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March 3, 2006

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

Filed Electronically

Attention: Mr. Michel L. Mantha, Secretary

Dear Sir:

**Re: Foothills Pipe Lines Ltd. (Foothills)
2004 General and Administration (G&A) Expenses Report - Correction**

While preparing the 2005 G&A Expenses Report, an error that needs to be corrected in the 2004 G&A Expenses Report, filed on March 14, 2005, has come to Foothills' attention. On Line 2 of the report, the actual amount of G&A Expenses should be \$6.6472 million, instead of \$7.9775 million. A revision to the report indicating the correction to the actual G&A Expenses and consequential changes is enclosed for filing.

This revision results in an increase in the 2004 Incentive Savings, of which \$0.133 million is to the account of shippers as per Section 3.1 of the Settlement Agreement with respect to the Special Charge and Certain Modifications to the Existing Cost of Service Methodology for Fixing Foothills Tolls, which was approved by Order TG-2-2003. Foothills will refund this amount to shippers based on 2004 contracted volumes by April 30, 2006.

Foothills is notifying shippers of the availability of these filings in the Board's repository as well as on TransCanada's Foothills System Website at the address below.

http://www.transcanada.com/Foothills/regulatory/reg_filings/index.htm

If you have any questions or concerns with respect to the enclosed, please contact Alex Harris at 920-6201.

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

FOOTHILLS PIPE LINES LTD.
REPORT ON GENERAL AND ADMINISTRATIVE EXPENSES FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2004
PURSUANT TO SECTION 4.6 OF THE SETTLEMENT AGREEMENT WITH RESPECT TO THE SPECIAL CHARGE AND CERTAIN
MODIFICATIONS TO THE EXISTING COST OF SERVICE METHODOLOGY FOR FIXING FOOTHILLS TOLLS DATED JANUARY 13, 2003
(\$000's)
REVISED MARCH 3, 2006

<u>LINE</u>	<u>2004</u>
1 Agreed Amount	13,367.3
2 Actual Amount	7,977.5 6,647.2
3 Incentive Saving	5,389.8 6,720.2
4 Annual Collectible Amount	2,269.5
5 Foothills' Share of aggregate Incentive Amount	9,751.9 10,949.2

DEFINITIONS AND INTERPRETATION

"**Agreed Amount**" means, for any year during the Term, an initial amount equal to \$12,600,000, escalated by 3% per year commencing January 1, 2003.

"**Actual Amount**" has the meaning as defined in Section 3.1 of the Settlement; the actual amount of General and Administrative Expenses for any year.

"**Incentive Saving**" has the meaning as defined in Subsection 3.1(b)(ii) of the Settlement; the Agreed Amount less the Actual Amount for such year.

"**Collectible Amount**" has the meaning as defined in Section 2.1 of the Settlement; two-thirds (2/3) of the outstanding principal balance of the Phase II Preliminary Expenditures at November 1, 2003.