

# **Tolls, Tariff, Facilities & Procedures Committee**

## **Resolution**

T2017-02: Revenue Requirement Settlement Discussions

### **Resolution**

The Tolls, Tariff, Facilities & Procedures Committee (“TTFP”) agrees to the provisions of the 2018-2019 Revenue Requirement Settlement (the “Settlement”), as attached.

### **Background**

On April 11, 2017, the TTFP adopted Issue T2017-02. In order to ensure that the discussions were inclusive of all interested and potentially affected parties, NGTL sent a letter to all NGTL System customers, TTFP members and additional stakeholders inviting them to participate in the discussions and negotiations.

A task force of the TTFP was established to conduct the negotiations. The first meeting of the revenue requirement task force took place on June 01, 2017 and was followed by additional task force meetings. The Settlement resulted from this process.

### **Next Steps**

NGTL will file an application with the National Energy Board (“NEB”) for approval of the Settlement. NGTL will also apply for approval of final 2018 rates resulting from implementation of the Settlement and revised interim 2018 rates at the level of the final 2018 rates to be effective May 1, 2018, or as soon as possible thereafter pending the NEB’s adjudication of the Settlement Application.

This resolution and the attached Settlement will be filed in support of the Application.

## NOVA Gas Transmission Ltd.

### 2018-2019 Revenue Requirement Settlement

#### **OVERVIEW**

This 2018-2019 Revenue Requirement Settlement (the “**Settlement**”) includes all elements of NOVA Gas Transmission Ltd.’s (“**NGTL**”) annual revenue requirement for each calendar year during the period from January 1, 2018 to December 31, 2019 (the “**Term**”).

Rates during the Term of the Settlement will be based on the revenue requirement for 2018 and 2019 (as applicable) and calculated in accordance with the tolling methodology in effect at the time.

1. **2018 and 2019 REVENUE REQUIREMENTS** (all amounts are in \$000 unless otherwise indicated)

The 2018 revenue requirement is forecast to be \$1,968,909. The annual revenue requirements for 2018 and 2019 will be calculated based on the inclusion of the fixed cost component in Section 1(A) and the forecast flow-through cost components in Section 1(C).

(A) **Fixed Component**

Operations, Maintenance, and Administrative costs (“**OM&A Costs**”) for each year of the Term will be fixed at (“**Fixed OM&A Costs**”):

2018: \$225 million

2019: \$230 million

(B) **OM&A Cost Sharing**

- (i) For each year of the Term, for any variance between the actual OM&A Costs and the applicable Fixed OM&A Costs will be shared 50% to the account of NGTL and 50% to the account of NGTL’s gas transportation customers (“**Customers**”).
- (ii) For each year of the Term, any variances that accrue to the account of Customers for each calendar year of the Term will be recorded in the appropriate deferral account set out in Section 2(D)(iv) and will be included in the revenue requirement for the following calendar year.

(C) **Flow-Through Components**

All other components of the annual revenue requirement for each calendar year of the Term, including without limitation all costs set out in Sections 1(C)(i) to (xviii) and any balances in deferral accounts set out in Section 2(D) for the previous calendar year, will be flow-through costs (the “**Flow-Through Costs**”). Any variance between the actual and forecast Flow-Through Costs and revenues for each calendar year will be recorded in the appropriate deferral account, set out in Section 2(D)(iii), and will be included in the revenue requirement for the following calendar year.

Flow-Through Costs will include, but not be limited to, the following:

(i) **Transportation by Others (“TBO”)**

- (a) Costs for existing TBO arrangements will be included in the revenue requirement for each calendar year during the Term; and
- (b) Costs for new TBO arrangements will be included in the revenue requirement for each calendar year during the Term if such costs are approved by the National Energy Board, or any successor thereof (“NEB”).

TBO cost for 2018 is forecast to be \$68,281.

(ii) **Pipeline Integrity Expense**

Pipeline integrity expense for 2018 is forecast to be \$190,902.

(iii) **NEB Cost Recovery**

NEB cost recovery for 2018 is forecast to be \$25,605.

(iv) **Return**

For the Term, return for each of 2018 and 2019 will be determined based on a deemed equity component of 40%, a rate of return on equity of 10.1% and a 60% debt component consisting of long term debt as well as unfunded/prefunded debt requirements. Return on equity for 2018 is forecast to be \$339,881. Return on debt for 2018 is forecast to be \$260,539.

(v) **Income Taxes**

Income tax expense for 2018 is forecast to be \$64,211.

(vi) **Depreciation**

Depreciation expense will be calculated using the rates for each asset class as provided in Appendix 1.

For both 2018 and 2019, the forecast composite depreciation rate that results from the rates for the asset classes set out in Appendix 1 is 3.45% for each year. For 2018, Depreciation expense is forecast to be \$512,394.

(vii) **Regulatory Proceeding Costs**

Regulatory proceeding costs for 2018 are forecast to be \$1,150.

(viii) **Emissions Compliance Costs**

Emissions compliance costs for 2018 are forecast to be \$42,000.

(ix) **Municipal and Other Taxes**

Municipal and other taxes for 2018 are forecast to be \$124,793.

(x) **Regulatory Amortizations**

The annual revenue requirement for 2018 and 2019 will include Deferral Account balances from the preceding calendar year. The total deferred balance from 2017 is an over-collection of \$173,539, a credit in the 2018 revenue requirement.

(xi) **Compressor Repair Expense**

Compressor repair expense for 2018 is forecast to be \$8,687. Capital costs related to major and minor compressor repair and overhaul will be included in rate base.

(xii) **Pension and Other Post Employment Benefits (“OPEB”) Actuarial Loss Amortization**

Pension and OPEB Actuarial Loss Amortization for 2018 is forecast to be \$7,793.

(xiii) **Uninsured Losses**

Uninsured losses for 2018 are forecast to be \$2,000.

(xiv) **Annual Foreign Exchange Amortization Amount**

Foreign exchange amortization amount for 2018 is forecast to be a credit of \$1,527.

(xv) **Foreign Exchange on Interest Payments**

Foreign exchange on interest payments for 2018 is forecast to be \$1,406.

(xvi) **CO<sub>2</sub> Management Service Costs**

CO<sub>2</sub> Management Service costs for 2018 are forecast to be \$289.

(xvii) **Integrated NGTL System Costs**

Pursuant to the Integration Agreement between NGTL and ATCO Gas and Pipelines Ltd. (“**ATCO Pipelines**”), NGTL will include ATCO Pipelines’ Alberta Utilities Commission approved annual revenue requirement for each of 2018 and 2019 in NGTL’s annual revenue requirement for each of 2018 and 2019, respectively. Integration costs for 2018 are forecast to be \$269,044.

(xviii) **Severance Costs**

For the Term of the Settlement, any severance costs allocated to NGTL that are incurred during the Term will be treated as flow through. There is no forecast for Severance Costs for 2018.

2. **OTHER PROVISIONS**

(A) **Settlement Package**

The parties agree that regulatory approval of this Settlement in its entirety as a package is a requirement for the Settlement to be binding on any party. The terms and conditions of

this Settlement do not set any precedent and does not prejudice any party in any position it may take regarding the matters addressed in this Settlement in other proceedings or forums.

(B) **Confidentiality**

All information exchanged in this Settlement process is confidential and is provided on a without prejudice basis. NGTL will be entitled to file this Settlement with regulatory authorities and may disclose the terms and conditions of this Settlement as it determines necessary in a news release or other public reporting.

(C) **2019 and 2020 Interim Rates**

NGTL will calculate interim rates, tolls, and charges based on the forecast revenue requirement, a forecast of firm transportation contract demand quantity and throughput, and the approved rate design in place at the time. On or before December 1 of each year the interim rates, tolls, and charges to be effective January 1 of the following year will be provided to interested parties and filed with the NEB for approval.

(D) **Deferral Accounts**

NGTL will use the following deferral accounts for each of 2018 and 2019, and the balance will be applied to NGTL's revenue requirement for 2019 and 2020, respectively:

(i) **Revenue Deferral Account**

The Revenue Deferral Account will be used to capture:

- (a) 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
- (b) Variances in revenues resulting from actual Interruptible Transportation Services revenue differing from the forecast of Interruptible Transportation Services 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 Pipeline Franchise Fees.

(ii) **CO<sub>2</sub> Management Service Deferral Account**

The CO<sub>2</sub> Management Service Deferral Account will be utilized to capture the variances between forecast and actual revenue and forecast and actual costs attributable to the CO<sub>2</sub> Management Service for each calendar year in the Term. Any incentive earned by NGTL under the provisions of the CO<sub>2</sub> incentive mechanism will also be recorded in this account.

(iii) **Flow-Through Costs Deferral Account**

The Flow-Through Costs Deferral Account will be utilized to capture the variances between forecast and actual costs for all flow-through cost components of the revenue requirement in a calendar year with the exception of costs related to the CO<sub>2</sub> Management Service.

(iv) **Fixed OM&A Deferral Account**

The Fixed OM&A Deferral Account will be utilized to capture any variances to Customers' account pursuant to Section 1(B) for each of 2018 and 2019 and will be applied to NGTL's revenue requirement for 2019 and 2020, respectively.

(E) **Accounting Matters**

- (i) Allowance for Funds Used During Construction (“**AFUDC**”) and carrying charges will be calculated using the NGTL System weighted average cost of capital based on a deemed debt/equity ratio of 60%/40% and a return on equity of 10.1% per year.

(F) **Tolls, Tariff, Facilities, and Procedures Committee (“TTFP”) Reporting**

- (i) On or before March 31, 2019 (for 2018) and on or before March 31, 2020 (for 2019), NGTL will provide Supplemental Schedules to the TTFP as provided proforma in Appendix 3 (the “**Supplemental Schedules**”).
- (ii) On or before March 31, 2019 (for 2018) and on or before March 31, 2020 (for 2019), NGTL will provide an update to the TTFP on the pipeline integrity and compressor repair and overhaul activities and costs.
- (iii) On a monthly basis, NGTL will provide the TTFP with detailed information on capital projects as provided proforma in Appendix 2.
- (iv) During the Term, NGTL will provide the TTFP with variance updates for Annual Plan (as defined in NGTL's Gas Transportation Tariff) projects forecast to be in excess of \$25 million.
- (v) NGTL will file with the NEB the Supplemental Schedules and any updates related to items referred to in Sections 2(F)(ii) and (iv) by March 31, 2019 (for 2018) and March 31, 2020 (for 2019).
- (vi) NGTL will provide the TTFP with quarterly reporting of 2018 and 2019 actual costs with additional OM&A cost schedule information consistent with 2016-2017 Revenue Requirement Settlement Reporting as provided proforma in Appendix 4. For each quarter of 2018 and 2019, NGTL will provide the TTFP with explanations of material year-to-date variances between actuals for the previous calendar year and the applicable calendar year by line item on Schedule 1.0 of the Supplemental Schedules and on the summary-level OM&A cost schedule.

- (vii) Upon commencement of negotiations toward a settlement regarding the revenue requirement after the Term, NGTL will provide Supplemental Schedules for the base year, test year, and forecast years to the TTFP.

(G) **Regulatory or Legislative Changes**

Any cost variances due to any regulatory or legislative changes that were not known of or otherwise reasonably foreseeable to be incurred during the Term will be treated as Flow-Through Costs.

(H) **Audit**

The TTFP may conduct an independent audit of this Settlement and will use reasonable efforts to complete it prior to July 1, 2020. The audit will verify compliance by NGTL with the terms of this Settlement and verify the validity of the information provided in the reporting packages. Subject to the execution of an acceptable confidentiality agreement by the auditor, NGTL will provide reasonable access to all necessary source data. The costs and expenses for the audit will be paid by NGTL and added to NGTL's revenue requirement for the subsequent year.

**Appendix 1**  
**SCHEDULE OF 2018 DEPRECIATION RATES**

CATEGORY	ACCOUNT	DESCRIPTION	LATERAL	MAINLINE	COMPOSITE
<b>Meter Stations</b>					
	461.10	LAND RIGHTS	4.07%	1.96%	2.95%
	463.00	BUILDINGS	4.61%	2.67%	3.51%
	463.10/463.20	SITE	4.82%	3.17%	3.76%
	467.00	AUTOMATION	4.73%	3.32%	3.92%
	467.10	INSTRUMENTATION	5.85%	3.47%	4.48%
	467.20	PIPING	5.65%	3.09%	4.15%
	467.30	ELECTRICAL SYSTEM	5.15%	3.03%	3.91%
<b>Compressor Stations</b>					
	461.20	LAND RIGHTS	2.89%	1.23%	1.31%
	462.00	BUILDINGS	2.94%	2.79%	2.80%
	462.10	SITE	0.21%	0.08%	0.08%
	466.10	COMPRESSOR UNIT	4.70%	2.88%	2.95%
	466.20	PIPING	3.01%	2.08%	2.12%
	466.30	INSTRUMENTATION	6.20%	3.57%	3.65%
	466.40	ELECTRICAL SYSTEM	2.95%	3.08%	3.08%
	466.50	AUTOMATION	5.02%	3.06%	3.14%
<b>Pipelines</b>					
	461.00	LAND RIGHTS	4.56%	2.03%	2.56%
	465.10	PIPE	5.69%	2.62%	3.22%
	465.20	VALVES	6.51%	3.52%	3.85%
<b>General Plant</b>					
	466.90	COMPRESSOR OVERHAUL			7.99%
	468.00	COMMUNICATION STRUCT. & EQUIP.			6.84%
	482.10	BUILDINGS			1.68%
	483.10	OFFICE FURNITURE			6.30%
	483.40	COMPUTER HARDWARE			29.22%
	483.60	COMPUTER SOFTWARE			24.77%
	483.61	COMPUTER SOFTWARE ERP			22.00%
	484.10	VEHICLES AND TRAILERS			29.10%
	485.00	HEAVY WORK EQUIPMENT			0.74%
	486.00	TOOLS AND WORK EQUIPMENT			2.40%
	488.00	COMMUNICATION EQUIPMENT			1.20%
	4820.00	LEASEHOLD IMPROVEMENTS			10.84%
	4822.00	TC NEW TOWER			4.37%



<sup>2</sup> 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.

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

**NOVA GAS TRANSMISSION LTD.**

**NGTL SYSTEM  
2018 - 2019 REVENUE REQUIREMENT SETTLEMENT**

**SUPPLEMENTAL SCHEDULES**

FOR THE YEARS ENDED DECEMBER 31, 2018 & 2019

**NOVA GAS TRANSMISSION LTD.**  
**NGTL SYSTEM**  
**2018 - 2019 REVENUE REQUIREMENT SETTLEMENT**

**SUPPLEMENTAL SCHEDULES**

FOR THE YEARS ENDED DECEMBER 31, 2018 & 2019

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**REVENUE REQUIREMENT SUMMARY**FOR THE YEAR ENDED DECEMBER 31, 2018  
AND THE YEAR ENDED DECEMBER 31, 2019  
(\$000)

LINE NO.	DESCRIPTION	2018 ACTUAL	2019 ACTUAL
	(a)	(b)	(c)
1	Transportation by Others		
2	Pipeline Integrity Expense		
3	NEB Cost Recovery		
4	Return		
5	Income Taxes		
6	Depreciation		
7	Regulatory Proceeding Costs		
8	Emissions Compliance Costs		
9	Municipal and Other Taxes		
10	Regulatory Amortizations		
11	Compressor Repair Expense		
12	Operations, Maintenance and Administrative Costs		
13	Pension and Other Post Employment Benefits Actuarial Loss Amortization		
14	Severance Costs		
15	Uninsured Losses		
16	Annual Foreign Exchange Amortization Amount		
17	Foreign Exchange on Interest Payments		
18	CO <sub>2</sub> Management Service Costs	_____	_____
19	Subtotal		
20	Integrated NGTL System Costs	_____	_____
21	Total Revenue Requirement	_____	_____

**AVERAGE RATE BASE SUMMARY**FOR THE YEAR ENDED DECEMBER 31, 2018  
AND THE YEAR ENDED DECEMBER 31, 2019  
(\$000)

LINE NO.	DESCRIPTION	2018 ACTUAL	2019 ACTUAL
	(a)	(b)	(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	Prefunded / (Unfunded) Foreign Exchange on Long-term Debt		
9	Debt Discount & Expense		
10	Prefunded / (Unfunded) Pension and OPEB Liability		
11	Operating and Debt Service Deferrals	_____	_____
12	Total Deferred Costs	_____	_____
13	Total Rate Base		
14	GPUC	_____	_____
15	Total Investment Base	_____	_____

**AVERAGE CAPITALIZATION AND OVERALL RATE OF RETURN**  
 FOR THE YEAR ENDED DECEMBER 31, 2018  
 (\$000)

LINE NO.	DESCRIPTION	SCH. REF.	AMOUNT (\$000)	RATIO %	COST RATE %	COST COMPONENT %	COST 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, 2018

(\$000)

LINE NO.	DESCRIPTION	MATURITY	INTEREST RATE	PRINCIPAL OUTSTANDING	DAYS OUTSTANDING	TOTAL INTEREST
	(a)		(b)	(c)	(d)	(e)
	<b>Debentures</b>					
1	9.90% \$100MM Series 23					
2	7.875% US\$200MM					
3	7.70% US\$200MM					
	<b>Medium Term Notes</b>					
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	7.50% US\$32.5MM					
29	<b>Total Interest</b>					
30	Weighted Average					
31	Amortization of Issue Costs					
32	<b>Total Cost of Long-Term Debt Outstanding</b>					
33	<b>Financing Cost Rate</b>					

**AVERAGE CAPITALIZATION AND OVERALL RATE OF RETURN**  
 FOR THE YEAR ENDED DECEMBER 31, 2019  
 (\$000)

LINE NO.	DESCRIPTION	SCH. REF.	AMOUNT (\$000)	RATIO %	COST RATE %	COST COMPONENT %	COST AMOUNT \$
(a)		(b)	(c)	(d)	(e)	(f)	(g)
1	Debt - Funded	3.1.1					
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, 2019

(\$000)

LINE NO.	DESCRIPTION	MATURITY	INTEREST RATE	PRINCIPAL OUTSTANDING	DAYS OUTSTANDING	TOTAL INTEREST
	(a)		(b)	(c)	(d)	(e)
	<b>Debentures</b>					
1	9.90% \$100MM Series 23					
2	7.875% US\$200MM					
3	7.70% US\$200MM					
	<b>Medium Term Notes</b>					
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	7.50% US\$32.5MM					
29	<b>Total Interest</b>					
30	Weighted Average					
31	Amortization of Issue Costs					
32	<b>Total Cost of Long-Term Debt Outstanding</b>					
33	<b>Financing Cost Rate</b>					

**SCHEDULE OF FLOW-THROUGH INCOME TAXES**FOR THE YEAR ENDED DECEMBER 31, 2018  
AND THE YEAR ENDED DECEMBER 31, 2019  
(\$000)

LINE NO.	DESCRIPTION	SCH. REF.	2018 ACTUAL	2019 ACTUAL
	(a)	(b)	(c)	(d)
1	Return on Equity	3.0		
	<u>Add:</u>			
2	Depreciation	5.0		
3	Non-allowed Amortization of Debt Discount & Expense			
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 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, 2018  
 (\$000'S)

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

**CAPITAL COST ALLOWANCE RECONCILIATION**  
 (\$000's)

LINE NO.	PARTICULARS	CLOSING BALANCE
1	Transfers to GPIS (including Overhead, excluding AFUDC)	
2	Repair and Overhaul	
3	Regulated General Plant Additions in 2018 Adjustments	
4	Net Proceeds - Retirements	
5	Land	
6	Site Remediation & Environmental costs	
7	Total Adjustments	
8	Capital Cost Allowance Additions per Line 27 above	

**SCHEDULE OF CAPITAL COST ALLOWANCE**  
 FOR THE YEAR ENDED DECEMBER 31, 2019  
 (\$000'S)

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

**CAPITAL COST ALLOWANCE RECONCILIATION**  
 (\$000's)

LINE NO.	PARTICULARS	CLOSING BALANCE
1	Transfers to GPIS (including Overhead, excluding AFUDC)	
2	Repair and Overhaul	
3	Regulated General Plant Additions in 2019	
	Adjustments	
4	Net Proceeds - Retirements	
5	Land	
6	Site Remediation & Environmental costs	
7	Total Adjustments	
8	Capital Cost Allowance Additions per Line 27 above	

**DEPRECIATION**

FOR THE YEAR ENDED DECEMBER 31, 2018  
AND THE YEAR ENDED DECEMBER 31, 2019  
(\$000 unless otherwise noted)

LINE NO.	DESCRIPTION (a)	2018 ACTUAL		2019 ACTUAL	
		RATE (b)	EXPENSE (c)	RATE (d)	EXPENSE (e)
1	Intangible Plant				
2	Land Rights				
3	Mains				
4	Compressor				
5	Measuring and Regulating				
6	CO <sub>2</sub> Service				
7	Communication Equipment - Transmission				
8	Structures & Improvements				
9	Furniture & Equip - General				
10	Furniture & Equip - Computers				
11	Vehicles				
12	Heavy Work Equipment				
13	Tools & Work Equipment				
14	Communication Equipment - General				
15	Total Depreciation Expense				

**TRANSPORTATION BY OTHERS**FOR THE YEAR ENDED DECEMBER 31, 2018  
AND THE YEAR ENDED DECEMBER 31, 2019  
(\$000)

LINE NO. DESCRIPTION	2018 ACTUAL	2019 ACTUAL
(a)	(b)	(c)
1 Foothills Pipe Lines		
2 TransCanada Pipeline Ventures		
3 Other	_____	_____
4 Total Transportation by Others	_____	_____

**FOREIGN EXCHANGE ON INTEREST PAYMENTS**

FOR THE YEAR ENDED DECEMBER 31, 2018

(\$000s)

LINE NO.	DESCRIPTION	DEBT	INTEREST	DATE OF	INTEREST	HISTORICAL	FORECAST	FORECAST
		ISSUE	RATE	INTEREST	PAYMENTS	EXCHANGE	EXCHANGE	
	(a)	(US\$)	(c)	(d)	(e)	RATE <sup>(1)</sup>	RATE	(GAIN) / LOSS
		(b)				(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 (gain) / loss on interest payments							

**FOREIGN EXCHANGE ON INTEREST PAYMENTS**

FOR THE YEAR ENDED DECEMBER 31, 2019

(\$000s)

LINE NO.	DESCRIPTION	DEBT	INTEREST	DATE OF	INTEREST	HISTORICAL	FORECAST	FORECAST
		ISSUE	RATE	INTEREST	PAYMENTS	EXCHANGE	EXCHANGE	
	(a)	(US\$)	(c)	(d)	(e)	RATE <sup>(1)</sup>	RATE	(GAIN) / LOSS
		(b)				(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 (gain) / loss on interest payments							

<sup>(1)</sup> Historical exchange rates pertain to the original financing when a maturing issue(s) is rolled into a new issue.

**ANNUAL FOREIGN EXCHANGE AMORTIZATION AMOUNT**FOR THE YEAR ENDED DECEMBER 31, 2018  
(\$000)

LINE NO.	DESCRIPTION	MATURITY DATE	AMOUNT (US\$)	HISTORICAL EXCHANGE RATE	DEC 31, 2017 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	Prefunded / (Unfunded) Foreign Exchange on Long Term Debt Balance at January 1, 2018					
7	<b>Total</b>					
8						
						Annual Foreign Exchange Amortization Amount (Line 6 divided by 11) <sup>(1)</sup>

**ANNUAL FOREIGN EXCHANGE AMORTIZATION AMOUNT**FOR THE YEAR ENDED DECEMBER 31, 2019  
(\$000)

LINE NO.	DESCRIPTION	MATURITY DATE	AMOUNT (US\$)	HISTORICAL EXCHANGE RATE	DEC 31, 2018 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	Prefunded / (Unfunded) Foreign Exchange on Long Term Debt Balance at January 1, 2019					
7	<b>Total</b>					
8						
						Annual Foreign Exchange Amortization Amount (Line 6 divided by 10) <sup>(1)</sup>

<sup>(1)</sup> Represents the number of years remaining until the last USD debt instrument matures.

**GPIS and GPUC CONTINUITY SUMMARY**FOR THE YEAR ENDED DECEMBER 31, 2018  
AND THE YEAR ENDED DECEMBER 31, 2019  
(\$000)

LINE NO. DESCRIPTION	2018 ACTUAL	2019 ACTUAL
(a)	(b)	(c)
<u>Gas Plant In Service</u>		
1 Opening Gas Plant In Service		
2 GPIS 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 GPIS Transfers	_____	_____
16 Closing Gas Plant Under Construction	_____	_____

**CAPITAL EXPENDITURES**  
 FOR THE YEAR ENDED DECEMBER 31, 2018  
 (\$000)

LINE NO.	DESCRIPTION	APPLICATION IN-SERVICE DATE	NEB HEARING ORDER/ FILE NO	BOARD ORDER/ CERTIFICATE NO.	ACTUAL CAPITAL EXPENDITURES
(a)		(b)	(c)	(d)	(e)
1					
2					
3					
4					
5					
6					
7					
8					
9					
10					
11					
12					
13					
14					
15					
16					
17					
18					
19	Capital Expenditures				

**CAPITAL EXPENDITURES**  
 FOR THE YEAR ENDED DECEMBER 31, 2019  
 (\$000)

LINE NO.	DESCRIPTION	APPLICATION IN-SERVICE DATE	NEB HEARING ORDER/ FILE NO	BOARD ORDER/ CERTIFICATE NO.	ACTUAL CAPITAL EXPENDITURES
(a)		(b)	(c)	(d)	(e)
1					
2					
3					
4					
5					
6					
7					
8					
9					
10					
11					
12					
13					
14					
15					
16					
17					
18					
19	Capital Expenditures				

**GPIS TRANSFERS**

FOR THE YEAR ENDED DECEMBER 31, 2018

(\$000)

LINE NO.	DESCRIPTION	ACTUAL IN-SERVICE DATE	NEB APPLICATION NO./FILING ID	BOARD ORDER/ CERTIFICATE NO.	ACTUAL GPIS TRANSFERS	APPLICATION COSTS	VARIANCE
(a)		(b)	(c)	(d)	(e)	(f)	(g)
1							
2							
3							
4							
5							
6							
7							
8							
9	GPIS Transfers						

**GPIS TRANSFERS**

FOR THE YEAR ENDED DECEMBER 31, 2019

(\$000)

LINE NO.	DESCRIPTION	ACTUAL IN-SERVICE DATE	NEB APPLICATION NO./FILING ID	BOARD ORDER/ CERTIFICATE NO.	ACTUAL GPIS TRANSFERS	APPLICATION COSTS	VARIANCE
(a)		(b)	(c)	(d)	(e)	(f)	(g)
1							
2							
3							
4							
5							
6							
7							
8							
9	GPIS Transfers						

**NOVA GAS TRANSMISSION LTD.**

**NGTL SYSTEM  
2018 - 2019 REVENUE REQUIREMENT SETTLEMENT  
QUARTERLY 2018 REPORTING PACKAGE**

**NOVA GAS TRANSMISSION LTD.**  
**NGTL SYSTEM**  
**2018 - 2019 REVENUE REQUIREMENT SETTLEMENT**  
**QUARTERLY 2018 REPORTING PACKAGE**

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**REVENUE REQUIREMENT SUMMARY**  
FOR THE QUARTER ENDED  
(\$000s)

LINE NO.	DESCRIPTION	SCH. REF.	2018 ACTUAL	2017 ACTUAL	Variance (*)	
(a)		(b)	(c)	(d)	\$ (c) - (d)	% (e)
1	Transportation by Others (TBO)	6.0				
2	Pipeline Integrity Expense					
3	NEB 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	Operations, Maintenance and Administrative Costs	10.0				
13	Pension and Other Post Employment Benefits Actuarial Loss Amortization					
14	Severance Costs					
15	Uninsured Losses					
16	Annual Foreign Exchange Amortization Amount	8.0				
17	Foreign Exchange on Interest Payments	7.0				
18	CO <sub>2</sub> Management Service Costs					
19	Subtotal					
20	Integrated NGTL System Costs					
21	Total Revenue Requirement					

(\*) Variance explanations are provided for those variances that are both  $> \pm 5\%$  and  $> \pm \$5$  million.

**AVERAGE RATE BASE SUMMARY**  
 FOR THE QUARTER ENDED  
 (\$000s)

LINE NO.	DESCRIPTION	2018 ACTUAL	2017 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 QUARTER ENDED XXXXX XX, 2018

LINE NO.	DESCRIPTION	SCH. REF.	AMOUNT (\$000s)	RATIO %	COST RATE %	COST COMPONENT %	COST AMOUNT (\$000s)
(a)	(b)	(c)	(d)	(e)	(f)	(g)	
1	Debt - Funded	3.0.1					
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		_____				

**WEIGHTED AVERAGE COST OF LONG-TERM DEBT OUTSTANDING**

FOR THE QUARTER ENDED XXXXX XX, 2018

(\$000s)

LINE NO.	DESCRIPTION	MATURITY	INTEREST RATE	PRINCIPAL OUTSTANDING	DAYS OUTSTANDING	TOTAL INTEREST
	(a)		(b)	(c)	(d)	(e)
	<b>Debentures</b>					
1	9.90% \$100MM Series 23					
2	7.875% US\$200MM					
3	7.70% US\$200MM					
	<b>Medium Term Notes</b>					
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	7.50% US\$32.5MM					
29	<b>Total Interest</b>					
30	Weighted Average					
31	Amortization of Issue Costs					
32	<b>Total Cost of Long Term Debt Outstanding</b>					
33	<b>Financing Cost Rate</b>					

**AVERAGE CAPITALIZATION AND OVERALL RATE OF RETURN  
 FOR THE QUARTER ENDED XXXXX XX, 2017**

LINE NO.	DESCRIPTION	SCH. REF.	AMOUNT (\$000s)	RATIO %	COST RATE %	COST COMPONENT %	COST AMOUNT (\$000s)
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(g)
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		_____				

**WEIGHTED AVERAGE COST OF LONG-TERM DEBT OUTSTANDING**  
FOR THE QUARTER ENDED XXXXX XX, 2017  
(\$000s)

LINE NO.	DESCRIPTION	MATURITY	INTEREST RATE	PRINCIPAL OUTSTANDING	DAYS OUTSTANDING	TOTAL INTEREST
	(a)		(b)	(c)	(d)	(e)
	<b>Debentures</b>					
1	9.90% \$100MM Series 23					
2	7.875% US\$200MM					
3	7.70% US\$200MM					
	<b>Medium Term Notes</b>					
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	5.10% \$300MM Note Payable to TransCanada					
19	8.05% \$400MM Note Payable to TransCanada					
20	4.55% \$250MM Note Payable to TransCanada					
21	3.65% \$200MM Note Payable to TransCanada					
22	4.55% \$300MM Note Payable to TransCanada					
23	3.69% \$450MM Note Payable to TransCanada					
24	3.30% \$750MM Note Payable to TransCanada					
25	4.55% \$400MM Note Payable to TransCanada					
26	4.35% \$700MM Note Payable to TransCanada					
27	3.395% \$300MM Note Payable to TransCanada					
28	4.331% \$700MM Note Payable to TransCanada					
29	7.50% US\$32.5MM					
30	<b>Total Interest</b>					
31	Weighted Average					
32	Amortization of Issue Costs					
33	<b>Total Cost of Long Term Debt Outstanding</b>					
34	<b>Financing Cost Rate</b>					

**SCHEDULE OF FLOW-THROUGH INCOME TAXES**  
FOR THE QUARTER ENDED  
(\$000s)

LINE NO.	DESCRIPTION	SCH. REF.	2018 ACTUAL	2017 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				

**SCHEDULE OF CAPITAL COST ALLOWANCE**  
FOR THE QUARTER ENDED XXXXX XX, 2018  
(\$000s)

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

**CAPITAL COST ALLOWANCE RECONCILIATION**  
(\$000)

LINE NO.	PARTICULARS	CLOSING BALANCE
1	Transfers to GPIS (including Overhead, excluding AFUDC)	
2	Repair and Overhaul	
3	Regulated General Plant Additions in 2018	
	Adjustments	
4	Net Proceeds - Retirements	
5	Land	
6	Site Remediation & Environmental costs	
7	Total Adjustments	
8	Capital Cost Allowance Additions per Line 27 above	

**SCHEDULE OF CAPITAL COST ALLOWANCE**  
 FOR THE QUARTER ENDED XXXXX XX, 2017  
 (\$000s)

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

CAPITAL COST ALLOWANCE RECONCILIATION  
 (\$000)

LINE NO.	PARTICULARS	CLOSING BALANCE
1	Transfers to GPIS (including Overhead, excluding AFUDC)	
2	Repair and Overhaul	
3	Regulated General Plant Additions in 2017 Adjustments	
4	Net Proceeds - Retirements	
5	Land	
6	Site Remediation & Environmental costs	
7	Total Adjustments	
8	Capital Cost Allowance Additions per Line 27 above	

**DEPRECIATION**  
FOR THE QUARTER ENDED  
(\$000s)

LINE NO.	DESCRIPTION (a)	2018		2017	
		ACTUAL RATE (b)	ACTUAL EXPENSE (c)	ACTUAL RATE (d)	ACTUAL EXPENSE (e)
1	Intangible Plant				
2	Land Rights				
3	Mains				
4	Compressor				
5	Measuring and Regulating				
6	CO <sub>2</sub> Service				
7	Communication Equipment - Transmission				
8	Structures & Improvements				
9	Furniture & Equip - General				
10	Furniture & Equip - 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 QUARTER ENDED  
 (\$000s)

LINE NO.	DESCRIPTION	2018 ACTUAL	2017 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 QUARTER ENDED XXXXX XX, 2018  
(\$000s)

LINE NO.	DESCRIPTION	DEBT ISSUE (US\$)	INTEREST RATE	DATE OF INTEREST PAYMENT	INTEREST PAYMENTS (US\$)	HISTORICAL EXCHANGE RATE <sup>(1)</sup>	EXCHANGE RATE	ACTUAL (GAIN) / LOSS
	(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							
	Total foreign exchange (gain) / loss on interest payments							

<sup>(1)</sup> 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 QUARTER ENDED XXXXX XX, 2017

(\$000s)

LINE NO.	DESCRIPTION	DEBT ISSUE (US\$)	INTEREST RATE	DATE OF INTEREST PAYMENT	INTEREST PAYMENTS (US\$)	HISTORICAL EXCHANGE RATE <sup>(1)</sup>	EXCHANGE RATE	ACTUAL (GAIN) / LOSS
	(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							
	Total foreign exchange (gain) / loss on interest payments							

<sup>(1)</sup> 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 QUARTER ENDED XXXXX XX, 2018  
 (\$000s)

LINE NO.	DESCRIPTION	MATURITY DATE	AMOUNT (US\$)	HISTORICAL EXCHANGE RATE	DEC 31, 2017 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, 2018					
7	<b>Total</b>					
8	Annual Foreign Exchange Amortization Amount - Line 7 divided by 11 <sup>(1)</sup>					
					Pro-Rated Amount	

<sup>(1)</sup> Represents the number of years remaining until the last USD debt instrument matures.

**ANNUAL FOREIGN EXCHANGE AMORTIZATION AMOUNT**  
 FOR THE QUARTER ENDED XXXXX XX, 2017  
 (\$000s)

LINE NO.	DESCRIPTION	MATURITY DATE	AMOUNT (US\$)	HISTORICAL EXCHANGE RATE	DEC 31, 2016 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, 2017					
7	<b>Total</b>					
8	Annual Foreign Exchange Amortization Amount - Line 7 divided by 12 <sup>(1)</sup>					
					Pro-Rated Amount	

<sup>(1)</sup> Represents the number of years remaining until the last USD debt instrument matures.

**GPIS and GPUC CONTINUITY SUMMARY**  
 FOR THE QUARTER ENDED  
 (\$000s)

LINE NO.	DESCRIPTION	2018 ACTUAL	2017 ACTUAL	Variance \$
(a)		(b)	(c)	(d)
<u>Gas Plant In Service</u>				
1	Opening Gas Plant In Service			
2	GPIS 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	GPIS Transfers			
16	Closing Gas Plant Under Construction			

**OPERATIONS, MAINTENANCE AND ADMINISTRATIVE COSTS**

FOR THE QUARTER ENDED

(\$000s)

LINE		SCH.	2018	2017	Variance <sup>(*)</sup>	
NO.	DESCRIPTION	REF.	ACTUAL	ACTUAL	\$	%
	(a)	(b)	(c)	(d)	(c)-(d)	(e)
1	Canadian Gas Operations	10.1				
2	Commercial & Regulatory	10.2				
3	General & Administrative	10.3				
4	Governance					
5	Total					

<sup>(\*)</sup> Variance explanations are provided for those variances that are both  $> \pm 5\%$  and  $> \pm \$5$  million.

**CANADIAN GAS OPERATIONS**  
 FOR THE QUARTER ENDED  
 (\$000s)

LINE NO.	DESCRIPTION	2018 ACTUAL	2017 ACTUAL	Variance
(a)		(b)	(c)	(d)
	<u>Departmental</u>			
1	Field Operations			
2	Operations & Technical Services			
3	Management			
4	Other Operations, Projects & Engineering			
5	Total Departmental			
	<u>Programs</u>			
6	Engineering & Asset Reliability Programs			
7	Brushing Program			
8	Operations Services Program			
9	Transfer Compressor			
10	System Improvements			
11	Total Programs			
12	Total			

**COMMERCIAL & REGULATORY**  
FOR THE QUARTER ENDED  
(\$000s)

LINE NO.	DESCRIPTION	2018 ACTUAL	2017 ACTUAL	Variance
(a)		(b)	(c)	(d)
1	Commercial Services & System Design			
2	Commerical West			
3	Management & Executive Administration			
4	Regulatory			
5	Total			

**GENERAL & ADMINISTRATIVE**  
FOR THE QUARTER ENDED  
(\$000s)

LINE NO.	DESCRIPTION	2018 ACTUAL	2017 ACTUAL	Variance
	(a)	(b)	(c)	(d)
1	Environment, Land & Indigenous Relations <sup>(1)</sup>			
2	Information Systems			
3	Insurance			
4	Financial Services			
5	Corporate Memberships			
6	Facilities Services			
7	General Counsel			
8	Other			
9	Total			

<sup>(1)</sup> Includes land administration and land payments.