

**SCHEDULE A
SERVICE OPTION**

Service Options	Contract Term ¹	Designated Receipt Point ²	Designated Delivery Point ³	Petroleum ⁴	Contract Volume ⁵ (in barrels per day)
1					
2					
3					
4					
5					
	Total				

Note 1: Contract Term to be 15 or 20 years.

Note 2: Designated Receipt Points are Edmonton, Alberta (for delivery to Sumas, Burnaby and Westridge Marine Terminal only) and Kamloops, British Columbia.

Note 3: Designated Delivery Points are Kamloops, British Columbia, Sumas, British Columbia, Burnaby, British Columbia, and Westridge Marine Terminal, British Columbia.

Note 4: Petroleum types are:

Type	Density	Viscosity
Light (inclusive of refined products)	$\geq 600 \text{ kg/m}^3$ and $< 880 \text{ kg/m}^3$	$\geq 0.4 \text{ cSt}$ and $< 20 \text{ cSt}$
Heavy	$\geq 880 \text{ kg/m}^3$ and $< 940 \text{ kg/m}^3$	$\geq 20 \text{ cSt}$ and $< 350 \text{ cSt}$

Note 5: Service Options with a total Contract Volume greater than or equal to 75,000 barrels per day shall receive a further seven and one half percent (7.5%) discount for a Contract Term.

**SCHEDULE B
FIRM SERVICE TOLLS**

Indicative Toll Estimates:**Total Contract Volume less than 75,000 barrels per day.**

Receipt Point ¹	Delivery Point	Petroleum Type and Contract Term		Indicative Firm Service Toll Components (\$CDN/bbl)			Open Season Toll Limit (Fixed component of Firm Service Toll) (\$CDN/bbl)
				Fixed	Variable	Total	
Edmonton	Kamloops	Light	15yr	<u>3.4609</u>	<u>0.2724</u>	<u>3.4333</u>	<u>3.9083</u>
			20yr	<u>2.8478</u>	<u>0.2724</u>	<u>3.4402</u>	<u>3.5145</u>
Edmonton	Burnaby	Light	15yr	<u>4.4333</u>	<u>0.3834</u>	<u>4.8167</u>	<u>5.4737</u>
			20yr	<u>3.9990</u>	<u>0.3834</u>	<u>4.3724</u>	<u>4.9383</u>
Edmonton	Westridge	Light	15yr	<u>4.9888</u>	<u>0.3834</u>	<u>5.3622</u>	<u>6.025.92</u>
			20yr	<u>4.4839</u>	<u>0.3834</u>	<u>4.8673</u>	<u>5.4233</u>
		Heavy	15yr	<u>4.9888</u>	<u>0.4541</u>	<u>5.4329</u>	<u>6.025.92</u>
			20yr	<u>4.4839</u>	<u>0.4541</u>	<u>4.9380</u>	<u>5.4233</u>
Edmonton	Sumas	Light	15yr	<u>4.2313</u>	<u>0.3632</u>	<u>4.5945</u>	<u>5.2212</u>
			20yr	<u>3.8072</u>	<u>0.3632</u>	<u>4.1604</u>	<u>4.7061</u>
		Heavy	15yr	<u>4.2313</u>	<u>0.4339</u>	<u>4.6652</u>	<u>5.2212</u>
			20yr	<u>3.8072</u>	<u>0.4339</u>	<u>4.2311</u>	<u>4.7061</u>
Kamloops	Burnaby	Light	15yr	<u>1.2522</u>	<u>0.1110</u>	<u>1.3632</u>	<u>1.5451</u>
			20yr	<u>1.1310</u>	<u>0.1110</u>	<u>1.2420</u>	<u>1.3936</u>
Kamloops	Sumas	Light	15yr	<u>1.0502</u>	<u>0.0908</u>	<u>1.1410</u>	<u>1.2926</u>
			20yr	<u>0.9492</u>	<u>0.0908</u>	<u>1.0300</u>	<u>1.1613</u>

Note 1: Volumes Tendered at the Edmonton, Alberta Designated Receipt Point and not utilizing tankage facilities at the Edmonton terminal will receive a direct inject credit applicable to the Fixed Toll component, which direct inject credit is estimated to be \$0.13 per barrel in 2017.

**SCHEDULE B
FIRM SERVICE TOLLS**

Indicative Toll Estimates:**Total Contract Volume greater than or equal to 75,000 barrels per day.**

Receipt Point ¹	Delivery Point	Petroleum Type and Contract Term	Indicative Firm Service Toll Components (\$CDN/bbl)			Open Season Toll Limit (Fixed component of Firm Service Toll) (\$CDN/bbl)	
			Fixed	Variable	Total		
Edmonton	Kamloops	Light	15yr	2.9286	0.2724	3.1910	3.6154
			20yr	2.6357	0.2724	2.9081	3.2519
Edmonton	Burnaby	Light	15yr	4.1001	0.3834	4.4835	5.064.97
			20yr	3.6960	0.3834	4.073.94	4.5647
Edmonton	Westridge	Light	15yr	4.6151	0.3834	4.9985	5.5748
			20yr	4.1406	0.3834	4.5240	5.014.93
		Heavy	15yr	4.6151	0.4541	5.064.92	5.5748
			20yr	4.1406	0.4541	4.5947	5.014.93
Edmonton	Sumas	Light	15yr	3.9182	0.3632	4.2714	4.8374
			20yr	3.5244	0.3632	3.8876	4.3526
		Heavy	15yr	3.9182	0.4339	4.3421	4.8374
			20yr	3.5244	0.4339	3.9583	4.3526
Kamloops	Burnaby	Light	15yr	1.1613	0.1110	1.2723	1.4240
			20yr	1.0402	0.1110	1.1512	1.2926
Kamloops	Sumas	Light	15yr	0.9794	0.0908	1.0602	1.1917
			20yr	0.8785	0.0908	0.9693	1.0705

Note 1: Volumes Tendered at the Edmonton, Alberta Designated Receipt Point and not utilizing tankage facilities at the Edmonton terminal will receive a direct inject credit applicable to the Fixed Toll component, which direct inject credit is estimated to be \$0.13 per barrel in 2017.

Initial Cost Estimate¹

Item	Initial Cost Estimate (M\$)	Capped Costs (M\$)	Uncapped Costs (M\$)	Uncapped Cost Items
Project Management (incl. Regulatory)	192.0209.9	192.209.9 .0	0.0	None
Engineering (incl. Survey & Environment)	235.1275.7	235.1275.7	0.0	None
Pipeline Materials	484720.5	132.3191.8	352.2528.7	100% of Bare Pipe at Mill
Land (ROW)	401.2403.8	219.4222.0	181.8	100% of ROW Fort Langley Westridge (34km)
Pipeline Construction & Inspection	1880.42333.3	1602.2018.5	277.9314.8	100% of Coquihalla Summit Wahleach (74km) 100% of Fort Langley Westridge (34km)
Facilities (incl. Terminals & Stations)	878.01391.6	878.01391.6	0.0	None
Commissioning (incl. Loop Reactivation)	79.468.3	79.468.3	0.0	None
Other	85.7103.2	2.64.1	8399.1	100% of Consultation and Accommodation costs
SUBTOTAL	42365506.3	3341.34381.9	895.01124.4	
Firm Service Fee Credit	(136.3)	(136.3)	0.0	
TOTAL Initial Cost Estimate	41005370.0	3205.04245.6	895.01124.4	

Note 1: The Initial Cost Estimate Probability Distribution is deemed to be Class IV, in general accordance with AACE International recommended practices and has a deemed Accuracy of +35%/-22.5%.

SCHEDULE C TOLL PRINCIPLES

Capitalized terms used and not otherwise defined in this Agreement shall have the meanings ascribed to them in the Facility Support Agreement and the Transportation Service Agreement.

1. Firm Service Toll Composition

The Firm Service Toll for any Service Option shall consist of the Fixed Toll component and the Variable Toll component.

2. Fixed Toll Component

- 2.1. The Fixed Toll component shall be based on the As-Built Cost and prorated between Designated Delivery Point locations on a Cubic Metre-kilometre basis, with the exception of Westridge tolls which shall also include 100% of the costs and expenses for the Westridge Marine Terminal.
- 2.2. The Fixed Toll component shall be adjusted for changes in costs and expenses in accordance with Section 3.2 of the Facility Support Agreement. In all circumstances when a Fixed Toll component is adjusted upwards or downwards by Carrier pursuant to Section 3.2 of the Facility Support Agreement, such adjustment shall be made first to the 15 year Transportation Service Agreement Fixed Toll component; second the 20 year Transportation Service Agreement Fixed Toll Component shall then be determined by applying a ten percent (10%) discount to the adjusted 15 year Transportation Service Agreement Fixed Toll component; and third, the Service Options with a total Contract Volume greater than or equal to 75,000 barrels per day shall receive a further seven and one half percent (7.5%) discount for a Contract Term.
- 2.3. Starting on the first anniversary of the Commencement Date and each year thereafter, the Fixed Toll component will be increased by two and one half percent (2.5%).
- 2.4. The Fixed Toll component for Uncommitted Tolls (as defined in the Transportation Service Agreement) shall be set at a ten percent (10%) premium to the 15 year Transportation Service Agreement Fixed Toll component.

3. Variable Toll Component

The Variable Toll component for Firm Service Tolls and Uncommitted Tolls will include the following:

3.1. Power Costs

- a) Power Costs will be forecast for each calendar year and converted to a light crude equivalent unit power rate (\$ / bbl) based on a forecast of the light and heavy Petroleum to be shipped on the Expanded System.

- b) Each shipper transporting light Petroleum on the Expanded System during the calendar year shall pay, on a monthly basis, the amount calculated by multiplying the forecast light crude equivalent unit power rate times the Cubic Metre-kilometres shipped on the Expanded System in any particular month. Heavy Petroleum shipments will be charged on the same basis as light Petroleum shipments except that the forecast light crude equivalent unit power rate will be multiplied by 1.2.
- c) At the end of each calendar year, the Carrier shall calculate the difference between the forecast Power Costs collected and the actual Power Costs incurred as well as a reconciliation of the forecast light crude equivalent unit power rate and the actual light crude equivalent unit power rate (the “**LCE Unit Rate Adjustment**”).
- d) Within ninety (90) days of the end of the calendar year, each Shipper that transported light Petroleum during the calendar year will either be invoiced an amount (either positive or negative) that is equal to the LCE Unit Rate Adjustment multiplied by actual Cubic Metre-kilometres shipped on the Expanded System by such Shipper or such amounts will be included in the annual reconciliation of the Variable Toll. Each Shipper that transported heavy Petroleum during the calendar year will either be invoiced an amount on the same basis, except that the LCE Unit Rate Adjustment will be multiplied by 1.2. or such amounts will be included in the annual reconciliation of the Variable Toll.

3.2. Revenue Sharing

The Carrier shall share with all shippers fifty percent (50%) of all Fixed Toll revenue collected from Uncommitted Shippers on volumes shipped in excess of eighty-five percent (85%) of the Available Capacity (as defined in the Rules and Regulations).

At the end of each calendar year, the Carrier shall calculate the amount to be shared and this amount will be included in the annual reconciliation of the Variable Toll.

3.3. Other Inclusions

The Variable Toll component shall also include and be adjusted accordingly for the recovery of uncontrollable costs (as justified by Carrier with supporting evidence) whether operating or capital, resulting from changes in operations which are not currently anticipated by Carrier, or cannot reasonably be included in calculating the toll, including:

- a) increases in costs resulting from changes in legislation, regulations, orders or directions from any government or Regulatory Body (including the NEB), which result in changes to safety, integrity, environmental practices or procedures, land use rezoning;
- b) the collection of pipeline abandonment costs pursuant to Board Order RH-2-2008 and any subsequent Board Orders;
- c) increases in costs resulting from any programs or facilities requested by shippers and agreed to by the Carrier that are consistent with the Trans Mountain Investment Policy as may be amended from time to time; and

d) costs resulting from terrorism, sabotage or civil disturbances.

3.4. The Carrier shall calculate, at the end of each calendar year, all amounts to be collected and any difference between forecast and actual amounts included in the current year Variable Toll; with such amounts to be included in the annual reconciliation of the Variable Toll.

3.5. Annual Reconciliation

Within ninety (90) days of the end of each calendar year, a reconciliation of the difference between the forecast Variable Toll components and the actual Variable Toll components will be completed.