

Gas Pipelines

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Disclosure

Forward Looking Statements / Non-GAAP Financial Measures

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Forward Looking Statements / Non-GAAP Financial Measures

<u>KML FLS</u> – Forward-looking statements in this presentation include statements, express or implied, concerning: (i) the Trans Mountain Expansion Project ("TMEP") and Base Line Terminal project, including completion of such projects, construction plans, anticipated funding and costs, anticipated capital expenditures, community and Aboriginal engagement, scheduling and in-service dates, the possibility of mitigation to address project delays, future benefits and utilization, anticipated project contributions to Adjusted EBITDA and DCF; (ii) the anticipated dividends and the intended payment thereof; (iii) anticipated growth and the potential growth opportunities of KML's business; (iv) expected demand and market conditions and the anticipated competitive position of KML's business; (v) and anticipated tolls. Many of the factors that will determine these results are beyond the ability of KML to control or predict. KML's business and financial condition are substantially dependent on the successful development of the TMEP. As a result, factors or events that impact the costs associated with and the time required to complete (if completed) the TMEP, are likely to have a commensurate impact on KML, the market price and value of its restricted voting shares and KML's ability to pay dividends. Similarly, given the nature of the relationships between KML and KMI, factors or events that impact KMI may have consequences for KML.

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INTRO

-BRIEF Overview

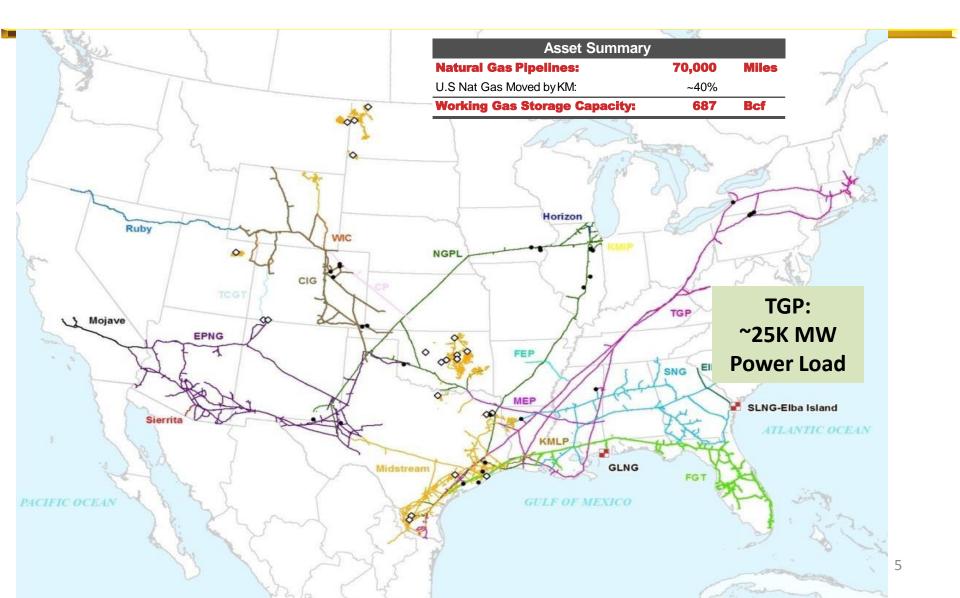
-Business Model

-Physical Characteristics

-Management Tools



Overview





Business Model

-Generates Revenue by Providing Transportation Services

-TGP is a Transmission Pipeline

TGP P					
-CONTRACT : 9 -AV	Flow /mile				
///////////////////////////////////////					
-M <i>i</i>	nents				
Expansion Cost Allocation -Project Driven (not shared)					



Physical Characteristics – Speed





Physical Characteristics –

Storage

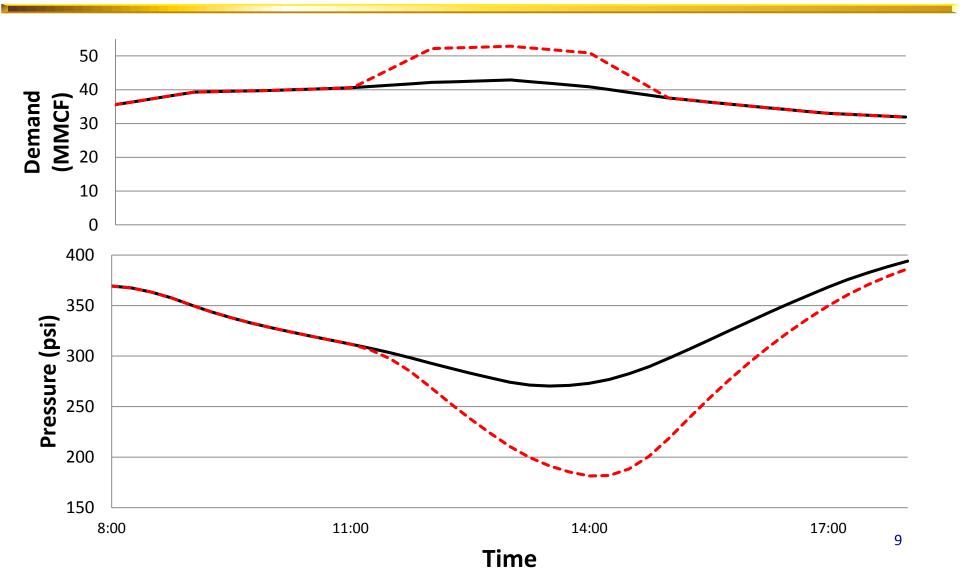
Types of Storage : -LNG Storage Tanks -Storage Fields -Line Pack (Storage within the Pipe)

Inspiring Line Pack Video

TGP : ~50 million cubic feet of Pipe Space



Change in Demand Results in Change in Pressures





Pipeline Management Tools – Scheduling

NAESB C	ycles eff. Apri	l 1, 2016
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	Day Ahead	Day Ahead	Intra day	Intra Day	Intra day	
	Timely	Evening	ID1	ID2	ID3	
Nom Deadline	1:00 PM	6:00 PM	10:00 AM	2:30 PM	7:00 PM	
Confirmations Deadline	4:30 PM	8:30 PM	12:30 PM	5:00 PM	9:30 PM	
Scheduled Volumes Available	5:00 PM	9:00 PM	1:00 PM	5:30 PM	10:00 PM	
Start of Gas Flow	9:00 AM	9:00 AM	2:00 PM	6:00 PM	10:00 PM	
Hours of Flow left in Gas Day	24 Hrs	24 Hrs	19 Hrs	15 Hrs	11 Hrs	
EPSQ	N/A	N/A	20.83%	37.50%	54.17%	
		Bumpable	Bumpable	Bumpable	No Bumping	



HIGHEST

Primary

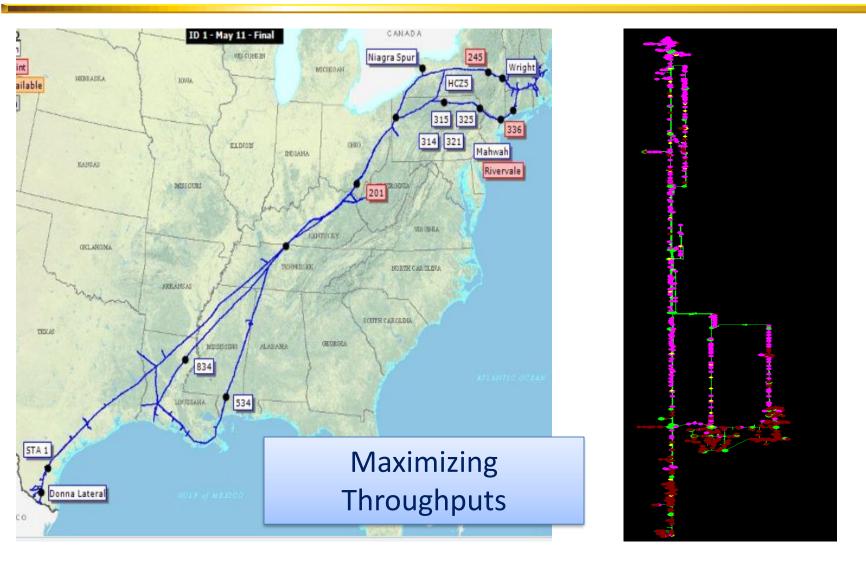
Secondary

Interruptible

LOWEST



Pipeline Management Tools – Hydraulic Simulation



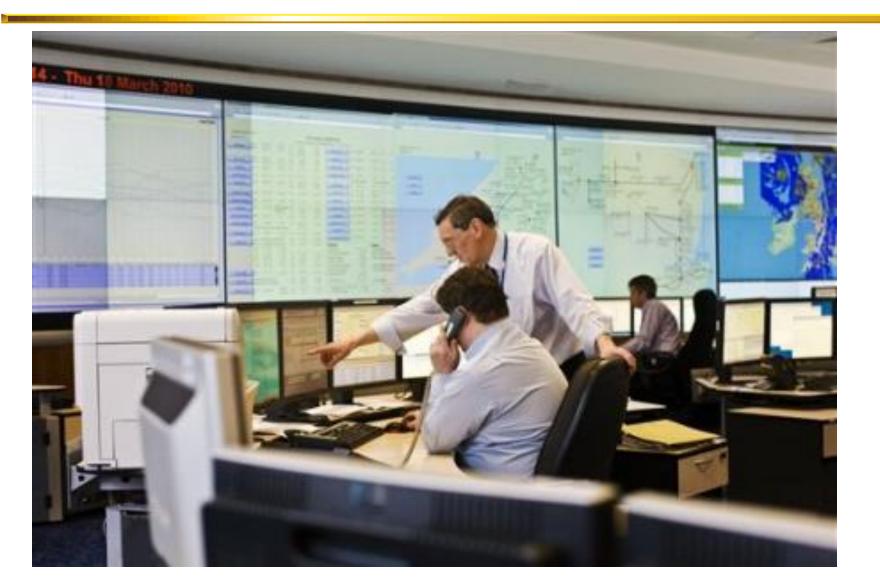


Pipeline Management Tools – Maintenance Coordination

TGP - Outage Impact Report Seven Day Forecast (updated 11/02/17)				-Primary impact restrictions may be necessary -Major impact restrictions may be necessary -Minor impact restrictions may be necessary depending on flow conditions -Little to no impact, though minor outages may cause incremental reductions					
Station # / Lateral (FH)=forward haul	Est Nominal Design Capacity	Saturday (11/4)	Sunday (11/5)	Monday (11/6)	Tuesday (11/7)	Wednesday (11/8)	Thursday (11/9)	Friday (11/10)	Primary Outage(s) that may impact Throughput
(BH)=backward haul (Thousand Dth) Est. Operational Capacity (Operational Impact) - Thousand Dth					ity (Operational				
Station 409 (Donna Line) (segment 490 FH)	581	581	581	581	581	581	581	581	
Station 1 (segment 101 BH)	296	296	296	296	296	296	296	296	
Station 9 (segment 109 BH)	757	720 (37)	720 (37)	720 (37)	720 (37)	720 (37)	720 (37)	720 (37)	MLV 17-1 to 12-1: Pressure Weld Replacement (M) (9/15/2017 - 11/25/2017)
Station 17 (segment 117 BH)	921	887	887	887	887	887	887	887	99% Reliable



Pipeline Management Tools – Gas Control





OFO Overview

 Operational Flow Orders (OFOs) are implemented when demand is forecasted to exceed capacity

– OFOs are used to protect primary firm services

 System conditions dictate the level of interruptible reductions and OFOs needed

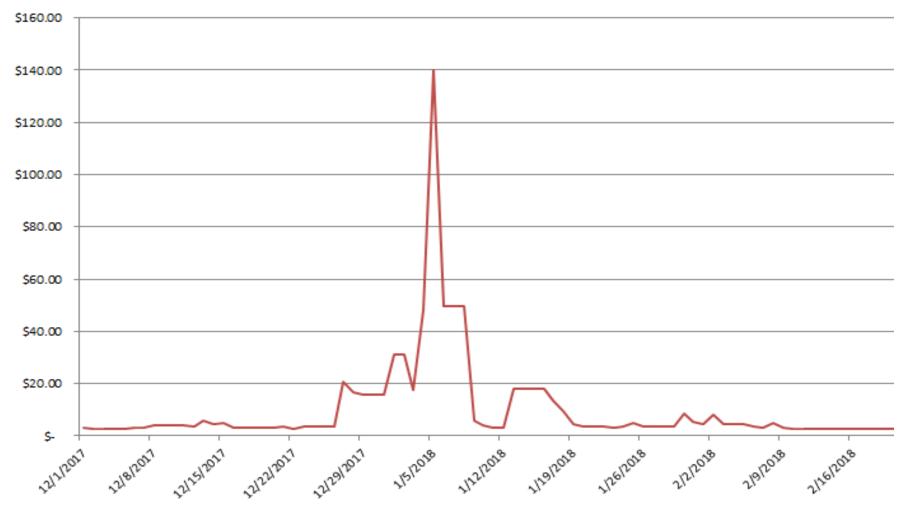


Segment Restrictions & OFO Factors

- Factors considered when evaluating whether to implement Segment Restrictions and/or OFO penalties:
 - Weather Forecast where demand starts to approach capacity
 - Day of week weekday demand exceeds weekend/holiday demand
 - Expected duration of heavy demand
 - Recent history
 - Nominated deliveries
 - Actual takes from the system higher than entitlements
- Factors considered in scheduling once Segment Restrictions or OFO is implemented:
 - Receipts downstream of constraint increase TGP's ability to deliver
 - Actual takes from the system vs entitlements (Demand is greater than capacity)
 - Expected duration of heavy demand



NGI-Transco Zone 6 NY



January 4th



