

APPLICATION

BY TRANS MOUNTAIN PIPELINE ULC

AS GENERAL PARTNER OF TRANS MOUNTAIN PIPELINE L.P.

**FOR APPROVAL OF 2014 FINAL TOLLS PURSUANT TO
2013 TO 2015 INCENTIVE TOLL SETTLEMENT**

AND

**REVIEW AND VARIANCE OF THE BOARD'S DECISION RELATED TO THE
DISPOSITION OF THE WESTRIDGE DOCK BID PREMIUMS**

2014

2014 FINAL TOLL CALCULATION SCHEDULES

TRANS MOUNTAIN PIPELINE LP
2014 Toll Calculation
Pursuant to the 2013 - 2015 Incentive Toll Settlement
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2014 Toll Calculation Pursuant to the 2013 - 2015 Incentive Toll Settlement
Schedule 1
Calculation of Revenue Requirement
(\$000)

Line	Description	Schedule & Line ref.	2013 ^[1] Approved	2013 Actual	2013 Variance	2014 Proposal
1	A. Revenues for Annual Toll Change					
2	Capital Cost Recovery	[Schedule 2, Sheet 1, line 30]	116,225	116,012	(213)	116,898
3	Income Tax Provision	[Schedule 7, line 12]	7,406	7,114	(291)	7,588
4	Fixed Costs	[Schedule 3, line 8]	49,479	49,479	na	51,361
5	Flow Through Costs	[Schedule 4, line 11]	103,432	109,284	5,852	100,897
6	Power Incentive Adjustment (Shippers' share)	[Schedule 4.1, line 11]	na	(177)	(177)	na
7	Transportation Revenue Adjustment	[Schedules 6, line 16]	na	29,373	29,373	na
8	Capacity Incentive Adjustment (Shippers' share)	[Schedules 5, line 24]	na	(7,907)	(7,907)	na
9	Summary of NRAs and Adjustments	[Schedule 8, line 15]	(6,148)	(9,378)	(3,230)	(7,726)
10	Total Revenues		270,394	293,801	23,406	269,017
11	Carrying Charges	[Schedule 9, Note 2]				(118)
12	Prior year adjustment excluding Carrying Charges	[line 10]	4,667			23,406
13	Total Annual Revenue Requirement		275,062			292,306
14	B. Adjustment required for partial year Net Tolls					
15	Revenues collected from 2013 Interim Net Tolls ^[2]		(94,984)			
16	Revenues collected from 2014 Interim Net Tolls ^[2]	[TL Schedule 3, Sheet 2, line 7]				(83,555)
17	Revenues for Partial Year Net Tolls		180,077			208,751
18	C. Average change in Revenues	[line 13: 2013 Approved ÷ 2012 of \$294,886K]	-6.7%			
		[line 13: 2014 Proposal ÷ 2013 Approved]				6.3%
19	Refund Westridge Dock Bid Premiums					
20	Separate Tariff Sur-credit	[Schedule 8.3, line 8]	(113,632)	(104,379)		(149,200)
21	Additional refund to offset Environmental Surcharge	[Schedule 8.3, line 9]	(1,014)	(1,303)		(4,319)
22	Total Separate Tariff Sur-credit	[sum (20 & 21)]	(114,646)	(105,682)		(153,519)
23	Average change in Tolls					
24	Without Westridge Dock Bid Premiums		-8.0%			15.5%
25	With Westridge Dock Bid Premiums		-20.8%			-5.0%

Note(s):

- [1] The 2014 Proposal conforms with the principles defined in the 2013 - 2015 ITS and as presented and agreed to by the parties.
- [2] Interim Toll amounts are the sum of Interim Net Tolls multiplied by deliveries identified for January through April.
- [3] ALL AMOUNTS SHOWN ON THE SCHEDULES AND APPENDICES ARE CALCULATED TO THE DOLLAR AND HAVE NOT BEEN ROUNDED WHEN PRESENTED IN THOUSANDS. AS A RESULT TOTALS MAY NOT ADD.

2014 Toll Calculation Pursuant to the 2013 - 2015 Incentive Toll Settlement
Schedule 2
Calculation of Rate Base and Return on and of Capital, and Adjustment
Sheet 1 of 2
(\$millions)

Line	Description	Capital Structure	Returns / Rates		2013 Approved	2013 Actual	2013 Variance	2014 Proposal
			2013	2014				
1	Open Plant In Service Assets				1,426.3	1,426.3	-	1,457.0
2	Open Accumulated Depreciation				(432.0)	(432.0)	-	(468.2)
3	Remove 100% of following amounts on sale of assets							
4	Remove plant in service costs				(0.6)	(0.9)	(0.3)	-
5	Remove associated accumulated depreciation				0.4	0.7	0.3	-
6	Total Open Net Plant ^[1]				994.1	994.1	0.0	988.8
7	Capital Additions, added to rate base as of							
8	1-Jan				0.9	1.2	0.2	1.8
9	31-Dec				43.1	37.6	(5.5)	50.2
10	<i>Additions without Westridge Marine Terminal</i>				42.2	38.5	(3.7)	50.3
11	<i>Westridge Marine Terminal</i>				1.8	0.2	(1.6)	1.8
12	Reportable Additions				44.0	38.7	(5.3)	52.0
13	Depreciation Expense							
14	31-Dec		^[2] 3.06%	3.06%	(44.1)	(44.0)	0.1	(44.8)
15	Reportable Depreciation Expense				(44.1)	(44.0)	0.1	(44.8)
16	Retirements				(3.0)	(7.1)	(4.1)	-
17	Net Proceeds / (Costs)				-	0.0	0.0	(0.7)
18	Close Plant In Service				1,466.7	1,457.0	(9.7)	1,509.1
19	Close Accumulated Depreciation				(472.7)	(468.2)	4.5	(512.3)
20	Total Close Net Plant				994.0	988.8	(5.2)	996.7
21	Average Plant In Service				994.5	992.0	(2.5)	993.7
22	Rate Base Impact of ADIT ^[3]				(18.9)	(18.9)	-	(18.9)
23	Average Working Capital ^[4]				12.4	13.3	0.9	12.7
24	Net Rate Base				988.0	986.5	(1.5)	987.5
25	Return on Capital							
26	Equity	45%	9.50%	9.50%	42.2	42.2	(0.1)	42.2
27	Debt	55%	5.50%	5.50%	29.9	29.8	(0.0)	29.9
28	Total Return				72.1	72.0	(0.1)	72.1
29	Depreciation Expense				44.1	44.0	(0.1)	44.8
30	Total Capital Cost Recovery				116.2	116.0		116.9
31	Capital Cost Recovery Variance						(0.2)	
32	Carrying Charges						(0.0)	

2014 Toll Calculation Pursuant to the 2013 - 2015 Incentive Toll Settlement
Schedule 2
Calculation of Rate Base and Return on and of Capital, and Adjustment
Sheet 2 of 2

Note(s):

- [1] Excluded assets include CCI in 2011 and sale of upstream feeder pipeline to Pembina in 2013 and / or other future sale of assets.
[2] Average Depreciation Rate.
[3] Negotiated Rate Base Impact of ADIT is set out on Schedule 8.2.

	2013 Approved	2013 Actual	2013 Variance	2014 Proposal
Forecast Working Capital Provision:				
Fixed & Flow Through Operating Expenses	153.1	159.1	6.0	152.9
Less Insurance	(4.1)	(3.5)	0.6	(2.9)
Plus Income Taxes Payable	5.5	5.3	(0.2)	5.7
Cash Cost of Service	<u>154.4</u>	<u>160.9</u>	<u>6.4</u>	<u>155.7</u>
Provision for Cash Requirement ^[ii]	6.3	6.6	0.3	6.4
Average Prepaid Expenses ^[iii]	1.7	2.4	0.7	2.0
Average Inventory	4.3	4.3	0.0	4.3
Average Working Capital Provision	<u>12.4</u>	<u>13.3</u>	<u>0.9</u>	<u>12.7</u>
[i] Days in year	365	365		365
[ii] Provision for Cash uses Days in year [i] times # of days set at:	15	15		15
[iii] For 2014, Average Prepaid Expenses calculated as 69% of the forecast insurance expense.				

- [5] Calculation of annual depreciation adjustment to actual booked depreciation expense for disallowed or sold plant '(\$000)

Disallowed Plant	Asset	Expense	Expense	Expense
Expansion CCI - 2010	(6,673)			
Accumulated Depreciation - 2010		2.76%	na	184
Pembina Nipisi	(943)			
Accumulated Depreciation ^[i]	703		na	-
Total Depreciation Expense Adjustment			<u>184</u>	<u>184</u>

[i] The Accumulated Depreciation is calculated up to the effective date of NEB's Approval of the Application and is adjusted on Schedule 2 line 4. On October 23 2013, NEB issued the Letter of Amendment to the Order AO-002-XO-T4-7-93 to reflect the removal of the feeder pipeline.

2014 Toll Calculation Pursuant to the 2013 - 2015 Incentive Toll Settlement

Schedule 2.1

Calculation of Rate Base and Return on and of Capital, and Adjustment

Summary of 2013 Capital Additions by Major Categories

(\$000)

Line	Description	Schedule & Line ref.	2013 Approved	2013 Actual	2013 Variance	2014 Proposal
1	A. Mainline Repair Projects ^[1]					
2	1-Jan		359	468	110	574
3	31-Dec		15,768	16,419	651	21,459
4	Total	[line 2 + line 3]	<u>16,127</u>	<u>16,887</u>	<u>760</u>	<u>22,033</u>
5	B. Facility Pipeline Projects ^[2]					
6	1-Jan		291	431	140	610
7	31-Dec		8,736	6,345	(2,391)	9,979
8	Total	[line 6 + line 7]	<u>9,027</u>	<u>6,776</u>	<u>(2,251)</u>	<u>10,589</u>
9	C. Tanks ^[3]					
10	1-Jan		219	147	(72)	612
11	31-Dec		16,196	14,172	(2,024)	16,347
12	Total	[line 10 + line 11]	<u>16,415</u>	<u>14,319</u>	<u>(2,096)</u>	<u>16,958</u>
13	D. Westridge Marine Terminal Upgrades ^[4]					
14	1-Jan		0	-	(0)	1
15	31-Dec		1,848	243	(1,605)	1,761
16	Total	[line 14 + line 15]	<u>1,849</u>	<u>243</u>	<u>(1,606)</u>	<u>1,762</u>
17	E. Others ^[5]					
18	1-Jan		64	110	47	10
19	31-Dec		531	399	(132)	681
20	Total	[line 18 + line 19]	<u>594</u>	<u>509</u>	<u>(85)</u>	<u>691</u>
21	F. Total Capital Additions					
22	1-Jan	[sum of (lines 2, 6, 10, 14 & 18)]	933	1,157	224	1,806
23	31-Dec	[sum of (lines 3, 7, 11, 15 & 19)]	43,080	37,578	(5,502)	50,228
24	Grand Total	[line 22 + line 23]	<u>44,013</u>	<u>38,734</u>	<u>(5,278)</u>	<u>52,034</u>

Note(s):

- [1] Mainline repairs, KP 150 release, natural hazard assessment/remediation, Cathodic Protection, Mainline valve replacement, and other Mainline related projects are included.
- [2] Safety improvements, pumping equipment, piping modification, arc flash mitigation, seismic upgrades, leak detection flow meters, voltage sag correction, and other facility related projects are included.
- [3] Secondary tank containment upgrades, heel reduction, tankage upgrades and other tank related projects are included.
- [4] Westridge Scraper Barrel and other Westridge Marine Terminal upgrade projects are included.
- [5] Other minor capital projects are included such as equipment replacements and minor facilities repairs that are not specifically budgeted.
- [6] Capital projects that are of material value (i.e. > \$1M) and were not included in the "Proposal" amounts will be reviewed and discussed with Shippers.

2014 Toll Calculation Pursuant to the 2013 - 2015 Incentive Toll Settlement
Schedule 3
Summary of Fixed Costs
(\$000 or units as shown)

Line	Description	Schedule & Line ref.	2013 Approved	Escalator ^[4]	2014 Fixed
1	Fixed Costs excluding Salaries and Wages (S&W) ^[1]				
2	Direct Operating and Maintenance Costs		4,852	2.0%	4,949
3	Total Fixed O&M excluding S&W		<u>4,852</u>		<u>4,949</u>
4	Salaries and Wages				
5	Salaries and Wages ^[2]		41,627	4.0%	43,292
6	Impact of Divestiture ^[3]		<u>3,000</u>		<u>3,120</u>
7	Total Salaries and Wages	[line 5 + line 6]	<u>44,627</u>		<u>46,412</u>
8	Total Fixed Operating Expenses	[line 3 + line 7]	<u><u>49,479</u></u>		<u><u>51,361</u></u>

Note(s):

- [1] Amounts shown exclude Flow Through Costs. Forecast Flow Through Costs are provided on Schedule 4.
- [2] Salaries and Wages means costs as transferred to Trans Mountain.
- [3] Impact of Kinder Morgan Energy Partners, L.P. and partners divestiture of the Express and Platte pipelines. Amount to be escalated annually by the Mercer Index.
- [4] Escalator for Direct O&M is 2% as per 2013-2015 ITS clause 9.2.
Escalator for Salaries and Wages is the annual percentage increase as published by Mercer Human Resource Consulting in the "Total Compensation Survey for the Energy Sector" (such percentage included in the report titled "Projected Salary Increases for (year), Including Zeroes"), issued no later than December of each year.

2014 Toll Calculation Pursuant to the 2013 - 2015 Incentive Toll Settlement
Schedule 4
Summary of Flow Through Costs and Adjustments
(\$000)

Line	Description	Schedule & Line ref.	2013 Approved	2013 Actual	2013 Variance	2014 Proposal
1	Flow Through Costs					
2	Power		30,844	32,179	1,335	30,263
3	Property Taxes		25,278	25,075	(204)	26,771
4	Integrity Management		20,465	23,315	2,850	23,477
5	Land and Right of Way Management		4,497	4,728	231	5,013
6	Environmental Compliance and Remediation		3,454	5,771	2,317	3,288
7	Pension Costs ^[3]		10,394	10,092	(302)	6,348
8	Insurance		4,138	3,489	(649)	2,895
9	Petroleum Loss Allowance ^[4]		2,451	2,724	274	na
10	NEB Cost Recovery ^[5]		1,912	1,912	0	2,842
11	Total Flow Through Costs		<u>103,432</u>	<u>109,284</u>	<u>5,852</u>	<u>100,897</u>
12	Carrying Charges	[If line 11<0, line 11 * rate on Sch 9]			-	

Note(s):

[1] This schedule is used to summarize the Flow Through Costs and adjustments to be included in the subsequent year's Revenue Requirement.

[2] 2013 O&M amounts include the amounts shown below. These are for information purpose only:

(i) KP 150 Release	Integrity Management	6,580	6,364	(216)	5,300
	Environmental	25	9	(16)	10
	Total	<u>6,605</u>	<u>6,373</u>	<u>(232)</u>	<u>5,310</u>
(ii) Sumas Tank 121 Release	Environmental	65	28	(37)	-
	Total	<u>65</u>	<u>28</u>	<u>(37)</u>	<u>-</u>
(iii) Kingsvale and Hope Releases	Integrity Management	-	185	185	-
	Environmental	-	2,554	2,554	2,000
	Total	<u>0</u>	<u>2,739</u>	<u>2,739</u>	<u>2,000</u>
(iv) Coquihalla Hydrotest	Integrity Management	100	2,752	2,652	-

[3] For 2013, the annual Pension Cost (as shown on line 7 above) is impacted by a corporate reorganization due to the divestiture of the Express and Platte pipelines. Trans Mountain will review annual actuarial report with Shippers and address, if any, major variances. For 2014, the Pension Cost reflects a change in the method of recording pension expense in Trans Mountain's books and records. Trans Mountain continues to examine the impact of this change and will address how to mitigate the impact, if any, with Shippers.

[4] The 2013 amount for PLA represents the net buy / sell provision for the first four (4) month of 2013. This amount is to cover the period from January 1 to April 30 or the transition period from a revenue inclusion to a % of volume reconciliation (as per the "Inventory Settlement Procedures").

[5] NEB Cost Recovery amount is known prior to filing, therefore no variance is expected.

2014 Toll Calculation Pursuant to the 2013 - 2015 Incentive Toll Settlement
Schedule 4.1
Calculation of Power Cost Incentives, Sharing and Adjustments
(\$000)

Line	Description	Schedule & Line ref.	2013 Approved	2013 Actual	2014 Proposal
1	Power Costs Related to Base Throughput				
2	Total Power Costs ^[1]		30,844	31,826	30,263
3	Add back total savings				
4	Transmission Volume	[Schedule 4.1(a) line 7]		-	
5	BC Energy Pricing	[Schedule 4.1(b) line 6]		353	
6	Deduct Shippers' share	50%			
7	Transmission Volume	[Schedule 4.1(a) line 8]		-	
8	BC Energy Pricing	[Schedule 4.1(b) line 7]		(177)	
9	Net Power Costs to flow through to Shippers		<u>30,844</u>		<u>30,263</u>
10	Net Power Costs to flow through to Shippers	[sum (lines 2 to 5)]		<u>32,179</u>	
11	Power Incentives to Shippers	[line 7 + line 8]		(177)	-
12	Carrying Charges	[If line 11<0, line 11 * rate on Sch 9]		(2)	

Note(s):

[1] The final (Actual) Power costs are included in the financial statements (Schedule 10 NEB 1) for the year. 2013 actual Power costs includes the demand reduction fee and negotiation costs shown under the two Power Incentives as well as 100% of the savings achieved.

[2] Power Cost Proof:		Shippers	TM
Total Power Costs included in tolls			30,844
Final account to Shippers	(= flow through adjustment plus Shippers' share)		1,158
Total Actual Power Costs + fees	[line 2]	31,826	
Add back Power Incentives before sharing	[line 4 + line 5]	353	
Deduct Shippers' share	[line 7 + line 8]	(177)	
Net Power Costs		<u>32,002</u>	<u>32,002</u>

2014 Toll Calculation Pursuant to the 2013 - 2015 Incentive Toll Settlement
Schedule 4.1(a)
Calculation of Power Cost Incentives, Sharing and Adjustments
Calculation of the Transmission Volume Incentive
(units in \$000 or as otherwise shown)

Line	Description	Schedule & Line ref.	Sharing	2013 Baseline	2013 Actual
1	Average billing demand (MW) ^[3&4]			113.32	121.19
2	Demand rate (\$000/MW) ^[5]			65.21	65.21
3	Total Transmission Costs ^[3]			<u>7,390</u>	<u>7,903</u>
4	Transmission savings				-
5	Demand reduction fees ^[6]				3
6	Carryover from prior years ^[7]				-
7	Total savings to share	[line 4 - (lines 5 + 6)]			<u>-</u>
8	Shippers' share		50%		-
9	Trans Mountain's share		50%		-
10	Carryover (to subsequent year) ^[8]				3

Note(s):

- [1] This incentive is expected to reduce the annual average monthly billing demand by managing power supply contracts and physical consumption, without impacting throughput. Minimum contract levels can be optimized to match physical needs of the Trans Mountain System. In addition, while there is always a pair of stations that are at maximum flow rates (reflecting current System design and bottlenecks), all other stations can be managed to ensure additional costs are not being incurred.
- [2] Variable inputs used above
Ex-Edm Throughput (m³/day) 40,297 40,297
- [3] The actual average billing demand and transmission costs are determined from the actual vendor invoices. Both components are determined as the sum of the monthly invoiced amounts for all mainline pump stations. For 2013, the period will be from May 1 to December 31. For the remainder of the Term, the period will be 12 calendar months.
- [4] The baseline average billing demand = 0.00209459*(annual Ex-Edm throughput in m³)+28.90935272 (MW). This is a best-fit line of actual billed demand and throughput for January 2010 to April 2013. On a go forward basis, the slope of the line will remain the same and an adjustment will be applied to recognize ongoing improvements in negotiated reductions to transmission costs. If actual throughput in a given year is outside of the range 43,520 m³/day to 51,740 m³/day, the parties have agreed to establish an alternative benchmark (43,520 m³/day is the 2011 actual throughput and the 51,740 m³/day is TM's hydraulic capacity at 15% heavy).
- [5] Demand rate is determined as the actual total transmission costs, before demand reduction fees and carryover from prior year, divided by the actual average billing demand.
- [6] Demand reduction fees may be incurred to obtain reductions in average monthly billing demand and may include fees charged by transmission supplier and consulting fees.
- [7] Carryover from prior years may occur when demand reduction fees are greater than transmission savings.
- [8] Total savings to share is the Savings after deducting the Demand Reduction Fees and carryovers from prior years. It is only for incentive calculation purpose.

2014 Toll Calculation Pursuant to the 2013 - 2015 Incentive Toll Settlement
Schedule 4.1(b)

Calculation of Power Cost Incentives, Sharing and Adjustments

Calculation of the BC Energy Price Incentive ^[1]

(units in \$000 or as otherwise shown)

Line	Description	Schedule & Line ref.	Sharing	2013 Baseline	2013 Actual
1	Energy Rate (\$/MWh) ^[1&2]			37.24	33.20
2	BC Energy consumption (MWh) ^[3]			102,127	102,127
3	Total BC Energy Costs ^[3]	[line 1 * line 2]		3,803	3,391
4	BC Energy Price savings				413
5	Negotiation Costs ^[4]				59
6	Total savings to share	[line 4 - line 5]			353
7	Shippers' share (\$000)		50%		177
8	Trans Mountain's share (\$000)		50%		177

Note(s):

[1] The majority of the mainline pump stations in BC obtain electric service under BC Hydro's Electric Tariff, Rate Schedule 1823. The default Energy Rate under Rate Schedule 1823 is determined under subsection (a). Trans Mountain may elect to obtain energy under an alternate rate, subsection (b), and negotiate with BC Hydro to obtain credits under the Power Smart program to purchase energy at lower prices. The driver for this incentive arises from the additional administrative management costs incurred to use Rate Schedule subsection (b) as eligibility for this rate requires annual reviews and negotiations with BC Hydro.

Where energy consumption has increased to the extent where there are no savings under Rate Schedule 1823 subsection (b), the incentive to Trans Mountain will be zero. This may occur if Trans Mountain's throughput increases substantially due to achieving incentive volumes. Should a significant throughput increase be expected, Trans Mountain may elect to purchase energy under Rate Schedule 1823 subsection (a) until a new Power Smart baseline can be negotiated for the increased throughput level.

[2] The actual Energy Rate is determined as the actual total BC Energy costs, before negotiation costs, divided by the actual Energy consumption.

[3] The Total BC Energy costs and the Energy consumption are determined from the actual vendor invoices. Both components are determined as the sum of the monthly invoiced amounts for all mainline pump stations under BC Hydro's Electric Tariff, Rate Schedule 1823. For 2013, the period will be from May 1 to December 31. For the remainder of the Term the period is expected to be 12 calendar months.

[4] Negotiation costs are the third party costs incurred to manage the BC Power Smart Program and to negotiate power credits and rate reduction.

2014 Toll Calculation Pursuant to the 2013 - 2015 Incentive Toll Settlement
Schedule 4.2

Method for Calculation of Petroleum Loss Provisions

Calculation of the Petroleum Loss Allowance Percentages [1]

(units in \$000 or as otherwise shown)

Line	Description	Comments / Units	2013	2014 Proposal	
			Approved	Year end	Adjusted %
1	A. 2013 PLAP [2]	by agreement			
2	Mainline System Crude Petroleum PLAP		0.13%		
3	Mainline System Refined Petroleum PLAP		0.09%		
4	Non Mainline System Petroleum PLAP		0.05%		
5	B. Calculation to adjust for subsequent years				
6	Balance Sheet amount at Dec. 31 amount due from Shippers (amount due to Shippers)			(6,424)	
7	Average annual price of crude	per m ³	\$	573.21	
8	Calculated volume equivalent (m ³)	m ³		(11,207)	
9	Total Deliveries	m ³		16,074,927	
10	C. Percentage Adjustment to 2013 PLAP	[line 8 ÷ line 9]			-0.07%
11	Percentage adjustment applied to each PLAP				-53.6%
12	Adjustment for 2014 PLAP				
13	Mainline System Crude Petroleum PLAP	[line 2 times (1 + line 11)]			0.06%
14	Mainline System Refined Petroleum PLAP	[line 3 times (1 + line 11)]			0.04%
15	Non Mainline System Petroleum PLAP	[line 4 times (1 + line 11)]			0.02%

Notes

[1] The new Inventory Settlement and the Refined Petroleum (RP) Reconciliation Procedures were filed as part of the 2013 - 2015 ITS Application dated March 13, 2013.

[2] Trans Mountain and Shippers have agreed to review the PLAP periodically to determine whether adjustments are required. The intent is to keep PLAP relatively stable from year to year.

2014 Toll Calculation Pursuant to the 2013 - 2015 Incentive Toll Settlement
Schedule 5
Calculation of Operational Capacity Incentive Adjustment
(units as shown)

Line	Description	Schedule	/	Sharing	2013 Update (May - Dec)
1	A. System Volumes				
2	Delivered Volume (m ³ /d) ^[1]				40,297
3	Percentage Heavy				21.2%
4	100% Hydraulic Volume (m ³ /d) ^[2]				49,631
5	Target Hydraulic Volumes w/o maintenance adjustment (m ³ /d)				46,405
6	Adjustment hours ^[3]				1,094
7	Maintenance capacity adjustment (m ³ /d)	[line 6 ÷ 24 ÷ days in a year * line 5]			8,634
8	Target System Capacity (m ³ /d)	[line 5 - line 7]			37,771
9	B. System Capacity Percentages				
10	Target Capacity (fixed for Term)				93.5%
11	Achieved Capacity	[line 2 ÷ line 4]			81.2%
12	Adjustment hours	[line 7 ÷ line 4]			17.4%
13	Achieved Capacity adjusted for maintenance	[ACAM = line 11 + line 12]			98.6%
14	C. Annualized volumes shared (m ³ /d)				2,526
15	D. Revenue Sharing Calculation				
16	Simple average toll for the period (\$/m ³)				15.8593
17	Days available for sharing				245
18	Revenues to be shared (\$000)	[line 14 * line 16 * line 17]			9,815
19	TRA Adjustment to CIA (\$000)				(0)
20	Revenues available to be shared (\$000)				<u>9,815</u>
21	Trans Mountain's share before Sharing Mitigation			50%	4,907
22	Deduct: Sharing Mitigation amount ^[4]		94%	to 98.5%	<u>3,000</u>
23	Net shared amounts (\$000)	Trans Mountain's share			<u>1,907</u>
24		Shippers' share			<u>7,907</u>
25	Carrying Charges (\$000)	[If "Refund", line 24 * rate on Sch 9]			79
26	E. Adjusted Sharing Percentage	Shippers' share			81%
27		Trans Mountain's share			19%

Notes:

[1] For incentive sharing purposes, only those volumes injected at Edmonton / Edson and delivered out of the System are used along with the associated heavy % delivered.

[2] Hydraulic Formula:

$$\text{For } x \leq 20.01\%, y = (809386115x^5 - 618225002x^4 + 163964466x^3 - 15952931x^2 - 193925x + 395343)/95\%/6.2898108$$

$$\text{For } x > 20.01\%, y = (-24844444x^6 + 62290768x^5 - 62888803x^4 + 31439150x^3 - 7464327x^2 + 480997x + 333140)/95\%/6.2898108$$

Where y = 100% hydraulic capacity, x = annual average % heavy injected at Edmonton / Edson and delivered out of the System.

[3] Adjustment hours include system shutdowns, maintenance activities, Shipper actions including but not limited to Delivery Point delays, Kamloops Excess Nominations, and/or Force Majeure, and they are reflected in the Target System Capacity.

[4] Sharing Mitigation recognizes that Trans Mountain received an incremental increase in fixed Salary and Wages (see Schedule 3). This amount will be refunded to Shippers based on the actual achieved capacity as follows:

1) if the ACAM is less than 94%, zero amount will be refunded;

2) if the ACAM is greater than 94%, \$3M will be refunded based on the following formula:

$$(\text{ACAM} - 94\%) / (98.5\% - 94\%) * \$3\text{M and up to } \$3\text{M.}$$

For 2013, the formula has been modified to reflect days available for sharing in the year.

2014 Toll Calculation Pursuant to the 2013 - 2015 Incentive Toll Settlement
Schedule 6
Calculation of Transportation Revenue Adjustment
(units as shown)

Line	Description	Schedule & Line ref.	2013 Calculation [1]	
			System Deliveries (m ³ /day)	Annual Revenues (\$000)
1	Transportation Revenue Adjustment ("TRA")			
2	A. Interim Toll Period	January to April	120 days	120 days
3	Forecast Amounts for Toll Purposes		46,704	94,984
4	Actual Amounts		47,427	95,991
5	Interim TRA		<u>724</u>	<u>1,007</u>
6	B. Final Toll Period	May to December	245 days	245 days
7	Forecast Amounts for Toll Purposes		47,119	180,077
8	Actual Amounts		42,382	159,585
9	Toll Period TRA		<u>(4,737)</u>	<u>(20,493)</u>
10	Other Adjustments			<u>(72)</u>
11	Total TRA - (Shortfall) / Surplus	[line 5 + line 9]		<u><u>(19,558)</u></u>
12	Annual TRA (\$000)			
13	TRA Surplus refundable to Shippers	[positive shown on line 11]		-
14	TRA Shortfall chargeable to Shippers	[negative shown on line 11]		19,558
15	Operational Capacity Incentive (chargeable to Shippers)			9,815
16	Net TRA to be included in the subsequent year (\$000)			<u><u>29,373</u></u>
17	Carrying Charges	[If line 16 < 0, line 16 * rate on Sch 9]		-

Note(s):

[1] Proof without carrying charges.

		Reconciliation of amounts	
		Shippers	TM
Interim Revenues collected	[line 4]	95,991	
Final Toll Revenues collected	[line 8]	159,585	
Other Adjustment	[line 10]	(72)	
Total Revenues collected		<u>255,503</u>	
Net TRA	[line 16]	29,373	
Shippers' share of CIA	[Schedule 5, line 24]	(7,907)	
Trans Mountain's share of CIA	[Schedule 5, line 23]		1,907
Total Tolloed Revenues	[Schedule 1, line 13]		<u>275,062</u>
Net revenues paid / collected		<u><u>276,969</u></u>	<u><u>276,969</u></u>

2014 Toll Calculation Pursuant to the 2013 - 2015 Incentive Toll Settlement
Schedule 7
Calculation of Income Tax Provision and Adjustment
(\$000)

Line	Description	Schedule & Line ref.	2013 Approved	2013 Actual	2013 Variance	2014 Proposal
1	Forecast Provision for Income Taxes Payable					
2	Return on Equity					
3	2013 Base System / 2014 Rate Base	[Schedule 2, line 26]	<u>42,237</u>	<u>42,171</u>	<u>(66)</u>	<u>42,217</u>
4	Total Return on Equity		<u>42,237</u>	<u>42,171</u>	<u>(66)</u>	<u>42,217</u>
5	Permanent & Timing Differences					
6	Capital Cost Allowance ^[1]		(58,012)	(57,810)	202	(56,477)
7	Depreciation		44,101	44,000	(101)	44,809
8	Cost of Retirements & other differences		(288)	(229)	59	(688)
9	Capitalized Interest AFUDC		<u>(6,287)</u>	<u>(7,237)</u>	<u>(950)</u>	<u>(7,576)</u>
10	Tax Base		<u>21,751</u>	<u>20,895</u>	<u>(856)</u>	<u>22,285</u>
11	Income Tax Provision ^[2]	[line 9 * tax rate / (1 - tax rate)]	<u>7,406</u>	<u>7,114</u>	<u>(291)</u>	<u>7,588</u>
12	Income Tax Provision		<u>7,406</u>	<u>7,114</u>	<u>(291)</u>	<u>7,588</u>
13	Carrying Charges	[If line 11<0, line 11 * rate on Sch 9]			(3)	

Note(s):

- [1] CCA forecast is provided on Schedule 7.1. 2013 Actuals do not reflect July 1 tax filing review.
- [2] Forecast income tax rates (combined Federal and Provincial). 25.4% 25.4% 25.4%
- [3] Taxes Payable used in Working Capital Calculation. 5,525 5,307 5,660

2014 Toll Calculation Pursuant to the 2013 - 2015 Incentive Toll Settlement

Schedule 7.1

CCA for the Rate Base: (i) 2013 Base System; and (ii) Forecast for 2014 Total System

(\$ as shown)

Year	Description	CEC 7%	Class 1 4%	Class 2 6%	Class 3 5%	Class 6 10%	Class 7 15%	Class 8 20%	Class 10 30%	Class 17 8%	Class 49 8%	Class 50 55%	TOTAL
UCC rebased and reset for 2013 for Total System													
2012	UCC at Dec. 31	3,196,518	132,903,007	7,133,786	2,601,701	57,535,275	19,279,663	34,014,326	434,513	6,078,397	427,247,388	8,397	690,432,971
	Remove CCI ^[2]										(4,589,338)		(4,589,338)
2012	Adjusted UCC	3,196,518	132,903,007	7,133,786	2,601,701	57,535,275	19,279,663	34,014,326	434,513	6,078,397	422,658,049	8,397	685,843,633
2013	Additions ^[1]	0	4,656,053	0	0	15,070,882	248,827	3,783,686	48,986	0	14,472,830	0	38,281,263
2013	Costs & Proceeds		(32,903)								19,200		(13,703)
		3,196,518	137,526,156	7,133,786	2,601,701	72,606,156	19,528,490	37,798,012	483,498	6,078,397	437,150,080	8,397	724,111,193
CCA	Open UCC	223,756	5,316,120	428,027	130,085	5,753,527	2,891,949	6,802,865	130,354	486,272	33,812,644	4,619	55,980,219
	Net Additions		92,463	-	-	753,544	18,662	378,369	7,348	-	579,681	-	1,830,067
2013	Total CCA	223,756	5,408,583	428,027	130,085	6,507,072	2,910,611	7,181,234	137,702	486,272	34,392,325	4,619	57,810,286
2013	UCC at Dec. 31	2,972,762	132,117,573	6,705,759	2,471,616	66,099,085	16,617,878	30,616,778	345,797	5,592,126	402,757,754	3,779	666,300,907
2014	Additions		6,254,736			20,245,561	334,263	5,082,838	65,805		19,442,164		51,425,367
2014	Costs & Proceeds		-										-
		2,972,762	138,372,309	6,705,759	2,471,616	86,344,645	16,952,141	35,699,616	411,602	5,592,126	422,199,919	3,779	717,726,274
CCA	Open UCC	208,093	5,284,703	402,346	123,581	6,609,908	2,492,682	6,123,356	103,739	447,370	32,220,620	2,078	54,018,476
	Net Additions		125,095	-	-	1,012,278	25,070	508,284	9,871	-	777,687	-	2,458,284
2014	Total CCA	208,093	5,409,798	402,346	123,581	7,622,187	2,517,751	6,631,639	113,610	447,370	32,998,307	2,078	56,476,760
2014	UCC at Dec. 31	2,764,668	132,962,512	6,303,414	2,348,035	78,722,459	14,434,390	29,067,977	297,992	5,144,756	389,201,612	1,700	661,249,515

Note(s):

[1] Additions exclude AFUDC amounts.

[2] By agreement of the parties, a portion of the disallowed Expansion is removed from Rate Base. This amount represents the net UCC as of Dec 31, 2012.

2014 Toll Calculation Pursuant to the 2013 - 2015 Incentive Toll Settlement
 Schedule 8
 Summary of Non-Routine Adjustments
 (\$000)

Line	Description	Schedule & Line ref.	2013 Approved	2013 Actual	2013 Variance	2014 Proposal
1	Section 1: Non-Routine Adjustments					
2	Costs for NEB mandated regulatory changes (e.g. LMCI, OPR)		150	216	66	320
3	Costs for the Verification Procedures ^[1]			78	78	100
4	DRA Pilot Project		-	-	-	252
5	Total Section 1		<u>150</u>	<u>294</u>	<u>144</u>	<u>672</u>
6	Section 2: Amounts agreed to by Shippers or approved by NEB					
7	NRA for Edmonton Terminalling Revenues [Schedule 8.1]		-	(1,338)	(1,338)	(2,100)
8	Non-Performance Damage Assessment and / or Demurrage		-	(12)	(12)	-
9	Alternate Delivery Point Fees		-	(2,024)	(2,024)	-
10	Refund of the ADIT		(6,298)	(6,298)	-	(6,298)
11	Total Section 2		<u>(6,298)</u>	<u>(9,672)</u>	<u>(3,374)</u>	<u>(8,398)</u>
12	Section 3: Summary of Revenue Adjustments					
13	Total Section 1		150	294	144	672
14	Total Section 2		(6,298)	(9,672)	(3,374)	(8,398)
15	Total NRAs and NRA Variances to be included in subsequent year's tolls		<u>(6,148)</u>	<u>(9,378)</u>	<u>(3,230)</u>	<u>(7,726)</u>
16	Carrying Charges				(32)	
17	Section 4: Westridge Dock Bid Premium Refund [Schedule 8.3]					
18	Refund to Mainline Shippers		(110,747)	(104,379)		(144,147)
19	Refund-additions to Kamloops & Westridge Shippers		(2,885)			(5,053)
20	Refund to offset Environmental Surcharge for Mainline Shippers		(1,014)	(1,303)		(4,319)
21	Total Refund		<u>(114,646)</u>	<u>(105,682)</u>	<u>8,964</u>	<u>(153,519)</u>

Note(s):

- [1] In the NEB MH-002-2012 Decision, the Board directed Trans Mountain to revise its nomination or capacity allocation procedures to address the apportionment issue on the Pipeline.

2014 Toll Calculation Pursuant to the 2013 - 2015 Incentive Toll Settlement
Schedule 8.1
Summary of Non-Routine Adjustments
Calculation of the NRA for the Edmonton Terminalling Revenues
(\$000)

Line	Description	Days	2013				2014	
			Approved	Share	Actual	Variance	Proposal	Share
1	A. Revenue Sharing							
2	<u>Actual / Forecast Revenues collected</u>							
3	Pre ETE volume deliveries		-		2,482	2,482	na	
4	Post ETE volume deliveries		-		194	194	3,500	
5	Revenues available for sharing		-		2,676	2,676	3,500	
6	B. Revenue Returned to Shippers ^[2]							
7	<u>i) Pre start up & delivery of ETE volumes:</u>							
8	Shippers' share	334	-	50%	1,241	1,241		
9	<u>ii) Post start up & delivery of ETE volumes:</u>							
10	Shippers' share	31	-	50%	97	97	2,100	60%
11	Total Shippers' share	365	-		1,338	1,338	2,100	
12	C. Refund amount				(1,338)	(1,338)	(2,100)	
13	Impact on Revenue Requirement					(1,338)	(2,100)	

Note(s):

[1] Edmonton Terminal Revenue sharing as defined in Section 13 of the 2013 - 2015 ITS.

[2] The sharing percentage for the post Edmonton Terminal Expansion volumes in the 2013-2015 ITS is determined when, the collected revenues are:

	Share %	2013	2014
(i) less than or equal to \$3M, Shippers will be refunded with 50% of the revenue.	50%	1	0
(ii) between \$3M and \$5M (including \$5M), Shippers will be refunded with 60% of the revenue.	60%	0	1
(iii) between \$5M and \$7.5M (including \$7.5M), Shippers will be refunded with 70% of the revenue.	70%	0	0
(iv) greater than \$7.5 M, Shippers will be refunded with 75% of the revenue.	75%	0	0

2014 Toll Calculation Pursuant to the 2013 - 2015 Incentive Toll Settlement
Schedule 8.2

Summary of Non-Routine Adjustments
Accumulated Deferred Income Tax Balance and Refund
(\$000)

Background

- A Between 1994 and 2009, Trans Mountain held an Accumulated Deferred Income Tax (ADIT) balance of \$23.6M on its Balance Sheet.
- B The ADIT balance arose during years when the provision for income taxes was calculated on a normalized basis and is the result of the normalized income tax provision recovered in tolls exceeding the actual income taxes payable. During these years, there was an expectation that such differences would be offset in future years when actual income taxes payable exceeded the income tax provision collected in tolls.
- C In 1994, the NEB determined that pipelines should move from this method to the flow through income tax method. The move from normalized to flow through would then match the income taxes paid with the income tax provision collected in tolls. As part of Trans Mountain's 1993 / 1994 rate hearing, the cumulative balance (up to 1992) was frozen. At that time, the NEB made no provision for drawdown or amortization of the ADIT back to the cost of service.
- D In subsequent decisions (for other pipelines), the NEB determined and confirmed that amortization of existing balances of the ADIT back to shippers is considered to be tied to the time when book depreciation starts to exceed tax depreciation after which the amount would be refunded over a period of time to minimize the increase in the income tax provision included in tolls. The NEB has also approved (for other companies) refunding their existing balances prior to cross over, if agreed to by Shippers and the pipeline.
- E In 2010, it was agreed between Trans Mountain and Shippers that 20% of the ADIT balance would be refunded to Shippers in the 2010 tolls.
- F For 2011 and 2012, the parties agreed that no portion of the ADIT was refunded to Shippers in tolls.
- G For 2013 to 2015, it was agreed that 1/3 of the ADIT balance would be refunded to Shippers annually in the tolls and that the Rate Base impact will be fixed for the Term, as may be extended by mutual agreement of the parties.

Line	Description	2013 Approved	2013 Actual	2013 Variance	2014 Approved
1	Opening Balance	(18,894)	(18,894)	-	(12,596)
2	Amortization	6,298	6,298	0	6,298
3	Closing Balance	<u>(12,596)</u>	<u>(12,596)</u>	<u>0</u>	<u>(6,298)</u>
4	Rate Base Amount fixed for Term	<u>(18,894)</u>	<u>(18,894)</u>	<u>-</u>	<u>(18,894)</u>

2014 Toll Calculation Pursuant to the 2013 - 2015 Incentive Toll Settlement
Schedule 8.3

Summary of Non-Routine Adjustments
Westridge Dock Bid Premium Refunds
(\$000)

Line	Description	Amount Collected	2013 Approved	2013 Actual	2014 Proposal
A. 2011 & 2012 Collection:					
1	Remaining 2011 Amount Collected	182,296			
2	2012 Amount Collected	<u>169,747</u>			
3	Total Collection as of Dec 31 2012	<u>352,043</u>			
4	Carrying Charges as of Dec 31 2012	<u>2,961</u>			
5	Total to be refunded as of Jan 1 2013	<u>355,004</u>			
6	Total to be refunded as of Jan 1 2014				<u>383,864</u>
B. Disposition:					
8	Refund Amount - Part A		(113,632)	(104,379)	(149,200)
9	Refund Amount - Part B - Offset to Environmental Surcharge for Ex-Edm ML		<u>(1,014)</u>	<u>(1,303)</u>	<u>(4,319)</u>
10	Total Refund		<u>(114,646)</u>	<u>(105,682)</u>	<u>(153,519)</u>
C. Total net balance					
12	2011 & 2012 net balance			249,321	
13	Carrying Charges for 2011&2012 collected			3,082	
14	2013 Collection			130,806	
15	Carrying Charges for 2013 collected			<u>654</u>	
16	Total net balance for future year refund			<u>383,864</u>	<u>230,346</u>

Note(s):

[1] For 2013, the applicable carrying charges on the outstanding balance of the 2011, 2012 & 2013 Westridge Dock Bid Premiums

Month	Monthly Rate	Balance Outstanding (Beginning of month)	2013 Refunds	Carrying Charges	Balance Outstanding (End of month)
January	1.00%	355,004	(8,564)	296	346,735
February	1.00%	346,735	(8,149)	289	338,875
March	1.00%	338,875	(8,804)	282	330,354
April	1.00%	330,354	(8,555)	275	322,073
May	1.00%	322,073	(10,563)	268	311,779
June	1.00%	311,779	(8,644)	260	303,395
July	1.00%	303,395	(8,616)	253	295,031
August	1.00%	295,031	(8,991)	246	286,286
Sept	1.00%	286,286	(8,567)	239	277,957
Oct	1.00%	277,957	(8,484)	232	269,705
November	1.00%	269,705	(8,396)	225	261,533
December	1.00%	261,533	<u>(9,348)</u>	<u>218</u>	<u>252,404</u>
As of Dec 31			<u>(105,682)</u>	<u>3,082</u>	
2013 Collected Amount					130,806
Carrying Charges on 2013 Collected					<u>654</u>
2013 Ending Balance					<u>383,864</u>

2014 Toll Calculation Pursuant to the 2013 - 2015 Incentive Toll Settlement
Schedule 9
Calculation of 2013 Carrying Charge Rate and the Estimated 2014 Carrying Charge Rate
(units as shown)

Line	Month	2013 Actual		2014 Proposal	
		Monthly Rate	Days	Monthly Rate	Days
1	January	1.00%	31	1.00%	31
2	February	1.00%	28	1.00%	28
3	March	1.00%	31	1.00%	31
4	April	1.00%	30	1.00%	30
5	May	1.00%	31	1.00%	31
6	June	1.00%	30	1.00%	30
7	July	1.00%	31	1.00%	31
8	August	1.00%	31	1.00%	31
9	September	1.00%	30	1.00%	30
10	October	1.00%	31	1.00%	31
11	November	1.00%	30	1.00%	30
12	December	1.00%	31	1.00%	31
13	Average rate		<u>1.00%</u>		<u>1.00%</u>

Note(s):

- [1] The 2013 Carrying Charge rate is the average of the monthly Trans Mountain overnight bank rate (TD prime minus 2%, or as may be changed from time to time), and are applied to any amounts owed to Shippers.
- [2] Summary of 2013 Carrying Charges (\$000)

Description	Schedule & Line ref.	2013 Amount
Return on and of Capital Adjustment	[Schedule 2, line 32]	(2)
Flow Through Cost Adjustment	[Schedule 4, line 12]	-
Power Incentive Adjustments (Shippers' share)	[Schedule 4.1, line 12]	(2)
Capacity Incentive Adjustment (Shippers' share)	[Schedule 5, line 25]	(79)
Transportation Revenue Adjustment	[Schedule 6, line 17]	-
Income Tax Adjustment	[Schedule 7, line 13]	(3)
NRA Adjustments	[Schedule 8, line 16]	(32)
Total		<u>(118)</u>

2014 Toll Calculation Pursuant to the 2013 - 2015 Incentive Toll Settlement
Schedule 10 NEB 1
NEB Compliance Reporting
Income Statement
(\$000) unless otherwise indicated

(For 12 Months Ended December 31, 2013)

Line	Particulars	NEB Accounts	Annual Actuals	Filed Forecast	Variance Col.
1	(a)	(b)	(c)	(d)	(c) - (d)
2	Revenues				
3	Transportation Revenue	501	255,503	275,062	(19,558)
4	Terminalling Revenues	556	2,676	2,510	166
5	Prior Year Adjustments	501	(4,667)	(4,667)	-
6	Current Year Adjustments	501	23,288	(1,255)	24,543
7	Other Revenue	554	2,036	-	2,036
8	Total Revenue		278,837	271,650	7,187
9	Operating Expenses				
10	Allocations from KMC ^[1]	710-01, 720-01, 730-01	54,719	55,020	(302)
11	Fuel & Power	720-02	32,179	30,844	1,335
12	Other Operating & Maintenance	710, 720, 730	45,172	40,006	5,166
13	Depreciation & Amortization	414, 423	44,000	44,101	(101)
14	Income Taxes	413	(524)	7,029	(7,554)
15	Taxes Other than Income	730-16	25,075	25,278	(204)
16	NEB Cost Recovery	730	1,912	1,912	0
17	Total Operating Expenses		202,533	204,192	(1,659)
18	Operating Income		76,304	67,458	8,846
19	Less:				
20	Financial Charges deemed at 55% of Rate Base ^[4]	417	35,923	29,887	6,036
21	Preferred Share Dividends		na	na	
22	Equity Return		40,381	37,571	2,810
23	Rate of Return on Rate Base		7.71%	6.83%	
24	Rate of Return on Common Equity		9.07%	8.29%	

Note(s):

- [1] Staff costs are allocated to Trans Mountain from Kinder Morgan Canada Inc.
- [2] Annual Actuals include all amounts as booked Dec. 31, of each year plus required adjustments to reflect amounts as calculated in this filing.
- [3] Includes all revenues earned on regulated assets.
- [4] Financing Fees averaged 6.6% for 2013.

2014 Toll Calculation Pursuant to the 2013 - 2015 Incentive Toll Settlement
Schedule 10 NEB 2
NEB Compliance Reporting
Average Rate Base
(\$000) unless otherwise indicated

(For 12 Months Ended December 31, 2013)

Line	Particulars	Annual Actual
1	(a)	(b)
2	Plant in Service	
3	Net Plant	992,034
4	Total Plant	<u>992,034</u>
5	Working Capital	
6	Cash	6,611
7	Materials and Supplies	4,302
8	Transmission Line Pack	<i>na</i>
9	Prepayments and Deposits	2,412
10	Other (please specify)	-
11	Total Working Capital	<u>13,325</u>
12	Deferrals	
13	Deferred Income Taxes	(15,745)
14	Total Deferrals	<u>(15,745)</u>
15	Total Average Rate Base	<u><u>989,615</u></u>

Note(s):

[1] Actual Rate Base includes :

- (i) all capital spending which equals Total Rate Base. The averaging is based on simple half-year average for the Base System Rate Base.
- (ii) all capital spending related to the expansions, i.e. includes the disallowed capital pursuant to the calculation of the CCI; and
- (iii) all capital invested in other regulated assets.

2014 Toll Calculation Pursuant to the 2013 - 2015 Incentive Toll Settlement
Schedule 10 NEB 3
NEB Compliance Reporting
Throughput Details
Deliveries (m³ / d)

(For 12 Months Ended December 31, 2013)

Line	Particulars	Annual Actuals	Toll Forecast	Variance Forecast
1	(a)	(b)	(c)	(d)
2	Edmonton Kamloops	1,937	1,868	69
3	Total Kamloops Deliveries	<u>1,937</u>	<u>1,868</u>	<u>69</u>
4	Edmonton Sumas	20,452	21,628	(1,177)
5	Kamloops Sumas	968	746	221
6	Total Sumas Deliveries	<u>21,419</u>	<u>22,375</u>	<u>(955)</u>
7	Edmonton Burnaby	10,319	11,015	(696)
8	Kamloops Burnaby	1,145	1,250	(106)
9	Total Burnaby Deliveries	<u>11,464</u>	<u>12,265</u>	<u>(801)</u>
10	Edmonton Westridge	9,221	10,475	(1,254)
11	Kamloops Westridge	-	-	-
12	Total Westridge Deliveries	<u>9,221</u>	<u>10,475</u>	<u>(1,254)</u>
13	Total System (Volumes recorded as delivered)	<u><u>44,041</u></u>	<u><u>46,983</u></u>	<u><u>(2,942)</u></u>

Supporting Schedules and Toll Calculations Pursuant to the 2013 - 2015 Incentive Toll Settlement

Schedule 10 NEB 4

NEB Compliance Reporting

Firm Service Report pursuant to Board Order RH-2-2011

(\$000) unless otherwise indicated

(For 12 Months Ended December 31, 2013)

Line		Jan-13	Feb-13	Mar-13	Apr-13	May-13	Jun-13	Jul-13	Aug-13	Sep-13	Oct-13	Nov-13	Dec-13	Grand Total
1	A. Project Spending Details													
2	Edmonton Term Expansion													
	In-service month													
	May-14													
3	Build 1 Regulated Tank													
	Capital Spending	2,431	2,199	2,431	1,322	1,503	654	1,020	-	-	-	-	-	31,300
4		(2,431)	(2,199)	(2,431)	(1,322)	(1,503)	(654)	(1,020)	-	-	-	-	-	(31,300)
	FS Funds applied													
5	TM Expansion Project													
	In-service month													
	Dec-15													
6	Development costs	4,119	5,715	4,139	5,656	10,815	8,761	7,257	9,818	7,574	7,657	7,099	5,652	113,749
7		-	-	-	(1,029)	(927)	(1,698)	(879)	(2,265)	(1,847)	(2,090)	(1,821)	(2,119)	(21,709)
	Net FS Funds applied													
8	Prior month AFUDC / Interest	150	168	184	231	253	324	358	411	461	483	537	554	
9	Net Monthly Balances before Carrying Charges	4,270	5,882	4,323	4,857	10,141	7,387	6,735	7,965	6,187	6,050	5,815	4,086	92,041
	AFUDC/Interest													
10	Net Balance before current month AFUDC / Interest	27,025	32,907	37,231	42,088	52,228	59,616	66,351	74,316	80,503	86,552	92,367	96,453	
11	Monthly Carrying Charge Calculation	168	184	231	253	324	358	411	461	483	537	554	598	5,011
	AFUDC/Interest													
12	Closing Net Monthly Balances	27,193	33,092	37,461	42,340	52,552	59,973	66,762	74,776	80,986	87,089	92,921	97,051	97,051
13	B. Firm Service - Special Deposit Account Details													
14	Step 1: Assign Firm Service Fees to ETE Regulated Tank													
15	Monthly Firm Service Fees received	(2,431)	(2,199)	(2,431)	(2,352)	(2,430)	(2,352)	(1,899)	(2,265)	(1,847)	(2,090)	(1,821)	(2,119)	(53,009)
16	Less Spending on	2,431	2,199	2,431	1,322	1,503	654	1,020	-	-	-	-	-	31,300
	ETE - Build 1 Tank													
17	Remaining after ETE assignment of FS Funds	-	-	-	(1,029)	(927)	(1,698)	(879)	(2,265)	(1,847)	(2,090)	(1,821)	(2,119)	(21,709)
18	Step2: Reconciliation of Special Deposit Account for Firm Service Fees													
19	Cumulative Firm Service Fees available	(29,204)	(31,403)	(33,833)	(36,185)	(38,615)	(40,967)	(42,866)	(45,131)	(46,978)	(49,069)	(50,889)	(53,009)	(53,009)
20	Cumulative Capital Spending (all Eligible Projects)	55,779	63,692	70,262	77,240	89,558	98,973	107,250	117,068	124,642	132,299	139,398	145,049	145,049
21	Net Balance w/o AFUDC / Interest	26,575	32,290	36,429	41,055	50,943	58,006	64,384	71,937	77,663	83,230	88,508	92,041	92,041
22	Cumulative prior months AFUDC / Interest	450	618	802	1,033	1,285	1,609	1,967	2,378	2,839	3,322	3,859	4,413	
23	Net Balance before current month AFUDC / Interest	27,025	32,907	37,231	42,088	52,228	59,616	66,351	74,316	80,503	86,552	92,367	96,453	
24	Monthly Carrying Charge Calculation	168	184	231	253	324	358	411	461	483	537	554	598	5,011
	AFUDC/Interest													
25	Closing Net Monthly Balances	27,193	33,092	37,461	42,340	52,552	59,973	66,762	74,776	80,986	87,089	92,921	97,051	97,051
26	C. Carrying Costs Details													
27	Bank Interest (-ve balances on Line 24)	-	-	-	-	-	-	-	-	-	-	-	-	(5)
28	AFUDC (+ve balances on Line 24)	168	184	231	253	324	358	411	461	483	537	554	598	5,016
29	Monthly AFUDC / Bank Interest	168	184	231	253	324	358	411	461	483	537	554	598	5,011

Notes:

[1] "Carrying Charges" means AFUDC or Bank Interest for a given month, when applicable.

[2] AFUDC and AFUDC Rates:

To the extent that cumulative Eligible Project spending does not exceed available funds, no AFUDC is charged.

To the extent that cumulative Eligible Project spending exceeds available funds, AFUDC is charged. Such AFUDC is assigned to Eligible Projects based on priority of funds used (i.e. ETE Regulated tank uses funds first (therefore no AFUDC is assigned) and then TMEP development costs).

2013 AFUDC rate	Equity	ROE	9.5%	times	structure	45%	equals	4.28%
	Debt	Rate	5.5%	times	structure	55%	equals	3.03%
	Combined AFUDC rate							<u>7.30%</u>

[3] Bank Interest means the net percentage interest paid by the bank for this account (interest earned net of bank fees) when there are available funds to earn interest.

2013 Monthly rate	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	
Days in Month	31	28	31	30	31	30	31	31	30	31	30	31	31	365

2014 Toll Calculation Pursuant to the 2013 - 2015 Incentive Toll Settlement

TL Schedule 1

Explanatory Notes for the Toll Design and Calculations

The basic design of Trans Mountain's tolls evolved over many years and resulted in five primary categories of service: Terminalling, Tankage, Mainline, Commodity and Other. The current tolls embody the toll design principles established in 1995 and 2009 where all volumes are subject to the same fee for the same service and represent a user-pay and cost-based allocation methodology.

As Trans Mountain's Revenue Requirement is expected to be recovered from the approved tolls each year, the division of the Revenue Requirement into a specific set of service fees that comprise the individual tolls ensures that the principles of the toll design are met. Within the Trans Mountain's toll design, Receipt and Delivery Tankage and Terminalling are unbundled into individual direct and indirect use service fees at each location (Edmonton, Kamloops, Sumas, and Burnaby) and different material types are assessed different toll design fees to recognize their impacts during transportation.

a. Direct Use

The fee for this service includes 100% of the cost of the asset (e.g. meters, manifolds, blending/boosters, and tanks) and any structures or improvements that support or house these assets plus an allocation of common assets (land, roads, support services, etc.) less any forecast indirect usage fees.

b. Indirect Use

To the extent that the indirect use of an asset pushes costs onto direct users, an indirect fee is applied. For example, the Indirect Use tank fee is a percentage of the applicable Direct Use fee based on the impact that an average outage for an average batch or batch train would impose on other pipeline shippers if the batch or batch train was delayed or cancelled. This estimate is 1 days' notice for a change or delay in the 6 day batch cycle or 5 days in an average month (30.5 days) which is approximately 15% of the Direct Use fee. The Indirect Use fee is applied whenever the Direct Use fee is not applied.

By subdividing the services, allocating costs and applying direct/indirect fees at each location, the tankage and terminalling credits used prior to 2009 were no longer required.

The primary categories of service are subdivided as follows:

a. Receipt Terminalling:

- i. Inlet piping and metering (direct/indirect);
- ii. Manifold transfer into receipt tanks (direct/indirect);
- iii. Manifold transfer and blending out of the receipt tanks (direct/indirect); and
- iv. Transfer to mainline through outbound boosters and metering (direct/indirect)

b. Receipt Tankage:

- i. Direct use; and
- ii. Indirect use.

c. Delivery Tankage

- i. Direct use; and
- ii. Indirect use.

d. Delivery Terminalling

- i. Pumps and manifold in/out
- ii. Meters (direct/indirect)

e. Mainline Transportation Fees

- i. Transportation from Receipt to Delivery locations
- ii. Commodity surcharges/surcredit

f. Other

- i. Administrative or Special Service Fees
- ii. Westridge Marine Terminal Loading Charge
- iii. Westridge Dock Bid Premium Refund surcredit
- iv. Edmonton Terminal Environmental surcharge

The pipeline tolls ("Net Tolls") are composed of all the fees for Receipt and Delivery Terminalling, Receipt and Delivery Tankage, Mainline transportation and other special service fees or charges as appropriate for the different levels of service provided from/to the various receipt and Delivery locations. Edmonton and Kamloops are receipt locations and Kamloops, Sumas and Burnaby are Delivery locations. The Carrier also provides Terminalling service at Edmonton for volumes not entering the mainline. The toll design and the application of other fees recognize the nature of the volumes transported through the mainline and for volumes not entering mainline.

TL Schedule 1
Explanatory Notes for the Toll Design and Calculations

The following table summarizes the types of assets installed and used within the Toll Design service fees.

Location	Meters	Manifold	Blending and/or Booster	Tank
Edmonton Terminal (Receipt)	✓	✓	✓	✓
Kamloops (Receipt)	✓		✓	✓
Kamloops (Delivery)	✓	✓	✓	
Sumas (Delivery)		✓	✓	✓
Burnaby Terminal and Westridge Marine Terminal (Delivery)	✓	✓	✓	✓

Tankage, Terminalling, and Westridge Marine Terminal Fees

Edmonton fees (receipt location):

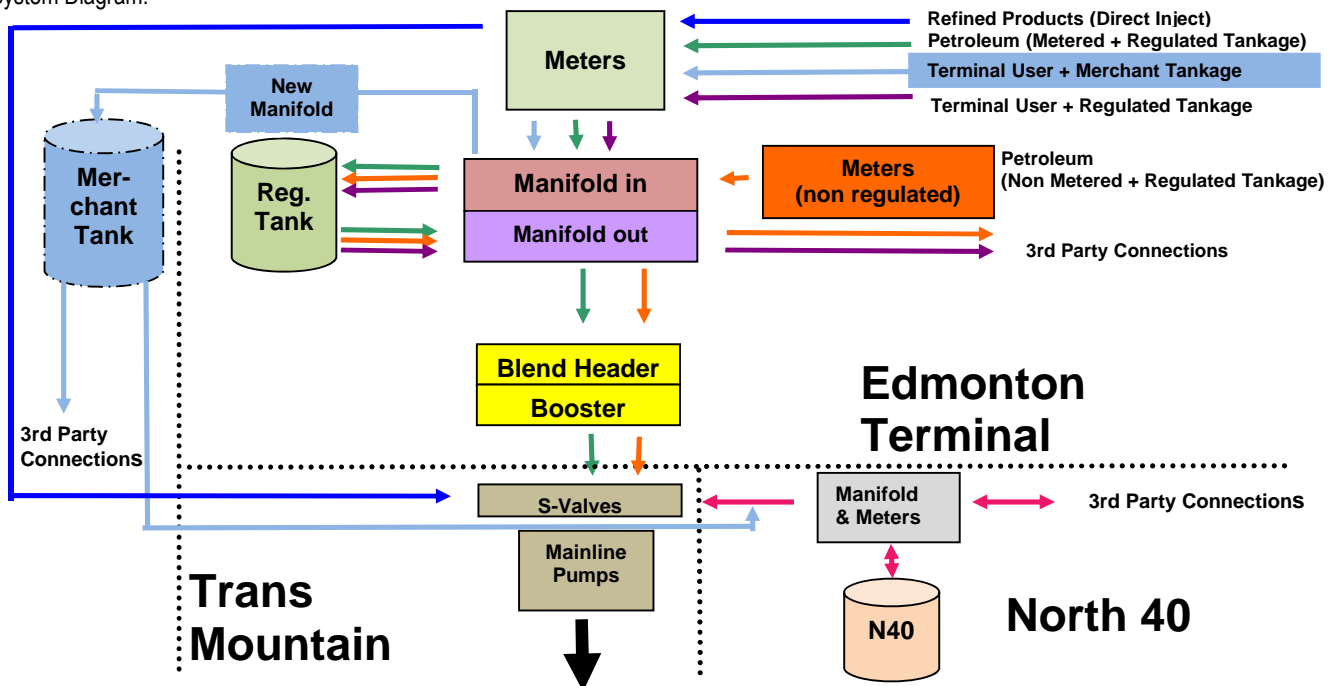
Edmonton Terminalling fee is first separated into two types of receipt fees: Direct and Indirect. Direct terminalling fees are comprised of four receipt service fees: i) One for inlet metering services; ii) Two for manifold transfer service into and out of tankage; and iii) One for outlet blending and booster service into the mainline. The Indirect fee recognizes that Trans Mountain has invested in facilities, incurs annual operating and maintenance capital expenses, and requires scheduling flexibility to accommodate both direct and indirect use of the Terminal assets. The Indirect fee is estimated at 15% of the Direct fee (estimated as the proportion of required scheduling flexibility in Trans Mountain's "normal" pumping schedule, i.e. 1 day in 6 days). The Indirect fee is applied to the four receipt fees individually.

Edmonton Tankage fee is separated into two types of receipt fees: Direct and Indirect. Shipper volumes that directly use the tanks will be assessed a Direct tankage fee and those that do not will be assessed an Indirect Tankage fee. The Indirect Tankage fee is set based on the same principle as outlined under the Terminalling fees, again estimated at 15%.

The receipt fees can then be combined based on use by each Shipper, current and new, requesting receipt services at Edmonton terminal.

The first phase of tanks constructed under the Edmonton Terminal Expansion project commenced operation in the September 2013. Completion of these tanks introduces new movements and usage of the Trans Mountain System. As a result, new tankage and terminalling charges are introduced (the new services are shown in light blue).

System Diagram:



TL Schedule 1

Explanatory Notes for the Toll Design and Calculations

Kamloops fees (receipt location):

Kamloops Terminalling fees were reviewed using the principles established for Edmonton terminal. As this location is significantly less complex than the Edmonton terminal, the cost has been entirely allocated to the inlet metering service fee. Additionally, Kamloops terminalling is also used for mainline breakout and relief purposes. As a result, the terminalling costs are shared between the mainline fees, 15%, and the receipt terminalling fees, 85%.

Kamloops Tankage fees were reviewed in light of the principles used for Edmonton terminal, that being the direct and indirect use of tanks for receipt functions. Additionally, Kamloops tankage is also used for mainline breakout and relief purposes. As a result, the tankage costs are shared between the mainline fees, 5%, and the receipt tankage fees, 95%. Use of the Direct and Indirect fees are also applied to Kamloops volumes.

Kamloops fees (delivery location):

Kamloops Terminalling fee uses the costs for providing a delivery location at the Suncor (previously Petro Canada) owned site upstream of the Trans Mountain Kamloops station, rather than an allocation of the asset costs at Kamloops station.

Kamloops Tankage fee is an Indirect Use fee as no delivery tankage is provided at the Suncor site and no delivery pipeline assets were provided in lieu of tankage at this site.

Sumas fees (delivery location):

Sumas Terminalling fee is based on the functional design of Sumas station, that being to provide coincidental pumping to both the connected Trans Mountain (Puget Sound) LLC pipeline and to the Trans Mountain mainline into Burnaby, BC. When Sumas station was rebuilt, approximately 50% of the costs at this location was incurred to allow pumping to each location. As a result, 50% of the Sumas station costs are rolled into the delivery terminalling fees and the remainder are rolled into the mainline fees.

The Indirect metering fee is assessed for all volumes being transferred / delivered into Trans Mountain (Puget Sound) LLC pipeline as no meters were installed for delivery to Trans Mountain (Puget Sound) LLC.

Sumas Tankage fee is based on the costs at Sumas tank farm (a location distinct from Sumas station) and the assessment of use by volumes destined for delivery to Washington State refineries. It was determined that 90% of Sumas tank farm costs are to be rolled into the delivery tankage fee and the remainder rolled into the mainline fees.

Westridge Marine Terminal Loading Charge (delivery location):

The Westridge Marine Terminal Loading Charge recovers costs for incremental operation and maintenance incurred at Westridge Marine Terminal (both operating and capital costs). Prior to 2007, the fee was intended to recover incremental operating costs only.

Westridge Dock Bid Premium Refund surcredit:

Westridge Dock Bid Premiums collected are refunded to Shippers as a toll credit over an agreed to period of time.

Edmonton Terminal Environmental surcharge:

With the start up of the Edmonton Terminal Expansion, Trans Mountain will collect environmental remediation costs from current users of the expanded terminal facilities on a volume basis separate from the current mainline tolls.

2014 Toll Calculation Pursuant to the 2013 - 2015 Incentive Toll Settlement

TL Schedule 2

Summary of Forecast System Throughput Volumes

Sheet 1 of 2

Deliveries (m³/day)

Line	Source	Destination	km	Schedule & Line ref.	Used in Proposed Net Toll Calculations ^[1]		
					2014 Interim JAN to APR 120 days	2014 Proposed MAY to DEC 245 days	2014 Total Annual 365 days
1	Edmonton	Kamloops	819		1,726	2,032	1,932
2	<i>Total Kamloops Deliveries</i>				<i>1,726</i>	<i>2,032</i>	<i>1,932</i>
3	Edmonton	Sumas	1,096		20,226	21,193	20,875
4	Kamloops	Sumas	271		944	980	968
5	<i>Total Sumas Deliveries</i>				<i>21,170</i>	<i>22,172</i>	<i>21,843</i>
6	Edmonton	Burnaby	1,149		11,067	12,174	11,810
7	Kamloops	Burnaby	324		823	1,230	1,096
8	<i>Total Burnaby Deliveries</i>				<i>11,890</i>	<i>13,404</i>	<i>12,906</i>
9	Edmonton	Westridge	1,153		9,826	9,649	9,707
10	<i>Total Westridge Marine Terminal Deliveries</i>				<i>9,826</i>	<i>9,649</i>	<i>9,707</i>
11	Total Ex Edmonton/Edson Throughput				42,845	45,049	44,324
12	Total System Throughput				44,612	47,258	46,388
13	Total Heavy Crude (Ex Edmonton/Edson)				10,253	10,819	10,633
14	Percentage Heavy (Ex Edmonton/Edson)				23.93%	24.02%	23.99%
15	Hydraulic Capacity (Ex Edmonton/Edson) at Percentage Heavy ^[2]				48,468	48,435	48,446
16	Deliveries as Percentage of Hydraulic Capacity [line 11/line 15]				88.4%	93.0%	91.5%
17	Total Land Deliveries				34,786	37,609	36,681
18	Total Offshore Deliveries				9,826	9,649	9,707
19	Deliveries Ex Kamloops				1,767	2,209	2,064
20	Total System Deliveries (m ³)						16,931,647

Note(s):

[1] Proposed throughput is based on actual deliveries and updated nominations for January 1 to April 30, and forecast volumes for the remainder of the year as agreed to with Shippers.

[2] Hydraulic Formula:

$$\text{For } x \leq 20.01\%, y = (809386115x^5 - 618225002x^4 + 163964466x^3 - 15952931x^2 - 193925x + 395343)/95\%/6.2898108$$

$$\text{For } x > 20.01\%, y = (-24844444x^6 + 62290768x^5 - 62888803x^4 + 31439150x^3 - 7464327x^2 + 480997x + 333140)/95\%/6.2898108$$

Where y = 100% hydraulic capacity, x = annual average % heavy injected at Edmonton and Edson and delivered out of the System.

[3] Under normal operating conditions, the System throughput will be set at a minimum 93% of hydraulic capacity at the forecast heavy composition as contemplated in Section 6 of the 2013 - 2015 ITS.

2014 Toll Calculation Pursuant to the 2013 - 2015 Incentive Toll Settlement

TL Schedule 2

Calculation of Annual Cubic Meter Kilometers

Sheet 2 of 2

(000,000 m³km)

Line	Source	Destination	km	Used in Proposed Net Toll Calculations ^[1]		
				2014 Interim <i>JAN to APR</i> 120	2014 Proposed <i>MAY to DEC</i> 245	2014 Total <i>Annual</i> 365
1	Edmonton	Kamloops	819	170	408	577
2	<i>Total Kamloops Deliveries</i>			170	408	577
3	Edmonton	Sumas	1,096	2,659	5,688	8,347
4	Kamloops	Sumas	271	31	65	96
5	<i>Total Sumas Deliveries</i>			2,690	5,753	8,443
6	Edmonton	Burnaby	1,149	1,526	3,427	4,952
7	Kamloops	Burnaby	324	32	98	130
8	<i>Total Burnaby Deliveries</i>			1,558	3,524	5,082
9	Edmonton	Westridge	1,153	1,359	2,725	4,085
10	<i>Total Westridge Marine Terminal Deliveries</i>			1,359	2,725	4,085
11	Total			5,776	12,411	18,187

Note(s):

- [1] Proposed throughput is based on actual deliveries and updated nominations for January 1 to April 30, and forecast volumes for the remainder of the year as agreed to with Shippers.
- [2] Annual cubic meter kilometers means distance (km) * volume times days in the year ÷ one million.

2014 Toll Calculation Pursuant to the 2013 - 2015 Incentive Toll Settlement

TL Schedule 3

Revenue Comparison using Interim and Proposed Tolls

Sheet 1 of 2

(units as shown)

Line	Receipt	Destination	Receipt Service	Petroleum Type	Volumes (m ³ /day)	2014 Tolls		Annual Revenue (\$'000)		
						Interim	Proposed	Interim ^[1]	Proposed ^[2]	Change
								(\$000)	(\$000)	(%)
1	Edmonton	Kamloops	All	All	1,932	All	All	7,651	8,824	15.3%
2	Edmonton	Sumas	All	All	20,875	All	All	115,424	133,741	15.9%
3	Edmonton	Burnaby	All	All	11,810	All	All	67,364	78,044	15.9%
4	Edmonton	Westridge	All	All	9,707	All	All	68,546	80,146	16.9%
5	Kamloops	Sumas	All	All	968	All	All	1,946	2,207	13.4%
6	Kamloops	Burnaby	All	All	1,096	All	All	2,473	2,813	13.7%
7	Total Mainline				<u>46,388</u>			263,404	305,775	16.1%
8	Partial year correction ^[4]							11,658	(13,469)	-9.8%
9	Total Revenues							<u>275,062</u>	<u>292,306</u>	<u>6.3%</u>

Note(s):

[1] 2014 Interim Tolls, Tariff No. 91, was approved by NEB Order TO-009-2013.

2014 Interim Tolls, based on 2013 partial year Revenue Requirement, will generate \$83,555K between January 1 and April 30 of 2014.

[2] Proposed Edmonton to Westridge Tolls include the Westridge Marine Terminal Loading Charge of \$1.4048 per m³.

[3] Number of days used in revenue calculation = 365

[4] Partial year correction depends on timing of change (i.e. month) and any substantive changes in volume mix or revenues.

[5] Calculation of percentage change in partial year tolls for 2014:

Description	Calculation	Interim	Final	Change
Mainline Tolls	Sch 3.2 Line 7: Revenue*1000 ÷ Volumes	15.608	18.030	15.52%
Westridge Dock Bid	(i) TL Schedule 9, Line 4 * -1 * 1000 divided by			
Premium Refund Sur-credit	(TL Schedule 3.2, Line 7: Throughput for 120 days)	(6.857)		
	(ii) TL Schedule 9, (Line 5 - Line 3) * 1000 divided by			
) (TL Schedule 3.2, Line 7: Throughput for 245 days)		(9.716)	-20.51%
Net Tolls		<u>8.751</u>	<u>8.314</u>	<u>-5.00%</u>

2014 Toll Calculation Pursuant to the 2013 - 2015 Incentive Toll Settlement

TL Schedule 4

Summary of Proposed Tolls by Crude Type

Sheet 1 of 2

(\$/m³)

Line	Receipt	Destination	Type of Service	Petroleum Type	Mainline Tolls	Surcharge (Surcredit)	Tankage		Terminalling		Westridge Loading	Net Toll
							Receipt	Delivery	Receipt	Delivery		
1	Edmonton	Edmonton	Tank Metered, Non Pipe	All	na	-	0.7810	-	0.3071	-	-	1.0881
2	Edmonton	Edmonton	Tank Non Metered	All	na	-	0.7810	-	0.1287	-	-	0.9097
3	Edmonton	Edmonton	Metered In, 3rd Party	All	na	-	na	-	0.2603	-	-	0.2603
4	Edmonton	Kamloops	Tank Metered	Super Light	10.9121	(0.2182)	0.7810	0.1911	0.4395	0.4108	-	12.5163
5	Edmonton	Kamloops	Tank Non Metered	Super Light	10.9121	(0.2182)	0.7810	0.1911	0.2611	0.4108	-	12.3379
6	Edmonton	Kamloops	Direct Injected	Super Light	10.9121	(0.2182)	0.1172	0.1911	0.2443	0.4108	-	11.6573
7	Edmonton	Kamloops	3rd Party Injected	Super Light	10.9121	(0.2182)	0.1172	0.1911	0.0659	0.4108	-	11.4789
8	Edmonton	Sumas	Tank Metered	Light	14.5972	-	0.7810	1.2743	0.4395	0.3378	-	17.4299
9	Edmonton	Sumas	Tank Non Metered	Light	14.5972	-	0.7810	1.2743	0.2611	0.3378	-	17.2515
10	Edmonton	Sumas	Direct Injected	Light	14.5972	-	0.1172	1.2743	0.2443	0.3378	-	16.5708
11	Edmonton	Sumas	3rd Party Injected	Light	14.5972	-	0.1172	1.2743	0.0659	0.3378	-	16.3924
12	Edmonton	Sumas	Metered In, Direct Mainline	Light	14.5972	-	0.1172	1.2743	0.2872	0.3378	-	16.6137
13	Edmonton	Sumas	Tank Metered	Medium	14.5972	0.7299	0.7810	1.2743	0.4395	0.3378	-	18.1598
14	Edmonton	Sumas	Tank Non Metered	Medium	14.5972	0.7299	0.7810	1.2743	0.2611	0.3378	-	17.9814
15	Edmonton	Sumas	Direct Injected	Medium	14.5972	0.7299	0.1172	1.2743	0.2443	0.3378	-	17.3007
16	Edmonton	Sumas	3rd Party Injected	Medium	14.5972	0.7299	0.1172	1.2743	0.0659	0.3378	-	17.1223
17	Edmonton	Sumas	Metered In, Direct Mainline	Medium	14.5972	0.7299	0.1172	1.2743	0.2872	0.3378	-	17.3436
18	Edmonton	Sumas	Tank Metered	Heavy	14.5972	2.1896	0.7810	1.2743	0.4395	0.3378	-	19.6195
19	Edmonton	Sumas	Tank Non Metered	Heavy	14.5972	2.1896	0.7810	1.2743	0.2611	0.3378	-	19.4411
20	Edmonton	Sumas	Direct Injected	Heavy	14.5972	2.1896	0.1172	1.2743	0.2443	0.3378	-	18.7604
21	Edmonton	Sumas	3rd Party Injected	Heavy	14.5972	2.1896	0.1172	1.2743	0.0659	0.3378	-	18.5820
22	Edmonton	Sumas	Metered In, Direct Mainline	Heavy	14.5972	2.1896	0.1172	1.2743	0.2872	0.3378	-	18.8033
23	Edmonton	Sumas	Tank Metered	Super Heavy	14.5972	2.9194	0.7810	1.2743	0.4395	0.3378	-	20.3493
24	Edmonton	Sumas	Tank Non Metered	Super Heavy	14.5972	2.9194	0.7810	1.2743	0.2611	0.3378	-	20.1709
25	Edmonton	Sumas	Direct Injected	Super Heavy	14.5972	2.9194	0.1172	1.2743	0.2443	0.3378	-	19.4902
26	Edmonton	Sumas	3rd Party Injected	Super Heavy	14.5972	2.9194	0.1172	1.2743	0.0659	0.3378	-	19.3118
27	Edmonton	Sumas	Metered In, Direct Mainline	Super Heavy	14.5972	2.9194	0.1172	1.2743	0.2872	0.3378	-	19.5331
28	Edmonton	Burnaby	Tank Metered	Super Light	15.3067	(0.3061)	0.7810	1.2743	0.4395	0.4108	-	17.9061
29	Edmonton	Burnaby	Tank Non Metered	Super Light	15.3067	(0.3061)	0.7810	1.2743	0.2611	0.4108	-	17.7277
30	Edmonton	Burnaby	Direct Injected	Super Light	15.3067	(0.3061)	0.1172	1.2743	0.2443	0.4108	-	17.0471
31	Edmonton	Burnaby	3rd Party Injected	Super Light	15.3067	(0.3061)	0.1172	1.2743	0.0659	0.4108	-	16.8687
32	Edmonton	Burnaby	Tank Metered	Light	15.3067	-	0.7810	1.2743	0.4395	0.4108	-	18.2122
33	Edmonton	Burnaby	Tank Non Metered	Light	15.3067	-	0.7810	1.2743	0.2611	0.4108	-	18.0338
34	Edmonton	Burnaby	Direct Injected	Light	15.3067	-	0.1172	1.2743	0.2443	0.4108	-	17.3532
35	Edmonton	Burnaby	3rd Party Injected	Light	15.3067	-	0.1172	1.2743	0.0659	0.4108	-	17.1748
36	Edmonton	Burnaby	Metered In, Direct Mainline	Light	15.3067	-	0.1172	1.2743	0.2872	0.4108	-	17.3961
37	Edmonton	Westridge	Tank Metered	Light	15.3610	-	0.7810	1.2743	0.4395	0.4108	1.4048	19.6713
38	Edmonton	Westridge	Tank Non Metered	Light	15.3610	-	0.7810	1.2743	0.2611	0.4108	1.4048	19.4929
39	Edmonton	Westridge	Direct Injected	Light	15.3610	-	0.1172	1.2743	0.2443	0.4108	1.4048	18.8123
40	Edmonton	Westridge	3rd Party Injected	Light	15.3610	-	0.1172	1.2743	0.0659	0.4108	1.4048	18.6339
41	Edmonton	Westridge	Metered In, Direct Mainline	Light	15.3610	-	0.1172	1.2743	0.2872	0.4108	1.4048	18.8552
42	Edmonton	Westridge	Tank Metered	Medium	15.3610	0.7680	0.7810	1.2743	0.4395	0.4108	1.4048	20.4393
43	Edmonton	Westridge	Tank Non Metered	Medium	15.3610	0.7680	0.7810	1.2743	0.2611	0.4108	1.4048	20.2609
44	Edmonton	Westridge	Direct Injected	Medium	15.3610	0.7680	0.1172	1.2743	0.2443	0.4108	1.4048	19.5803
45	Edmonton	Westridge	3rd Party Injected	Medium	15.3610	0.7680	0.1172	1.2743	0.0659	0.4108	1.4048	19.4019
46	Edmonton	Westridge	Metered In, Direct Mainline	Medium	15.3610	0.7680	0.1172	1.2743	0.2872	0.4108	1.4048	19.6232

2014 Toll Calculation Pursuant to the 2013 - 2015 Incentive Toll Settlement
TL Schedule 4
Summary of Proposed Tolls by Crude Type

Sheet 2 of 2
(\$/m³)

Line	Receipt	Destination	Type of Service	Petroleum Type	Mainline tolls	Surcharge (Surcredit)	Tankage		Terminalling		Westridge Loading	Net Toll
							Receipt	Delivery	Receipt	Delivery		
47	Edmonton	Westridge	Tank Metered	Heavy	15.3610	2.3041	0.7810	1.2743	0.4395	0.4108	1.4048	21.9754
48	Edmonton	Westridge	Tank Non Metered	Heavy	15.3610	2.3041	0.7810	1.2743	0.2611	0.4108	1.4048	21.7970
49	Edmonton	Westridge	Direct Injected	Heavy	15.3610	2.3041	0.1172	1.2743	0.2443	0.4108	1.4048	21.1164
50	Edmonton	Westridge	3rd Party Injected	Heavy	15.3610	2.3041	0.1172	1.2743	0.0659	0.4108	1.4048	20.9380
51	Edmonton	Westridge	Metered In, Direct Mainline	Heavy	15.3610	2.3041	0.1172	1.2743	0.2872	0.4108	1.4048	21.1593
52	Edmonton	Westridge	Tank Metered	Super Heavy	15.3610	3.0722	0.7810	1.2743	0.4395	0.4108	1.4048	22.7435
53	Edmonton	Westridge	Tank Non Metered	Super Heavy	15.3610	3.0722	0.7810	1.2743	0.2611	0.4108	1.4048	22.5651
54	Edmonton	Westridge	Direct Injected	Super Heavy	15.3610	3.0722	0.1172	1.2743	0.2443	0.4108	1.4048	21.8845
55	Edmonton	Westridge	3rd Party Injected	Super Heavy	15.3610	3.0722	0.1172	1.2743	0.0659	0.4108	1.4048	21.7061
56	Edmonton	Westridge	Metered In, Direct Mainline	Super Heavy	15.3610	3.0722	0.1172	1.2743	0.2872	0.4108	1.4048	21.9274
57	Kamloops	Sumas	Tank Metered	Light	3.6110	-	0.7810	1.2743	0.2443	0.3378	-	6.2484
58	Kamloops	Sumas	Direct Injected	Light	3.6110	-	0.1172	1.2743	0.2443	0.3378	-	5.5845
59	Kamloops	Sumas	Tank Metered	Medium	3.6110	0.1805	0.7810	1.2743	0.2443	0.3378	-	6.4289
60	Kamloops	Sumas	Direct Injected	Medium	3.6110	0.1805	0.1172	1.2743	0.2443	0.3378	-	5.7650
61	Kamloops	Sumas	Tank Metered	Heavy	3.6110	0.5416	0.7810	1.2743	0.2443	0.3378	-	6.7900
62	Kamloops	Sumas	Direct Injected	Heavy	3.6110	0.5416	0.1172	1.2743	0.2443	0.3378	-	6.1261
63	Kamloops	Burnaby	Tank Metered	Light	4.3204	-	0.7810	1.2743	0.2443	0.4108	-	7.0308
64	Kamloops	Burnaby	Direct Injected	Light	4.3204	-	0.1172	1.2743	0.2443	0.4108	-	6.3669

Note(s):

[1] Commodity surcharges/surcredits applied to Mainline charges only. Level of Toll Credits applied:

Classification:	Typical Representative Petroleum:	Commodity Surcharge (Surcredit)
SUPER LIGHT PETROLEUM	Gasoline, Alkylate, Iso-octane	-2%
LIGHT PETROLEUM	Rainbow, Pembina, Diesel, Butane, or as blended	0%
MEDIUM PETROLEUM	SSX, or as blended	5%
HEAVY PETROLEUM	Peace Heavy, or as blended	15%
SUPER HEAVY PETROLEUM	Cold Lake, AHS, or as blended	20%

2014 Toll Calculation Pursuant to the 2013 - 2015 Incentive Toll Settlement
TL Schedule 5
Calculation of Proposed Mainline Tolls
(units as shown)

Line	Description	Schedule & Line ref.	Toll Design Amount	Net Transmission
1	A. Calculation of Mainline Revenues (\$000)			
2	Total Revenues	[Schedule 1, line 13]		292,306
3	Partial Year Revenues	[TL Schedule 3, Sheet 2, line 7]		<u>(83,555)</u>
4	Partial Year Revenue Requirement	[TL Schedule 3, Sheet 2, line 7]		<u>208,751</u>
5	LESS:			
6	Petroleum Loading Revenues	[TL Schedule 6, sum of [i] & [ii]]	(\$3,321)	
7	Toll Commodity Revenues (net)		(\$7,466)	
8	Tankage Revenue Requirement	[TL Schedule 7, line 12]	(\$23,257)	
9	Terminalling Revenue Requirement ^[1]		<u>(\$9,343)</u>	
10	Total non-Mainline Transmission Revenues		<u>(\$43,387)</u>	<u>(\$43,387)</u>
11	Partial-year Mainline Revenues			<u>165,363</u>
12	B. Calculation of Partial Year Mainline Transmission Charge			
13	Partial Year Cubic Meter Kilometers	[TL Schedule 2, Sheet 2, line 11*1000]		12,410,920
14	Transmission Charge (\$ / m ³ km)	[line 11 ÷ line 13]		0.0133240
15	C. Summary of Mainline Transmissions Tolls (\$ / m³):			
16	Receipt	Destination	Kilometers	Transmission Toll ^[2]
17	Edmonton	Kamloops	819.0	\$10.9121
18	Edmonton	Sumas	1,095.6	\$14.5972
19	Edmonton	Burnaby	1,148.8	\$15.3067
20	Edmonton	Westridge Marine Terminal	1,152.9	\$15.3610
21	Kamloops	Sumas	271.0	\$3.6110
22	Kamloops	Burnaby	324.3	\$4.3204

Note(s):

[1] Terminalling Revenue Requirement is comprised of total Adjusted Receipt Revenues (TL Schedule 8, Sheet 1, line 10) and total Adjusted Delivery Revenues (TL Schedule 8, Sheet 2, line 11).

[2] Transmission Tolls equal Kilometers by destination times Transmission Charge on line 14.

2014 Toll Calculation Pursuant to the 2013 - 2015 Incentive Toll Settlement

TL Schedule 6

Calculation of Proposed Westridge Marine Terminal Loading Charge

(\$000 unless otherwise shown)

Line	Description	Amount
1	A. Calculation of partial year Revenue Requirement for Operating & Maintenance costs (\$000):	
2	Revenue Requirement ^[1]	2,967
3	Revenues collected during interim toll period ^[2a]	(848)
4	Net partial year revenues	[i] 2,120
5	Partial Year Volumes (m ³) [TL Schedule 3, Sheet 2, line 4]	2,364,000
6	Operating & Maintenance Fee (\$ / m ³)	0.8966
7	B. Calculation of partial year Revenue Requirement for Capital Expenditures:	
8	Revenue requirement associated with Westridge Marine Terminal Upgrades ^[3]	1,619
9	Revenues collected during interim toll period ^[2b]	(417)
10	Net partial year revenues	[ii] 1,202
11	Partial Year Volumes (m ³) [TL Schedule 3, Sheet 2, line 4]	2,364,000
12	Capital Fee (\$ / m ³)	0.5082
13	C. Summary of Loading Charges (\$ / m ³)	
14	Operating & Maintenance Fee from Section A above	0.8966
15	Capital Improvements Fee from Section B above	0.5082
16	Proposed Loading Charge (\$ / m ³)	1.4048

Note(s):

[1] The Revenue Requirement is comprised of two components (i) Operating and Maintenance costs and (ii) Capital expenditures. The Capital expenditures reflect improvements completed since 2007 to date.

[2] Interim Revenue Calculation:	Schedule	Volumes (m ³)	Interim Toll	Revenues
2a Operating & Maintenance Fee	[Volumes from TL Schedule 3]	1,179,177	0.7189	847,710
2b Capital Improvement Fee	[Volumes from TL Schedule 3]	1,179,177	0.3538	417,193

[3] Calculation of Revenue Requirement for Capital Fee (\$000)

		2013 Filed	2013 Final	2014 Proposed
Plant	Open	13,273	13,963	14,205
	Additions	1,849	243	1,762
	Close	15,122	14,205	15,968
Accumulated Depreciation	Open	1,217	1,217	1,612
	Additions	375	395	402
	Close	1,592	1,612	2,014
Average Working Capital	[(O&M + Taxes Payable) x 15 days / 365]	4	5	5
Average Rate Base		11,869	12,674	13,278
Equity Rate		9.50%	9.50%	9.50%
Debt Rate		5.50%	5.50%	5.50%
Equity Return	45%	507	542	568
Interest Expense	55%	359	383	402
Depreciation Expense		375	395	402
Income Tax Provision		146	158	158
Revenue Requirement		1,388	1,478	1,529
Plus prior year variance				90
Total Revenue Requirement				1,619

2014 Toll Calculation Pursuant to the 2013 - 2015 Incentive Toll Settlement

TL Schedule 7

Calculation of Proposed Tankage Tolls

(units as shown)

Line	Description	Allocation Factors	Total System	Share	Total Receipt	Total Delivery	TOTAL
1	Revenues (\$000) ^[1]						
2	Annual Revenues before sharing		292,306				
3	Edmonton				14,538		14,538
4	Kamloops				1,444		1,444
5	Sumas					3,262	3,262
6	Burnaby					17,914	17,914
7	Total Annual Revenues before sharing		<u>292,306</u>		<u>15,983</u>	<u>21,176</u>	<u>37,159</u>
8	Edmonton Terminal Revenues ^[2]	73.0%		(3,438)	(2,511)	-	(2,511)
9	Total Shared Amounts			<u>(3,438)</u>	<u>(2,511)</u>	<u>-</u>	<u>(2,511)</u>
10	Net Revenues				<u>13,472</u>	<u>21,176</u>	<u>34,648</u>
11	Adjustment for partial year		<u>(83,555)</u>		<u>(4,429)</u>	<u>(6,962)</u>	<u>(11,391)</u>
12	Adjusted Revenues (\$000)		<u>208,751</u>		<u>9,043</u>	<u>14,214</u>	<u>23,257</u>
13	Regulated Tankage Throughput ('000 m ³):						
14	Edmonton				11,037	-	
15	Kamloops				541	-	
16	Sumas				-	5,432	
17	Burnaby				-	3,284	
18	Westridge				-	2,364	
19	Total Regulated Tankage Throughput:				<u>11,578</u>	<u>11,080</u>	
20	Tankage Charges (\$/m ³):				0.7810	1.2743	
21	Indirect Tankage Throughput ('000 m ³):						
22	Edmonton				-	-	
23	Kamloops				-	498	
24	Sumas				-	-	
25	Burnaby				-	-	
26	Total Indirect Tankage Throughput:				<u>-</u>	<u>498</u>	
27	Indirect Tankage Charges (\$/m ³):	15.0%			0.1172	0.1911	

Note(s):

[1] The Tankage Revenues have been rebased to reflect the forecast cost of operation for these locations.

[2] Edmonton Terminal Revenues are prorated between Tankage and Terminalling based on 2013 final tolls:

Receipt Tankage	0.7738	73.03%
Receipt Terminalling	0.2858	26.97%

Edmonton Terminal Revenues include 2013 actual and 2014 proposed Shippers' share of the Edmonton Terminal Revenues.

2014 Toll Calculation Pursuant to the 2013 - 2015 Incentive Toll Settlement

TL Schedule 8

Calculation of Proposed Terminalling Tolls

Sheet 1 of 2. Receipt Terminalling

(units as shown)

Line	Description	Allocation Factors	Total System Share	Meters	Manifold		Boost & Blend	Total Receipt
					In	Out		
1	Revenues (\$000) ^[1]							
2	Annual Revenues before sharing		292,306					
3	Edmonton			1,850	988	459	2,650	5,947
4	Kamloops			2,404	-	-	-	2,404
5	Total Annual Revenues before sharing		<u>292,306</u>	<u>4,254</u>	<u>988</u>	<u>459</u>	<u>2,650</u>	<u>8,351</u>
6	Edmonton Terminal Revenues ^[2]	27.0%	(3,438)	(634)	(152)	(71)	(71)	(927)
7	Total Shared Amounts		<u>(3,438)</u>	<u>(634)</u>	<u>(152)</u>	<u>(71)</u>	<u>(71)</u>	<u>(927)</u>
8	Net Revenues			<u>3,620</u>	<u>836</u>	<u>388</u>	<u>2,580</u>	<u>7,424</u>
9	Adjustment for partial year		<u>(83,555)</u>	<u>(1,190)</u>	<u>(275)</u>	<u>(128)</u>	<u>(848)</u>	<u>(2,441)</u>
10	Adjusted Revenues (\$000)		<u>208,751</u>	<u>2,430</u>	<u>561</u>	<u>261</u>	<u>1,731</u>	<u>4,983</u>
11	Total Throughput ('000 m ³):							
12	Edmonton Receipts Tank Metered		11,037	11,037	11,037	11,037	11,037	
13	Tank Non Metered		-	-	-	-	-	
14	Kamloops Receipts Tank Metered		541	541	-	-	-	
15	Total Throughput:			<u>11,578</u>	<u>11,037</u>	<u>11,037</u>	<u>11,037</u>	
16	Direct Terminalling Charges (\$/m ³):			0.2099	0.0505	0.0234	0.1557	
17	Indirect Throughput ('000 m ³):							
18	Edmonton Receipts Tank Metered		11,037					
19	Kamloops Receipts Tank Metered		541		541	541	541	
20	Total Throughput:			<u>-</u>	<u>541</u>	<u>541</u>	<u>541</u>	
21	Indirect Terminalling Charges (\$/m ³):	15.0%		0.0315	0.0076	0.0035	0.0234	
22	Summary of Receipt Terminalling Charges (\$/m ³):							
23	Edmonton Tank Metered, Pipeline			0.2099	0.0505	0.0234	0.1557	0.4395
24	Tank Metered, Non Pipeline			0.2099	0.0505	0.0234	0.0234	0.3071
25	Tank Non Metered			0.0315	0.0505	0.0234	0.1557	0.2611
26	Tank Non Metered, Non Pipeline			0.0315	0.0505	0.0234	0.0234	0.1287
27	Metered In, Direct Mainline ^[3]			0.2099	0.0505	0.0035	0.0234	0.2872
28	Metered In, 3 rd Party ^[3]			0.2099	0.0505	na	na	0.2603
29	Direct Injections			0.2099	0.0076	0.0035	0.0234	0.2443
30	3 rd Party Injected			0.0315	0.0076	0.0035	0.0234	0.0659
31	Kamloops Tank Metered			0.2099	0.0076	0.0035	0.0234	0.2443
32	Direct Injections			0.2099	0.0076	0.0035	0.0234	0.2443

Note(s):

[1] The Terminalling Revenues have been rebased to reflect the forecast cost of operation for these locations.

[2] Edmonton Terminal Revenues are prorated between Tankage and Terminalling based on 2013 final tolls.

Receipt Tankage	0.7738	73.03%
Receipt Terminalling	0.2858	26.97%

Edmonton Terminal Revenues include 2013 actual and 2014 proposed Shippers' share of the Edmonton Terminal Revenues.

[3] These terminalling charges were introduced to accommodate merchant tanks within Trans Mountain's Edmonton Terminal. Corresponding movements commenced in December 2013.

[i] Metered In, Direct Mainline represents the movements that go through regulated meters and manifold in, enter merchant tanks and then directly inject into the mainline.

[ii] Metered In, 3rd Party represents the movements that go through regulated meters and manifold in, enter merchant tanks, and then go to a 3rd Party facility. As this type of movement does not impose opportunity costs to the regulated system, no indirect fees are charged.

2014 Toll Calculation Pursuant to the 2013 - 2015 Incentive Toll Settlement

TL Schedule 8

Calculation of Proposed Terminalling Tolls

*Sheet 2 of 2. Delivery Terminalling**(units as shown)*

Line	Description	Total	Allocation	Meters	Terminal	Total
1	Revenues (\$000) ^[1]					
2	Annual Revenues before sharing	292,306				
3	Kamloops ^[2]			111	1,106	1,217
4	Sumas				1,697	1,697
5	Burnaby			778	2,802	3,581
6	Total Annual Revenues before sharing	<u>292,306</u>		<u>890</u>	<u>5,606</u>	<u>6,495</u>
7	Edmonton Terminal Revenues		n/a	-	-	-
8	Total Shared Amounts			-	-	-
9	Net Revenues			<u>890</u>	<u>5,606</u>	<u>6,495</u>
10	Adjustment for partial year	<u>(83,555)</u>		<u>(292)</u>	<u>(1,843)</u>	<u>(2,135)</u>
11	Adjusted Revenues (\$000)	<u>208,751</u>		<u>597</u>	<u>3,763</u>	<u>4,360</u>
12	Direct Throughput ('000 m ³):					
13	Edmonton Receipts					
14	Tank Metered	11,037		11,037	11,037	
15	Tank Non Metered	-		-	-	
16	Direct Injections	-		-	-	
17	3rd Party Injected	-		-	-	
18	Kamloops Receipts					
19	Tank Metered	541		541	541	
20	Direct Injections	-		-	-	
21	Sumas Deliveries	(5,432)		(5,432)		
22	Total Throughput:			<u>6,146</u>	<u>11,578</u>	
23	Direct Terminalling Charges (\$/m ³):			0.0858	0.3250	
24	Indirect Throughput ('000 m ³):					
25	Sumas Deliveries	5,432		5,432		
26	Total Throughput:			<u>5,432</u>	-	
27	Indirect Terminalling Charges (\$/m ³):		15%	0.0129	0.0487	
28	Summary of Delivery Terminalling Charges (\$/m ³):					
29	Kamloops			0.0858	0.3250	0.4108
30	Sumas			0.0129	0.3250	0.3378
31	Burnaby			0.0858	0.3250	0.4108
32	Westridge			0.0858	0.3250	0.4108

Note(s):

[1] The Terminalling Revenues have been rebased to reflect the forecast cost of operation for these locations.

[2] Kamloops Metering Revenues, column titled "Meters", are calculated as the Burnaby Metering Revenue times the ratio of the number of meters at Kamloops (2) divided by the number of meters at Burnaby (14). The Kamloops Total Revenue, column titled "Total", is determined using the rate base / cost of service methodology. The Kamloops Terminal Revenue is the difference between the two.

2014 Toll Calculation Pursuant to the 2013 - 2015 Incentive Toll Settlement

TL Schedule 9

Calculation of Proposed Separate Toll for the Westridge Dock Bid Premium Refund

(units as shown)

Line	Description	Schedule & Line ref.	Additional Refunds		Total Amount	
			Westridge	Kamloops		
1	A. Calculation of Partial Year Premium Refund(\$000)					
2	Total Premiums to be refunded (\$000)	[Schedule 8.3, line 8]			(149,200)	
3	Additional Refunds to Shippers (\$000) ^[1]		(4,542)	(511)	5,053	
4	Interim Westridge Dock Bid Premiums refunded (\$000)				36,707	
5	Partial Year Premiums to be Refunded (\$000)		<u>(4,542)</u>	<u>(511)</u>	<u>(107,440)</u>	
6	B. Calculation of Partial Year Refund Charge					
7	Partial Year Cubic Meter Kilometers	[TL Schedule 2, Sheet 2, line 11 *1000]			12,410,920	
8	Partial Year Westridge Marine Terminal Volumes (m ³)		2,364,000			
9	Partial Year Transmission Surcredit (\$ / m ³ km)				(0.00865687)	
10	C. Summary of Refund Surcredit Tolls (\$ / m ³):					
11	Receipt	Destination	Kilometers	Surcredit	<u>Add. Refund Credit</u>	Total
12	Edmonton	Kamloops	819.0	(7.0898)		(7.0898)
13	Edmonton	Sumas	1,095.6	(9.4841)		(9.4841)
14	Edmonton	Burnaby	1,148.8	(9.9450)		(9.9450)
15	Edmonton	Westridge	1,152.9	(9.9803)	(1.9213)	(11.9016)
16	Kamloops	Sumas	271.0	(2.3461)	(0.9570)	(3.3031)
17	Kamloops	Burnaby	324.3	(2.8071)	(0.9353)	(3.7424)

Note:

[1] To achieve a reasonably uniform average net toll (pipeline Net Toll + Westridge Dock Bid Premium surcredit), an additional credit has been assigned to the Westridge delivered volumes and the Kamloops receipt volumes.

2014 Toll Calculation Pursuant to the 2013 - 2015 Incentive Toll Settlement
TL Schedule 10
Calculation of Proposed Separate Toll for the Edmonton Terminal Environmental Cost
(units in \$000 or as otherwise shown)

Line	Description	Comments, Schedule & Line References	2013 Approved	2013 Actual	2013 Variance	2014 Proposal
1	<u>A. Actual costs</u>					
2	Soil Trucking	31.2%	2,852	3,173	321	(196)
3	Soil Disposal	14.5%	2,276	1,471	(805)	(154)
4	Hydrovac Spoil Treatment	6.3%	313	638	326	3
5	Contaminated Hydrovac Water and Soil Disposal	25.8%	1,864	2,630	766	3
6	Stockpile Management for Tank 22 Bay	9.6%		979	979	772
7	Stockpile Preparation and Soil Handling at Stoney Plain and Gainford	11.7%		1,194	1,194	-
8	Soil Testing	0.9%		91	91	14
9	Total	[sum of (lines 2 to 8)]	<u>7,303</u>	<u>10,175</u>	<u>2,872</u>	<u>442</u>
10	Grand Total to be recovered					<u>10,617</u>
11	<u>B. Cost Recovery</u>					
12	Amortize Cost over Term of the ITS ^[1]	3				
13	Collected in 2013	Aug 1 - Dec 31	<u>1,014</u>	<u>1,501</u>	<u>487</u>	
14	Portion to be collected under 2014 interim	Jan 1 - Apr 30				1,337
15	Remainder to be collected in 2014 final toll period	May 1 - Dec 31	3,144			3,221
16	Remainder to be collected in 2015	Jan 1 - Dec 31	<u>3,144</u>			<u>4,558</u>
17	Total Costs to be recovered	[sum of (lines 13 to 16)]	<u>7,303</u>			<u>10,617</u>
18	<u>C. Calculation of 2014 Surcharge (\$ / m³)</u>					
19	Estimated partial year Edmonton volumes (000 m ³) ^[2]	All receipt volumes	<u>11,065</u>			<u>11,037</u>
20	Proposed Environmental Surcharge (\$ / m ³)	All volumes - Regulated and Merchant	<u>0.2187</u>			<u>0.2919</u>

Note(s):

- [1] In the event the period of the 2013-2015 ITS is shortened, the amount would be expensed over the agreed to Term.
- [2] The volumes represent all movements go through the Edmonton terminal including Tank Metered Non Pipe, Tank Non Metered, Metered in 3rd Party, Metered in Direct ML, Tank Metered ML, Tank Non Metered ML, Direct Injected, and 3rd Party Injected.
- [3] Trans Mountain will apply the Westridge Dock Bid Premiums to offset the Environmental surcharge for mainline Shippers only.