

INCENTIVE TOLL SETTLEMENT

FOR THE TRANS MOUNTAIN PIPELINE SYSTEM

2022 - 2023

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1 Introduction

- 1.1 Trans Mountain Pipeline L.P. is a limited partnership organized under the laws of Alberta. Trans Mountain Pipeline ULC is a company incorporated under the laws of Alberta. Trans Mountain Pipeline ULC is the general partner of Trans Mountain Pipeline L.P. (collectively “**Trans Mountain**”).
- 1.2 Trans Mountain Pipeline L.P. owns an oil pipeline system (the “**System**”) originating at Edmonton, Alberta and terminating at Burnaby, British Columbia, with intermediate points of receipt and delivery.
- 1.3 Trans Mountain is regulated by the Canada Energy Regulator (the “**CER**”, successor to the National Energy Board or NEB). Trans Mountain Pipeline ULC holds Certificate of Public Convenience and Necessity OC-2 as amended and Certificate of Public Convenience and Necessity OC-49 as amended which permit the operation of the System.
- 1.4 Trans Mountain and its Shippers have developed this incentive toll settlement (the “**2022-2023 ITS**”), which shall, subject to the approval of the Commission of the CER, provide for settlement of the Revenue Requirement and toll issues applicable to the System for the Term.
- 1.5 Trans Mountain and Shippers understand that the incentives provided for in this 2022-2023 ITS provide an opportunity to achieve incremental revenues and cost savings but they are not a guarantee of such revenues and savings.
- 1.6 Trans Mountain understands that the costs accounted for in this 2022-2023 ITS shall not include costs otherwise accounted for as Costs and Expenses, as defined in the Trans Mountain Pipeline Expansion Project Facility Support Agreements.
- 1.7 Westridge Dock Bid Premiums collected during the Term shall be refunded to Shippers as a Westridge Dock Premium Surcredit over a period of time approved by the Commission of the CER. The disposition of Westridge Dock Bid Premiums is governed by Reasons for Decision dated 20 July 2006¹ and as set out in Section 14.
- 1.8 On January 1, 2015, in compliance with the NEB Reasons for Decision, Set-aside and collection mechanisms MH-001-2013 issued May 2014, Trans Mountain commenced the collection of pipeline abandonment funds from Shippers through the collection of a Pipeline Reclamation Surcharge. Trans Mountain’s Pipeline

¹ NEB filing ID: [A12678](#).

Reclamation Surcharge is governed by NEB Order TO-002-2015² and as set out in Section 15. On December 12, 2019, the Commission issued Order TO-005-2019³ approving Trans Mountain's revised Annual Contribution Amount, which was based on the Abandonment Cost Estimate approved by the NEB on April 18, 2018.⁴

2 General Agreement

- 2.1 This 2022-2023 ITS was developed by Trans Mountain and Shippers to provide an overall settlement for the determination of the Revenue Requirement and toll issues for the System for the Term. This 2022-2023 ITS is to be viewed as a whole and no component of it, taken in isolation, shall be construed as representing the position of any party other than as part of the overall incentive toll settlement. No element of this 2022-2023 ITS shall be considered acceptable to any party in isolation, nor shall it form a precedent, nor prejudice the position of any party in future discussions or proceedings.
- 2.2 It is intended that the incentive based methodology contemplated in this 2022-2023 ITS will align the interests of Trans Mountain with those of its Shippers by aligning risks and rewards associated with the costs and benefits of transporting greater volumes and reducing costs than may otherwise be achieved. Trans Mountain shall strive to create opportunities to enhance the overall capacity of the System through operational improvements and other opportunities as outlined in Sections 11.4 and 16.
- 2.3 Trans Mountain will continue to provide, at a minimum, the current level of service and responses to requests from its Shippers. The current level of service generally exceeds the minimum service standard as contained in Trans Mountain's Service Standards, as may be amended from time to time in response to requests from Shippers.
- 2.4 This 2022-2023 ITS shall be applicable solely to the System and shall have no application to, or form a precedent for, other CER regulated pipelines or pipelines regulated by the Federal Energy Regulatory Commission.
- 2.5 If any matter pertaining to the Net Toll, toll surcharges/surcredits or Revenue Requirement of the System arises that is not anticipated or adequately provided for in this 2022-2023 ITS, it is agreed that Trans Mountain and its Shippers shall

² NEB filing ID: [A68377](#).

³ CER filing ID: [C03631](#).

⁴ NEB Letter Decision, NEB filing ID: [A91357](#).

discuss such matter and attempt to resolve it in a fair and equitable manner. In the event that any such matter cannot be resolved, the dispute resolution provisions in Section 19 of this 2022-2023 ITS shall apply.

- 2.6 Trans Mountain shall request that the Commission of the CER approve this 2022-2023 ITS.
- 2.7 Trans Mountain shall also request from the Commission of the CER:
 - (a) relief from the requirement to file financial forecasts and financial surveillance reports quarterly; and
 - (b) approval to file annually the schedules contemplated herein.

3 Interpretation

3.1 Definitions

Unless otherwise defined in this 2022-2023 ITS, capitalized terms shall have the meanings set out in the Petroleum Tariff.

- (a) **2022-2023 ITS** has the meaning given to it in Section 1.4 above.
- (b) **Affiliate** means with respect to Trans Mountain, any Person (i) that controls Trans Mountain, (ii) that is controlled by Trans Mountain, or (iii) that is under common control with Trans Mountain; it being understood and agreed that for purposes of this definition the terms controls and controlled by shall mean the power to direct or cause the direction of the management and policies of another Person whether through the ownership of shares or partnership interest, a contract, trust arrangement or any other means, either directly or indirectly, that results in control in fact and without restricting the generality of the foregoing includes, with respect to the control of or by a corporation or a partnership, the ownership of shares or partnership interest carrying not less than fifty percent (50%) of the voting rights regardless of whether such ownership occurs directly or indirectly, as contemplated above.
- (c) **AFUDC** means an allowance for funds used during construction of capital projects, calculated on monthly as-spent-dollars, and is the sum of:
 - 1. an amount representing Trans Mountain's cost of debt, equal to the cost of debt multiplied by the debt portion of deemed capital structure; and
 - 2. an amount representing Trans Mountain's return on equity multiplied by the equity portion of deemed capital structure,

using the deemed capital structure, debt rate and return on equity as set forth in Section 10.1.

AFUDC shall be included in capital project costs that have the following characteristics:

1. Duration of construction exceeds three (3) months;
 2. Construction is of a complex nature (i.e. excludes simple purchases); and
 3. Individual capital project costs exceed \$75,000.
- (d) **Canada Energy Regulator** or **CER** has the meaning given to it in Section 1.3 above and includes any successor or replacement agency.
- (e) **Canadian Energy Regulator Act** or **CER Act** means the Canadian Energy Regulator Act, S.C. 2019, c. 28, s. 10, as the same may be amended or supplemented from time to time, and for certainty includes any replacement or successor legislation.
- (f) **Capacity Incentive Code of Conduct** or **CI Code** means the code of conduct established to govern interactions between Trans Mountain and Shippers with respect to the capacity incentive.
- (g) **Capital Cost Incentive** or **CCI** means the negotiated adjustment included in Rate Base to remove a portion of the capital cost overruns calculated under the terms of the 2006 – 2010 Incentive Toll Settlement (approved by NEB Order TO-06-2006), all in respect of the capital expansions contemplated within that Settlement.
- (h) **Capital Cost Recovery** means the Return on Capital and Depreciation included in the Revenue Requirement and as set out in Section 10.
- (i) **Carrying Charges** means carrying costs calculated on the balances owed to Shippers as of December 31 of the applicable year or upon expiry or termination of this 2022-2023 ITS (unless the context dictates a different date). The Carrying Charge rate shall be the average of the monthly Trans Mountain overnight bank rate (TD Prime minus 2%, or as may be changed from time to time). The calculation method for the Carrying Charge rate is set out in Schedule 9.
- (j) **CER Cost Recovery** means all amounts payable by Trans Mountain to the CER pursuant to the National Energy Board Cost Recovery Regulations.

- (k) **Debt Rate Adjustment** means the adjustment, if any, calculated in accordance with the method provided in Schedule 2.2.
- (l) **Deemed Heavy Percentage** means a deemed heavy percentage calculated pursuant to the method provided in Schedule 5.
- (m) **Depreciation** means the annual decline in asset value as a result of wear and tear, age, obsolescence and replacement. The annual Depreciation expense is set out in Schedule 2.
- (n) **Direct G&A** means general administration costs, pursuant to the *Oil Pipeline Uniform Accounting Regulations*, as amended or replaced from time to time including contract services provided for general administration, corporate costs (such as legal, audit, banking and communications costs) and facilities rents for pump stations and the Westridge Marine Terminal. These costs are fixed as per Sections 9.1 and 9.2.
- (o) **Dispute** shall mean the failure of Trans Mountain and Shippers to reach agreement or concurrence on any matter herein that requires such agreement or concurrence or the failure of Trans Mountain and Shippers to resolve any disagreement on the application or interpretation of this 2022-2023 ITS, including the alleged failure of any party to act in good faith with reasonable efforts.
- (p) **Edmonton Terminalling Revenues** means the amount of revenues collected by Trans Mountain from Shippers that use the System's facilities at Edmonton terminal; and is calculated as a Net Toll, as set out in the Petroleum Tariff for movements from Edmonton to Edmonton, multiplied by the annual actual volumes handled using this service, plus amounts paid to receive non-standard service.
- (q) **Environmental Compliance and Remediation** means the cost to develop and maintain the environmental protection program in compliance with applicable legal requirements and costs to assess and remediate contaminated sites associated with the operation of the System.
- (r) **Fire, Safety and Security** means the costs to inspect and maintain fire protection systems, the costs to safeguard System assets and those working for, on behalf of or in proximity to the System, and the costs to develop and maintain the health and safety, security and emergency management programs in compliance with applicable legal requirements that protect the public as well as System personnel and facilities.

- (s) **Fixed Costs** means Direct G&A and Trans Mountain Personnel as detailed in Section 9.
- (t) **Flow Through Costs** means the cost of CER Cost Recovery; Power; Property Taxes; Insurance; Environmental Compliance and Remediation; Integrity Management; Land and Right of Way Management; and Fire, Safety and Security.
- (u) **GAAP** means generally accepted accounting principles contained in the United States FASB Accounting Standards Codification, as amended or replaced from time to time.
- (v) **In-Service** means, in respect of any facility, the date upon which the facility is capable of providing the intended service, unless the CER mandates otherwise.
- (w) **Integrity Management** means the costs to: (i) maintain and execute the pipeline integrity management program, including without limitation, in-line inspections, corrosion control and monitoring, hazard management, and risk assessments; (ii) maintain and execute the facility integrity management program, including without limitation, ongoing routine maintenance and inspection of tanks, pump stations, metering equipment, and other station equipment; and (iii) maintain the facilities located at the Westridge Marine Terminal, including without limitation, the maintenance and operation of the incinerator and the sulphur-treat unit, Trans Mountain's vessel inspector and tugs, and the maintenance and deployment of the booms, and vacuum trucks to drain loading arms.
- (x) **Land and Right of Way Management** means the costs to: (i) maintain station property; (ii) maintain access and egress to the pipeline right of way including without limitation, removal of vegetation to ensure the ability to access the right of way or to complete visual inspection; and (iii) maintain and execute the damage prevention program, including without limitation, pipeline patrols and encroachment removals.
- (y) **National Energy Board** or **NEB** means the predecessor to the CER.
- (z) **National Energy Board Act** or **NEB Act** means the National Energy Board Act, RSC 1985, c.N-7, and predecessor to the CER Act.
- (aa) **Net Toll** means the dollar amount per volume unit of Petroleum transported on the System, as established by Trans Mountain in accordance with the terms of this 2022-2023 ITS and the System Throughput to transport Petroleum from a specified point of receipt to a specified point of delivery, as further explained in

the TL Schedule 1, and published in a Petroleum Tariff. Net Toll does not include any surcredit or surcharge that has been separately approved or directed by the CER or NEB, such as the Westridge Dock Premium Surcredit or the Pipeline Reclamation Surcharge.

- (bb) **Non-Routine Adjustment** or **NRA** means an amount not otherwise provided for within Direct G&A, or as may be otherwise negotiated, and which on an annual basis per incident is equal to or greater than \$100,000, or in aggregate is equal to or greater than \$250,000 unless otherwise indicated herein. The NRAs are detailed in Sections 11.8 and 13.
- (cc) **Operational Capacity Incentive Adjustment** means the adjustment, if any, calculated pursuant to Section 11.4.
- (dd) **Petroleum Loss Allowance Percentages** or **PLAP** means physical petroleum losses administered as a percentage (%) of volume delivered as determined in accordance with Section 11.7.
- (ee) **Petroleum Tariff** means the Trans Mountain rules and regulations that govern the transportation of Petroleum on the System and the Trans Mountain toll schedules, as approved by the CER from time to time.
- (ff) **Provision for Income Tax** means application of statutory income tax rates (applicable in the provinces of Alberta and British Columbia) to the equity return (calculated as the individual Rate Bases multiplied by the equity component and the equity rate as contained in Section 10.1), utilizing the flow through method of accounting for income taxes, and applicable taxable differences, appropriately adjusted to a pre-tax amount, in a manner consistent with that approved by the NEB in its RH-3-93 Reasons for Decision. The method for the calculation of the Provision for Income Tax is set out in Schedule 7.
- (gg) **Rate Base** means the accumulated original capital cost of assets, net of accumulated Depreciation, both as adjusted to remove the CCI amounts and System Optimization costs in excess of \$21 million, plus a Working Capital Provision as set out in Section 12.
- (hh) **Return on Capital** means the cost of debt and equity on Rate Base which is included in the Revenue Requirement and as set out in Section 10.1.
- (ii) **Revenue Requirement** means the total cost of service incurred by Trans Mountain for the transportation and handling of Petroleum on the System, as set out in Schedule 1, which is to be recovered in Net Tolls.

- (jj) **System** has the meaning given to it in Section 1.2 above.
- (kk) **System Optimization** means upgrades to seven existing pump stations to optimize the capacity available on the System. NEB Order TO-004-2019 approved the recovery of \$35 million for the System Optimization net of a Surcharge capped at \$14 million resulting in a net rate base addition capped at \$21 million. Costs in excess of the \$21 million cap are to be removed from rate base.
- (ll) **System Throughput** means Trans Mountain's forecast of anticipated deliveries for the System as set out in Section 6.
- (mm) **Target System Capacity** means the calculated hydraulic capacity for volumes exiting Edmonton and Edson, expressed in cubic meters per day, as determined using the 2010 hydraulic model, the Deemed Heavy Percentage and the agreed to target of 96%; as adjusted for any (i) System shutdowns, (ii) reductions in System Throughput as a result of maintenance activities, (iii) Shipper actions including but not limited to Delivery Point delays and Kamloops Excess Nominations, and (iv) Force Majeure.
- (nn) **Term** means the two (2) year period beginning on January 1, 2022 at 7:00 a.m. (Mountain Standard Time) and ending on January 1, 2024 at 7:00 a.m. (Mountain Standard Time) unless earlier terminated pursuant to Section 23.1.
- (oo) **Trans Mountain** has the meaning given to it in Section 1.1.
- (pp) **Trans Mountain Affiliate Code of Conduct** means the code of conduct established to govern interactions between Trans Mountain, Trans Mountain personnel, Trans Mountain affiliates, and Trans Mountain affiliate personnel, with respect to the provision of transportation services, as directed by the NEB in the letter dated 6 March 2008 in relation to Order XO-T246-04-2008.
- (qq) **Trans Mountain Expansion Project** or **TMEP** means the proposed expansion project for the System as described in the Trans Mountain Application pursuant to Part IV of the NEB Act approved by the NEB in the RH-001-2012 Reasons for Decision and as described in the Trans Mountain Expansion Project Application pursuant to Section 52 of the NEB Act and information filed with the NEB in relation thereto.

- (rr) **Trans Mountain Personnel** means the cost paid by Trans Mountain for the provision of personnel in accordance with Trans Mountain's Cost Allocation Methodology filed with the NEB in July 2002 (which includes personnel's salaries and wages, benefits, overhead, and allocation of capital assets such as the control centre building and the centralized pipeline operating and control system and the Calgary head office) and as set out in Sections 9.3 and 9.4. For clarity: (1) personnel benefits include but are not limited to pension costs and (2) overhead costs include but are not limited to Information Technology license and maintenance agreements, rent and occupancy costs, and shared service consultant costs.
- (ss) **Transportation Revenue Adjustment** or **TRA** means the adjustment, if any, calculated pursuant to Section 11.3.
- (tt) **Westridge Dock Bid Premiums** means the premiums paid by Shippers for volumes loaded over the Westridge Marine Terminal, as approved in the aggregated Reasons for Decision for Trans Mountain's Capacity Allocation Procedures for March 2006 to August 2007, as amended from time to time.
- (uu) **Working Capital Provision** means for any year the sum of:
1. Total annual operating costs minus annual insurance costs, plus provision for annual cash payments that are not included in the operating costs including but not limited to cash income taxes, all multiplied by fifteen (15) days and divided by the appropriate number of days in the year; and
 2. The average of the opening and closing inventory and prepaid expense balances for the year (balance sheet accounts).
- 3.2 This 2022-2023 ITS and related Petroleum Tariff are subject to the approval of the CER in accordance with the CER Act. At any time during the Term, Trans Mountain may apply to the CER for approval of amendments to the 2022-2023 ITS schedules, methodology or calculations, provided that such amendments are consistent with the terms of this ITS and that such amendments shall be subject to review with Shippers prior to filing with the CER. Nothing herein shall prevent or preclude any Shipper from exercising its right to intervene or object to any such application. Amendments to the 2022-2023 ITS schedules, methodology or calculations shall be effective on approval by the CER, or as otherwise directed by the CER.
- 3.3 Whenever the singular or plural is used in this 2022-2023 ITS, it shall be construed as meaning the plural or singular as the context requires.

3.4 Any references to current practices or level of service in this 2022-2023 ITS shall be construed as meaning practices or levels of service in effect as of January 1, 2022 at 7:00 am, as such practice or level of service may be amended or replaced from time to time.

3.5 Any reference to a monetary amount is to a lawful currency of Canada.

3.6 The following schedules and toll calculations and attachments shall form part of this 2022-2023 ITS:

Schedule 1 Method for Calculation of Revenue Requirement

Schedule 2 Method for Calculation of Rate Base, Capital Cost Recovery,
and Adjustment

Schedule 2.1 Summary of Capital Additions by Major Categories

Schedule 2.2 Method for Calculation of Debt Rate

Schedule 3 Summary of Fixed Costs and Trans Mountain Personnel Adjustment

Schedule 4 Summary of Flow Through Costs and Adjustments

Schedule 4.1 Summary of Power Transmission Volume and BC Energy Costs

Schedule 4.2 Method for Calculation of the Petroleum Loss Allowance Percentages

Schedule 5 Method for Calculation of Operational Capacity Incentive Adjustment

Schedule 6 Method for Calculation of Transportation Revenue Adjustment

Schedule 7 Method for Calculation of Income Tax Provision and Adjustment

Schedule 7.1 CCA for the Rate Base

Schedule 8 Summary of Non-Routine Adjustments

Schedule 8.1 Method for Calculation of the NRA for the Edmonton Terminalling Revenues

Schedule 8.2 Westridge Dock Bid Premium Refunds

Schedule 9 Method for Calculation of Carrying Charge Rate

CER Compliance Reporting

CER 1 Income Statement

CER 2 Average Rate Base

CER 3 Throughput Details

CER 4 Annual Integrity Spending

CER 5 Firm Service Report Pursuant to Board Order RH-2-2011

CER 6 Trans Mountain Expansion Project Bulk Oil Cargo Fee Due from
Westridge Shippers Pursuant to Board Order TO-001-2016

CER 7 Costs Recovered from Merchant Services at the Edmonton Terminal
Pursuant to Board Order XO-T246-04-2008

TL Schedules Toll Design Explanatory Notes, System Throughput, Net Toll Calculations, and

Surcharge and Surcredit Toll Calculations (from 1-9)

Procedures CI Code, Inventory Settlement Procedure, Refined Petroleum Reconciliation Procedure

3.7 Where a schedule attached hereto provides for:

- (a) a fixed amount, the amounts are as negotiated;
- (b) a calculation method, such calculation method and the numbers as proposed are as negotiated;
- (c) an illustration of a calculation method, such illustrative calculation as set out may change subject to review with Shippers prior to filing for approval of the Net Tolls.

3.8 Attachments hereto provide information to support or enhance the calculations completed pursuant to the schedules.

3.9 In the event of a conflict between the body of this 2022-2023 ITS and the numbers or calculation methods set out in the schedules, the numbers or calculation methods set out in the schedules shall govern.

4 Determination of Annual Tolls and Surcharges/Surcredits

4.1 Trans Mountain shall calculate the Net Tolls for each year of the Term in accordance with the method set out in the toll schedules, calculated on a prospective basis.

4.2 In order to calculate the Net Tolls, Trans Mountain shall determine the Revenue Requirement as contemplated in Section 7 and the System Throughput as contemplated in Section 6.

4.3 In addition to the Net Tolls, toll surcharges and surcredits such as the Pipeline Reclamation Surcharge and Westridge Dock Premium Surcredit, may be applied from time to time for costs or credits directly imposed or approved by the Commission of the CER.

5 Annual Toll Filings

5.1 Not later than March 1 of each year of the Term, Trans Mountain shall provide Shippers with initial draft(s) of the respective 2022-2023 ITS schedules for that year, updated to incorporate prior year adjustments pursuant to Section 11 and to include fixed and forecasted numbers for the year.

- 5.2 After review by Shippers of the respective 2022-2023 ITS draft schedules and Trans Mountain having addressed any questions raised by Shippers with respect to the draft schedules, Trans Mountain shall file with the Commission of the CER for approval a final version of the 2022-2023 ITS schedules and a new Petroleum Tariff requesting that such Petroleum Tariff be effective no later than May 1 of each year of the Term, or such subsequent date as may be required based on the filing date with the CER and the date CER approval is forthcoming.
- 5.3 From January 1, of each year of the Term, until such time as a new Petroleum Tariff shall be approved by the CER as contemplated in Section 5.2, Trans Mountain shall continue to apply the Petroleum Tariff then in effect on an interim basis to invoice Shippers, unless otherwise approved by the CER.

6 System Throughput

- 6.1 The System Throughput forecast shall take into account current and near-term market conditions, customer demand, supply, previous year's performance and, at a minimum, shall be based on 93% of hydraulic capacity at the forecast heavy composition. The forecast of the System Throughput shall be provided in TL Schedule 2.

7 Revenue Requirement

- 7.1 Trans Mountain shall calculate the Revenue Requirement to be recovered through Net Tolls for each year of the Term, taking into account the items set out in Section 7.2 and calculated using the method set out in Schedule 1.
- 7.2 The Revenue Requirement shall be calculated as the sum of the forecasted Flow Through Costs (Section 8), Fixed Costs (Section 9), Capital Cost Recovery (Section 10), Provision for Income Tax (Section 3.1(dd)), and Adjustments (Section 11).

8 Flow Through Costs

- 8.1 Flow Through Costs shall be recovered from Shippers on an actual basis as set out in Schedule 4.

9 Fixed Costs

- 9.1 **Direct G&A** for 2022 shall be the amount that is the 2021 Approved Direct G&A, escalated at a fixed rate of 2%.

- 9.2 **Direct G&A** for the remaining year of the Term shall be escalated at a fixed rate of 2%.
- 9.3 **Trans Mountain Personnel** shall be \$75.8 million for 2022.
- 9.4 **Trans Mountain Personnel** shall be \$77.67 million for 2023.
- 9.5 The method of calculation for the Fixed Costs is set out in Schedule 3. Annual amounts will be prorated for any partial year of the Term as described in Section 24.

10 Capital Cost Recovery

10.1 Return on Capital

- (a) Trans Mountain shall calculate the Return on Capital for each year of the Term of the 2022-2023 ITS using the following financial parameters:
1. deemed capital structure of 45% equity and 55% debt;
 2. return on equity of 9.5%; and
 3. prior year debt rate plus a Debt Rate Adjustment, calculated in accordance with the method provided in Schedule 2.2. The Debt Rate Adjustment may be positive or negative; however, the debt rate after adjustment shall not be lower than 4.5% and shall not exceed 5.5%.
- (b) The financial parameters shall be utilized in the following equations to determine return on Rate Base:
1. Debt Return = Rate Base x 0.55 x (prior year debt rate + Debt Rate Adjustment)
 2. Equity Return = Rate Base x 0.45 x 0.095
- (c) The method of calculation for the Return on Capital is set out in Schedule 2.

10.2 Depreciation

- (a) In the 2019-2021 ITS, Trans Mountain and its Shippers agreed to initiate a depreciation study. On October 1, 2019, Trans Mountain filed the 2019 Depreciation Study for approval with the Commission of the CER. On April 27, 2020, the Commission issued Order TO-001-2020 and Letter Decision⁵ which approved the 2019 Depreciation Study and the resultant depreciation rates to be effective 1 January 2020.
- (b) In addition, the Order and Letter Decision directed Trans Mountain to file an updated depreciation study by August 1, 2021. Trans Mountain filed the 2021 Depreciation Study for approval with the Commission of the CER on July 30, 2021. For the 2022 – 2023 ITS, Trans Mountain will apply the most recently approved depreciation rates.
- (c) The Depreciation rates shall be applied to Trans Mountain's fixed asset accounts, as maintained in accordance with: (i) the *Oil Pipeline Uniform Accounting Regulations*, as amended or replaced from time to time; and (ii) GAAP. The resulting total Depreciation expense shall be set out in Schedule 2.

11 Adjustments

11.1 2019-2021 ITS Adjustments

- (a) Trans Mountain shall flow through adjustments, if any, from the 2019-2021 Incentive Toll Settlement⁶ into the 2022 Revenue Requirement. For clarity, these flow through adjustments shall include all annual reconciled amounts as contained in the Schedules attached hereto, which are substantially in the same form as those filed with the request for approval of the 2021 final tolls but may have been renumbered to conform with the format of this 2022-2023 ITS.

11.2 Capital Cost Recovery Adjustment

- (a) A Capital Cost Recovery adjustment shall be calculated for each year of the Term.
- (b) The adjustment shall be calculated as the difference between the actual and forecast amounts. The adjustment may be positive or negative and shall be charged or refunded to Shippers in accordance with Section 24.
- (c) Carrying Charges shall be applied on amounts owed to Shippers.

⁵ CER filing ID: [C05929](#).

⁶ Incentive Toll Settlement for the Trans Mountain System, 2019-2021, Section 24.1 NEB filing ID: [A97071-3](#).

- (d) The method of calculation for the Capital Cost Recovery adjustment is set out in Schedule 2.

11.3 Transportation Revenue Adjustment

- (a) A Transportation Revenue Adjustment shall be calculated for each year of the Term.
- (b) The TRA shall be calculated as the difference between the actual tolled revenues collected for the year and the approved Revenue Requirement applicable to such year. The TRA may be positive or negative and shall be refunded or charged to Shippers in accordance with Section 24.
- (c) The TRA shall be calculated so as to avoid the duplication or double counting of any other adjustment.
- (d) To the extent that Trans Mountain refunds any TRA amounts described in parts (a) and (b) above to Shippers, such TRA amounts shall include Carrying Charges.
- (e) The method of calculation for the TRA is set out in Schedule 6.

11.4 Operational Capacity Incentive Adjustment

- (a) An Operational Capacity Incentive Adjustment shall be calculated for each year of the Term.
- (b) An Operational Capacity Incentive Adjustment, to the extent applicable, shall be included in Revenue Requirement in the manner described in Section 24.
- (c) The toll revenues for the Operational Capacity Incentive Adjustment shall be determined by multiplying the annual volumes for sharing by \$15.75/m³.
- (d) The annual volume for sharing shall be determined by taking the difference between the annual delivered volume and the Target System Capacity.
- (e) The Operational Capacity Incentive Adjustment shall be 25% of the revenues to be shared in accordance with the method of calculation set out in Schedule 5; however, such amount shall not exceed \$4 million.
- (f) The remainder of such revenues to be shared shall be for the account of Shippers.
- (g) Carrying Charges shall be applied on amounts owed to Shippers.
- (h) The hydraulic formula used for the Target System Capacity and the method of calculation for the Operational Capacity Incentive Adjustment is set out in

Schedule 5.

- (i) Annual reviews of the Operational Capacity Incentive Adjustment shall be performed pursuant to Section 20.4.

11.5 Trans Mountain Personnel Adjustment

- (a) A Trans Mountain Personnel adjustment, to the extent applicable, shall be included in the Revenue Requirement in the manner described in Section 24.
- (b) The Trans Mountain Personnel adjustment shall be 50% of the negative difference between the amount recorded in Trans Mountain's books of record and the 2022 fixed amount established in accordance with Section 9.3.
- (c) The remainder shall be for the account of Trans Mountain.
- (d) Carrying Charges shall be applied on amounts owed to Shippers.
- (e) The method for calculation of the Trans Mountain Personnel adjustment is set out in Schedule 3.
- (f) Trans Mountain and Shippers shall review the Trans Mountain Personnel amount annually to determine whether further adjustments are required, pursuant to Section 20.4.

11.6 Flow Through Cost Adjustments

- (a) The Flow Through Cost adjustments shall be calculated for each year of the Term.
- (b) The adjustment shall be calculated as the difference between the amounts recorded in Trans Mountain's books of record and the forecasted amounts included in the Revenue Requirement.
- (c) The Flow Through Cost adjustments may be positive or negative and shall be charged or refunded to Shippers in accordance with Section 24.
- (d) Carrying Charges shall be applied on amounts owed to Shippers.
- (e) The method for calculation of the Flow Through Cost adjustments is set out in Schedule 4.

11.7 Petroleum Loss Allowance Percentages

- (a) On a monthly basis, Trans Mountain shall issue separate invoices to Shippers

for physical petroleum losses in accordance with the procedure for reconciling physical petroleum losses defined in the Inventory Settlement Procedure and the Refined Petroleum Reconciliation Procedure which are both attached hereto and available on the Trans Mountain website at:

<https://www.transmountain.com/tolls-tariffs>

- (b) If during the review of the 2022 Final Tolls as contemplated in Section 5 of this 2022-2023 ITS, it is determined that the Petroleum Loss Balance Sheet amount has not been reduced to less than \$1 million, then effective May 1, 2022, the PLAPs will be adjusted in accordance with the calculation method set out in Schedule 4.2.
- (c) In addition to any adjustment of the PLAPs as described in Section 11.7(b), Trans Mountain will monitor the Petroleum Loss Balance Sheet amount throughout the Term and if the Petroleum Loss Balance Sheet amount is in a significant deficit or surplus position, the PLAP will be reviewed with shippers and adjusted with the intent to return the Balance Sheet to +/- \$1 million and keep the PLAPs relatively stable over the Term.
- (d) At the end of the Term, the Petroleum Loss Balance Sheet amount will be reconciled in accordance with Section 24.

11.8 NRAs and NRA Adjustments

- (a) NRAs, as set out in Section 13, shall be included in the Revenue Requirement as an adjustment.
- (b) NRA adjustments shall be calculated annually as the difference between the amount recorded in Trans Mountain's books of record and the forecasted amount included in the Revenue Requirement.
- (c) The NRAs and adjustments may be positive or negative and shall be charged or refunded to Shippers through the Revenue Requirement in accordance with Section 24.
- (d) Carrying Charges shall be applied on amounts owed to Shippers.
- (e) The method for the calculation of NRAs and NRA adjustments is set out in Schedule 8.

11.9 Provision for Income Tax Adjustment

- (a) A Provision for Income Tax adjustment shall be calculated for each year of the Term.
- (b) The adjustment shall be calculated as the difference between the actual and forecast amounts. The adjustment may be positive or negative and shall be charged or refunded to Shippers through the Revenue Requirement in accordance with Section 24.
- (c) Carrying Charges shall be applied on amounts owed to Shippers.
- (d) The method for the calculation of the Provisions for Income Tax Adjustment is set out in Schedule 7.

12 Rate Base

12.1 Rate Base

- (a) The Rate Base shall be calculated for each year of the Term on a flow through basis as set out in Schedule 2. The flow through amounts are categorized as: (i) open plant in service assets (which excludes CCI amounts and System Optimization net rate base additions exceeding \$21 Million) and open accumulated Depreciation, all as recorded in Trans Mountain's books of record for rate regulated operations at the end of the prior calendar year (for 2022 the opening Rate Base is the 2021 closing amounts); (ii) capital additions for assets placed In-Service in the calendar year; (iii) Depreciation; (iv) retirements; and (v) net proceeds / costs.
- (b) The Rate Base shall exclude those assets that are not utilized by all Shippers on the System. Examples of excluded assets and related costs are Westridge non-regulated facilities, pipe rack assigned costs, assets contracted to third parties including the Edmonton Terminal Expansion tanks constructed pursuant to Order XO-T246-04-2008, as amended, Edmonton Tank 29 and Tank 30 constructed pursuant to Order XO-T260-025-2013 and Edmonton Pumps, Piping and Facilities constructed pursuant to Order XO-T260-011-2014 and any other assets contracted for use by a specific Shipper as a result of such Shipper's non-standard or non-common service requirements.

12.2 Rate Base / Working Capital Provision

- (a) The calculation of the annual Working Capital Provision is set out on Schedule 2.

13 Non-Routine Adjustments

13.1 A NRA shall be an adjustment to the Revenue Requirement necessary to permit Trans Mountain to recover or credit any impacts resulting from an event described in this Section 13 over the appropriate time period. NRAs, with the exception of government imposed changes or uncontrollable events that may impact Trans Mountain, shall be reviewed with and supported by Shippers prior to filing the annual 2022-2023 ITS schedules as noted in Section 5.2. NRAs may be any one or more of the following:

- (a) Fixed Costs arising from changes in programs, required NEB and CER reporting or operating costs associated with the installation of facilities as a result of changes in legislation, regulation, orders or direction by the CER or other government authority, where the matter was not initiated by Trans Mountain or its Affiliates. This category includes, without limitation, costs related to:
 - 1. maintaining compliance with NEB and CER Directives and/or Orders regarding pipeline abandonment funds and communicating the status of the collection and set-aside of pipeline abandonment funds in accordance with the NEB's RH-2-2008 Reasons for Decision and the NEB's MH-001-2013 Reasons for Decision or other NEB or CER direction related thereto (which shall not be subject to the cost limitations for a NRA as set out in Section 3.1(bb)); and
 - 2. the development and implementation of programs pursuant to NEB or CER Directives and/or Orders including but not limited to regulatory reform stemming from the *Jobs, Growth and Long-term Prosperity Act*, the *Canadian Energy Regulator Act*, and the *Impact Assessment Act*.
- (b) Increases in Fixed Costs for testing, programs or facilities requested by Shippers and agreed to by Trans Mountain. This category includes, without limitation, costs related to a 2021 Depreciation study (which shall not be subject to the cost limitations for a NRA as set out in Section 3.1(bb)).
- (c) Increases in Fixed Costs as a result of programs necessary to address new or unanticipated failure mechanisms after commencement of this 2022-2023 ITS which may impact System integrity.
- (d) The cost of audits reimbursed pursuant to Section 17.5 of this 2022-2023 ITS (which shall not be subject to the cost limitations for a NRA as set out in Section 3.1(bb)).
- (e) Sharing of Edmonton Terminalling Revenues (which shall not be subject to the

amounts for a NRA as set out in Section 3.1(bb)); and which shall be shared based on the calculation method set out in Schedule 8.1.

- (f) Receipt of Alternate Delivery Point Fees, Demurrage Charges and/or Non-Performance Penalties. In the event that such fees, charges or penalties are collected by Trans Mountain, they shall be returned to Shippers (which shall not be subject to the amounts for a NRA as set out in Section 3.1(bb)).

14 Westridge Dock Premium Surcredit

- 14.1 Westridge Dock Bid Premiums collected during the Term may be dealt with under separate filings to the CER to address the disposition of the funds, as the magnitude of prior and future collections may necessitate separate discussions with Shippers and reporting on these discussions to the CER.
- 14.2 During the course of prior annual toll filings, it has become customary for Trans Mountain to deal with both base toll changes and the Westridge Dock Premium Surcredit in the same filing, unless the magnitude of prior and future collections necessitates separate filings as outlined in Section 14.1.
- 14.3 Trans Mountain will determine, through discussions with Shippers during the annual toll filing process as contemplated in Section 5, or as may be otherwise agreed to with Shippers, the disposition of the Westridge Dock Bid Premiums.

15 Pipeline Reclamation Surcharge

- 15.1 The pipeline abandonment funds collected through the Pipeline Reclamation Surcharge are set-aside in the Trans Mountain Pipeline Reclamation Trust.
- 15.2 Trans Mountain shall keep Shippers apprised of the status of the pipeline abandonment funds collected over time.
- 15.3 All costs incurred by Trans Mountain to maintain compliance with NEB or CER Directives and/or Orders regarding pipeline abandonment funds and to communicate the status of the collection and set-aside of pipeline abandonment funds that are not otherwise paid or payable from the Trans Mountain Pipeline Reclamation Trust shall be treated as a NRA as contemplated in Section 13.1(a).

16 New Business Opportunities

- 16.1 Any current or prospective Shipper or Trans Mountain may request a review of

opportunities that may enhance utilization of the current System.

- 16.2 If it is agreed, and to the extent that Trans Mountain can enable new volumes or improve overall utilization of the current System through new business opportunities, Trans Mountain shall share incremental revenues net of incremental costs with Shippers based on an agreed upon formula.
- 16.3 Trans Mountain shall keep Shippers apprised of any such opportunities and the potential benefits.
- 16.4 In addition to the requirements of Section 20.4, any new business that enhances the capacity utilization beyond the capacity limitations at the commencement of this 2022-2023 ITS will require a review of the Operational Capacity Incentive with Shippers.

17 Audit Requirements

- 17.1 Upon reasonable notice to Trans Mountain, Shippers collectively may elect to have a third party audit this 2022-2023 ITS to confirm the reasonableness of the costs attributable to operation of the System and to confirm Trans Mountain's compliance with the provisions of this 2022-2023 ITS.
- 17.2 The auditor selected pursuant to this Section 17 must be an independent firm of public accountants. The audit must be conducted during normal business hours on such days as agreed to by Trans Mountain.
- 17.3 Trans Mountain shall provide such auditors with reasonable access to the relevant source data and other relevant information necessary for the conduct of the audit, including relevant Trans Mountain files. The auditors shall not be provided with access to any records held by Trans Mountain's contractors, subcontractors or suppliers.
- 17.4 All persons involved in performing any such audit shall sign a confidentiality agreement at the request of Trans Mountain.
- 17.5 Trans Mountain shall reimburse Shippers for the direct cost incurred, or as agreed, in respect of any audits undertaken on their behalf pursuant to this Section 17, provided that the amount of such reimbursement shall be recoverable by Trans Mountain as a NRA pursuant to Section 13.
- 17.6 Shippers shall provide a copy of the final audit report to Trans Mountain within ten (10) days of the date of Shippers' receipt of such report.

- 17.7 Trans Mountain and Shippers shall use all reasonable efforts to resolve any claims or discrepancies disclosed by an audit report as soon as reasonably practicable, and in any event within one hundred and eighty (180) days following provision of the audit report to Trans Mountain.
- 17.8 Claims or discrepancies that remain unresolved one hundred and eighty (180) days following provision of the audit report to Trans Mountain shall be resolved in accordance with the dispute resolution provisions in Section 19.
- 17.9 Shippers shall not audit Trans Mountain more than once in any calendar year.

18 Deferral Accounts

- 18.1 Trans Mountain shall establish deferral account(s) to record the following amounts, including applicable Carrying Charges thereon, to be implemented as adjustments to the Revenue Requirement as defined and more fully described in the aforementioned sections:
- (a) Capital Cost Recovery Adjustment;
 - (b) Trans Mountain Personnel Adjustment;
 - (c) Flow Through Cost Adjustments;
 - (d) Operational Capacity Incentive Adjustment;
 - (e) Transportation Revenue Adjustment;
 - (f) Provision for Income Tax Adjustment;
 - (g) NRAs and NRA Adjustments; and
 - (h) New Business Opportunity Adjustments.

19 Dispute Resolution

- 19.1 It is agreed that any requirement of or obligation set out in this 2022-2023 ITS to agree to, concur with, support, accept or negotiate the effect of any matter identified herein shall be construed as an obligation to act in good faith with all reasonable efforts to achieve resolution of the matter at issue.
- 19.2 In the event of a Dispute, any Shipper may initiate Dispute resolution by providing written notice to Trans Mountain. Trans Mountain, shall thereafter, provide written notice to parties known to have an interest in the Dispute or the resolution

thereof. In the event of a Dispute, Trans Mountain may also initiate Dispute resolution by providing written notice to parties known to have an interest in the Dispute or the resolution thereof.

- 19.3 No later than seven (7) days following the receipt of such notice, Trans Mountain and Shippers shall each appoint a representative or representatives to attempt to resolve the Dispute. The representatives appointed by each party shall be individuals who are technically qualified to appreciate and assess the Dispute and who have authority to negotiate a resolution to the Dispute. If the Dispute is not resolved within thirty (30) days of receipt of the notice, the Dispute resolution shall be deemed to have failed.
- 19.4 Upon the failure of the Dispute resolution process, Trans Mountain or the Shipper initiating the Dispute may refer the Dispute to the CER, with the request that the Dispute be resolved by the CER on an expedited basis.

20 General Provisions

- 20.1 If at any time any metric or externally obtained factor referred to hereunder is not available or ascertainable, the parties agree to promptly meet to negotiate a mutually satisfactory replacement for such metric or externally obtained factor.
- 20.2 Trans Mountain shall, at all times during the Term, insure its property and potential liability exposures against loss or damage in a manner that is commercially reasonable having regard to the nature of the System.
- 20.3 This 2022-2023 ITS shall be governed by, construed and interpreted in accordance with the laws of the Province of Alberta and the federal laws of Canada applicable therein.
- 20.4 Trans Mountain and Shippers shall review annually the Operational Capacity Incentive Adjustment as set out in Section 11.4, the CI Code, and the Trans Mountain Personnel adjustment as set out in Section 11.5. If parties agree on any changes thereto, Trans Mountain shall apply to the CER for approval of such changes.

21 Transactions with Affiliates

- 21.1 Trans Mountain and its Affiliates (including Trans Mountain Canada Inc., the operator of the System) and each of their respective personnel are required to abide by the Trans Mountain Affiliate Code of Conduct and the CI Code. The CI Code is attached hereto. The Trans Mountain Affiliate Code of Conduct and the CI

Code are posted on Trans Mountain's website at
<https://www.transmountain.com/tolls-tariffs>

- 21.2 Trans Mountain shall maintain books of account for the System in accordance with the requirements of the *Oil Pipeline Uniform Accounting Regulations*, as amended or replaced from time to time, and any applicable Orders or Directives of the NEB and CER.
- 21.3 Trans Mountain shall ensure that all of its personnel are aware of and comply with the requirements of the Trans Mountain Affiliate Code of Conduct and the CI Code.

22 Conditions Precedent

- 22.1 This 2022-2023 ITS and the Net Tolls for each year of the Term determined in accordance with this 2022-2023 ITS shall be subject to the approval of the Commission of the CER.
- 22.2 If any provision of this 2022-2023 ITS or the Net Tolls does not receive regulatory approval or is altered by a regulatory decision that makes this 2022-2023 ITS or Net Tolls non-manageable or unacceptable to Trans Mountain or the Shippers, it is agreed that the parties shall review and rectify this 2022-2023 ITS and the Net Tolls or this 2022-2023 ITS shall be terminated.

23 Termination of the 2022-2023 ITS

- 23.1 The term of the 2022-2023 ITS will terminate upon the earlier of the commencement of commercial service of the Trans Mountain Expansion Project or the expiry of the Term of this Agreement.

24 Expiration of the 2022-2023 ITS

- 24.1 Upon expiration of this 2022- 2023 ITS, all amounts owed to or recoverable from Shippers in accordance with this 2022-2023 ITS, other than as determined for the refund of the Westridge Dock Bid Premiums, shall be carried forward into the subsequent year's Revenue Requirement, or dealt with in accordance with a negotiated resolution between Trans Mountain and its Shippers, or as otherwise approved by the Commission of the CER.

24.2 If termination of this 2022-2023 ITS is a result of the commencement of service of the Trans Mountain Expansion Project, the prior year adjustments pursuant to Section 11 shall be calculated as the differences between the actual and forecast amounts on a pro-rata basis for the number of days that are governed under this 2022-2023 ITS. The amounts owed to or recoverable from Shippers in accordance with this 2022-2023 ITS, other than as determined for the refund of the Westridge Dock Bid Premiums, shall be carried forward into the Annual Reconciliation process for the Variable Toll component of the Firm Service Tolls and Uncommitted Tolls in accordance with the Trans Mountain Expansion Toll Methodology⁷ or be dealt with in accordance with a negotiated resolution between Trans Mountain and its Shippers and as approved by the Commission of the CER. To the extent possible, Trans Mountain commits to monitor and identify opportunities to limit amounts carried forward into the Annual Reconciliation process for the TMEP Variable Toll.

⁷ Trans Mountain Pipeline ULC, Application Pursuant to Part IV of the National Energy Board Act for Approval of the Toll Methodology to be Applied on the Expanded Trans Mountain Pipeline System, dated 29 June 2012 (NEB filing ID: [A42489](#)) and the Revised Application thereafter, dated 10 January 2013 (NEB filing ID: [A50046](#)). The Application was approved by NEB Order TO-004-2013, dated 23 April 2013 (NEB filing ID: [A51914](#)).

TRANS MOUNTAIN
Methodology for Calculation of Tolls
Supporting Schedules and Toll Calculations
Pursuant to the 2022 - 2023 Incentive Toll Settlement
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Methodology for Calculation of Tolls Pursuant to the 2022 - 2023 Incentive Toll Settlement

Schedule 1

Method for Calculation of Revenue Requirement

(\$000)

Line	Description	Schedule & Line ref.	2021 Approved	2021 Actual Example	2021 Variance	2022 Illustration
1	A. Revenues for Annual Toll Change					
2	Capital Cost Recovery	[Schedule 2, Sheet 1, line 26]	104,340	104,340	-	105,817
3	Income Tax Provision	[Schedule 7, line 12]	8,054	8,054	-	8,350
4	Fixed Costs	[Schedule 3, line 11]	70,599	70,599	-	77,861
5	Flow Through Costs	[Schedule 4, line 10]	142,126	142,126	-	156,770
6	Trans Mountain Personnel Adjustment ^[2]	[Schedule 3, line 12]	-	-	-	-
7	Transportation Revenue Adjustment ^[2]	[Schedules 6, line 15]	-	-	-	-
8	Operational Capacity Incentive Adjustment ^[2]	[Schedules 5, Sheet 1, line 17]	-	-	-	-
9	Summary of NRAs and Adjustments	[Schedule 8, line 8]	(853)	(853)	-	(962)
10	Total Revenues		324,267	324,267	-	347,837
11	Carrying Charges	[Schedule 9, Note 2]	(47)			-
12	Prior year adjustment ^[3]		2,403			-
13	Total Annual Revenue Requirement		326,623			347,837
14	B. Adjustment required for partial year Net Tolls					
15	Revenues collected from 2021 Interim Net Tolls ^[4]		(85,894)			
16	Revenues collected from 2022 Interim Net Tolls ^[4]					-
17	Revenues for Partial Year Net Tolls		240,729			347,837
18	C. Average change in Revenue Requirement	[(line 13: 2021 Approved ÷ 2020 of \$293,217K) - 1]	11.4%			
		[(line 13: 2022 Proposed ÷ 2021 Approved) - 1]				6.5%
19	Refund Westridge Dock Bid Premiums ^[5]					
20	Separate Tariff Sur-credit	[Schedule 8.2, line 9]	(115,903)	(115,903)		-
21	Additional refund to offset Pipeline Reclamation Surcharge	[Schedule 8.2, line 10]	(12,537)	(12,537)		-
22	Additional refund to offset System Optimization Surcharge ^[6]	[Schedule 8.2, line 11]	(5,091)	(5,091)		-
23	Total Separate Tariff Sur-credit		(133,532)	(133,532)		-
24	Average change in Tolls					
25	Without Westridge Dock Bid Premiums		41.9%	41.9%		
26	With Westridge Dock Bid Premiums		84.2%	84.2%		

Note(s):

- [1] The 2021 Approved will be updated to reflect 2021 Actuals calculated pursuant to the 2019-2021 ITS and as part of the 2022 Final Toll filing. The 2022 Illustration conforms with the principles defined in the 2022-2023 ITS and will be updated to 2022 Proposed as part of the 2022 Final Toll filing.
- [2] For examples of the Trans Mountain Personnel Adjustment, Operational Capacity Incentive Adjustment, and Transportation Revenue Adjustment, refer to Schedule 3, Schedule 5 and Schedule 6 respectively.
- [3] The 2021 Approved prior year adjustment can be found in the 2021 Final Toll filing, Toll Calculation Schedules, Schedule 1, Line 12. CER filing ID: C12210-2.
- [4] Interim Toll amounts are the sum of Interim Net Tolls multiplied by deliveries identified for January through April.
- [5] The 2022 Interim Net Tolls and Refund Westridge Dock Bid Premiums will be determined in conjunction with the 2022 Final Toll filing.
- [6] The System Optimization Surcharge and offsetting Westridge Dock Premium Surcredit were approved by CER Order TO-004-2019 (CER filing ID: C00178-3).
- [7] ALL AMOUNTS SHOWN ON THE SCHEDULES ARE CALCULATED TO THE DOLLAR AND HAVE NOT BEEN ROUNDED WHEN PRESENTED IN THOUSANDS. AS A RESULT TOTALS MAY NOT ADD.

Methodology for Calculation of Tolls Pursuant to the 2022 - 2023 Incentive Toll Settlement**Schedule 2**

Method for Calculation of Rate Base, Capital Cost Recovery, and Adjustment

Sheet 1 of 2

(\$millions)

Line	Description	Capital Structure	Returns / Rates		2021	2021	2021	2022
			2021	2022	Approved	Actual Example	Variance	Illustration
1	Open Plant In Service Assets				1,728.5	1,728.5	-	1,787.3
2	Open Accumulated Depreciation				(755.1)	(755.1)	-	(791.4)
3	Total Open Net Plant ^[1]				973.4	973.4	-	995.9
4	Capital Additions to Rate Base as of							
5	1-Jan [Schedule 2.1, line 22]				3.0	3.0	-	0.6
6	31-Dec [Schedule 2.1, line 23]				55.8	55.8	-	56.2
7	<i>Additions without Westridge Marine Terminal</i>				58.8	58.8	-	56.6
8	<i>Westridge Marine Terminal</i>				0.0	0.0	-	0.1
9	Reportable Additions				58.8	58.8	-	56.7
10	Depreciation Expense ^{[2] [5]}							
11	31-Dec		3.06%	2.41%	(36.4)	(36.4)	-	(36.4)
12	Reportable Depreciation Expense				(36.4)	(36.4)	-	(36.4)
13	Retirements				-	-	-	-
14	Net Proceeds / (Costs)				(0.1)	(0.1)	-	(0.1)
15	Close Plant In Service				1,787.3	1,787.3	-	1,844.0
16	Close Accumulated Depreciation				(791.4)	(791.4)	-	(827.7)
17	Total Close Net Plant				995.9	995.9	-	1,016.3
18	Average Plant In Service				986.1	986.1	-	1,006.4
19	Average Working Capital ^[3]				20.3	20.3	-	21.9
20	Net Rate Base				1,006.5	1,006.5	-	1,028.3
21	Return on Capital							
22	Equity	45%	9.50%	9.50%	43.0	43.0	-	44.0
23	Debt ^[4]	55%	4.50%	4.50%	24.9	24.9	-	25.5
24	Total Return on Capital		6.75%	6.75%	67.9	67.9	-	69.4
25	Depreciation Expense				36.4	36.4	-	36.4
26	Total Capital Cost Recovery				104.3	104.3		105.8
27	Capital Cost Recovery Variance						-	
28	Carrying Charges				[If line 27<0, line 27 * rate on Sch 9]			-

Methodology for Calculation of Tolls Pursuant to the 2022 - 2023 Incentive Toll Settlement**Schedule 2**

Method for Calculation of Rate Base, Capital Cost Recovery, and Adjustment

Sheet 2 of 2

Note(s):

[1] Excluded assets: 1). Capital Cost Incentive (CCI) pursuant to CER Order TO-06-2006; and 2). System Optimization net rate base addition exceeding \$21 million.

[2] Trans Mountain will apply the most recently approved depreciation rates pursuant to Section 10.2 of the 2022-2023 ITS.

[3] Forecast Working Capital Provision:

	2021 Approved	2021 Actual Example	2021 Variance	2022 Illustration
Fixed & Flow Through Operating Expenses	204.4	213.4	9.0	235.2
Less Insurance	(4.4)	(6.9)	(2.5)	(10.4)
Plus Income Taxes Payable	5.4	6.1	0.6	6.3
Cash Cost of Service	205.4	212.5	7.1	231.1
Provision for Cash Requirement ^[ii]	8.4	8.7	0.3	9.5
Average Prepaid Expenses ^[iii]	3.2	4.0	0.8	5.9
Average Inventory	6.0	6.5	0.5	6.5
Average Working Capital Provision	17.6	19.2	1.6	21.9
[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 2022, Average Prepaid Expenses calculated as 57% of the forecast insurance expense.

[4] The debt rate will be determined pursuant to the calculation on Schedule 2.2 and Section 10.1 of the 2022-2023 ITS. The debt rate includes fees, if any, for the line of credit required pursuant to CER Order AO-001-FRO-002-2017 (CER filing ID: A98410).

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

Disallowed Plant	Asset		Expense	Expense	Expense
Expansion CCI - 2010	(6,673)				
Accumulated Depreciation - 2020	1,705	2.13%	142	142	142
Disallowed Plant					
System Optimization Project (costs > \$21 million cap) - 2020	(5,448)				
Accumulated Depreciation	-	3.02%		165	165
Total Depreciation Expense Adjustment			142	307	307

Methodology for Calculation of Tolls Pursuant to the 2022 - 2023 Incentive Toll Settlement**Schedule 2.1**

Method for Calculation of Rate Base, Capital Cost Recovery, and Adjustment

Summary of Capital Additions by Major Categories

(\$000)

Line	Description	Schedule & Line ref.	2021 Approved	2021 Actual Example	2021 Variance	2022 Illustration
1	A. Mainline Repair Projects ^[1]					
2	1-Jan		6	6	-	580
3	31-Dec		38,122	38,122	-	27,335
4	Total	[line 2 + line 3]	38,128	38,128	-	27,915
5	B. Facility Pipeline Projects ^[2]					
6	1-Jan		2,995	2,995	-	-
7	31-Dec		7,721	7,721	-	15,247
8	Total	[line 6 + line 7]	10,716	10,716	-	15,247
9	C. Tanks ^[3]					
10	1-Jan		-	-	-	-
11	31-Dec		7,472	7,472	-	13,438
12	Total	[line 10 + line 11]	7,472	7,472	-	13,438
13	D. Westridge Marine Terminal Upgrades ^[4]					
14	1-Jan		-	-	-	-
15	31-Dec		36	36	-	140
16	Total	[line 14 + line 15]	36	36	-	140
17	E. Others ^[5]					
18	1-Jan		5	5	-	-
19	31-Dec		2,440	2,440	-	-
20	Total	[line 18 + line 19]	2,445	2,445	-	-
21	F. Total Capital Additions					
22	1-Jan	[sum of (lines 2, 6, 10, 14 & 18)]	3,006	3,006	-	580
23	31-Dec	[sum of (lines 3, 7, 11, 15 & 19)]	55,791	55,791	-	56,160
24	Grand Total	[line 22 + line 23]	58,796	58,796	-	56,740

Note(s):

- [1] Mainline repairs, 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 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) are reviewed and discussed with Shippers as part of the annual toll filing.

Methodology for Calculation of Tolls Pursuant to the 2022 - 2023 Incentive Toll Settlement**Schedule 2.2**

Method for Calculation of Rate Base, Capital Cost Recovery, and Adjustment

Method for Calculation of Debt Rate

(units as shown)

Line	Month	Schedule & Line ref.	2021 Fixed	2022 Illustration	
				2021	2022
				Benchmark Rate	Benchmark Rate
1	A. Debt Rate Adjustment ^[1]				
2	January			1.83%	1.40%
3	February			1.80%	1.40%
4	March			1.43%	1.40%
5	April			1.49%	1.40%
6	May			1.46%	1.40%
7	June			1.40%	1.40%
8	July			1.46%	1.40%
9	August			1.17%	1.40%
10	September			1.42%	1.40%
11	October			1.46%	1.40%
12	November			1.51%	1.40%
13	December			1.64%	1.40%
14	Monthly average rate			1.51%	1.40%
15	Debt Rate Adjustment	[2022 AVG rate - 2021 AVG rate]			-0.11%
16	B. Debt Rate		4.50%		
17	Debt Rate ^[2]	[(Prior year rate + line 15) but within the range of 4.5% and 5.5%]			4.50%

Note(s):

- [1] Debt Rate Adjustment is calculated based on the monthly average rate of the Government of Canada Benchmark Bond Yields - 5 Year. The monthly yield data can be retrieved on the Bank of Canada website under series number V122540.
- [2] The 2022 debt rate is calculated pursuant to Section 10.1 of the 2022-2023 ITS. The rate shall not be lower than 4.5% and shall not exceed 5.5%.

Methodology for Calculation of Tolls Pursuant to the 2022 - 2023 Incentive Toll Settlement**Schedule 3****Summary of Fixed Costs and Trans Mountain Personnel Adjustment**

(\$000 or units as shown)

						Calculation Examples				
		Schedule	2021	2021	Escalator ^[5]	2022	Example 1		Example 2	
Line	Description	& Line ref.	Approved	Actual Example		Fixed	2022	2023	2022	2023
1	A. Direct G&A ^[1]									
2	Total Fixed Direct G&A Costs		2,021		2%	2,061		2,103		2,103
3	B. Trans Mountain Personnel ^[2]									
4	Fixed Trans Mountain Personnel ^[3]		68,578		2.5%	75,800	75,800	77,670	75,800	77,670
5	Trans Mountain Personnel Adjustment ^[4]									
6	Actual Trans Mountain Personnel			68,962			72,800		78,800	
7	Difference between Actual and Fixed amounts	[line 6 - line 4]		384			(3,000)		3,000	
8	Total saving to share	[Negative shown on line 7]		-			(3,000)		-	
9	Shippers' share of the saving	[50% * line 8]		-			(1,500)		-	
10	Trans Mountain's share of the saving	[line 8 - line 9]		-			(1,500)		-	
11	Total Fixed Operating Expenses	[line 2 + line 4]	70,599			77,861		79,773		79,773
12	Trans Mountain Personnel Adjustment	[line 9]		-			(1,500)		-	-
13	Carrying Charges	[line 9 * rate on Sch 9]		-			(7)			

Note(s):

- [1] Amounts shown exclude Flow Through Costs. Forecast Flow Through Costs are provided on Schedule 4.
- [2] Trans Mountain Personnel means personnel costs as transferred to Trans Mountain. Trans Mountain Personnel includes pension costs pursuant to Section 3.1 (rr) of the 2022-2023 ITS.
- [3] 2022 Trans Mountain Personnel was rebased by escalating the 2019 actual Personnel costs of \$69.5 million by 2.5% per year to 2022 plus \$1 million for cyber security. The 2023 Trans Mountain Personnel escalates the 2022 base amount of \$74.8 million by 2.5% and adds \$1 million for cyber security. Personnel costs are described Sections 9.3 and 9.4 of the 2022-2023 ITS.
- [4] Trans Mountain and Shippers have agreed to review the Trans Mountain Personnel amount annually, to determine whether further adjustments are required pursuant to Section 11.5 of the 2022-2023 ITS.
- [5] Annual escalator for Direct G&A is fixed at 2% for the Term pursuant to Section 9.1 and Section 9.2 of the 2022-2023 ITS.
Annual escalator for the Trans Mountain Personnel base amount is fixed at 2.5% for the Term and applied as described in [3] above.

Methodology for Calculation of Tolls Pursuant to the 2022 - 2023 Incentive Toll Settlement**Schedule 4**

Summary of Flow Through Costs and Adjustments

(\$000)

Line	Description	Schedule	2021	2021	2021	2022
		& Line ref.	Approved	Actual Example	Variance	Illustration
1	Flow Through Costs					
2	Power		36,891	36,891	-	36,014
3	Property Taxes		29,639	29,639	-	31,280
4	Integrity Management		36,268	36,268	-	48,634
5	Land and Right of Way Management		5,916	5,916	-	6,236
6	Environmental Compliance and Remediation		12,832	12,832	-	10,590
7	Fire, Safety and Security		10,413	10,413	-	10,205
8	Insurance		6,947	6,947	-	10,368
9	CER Cost Recovery		3,220	3,220	-	3,444
10	Total Flow Through Costs		142,126	142,126	-	156,770
11	Carrying Charges	[if line 10<0, line 10 * 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. Example assumes Approved = Actual.

Methodology for Calculation of Tolls Pursuant to the 2022 - 2023 Incentive Toll Settlement**Schedule 4.1****Summary of Power Transmission Volume and BC Energy Costs**

(\$000 or units as shown)

Line	Description	Schedule & Line ref.	Baseline Example	Reporting Example
1	A. Transmission Volume Cost Management Report ^[1]			
2	Average billing demand (MW) ^{[3] [4]}		132.73 ^[2]	113.40 ^[2]
3	Demand rate (\$000/MW) ^[5]		127.50	127.50
4	Total transmission costs ^[3]		16,922	14,459
5	Transmission savings			2,463
6	Demand reduction fees ^[6]			11
7	Total transmission volume savings ^[7]	[line 5 - line 6]		2,452
8	B. BC Energy Price Management Report ^[8]			
9	BC Energy rate (\$/MWh) ^[9]		50.59	51.38
10	BC energy consumption (MWh) ^[10]		208,507	208,507
11	Total BC energy costs ^[10]	[line 9 * line 10/1000]	10,548	10,714
12	BC energy price savings			-
13	Negotiation costs ^[11]			-
14	Total BC energy price savings	[line 12 - line 13]		-
15	C. Total Savings	[line 7 + line 14]		2,452

Note(s):

- [1] Trans Mountain manages system transmission volume on behalf of the Shippers and expects 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) 49,564 49,564
- [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.
- [4] The baseline average billing demand = 0.00209459 * (annual Ex-Edm throughput in m³) + 28.90935272 (MW).
- [5] Demand rate is determined as the actual total transmission costs, before demand reduction fees, 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. Carryover from prior years may occur when demand reduction fees are greater than transmission savings.
- [7] Total savings is the savings after deducting the demand reduction fees and carryovers from prior years.
- [8] 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 saving arises from the additional administrative management costs incurred to use Rate Schedule 1823 subsection (b) as eligibility for this rate requires annual reviews and negotiations with BC Hydro.
Where energy consumption has increased to the extent that there are no savings under Rate Schedule 1823 subsection (b), the savings 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.
- [9] The actual energy rate is determined as the actual total BC energy costs, before negotiation costs, divided by the actual energy consumption.
- [10] 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.
- [11] Negotiation costs are the third party costs incurred to manage the BC Power Smart Program and to negotiate power credits and rate reduction.

Methodology for Calculation of Tolls Pursuant to the 2022 - 2023 Incentive Toll Settlement

Schedule 4.2

Calculation of the Petroleum Loss Allowance Percentages ^[1]

(units in \$000 or as otherwise shown)

Line	Description	Comments / Units	2021 Pending Approval	^[1] 2021 Illustration
1	A. 2020 PLAP			
2	Mainline System Crude Petroleum PLAP		0.10%	
3	Mainline System Refined Petroleum PLAP		0.07%	
4	Non Mainline System Petroleum PLAP		0.03%	
5	B. Percentage Adjustment to subsequent year PLAP			
6	Balance Sheet amount at Dec 31, due from shippers (positive), due to shippers (negative)			\$ (1,000)
7	Average annual price of crude	per m ³		\$ 400.00
8	Calculated volume equivalent (m ³)	[line 6 * 1000 ÷ Line 7]		(2,500)
9	Total Deliveries	m ³		18,000,000
10	C. Percentage Adjustment to subsequent year PLAP	[line 8 ÷ line 9]		-0.01%
11	Percentage adjustment applied to each PLAP			-13.89%
12	Subsequent year PLAP ^[2]			
13	Mainline System Crude Petroleum PLAP	[line 2 times (1 + line 11)]		0.09%
14	Mainline System Refined Petroleum PLAP	[line 3 times (1 + line 11)]		0.06%
15	Non Mainline System Petroleum PLAP	[line 4 times (1 + line 11)]		0.03%

Note(s):

[1] The Petroleum Loss Allowance Percentages work in conjunction with the Inventory Settlement Procedure and Refined Petroleum Reconciliation Procedure filed with the 2022-2023 ITS. Any revisions to the Procedures are posted on the Trans Mountain tolls and tariffs website. Trans Mountain filed an Application with the CER to revise PLAPs in the Tariff No. 111 (CER filing ID: C15736), which is pending CER approval.

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

Methodology for Calculation of Tolls Pursuant to the 2022 - 2023 Incentive Toll Settlement**Schedule 5**

Method for Calculation of Operational Capacity Incentive Adjustment

(units as shown)

Sheet 1 of 2

Line	Description	Schedule	Sharing	Annual Example ^[8] (Jan - Dec)	Annual Example ^[8] (Jan - Dec)
1	A. System capacity percentages				
2	Target capacity (fixed for Term)			96.0%	96.0%
3	Achieved capacity			96.2%	98.6%
4	B. System volumes				
5	Delivered volume (m ³ /d) ^[1]			49,564	49,500
6	Deemed Heavy Percentage ^{[4] [5] [6]}			20.0%	20.0%
7	100% hydraulic volume (m ³ /d) ^[2]			50,207	50,207
8	Target hydraulic volumes w/o maintenance adjustment (m ³ /d) [line 2 x line 7]			48,198	48,198
9	Adjustment hours ^[3]			349	50
10	Maintenance capacity adjustment (m ³ /d)	[line 9 ÷ 24 ÷ days in the year x line 8]		1,920	275
11	Target System Capacity (m ³ /d)	[line 8 - line 10]		46,278	47,923
12	C. Annualized volumes for sharing (m³/d)	[line 5 - line 11]		3,286	1,577
13	D. Revenue sharing calculation				
14	Toll for sharing \$/m ³ (fixed for Term)			15.7500	15.7500
15	Days available for sharing			365	365
16	Revenues to be shared (\$000)	[line 12 x line 14 x line 15]		18,888	9,065
17	Operational Capacity Incentive Adjustment	Trans Mountain's share ^[7]	Lower of 25% of line 16 or \$4 million	4,000	2,266
18		Shippers' share	[line 16 - line 17]	14,888	6,799
19	Carrying Charges (\$000)	[- (line 18 * rate on Sch 9)]		(67)	(31)

Note(s):

[1] For capacity incentive sharing purposes, only those volumes injected at Edmonton / Edson and delivered out of the System are used along with the Deemed Heavy Percentage as determined in Note [6].

[2] Hydraulic Formula:

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

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, $x =$ Deemed Heavy Percentage as determined in Note [6].

[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] A heavy percentage indicator will be measured for the volumes injected at Edmonton and delivered out of the system for determination of the monthly Adjusted Heavy Percentage:

Blended Heavy Percentage: measure based on petroleum grade category indicated on delivery tickets for a batch.

Pre-blend Heavy Percentage: measure based on the deemed petroleum type indicated at Edmonton injection of the component material within a batch.

[5] Two heavy percentage indicators will be measured and recorded on a monthly basis. Monthly Adjusted Heavy Percentage will be determined as follows:

(a) If Blended Heavy Percentage and Pre-blend Heavy Percentage are both greater than 14%, the Adjusted Heavy Percentage is set as the Blended Heavy Percentage.

(b) If Blended Heavy Percentage and Pre-blend Heavy Percentage are both less than 14%, the Adjusted Heavy Percentage is set as the Blended Heavy Percentage.

(c) If Blended Heavy Percentage is less than 14% and Pre-blend Heavy Percentage is greater than 14%, the Adjusted Heavy Percentage is set as 14%.

Methodology for Calculation of Tolls Pursuant to the 2022 - 2023 Incentive Toll Settlement**Schedule 5**

Method for Calculation of Operational Capacity Incentive Adjustment

*(units as shown)**Sheet 2 of 2*

[6] The Deemed Heavy Percentage will be the annual average of monthly Adjusted Heavy Percentages.

2022 Illustration - Deemed Heavy Percentage:

Month	Blended Heavy Percentage	Pre-blend Heavy Percentage	Adjusted Heavy Percentage	Days in a Month
January	10%	15%	14%	31
February	18%	20%	18%	28
March	20%	25%	20%	31
April	25%	30%	25%	30
May	20%	25%	20%	31
June	20%	25%	20%	30
July	25%	30%	25%	31
August	20%	25%	20%	31
September	18%	20%	18%	30
October	20%	25%	20%	31
November	20%	25%	20%	30
December	20%	25%	20%	31
Annual simple average/Deemed Heavy Percentage	19.7%	24.2%	20.0%	365

[7] The Operational Capacity Incentive Adjustment for the account of Trans Mountain for the year shall not exceed \$4 million.

[8] The two columns provide examples of the pipeline achieving different levels of hydraulic capacity and the resulting calculation of revenues for sharing.

Methodology for Calculation of Tolls Pursuant to the 2022 - 2023 Incentive Toll Settlement**Schedule 6**

Method for Calculation of Transportation Revenue Adjustment

(units as shown)

Line	Description	Schedule & Line ref.	Calculation Example ^[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 ^[2]		51,035	85,894
4	Actual Amounts		51,000	85,000
5	Interim TRA	[line 4 - line 3]	(35)	(894)
6	B. Final Toll Period	May to December	245 days	245 days
7	Forecast Amounts for Toll Purposes ^[2]		49,383	240,729
8	Actual Amounts		50,000	240,000
9	Toll Period TRA	[line 8 - line 7]	617	(729)
10	Other Adjustments			-
11	Total TRA - (Shortfall) / Surplus	[line 5 + line 9 + line 10]		(1,623)
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]		1,623
15	TRA to be included in the subsequent year (\$000)			1,623
16	Carrying Charges	[line 13 * rate on Sch 9]		-

Note(s):**[1]** Proof without carrying charges.

		Reconciliation of amounts	
		Shippers	TM
Interim Revenues collected	[line 4]	85,000	
Final Toll Revenues collected	[line 8]	240,000	
Other Adjustment	[line 10]	-	
Total Revenues collected		325,000	
TRA	[line 15]	1,623	
Total Tolled Revenues	[Schedule 1, line 13]		326,623
Net revenues paid / collected		326,623	326,623

[2] The 2021 forecast system deliveries for interim and final toll periods can be found in the 2021 Final Toll filing, Toll Calculation Schedules, TL Schedule 2, Sheet 1, Line 12. The 2021 forecast annual revenues for interim and final toll periods can be found in the 2021 Final Toll filing, Toll Calculation Schedules, TL Schedule 3, Sheet 2, Line 7. CER filing ID: C12210.

**Methodology for Calculation of Tolls Pursuant to the 2022 - 2023 Incentive Toll Settlement
Schedule 7**Method for Calculation of Income Tax Provision and Adjustment
(\$000)

Line	Description	Schedule & Line ref.	2021 Approved	2021 Actual Example	2021 Variance	2022 Illustration
1	Forecast Provision for Income Taxes Payable					
2	Return on Equity					
3	2020 / 2021 Rate Base	[Schedule 2, line 22]	43,026	43,026	-	43,962
4	Total Return on Equity		43,026	43,026	-	43,962
5	Permanent & Timing Differences					
6	Capital Cost Allowance ^[1]		(53,809)	(53,809)	-	(53,809)
7	Depreciation	[Schedule 2, line 25]	36,404	36,404	-	36,404
8	Cost of Retirements & other differences	prior year's adjustment	(100)	(100)	-	(100)
9	Capitalized Interest AFUDC		(927)	(927)	-	(961)
10	Tax Base		24,594	24,594	-	25,496
11	Income Tax Provision ^[2]	[line 10 * tax rate / (1 - tax rate)]	8,054	8,054	-	8,350
12	Income Tax Provision		8,054	8,054	-	8,350
13	Carrying Charges	[if line 12<0, line 12 * rate on Sch 9]			-	

Note(s):

[1] CCA forecast is provided on Schedule 7.1. 2021 Actual do not reflect July 1 tax filing review. New income tax rules came into effect on January 1, 2017 and November 21, 2018 and are reflected in the CCA calculation.

[2] Income tax rates (combined Federal and Provincial). 24.7% 24.7% 24.7%

[3] Taxes Payable used in Working Capital calculation in Schedule 2 Note [3] 6,067 6,067 6,290

Methodology for Calculation of Tolls Pursuant to the 2022 - 2023 Incentive Toll Settlement**Schedule 7.1**

CCA for the Rate Base: (i) 2021; and (ii) Illustration for 2022

(\$ as shown)

Year	Description	CEC	Class 14.1 ^[2]	Class 1	Class 2	Class 3	Class 6	Class 7	Class 8	Class 10	Class 17	Class 49	Class 50	
	Regular Rate	7%	5%	4%	6%	5%	10%	15%	20%	30%	8%	8%	55%	
	All Rate ^[3]	11%	8%	6%	9%	8%	15%	23%	30%	45%	12%	12%	83%	TOTAL
2019	UCC at Dec. 31	1,925,612	47,991	124,495,954	4,630,059	1,817,933	64,509,130	10,953,436	18,491,515	840,151	3,612,736	341,575,102	12,945	572,912,563
2020	Additions ^[1]	-	-	19,149,689	-	-	5,681,020	6,455,771	10,192,088	10,267	-	16,931,715	-	58,420,549
2020	Proceeds	-	-	-	-	-	-	-	-	-	-	-	-	-
		1,925,612	47,991	143,645,642	4,630,059	1,817,933	70,190,150	17,409,206	28,683,603	850,418	3,612,736	358,506,817	12,945	631,333,112
	CCA	134,793	2,400	4,979,838	277,804	90,897	6,450,913	1,643,015	3,698,303	252,045	289,019	27,326,008	7,120	45,152,154
	CCA: Additions	-	-	1,148,981	-	-	852,153	1,452,548	3,057,626	4,620	-	2,031,806	-	8,547,735
2020	Total CCA	134,793	2,400	6,128,819	277,804	90,897	7,303,066	3,095,564	6,755,929	256,665	289,019	29,357,814	7,120	53,699,889
2020	UCC at Dec. 31	1,790,819	45,591	137,516,823	4,352,256	1,727,036	62,887,084	14,313,643	21,927,674	593,752	3,323,717	329,149,003	5,825	577,633,223
2021	Additions ^[1]	-	-	18,444,180	-	-	5,471,721	6,217,929	9,816,593	9,888	-	16,307,920	-	56,268,232
2021	Proceeds	-	-	-	-	-	-	-	-	-	-	-	-	-
		1,790,819	45,591	155,961,003	4,352,256	1,727,036	68,358,805	20,531,571	31,744,267	603,641	3,323,717	345,456,923	5,825	633,901,455
	CCA	125,357	2,280	5,500,673	261,135	86,352	6,288,708	2,147,046	4,385,535	178,126	265,897	26,331,920	3,204	45,576,234
	CCA: Additions	-	-	1,106,651	-	-	820,758	1,399,034	2,944,978	4,450	-	1,956,950	-	8,232,821
2021	Total CCA	125,357	2,280	6,607,324	261,135	86,352	7,109,467	3,546,080	7,330,513	182,575	265,897	28,288,871	3,204	53,809,055
2021	UCC at Dec. 31	1,665,462	43,312	149,353,679	4,091,120	1,640,685	61,249,339	16,985,491	24,413,754	421,065	3,057,820	317,168,052	2,621	580,092,400
2022	Additions ^[1]	-	-	17,799,021	-	-	5,280,326	6,000,432	9,473,219	9,543	-	15,737,485	-	54,300,025
2022	Proceeds	-	-	-	-	-	-	-	-	-	-	-	-	-
		1,665,462	43,312	167,152,700	4,091,120	1,640,685	66,529,665	22,985,923	33,886,973	430,608	3,057,820	332,905,538	2,621	634,392,425
	CCA	116,582	2,166	5,974,147	245,467	82,034	6,124,934	2,547,824	4,882,751	126,320	244,626	25,373,444	1,442	45,721,736
	CCA: Additions	-	-	1,067,941	-	-	792,049	1,350,097	2,841,966	4,294	-	1,888,498	-	7,944,845
2022	Total CCA	116,582	2,166	7,042,088	245,467	82,034	6,916,983	3,897,921	7,724,716	130,614	244,626	27,261,942	1,442	53,666,581
2022	UCC at Dec. 31	1,548,879	41,146	160,110,612	3,845,653	1,558,650	59,612,682	19,088,002	26,162,256	299,994	2,813,194	305,643,595	1,180	580,725,844

Note(s):

- [1] Additions exclude AFUDC amounts.
- [2] As of January 1, 2017, property that formerly would have been eligible capital property in the cumulative eligible capital (CEC) account is now considered depreciation property under capital cost allowance Class 14.1 with a rate of 5%. CCA calculation is adjusted to reflect the income tax rule change.
- [3] On November 21, 2018, Government of Canada introduced the Accelerated Investment Incentive (AII). AII provides an increased first-year CCA deduction for eligible property acquired after November 20, 2018 and available for use before 2028. The 2019 and 2020 CCA forecasts have reflected this new tax rule change.
- [4] System Optimization Project costs in excess of cap are excluded from 2020 additions to Class 8.

**Methodology for Calculation of Tolls Pursuant to the 2022 - 2023 Incentive Toll Settlement
Schedule 8****Summary of Non-Routine Adjustments
(\$000)**

Line	Description	Schedule & Line ref.	2021 Approved	2021 Actual Example	2021 Variance	2022 Illustration
1	Non-Routine Adjustments					
2	Costs for CER mandated regulatory changes (e.g. Pipeline Abandonment)		40	40	-	48
3	Costs for CER OPR change (ISLMS)		457	457	-	490
4	Costs for 2019/2021 Depreciation studies		150	150	-	n/a
5	NRA for Edmonton Terminalling Revenues	[Schedule 8.1]	(1,500)	(1,500)	-	(1,500)
6	Non-Performance Damage Assessment, Demurrage and/or Other Refund		-	-	-	-
7	Alternate Delivery Point Fees		-	-	-	-
8	Total NRAs and NRA Variances to be included in subsequent year's tolls		<u>(853)</u>	<u>(853)</u>	<u>-</u>	<u>(962)</u>
9	Carrying Charges	[if line 8<0, line 8* rate on Sch 9]			-	
10	Westridge Dock Bid Premium Refund	[Schedule 8.2]				
11	Refund to reduce Tolls		(115,903)	(115,903)	-	-
12	Refund to offset Pipeline Reclamation Surcharge		(12,537)	(12,537)	-	-
13	Refund to offset System Optimization Surcharge		(5,091)	(5,091)	-	-
14	Total Refund		<u>(133,532)</u>	<u>(133,532)</u>	<u>-</u>	<u>-</u>

Methodology for Calculation of Tolls Pursuant to the 2022 - 2023 Incentive Toll Settlement**Schedule 8.1**

Summary of Non-Routine Adjustments

Method for Calculation of the NRA for the Edmonton Terminalling Revenues

(\$000)

Line	Description	2021 Approved	2021 Actual Example	2021 Share	2021 Variance	2022 Illustration	2022 Share
1	A. Revenue Sharing						
2	Revenues collected and available for sharing	3,000	3,000		-	3,000	
3	B. Revenue Returned to Shippers^[1]						
4	\$0 - \$3M (including \$3M)	1,500	1,500	50%	-	1,500	50%
5	Between \$3M and \$5M (including \$5M)	-	-	60%	-	-	60%
6	Between \$5M and \$7.5M (including \$7.5M)	-	-	70%	-	-	70%
7	Greater than \$7.5M	-	-	75%	-	-	75%
8	Total Shippers' share	<u>1,500</u>	<u>1,500</u>		<u>-</u>	<u>1,500</u>	
9	C. Refund amount	(1,500)	(1,500)		<u>-</u>	<u>(1,500)</u>	
10	Impact on Revenue Requirement				<u><u>-</u></u>	<u><u>(1,500)</u></u>	

Note(s):**[1]** The sharing percentage is determined when the collected revenues are:

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

Methodology for Calculation of Tolls Pursuant to the 2022 - 2023 Incentive Toll Settlement**Schedule 8.2**

Summary of Non-Routine Adjustments

Westridge Dock Bid Premium Refunds

(\$000)

Sheet 1 of 2

Line	Description	Amount	2021	2021	2022
		Collected	Approved	Actual Example	Illustration
1	A. 2019 Collection:				
2	Remaining 2019 Amount Collected	60,118			
3	2020 Amount Collected	61,690			
4	Total Collection as of Dec 31 2020	121,808			
5	Carrying Charges as of Dec 31 2020	11,724			
6	Total to be refunded as of Jan 1 2021	133,532			
7	Total to be refunded as of Jan 1 2022				-
8	B. Disposition: ^[1]				
9	Refund Amount - Part A - Toll Reduction (Jan - Dec)		(115,903)	(115,903)	-
10	Refund Amount - Part B - Offset to Pipeline Reclamation Surcharge (Jan - Dec)		(12,537)	(12,537)	-
11	Refund Amount - Part C - Offset to System Optimization Surcharge (Jan - Dec) ^[2]		(5,091)	(5,091)	-
12	Total Refund		(133,532)	(133,532)	-
13	C. Total net balance				
14	Remaining 2020 collection			-	
15	Carrying Charges for 2019&2020 collected and accumulated interest			-	
16	2021 collection			-	
17	Carrying Charges for 2021 collected			-	
18	Total net balance as of Dec 31, 2021			-	
19	Total net balance for future year refund			-	

Methodology for Calculation of Tolls Pursuant to the 2022 - 2023 Incentive Toll Settlement**Schedule 8.2**

Summary of Non-Routine Adjustments

Westridge Dock Bid Premium Refunds

Sheet 2 of 2

Note(s):

- [1] For 2021, the estimated applicable carrying charges on the outstanding balance of the 2019 and 2020 Westridge Dock Bid Premiums and the accumulated interest are:

Month	Monthly Rate	Balance Outstanding (Beginning of month)	2021 Actual/Estimated Refunds	Carrying Charges	Balance Outstanding (End of month)
January	0.45%	133,532	(11,130)	50	122,452
February	0.45%	122,452	(11,135)	46	111,363
March	0.45%	111,363	(12,629)	42	98,776
April	0.45%	98,776	(12,510)	37	86,303
May	0.45%	86,303	(12,118)	32	74,218
June	0.45%	74,218	(10,863)	28	63,382
July	0.45%	63,382	(11,277)	24	52,129
August	0.45%	52,129	(11,110)	20	41,039
Sept	0.45%	41,039	(10,906)	15	30,149
Oct	0.45%	30,149	(10,308)	11	19,852
November	0.45%	19,852	(10,308)	7	9,552
December	0.45%	9,552	(10,308)	4	(753)
As of Dec 31			<u>(134,600)</u>	<u>316</u>	
2021 Collected Amount					-
Carrying Charges on 2021 Collected					-
2021 Ending Balance					-
Opening Balance as of Jan 1, 2022					<u>-</u>

- [2] The refund amounts for 2022 final toll period will be determined in conjunction with the filing of the 2022 Final Tolls. Trans Mountain filed an Application with the CER to review and vary the NEB 20 July 2006 Letter Decision to allow for the refund to shippers of 2021 Westridge Dock Bid Premiums for December 2021 and the 2022 Interim Toll Period. (CER filing ID: C16158).

Methodology for Calculation of Tolls Pursuant to the 2022 - 2023 Incentive Toll Settlement**Schedule 9**Method for Calculation of Carrying Charge Rate^[1]

(units as shown)

					2022 Illustration
Line	Month	TD Prime Rate	Days/ Month	Total Days/ Month	Monthly Rate
1	January	2.45%	31	31	0.45%
2	February	2.45%	28	28	0.45%
3	March	2.45%	31	31	0.45%
4	April	2.45%	30	30	0.45%
5	May	2.45%	31	31	0.45%
6	June	2.45%	30	30	0.45%
7	July	2.45%	31	31	0.45%
8	August	2.45%	31	31	0.45%
9	September	2.45%	30	30	0.45%
10	October	2.45%	31	31	0.45%
11	November	2.45%	30	30	0.45%
12	December	2.45%	31	31	0.45%
13	Average rate		365		0.45%

Note(s):

[1] The 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).

[2] Summary of 2021 Carrying Charges (\$000)

Description	Schedule & Line ref.	2021 Illustration
Capital Cost Recovery Adjustment	[Schedule 2, Sheet 1, line 28]	-
Trans Mountain Personnel Adjustments (Shippers' share)	[Schedule 3, line 13]	-
Flow Through Cost Adjustment	[Schedule 4, line 11]	-
Capacity Incentive (Shippers' share)	[Schedule 5, line 19]	(67)
Transportation Revenue Adjustment	[Schedule 6, line 16]	-
Income Tax Adjustment	[Schedule 7, line 13]	-
NRA Adjustments	[Schedule 8, line 9]	-
Total		(67)

Methodology for Calculation of Tolls Pursuant to the 2022 - 2023 Incentive Toll Settlement**CER 1**

CER Compliance Reporting

Income Statement

(\$000) unless otherwise indicated

(For 12 Months Ended December 31, 2020)

Line	Particulars	CER Accounts	Annual Actuals ^[2]	Filed Forecast	Variance Col.
1	(a)	(b)	(c)	(d)	(c) - (d)
2	Revenues				
3	Transportation Revenue	501	289,155	293,217	(4,062)
4	Terminalling Revenues	556	3,805	3,000	805
5	Prior Year Adjustments	501	19,060	19,060	-
6	Current Year Adjustments	501	2,356	-	2,356
7	Other Revenue	554	3,526	-	3,526
8	Total Revenue ^[3]		317,902	315,277	2,625
9	Operating Expenses				
10	Allocations from TMCI ^[1]	710-01, 720-01, 730-01	66,906	66,906	-
11	Fuel & Power	720-02	34,270	38,404	(4,135)
12	Other Operating & Maintenance	710, 720, 730	74,703	68,141	6,562
13	Depreciation & Amortization	414, 423	34,978	35,361	(383)
14	Income Taxes	413	7,224	7,704	(481)
15	Taxes Other than Income	730-16	28,732	28,515	217
16	CER Cost Recovery	730	2,403	2,403	-
17	Total Operating Expenses		249,216	247,434	1,782
18	Operating Income		68,686	67,843	843
19	Less:				
20	Financial Charges deemed at 55% of Rate Base ^[4]	417	24,268	24,468	(200)
21	Preferred Share Dividends		n/a	n/a	n/a
22	Equity Return		44,418	43,375	1,043
23	Rate of Return on Rate Base		7.01%	6.86%	
24	Rate of Return on Common Equity		10.07%	9.75%	

Note(s):**[1]** Staff costs are allocated to Trans Mountain from Trans Mountain Canada Inc. (TMCI).**[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 5% for 2020. (Actuals)

Methodology for Calculation of Tolls Pursuant to the 2022 - 2023 Incentive Toll Settlement**CER 2**

CER Compliance Reporting

Average Rate Base

(\$000) unless otherwise indicated

(For 12 Months Ended December 31, 2020)

Line	Particulars	Annual Actual
1	(a)	(b)
2	Plant in Service	
3	Net Plant	961,597
4	Total Plant	<u>961,597</u>
5	Working Capital	
6	Cash	8,492
7	Materials and Supplies	6,481
8	Transmission Line Pack	n/a
9	Prepayments and Deposits	3,956
10	Other (please specify)	-
11	Total Working Capital	<u>18,929</u>
12	Deferrals	
13	Deferred Income Taxes	-
14	Total Deferrals	<u>-</u>
15	Total Average Rate Base ^[1]	<u><u>980,527</u></u>

Note(s):

[1] The Total Average Rate Base includes all capital spending invested in the rate-regulated assets excluding 1). Capital Cost Incentive (CCI) pursuant to CER Order TO-06-2006; and 2). System Optimization Project costs in excess of \$21 million cap on additions to be rolled into the Rate Base. The averaging is based on simple half-year average.

Methodology for Calculation of Tolls Pursuant to the 2022 - 2023 Incentive Toll Settlement**CER 3**

CER Compliance Reporting

Throughput Details

*Deliveries (m³ / d)***(For 12 Months Ended December 31, 2020)**

Line	Particulars	Annual Actuals	Toll Forecast	Variance Forecast
1	(a)	(b)	(c)	(d)
2	Edmonton Kamloops	862	1,012	(150)
3	Total Kamloops Deliveries	862	1,012	(150)
4	Edmonton Sumas	31,209	29,630	1,579
5	Kamloops Sumas	-	-	-
6	Total Sumas Deliveries	31,209	29,630	1,579
7	Edmonton Burnaby	11,280	11,776	(496)
8	Kamloops Burnaby	-	-	0
9	Total Burnaby Deliveries	11,280	11,776	(496)
10	Edmonton Westridge	6,213	7,012	(798)
12	Total Westridge Deliveries	6,213	7,012	(798)
13	Total System (Volumes recorded as delivered)	49,564	49,429	135

Note(s):

- [1] In addition to the annual throughput details provided in this schedule, pursuant to Order MO-036-2017 and CER Filing Manual Guide BB., Trans Mountain submits its traffic data on a quarterly basis in the format required in Guide BB. 2.

Methodology for Calculation of Tolls Pursuant to the 2022 - 2023 Incentive Toll Settlement**CER 4**

CER Compliance Reporting

Annual Integrity Spending

(\$000)

(For 12 Months Ended December 31, 2020)

Actual Annual Expenditures^[1]**Actual**

(a)

(b)

Operating

Program Management	4,204
Surveillance, Condition Monitoring and Integrity Hazard Assessment	5,569
Mitigation and Remediation	23,426
Other Expenditures	-
Total Operating	<u>33,198</u>

Capital

Program Management	-
Surveillance, Condition Monitoring and Integrity Hazard Assessment	-
Mitigation and Remediation	19,616
Other Expenditures	-
Total Capital	<u>19,616</u>

Note(s):

[1] Separation into expenditures categories are provided to the extent available.

**Methodology for Calculation of Tolls Pursuant to the 2022 - 2023 Incentive Toll Settlement
CER 5**

CER Compliance Reporting

Firm Service Report

Pursuant to Board Order RH-2-2011

(\$000) unless otherwise indicated

(For 12 Months Ended December 31, 2020)

(For 12 Months Ended December 31, 2020)			LTD													LTD	
Line	Description	YE 2019	^[4] Jan-20	Feb-20	Mar-20	Apr-20	May-20	Jun-20	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20	2020 Total	YE 2020	
1	A. Project Spending Details																
2	Edmonton Term Expansion	In-service month	Jun-14														
3	Build 1 Regulated Tank	Capital Spending	34,084	-	-	-	-	-	-	-	-	-	-	-	-	34,084	
4		FS Funds applied	(34,084)	-	-	-	-	-	-	-	-	-	-	-	-	(34,084)	
5	TM Expansion Project																
6	Development costs	Capital Spending	2,649,044	137,732	176,293	213,813	187,846	187,782	242,630	247,702	259,291	281,724	382,082	413,884	289,032	3,019,810	5,668,854
7		Net FS Funds applied	(189,855)	(2,442)	(2,274)	(2,449)	(2,352)	(2,430)	(2,366)	(2,431)	(2,430)	(2,352)	(2,430)	(2,352)	(2,430)	(28,738)	(218,593)
8	Prior month AFUDC / Interest			16,334	16,843	16,778	19,240	19,753	21,584	22,338	24,613	26,223	27,069	30,298	31,767		
9	Net Monthly Balances before Carrying Charges	AFUDC/Interest	2,459,189	151,623	190,863	228,141	204,734	205,104	261,849	267,609	281,475	305,596	406,721	441,830	318,369	2,991,072	5,450,261
10	Net Balance before current month AFUDC / Interest			2,944,248	3,135,111	3,363,252	3,567,986	3,773,090	4,034,939	4,302,547	4,584,022	4,889,618	5,296,338	5,738,169	6,056,537		
11	Monthly Carrying Charge Calculation	AFUDC/Interest	349,770	16,843	16,778	19,240	19,753	21,584	22,338	24,613	26,223	27,069	30,298	31,767	34,647	291,153	640,923
12	Closing Net Monthly Balances		2,808,959	2,961,091	3,151,889	3,382,492	3,587,738	3,794,674	4,057,276	4,327,160	4,610,245	4,916,687	5,326,637	5,769,936	6,091,184		6,091,184
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		(223,939)	(2,442)	(2,274)	(2,449)	(2,352)	(2,430)	(2,366)	(2,431)	(2,430)	(2,352)	(2,430)	(2,352)	(2,430)	(28,738)	(252,677)
16	Less Spending on ETE - Build 1 Tank		34,084	-	-	-	-	-	-	-	-	-	-	-	-	-	34,084
17	Remaining after ETE assignment of FS Funds		(189,855)	(2,442)	(2,274)	(2,449)	(2,352)	(2,430)	(2,366)	(2,431)	(2,430)	(2,352)	(2,430)	(2,352)	(2,430)	(28,738)	(218,593)
18	Step2: Reconciliation of Special Deposit Account for Firm Service Fees																
19	Cumulative Firm Service Fees available		(223,939)	(226,381)	(228,655)	(231,105)	(233,456)	(235,886)	(238,252)	(240,683)	(243,114)	(245,465)	(247,895)	(250,247)	(252,677)		(252,677)
20	Cumulative Capital Spending (all Eligible Projects)		2,683,128	2,820,860	2,997,153	3,210,966	3,398,811	3,586,593	3,829,223	4,076,925	4,336,217	4,617,941	5,000,023	5,413,906	5,702,938		5,702,938
21	Net Balance w/o AFUDC / Interest		2,459,189	2,594,478	2,768,498	2,979,861	3,165,355	3,350,706	3,590,971	3,836,242	4,093,103	4,372,476	4,752,127	5,163,659	5,450,261		5,450,261
22	Cumulative prior months AFUDC / Interest			349,770	366,613	383,391	402,631	422,383	443,968	466,305	490,918	517,142	544,211	574,509	606,276		
23	Net Balance before current month AFUDC / Interest			2,944,248	3,135,111	3,363,252	3,567,986	3,773,090	4,034,939	4,302,547	4,584,022	4,889,618	5,296,338	5,738,169	6,056,537		
24	Monthly Carrying Charge Calculation	AFUDC/Interest	349,770	16,843	16,778	19,240	19,753	21,584	22,338	24,613	26,223	27,069	30,298	31,767	34,647		640,923
25	Closing Net Monthly Balances		2,808,959	2,961,091	3,151,889	3,382,492	3,587,738	3,794,674	4,057,276	4,327,160	4,610,245	4,916,687	5,326,637	5,769,936	6,091,184		6,091,184
26	C. Carrying Costs Details																
27	Bank Interest (-ve balances on Line 24)		(10)	-	-	-	-	-	-	-	-	-	-	-	-	-	(10)
28	AFUDC (+ve balances on Line 24)		349,770	16,843	16,778	19,240	19,753	21,584	22,338	24,613	26,223	27,069	30,298	31,767	34,647	291,153	640,923
29	Monthly AFUDC / Bank Interest		349,761	16,843	16,778	19,240	19,753	21,584	22,338	24,613	26,223	27,069	30,298	31,767	34,647	291,153	640,914

Note(s):

[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).

2020 AFUDC rate	Equity	ROE	9.5%	times	structure	45%	equals	4.28%
	Debt	Rate	4.5%	times	structure	55%	equals	2.48%
	Combined AFUDC rate							6.75%

[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.

2020 Monthly rate	1.95%	1.95%	1.24%	0.45%	0.45%	0.45%	0.45%	0.45%	0.45%	0.45%	0.45%	0.45%	0.45%	0.45%	
Days in Month	31	29	31	30	31	30	31	31	30	31	30	31	30	31	366

[4] The Life To Date balances as of December 31, 2019 include the prior year adjustments.

Methodology for Calculation of Tolls Pursuant to the 2022 - 2023 Incentive Toll Settlement**CER 6**

CER Compliance Reporting

Trans Mountain Expansion Project Bulk Oil Cargo Fee Due from Westridge Shippers

Pursuant to Board Order TO-001-2016

(\$000) unless otherwise indicated

(For 12 Months Ended December 31, 2020)

Line	Description	Jan-20	Feb-20	Mar-20	Apr-20	May-20	Jun-20	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20	Total
1	A. TMEP BOCF Due from Westridge Shippers													
2	Opening Balance	32,752	39,721	39,887	40,053	44,414	44,599	44,784	50,484	50,695	50,906	56,631	56,867	32,752
3	Addition	6,804			4,176			5,490			5,490			21,961
4	Monthly Financing Cost [line 9]	165	166	166	184	185	186	209	210	211	235	236	237	2,391
5	Closing Balance [line 2 + line 3 + line 4]	39,721	39,887	40,053	44,414	44,599	44,784	50,484	50,695	50,906	56,631	56,867	57,104	57,104
6	B. Financing cost details													
7	Balance [line 2 + line 3]	39,556	39,721	39,887	44,229	44,414	44,599	50,275	50,484	50,695	56,396	56,631	56,867	
8	Financing Rate	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%
9	Monthly Financing Cost [line 7 x (line 8 /12)]	165	166	166	184	185	186	209	210	211	235	236	237	2,391

Note(s):

- [1] As published in Canada Gazette Part I, Volume 153, Number 48, dated November 30, 2019, the TMEP BOCF rate applicable is \$13.669 per tonne of bulk oil, plus all applicable taxes, from January 1, 2020.

Methodology for Calculation of Tolls Pursuant to the 2022 - 2023 Incentive Toll Settlement**CER 7****CER Compliance Reporting**

Costs Recovered from Merchant Services at the Edmonton Terminal

Pursuant to Board Order XO-T246-04-2008

(\$000) unless otherwise indicated

(For 12 Months Ended December 31, 2020)

Line	Description	Schedule & Line ref.	2020
1	A. Rate Base ^[1]		
2	Net Rate Base		448,874
3	Equity ^[2]		19,189
4	Debt ^[2]		11,110
5	Depreciation ^[3]		17,178
6	Capital Cost Recovery	[Sum (Lines 3, 4 & 5)]	47,477
7	B. Income Tax Provision		
8	C. Operating Expenses		
9	Power		989
10	Property Tax		2,037
11	Insurance		1,771
12	O&M		1,895
13	Employee Services		5,057
14	Total Operating Expenses	[Sum (Lines 9, 10, 11, 12 & 13)]	11,748
15	Total Annual Revenue Requirement for Merchant Services	[Sum (Lines 6, 7 & 14)]	59,225

Note(s):

[1] The assets included in the Rate Base are Tanks 24, 25, 27, 28, 29, 30, 31, 32, 33, 34, 35, 36, 37, 38 and 39, and ancillary facilities at the Edmonton Terminal.

[2] The financial parameters for calculating the Return on Capital are consistent with the parameters used in the ITS at the time.

For greater clarity, the financial parameters used are:

	2020
Capital Structure (Debt/Equity)	55%/45%
Return on equity	9.5%
Return on debt	4.5%

[3] The depreciation rates applied are consistent with the rates used in Schedule 2 and as approved by the CER Order T0-001-2020.

Methodology for Calculation of Tolls Pursuant to the 2022 - 2023 Incentive Toll Settlement**ITS - 28****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 four primary categories of service: Terminalling, Tankage, Mainline Transportation, 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 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). The Mainline Transportation are unbundled into Mainline Transmission and different material types through the commodity surcharge/surcredit 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

- i. Mainline Transmission from Receipt to Delivery locations
- ii. Commodity surcharges/surcredit for different material types

f. Other

- i. Administrative or Special Service Fees
- ii. Westridge Marine Terminal Loading Charge

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

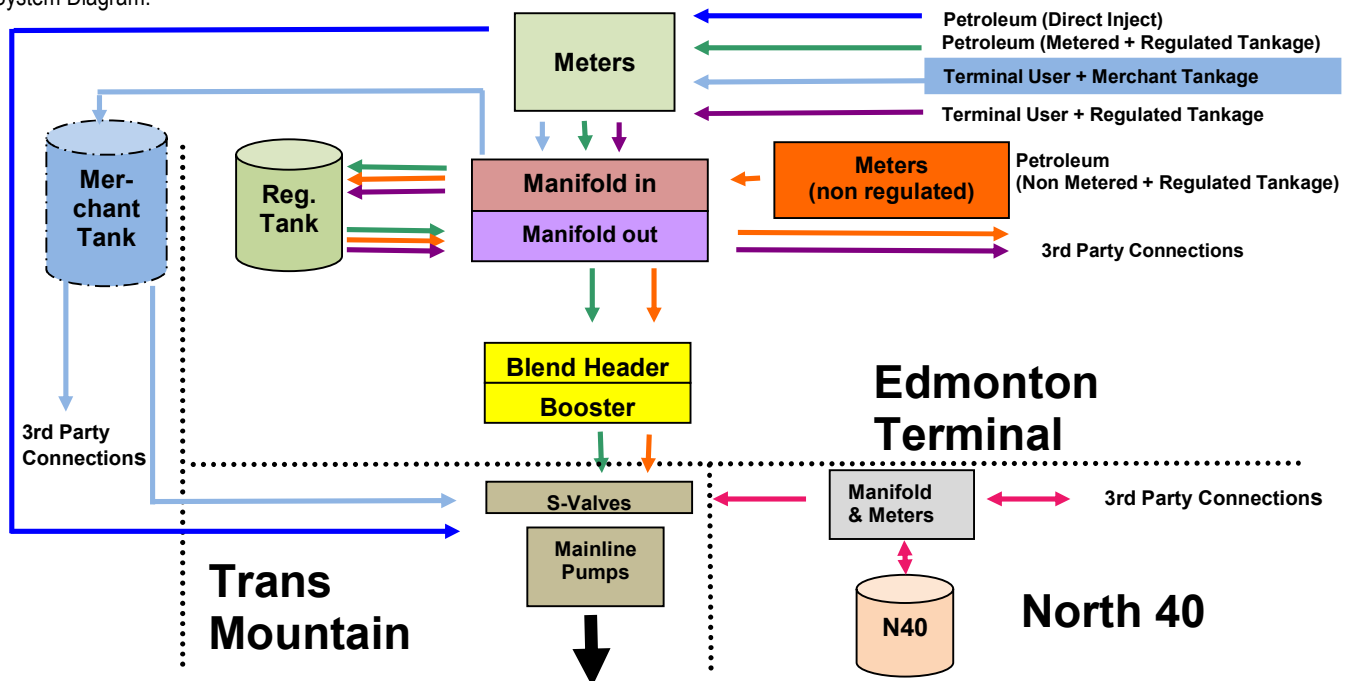
Edmonton fees (receipt location):

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.

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).

Methodology for Calculation of Tolls Pursuant to the 2022 - 2023 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]		
					2021 Interim JAN to APR 120 days	2021 Proposed MAY to DEC 245 days	2021 Total Annual 365 days
1	Edmonton	Kamloops	819		577	605	596
2	Total Kamloops Deliveries				577	605	596
3	Edmonton	Sumas	1,096		32,984	30,425	31,266
4	Kamloops	Sumas	271		-	-	-
5	Total Sumas Deliveries				32,984	30,425	31,266
6	Edmonton	Burnaby	1,149		12,301	11,778	11,950
7	Kamloops	Burnaby	324		-	-	-
8	Total Burnaby Deliveries				12,301	11,778	11,950
9	Edmonton	Westridge	1,153		5,173	6,575	6,114
10	Total Westridge Marine Terminal Deliveries				5,173	6,575	6,114
11	Total Ex Edmonton/Edson Throughput				51,035	49,383	49,926
12	Total System Throughput				51,035	49,383	49,926
13	Total Heavy Crude (Ex Edmonton/Edson)				4,975	6,417	5,943
14	Percentage Heavy (Ex Edmonton/Edson)				9.75%	13.00%	11.90%
15	Hydraulic Capacity (Ex Edmonton/Edson) at Percentage Heavy ^[2]				54,897	52,592	53,217
16	Deliveries as Percentage of Hydraulic Capacity [line 11/line 15]				93%	94%	94%
17	Total Land Deliveries				45,862	42,808	43,812
18	Total Offshore Deliveries				5,173	6,575	6,114
19	Deliveries Ex Kamloops				-	-	-
20	Total Annual System Deliveries (m ³)						18,223,054

Note(s):

[1] Proposed throughput is based on actual deliveries and updated nominations for January 1 to March 31, 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 2019 - 2021 ITS.

Methodology for Calculation of Tolls Pursuant to the 2022 - 2023 Incentive Toll Settlement**TL Schedule 2**Calculation of Annual Cubic Meter Kilometers ^[2]

Sheet 2 of 2

(000,000 m³km)

Line	Source	Destination	km	Used in Proposed Net Toll Calculations ^[1]		
				2021 Interim JAN to APR 120	2021 Proposed MAY to DEC 245	2021 Total Annual 365
1	Edmonton	Kamloops	819	57	121	178
2	Total Kamloops Deliveries			57	121	178
3	Edmonton	Sumas	1,096	4,336	8,166	12,503
4	Kamloops	Sumas	271	-	-	-
5	Total Sumas Deliveries			4,336	8,166	12,503
6	Edmonton	Burnaby	1,149	1,696	3,315	5,011
7	Kamloops	Burnaby	324	-	-	-
8	Total Burnaby Deliveries			1,696	3,315	5,011
9	Edmonton	Westridge	1,153	716	1,857	2,573
10	Total Westridge Marine Terminal Deliveries			716	1,857	2,573
11	Total			6,804	13,460	20,264

Note(s):

[1] Proposed throughput is based on actual deliveries and updated nominations for January 1 to March 31, and forecast volumes for the remainder of the year as agreed to with Shippers.

[2] Annual cubic meter kilometers means distance (km) * volume * days in the year ÷ one million.

Methodology for Calculation of Tolls Pursuant to the 2022 - 2023 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)	2021 Tolls		Annual Revenue (\$'000)		
						Interim	Proposed	Interim ^[1]	Proposed ^[2]	Change
								(\$000)	(\$000)	(%)
1	Edmonton	Kamloops	All	All	596	All	All	2,079	2,926	40.7%
2	Edmonton	Sumas	All	All	31,266	All	All	155,152	216,684	39.7%
3	Edmonton	Burnaby	All	All	11,950	All	All	61,324	85,626	39.6%
4	Edmonton	Westridge	All	All	6,114	All	All	39,862	55,473	39.2%
5	Kamloops	Sumas	All	All	-	All	All	-	-	-
6	Kamloops	Burnaby	All	All	-	All	All	-	-	-
7	Total Mainline				49,926			258,417	360,708	39.6%
8	Partial year correction ^[4]							34,800	(34,085)	-28.2%
9	Total Revenues							293,217	326,623	11.4%

Note(s):

- [1] 2021 Interim Tolls, Tariff No. 109, was approved by CER Order TO-002-2020 (CER filing ID: C05939).
2021 Interim Tolls, based on 2020 partial year Revenue Requirement, will generate approximately \$85,894K between January 1 and April 30 of 2021.
- [2] Proposed Edmonton to Westridge Tolls include the Westridge Marine Terminal Loading Charge of \$2.7538 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 2021:

Description	Calculation	Interim	Final	Change
Mainline Tolls	TL Sch 3.2 Line 7: Revenue*1000 ÷ Volumes	14.0252	19.8969	41.9%
Westridge Dock Bid	(i) TL Sch 9, Line 4 * -1 * 1000 divided by			
Premium Refund Sur-credit	(TL Sch 3.2, Line 7: Throughput for 120 days)	(6.6088)		
	(ii) TL Sch 9, (Line 5 - Line 3) * 1000 divided by			
	(TL Sch 3.2, Line 7: Throughput for 245 days)		(6.2345)	
Net Tolls		7.4165	13.6624	84.2%

Methodology for Calculation of Tolls Pursuant to the 2022 - 2023 Incentive Toll Settlement**TL Schedule 3**

Revenue Comparison Using Interim and Proposed Tolls for 2021 - Details

Sheet 2 of 2

(units as shown)

Line	From:	Receipt Service	Petroleum Type	JAN to APR Revenues			MAY to DEC Revenues			Total Revenues	Change
				Interim Tolls	Throughput	Revenues	Proposed Tolls	Throughput	Revenues		
				[1]	for 120 days	Interim Tolls		for 245 days	Proposed Tolls		
				(\$/m³)	m³	(\$ 000)	(\$/m³)	m³	(\$ 000)	(\$ 000)	(%)
Edmonton To:											
1	Kamloops	All	All	All	69,252	662	All	148,308	1,994	2,656	40.8%
2	Sumas	All	All	All	3,958,021	53,426	All	7,454,090	142,003	195,430	41.1%
3	Burnaby	All	All	All	1,476,171	20,741	All	2,885,507	56,660	77,401	39.8%
4	Westridge	All	All	All	620,784	11,065	All	1,610,920	40,071	51,136	39.6%
Kamloops To:											
5	Sumas	All	All	All	-	-	All	-	-	-	
6	Burnaby	All	All	All	-	-	All	-	-	-	
7	Total				6,124,229	85,894		12,098,825	240,729	326,623	41.9%
8	Other Charges:										
9	Tank										
Edm Term	Metered	All		\$ 1.3091/m³			\$ 1.4856/m³		-	-	13.5%
10	Tank Non										
Edm Term	Metered	All		\$ 1.0603/m³			\$ 1.0893/m³		-	-	2.7%
11	Metered In,										
Edm Term	3rd Party	All		\$ 0.3256/m³			\$ 0.3569/m³		-	-	9.6%
12	Total								240,729	326,623	

Note(s):**[1]** 2021 Interim Tolls, Tariff No. 109, was approved by CER Order TO-002-2020 (CER filing ID: C05939).**[2]** Total volume in m³ as shown above converted to m³/day to match volumes shown on TL Schedule 2:

Above volumes stated in m³ / day 51,035 and 49,383 = 49,926

[3] Volumes used for partial year Westridge Marine Terminal Loading Charge (shown on TL Schedule 6): 620,784

Methodology for Calculation of Tolls Pursuant to the 2022 - 2023 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	-	0.9631	-	0.5225	-	-	1.4856
2	Edmonton	Edmonton	Tank Non Metered	All	na	-	0.9631	-	0.1261	-	-	1.0893
3	Edmonton	Edmonton	Metered In, 3rd Party	All	na	-	na	-	0.3569			0.3569
4	Edmonton	Kamloops	Tank Metered	Super Light	11.4110	(0.2282)	0.9631	0.2543	0.5225	0.5248	-	13.4475
5	Edmonton	Kamloops	Tank Non Metered	Super Light	11.4110	(0.2282)	0.9631	0.2543	0.2454	0.5248	-	13.1704
6	Edmonton	Kamloops	Direct Injected	Super Light	11.4110	(0.2282)	0.1445	0.2543	0.3554	0.5248	-	12.4618
7	Edmonton	Kamloops	3rd Party Injected	Super Light	11.4110	(0.2282)	0.1445	0.2543	0.0784	0.5248	-	12.1847
8	Edmonton	Sumas	Tank Metered	Light	15.2647	-	0.9631	1.6954	0.5225	0.4010	-	18.8466
9	Edmonton	Sumas	Tank Non Metered	Light	15.2647	-	0.9631	1.6954	0.2454	0.4010	-	18.5696
10	Edmonton	Sumas	Direct Injected	Light	15.2647	-	0.1445	1.6954	0.3554	0.4010	-	17.8609
11	Edmonton	Sumas	3rd Party Injected	Light	15.2647	-	0.1445	1.6954	0.0784	0.4010	-	17.5839
12	Edmonton	Sumas	Metered In, Direct Mainline	Light	15.2647	-	0.1445	1.6954	0.3817	0.4010	-	17.8872
13	Edmonton	Sumas	Tank Metered	Medium	15.2647	0.7632	0.9631	1.6954	0.5225	0.4010	-	19.6098
14	Edmonton	Sumas	Tank Non Metered	Medium	15.2647	0.7632	0.9631	1.6954	0.2454	0.4010	-	19.3328
15	Edmonton	Sumas	Direct Injected	Medium	15.2647	0.7632	0.1445	1.6954	0.3554	0.4010	-	18.6241
16	Edmonton	Sumas	3rd Party Injected	Medium	15.2647	0.7632	0.1445	1.6954	0.0784	0.4010	-	18.3471
17	Edmonton	Sumas	Metered In, Direct Mainline	Medium	15.2647	0.7632	0.1445	1.6954	0.3817	0.4010	-	18.6504
18	Edmonton	Sumas	Tank Metered	Heavy	15.2647	2.2897	0.9631	1.6954	0.5225	0.4010	-	21.1363
19	Edmonton	Sumas	Tank Non Metered	Heavy	15.2647	2.2897	0.9631	1.6954	0.2454	0.4010	-	20.8593
20	Edmonton	Sumas	Direct Injected	Heavy	15.2647	2.2897	0.1445	1.6954	0.3554	0.4010	-	20.1506
21	Edmonton	Sumas	3rd Party Injected	Heavy	15.2647	2.2897	0.1445	1.6954	0.0784	0.4010	-	19.8736
22	Edmonton	Sumas	Metered In, Direct Mainline	Heavy	15.2647	2.2897	0.1445	1.6954	0.3817	0.4010	-	20.1769
23	Edmonton	Sumas	Tank Metered	Super Heavy	15.2647	3.0529	0.9631	1.6954	0.5225	0.4010	-	21.8995
24	Edmonton	Sumas	Tank Non Metered	Super Heavy	15.2647	3.0529	0.9631	1.6954	0.2454	0.4010	-	21.6225
25	Edmonton	Sumas	Direct Injected	Super Heavy	15.2647	3.0529	0.1445	1.6954	0.3554	0.4010	-	20.9138
26	Edmonton	Sumas	3rd Party Injected	Super Heavy	15.2647	3.0529	0.1445	1.6954	0.0784	0.4010	-	20.6368
27	Edmonton	Sumas	Metered In, Direct Mainline	Super Heavy	15.2647	3.0529	0.1445	1.6954	0.3817	0.4010	-	20.9401
28	Edmonton	Burnaby	Tank Metered	Super Light	16.0065	(0.3201)	0.9631	1.6954	0.5225	0.5248	-	19.3923
29	Edmonton	Burnaby	Tank Non Metered	Super Light	16.0065	(0.3201)	0.9631	1.6954	0.2454	0.5248	-	19.1152
30	Edmonton	Burnaby	Direct Injected	Super Light	16.0065	(0.3201)	0.1445	1.6954	0.3554	0.5248	-	18.4066
31	Edmonton	Burnaby	3rd Party Injected	Super Light	16.0065	(0.3201)	0.1445	1.6954	0.0784	0.5248	-	18.1295
32	Edmonton	Burnaby	Tank Metered	Light	16.0065	-	0.9631	1.6954	0.5225	0.5248	-	19.7124
33	Edmonton	Burnaby	Tank Non Metered	Light	16.0065	-	0.9631	1.6954	0.2454	0.5248	-	19.4353
34	Edmonton	Burnaby	Direct Injected	Light	16.0065	-	0.1445	1.6954	0.3554	0.5248	-	18.7267
35	Edmonton	Burnaby	3rd Party Injected	Light	16.0065	-	0.1445	1.6954	0.0784	0.5248	-	18.4496
36	Edmonton	Burnaby	Metered In, Direct Mainline	Light	16.0065	-	0.1445	1.6954	0.3817	0.5248	-	18.7530
37	Edmonton	Westridge	Tank Metered	Light	16.0633	-	0.9631	1.6954	0.5225	0.5248	2.7538	22.5229
38	Edmonton	Westridge	Tank Non Metered	Light	16.0633	-	0.9631	1.6954	0.2454	0.5248	2.7538	22.2459
39	Edmonton	Westridge	Direct Injected	Light	16.0633	-	0.1445	1.6954	0.3554	0.5248	2.7538	21.5373
40	Edmonton	Westridge	3rd Party Injected	Light	16.0633	-	0.1445	1.6954	0.0784	0.5248	2.7538	21.2602
41	Edmonton	Westridge	Metered In, Direct Mainline	Light	16.0633	-	0.1445	1.6954	0.3817	0.5248	2.7538	21.5636
42	Edmonton	Westridge	Tank Metered	Medium	16.0633	0.8032	0.9631	1.6954	0.5225	0.5248	2.7538	23.3261
43	Edmonton	Westridge	Tank Non Metered	Medium	16.0633	0.8032	0.9631	1.6954	0.2454	0.5248	2.7538	23.0491
44	Edmonton	Westridge	Direct Injected	Medium	16.0633	0.8032	0.1445	1.6954	0.3554	0.5248	2.7538	22.3405
45	Edmonton	Westridge	3rd Party Injected	Medium	16.0633	0.8032	0.1445	1.6954	0.0784	0.5248	2.7538	22.0634
46	Edmonton	Westridge	Metered In, Direct Mainline	Medium	16.0633	0.8032	0.1445	1.6954	0.3817	0.5248	2.7538	22.3668

Methodology for Calculation of Tolls Pursuant to the 2022 - 2023 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	16.0633	2.4095	0.9631	1.6954	0.5225	0.5248	2.7538	24.9324
48	Edmonton	Westridge	Tank Non Metered	Heavy	16.0633	2.4095	0.9631	1.6954	0.2454	0.5248	2.7538	24.6554
49	Edmonton	Westridge	Direct Injected	Heavy	16.0633	2.4095	0.1445	1.6954	0.3554	0.5248	2.7538	23.9468
50	Edmonton	Westridge	3rd Party Injected	Heavy	16.0633	2.4095	0.1445	1.6954	0.0784	0.5248	2.7538	23.6697
51	Edmonton	Westridge	Metered In, Direct Mainline	Heavy	16.0633	2.4095	0.1445	1.6954	0.3817	0.5248	2.7538	23.9731
52	Edmonton	Westridge	Tank Metered	Super Heavy	16.0633	3.2127	0.9631	1.6954	0.5225	0.5248	2.7538	25.7356
53	Edmonton	Westridge	Tank Non Metered	Super Heavy	16.0633	3.2127	0.9631	1.6954	0.2454	0.5248	2.7538	25.4586
54	Edmonton	Westridge	Direct Injected	Super Heavy	16.0633	3.2127	0.1445	1.6954	0.3554	0.5248	2.7538	24.7500
55	Edmonton	Westridge	3rd Party Injected	Super Heavy	16.0633	3.2127	0.1445	1.6954	0.0784	0.5248	2.7538	24.4729
56	Edmonton	Westridge	Metered In, Direct Mainline	Super Heavy	16.0633	3.2127	0.1445	1.6954	0.3817	0.5248	2.7538	24.7763
57	Kamloops	Sumas	Tank Metered	Light	3.7761	-	0.9631	1.6954	0.3554	0.4010	-	7.1910
58	Kamloops	Sumas	Direct Injected	Light	3.7761	-	0.1445	1.6954	0.3554	0.4010	-	6.3723
59	Kamloops	Sumas	Tank Metered	Medium	3.7761	0.1888	0.9631	1.6954	0.3554	0.4010	-	7.3798
60	Kamloops	Sumas	Direct Injected	Medium	3.7761	0.1888	0.1445	1.6954	0.3554	0.4010	-	6.5611
61	Kamloops	Sumas	Tank Metered	Heavy	3.7761	0.5664	0.9631	1.6954	0.3554	0.4010	-	7.7574
62	Kamloops	Sumas	Direct Injected	Heavy	3.7761	0.5664	0.1445	1.6954	0.3554	0.4010	-	6.9387
63	Kamloops	Burnaby	Tank Metered	Light	4.5179	-	0.9631	1.6954	0.3554	0.5248	-	8.0567
64	Kamloops	Burnaby	Direct Injected	Light	4.5179	-	0.1445	1.6954	0.3554	0.5248	-	7.2381

Note(s):

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

Classification:

SUPER LIGHT PETROLEUM

LIGHT PETROLEUM

MEDIUM PETROLEUM

HEAVY PETROLEUM

SUPER HEAVY PETROLEUM

Typical Representative Petroleum:

Gasoline

Rainbow, Pembina, Diesel, or as blended

SSX, or as blended

Peace Heavy, or as blended

Cold Lake, AHS, or as blended

Commodity**Surcharge****(Surcredit)**

-2%

0%

5%

15%

20%

Methodology for Calculation of Tolls Pursuant to the 2022 - 2023 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 Revenue Requirement	[Schedule 1, line 13]		326,623
3	Partial Year Revenues	[TL Schedule 3, Sheet 2, line 7]		(85,894)
4	Partial Year Revenue Requirement	[TL Schedule 3, Sheet 2, line 7]		240,729
5	LESS:			
6	Petroleum Loading Revenues	[TL Schedule 6, sum of [i] & [ii]]	(4,436)	
7	Toll Commodity Revenues (net)		(5,054)	
8	Tankage Revenue Requirement	[TL Schedule 7, line 12]	(31,952)	
9	Terminalling Revenue Requirement ^[1]		(11,747)	
10	Total non-Mainline Transmission Revenues		(53,189)	(53,189)
11	Partial-year Mainline Transmission Revenue Requirement (\$000)			187,540
12	B. Calculation of Partial Year Mainline Transmission Charge			
13	Partial Year Cubic Meter Kilometers (000)	[TL Schedule 2, Sheet 2, line 11*1000]		13,459,922
14	Transmission Charge (\$ / m ³ km)	[line 11 ÷ line 13]		0.0139332
15	C. Summary of Mainline Transmissions Tolls (\$ / m³):			
16	Receipt	Destination	Kilometers	Transmission Toll ^[2]
17	Edmonton	Kamloops	819.0	11.4110
18	Edmonton	Sumas	1,095.6	15.2647
19	Edmonton	Burnaby	1,148.8	16.0065
20	Edmonton	Westridge Marine Terminal	1,152.9	16.0633
21	Kamloops	Sumas	271.0	3.7761
22	Kamloops	Burnaby	324.3	4.5179

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.

Methodology for Calculation of Tolls Pursuant to the 2022 - 2023 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]	4,414
3	Revenues collected during interim toll period ^[2a]	(1,046)
4	Net partial year revenues	[i] 3,368
5	Partial Year Volumes (m ³) [TL Schedule 3, Sheet 2, line 4]	1,610,920
6	Operating & Maintenance Fee (\$ / m³)	2.0905
7	B. Calculation of partial year Revenue Requirement for Capital Expenditures:	
8	Revenue requirement associated with Westridge Marine Terminal Upgrades ^[3]	1,369
9	Revenues collected during interim toll period ^[2b]	(300)
10	Net partial year revenues	[ii] 1,069
11	Partial Year Volumes (m ³) [TL Schedule 3, Sheet 2, line 4]	1,610,920
12	Capital Fee (\$ / m³)	0.6633
13	C. Summary of Loading Charges (\$ / m³)	
14	Operating & Maintenance Fee from Section A above	2.0905
15	Capital Improvements Fee from Section B above	0.6633
16	Proposed Loading Charge (\$ / m³)	2.7538

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 (m³)	Interim Toll (\$/m³)	Revenues (\$)
2a Operating & Maintenance Fee	[Volumes from TL Schedule 3]	620,784	1.6848	1,045,879
2b Capital Improvement Fee	[Volumes from TL Schedule 3]	620,784	0.4832	299,962

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

		2020 Filed	2020 Final	2021 Proposed
Plant	Open	17,347	17,347	17,347
	Additions	-	-	36
Retirements	Close	-	-	-
		17,347	17,347	17,383
Accumulated Depreciation	Open	4,448	4,448	4,837
	Additions	389	389	389
	Close	4,837	4,837	5,225
Average Working Capital	[(O&M + Taxes Payable) x 15 days /365 or 366]	5	5	5
Average Rate Base		12,710	12,709	12,339
Equity Rate		9.50%	9.50%	9.50%
Debt Rate		4.50%	4.50%	4.50%
Equity Return	45%	543	543	527
Interest Expense	55%	315	315	305
Depreciation Expense		389	389	389
Income Tax Provision		164	158	153
Revenue Requirement		1,410	1,404	1,375
Plus prior year variance		(4)		(6)
Total Revenue Requirement		1,406		1,369

Methodology for Calculation of Tolls Pursuant to the 2022 - 2023 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		326,623				
3	Edmonton				16,807	-	16,807
4	Kamloops				1,970	-	1,970
5	Sumas				-	4,357	4,357
6	Burnaby				-	25,884	25,884
7	Total Annual Revenues		<u>326,623</u>		<u>18,776</u>	<u>30,241</u>	<u>49,018</u>
8	Edmonton Terminal Revenues ^[2]	71.4%		(1,983)	(1,416)	-	(1,416)
9	Total Shared Amounts			<u>(1,983)</u>	<u>(1,416)</u>	<u>-</u>	<u>(1,416)</u>
10	Net Revenues				<u>17,360</u>	<u>30,241</u>	<u>47,601</u>
11	Adjustment for partial year		(85,894)		(5,707)	(9,942)	(15,650)
12	Adjusted Revenues (\$000)		<u>240,729</u>		<u>11,653</u>	<u>20,299</u>	<u>31,952</u>
13	Regulated Tankage Throughput ('000 m³):						
14	Edmonton				12,099	-	
15	Kamloops				-	-	
16	Sumas				-	7,454	
17	Burnaby				-	2,886	
18	Westridge				-	1,611	
19	Total Regulated Tankage Throughput:				<u>12,099</u>	<u>11,951</u>	
20	Tankage Charges (\$/m³):				0.9631	1.6954	
21	Indirect Tankage Throughput ('000 m³):						
22	Edmonton				-	-	
23	Kamloops				-	148	
24	Sumas				-	-	
25	Burnaby				-	-	
26	Total Indirect Tankage Throughput:				<u>-</u>	<u>148</u>	
27	Indirect Tankage Charges (\$/m³):	15.0%			0.1445	0.2543	

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 2020 final tolls:

Receipt Tankage	0.9350	71.42%
Receipt Terminalling	0.3741	28.58%

Edmonton Terminal Revenues include 2020 variance and 2021 proposed Shippers' share of the Edmonton Terminal Revenues.

Methodology for Calculation of Tolls Pursuant to the 2022 - 2023 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 In	Manifold Out	Boost & Blend	Total Receipt
1	Revenues (\$000) ^[1]								
2	Annual Revenues before sharing		326,623						
3	Edmonton				3,655	591	483	2,681	7,410
4	Kamloops				2,574	-	-	-	2,574
5	Total Annual Revenues before sharing		326,623		6,229	591	483	2,681	9,984
6	Edmonton Terminal Revenues ^[2]	28.6%		(1,983)	(354)	(34)	(27)	(152)	(567)
7	Total Shared Amounts			<u>(1,983)</u>	<u>(354)</u>	<u>(34)</u>	<u>(27)</u>	<u>(152)</u>	<u>(567)</u>
8	Net Revenues				5,875	558	456	2,529	9,417
9	Adjustment for partial year		(85,894)		(1,932)	(183)	(150)	(831)	(3,096)
10	Adjusted Revenues (\$000)		240,729		3,944	374	306	1,697	6,321
11	Total Throughput ('000 m³):								
12	Edmonton Receipts Tank Metered		12,099		12,099	12,099	12,099	12,099	
13	Tank Non Metered		-		-	-	-	-	
14	Kamloops Receipts Tank Metered		-		-	-	-	-	
15	Total Throughput:				12,099	12,099	12,099	12,099	
16	Direct Terminalling Charges (\$/m³):				0.3260	0.0309	0.0253	0.1403	
17	Indirect Throughput ('000 m³):								
18	Edmonton Receipts Tank Metered		12,099		-	-	-	-	
19	Kamloops Receipts Tank Metered		-		-	-	-	-	
20	Total Throughput:				-	-	-	-	
21	Indirect Terminalling Charges (\$/m³):	15.0%			0.0489	0.0046	0.0038	0.0210	
22	Summary of Receipt Terminalling Charges (\$/m³):								
23	Edmonton Tank Metered, Pipeline				0.3260	0.0309	0.0253	0.1403	0.5225
24	Tank Metered, Non Pipeline				0.3260	0.0309	0.0253	0.1403	0.5225
25	Tank Non Metered				0.0489	0.0309	0.0253	0.1403	0.2454
26	Tank Non Metered, Non Pipeline				0.0489	0.0309	0.0253	0.0210	0.1261
27	Metered In, Direct Mainline ^[3]				0.3260	0.0309	0.0038	0.0210	0.3817
28	Metered In, 3rd Party ^[3]				0.3260	0.0309	na	na	0.3569
29	Direct Injections				0.3260	0.0046	0.0038	0.0210	0.3554
30	3rd Party Injected				0.0489	0.0046	0.0038	0.0210	0.0784
31	Kamloops Tank Metered				0.3260	0.0046	0.0038	0.0210	0.3554
32	Direct Injections				0.3260	0.0046	0.0038	0.0210	0.3554

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 2020 final tolls.

Receipt Tankage	0.9350	71.42%
Receipt Terminalling	0.3741	28.58%

Edmonton Terminal Revenues include 2020 variance and 2021 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.

Methodology for Calculation of Tolls Pursuant to the 2022 - 2023 Incentive Toll Settlement**TL Schedule 8**

Calculation of Proposed Terminalling Tolls

Sheet 2 of 2. Delivery Terminalling

(units as shown)

Line	Description	Total System	Allocation Factor	Meters	Terminal	Total
1	Revenues (\$000) ^[1]					
2	Annual Revenues before sharing	326,623				
3	Kamloops ^[2]			156	1,193	1,350
4	Sumas				2,527	2,527
5	Burnaby			1,095	3,113	4,207
6	Total Annual Revenues before sharing	<u>326,623</u>		<u>1,251</u>	<u>6,833</u>	<u>8,084</u>
7	Edmonton Terminal Revenues		n/a	-	-	-
8	Total Shared Amounts			-	-	-
9	Net Revenues			<u>1,251</u>	<u>6,833</u>	<u>8,084</u>
10	Adjustment for partial year	<u>(85,894)</u>		<u>(411)</u>	<u>(2,247)</u>	<u>(2,658)</u>
11	Adjusted Revenues (\$000)	<u><u>240,729</u></u>		<u><u>840</u></u>	<u><u>4,587</u></u>	<u><u>5,426</u></u>
12	Direct Throughput ('000 m³):					
13	Edmonton Receipts					
14	Tank Metered	12,099		12,099	12,099	
15	Tank Non Metered	-		-	-	
16	Direct Injections	-		-	-	
17	3rd Party Injected	-		-	-	
18	Kamloops Receipts					
19	Tank Metered	-		-	-	
20	Direct Injections	-		-	-	
21	Sumas Deliveries	(7,454)		(7,454)	-	
22	Total Throughput:			<u>4,645</u>	<u>12,099</u>	
23	Direct Terminalling Charges (\$/m³):			0.1457	0.3791	
24	Indirect Throughput ('000 m³):					
25	Sumas Deliveries	7,454		7,454	-	
26	Total Throughput:			<u>7,454</u>	<u>-</u>	
27	Indirect Terminalling Charges (\$/m³):		15%	0.0219	0.0569	
28	Summary of Delivery Terminalling Charges (\$/m³):					
29	Kamloops			0.1457	0.3791	0.5248
30	Sumas			0.0219	0.3791	0.4010
31	Burnaby			0.1457	0.3791	0.5248
32	Westridge			0.1457	0.3791	0.5248

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.

Methodology for Calculation of Tolls Pursuant to the 2022 - 2023 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 Westridge/Kamloops	Total Amount		
1	A. Calculation of Partial Year Premium Refund(\$000)					
2	Total Premiums to be refunded for toll reduction (\$000) [Schedule 8.2, line 9]			(115,903)		
3	Additional Refunds to Shippers (\$000) [1]		(3,686)	3,686		
4	Interim Westridge Dock Bid Premiums refunded for toll reduction (\$000)			40,474		
5	Partial Year Premiums to be Refunded (\$000)		(3,686)	(71,744)		
6	B. Calculation of Partial Year Refund Charge					
7	Partial Year Cubic Meter Kilometers [TL Schedule 2, Sheet 2, line 11 *1000]			13,459,922		
8	Partial Year Westridge Marine Terminal Volumes (m³)		1,610,920			
9	Partial Year Transmission Surcredit (\$ / m³km)			(0.00533019)		
10	C. Summary of Refund Surcredit Tolls (\$ / m³):					
11	Receipt	Destination	Kilometers	Surcredit	Add. Refund Credit	Total
12	Edmonton	Kamloops	819.0	(4.3653)		(4.3653)
13	Edmonton	Sumas	1,095.6	(5.8395)		(5.8395)
14	Edmonton	Burnaby	1,148.8	(6.1233)		(6.1233)
15	Edmonton	Westridge	1,152.9	(6.1451)	(2.2881)	(8.4332)
16	Kamloops	Sumas	271.0	(1.4445)	(1.1163)	(2.5608)
17	Kamloops	Burnaby	324.3	(1.7284)	(1.1028)	(2.8312)

Note(s):

[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.