission Linepack	2,316	2,316	-
5	Total Working Capital	6,299	6,064	235
Miscellaneous Deferred Costs				
6	Debt Discount & Expense	154	197	(43)
7	Total Miscellaneous Deferred Costs	154	197	(43)
8	Total Rate Base	84,341	81,769	2,572

Foothills Pipe Lines Ltd. - Foothills System

DEFERRED BALANCES

For the Year Ended December 31, 2025

Foothills Pipe Lines Ltd. is regulated on a cost of service basis and over or under-collections are adjusted in tolls annually.

Foothills Pipe Lines Ltd. - Foothills System
HISTORICAL ANNUAL INTEGRITY SPENDING
For the Year Ended December 31, 2025
(\$000s)

Line No.	Particulars	Period Actual	
		Operating	Capital
	(a)	(b)	(c)
1	Program Management	2,794	-
2	Surveillance, Condition Monitoring and Integrity Hazard Assessment	17,434	-
3	Mitigation and Remediation	657	8,073
4	Other Expenditures	231	-
5	Total Integrity Spending	21,116	8,073

Foothills Pipe Lines Ltd. - Foothills System
ACTUAL AND APPROVED RATE OF RETURN
 For the Year Ended December 31, 2025
 (2021-2025)

Line No.	Particulars	2021	2022	2023	2024	2025
	(a)	(b)	(c)	(d)	(e)	(f)
1	Actual and Approved Rates of Return on Common Equity	10.10%	10.10%	10.10%	10.10%	10.10%
2	Actual Rate of Return on Rate Base	4.76%	4.78%	7.13%	7.18%	6.94%
3	Approved Rate of Return on Rate Base	5.18%	4.63%	6.79%	7.39%	7.20%

Foothills Pipe Lines Ltd. - Foothills System
INTERCORPORATE TRANSACTIONS

For the Year Ended December 31, 2025
(includes total transactions greater than \$100,000)

- Summary Receipts -

Line No.	Contracting Party (a)	Nature of Service (b)	(\$000s) (c)	Sch.# (d)
1	NGTL Limited Partnership	Gas Transportation Service and Sale of Inventory	60,609	6.2
2	TransCanada PipeLines Limited	Sale of Inventory	364	6.2
3	Total		<u>60,973</u>	

Foothills Pipe Lines Ltd. - Foothills System
INTERCORPORATE TRANSACTIONS

For the Year Ended December 31, 2025
(includes total transactions greater than \$100,000)

- Summary Payments -

Line No.	Contracting Party (a)	Nature of Service (b)	(\$000s) (c)	Sch.# (d)
1	NGTL Limited Partnership	Purchase of Inventory	1,062	6.3
2	TransCanada PipeLines Limited	Administrative and Operating Expensive, Interest Costs on Intercompany Debt, Purchase of Greenhouse Gas Emissions Credits, Purchase of Inventory and Virtual Power Purchase Agreement	93,097	6.3
3	Total		<u>94,159</u>	

**Foothills Pipe Lines Ltd. - Foothills System
INTERCORPORATE TRANSACTIONS**

For the Year Ended December 31, 2025

('000s)

- Receipts -

Contracting Party: NGTL Limited Partnership

Nature Of Service: Gas Transportation and Sale of Inventory

Description: Transportation services associated with movement of gas on the Foothills System and billed in accordance with Foothills System tolls.
Sale of inventory.

	Gas Transportation	Sale of Inventory	Total
Amount	60,144	465	60,609

Contracting Party: TransCanada PipeLines Limited

Nature Of Service: Sale of Inventory

Description: Sale of inventory.

	Sale of Inventory
Amount	364

Foothills Pipe Lines Ltd. - Foothills System
INTERCORPORATE TRANSACTIONS
For the Year Ended December 31, 2025
('000s)

- Payments -

Contracting Party: NGTL Limited Partnership

Nature Of Service: Purchase of Inventory

Description: Purchase of inventory.

	Purchase of Inventory
Amount	1,062

Contracting Party: TransCanada PipeLines Limited

Nature Of Service: Administrative and Operating Services, Interest Costs on Intercompany Debt, Purchase of Greenhouse Gas Emissions Credits, Purchase of Inventory and Virtual Power Purchase Agreement.

Description: Master Services Agreement for administrative and operating services including operations and engineering, regulatory services, business and information services.
Interest costs of intercompany debt.
Purchase of greenhouse gas emissions credits and purchase of inventory.
Environmental attributes related to electric fuel costs through the Virtual Power Purchase Agreement.

	Administrative and Operating Services	Interest Costs	Purchase of Greenhouse Gas Emissions Credit	Purchase of Inventory	Virtual Power Purchase Agreement	Total
Amount	56,285	30,004	4,226	426	2,156	93,097

Foothills Pipe Lines Ltd. - Foothills System
TRAFFIC DATA
For the Year Ended December 31, 2025

In accordance with Section BB.2 of Guide BB of the CER Filing Manual, Traffic Data is being provided to the CER in a machine-readable format and will be posted by the CER at:
<https://apps.cer-rec.gc.ca/PPS/en/pipeline-profiles>