

March 7, 2000

Mr. M. L. Mantha
Secretary
National Energy Board
444 - Seventh Avenue S.W.
Calgary, Alberta
T2P 0X8

Dear Mr. Mantha:

**RE: TransCanada PipeLines Limited, B.C. System
 B.C. System 2000 Pipeline Capital Projects
 Project 4.1 - East Kootenay Exchange Expansion**

On January 11, 2000, TransCanada PipeLines Limited ("TransCanada"), submitted as part of its annual pipeline capital projects application, an application for an expansion to the East Kootenay Exchange ("EKE"). Since the application was filed, Foothills Pipe Lines (South B. C.) Ltd. ("Foothills") and TransCanada have reached an agreement in respect of the facilities to be connected to the Foothills system as part of the EKE project.

Foothills and TransCanada have agreed that Foothills will pay for and own the portion of the proposed EKE facilities from the interconnection with Zone 8 up to and including the side valve. These facilities include split sleeve collar, pipe stub and NPS 16 gate valve (the "Foothills Facilities") and have an approximate capital cost of \$150,000 to \$190,000. A drawing delineating the Foothills Facilities from the TransCanada Facilities is attached.

For Foothills, this represents operations capital and accordingly would normally be handled as a Section 58 application. However, Foothills respectfully requests the Board to continue its review of the TransCanada EKE application. For the portion of the application that represents Foothills' facilities, Foothills has authorized TransCanada to apply for the Foothills facilities. As TransCanada will construct the Foothills facilities as part of its overall EKE project, all information contained in the January 11, 2000 application remains applicable.

Copies of all correspondence in relation to the EKE application should be sent to:

Mr. Phil Cochrane
Senior Supervisor
Customer Service & Regulatory Affairs
Foothills Pipe Lines Ltd.
3100, 707 – 8th Avenue S.W.
Calgary, Alberta
T2P 0W8

Should you have any further questions, please contact the undersigned at (403) 294-4495 or by fax at (403) 294-4174.

Yours truly,

Original signed by

Phil Cochrane
Senior Supervisor
Customer Service
& Regulatory Affairs

Attachment (*available upon request*)

Cc: TG-6-81 Interested Parties (without attachment)