

TOLLS, TARIFF, FACILITIES & PROCEDURES COMMITTEE	
Resolution: <i>T2019-03: NGTL 2020-2024 Revenue Requirement Settlement</i>	Issue: <i>T2019-03: Revenue Requirement Settlement Discussions</i>
Date of Resolution Vote: <i>2020.04.23</i>	Issue Adoption Date: <i>2019.05.14</i>
Issue Sponsor: NOVA Gas Transmission Ltd. ("NGTL")	

Resolution

NGTL 2020-2024 Revenue Requirement Settlement

The Tolls, Tariff, Facilities and Procedures Committee ("TTFP") agrees to the provisions of the 2020-2024 Revenue Requirement Settlement (the "Settlement"), as attached.

Vote Results

Unopposed.

Background

On May 14, 2019, the TTFP adopted Issue T2019-03 to initiate discussions with respect to a settlement of NGTL's Revenue Requirement. In order to ensure that the discussions were inclusive of all interested and potentially affected parties, NGTL posted a letter on the TC Customer Express website to all NGTL System customers, TTFP members and additional stakeholders inviting them to participate in the discussions.

A task force of the TTFP was established to conduct settlement negotiations. The first meeting of the revenue requirement task force took place on July 31, 2019 and in total there were 12 task force meetings as well as at least 11 customer-only meetings between August 2019 and April 2020. Members who participated in the discussions included, but were not limited to producers, utilities, industrials, marketers, power producers, exporters, associations and government.

A settlement-in-principle was reached on February 24, 2020. NGTL drafted an agreement based on the final term sheet and the agreement was revised and finalized based on task force member input.

The Settlement comprises a set of Baseline Tolls upon which changes can be made subject to Section 5.2 (Change in Law), or as part of a solution arising from Section 5.4 (Settlement Review Process). As the Baseline Tolls contained in the Settlement were developed prior to the Canada Energy Regulator ("CER") RH-001-2019 Decision, for clarity of TTFP members, NGTL confirms that the Baseline Tolls, as set out in Section 5.1 (Baseline Tolls and Toll Band), are not affected by the implementation of the new rate design approved in the RH-001-2019 Decision.

Next Steps

NGTL will file an application with the Canada Energy Regulator (“CER”) for approval of the Settlement. This Resolution and the attached Settlement will be filed in support of the application. NGTL will also apply for approval of final 2020 rates resulting from implementation of the Settlement with incorporation of the newly approved NGTL Rate Design.

NOVA Gas Transmission Ltd. 2020-2024 Revenue Requirement Settlement

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RECITALS:

WHEREAS NGTL is the owner and operator of the NGTL System;

WHEREAS NGTL is regulated by the CER on a cost-of-service basis which allows NGTL to recover its prudently incurred costs;

WHEREAS the TTFP is a confidential, collaborative forum that allows NGTL and members, including NGTL Customers, government and industry associations to exchange information and engage in discussion with respect to NGTL System tolls, tariff, facilities and procedures to reduce the need for regulatory proceedings;

WHEREAS, starting in mid-2019, NGTL and interested Parties engaged in extensive, open, good faith discussions and negotiations through the TTFP regarding the NGTL revenue requirement for 2020 and beyond, through which all interested Parties had the opportunity to express their views ("**NGTL Revenue Requirement Negotiations**");

AND WHEREAS through NGTL Revenue Requirement Negotiations, NGTL and interested Parties achieved a settlement of Revenue Requirement for the period January 1, 2020 to December 31, 2024, subject to the approval of the CER.

ARTICLE 1 - INTERPRETATION

1.1 Definitions

The words and phrases used in this Settlement shall have the respective meaning ascribed to them below. Any capitalized terms not defined in this Settlement have the definition ascribed to them in the Appendices, the definition ascribed to them in the Tariff or reflect line item titles for NGTL cost components.

- (a) "**2020-2024 Settlement Application**" has the meaning set out in Section 3.1.
- (b) "**AFUDC**" means allowance for funds used during construction and reflects carrying charges associated with NGTL's capital program.
- (c) "**Agreement**" means a solution reached by all Parties in relation to the Settlement Review Process set out in Section 5.4, such that no TTFP member has formally expressed an intention to litigate the resulting filing.
- (d) "**Annualized Full Path Rate**" for a given calendar year within the Term means the Full Path Rate derived to recover NGTL's forecast Revenue Requirement from January 1 to December 31 of that year, rounded to the nearest 0.1 ¢/Mcf/d, as determined at the time of calculating Interim Rates or Final Rates, as applicable.
- (e) "**ATCO Pipelines**" means a division of ATCO Gas and Pipelines Ltd.
- (f) "**ATCO Pipelines Revenue Requirement**" means the costs of the ATCO Pipelines annual revenue requirement as approved by the Alberta Utilities Commission, or successor, which

are included in NGTL's Revenue Requirement pursuant to the integration agreement between NGTL and ATCO Pipelines approved in Order TG-04-2010.

- (g) **"Baseline Toll"** means a Full Path Rate set out in Section 5.1 for each calendar year within the Term, subject to adjustment pursuant to Section 5.2 and used for the purposes of the Settlement Review Process, the Depreciation Rate Adjustment and the Incentive Sharing Mechanism.
- (h) **"CER"** means the Canada Energy Regulator and any successor thereof.
- (i) **"Change in Law Costs"** has the meaning given in Section 5.2.
- (j) **"CO₂ Management Service Deferral Account"** has the meaning given in Section 10.2.
- (k) **"Depreciation Rate"** means the applicable depreciation rate for each asset class, as determined in accordance with Section 6.1 and Appendix 2.
- (l) **"Depreciation Rate Adjustment"** has the meaning set out in Section 6.1.
- (m) **"Existing Law"** means any Law enacted, promulgated, adopted or issued and applicable to NGTL as of February 24, 2020.
- (n) **"Final Rates"** means rates, tolls and charges calculated on the basis of forecast Revenue Requirement for any year during the Term, a forecast of firm transportation contract demand quantity and throughput, and the approved rate design in place at the time, which are approved as final by the CER.
- (o) **"Fixed Cost Component"** means the cost component to be included in the Revenue Requirement during the Term at a fixed annual amount pursuant to the formula described in Appendix 1 and includes all types of costs reported by NGTL as "OM&A" and "Severance" during 2018-2019.
- (p) **"Fixed Cost Component Deferral Account"** has the meaning given in Section 10.2.
- (q) **"Fixed Cost Component Variance"** means the difference (positive or negative) between the Fixed Cost Component for a calendar year within the Term and the total of actual OM&A Costs and Severance Costs for that year.
- (r) **"Flow Through Cost Component"** means those cost components to be included in the Revenue Requirement during the Term that are not part of the Fixed Cost Component and are listed in Section 4.1.
- (s) **"Flow Through Costs Deferral Account"** has the meaning given in Section 10.2.
- (t) **"Full Path Rate"** for a given calendar year of the Term, means rates calculated on the basis of the sum of the weighted average FT-R rate and weighted average FT-D rate expressed in ¢/Mcf/d.
- (u) **"Governmental Authority"** means any government, regulatory authority, governmental department, agency, commission, bureau, official, minister, crown corporation, court, board, tribunal, dispute settlement panel or body or other law, rule or regulation-making entity (i)

having or purporting to have jurisdiction on behalf of any nation, province, state or other geographic or political subdivision thereof, or (ii) exercising, or entitled or purporting to exercise any administrative, executive, judicial, legislative, policy, regulatory or taxing authority or power.

- (v) **"Incentive Sharing Mechanism"** has the meaning set out in Section 7.1.
- (w) **"Interim Rates"** means rates, tolls and charges to be filed with the CER for approval on an interim basis until Final Rates are approved by the CER.
- (x) **"Law"** means any statute, regulation, rule, or order of any Governmental Authority and applicable to NGTL that sets taxes or levies payable by NGTL or imposes costs on NGTL regarding any safety, reliability, or environmental obligations, including any Law regarding greenhouse gas emissions, carbon taxes or corporate income taxes.
- (y) **"Lower Toll Band"** has the meaning given in Section 5.1.
- (z) **"Maximum Depreciation Rates"** means the maximum Depreciation Rates set out in Appendix 2.
- (aa) **"Minimum Depreciation Rates"** means the minimum Depreciation Rates set out in Appendix 2.
- (bb) **"New Law"** means any Law that was not enacted, issued or applicable to NGTL as of February 24, 2020, including any change to Existing Laws.
- (cc) **"NGTL"** means NOVA Gas Transmission Ltd.
- (dd) **"NGTL Customer"** shall mean any Person named as a Customer in a Service Agreement or Schedule of Service.
- (ee) **"NGTL System"** means the natural gas transmission pipeline system owned and operated by NGTL that connects to various downstream Canadian and international pipelines and includes the facilities of ATCO Pipelines and any transportation by others contracts held by NGTL.
- (ff) **"NGTL Revenue Requirement Negotiations"** has the meaning given in the recitals.
- (gg) **"OM&A Costs"** means those types of operations, maintenance and administrative costs that were reported by NGTL as "OM&A" during the 2018-2019 period.
- (hh) **"Parties"** means NGTL, any NGTL Customer or any other member of the TTFP and "Party" means any one of them.
- (ii) **"PEAs"** means project and expenditure authorizations.
- (jj) **"Revenue Deferral Account"** has the meaning given in Section 10.2.
- (kk) **"Revenue Requirement"** has the meaning given in Section 4.1.
- (ll) **"Revised Interim Rates"** means Interim Rates filed with the CER to supersede the approved Interim Rates in effect.

- (mm) **“ROE”** means rate of return on equity.
- (nn) **“Settlement”** means this 2020-2024 NGTL Revenue Requirement Settlement and includes the recitals and all appendices attached hereto.
- (oo) **“Settlement Review Process”** means the review process triggered in accordance with Section 5.4 during which NGTL and TTFP members will consult, in good faith, for up to 90 days or a longer time frame if agreed to by NGTL and TTFP members by a vote of the TTFP where no party has formally expressed an intention to litigate an extension of the 90 day period.
- (pp) **“Severance Costs”** means costs related to the termination of employment allocated or directly attributable to the NGTL System in that year.
- (qq) **“Tariff”** means the NOVA Gas Transmission Ltd. Gas Transportation Tariff in effect, as may be amended from time to time.
- (rr) **“Term”** has the meaning given in Section 2.2.
- (ss) **“Toll Bands”** means the Upper Toll Band and Lower Toll Band.
- (tt) **“TTFP”** means NGTL’s Tolls, Tariff, Facilities and Procedures committee or any subsequent committee created for the same or similar purpose.
- (uu) **“Upper Toll Band”** has the meaning given in Section 5.1.

1.2 Appendices

The following Appendices are attached hereto and form part of the Settlement:

Appendix 1 – Calculation of Fixed Cost Component

Appendix 2 – Depreciation Rates and Illustrative Depreciation Rate Adjustment Calculation

Appendix 3 – Illustrative Incentive Sharing Mechanism Calculation

Appendix 4 – Annual Supplemental Schedules

Appendix 5 – Quarterly Supplemental Schedules

Appendix 6 – Facility Status Update

ARTICLE 2 - SETTLEMENT PACKAGE

2.1 Scope of Settlement

NGTL’s rates are based on the forecast revenue requirement and forecast contract demand quantity and throughput for each calendar year and calculated in accordance with the approved rate design in effect at the time. The Settlement:

- (a) includes all elements for the determination of NGTL’s annual Revenue Requirement for each

calendar year during the Term;

- (b) represents a balance of interests and compromises among NGTL and TTFP members as a result of NGTL Revenue Requirement Negotiations such that no single component of the Settlement package can be said to be acceptable to NGTL or any individual TTFP member independent of the entire Settlement; and
- (c) requires CER approval of the Settlement in its entirety to be binding on any Party.

2.2 Term

Except as expressly provided herein, the provisions of this Settlement apply during the period January 1, 2020 through December 31, 2024 ("**Term**").

ARTICLE 3 - REGULATORY APPROVALS

3.1 Regulatory Approval

Provided NGTL obtains sufficient support of the Settlement from TTFP members:

- (a) NGTL will submit the Settlement to the CER as a negotiated settlement in accordance with the CER's settlement guidelines ("**2020-2024 Settlement Application**"); and
- (b) if any TTFP member(s) oppose the 2020-2024 Settlement Application or any portion of the Settlement before the CER, NGTL may withdraw the 2020-2024 Settlement Application.

ARTICLE 4 - REVENUE REQUIREMENT

4.1 Revenue Requirement

The annual Revenue Requirement for the Term will be based on the following:

- (a) a ROE of 10.1% on a 40% deemed equity ratio; and
- (b) the following cost components:
 - (i) Fixed Cost Component; and
 - (ii) Flow Through Cost Component that includes:
 - a. Transportation by Others
 - b. Pipeline Integrity Expense
 - c. CER Cost Recovery
 - d. Return
 - e. Income Taxes
 - f. Depreciation
 - g. Regulatory Proceeding Costs
 - h. Emission Compliance Costs
 - i. Municipal and Other Taxes
 - j. Regulatory Amortizations

- k. Compressor Repair Expense
- l. Pension and Other Post-Employment Benefits
- m. Uninsured Losses
- n. Annual Foreign Exchange Amortization Amount
- o. Foreign Exchange on Interest Payments
- p. CO₂ Management Service Costs
- q. Methane Emissions
- r. ATCO Pipelines Revenue Requirement
- s. Any new prudently incurred cost for NGTL to provide Service during the Term, including Change in Law Costs

ARTICLE 5 - RATE MATTERS

5.1 Baseline Tolls and Toll Band

Subject to Section 5.2, the Baseline Toll for each calendar year of the Term is as follows:

Year of Term	Baseline Toll (in ¢/Mcf/d)
2020	40.0
2021	45.3
2022	48.0
2023	49.4
2024	51.5

Toll Bands are established for each calendar year during the Term as follows:

- (a) an Upper Toll Band set at 10% above the Baseline Toll rounded to the nearest 0.1 ¢/Mcf/d for any given year during the Term; and
- (b) a Lower Toll Band set at 10% below the Baseline Toll rounded to the nearest 0.1 ¢/Mcf/d for any given year during the Term.

5.2 Change in Law

If NGTL's costs to provide Service have or are reasonably expected to materially change during the Term because of a New Law:

- (a) NGTL will inform TTFP members of the material change in costs as a result of the New Law ("**Change in Law Costs**");
- (b) after consulting with the TTFP in good faith, any Party may seek a change to the Baseline Toll to account for the Change in Law Costs and file such change with the CER; and
- (c) if any Party opposes a change to Baseline Tolls filed pursuant to subsection (b), any Party may request that the CER resolve the matter.

5.3 Rate Calculation and Filing

NGTL will calculate and file for Interim Rates and Final Rates for each calendar year of the Term as

follows:

- (a) On or before December 1, NGTL will:
 - (i) calculate Interim Rates effective January 1 of the following year;
 - (ii) file such Interim Rates with the CER for approval; and
 - (iii) if the Annualized Full Path Rate for the purposes of calculating the Interim Rates is above the applicable Upper Toll Band, hold preliminary discussions with the TTFP regarding the possibility of initiating the Settlement Review Process.
- (b) For calculating Final Rates, NGTL will complete the derivation of the Annualized Full Path Rate as soon as possible but no later than May 1. NGTL will:
 - (i) file Final Rates with the CER for approval if the Annualized Full Path Rate is equal to or below the applicable Upper Toll Band; or
 - (ii) initiate the Settlement Review Process as soon as possible but no later than May 1 if the Annualized Full Path Rate is above the applicable Upper Toll Band.

5.4 Settlement Review Process

The trigger and outcomes of the Settlement Review Process are as follows:

- (a) If, in the process of calculating Final Rates, NGTL determines the Annualized Full Path Rate is above the applicable Upper Toll Band:
 - (i) NGTL will commence the Settlement Review Process by notifying the TTFP;
 - (ii) NGTL will inform the CER that the Settlement Review Process has been triggered; and
 - (iii) the approved Interim Rates will remain in place until the CER approves Revised Interim Rates or Final Rates.
- (b) At the completion of the Settlement Review Process:
 - (i) if NGTL and TTFP members have reached Agreement, NGTL will file Final Rates consistent with that Agreement with the CER for approval; or
 - (ii) if NGTL and TTFP members have not reached Agreement, the Settlement will terminate and NGTL will inform the CER of its termination.
- (c) If the Settlement is terminated pursuant to this Section, NGTL may file, subject to Section 8.1, an application with the CER for approval of Revised Interim Rates pending the determination of Final Rates.

ARTICLE 6 - DEPRECIATION RATE ADJUSTMENT

6.1 Depreciation Rate Adjustment

The Minimum Depreciation Rates will apply to establish the depreciation expense for 2020. NGTL will adjust the Depreciation Rates used in establishing the depreciation expense for the years 2021 through 2024 as follows ("**Depreciation Rate Adjustment**"). In the event the Annualized Full Path Rate for any given year is:

- (a) below the Baseline Toll and above the Lower Toll Band applicable for that year, Depreciation Rates will increase from the Minimum Depreciation Rates up to the Maximum Depreciation Rates proportional to the extent to which the Annualized Full Path Rate falls between the Baseline Toll and the Lower Toll Band. An illustrative calculation is set out in Appendix 2;
- (b) equal to or below the Lower Toll Band, the Maximum Depreciation Rates will apply; or
- (c) equal to or above the Baseline Toll, the Minimum Depreciation Rates will apply.

ARTICLE 7 - INCENTIVE SHARING MECHANISM

7.1 Incentive Sharing Mechanism

An incentive sharing mechanism will apply to the Fixed Cost Component Variance in each year during the Term as follows ("**Incentive Sharing Mechanism**"):

- (a) if the Annualized Full Path Rate for that year is equal to or higher than the Baseline Toll for that year, the Fixed Cost Component Variance will be shared 50%/50% between NGTL and Customers; or
- (b) if the Annualized Full Path Rate for that year is lower than the Baseline Toll for that year:
 - (i) the Fixed Cost Component Variance up to and including +/- \$5 million will be 100% to the account of Customers; and
 - (ii) the Fixed Cost Component Variance in excess of +/- \$5 million will be shared 50%/50% between NGTL and Customers.

Illustrative calculations of the Incentive Sharing Mechanism are set out in Appendix 3.

ARTICLE 8 - OTHER COMMITMENTS

8.1 ROE Survival

Notwithstanding any other provision contained in this Settlement, including termination of the Settlement pursuant to Section 5.4, a ROE of 10.1% on a 40% deemed equity ratio shall survive for the duration of the Term.

8.2 ATCO Pipelines Revenue Requirement

NGTL will implement a TTFP process for reporting ATCO Pipelines revenue requirement and facility applications and NGTL will monitor and participate as NGTL determines necessary in ATCO Pipelines regulatory proceedings to seek cost efficiencies for the ATCO Pipelines Revenue Requirement.

8.3 Fulfillment of Service Commitments

NGTL will fulfill commitments for firm Service (as described in the Schedule of Service of executed PEAs) during the Term in accordance with executed PEAs, including the construction of facilities as necessary to fulfill such Service commitments.

ARTICLE 9 - INFORMATION AND REPORTING

9.1 Information and Reporting to the TTFP

For each year of the Term, NGTL will provide to the TTFP on a confidential basis:

- (a) quarterly supplemental schedules in the form of Appendix 5;
- (b) preliminary contract demand quantity and throughput (by service and major export delivery point) reporting to be presented to the TTFP, prior to filing for Interim Rates and/or Final Rates; and
- (c) schedules for the base year, test year, and forecast years to be provided upon commencement of negotiations for a post-Term revenue requirement settlement in the form of Appendix 4.

9.2 Information and Reporting to the CER and TTFP

NGTL will provide to the CER and the TTFP on a non-confidential basis the following reporting for each year of the Term on or before March 31 following the end of such year:

- (a) annual supplemental schedules in the form of Appendix 4; and
- (b) a presentation on pipeline integrity and compressor costs.

9.3 Facility Status Updates

NGTL will post to its external website on a monthly basis a facility status update with information on NGTL's capital projects in the form attached as Appendix 6. In between such postings, NGTL will communicate material updates to TTFP members in TTFP meetings, as required.

ARTICLE 10 - MISCELLANEOUS

10.1 Confidentiality

All information exchanged in this Settlement process is confidential and provided on a without prejudice basis. As of the date of the vote on the Settlement at the TTFP, NGTL may file this Settlement with the CER and disclose the terms and conditions of this Settlement as it determines necessary in a news

release or other public reporting.

10.2 Deferral Accounts

NGTL will use the following deferral accounts for the Term and balances will be applied to NGTL's Revenue Requirement for each year of the Term, respectively:

- (a) Revenue Deferral Account will be used to capture:
 - (i) variances in revenue resulting from actual Firm Transportation Contract Demand revenue differing from the forecast of Firm Transportation Contract Demand revenue in a calendar year used in establishing the applicable year's rates, including all variances related to all Firm Transportation services; and
 - (ii) variances in revenues resulting from actual Interruptible Transportation service revenue differing from the forecast of Interruptible Transportation service revenue in a calendar year used in establishing the applicable year's rates, including all variances from Interruptible Receipt and Interruptible Delivery revenues net of Alternate Access, Facilities Connection Service, Pressure/Temperature Service and Other Services, and ATCO Pipelines Franchise Fees.
- (b) CO₂ Management Service Deferral Account will be utilized to capture the variances between forecast and actual revenue and forecast and actual costs attributable to the CO₂ Management Service for each calendar year in the Term. Any incentive earned by NGTL under the provisions of the CO₂ incentive mechanism will also be recorded in this account.
- (c) Flow Through Costs Deferral Account will be utilized to capture the variances between forecast and actual costs for all Flow Through Cost Components in a calendar year with the exception of costs related to the CO₂ Management Service.
- (d) Fixed Cost Component Deferral Account will be utilized to capture any Fixed Cost Component Variances that are to the account of Customers pursuant to Section 7.1.

10.3 Accounting Matters

AFUDC and carrying charges will be calculated using the NGTL System weighted average cost of capital based on the ROE set out in Section 4.1 and the cost of debt of the NGTL System applied to a 60% deemed debt ratio.

Appendix 1

Calculation of Fixed Cost Component

Overview

The Fixed Cost Component will be calculated annually for inclusion in the Revenue Requirement. The Fixed Cost Component will be subject to the Incentive Sharing Mechanism in accordance with Section 7.1.

Calculation of the Fixed Cost Component is a three-step process, as outlined below. Table 1 provides a calculation of the 2020 Fixed Cost Component amount to be included in the 2020 Revenue Requirement. Table 2 shows an illustrative calculation of the 2021 Fixed Cost Component.

Step 1: Determination of OM&A Costs and Severance Costs

In the determination of the Revenue Requirement for 2020, OM&A Costs and Severance Costs included in the calculation of the Fixed Cost Component will be the prior year's actual OM&A Costs and actual Severance Costs. In the determination of the Revenue Requirement for each of the years 2021-2024, OM&A Costs and Severance Costs included in the calculation of the Fixed Cost Component for each year (year T) will be the lower of: 1) the prior year's (year T-1) actual OM&A Costs and actual Severance Costs; or 2) the OM&A Costs and Severance Costs Rebase Cap for year T. The OM&A Costs and Severance Cost Rebase Cap for each year T is set at 110% of the actual OM&A Costs and Severance Costs for year T-2 as shown in the following formula ("**OM&A Costs and Severance Costs Rebase Cap**"):

$$OM\&A\ Costs\ and\ Severance\ Costs\ Rebase\ Cap_T = [OM\&A\ Costs_{T-2} + Severance\ Costs_{T-2}] * 1.10$$

Step 2: Calculation of Escalation Factor

An escalation factor will be calculated annually as the sum of the percentage change in Total Consumer Price Index ("**CPI**"), as reported by the Bank of Canada, from June to June ending in the year prior to year T, plus 1%; the formula is as shown ("**Escalation Factor**"):

$$Escalation\ Factor_T = Change\ in\ Total\ CPI + 1\%$$

Step 3: Calculation of Fixed Cost Component

The Fixed Cost Component will be calculated annually using the following formula:

$$FCC_T = Min[(OM\&A\ Costs_{T-1} + Severance\ Costs_{T-1}), OM\&A\ Costs\ and\ Severance\ Costs\ Rebase\ Cap_T] \times [1 + Escalation\ Factor_T]$$

Where:

FCC_T means Fixed Cost Component for Year T

Table 1: Calculation of 2020 Fixed Cost Component

		<u>(\$000)</u>	<u>Notes</u>
<u>Step 1: Calculation of OM&A Costs and Severance Costs</u>			
[1]	2019 OM&A Costs	223,211	2019 Actual
[2]	2019 Severance Costs	3,172	2019 Actual
[3]	2019 OM&A Costs and Severance Costs	226,383	[1] + [2]
<u>Step 2: Calculation of Escalation Factor</u>			
[4]	2018 June total CPI	133.6	Bank of Canada*
[5]	2019 June total CPI	136.3	Bank of Canada*
[6]	CPI inflation	2.02%	$([5]/[4]-1)*100$
[7]	Fixed escalator	1.00%	fixed for Term
[8]	Escalation Factor	3.02%	[6] + [7]
<u>Step 3: Calculation of Fixed Cost Component</u>			
[9]	Fixed Cost Component	233,222	[3] * (1 + [8])

*Source: Bank of Canada: <https://www.bankofcanada.ca/rates/price-indexes/cpi/>

Table 2: Illustrative Calculation of 2021 Fixed Cost Component

	<u>(\$000)</u>	<u>Notes</u>
<u>Step 1a: Calculation of OM&A Costs and Severance Costs</u>		
[1] 2020 OM&A Costs	232,160	<i>Illustrative</i>
[2] 2020 Severance Costs	5,250	<i>Illustrative</i>
[3] 2020 OM&A Costs and Severance Costs	237,410	<i>[1] + [2]</i>
<u>Step 1b: Calculation of OM&A Costs and Severance Costs Rebase Cap</u>		
[4] 2019 Operations, Maintenance and Administrative Costs	223,211	<i>2019 Actual</i>
[5] 2019 Severance Costs	3,172	<i>2019 Actual</i>
[6] 2021 OM&A Costs and Severance Costs Rebase Cap	249,021	<i>([4] + [5]) * 1.1</i>
<u>Step 2: Calculation of Escalation Factor</u>		
[7] 2019 June total CPI	136.3	<i>Bank of Canada*</i>
[8] 2020 June total CPI	139.0	<i>Illustrative</i>
[9] CPI inflation	1.98%	<i>([8]/[7]-1)*100</i>
[10] Fixed escalator	1.00%	<i>fixed for Term</i>
[11] Escalation Factor	2.98%	<i>[9] + [10]</i>
<u>Step 3: Calculation of Fixed Cost Component</u>		
[12] Fixed Cost Component	244,487	<i>Min([3],[6]) * (1 + [11])</i>

*Source: Bank of Canada: <https://www.bankofcanada.ca/rates/price-indexes/cpi/>

Appendix 2

Depreciation Rates and Illustrative Depreciation Rate Adjustment Calculation

Depreciation Rates and Illustrative Depreciation Rate Adjustment Calculation

CATEGORY	ACCOUNT	DESCRIPTION	MINIMUM DEPRECIATION RATES ^(*)			MAXIMUM DEPRECIATION RATES ^(*)		
			LATERAL	MAINLINE	COMPOSITE	LATERAL	MAINLINE	COMPOSITE
Meter Stations	461.10	LAND RIGHTS	4.07%	1.96%	2.95%	4.48%	2.16%	3.25%
	463.00	BUILDINGS	4.61%	2.67%	3.51%	5.07%	2.94%	3.86%
	463.10/463.20	SITE	4.82%	3.17%	3.76%	5.30%	3.49%	4.14%
	467.00	AUTOMATION	4.73%	3.32%	3.92%	5.01%	3.52%	4.15%
	467.10	INSTRUMENTATION	5.85%	3.47%	4.48%	6.30%	3.74%	4.83%
	467.20	PIPING	5.65%	3.09%	4.15%	6.22%	3.40%	4.57%
	467.30	ELECTRICAL SYSTEM	5.15%	3.03%	3.91%	5.67%	3.33%	4.30%
Compressor Stations	461.20	LAND RIGHTS	2.89%	1.23%	1.31%	3.18%	1.35%	1.44%
	462.00	BUILDINGS	2.94%	2.79%	2.80%	3.20%	3.04%	3.04%
	462.10	SITE	0.21%	0.08%	0.08%	0.21%	0.08%	0.08%
	466.10	COMPRESSOR UNIT	4.70%	2.88%	2.95%	5.17%	3.17%	3.25%
	466.20	PIPING	3.01%	2.08%	2.12%	3.31%	2.29%	2.33%
	466.30	INSTRUMENTATION	6.20%	3.57%	3.65%	6.78%	3.91%	4.00%
	466.40	ELECTRICAL SYSTEM	2.95%	3.08%	3.08%	3.25%	3.39%	3.39%
Pipelines	466.50	AUTOMATION	5.02%	3.06%	3.14%	5.02%	3.06%	3.14%
	461.00	LAND RIGHTS	4.56%	2.03%	2.56%	4.68%	2.08%	2.63%
	465.10	PIPE	5.69%	2.62%	3.22%	6.26%	2.88%	3.54%
	465.20	VALVES	6.51%	3.52%	3.85%	7.16%	3.87%	4.24%
General Plant	466.90	COMPRESSOR OVERHAUL			7.99%			7.99%
	468.00	COMMUNICATION STRUCT. & EQUIP			6.84%			6.84%
	482.10	BUILDINGS			1.68%			1.68%
	483.10	OFFICE FURNITURE			6.30%			6.30%
	483.40	COMPUTER HARDWARE			29.22%			29.22%
	483.60	COMPUTER SOFTWARE			24.77%			24.77%
	483.61	COMPUTER SOFTWARE ERP			22.00%			22.00%
	484.10	VEHICLES AND TRAILERS			29.10%			29.10%
	485.00	HEAVY WORK EQUIPMENT			0.74%			0.74%
	486.00	TOOLS AND WORK EQUIPMENT			2.40%			2.40%
	488.00	COMMUNICATION EQUIPMENT			1.20%			1.20%
	4820.00	LEASEHOLD IMPROVEMENTS			10.84%			10.84%
	4822.00	TC NEW TOWER			4.37%			4.37%

^(*) Minimum depreciation rates are those in Appendix 1 of NGTL's 2018-2019 Revenue Requirement Settlement.

Maximum depreciation rates were established such that, when combined with the Gas Plant in Service assumptions underpinning Baseline Tolls, result in an increase in the composite depreciation rate of approximately 30 basis points. The Maximum Depreciation Rates were determined by increasing the Minimum Depreciation Rate for each individual asset class by the same factor, subject to ensuring the individual asset class rates remain within the range resulting from NGTL's 2017 Depreciation Study.

Illustrative Depreciation Rate Adjustment Calculation

	<u>c/Mcf/d</u>	<u>Notes</u>
Comparison of Annualized Full Path Rate to Baseline Toll		
[1] Baseline Toll	45.3	Section 5.1
[2] Annualized Full Path Rate	<u>44.3</u>	Per Section 1.1(d)
[3] Annualized Full Path Rate Savings from Baseline Toll	1.0	[1] - [2]
Annualized Full Path Rate < Baseline Toll, therefore Depreciation Rate Adjustment is made		

Extent to which Annualized Full Path Rate falls between the Baseline Toll and Lower Toll Band

[4] Baseline Toll	45.3	Section 5.1
[5] Lower Toll Band	<u>40.8</u>	[4] * (1-10%)
[6] Difference	4.5	[4] - [5]
[7] Percentage by which Depreciation Rates will increase from Minimum Depreciation Rates to Maximum Depreciation Rates	22.2%	[3] / [6]

Depreciation Rate Adjustment¹

All Individual Asset Class Depreciation Rates would increase by 22.2% from Minimum Depreciation Rates to Maximum Depreciation Rates

Illustrative Examples:

Category - Account - Description	Minimum Depreciation Rate [a]	Maximum Depreciation Rate [b]	Adjusted Depreciation Rate [a] + ([b] - [a]) * 22.2%
Compressor Stations - Account # 466.20 - Piping	2.12%	2.33%	2.17%
Pipelines - Account # 465.10 - Pipes	3.22%	3.54%	3.29%

¹ Adjusted Depreciation Rates will be the result of an iterative process.

Appendix 3

Illustrative Incentive Sharing Mechanism Calculation

Scenario 1: Illustrative 2021 - Annualized Full Path Rate **Lower** than Baseline Toll (\$000)

	Period Actual*	Notes
<u>Fixed Cost Component Variance Calculation</u>		
[1] Annualized Full Path Rate	44.3	¢/Mcf/d
[2] Baseline Toll	45.3	¢/Mcf/d
Annualized Full Path Rate < Baseline Toll, therefore First +/- \$5 Million of Fixed Cost Component Variance to Customer account, then shared 50%/50%		
[3] Fixed Cost Component	244,487.0	<i>Appendix 1</i>
[4] <i>Actual OM&A Costs</i>	244,835.0	<i>Illustrative</i>
[5] <i>Actual Severance Costs</i>	5,250.0	<i>Illustrative</i>
[6] Actual OM&A Costs and Actual Severance Costs	250,085.0	<i>[4] + [5]</i>
[7] Fixed Cost Component Variance	(5,598.0)	<i>[3] - [6]</i>
<u>Calculation of Pre-tax Incentive Sharing</u>		
Tier 1: First +/- \$5 Million of Fixed Cost Component Variance		
[8] Customer share	(5,000.0)	100%
[9] NGTL share	0.0	0%
Tier 2: In excess of +/- \$5 Million Variance from Fixed Cost Component		
[10] Tier 2 Subtotal	(598.0)	<i>[7] – [8]</i>
[11] Customer share	(299.0)	<i>[10] * 50%</i>
[12] NGTL share	(299.0)	<i>[10] * 50%</i>
[13] Total Customer share from Incentive Sharing Mechanism¹	(5,299.0)	<i>[8] + [11]</i>
[14] Total NGTL share from Incentive Sharing Mechanism	(299.0)	<i>[9] + [12]</i>

*Totals may not add due to rounding.

¹ Amount recorded at year end in Fixed Cost Component Deferral Account.

Scenario 2: Illustrative 2021 - Annualized Full Path Rate *Higher* than Baseline Toll (\$000)

		<u>Period Actual*</u>	<u>Notes</u>
	<u>Fixed Cost Component Variance Calculation</u>		
[1]	Annualized Full Path Rate	46.3	<i>¢/Mcf/d</i>
[2]	Baseline Toll	45.3	<i>¢/Mcf/d</i>
	Annualized Full Path Rate > Baseline Toll, therefore all Fixed Cost Component Variance shared 50%/50%		
[3]	Fixed Cost Component	244,487.0	<i>Appendix 1</i>
[4]	<i>Actual OM&A Costs</i>	244,835.0	<i>Illustrative</i>
[5]	<i>Actual Severance Costs</i>	<u>5,250.0</u>	<i>Illustrative</i>
[6]	Actual OM&A Costs and Actual Severance Costs	250,085.0	<i>[4] + [5]</i>
[7]	Fixed Cost Component Variance	(5,598.0)	<i>[3] - [6]</i>
	<u>Calculation of Pre-tax Incentive Sharing</u>		
[8]	Total Customer share from Incentive Sharing Mechanism¹	(2,799.0)	<i>[7] * 50%</i>
[9]	Total NGTL share from Incentive Sharing Mechanism	(2,799.0)	<i>[7] * 50%</i>

*Totals may not add due to rounding.

¹ Amount recorded at year end in Fixed Cost Component Deferral Account.

Appendix 4
Annual Supplemental Schedules

NOVA GAS TRANSMISSION LTD.

NGTL SYSTEM 2020 - 2024 REVENUE REQUIREMENT SETTLEMENT ANNUAL SUPPLEMENTAL SCHEDULES

NOVA GAS TRANSMISSION LTD.
NGTL SYSTEM
2020 - 2024 REVENUE REQUIREMENT SETTLEMENT
ANNUAL SUPPLEMENTAL SCHEDULES
FOR THE YEAR ENDED DECEMBER 31, 20XX

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GPIS and GPUC Summary	9.0
Fixed Cost Component	10.0

REVENUE REQUIREMENT SUMMARY
FOR THE YEAR ENDED DECEMBER 31, 20XX
(\$000s)

LINE NO.	DESCRIPTION	SCH. REF.	ACTUAL
(a)		(b)	(c)
1	Transportation by Others (TBO)	6.0	
2	Pipeline Integrity Expense		
3	CER Cost Recovery		
4	Return	3.0	
5	Income Taxes	4.0	
6	Depreciation	5.0	
7	Regulatory Proceeding Costs		
8	Emissions Compliance Costs		
9	Municipal and Other Taxes		
10	Regulatory Amortizations		
11	Compressor Repair Expense		
12	Fixed Cost Component *		
13	Pension and Other Post Employment Benefits Actuarial Loss Amortization		
14	Uninsured Losses		
15	Annual Foreign Exchange Amortization Amount	8.0	
16	Foreign Exchange on Interest Payments	7.0	
17	CO ₂ Management Service Costs		
18	Methane Emissions		
19	Subtotal		
20	ATCO Pipelines Revenue Requirement		
21	Total Revenue Requirement		

* Fixed Cost Component for 20XX pursuant to Appendix 1 of the 2020 - 2024 Revenue Requirement Settlement.

AVERAGE RATE BASE SUMMARY
FOR THE YEAR ENDED DECEMBER 31, 20XX
(\$000s)

LINE NO.	DESCRIPTION	ACTUAL
	(a)	(b)
	<u>Utility Investment</u>	
1	Gross Plant	
2	Accumulated Depreciation	
3	Net Plant	
	<u>Working Capital</u>	
4	Cash	
5	Materials and Supplies	
6	Transmission Linepack	
7	Total Working Capital	
	<u>Deferred Costs</u>	
8	Unfunded Foreign Exchange on Long-term Debt	
9	Debt Discount & Expense	
10	Prefunded Pension and OPEB Liability	
11	Operating and Debt Service Deferrals	
12	Total Deferred Costs	
13	Total Rate Base	
14	Gas Plant Under Construction (GPUC)	
15	Total Investment Base	

AVERAGE CAPITALIZATION AND OVERALL RATE OF RETURN
FOR THE YEAR ENDED DECEMBER 31, 20XX

LINE		SCH.	AMOUNT	RATIO	COST	COST	COST
NO.	DESCRIPTION	REF.	(\$000s)	%	RATE	COMPONENT	AMOUNT
	(a)	(b)	(c)	(d)	(e)	(f)	(g)
1	Debt - Funded	3.0.1					
2	Debt - Unfunded / (Prefunded)						
3	Total Debt						
4	Common Equity						
5	Total Capitalization and Rate of Return						
6	Rate Base						
7	GPUC						
8	Total Capitalization						

WEIGHTED AVERAGE COST OF LONG-TERM DEBT OUTSTANDING
FOR THE YEAR ENDED DECEMBER 31, 20XX
(\$000s)

LINE NO.	DESCRIPTION	MATURITY	INTEREST RATE	PRINCIPAL OUTSTANDING	DAYS OUTSTANDING	TOTAL INTEREST
	(a)	(b)	(c)	(d)	(e)	(f)
	Debentures					
1	9.90% \$100MM Series 23					
2	7.875% US\$200MM					
3	7.70% US\$200MM					
	Medium Term Notes					
4	8.90% \$33MM MTN #7					
5	8.90% \$39MM MTN #8					
6	8.875% \$30MM MTN #9					
7	8.46% \$45MM MTN #11					
8	8.90% \$15MM MTN #12					
9	8.875% \$15MM MTN #13					
10	7.00% \$100MM MTN #17					
11	7.00% \$50MM MTN #18					
12	6.59% \$20MM MTN #20					
13	6.59% \$2.5MM MTN #21					
14	6.59% \$10MM MTN #22					
15	6.59% \$20MM MTN #23					
16	6.59% \$25MM MTN #29					
17	6.30% \$100MM MTN #31					
18	8.05% \$400MM Note Payable to TransCanada					
19	4.55% \$250MM Note Payable to TransCanada					
20	3.65% \$200MM Note Payable to TransCanada					
21	4.55% \$300MM Note Payable to TransCanada					
22	3.69% \$450MM Note Payable to TransCanada					
23	3.30% \$750MM Note Payable to TransCanada					
24	4.55% \$400MM Note Payable to TransCanada					
25	4.35% \$700MM Note Payable to TransCanada					
26	3.395% \$300MM Note Payable to TransCanada					
27	4.331% \$700MM Note Payable to TransCanada					
28	4.34% \$1,000MM Note Payable to TransCanada					
29	3.00% \$700MM Note Payable to TransCanada					
30	4.18% \$300M Note Payable to TransCanada					
31	7.50% US\$32.5MM					
32	Total Interest					
33	Weighted Average					
34	Amortization of Issue Costs					
35	Total Cost of Long-Term Debt Outstanding					
36	Financing Cost Rate					

SCHEDULE OF FLOW-THROUGH INCOME TAXES
FOR THE YEAR ENDED DECEMBER 31, 20XX
(\$000s)

LINE NO.	DESCRIPTION	SCH. REF.	ACTUAL
	(a)	(b)	(c)
1	Return on Equity	3.0	
	<u>Add:</u>		
2	Depreciation	5.0	
3	Non-allowed Amortization of Debt Discount & Expense	3.0.1	
4	Annual Foreign Exchange Amortization Amount	8.0	
5	Non-allowed Meals and Entertainment		
6	Sub-total		
	<u>Deduct:</u>		
7	Capital Cost Allowance	4.0.1	
8	Capitalized Repair & Overhaul Costs	4.0.1	
9	Interest AFUDC		
10	Issue Costs		
11	Site Remediation and Environmental Costs	4.0.1	
12	Sub-total		
13	Total Taxable Amount		
14	Taxes thereon (Tax Rate / (1-Tax Rate))		
15	Utility Income Tax Requirement		

SCHEDULE OF CAPITAL COST ALLOWANCE
FOR THE YEAR ENDED DECEMBER 31, 20XX
(\$000s)

LINE NO.	CLASS	UNDEPRECIATED CAPITAL COST OPENING BALANCE	ADJUSTMENT TO OPENING BALANCE	ADDITIONS (NET)	BALANCE BEFORE CLAIM	MAXIMUM CCA	CLOSING BALANCE
	(a)	(b)	(c)	(d)	(e)	(f)	(g)
1	Class 1 - Full (4%)						
2	Class 1.1 - Full (6%)						
3	Class 2 - Full (6%)						
4	Class 3 - Full (5%)						
5	Class 6 - (10%)						
6	Class 7 - Full (15%)						
7	Class 8 - Full (20%)						
8	Class 10 - Full (30%)						
9	Class 10a - Full (45%)						
10	Class 10b - Full (55%)						
11	Class 12 - Full (100%)						
12	Class 13 - Full (S/L)						
13	Class 14.1 - Full (7%)						
14	Class 14.1 - (5%)						
15	Class 17 - Full (S/L)						
16	Class 49 - Full (8%)						
17	TOTAL						

CAPITAL COST ALLOWANCE RECONCILIATION
(\$000s)

LINE NO.	PARTICULARS		
1	Transfers to GPIS (including Overhead, excluding AFUDC)		
2	Repair and Overhaul		
3	Regulated General Plant Additions in 20XX		
	Adjustments:		
4	Net Proceeds - Retirements		
5	Land		
6	Site Remediation & Environmental costs		
7	Total Adjustments		
8	Capital Cost Allowance Additions per Line 17 above		

DEPRECIATION
FOR THE YEAR ENDED DECEMBER 31, 20XX
(\$000s)

LINE NO.	DESCRIPTION	ACTUAL RATE	ACTUAL EXPENSE
(a)		(b)	(c)
1	Intangible Plant		
2	Land Rights		
3	Mains		
4	Compressor		
5	Measuring and Regulating		
6	CO ₂ Service		
7	Communication Equipment - Transmission		
8	Structures & Improvements		
9	Furniture & Equipment - General		
10	Furniture & Equipment - Computers		
11	Vehicles		
12	Heavy Work Equipment		
13	Tools & Work Equipment		
14	Communication Equipment - General		
15	Total Depreciation Expense		

TRANSPORTATION BY OTHERS (TBO)
FOR THE YEAR ENDED DECEMBER 31, 20XX
(\$000s)

LINE		
NO.	DESCRIPTION	ACTUAL
	(a)	(b)
1	Foothills Pipe Lines Ltd.	
2	TransCanada Pipeline Ventures LP	
3	Other TBOs	
4	Total TBO	

FOREIGN EXCHANGE ON INTEREST PAYMENTS
FOR THE YEAR ENDED DECEMBER 31, 20XX
(\$000s)

LINE		DEBT		DATE OF	INTEREST	HISTORICAL		ACTUAL
NO.	DESCRIPTION	ISSUE	INTEREST	INTEREST	PAYMENTS	EXCHANGE	EXCHANGE	LOSS/(GAIN)
		(US\$)	RATE	PAYMENT	(US\$)	RATE ^(*)	RATE	
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)
1	7.50% MTN #5							
2	7.875% U.S. \$200 MM							
3	7.70% U.S. \$50 MM							
4	7.70% U.S. \$150 MM							
5	7.50% MTN #5							
6	7.875% U.S. \$200 MM							
7	7.70% U.S. \$50 MM							
8	7.70% U.S. \$150 MM							
9	Total foreign exchange loss / (gain) on interest payments							

^(*) Historical exchange rates pertain to the original financing when a maturing issue is rolled into a new issue.

ANNUAL FOREIGN EXCHANGE AMORTIZATION AMOUNT
FOR THE YEAR ENDED DECEMBER 31, 20XX
(\$000s)

LINE NO.	DESCRIPTION	MATURITY DATE	AMOUNT (US\$)	HISTORICAL EXCHANGE RATE	DEC 31, [PRIOR YEAR] EXCHANGE RATE	CURRENT YEAR LOSS/(GAIN)
	(a)	(b)	(c)	(d)	(e)	(f)
1	7.875% US\$200MM					
2	7.70% US\$150MM Note Payable to TCPL					
3	7.70% US\$50MM Note Payable to TCPL					
4	7.50% Medium Term Note - US\$32.5MM					
5						
6	Unfunded Foreign Exchange on Long-Term Debt Balance at January 1, 20XX					
7	Total					
8	Annual Foreign Exchange Amortization Amount - Line 7 divided by X ^(*)					

(*) Represents the number of years remaining until the last USD debt instrument matures.

GAS PLANT IN SERVICE AND GAS PLANT UNDER CONSTRUCTION CONTINUITY SUMMARY
FOR THE YEAR ENDED DECEMBER 31, 20XX
(\$000s)

LINE NO.	DESCRIPTION	SCH. REF.	ACTUAL
	(a)	(b)	(C)
	<u>Gas Plant In Service</u>		
1	Opening Gas Plant In Service		
2	Gas Plant In Service Transfers	9.2	
3	General Plant Additions		
4	Retirements		
5	Closing Gas Plant In Service		
6	Opening Accumulated Depreciation		
7	Depreciation Expense		
8	Retirements		
9	Closing Accumulated Depreciation		
10	Retirements In Progress		
11	Closing Net Gas Plant In Service		
	<u>Gas Plant Under Construction</u>		
12	Opening Gas Plant Under Construction		
13	Capital Expenditures	9.1	
14	AFUDC		
15	Gas Plant In Service Transfers		
16	Closing Gas Plant Under Construction		

CAPITAL EXPENDITURES
FOR THE YEAR ENDED DECEMBER 31, 20XX
(\$000)

LINE		APPLICATION	HEARING ORDER/	BOARD ORDER/	ACTUAL CAPITAL
NO.	DESCRIPTION	IN-SERVICE DATE	FILE NO	CERTIFICATE NO.	EXPENDITURES (*)
	(a)	(b)	(c)	(d)	(e)
1					
2					
3					
4					
5					
6					
7					
8					
9					
10					
11	Capital Expenditures				

(*) NGTL capacity capital projects with applied-for costs greater than or equal to \$25 million listed individually.

GPIS TRANSFERS
FOR THE YEAR ENDED DECEMBER 31, 20XX
(\$000)

LINE NO.	DESCRIPTION	ACTUAL IN-SERVICE DATE	APPLICATION NO./ FILING ID	BOARD ORDER/ CERTIFICATE NO.	ACTUAL GPIS TRANSFERS ^(*)	APPLICATION COSTS	Variance ^(**)	
	(a)	(b)	(c)	(d)	(e)	(f)	\$ (e) - (f)	% (g)
1								
2								
3								
4								
5								
6	GPIS Transfers							

(*) GPIS transfers greater than or equal to \$25 million listed individually.
(**) Variance explanations provided for GPIS transfers greater than or equal to \$25 million with variances exceeding 10%.

FIXED COST COMPONENT
FOR THE [PERIOD ENDED MONTH DAY]
(\$000s)

LINE		SCH.	2020	2019	Variance ^(*)		2020	Variance ^(*)	
NO.	DESCRIPTION	REF.	ACTUAL	ACTUAL	\$	%	ANNUAL DECISION	\$	%
	(a)	(b)	(c)	(d)	(c) - (d)	(e)	(f)	(g) = (c) - (f)	(h)
1	Canadian Gas Operations	10.1							
2	Commercial & Regulatory	10.2							
3	General & Administrative	10.3							
4	Governance ^(**)								
5	Severance								
6	Total								

^(*) Detailed variance explanations to be provided where variances exceed both ± 5% and ± \$3 million (including what and why, to facilitate understanding of underlying causes and trends).

^(**) Governance costs, allocated to NGTL on a pro-rata basis, represent costs to support TC Energy as a public corporation and include functions such as External Financial Reporting, Internal Audit, Corporate Secretary and Executive Administration.

CANADIAN GAS OPERATIONS
FOR THE [PERIOD ENDED MONTH DAY]
(\$000s)

LINE NO.	DESCRIPTION	2020 ACTUAL	2019 ACTUAL	Variance ^(*)		2020 ANNUAL DECISION	Variance ^(*)	
	(a)	(b)	(c)	\$	%	(f)	(g) = (b) - (f)	(h)
	<u>Departmental</u>							
1	Field Operations							
2	Operations & Technical Services							
3	Management							
4	Total Departmental							
	<u>Programs</u>							
5	Engineering & Asset Reliability Programs							
6	Brushing Program							
7	Operations Services Program							
8	Transfer Compressor							
9	System Improvements							
9	Total Programs							
10	Total							

^(*) Detailed variance explanations to be provided where variances exceed both $\pm 5\%$ and $\pm \$3$ million (including what and why, to facilitate understanding of underlying causes and trends).

COMMERCIAL & REGULATORY
FOR THE [PERIOD ENDED MONTH DAY]
(\$000s)

LINE NO.	DESCRIPTION	2020	2019	Variance ^(*)		2020	Variance ^(*)	
		ACTUAL	ACTUAL	\$	%	ANNUAL DECISION	\$	%
	(a)	(b)	(c)	(c) - (d)	(e)	(f)	(g) = (b) - (f)	(h)
1	Commercial Services & System Design							
2	Commercial							
3	Management & Executive Administration							
4	Regulatory							
5	Projects							
6	Total							

^(*) Detailed variance explanations to be provided where variances exceed both ± 5% and ± \$3 million (including what and why, to facilitate understanding of underlying causes and trends).

GENERAL & ADMINISTRATIVE
FOR THE [PERIOD ENDED MONTH DAY]
(\$000s)

LINE NO.	DESCRIPTION	2020	2019	Variance ^(*)		2020	Variance ^(*)	
		ACTUAL	ACTUAL	\$	%	ANNUAL DECISION	\$	%
	(a)	(b)	(c)	(c) - (d)	(e)	(f)	(g) = (b) - (f)	(h)
1	Environment, Land & Indigenous Relations							
2	Information Systems							
3	Insurance							
4	Financial Services							
5	Corporate Memberships							
6	Facilities Services							
7	General Counsel							
8	Other							
9	Total							

^(*) Detailed variance explanations to be provided where variances exceed both ± 5% and ± \$3 million (including what and why, to facilitate understanding of underlying causes and trends).

Appendix 5
Quarterly Supplemental Schedules

NOVA GAS TRANSMISSION LTD.

**NGTL SYSTEM
2020 - 2024 REVENUE REQUIREMENT SETTLEMENT
QUARTERLY SUPPLEMENTAL SCHEDULES**

NOVA GAS TRANSMISSION LTD.
NGTL SYSTEM
2020 - 2024 REVENUE REQUIREMENT SETTLEMENT
QUARTERLY SUPPLEMENTAL SCHEDULES

INDEX

SCHEDULE

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Average Rate Base Summary	2.0
Rate of Return	3.0
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Depreciation	5.0
Transportation by Others	6.0
Foreign Exchange on Interest Payments	7.0
Annual Foreign Exchange Amortization Amount	8.0
GPIS and GPUC Summary	9.0
Fixed Cost Component	10.0
Performance Measures	11.0

REVENUE REQUIREMENT SUMMARY
FOR THE [PERIOD ENDED MONTH DAY]
(\$000s)

LINE NO.	DESCRIPTION	SCH. REF.	2020 ACTUAL	2019 ACTUAL	Variance ^(*)	
(a)		(b)	(c)	(d)	\$ (c) - (d)	% (e)
1	Transportation by Others (TBO)	6.0				
2	Pipeline Integrity Expense					
3	CER Cost Recovery					
4	Return	3.0				
5	Income Taxes	4.0				
6	Depreciation	5.0				
7	Regulatory Proceeding Costs					
8	Emissions Compliance Costs					
9	Municipal and Other Taxes					
10	Regulatory Amortizations					
11	Compressor Repair Expense					
12	Fixed Cost Component	10.0				
13	Pension and Other Post Employment Benefits Actuarial Loss Amortization					
14	Uninsured Losses					
15	Annual Foreign Exchange Amortization Amount	8.0				
16	Foreign Exchange on Interest Payments	7.0				
17	CO ₂ Management Service Costs					
18	Methane Emissions					
19	Subtotal					
20	ATCO Pipelines Revenue Requirement					
21	Total Revenue Requirement					

^(*) Explanations provided for variances that exceed both ± 5% and ± \$5 million.

AVERAGE RATE BASE SUMMARY
FOR THE [PERIOD ENDED MONTH DAY]
(\$000s)

LINE NO.	DESCRIPTION	2020 ACTUAL	2019 ACTUAL	Variance
	(a)	(b)	(c)	(d)
	<u>Utility Investment</u>			
1	Gross Plant			
2	Accumulated Depreciation			
3	Net Plant			
	<u>Working Capital</u>			
4	Cash			
5	Materials and Supplies			
6	Transmission Linepack			
7	Total Working Capital			
	<u>Deferred Costs</u>			
8	Unfunded Foreign Exchange on Long-term Debt			
9	Debt Discount & Expense			
10	Prefunded Pension and OPEB Liability			
11	Operating and Debt Service Deferrals			
12	Total Deferred Costs			
13	Total Rate Base			
14	Gas Plant Under Construction (GPUC)			
15	Total Investment Base			

AVERAGE CAPITALIZATION AND OVERALL RATE OF RETURN
FOR THE [PERIOD ENDED MONTH DAY], 2020

LINE NO.	DESCRIPTION	SCH. REF.	AMOUNT (\$000s)	RATIO %	COST RATE %	COST COMPONENT %	COST AMOUNT ^(*) (\$000s)	PRO-RATED AMOUNT (\$000s)
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)
1	Debt - Funded	3.0.1						
2	Debt - Unfunded / (Prefunded)							
3	Total Debt							
4	Common Equity							
5	Total Capitalization and Rate of Return							
6	Rate Base							
7	GPUC							
8	Total Capitalization							

^(*) Forecast annualized amount as at [MONTH DAY], 2020.

WEIGHTED AVERAGE COST OF LONG-TERM DEBT OUTSTANDING
FOR THE [PERIOD ENDED MONTH DAY], 2020
(\$000s)

LINE NO.	DESCRIPTION	MATURITY	INTEREST RATE	PRINCIPAL OUTSTANDING	DAYS OUTSTANDING	TOTAL INTEREST
	(a)	(b)	(c)	(d)	(e)	(f)
	Debentures					
1	9.90% \$100MM Series 23					
2	7.875% US\$200MM					
3	7.70% US\$200MM					
	Medium Term Notes					
4	8.90% \$33MM MTN #7					
5	8.90% \$39MM MTN #8					
6	8.875% \$30MM MTN #9					
7	8.46% \$45MM MTN #11					
8	8.90% \$15MM MTN #12					
9	8.875% \$15MM MTN #13					
10	7.00% \$100MM MTN #17					
11	7.00% \$50MM MTN #18					
12	6.59% \$20MM MTN #20					
13	6.59% \$2.5MM MTN #21					
14	6.59% \$10MM MTN #22					
15	6.59% \$20MM MTN #23					
16	6.59% \$25MM MTN #29					
17	6.30% \$100MM MTN #31					
18	8.05% \$400MM Note Payable to TransCanada					
19	4.55% \$250MM Note Payable to TransCanada					
20	3.65% \$200MM Note Payable to TransCanada					
21	4.55% \$300MM Note Payable to TransCanada					
22	3.69% \$450MM Note Payable to TransCanada					
23	3.30% \$750MM Note Payable to TransCanada					
24	4.55% \$400MM Note Payable to TransCanada					
25	4.35% \$700MM Note Payable to TransCanada					
26	3.395% \$300MM Note Payable to TransCanada					
27	4.331% \$700MM Note Payable to TransCanada					
28	4.34% \$1,000MM Note Payable to TransCanada					
29	3.00% \$700MM Note Payable to TransCanada					
30	4.18% \$300M Note Payable to TransCanada					
31	7.50% US\$32.5MM					
32	Total Interest					
33	Weighted Average					
34	Amortization of Issue Costs					
35	Total Cost of Long-Term Debt Outstanding					
36	Financing Cost Rate					(*)

(*) Forecast annualized rate as at [MONTH DAY], 2020.

AVERAGE CAPITALIZATION AND OVERALL RATE OF RETURN
FOR THE [PERIOD ENDED MONTH DAY], 2019

LINE NO.	DESCRIPTION	SCH. REF.	AMOUNT (\$000s)	RATIO %	COST RATE %	COST COMPONENT %	COST AMOUNT ^(*) (\$000s)	PRO-RATED AMOUNT (\$000s)
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)
1	Debt - Funded	3.1.1						
2	Debt - (Prefunded) / Unfunded		_____	_____		_____	_____	_____
3	Total Debt							
4	Common Equity		_____	_____		_____	_____	_____
5	Total Capitalization and Rate of Return		_____	_____		_____	_____	_____
6	Rate Base							
7	GPUC		_____					
8	Total Capitalization		_____					

(*) Forecast annualized amount as at [MONTH DAY], 2019.

WEIGHTED AVERAGE COST OF LONG-TERM DEBT OUTSTANDING
FOR THE [PERIOD ENDED MONTH DAY], 2019
(\$000s)

LINE NO.	DESCRIPTION	MATURITY	INTEREST RATE	PRINCIPAL OUTSTANDING	DAYS OUTSTANDING	TOTAL INTEREST
	(a)	(b)	(c)	(d)	(e)	(f)
	Debentures					
1	9.90% \$100MM Series 23					
2	7.875% US\$200MM					
3	7.70% US\$200MM					
	Medium Term Notes					
4	8.90% \$33MM MTN #7					
5	8.90% \$39MM MTN #8					
6	8.875% \$30MM MTN #9					
7	8.46% \$45MM MTN #11					
8	8.90% \$15MM MTN #12					
9	8.875% \$15MM MTN #13					
10	7.00% \$100MM MTN #17					
11	7.00% \$50MM MTN #18					
12	6.59% \$20MM MTN #20					
13	6.59% \$2.5MM MTN #21					
14	6.59% \$10MM MTN #22					
15	6.59% \$20MM MTN #23					
16	6.59% \$25MM MTN #29					
17	6.30% \$100MM MTN #31					
18	8.05% \$400MM Note Payable to TransCanada					
19	4.55% \$250MM Note Payable to TransCanada					
20	3.65% \$200MM Note Payable to TransCanada					
21	4.55% \$300MM Note Payable to TransCanada					
22	3.69% \$450MM Note Payable to TransCanada					
23	3.30% \$750MM Note Payable to TransCanada					
24	4.55% \$400MM Note Payable to TransCanada					
25	4.35% \$700MM Note Payable to TransCanada					
26	3.395% \$300MM Note Payable to TransCanada					
27	4.331% \$700MM Note Payable to TransCanada					
28	4.34% \$1,000MM Note Payable to TransCanada					
29	3.00% \$700MM Note Payable to TransCanada					
30	4.18% \$300M Note Payable to TransCanada					
31	7.50% US\$32.5MM					
32	Total Interest					
33	Weighted Average					
34	Amortization of Issue Costs					(*)
35	Total Cost of Long-Term Debt Outstanding					
36	Financing Cost Rate					(*)

(*) Forecast annualized rate as at [MONTH DAY], 2019.

SCHEDULE OF FLOW-THROUGH INCOME TAXES
FOR THE [PERIOD ENDED MONTH DAY]
(\$000s)

LINE NO.	DESCRIPTION	SCH. REF.	2020 ACTUAL ^(*)	2019 ACTUAL ^(*)	Variance
	(a)	(b)	(c)	(d)	(e)
1	Return on Equity	3.0			
	<u>Add:</u>				
2	Depreciation	5.0			
3	Non-allowed Amortization of Debt Discount & Expense	3.0.1			
4	Annual Foreign Exchange Amortization Amount	8.0			
5	Non-allowed Meals and Entertainment				
6	Sub-total				
	<u>Deduct:</u>				
7	Capital Cost Allowance	4.0.1			
8	Capitalized Repair & Overhaul Costs	4.0.1			
9	Interest AFUDC				
10	Issue Costs				
11	Site Remediation and Environmental Costs	4.0.1			
12	Sub-total				
13	Total Taxable Amount				
14	Taxes thereon (Tax Rate / (1-Tax Rate))				
15	Utility Income Tax Requirement				

^(*) The quarterly calculation of Utility Income Tax Requirement is based on a pro-rated annual forecast. As such, individual line items in this schedule may not agree to amounts reported in referenced schedules.

SCHEDULE OF CAPITAL COST ALLOWANCE
FOR THE [PERIOD ENDED MONTH DAY], 2020
(\$000s)

LINE NO.	CLASS	UNDEPRECIATED CAPITAL COST OPENING BALANCE	ADJUSTMENT TO OPENING BALANCE	ADDITIONS (NET)	BALANCE BEFORE CLAIM	MAXIMUM CCA	CLOSING BALANCE
	(a)	(b)	(c)	(d)	(e)	(f)	(g)
1	Class 1 - Full (4%)						
2	Class 1.1 - Full (6%)						
3	Class 2 - Full (6%)						
4	Class 3 - Full (5%)						
5	Class 6 - (10%)						
6	Class 7 - Full (15%)						
7	Class 8 - Full (20%)						
8	Class 10 - Full (30%)						
9	Class 10a - Full (45%)						
10	Class 10b - Full (55%)						
11	Class 12 - Full (100%)						
12	Class 13 - Full (S/L)						
13	Class 14.1 - Full (7%)						
14	Class 14.1 - (5%)						
15	Class 17 - Full (S/L)						
16	Class 49 - Full (8%)						
17	TOTAL						

CAPITAL COST ALLOWANCE RECONCILIATION
(\$000s)

LINE NO.	PARTICULARS		
1	Transfers to GPIS (including Overhead, excluding AFUDC)		
2	Repair and Overhaul		(*)
3	Regulated General Plant Additions in 2020		
	Adjustments:		
4	Net Proceeds - Retirements		
5	Land		
6	Site Remediation & Environmental costs		
7	Total Adjustments		
8	Capital Cost Allowance Additions per Line 17 above		(**)

(*) [MONTH DAY], 2020 pro-rated amount: \$ _____
(**) [MONTH DAY], 2020 pro-rated amount: \$ _____

SCHEDULE OF CAPITAL COST ALLOWANCE
FOR THE [PERIOD ENDED MONTH DAY], 2019
(\$000s)

LINE NO.	CLASS (a)	UNDEPRECIATED CAPITAL COST OPENING BALANCE (b)	ADJUSTED OPENING BALANCE (c)	ADDITIONS (NET) (d)	BALANCE BEFORE CLAIM (e)	MAXIMUM CCA* (f)	CLOSING BALANCE (g)
1	Class 1 - Full (4%)						
2	Class 1.1 - Full (6%)						
3	Class 2 - Full (6%)						
4	Class 3 - Full (5%)						
5	Class 6 - (10%)						
6	Class 7 - Full (15%)						
7	Class 8 - Full (20%)						
8	Class 10 - Full (30%)						
9	Class 10a - Full (45%)						
10	Class 10b - Full (55%)						
11	Class 12 - Full (100%)						
12	Class 13 - Full (S/L)						
13	Class 14.1 - Full (7%)						
14	Class 14.1 - (5%)						
15	Class 17 - Full (S/L)						
16	Class 49 - Full (8%)						
17	TOTAL FORECAST						

* Reflects changes to CCA enacted by Federal Government in June 2019.

CAPITAL COST ALLOWANCE RECONCILIATION
(\$000s)

LINE NO.	PARTICULARS		
1	Transfers to GPIS (including Overhead, excluding AFUDC)		
2	Repair and Overhaul		(*)
3	Regulated General Plant Additions in 2019		
	<u>Adjustments:</u>		
4	Net Proceeds - Retirements		
5	Land		
6	Site Remediation & Environmental costs		
7	Total Adjustments		
8	Capital Cost Allowance Additions per Line 17 above		(**)

(*) [MONTH DAY], 2019 pro-rated amount: \$ _____

(**) [MONTH DAY], 2019 pro-rated amount: \$ _____

DEPRECIATION
FOR THE [PERIOD ENDED MONTH DAY]
(\$000s)

LINE NO.	DESCRIPTION	2020		2019	
		ACTUAL RATE	ACTUAL EXPENSE	ACTUAL RATE	ACTUAL EXPENSE
	(a)	(b)	(c)	(d)	(e)
1	Intangible Plant				
2	Land Rights				
3	Mains				
4	Compressor				
5	Measuring and Regulating				
6	CO ₂ Service				
7	Communication Equipment - Transmission				
8	Structures & Improvements				
9	Furniture & Equipment - General				
10	Furniture & Equipment - Computers				
11	Vehicles				
12	Heavy Work Equipment				
13	Tools & Work Equipment				
14	Communication Equipment - General				
15	Total Depreciation Expense				

TRANSPORTATION BY OTHERS (TBO)
FOR THE [PERIOD ENDED MONTH DAY]
(\$000s)

LINE NO.	DESCRIPTION	2020 ACTUAL	2019 ACTUAL	Variance
	(a)	(b)	(c)	(d)
1	Foothills Pipe Lines Ltd.			
2	TransCanada Pipeline Ventures LP			
3	Other TBOs			
4	Total TBO			

FOREIGN EXCHANGE ON INTEREST PAYMENTS
FOR THE [PERIOD ENDED MONTH DAY], 2020
(\$000s)

LINE NO.	DESCRIPTION	DEBT ISSUE (US\$)	INTEREST RATE	DATE OF INTEREST PAYMENT	INTEREST PAYMENTS (US\$)	HISTORICAL EXCHANGE RATE ^(*)	EXCHANGE RATE	ACTUAL LOSS/(GAIN)
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)
1	7.50% MTN #5							
2	7.875% U.S. \$200 MM							
3	7.70% U.S. \$50 MM							
4	7.70% U.S. \$150 MM							
5	7.50% MTN #5							
6	7.875% U.S. \$200 MM							
7	7.70% U.S. \$50 MM							
8	7.70% U.S. \$150 MM							
9	Total foreign exchange loss / (gain) on interest payments							

^(*) Historical exchange rates pertain to the original financing when a maturing issue is rolled into a new issue.

FOREIGN EXCHANGE ON INTEREST PAYMENTS
FOR THE [PERIOD ENDED MONTH DAY], 2019
(\$000s)

LINE		DEBT	INTEREST	DATE OF	INTEREST	HISTORICAL	EXCHANGE	ACTUAL
NO.	DESCRIPTION	ISSUE	RATE	INTEREST	PAYMENTS	EXCHANGE	RATE	LOSS/(GAIN)
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)
1	7.50% MTN #5							
2	7.875% U.S. \$200 MM							
3	7.70% U.S. \$50 MM							
4	7.70% U.S. \$150 MM							
5	7.50% MTN #5							
6	7.875% U.S. \$200 MM							
7	7.70% U.S. \$50MM							
8	7.70% U.S. \$150 MM							
9	Total foreign exchange loss / (gain) on interest payments							

(*) Historical exchange rates pertain to the original financing when a maturing issue is rolled into a new issue.

ANNUAL FOREIGN EXCHANGE AMORTIZATION AMOUNT
FOR THE [PERIOD ENDED MONTH DAY], 2020
(\$000s)

LINE NO.	DESCRIPTION	MATURITY DATE	AMOUNT (US\$)	HISTORICAL EXCHANGE RATE	DEC 31, 2019 EXCHANGE RATE	CURRENT YEAR LOSS/(GAIN)
	(a)	(b)	(c)	(d)	(e)	(f)
1	7.875% US\$200MM					
2	7.70% US\$150MM Note Payable to TCPL					
3	7.70% US\$50MM Note Payable to TCPL					
4	7.50% Medium Term Note - US\$32.5MM					
5						
6	Unfunded Foreign Exchange on Long-Term Debt Balance at January 1, 2020					
7	Total					
8	Annual Foreign Exchange Amortization Amount - Line 7 divided by 9 ^(*)					

(*) Represents the number of years remaining until the last USD debt instrument matures.

ANNUAL FOREIGN EXCHANGE AMORTIZATION AMOUNT
FOR THE [PERIOD ENDED MONTH DAY], 2019
(\$000s)

LINE NO.	DESCRIPTION	MATURITY DATE	AMOUNT (US\$)	HISTORICAL EXCHANGE RATE	DEC 31, 2018 EXCHANGE RATE	CURRENT YEAR (GAIN)/LOSS
	(a)	(b)	(c)	(d)	(e)	(f)
1	7.875% US\$200MM					
2	7.70% US\$150MM Note Payable to TCPL					
3	7.70% US\$50MM Note Payable to TCPL					
4	7.50% Medium Term Note - US\$32.5MM					
5						
6	Unfunded Foreign Exchange on Long-Term Debt Balance at January 1, 2019					
7	Total					
8	Annual Foreign Exchange Amortization Amount - Line 6 divided by 10 ^(*)					

(*) Represents the number of years remaining until the last USD debt instrument matures.

GAS PLANT IN SERVICE AND GAS PLANT UNDER CONSTRUCTION CONTINUITY SUMMARY
FOR THE [PERIOD ENDED MONTH DAY]
(\$000s)

LINE NO.	DESCRIPTION	2020 ACTUAL	2019 ACTUAL	Variance
	(a)	(b)	(c)	(d)
	<u>Gas Plant In Service</u>			
1	Opening Gas Plant In Service			
2	Gas Plant In Service Transfers			
3	General Plant Additions			
4	Retirements			
5	Closing Gas Plant In Service			
6	Opening Accumulated Depreciation			
7	Depreciation Expense			
8	Retirements			
9	Closing Accumulated Depreciation			
10	Retirements In Progress			
11	Closing Net Gas Plant In Service			
	<u>Gas Plant Under Construction</u>			
12	Opening Gas Plant Under Construction			
13	Capital Expenditures			
14	AFUDC			
15	Gas Plant In Service Transfers			
16	Closing Gas Plant Under Construction			

FIXED COST COMPONENT
FOR THE [PERIOD ENDED MONTH DAY]
(\$000s)

LINE NO.	DESCRIPTION	SCH. REF.	2020 ACTUAL	2019 ACTUAL	Variance ^(*)		2020 ANNUAL DECISION	Variance ^(*)	
	(a)	(b)	(c)	(d)	\$	%	(f)	(g) = (c) - (f)	(h)
1	Canadian Gas Operations	10.1							
2	Commercial & Regulatory	10.2							
3	General & Administrative	10.3							
4	Governance ^(**)								
5	Severance								
6	Total								

^(*) Detailed variance explanations to be provided where variances exceed both $\pm 5\%$ and $\pm \$3$ million (including what and why, to facilitate understanding of underlying causes and trends).

^(**) Governance costs, allocated to NGTL on a pro-rata basis, represent costs to support TC Energy as a public corporation and include functions such as External Financial Reporting, Internal Audit, Corporate Secretary and Executive Administration.

NOTE: Column (f) to be included in quarterly reports; columns (g) and (h) to be provided annually in Fourth Quarter Report.

CANADIAN GAS OPERATIONS
FOR THE [PERIOD ENDED MONTH DAY]
(\$000s)

LINE		2020	2019	Variance ^(*)		2020	Variance ^(*)	
NO.	DESCRIPTION	ACTUAL	ACTUAL	\$	%	ANNUAL DECISION	\$	%
	(a)	(b)	(c)	(c) - (d)	(e)	(f)	(g) = (b) - (f)	(h)
	<u>Departmental</u>							
1	Field Operations							
2	Operations & Technical Services							
3	Management							
4	Total Departmental							
	<u>Programs</u>							
5	Engineering & Asset Reliability Programs							
6	Brushing Program							
7	Operations Services Program							
8	Transfer Compressor							
9	System Improvements							
9	Total Programs							
10	Total							

^(*) Detailed variance explanations to be provided where variances exceed both $\pm 5\%$ and $\pm \$3$ million (including what and why, to facilitate understanding of underlying causes and trends).

NOTE: Column (f) to be included in quarterly reports; columns (g) and (h) to be provided annually in Fourth Quarter Report.

COMMERCIAL & REGULATORY
FOR THE [PERIOD ENDED MONTH DAY]
(\$000s)

LINE NO.	DESCRIPTION	2020	2019	Variance ^(*)		2020	Variance ^(*)	
		ACTUAL	ACTUAL	\$	%	ANNUAL DECISION	\$	%
	(a)	(b)	(c)	(c) - (d)	(e)	(f)	(g) = (b) - (f)	(h)
1	Commercial Services & System Design							
2	Commercial							
3	Management & Executive Administration							
4	Regulatory							
5	Projects							
6	Total							

^(*) Detailed variance explanations to be provided where variances exceed both ± 5% and ± \$3 million (including what and why, to facilitate understanding of underlying causes and trends).

NOTE: Column (f) to be included in quarterly reports; columns (g) and (h) to be provided annually in Fourth Quarter Report.

GENERAL & ADMINISTRATIVE
FOR THE [PERIOD ENDED MONTH DAY]
(\$000s)

LINE		2020	2019	Variance ^(*)		2020	Variance ^(*)	
NO.	DESCRIPTION	ACTUAL	ACTUAL	\$	%	ANNUAL DECISION	\$	%
	(a)	(b)	(c)	(c) - (d)	(e)	(f)	(g) = (b) - (f)	(h)
1	Environment, Land & Indigenous Relations							
2	Information Systems							
3	Insurance							
4	Financial Services							
5	Corporate Memberships							
6	Facilities Services							
7	General Counsel							
8	Other							
9	Total							

^(*) Detailed variance explanations to be provided where variances exceed both $\pm 5\%$ and $\pm \$3$ million (including what and why, to facilitate understanding of underlying causes and trends).

NOTE: Column (f) to be included in quarterly reports; columns (g) and (h) to be provided annually in Fourth Quarter Report.

(\$000s)

LINE NO.	DESCRIPTION	2020
(a)		(b)
1	Revenue Requirement / Throughput-km (\$/10 ⁶ m ³ -km)	(1), (6)
2	Total Operating Expenses (Excluding Income Taxes) / Throughput-km (\$/10 ⁶ m ³ -km)	(2), (6)
3	Total Operating Expenses (Excluding Income Taxes) / Gross Plant (%)	(2), (4)
4	General and Administrative Expenses / Throughput-km (\$/10 ⁶ m ³ -km)	(3), (6)
5	Net Plant /Throughput-km (\$/10 ⁶ m ³ -km)	(5), (6)
(1)	Revenue Requirement [\$_____] Ref. Sch. 1.0	
(2)	Operating Expenses (excluding Income Taxes) [\$_____]	
(3)	General and Administrative Expenses [\$_____] Ref. Sch. 10.3	
(4)	Gross Plant [\$_____] Ref. Sch. 2.0	
(5)	Net Plant [\$_____] Ref. Sch. 2.0	
(6)	Throughput-km (\$/10 ⁶ m ³ -km) [_____km]	

NOTE: Schedule 11.0 to be provided annually in Fourth Quarter Report.

Appendix 6
Facility Status Update

The Facility Status Update describes the current status of facilities that were applied for, are under construction or have been placed on-stream since the 2019 Annual Plan was issued on December 11, 2019 and maintains a record of the facilities for two years prior to the current year. Periodic updates are being provided based on the level of activity occurring with respect to facilities. Facilities with (AP) after the project name refer to facilities in the ATCO Pipelines footprint.

Applied-for Facilities	Description	Target In-Service Date	Status	References ¹	Forecast Cost ² (\$Millions)	T-2	T-1	T	T+1	T+2	T+3	Variance Explanation ⁴
Total Costs by In-Service Year ³												

1. Hyperlinks to AUC filings require an AUC eFiling login which can be obtained by contacting the AUC.

2. For NGTL projects greater than \$25 million, the estimate type for the forecasted costs have been provided. The typical expected accuracy for the various estimate types are shown in the table below. These accuracy ranges are for projects with established technological complexity and can be greater depending on area knowledge, technological complexity, level of expertise, and certainty of facility scope. Forecasted costs reflect the dollar value, economic conditions, and estimation procedures at the time the estimates were completed.

Estimate Type	Expected Accuracy Range
Rule of Thumb (ROT)	(-50% to +100%)
Class 5	(-20% to +30%)
Class 4	(-15% to +20%)
Class 3	(-10 to +10%)

3. Total Costs by In-Service Year are a summation of the last provided costs of all NGTL capacity capital projects with expected or realized in-service dates within a calendar year. Costs for non NGTL capacity capital projects, such as ATCO Pipelines, CIAC, decommissioning or abandonment projects, are excluded. These annual summations of costs will not match other regulatory filings with different costs bases.

4. Variance explanations are provided for all NGTL capacity capital projects with EAC costs equal to or greater than \$25 million with a variance greater than 10% between the EAC and applied-for cost