



Foothills Pipe Lines Ltd.

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

MAIN NUMBER: (403) 294-4111

October 30, 2003

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

Dear Mr. Mantha:

RE: National Energy Board Cost Recovery and the Regulations thereunder and The Notice of Assessment issued by the National Energy Board (“Board”) October 8, 2003. Request for Exemption by Foothills Pipe Lines Ltd. (“Foothills”) under Section 4.1 of such Regulations

Enclosed please find twenty (20) copies of Foothills’ Request for Exemption with regard to its 2004 NEB Cost Recovery assessment.

By letter dated September 2, 2003, Foothills filed with the Board Foothills’ 2004 cost of service estimate in the amount of \$160,940,000.

In its Notice of Assessment dated October 8, 2003, the Board shows Foothills’ cost recovery charge to be \$3,556,622 for 2004.

Under Section 4.1 of the National Energy Board Cost of Recovery Regulations, the amount allocated to any particular company is limited to a 2% cap of that company’s total cost of service, which in Foothills’ case would be 2% of \$160,940,000 or \$3,218,800.

Foothills is therefore seeking an exemption from paying the portion of the cost recovery charge which exceeds 2% of Foothills’ cost of service or \$337,822.

Yours truly,

Steven Jakymiw
Advisor, Regulatory Affairs

Cc: Existing Firm and Interruptible Shippers
Interested Parties TG-6-81
Canadian Association of Petroleum Producers
Small Explorers and Producers Association of Canada