



TransCanada Pipelines Limited
450-1st Street S.W.
Calgary, Alberta, Canada T2P 5H1

tel 403.920.7184
fax 403.920.2347
email celine_belanger@transcanada.com
web www.transcanada.com

March 10, 2004

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

Filed electronically and by courier

Attention: Mr. Michel L. Mantha, Secretary

Dear Sir:

**Re: Foothills Pipe Lines Ltd. (Foothills)
Phase 1 Gas Transportation Tariff (the Tariff)
Amendments to the Tariff re: Zone 7 – Line Pack Ownership**

Pursuant to Section 60(1)(a) of the *National Energy Board Act*, I enclose for filing amendments to the Foothills Tariff. The amendments enable Foothills to purchase and own line pack in Zone 7. Foothills intends the amendments be effective April 1, 2004.

Under Section 8.6 of the General Terms and Conditions of the Tariff, shippers in Zone 7 are required to own and provide line pack. Pan-Alberta Gas Ltd. (PAG) currently owns the line pack in Zone 7, which amounts to 170,210 GJ of gas. PAG originally provided the line pack in accordance with the Tariff requirements when it was a shipper in Zone 7. PAG assigned its capacity to NOVA Gas Transmission Ltd. (NGTL) in 1995, but its ownership of the corresponding line pack volumes was not addressed at that time. PAG recently requested the return of its line pack volumes, therefore requiring alternative arrangements for the provision of line pack in Zone 7.

In Zones 6 and 9, Foothills is responsible under the Tariff to provide line pack. Foothills has determined it is appropriate to amend the Tariff provisions governing line pack in Zone 7 to align with the provisions governing line pack in Zones 6 and 9.

Page 2
March 10, 2004
Mr. M. Mantha

A summary of the Tariff amendments is provided in Attachment 1 to this letter. Attachment 2 to this letter is a black-line version of the Tariff illustrating the amendments and Attachment 3 is a clean version of the Tariff incorporating the amendments.

Foothills will purchase line pack for Zone 7 through a tender process. The quantity of line pack required for Zone 7 is 170,210 GJ. Foothills estimates the cost to purchase line pack will be approximately \$1 million at current gas prices. In accordance with Section 153 of the *National Energy Board Gas Pipeline Uniform Accounting Regulations*, Foothills will treat the costs associated with the purchase of line pack as a capital item and include it in rate base for Zone 7.

Please direct all notices and communications regarding this matter to Carolyn Shaw by e-mail at carolyn_shaw@transcanada.com or by phone at 920-7172.

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 Firm and Interruptible Shippers