



TransCanada PipeLines Limited
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February 27, 2004

National Energy Board
444 Seventh Avenue S.W.
Calgary, Alberta
T2P 0X8

Attention: Mr. Michel L. Mantha, Secretary

Dear Sirs:

**Re: Foothills Pipe Lines Ltd. (Foothills)
Annual Surveillance Report
For the Twelve Months Ended December 31, 2003**

Enclosed is a copy of Foothills' Annual Surveillance Report for the twelve months ended December 31, 2003. Foothills has filed the report electronically with the National Energy Board by placing it in the electronic filing repository.

If you have any questions or concerns with respect to the enclosed, please contact Carolyn Shaw at 920-7172, or Karen Khan at 920-2697.

Yours truly,

Foothills Pipe Lines Ltd.
A wholly owned subsidiary of TransCanada PipeLines Limited

Céline Bélanger
Vice President, Regulatory Services

Encl.

cc. Interested Parties – TG-6-81
Foothills Existing Firm and Interruptible Shippers
Canadian Association of Petroleum Producers
Small Explorers and Producers Association of Canada