



# Agenda



- **2010 Interim Rates**
- **Maintenance Update**
  - Foothills Saskatchewan
  - Foothills BC
  - Segment 2 Leach Creek Section Update
- **Capacity Update**



# Foothills System

## 2011 Preliminary Rates

# 2011 Forecast Key Notes



- The Foothills system will be filing for:
  - 2011 Effective Rates for January 1, 2011
- The Foothills system rates are based on:
  - Return on equity as per Settlement (9.7% for 2011)
- Forecasted to reach cap in 2011 on incentive savings related to the G & A settlement agreement for Foothills.

# Overview of Zone 9 2011 Revenue Requirement



- **The Revenue Requirement:**
  - 2011 - \$36.0 Million (2010 Rate Filing: \$57.6 Million)
- **Total Throughput:**
  - 2011 – 1,769 TJ/d (2010 Rate Filing: 1,597 TJ/d )
- **Results in an FT Rate of:**
  - 2011 – 5.4 ¢/GJ (2010 Rate: 9.6 ¢/GJ)

## Zone 9 - Costs and Revenue (\$000)



	2010 Rate Filing	2011 Preliminary Rate	Difference	%
<b>Cost</b>				
O&M	7,391	5,653	(1,738)	
Return & Depr.	34,304	33,838	(465)	
Taxes (Income + Other)	12,626	11,549	(1,078)	
Special Charge	157	179	22	
	<u>54,478</u>	<u>51,220</u>	<u>(3,258)</u>	
<b>Adjustments</b>				
Previous (Over) Under	3,574	(15,014)	(18,588)	
G&A Settlement	(446)	(257)	189	
<b>Total</b>	<u>57,606</u>	<u>35,949</u>	<u>(21,657)</u>	<b>(38%)</b>
<b>Other Revenue</b>				
STFT	(27,528)	(20,342)	7,186	
IT & SGS	(16,575)	(7,090)	9,484	
<b>Firm Rev Rqmt <sup>1</sup></b>	<u>13,504</u>	<u>8,517</u>	<u>(4,987)</u>	<b>(37%)</b>

1. Totals may not add due to rounding.

## Zone 9 - MDQ and Throughput (TJ/d)



	2010 Rate Forecast	2011 Rate Forecast	Difference	%
<b>Firm Contract Demand</b> <sup>1</sup>	387	430	44	11%
<b>Throughput to Services:</b>				
Firm Volumes	381	424	43	11%
STFT Volumes	785	1,019	234	30%
Interruptible Volumes	431	326	(106)	(25%)
<b>Total</b> <sup>2</sup>	<u>1,597</u>	<u>1,769</u>	<u>172</u>	11%

1. Annualized contract demand quantity.

2. Totals may not add due to rounding.

## Zone 9 Rate Sensitivity – Rule of Thumb



- A \$1 million dollar increase (decrease) in revenue requirement results in approximately a 0.2¢/GJ increase (decrease) in the Firm Transportation rate
- A 100 TJ/d increase (decrease) in throughput results in approximately a 0.3¢ /GJ decrease (increase) in the Firm Transportation rate

# Overview of Zone 8 2011 Revenue Requirement



- **The Revenue Requirement:**
  - 2011 - \$69.3 Million (2010 Rate Filing: \$66.4 Million)
  
- **Total Firm Contract:**
  - 2011 – 2,091 TJ/d (2010 Rate Filing: 2,297 TJ/d )
  
- **Results in an FT Rate of:**
  - 2011 – 8.9 ¢/GJ (2010 Annual Rate: 7.7 ¢/GJ)

## Zone 8 – Costs and Revenue (\$000)



	2010	2011		
	Rate Filing	Preliminary Rate	Difference	%
<b>Costs</b>				
O&M	17,101	16,046	(1,055)	
Return & Depr.	33,931	33,426	(505)	
Taxes (Income + Other)	19,652	19,210	(442)	
Special Charge	616	574	(41)	
	<u>71,299</u>	<u>69,256</u>	<u>(2,043)</u>	
<b>Adjustments</b>				
Previous (Over) Under	(3,834)	804	4,638	
G&A Settlement	(1,099)	(801)	298	
	<u>66,366</u>	<u>69,259</u>	<u>2,893</u>	4%
<b>Revenue</b>				
STFT	(1,412)	(974)	438	
Interruptible	(82)	(385)	(303)	
<b>Total</b>	<u>(1,494)</u>	<u>(1,359)</u>	<u>135</u>	
<b>Firm Rev Rqmt <sup>1</sup></b>	<u><u>64,872</u></u>	<u><u>67,900</u></u>	<u><u>3,028</u></u>	5%

1. Totals may not add due to rounding.

## Zone 8 Rate Sensitivity – Rule of Thumb



- A \$1 million dollar increase (decrease) in revenue requirement results in approximately a 0.1¢/GJ increase (decrease) in the average Firm Transportation rate
- A 100 TJ/d increase (decrease) in contract level results in approximately a 0.4¢ decrease (increase) in the average Firm Transportation rate

# 2011 Filing Timeline



- **Presentation material posted on web site on November 16, 2010.**
- **Review of 2011 Preliminary Rates at November 23, 2010 Customer meeting.**
- **In the event of changes to the 2011 Preliminary Rates:**
  - Posted on web site with email and NRG notification:  
<http://www.transcanada.com/customerexpress/935.html>
- **File for 2011 Effective Rates by December 1, 2010**

# 2011 Proposed Rates - Contacts



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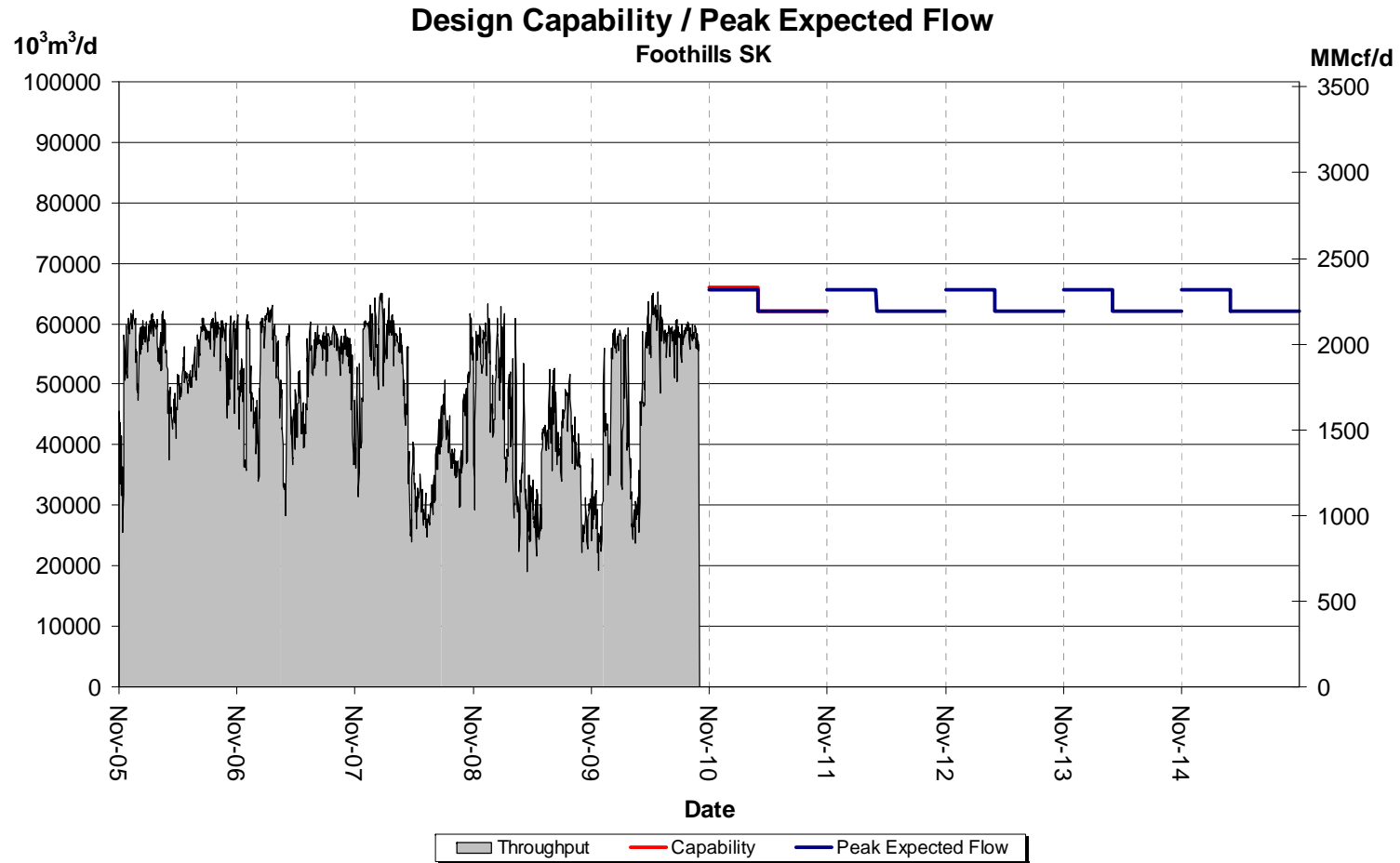
# Foothills System Maintenance and Capacity Update

# Pipe Integrity Summary Foothills Sask



- **Planned In Line Inspection (ILI) scheduled for 2011**
  - To reduce the potential to impact flows, we have deferred this inspection from October 2010 to 2011
    - We will update shippers once date has been confirmed
  - Potential for maintenance and repairs based on ILI later in 2011
  
- **Fuel and MV Issue**
  - Historically between 0.8 – 1.0 %
  - Since June 2010 it has been 1.4%
  - Currently performing review of measurement equipment

# Foothills Zone 9 Capability/Design Forecast



## Foothills Maintenance BC



- **Primary challenge with Foothills BC Repairs and Maintenance is that they can only be done in the summer months due to access and environmental constraints. This can be when flows peak for summer cooling demand.**
- **In 2011 as in previous years we will try to manage our maintenance vs the expected flows to mitigate flow restrictions.**

## Pipe Integrity Summary Foothills BC

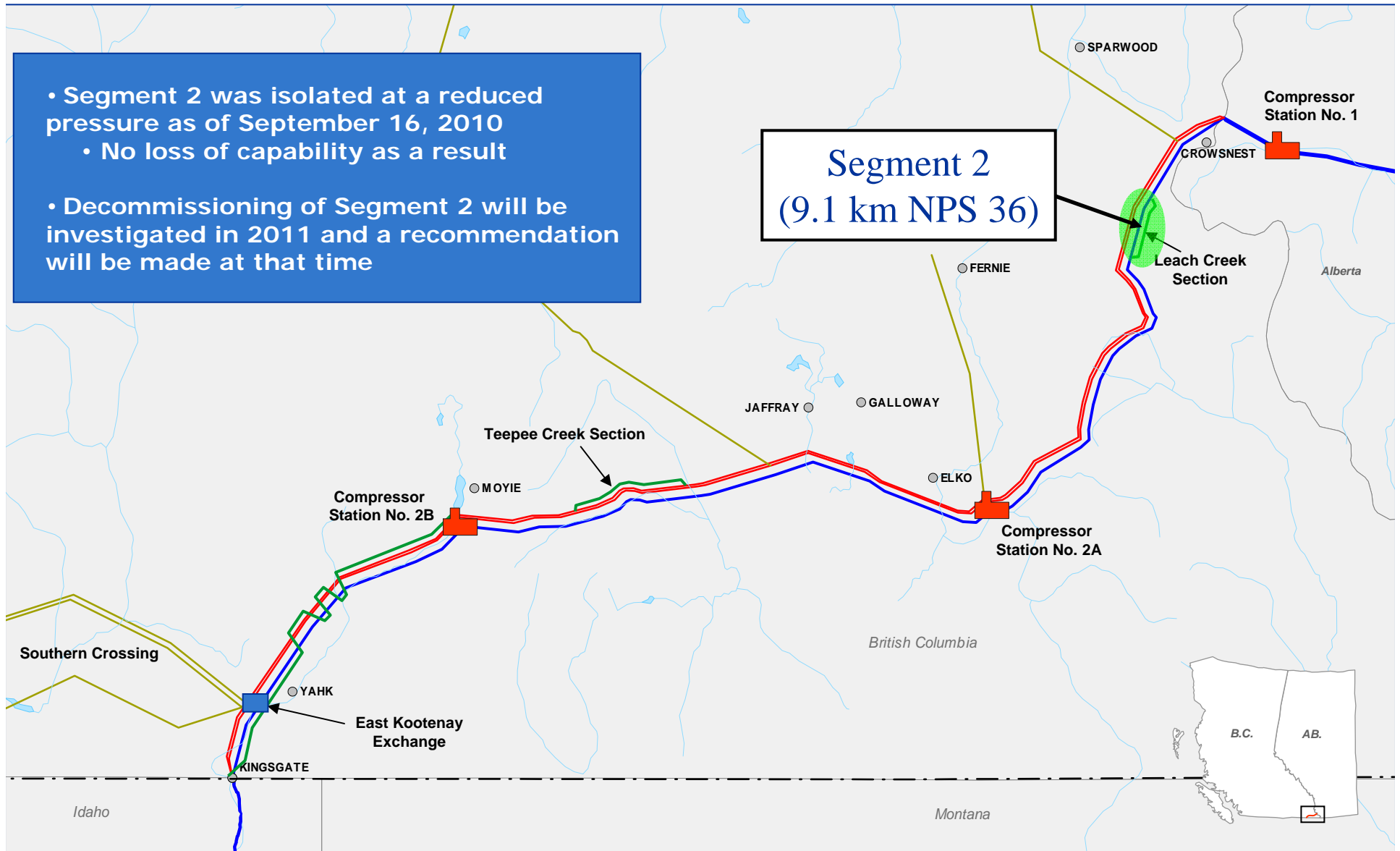


- **Foothills continues to manage the SCC and corrosion risk on the Foothills Zone 8 (BC) NPS 36 tape coated line (1981 install) using extensive in-line inspection (ILI), excavations and repairs**
  - Primary focus is Segment 2 due to corrosion & SCC concerns
    - 4 digs budgeted in 2011 on segment 2 (SCC)
    - 4 corrosion digs anticipated on ANG line
    - No complete outages anticipated, but pressure restrictions are required for excavations and repairs
  - A couple features in Segments 3 & 4 to be investigated in 2011
  - ILI of Zone 8, Segment 4 (Yahk Segment) 2011
    - Correlation digs anticipated in 2012

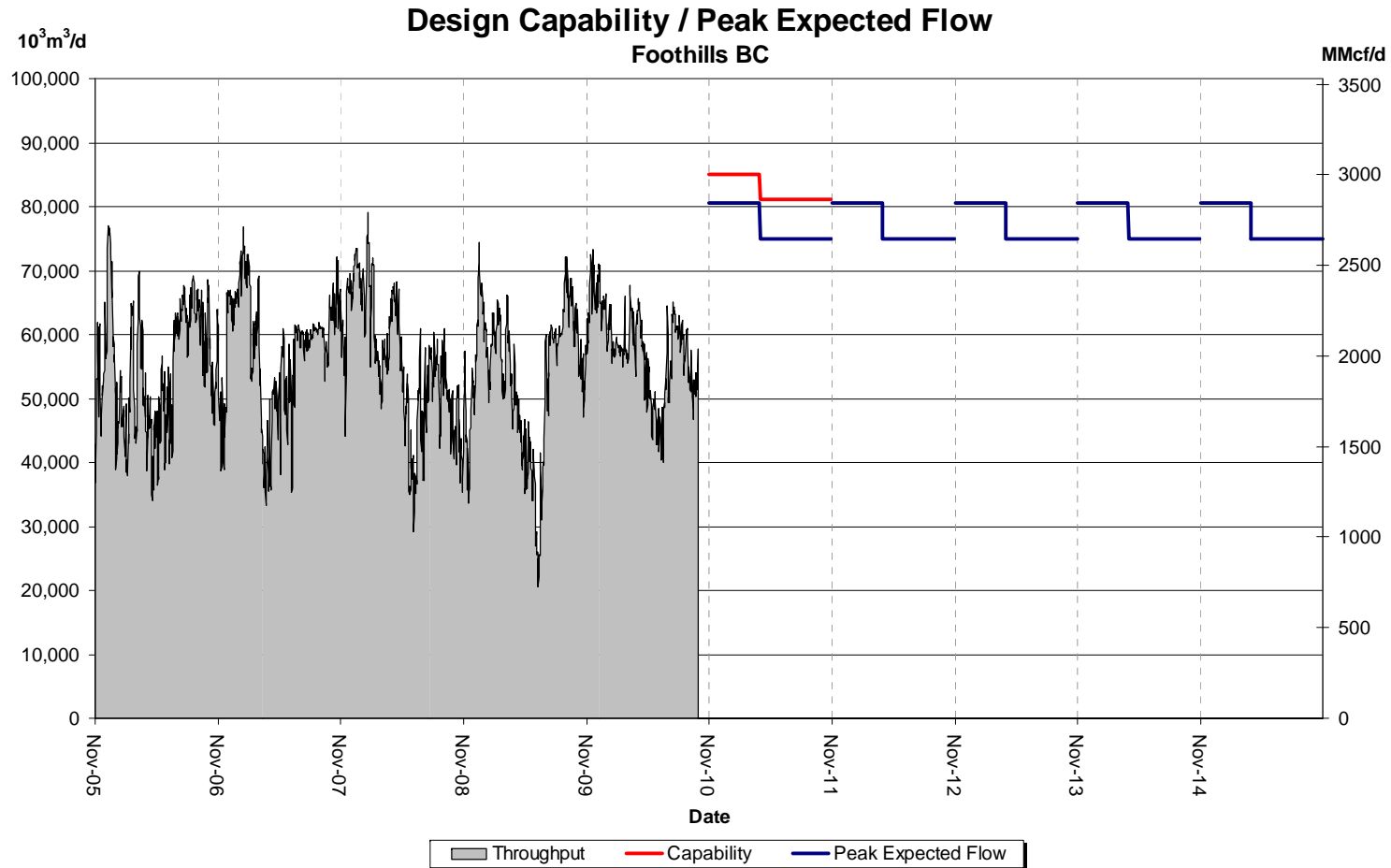
# Leach Creek Section - update



- Segment 2 was isolated at a reduced pressure as of September 16, 2010
  - No loss of capability as a result
- Decommissioning of Segment 2 will be investigated in 2011 and a recommendation will be made at that time



# Foothills Zone 8 Capability/Design Forecast



# Foothills Capacity and Availability Table



MMcf/Day	Winter 2011/11	Summer 2011	Available – beginning of each month
Foothills BC	3000	2866	400
NGTL - ABC	2658	2608	300
Foothills Sask.	2333	2172	1200
NGTL -McNeill	2358	2191	1200

<http://www.transcanada.com/customerexpress/2868.html> (BC)

<http://www.transcanada.com/customerexpress/3039.html> (SK)

<http://www.transcanada.com/customerexpress/2852.html> (AB)

# Alberta System

[www.transcanada.com/customerexpress/2852.html](http://www.transcanada.com/customerexpress/2852.html)



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## Capacity

### Alberta System

- ▶ FT-D - Daily
- ▶ FT-D - Transfers
- ▶ FT-D Existing Capacity Open Season - Unity Border
- ▶ STFT - Daily
- ▶ STFT - Winter

### Canadian Mainline System

### Foothills System

### Select a Pipeline

Select a Pipeline ▼

## Delivery Capacity

The Capabilities and Firm Requirements Table is provided to customers for information purposes and is accurate for the date published. Firm Requirements will be updated regularly, while Capabilities will be updated annually.

### 2010/2011 Capabilities and Firm Requirements Table

Area	Capabilities Published on Nov 08, 2010		Firm Requirements As of Nov 01, 2010
	Winter 2010/11 (Design) MMcf/d	Summer 2011 (Design) MMcf/d	Winter 2010/11 MMcf/d
<b>Alberta System (at 14.65 psia)</b>			
WESTERN GATE TOTAL	2,735	2,683	2,261
Alberta/BC Border (A/BC)	2,658	2,608	2,190
Alberta/Montana Border	77	76	71
EASTERN GATE TOTAL	6,298	6,918	2,334
- Empress	4,570	4,727	1,416
- McNeill	2,358	2,191	918

### Notes:

1. The Alberta System design capability in this table is determined using the design methodology described in the Annual Plan.
2. The Firm Requirements are the firm contract quantities that include FT-D, LRS and STFT.
3. For the purpose of this table, McNeill capability is established based upon the summer takeaway capability on the downstream pipeline. The remaining Eastern Gate capability is allocated to Empress.
4. Note that daily "Operational Capability" will vary from "Design Capability" based upon a number of factors, including: equipment availability, pipeline related outages such as pigging, ambient air and ground temperature variations, system linepack, flow distribution, receipt or delivery flow to connected storage locations and border delivery pressures.





## Capacity

### Alberta System

### Canadian Mainline System

### Foothills System

- ▶ FT - Daily
- ▶ STFT - Daily
- ▶ STFT - Winter
- ▶ STFT: Existing - BC

### Select a Pipeline

## Delivery Capacity - BC

The Capabilities and Firm Requirements Table is provided to customers for information purposes and is accurate for the date published. Firm Requirements will be updated regularly, while Capabilities will be updated annually.

### 2010/2011 Capabilities and Firm Requirements Table

Area	Capabilities		Firm Requirements
	Winter 2010/11 (Design) MMcf/d	Summer 2011 (Design) MMcf/d	Winter 2010/11 MMcf/d
<b>Published on Nov 08, 2010</b>			
<b>As of Nov 01, 2010</b>			
<b>Foothills - BC (at 14.73 psia)</b>			
Foothills - BC	3,000	2,866	2,010
<b>Alberta System (at 14.65 psia)</b>			
Alberta/Foothills-BC Border (A/BC)	2,658	2,608	2,190

### Notes:

1. On the Foothills-BC System, the Firm Requirements are the firm contracts that include FS-1 and STFT contract quantities.
2. On the Alberta System, the Firm Requirements are the firm contract quantities that include FT-D, LRS and STFT.
3. Note that daily "Operational Capability" will vary from "Design Capability" based upon a number of factors, including: equipment availability, pipeline related outages such as pigging, ambient air and ground temperature variations, system linepack, flow distribution, receipt or delivery flow to connected storage locations and border delivery pressures.

# Saskatchewan System

[www.transcanada.com/customerexpress/3039.html](http://www.transcanada.com/customerexpress/3039.html)



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## Capacity

[Alberta System](#)

[Canadian Mainline System](#)

**Foothills System**

- ▶ [FT - Daily](#)
- ▶ [STFT - Daily](#)
- ▶ [STFT - Winter](#)
- ▶ [STFT: Existing - BC](#)

**Select a Pipeline**

Select a Pipeline ▼

## Delivery Capacity - SK

The Capabilities and Firm Requirements Table is provided to customers for information purposes and is accurate for the date published. Firm Requirements will be updated regularly, while Capabilities will be updated annually.

### 2010/2011 Capabilities and Firm Requirements

Area	Capabilities		Firm Requirements
	Winter 2010/11 (Design) MMcf/d	Summer 2011 (Design) MMcf/d	Winter 2010/11 MMcf/d
<b>Foothills - SK (at 14.73 psia)</b>			
Foothills - SK	2,333	2,172	795
<b>Alberta System (at 14.65 psia)</b>			
McNeill	2,358	2,191	918

#### Notes:

1. For the purpose of this table, Foothills-Saskatchewan and McNeill capability is established based upon the summer takeaway capability on the downstream pipeline.
2. On the Foothills-Saskatchewan, the Firm Requirements are the firm contract quantities that include STFT.
3. On the Alberta System, the Firm Requirements are the firm contract quantities at McNeill and include FT-D, LRS and STFT.
4. Note that daily "Operational Capability" will vary from "Design Capability" based upon a number of factors, including: equipment availability, pipeline related outages such as pigging, ambient air and ground temperature variations, system linepack, flow distribution, receipt or delivery flow to connected storage locations and border delivery pressures.

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