

March 6, 2000

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

Dear Mr. Mantha:

Re: National Energy Board Memorandum of Guidance on Quarterly Surveillance Reports dated 16 February 1994 (“Memorandum of Guidance”)

Pursuant to Subsection 129 (1.1) of the National Energy Board Act (the “Act”), Foothills Pipe Lines Ltd. on behalf of Foothills Pipe Lines (Alta.) Ltd., Foothills Pipe Lines (South B.C.) Ltd., and Foothills Pipe Lines (Sask.) Ltd. (collectively “Foothills”) hereby applies for exemption from the requirement to file Quarterly Surveillance Reports and Performance Measures as contained in the Memorandum of Guidance. Foothills hereby requests that it only be required to file an annual surveillance report 60 days after the end of the first quarter of the following year. Foothills further seeks relief from the requirement to file annual Performance Measures.

Since the Memorandum of Guidance was issued, there have been changes in the Board’s oversight. There have been significant modifications of the individual filing requirements for the Group 1 companies. Westcoast Energy Inc., TransCanada PipeLines Limited, Enbridge Pipelines Inc., TransMountain Pipe Line Company Ltd. and Trans Quebec & Maritimes Pipeline Inc. have either been exempted from filing Quarterly Surveillance Reports and Performance Measures or have had their individual requirements modified. In addition, when the Board approved the Alliance Pipeline project in the GH-3-97 proceeding, the Board stated that it would be appropriate to relieve Alliance, a Group 1 company, from the requirement to file Quarterly Surveillance Reports and Performance Measures.

Given the above, Foothills believes it is appropriate for the Board to now review and modify Foothills’ filing requirements. In respect of the Quarterly Surveillance Reports, Foothills is required to annually file operating and maintenance budgets for Board approval. Foothills is also required to obtain Board approval for recovery of any costs that exceed the approved budgets. Foothills submits that this, along with the proposed Annual Surveillance Report would provide the Board and interested parties with sufficient information to monitor Foothills’ costs.

Foothills has contacted its shippers regarding this proposal and no concerns have been raised. Copies of this document are being served on interested parties. Should you require any further information, 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

CC Interested Parties TG-6-81