



2015 Preliminary Rates

Foothills Shipper Meeting

October 9, 2014



For Discussion Purposes with Foothills Shippers

Introduction



- **Foothills will be filing 2015 effective rates for January 1, 2015**
- **Foothills Effective Rates are based on:**
 - 2015 forecast of contracts / throughput
 - 2015 forecast of costs

Revised - Overview of Zone 9 (SK)



- **The Revenue Requirement:**

- 2015 - \$48.8 Million (2014 Rate Filing: \$48.5 Million)
- After adjustments for (over)/under:
2015 - \$54.6 Million (2014 Rate Filing: \$46.1 Million)

- **Total Throughput:**

- 2015 – 1,602 TJ/d (2014 Rate Filing: 2,071 TJ/d)

- **Results in an FT Rate of:**

- 2015 – 9.4 ¢/GJ (2014 Rate: 6.8 ¢/GJ)

- **Abandonment Collection**

- Daily Abandonment Charge 0.36 ¢/GJ
- Monthly Abandonment Charge 11.00 ¢/GJ

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



	2014 Rate Filing	2015 Rate Filing	Difference
Cost			
O&M	6,599	8,374	1,775
Return & Depr	30,240	28,429	(1,811)
Taxes (income + Other)	11,478	11,932	454
Special Charge	140	102	(38)
	<hr/> 48,457	<hr/> 48,837	<hr/> 380
Adjustments			
Previous (Over) Under	(2,316)	5,734	8,050
Total	<hr/> 46,141	<hr/> 54,571	<hr/> 8,430
Other Revenue			
STFT	(30,313)	(39,100)	(8,787)
IT & SGS	(6,342)	(7,680)	(1,338)
Firm Rev Rqmt¹	<hr/> 9,486	<hr/> 7,791	<hr/> (1,695)

1. Totals may not add due to rounding

Zone 9 - Contracts and Throughput (TJ/d)



	2014	2015	
	Rate Filing	Rate Filing	Difference
Firm Contract Demand¹	365	305	(61)
Throughput to Services:			
Firm Volumes	349	256	(93)
STFT Volumes	1377	1133	(244)
Interruptible Volumes	346	213	(133)
Total²	2071	1602	(470)

1. Annualized contract demand quantity
2. Totals may not add due to rounding

Zone 9 2015 Rate Sensitivity – Rule of Thumb



- **A \$1 million dollar increase (decrease) in revenue requirement results in approximately a 0.17¢/GJ increase (decrease) in the FT rate**
- **A 100 TJ/d increase (decrease) in throughput results in approximately a 0.56¢ /GJ decrease (increase) in the FT rate**

Revised - Overview of Zone 8 (BC)



- **The Revenue Requirement:**

- 2015 - \$63.7 Million (2014 Rate Filing: \$64.9 Million)
- After adjustments for (over)/under:
2015 - \$57.7 Million (2014 Rate Filing: \$60.3 Million)

- **Total Firm Contract :**

- 2015 – 1,822 TJ/d (2014 Rate Filing: 1,819 TJ/d)

- **Total Throughput:**

- 2015 – 1,910 TJ/d (2014 Rate Filing: 1,920 TJ/d)

- **Results in an FT Rate of:**

- 2015 – 8.2 ¢/GJ (2014 Rate: 8.6 ¢/GJ)

- **Abandonment Collection**

- Daily Abandonment Charge 0.36 ¢/GJ
- Monthly Abandonment Charge 11.00 ¢/GJ

Revised - Zone 8 – Costs and Revenue (\$000)



	2014 Rate Filing	2015 Rate Filing	Difference
Cost			
O&M	13,765	13,995	230
Return & Depr	29,079	29,472	393
Taxes (income + Other)	21,544	19,737	(1,807)
Special Charge	530	540	10
	<hr/>	<hr/>	<hr/>
	64,917	63,744	(1,173)
Adjustments			
Previous (Over) Under	(4,611)	(6,035)	(1,424)
Total	<hr/>	<hr/>	<hr/>
	60,306	57,709	(2,597)
Other Revenue			
STFT	(2,529)	(2,299)	230
IT	(924)	(838)	86
	<hr/>	<hr/>	<hr/>
Firm Rev Rqmt¹	56,852	54,571	(2,281)

1. Totals may not add due to rounding

Zone 8 - Contract and Throughput (TJ/d)



	2014 Rate Filing	2015 Rate Filing	Difference
Firm Contract Demand¹	1,819	1,822	3
Throughput to Services:			
Firm Volumes	1,812	1,808	(4)
STFT Volumes	81	76	(5)
Interruptible Volumes	27	25	(2)
Total²	1,920	1,910	(10)

1. Annualized contract demand quantity
2. Totals may not add due to rounding

New Slide - Foothills Deferral Breakdown



Zone 9	\$'000s
2013 Deferral Carry Forward	\$ 274
Interest On Collection Variance	\$ 73
2014 Revenue Variance	\$ 7,383
2014 Cost Variance	\$ (1,996)
2015 Forecast Deferral	\$ 5,734
Zone 8	\$'000s
2013 Deferral Carry Forward	\$ 547
Interest On Collection Variance	\$ (88)
2014 Revenue Variance	\$ (5,025)
2014 Cost Variance	\$ (1,469)
2015 Forecast Deferral	\$ (6,035)

Zone 8 2015 Rate Sensitivity – Rule of Thumb



- **A \$1 million dollar increase (decrease) in revenue requirement results in approximately a 0.14¢/GJ increase (decrease) in the average FT rate**
- **A 100 TJ/d increase (decrease) in contract level results in approximately a 0.41¢ decrease (increase) in the average FT rate**

Filing Timeline



- **Presentation material will be posted on web site on October 9, 2014 by NRG Bulletin**
- **Review of 2015 preliminary rates at October 9, 2014 customer meeting.**
- **In the event of changes to the 2015 preliminary rates, Updates will be posted on the web site with email and NRG notifications:**
 - <http://www.transcanada.com/customerexpress/935.html>
- **Foothills intends to file for 2015 effective rates by the end of October.**

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