



**Foothills Pipe Lines Ltd.**

SUN LIFE PLAZA  
300, 112 FOURTH AVENUE S.W.  
CALGARY, ALBERTA T2P 0H3

MAIN NUMBER: (403) 294-4111

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

October 16, 2003

**By E-filing & Courier**

Dear Mr. Mantha:

**Re: National Energy Board "Board" Order TG-3-2003  
Foothills Pipe Lines Ltd "Foothills"  
Zone 9 Interruptible Tolls**

Further to our letter dated September 30, 2003, enclosed please find one copy of the calculation of Foothills' interruptible tolls for the period November 1, 2003 to October 31, 2004 for Zone 9 of the Foothills' system filed pursuant to the provisions of Board Order TG-10-87. The Tier I toll is \$1.194/10<sup>3</sup>m<sup>3</sup>/100km and the Tier II toll is \$1.075/10<sup>3</sup>m<sup>3</sup>/100km. These tolls are based upon the forecasted cost of service for the period November 1, 2003 to October 31, 2004 (rather than the current calendar year period) calculated in accordance with the provisions of Board Order AO-12-TG-4-82, the applicable rate of return on common equity for 2003 and a contracted level of firm transportation service commencing November 1, 2003 of 59.624 10m<sup>6</sup>m<sup>3</sup>/day. Foothills requests that the Board approve the proposed IT Tolls effective November 1, 2003.

Foothills recognizes that Board Order TG-10-87 calls for the filing of IT tolls for the period April 1 to March 31. However, in light of the potential decontracting that could have occurred on November 1, 2003, by letter dated March 11, 2003, Foothills requested and the Board, by letter dated March 27, 2003, agreed that IT Tolls be set for the period April 1, 2003 to October 31, 2003. In light of the fact that a similar situation of contracting uncertainty will likely exist for November 1, 2004 contract renewals, Foothills believes that its current request to have the IT Toll remain in effect until October 31, 2004 instead of the usual March 31, 2004 end date, is just and reasonable in these circumstances. Foothills believes that this request should be acceptable to its shippers. Foothills intends to evaluate its position over time.

Foothills has filed the report electronically with the National Energy Board by placing it in the NEB's electronic filing registry.

Copies of this letter are being provided to current interested parties, interested parties to Board Order TG-6-81 and existing firm and interruptible shippers.

Yours truly,

Steven Jakymiw  
Advisor, Regulatory Affairs

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