



inter pipeline

February 28th, 2011

**Attention: Preparer of Inter Pipeline Fund 2010 Form T5013 and RL 15 Information
CUSIP # 45833P102**

Dear Sir or Madam:

Please find attached a sample of the 2010 T5013 slip, Statement of Partnership Income federal form and a RL 15 form ("Relevé 15" - Québec provincial form) which must be completed for each of your clients that invested in Inter Pipeline Fund in 2010 and received a cash distribution. The sample forms are based upon an individual investor owning one thousand limited partnership units throughout 2010. In addition, we have prepared "instructions" to assist you in the preparation of the 2010 T5013 slips and the RL 15 slips. Copies of each of these slips are to be distributed to each of the limited partnership unitholders (the "unitholders") no later than March 31, 2011. These preparation "instructions" are complementary to the information filed at www.cdsinnovations.ca.

Four copies of both the T5013 and the RL 15 should be prepared with copies 2 and 3 distributed to the unitholders. Copy 4 of each form is to be retained for your records. Copy 1 of each of the T5013 slips should be sent to the Canada Revenue Agency at the following address:

Canada Revenue Agency
Data Assessment and Evaluation Programs Division
Ottawa Technology Centre
875 Heron Road
Ottawa, Ontario
K1A 1A2

Copy 1 of each form of the RL 15 should be sent to Ministère du Revenu at the following address.

Revenu Québec
3800, rue de Marly
Québec, Québec
G1X 4A5

As part of the distribution process, we have prepared a 2010 Income Tax Supplementary Information Sheet. We request that a copy of this supplementary information be distributed to each of the unitholders together with copy 2 and 3 of each of the Tax Slips. This supplementary information will assist the unitholders in the preparation of their 2010 income tax return.

A unitholder's share of the Partnership's taxable income is calculated pursuant to the Partnership Agreement. The Partnership Agreement allocates the taxable income to unitholders based upon their respective entitlement to 2010 cash distributions regardless of when paid. Thus, the calculations should be based upon a unitholder's entitlement to the following distributions.



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Record Date	Payment Date	Distribution
22-Jan-10	16-Feb-10	\$0.0750
23-Feb-10	15-Mar-10	\$0.0750
22-Mar-10	15-Apr-10	\$0.0750
22-Apr-10	14-May-10	\$0.0750
21-May-10	15-Jun-10	\$0.0750
22-Jun-10	15-Jul-10	\$0.0750
22-Jul-10	16-Aug-10	\$0.0750
23-Aug-10	15-Sep-10	\$0.0750
22-Sep-10	15-Oct-10	\$0.0750
22-Oct-10	15-Nov-10	\$0.0750
22-Nov-10	15-Dec-10	\$0.0750
22-Dec-10	14-Jan-11	\$0.0800
<hr/>		
Total 2010		\$0.9050

DO NOT include the December 22, 2009 distribution of \$0.0750 per unit paid on January 15, 2010 in the calculations.

The ratio for each unitholder to calculate the appropriate amounts for the required forms is as follows:

$$\frac{\text{Total distributions the unitholder was entitled to for 2010}}{\text{Total distributions declared by the Partnership for 2010 } (\$232,602,393)}$$

If you have any questions, please do not hesitate to contact Sean Heywood, Director, Tax & Finance at (403) 290-6163 or Jeremy Roberge, V.P. Capital Markets (403) 290-6015.

Yours sincerely,
On behalf of Inter Pipeline Fund

Signed "Sean Heywood"

SEAN HEYWOOD, C.A.
DIRECTOR, TAX & FINANCE
Pipeline Management Inc.,
as General Partner for Inter Pipeline Fund



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Statement of Partnership Income 2010 Income Tax Supplementary Information

Please be advised that Inter Pipeline Fund does not prepare the T5013 or Relevé 15 forms which you receive. Rather, you receive your T5013 and Relevé 15 forms from either the entity which holds your investment (e.g. investment advisor) or Inter Pipeline Fund's transfer agent, Computershare.

Please find attached the tax results of Inter Pipeline Fund for its 2010 operations. From a Canadian income tax perspective, a partnership is not a taxable entity and as such, the income earned by the partnership must be allocated to the members of the partnership. For 2010, Inter Pipeline Fund declared and paid cash distributions totaling \$0.905 per unit. Based on a cash distribution basis, the 2010 taxable income represents 100% (combining business income, interest from Canadian sources, and foreign dividend and interest income) of the total cash distributions declared in 2010. There was no return of capital.

It is important to note that in 2010 Inter Pipeline Fund is also allocating a capital loss to the members of the partnership. Whether a member of the partnership can claim the capital loss is dependent upon each member's personal tax situation. If a member cannot claim the capital loss, their 2010 distributions will be 100% taxable. If a member can claim the capital loss, their 2010 distributions will be approximately 99.66% taxable.

For your assistance, we have provided information regarding the amounts as reported on Form T5013 and Relevé 15.

Limited Partnership Net Income

T5013: Box 22

RL 15: Box 1

This amount represents your share of the Inter Pipeline Fund 2010 limited partnership business income that is subject to Canadian income tax. The 2010 taxable limited partnership business income amount was 93.86740% of the total 2010 cash distributions declared in 2010.

Individual unitholders:

This amount should be reported in Area III "Net partnership income (loss)" of Schedule 4 of your Federal 2010 personal income tax return. The total of all limited partnership income amounts should be reported on line 122 (page 2) of your 2010 T1 General tax return.

Unitholders At-Risk Amount

T5013: Box 22-1

RL 15: Box 26

The "at-risk" amount represents a unitholder's original cost of the Inter Pipeline Fund's interest plus or minus certain adjustments. A unitholder cannot deduct partnership losses in excess of his "at-risk" amount. Any losses that are not currently available to be deducted are reported in Box 24 of Form T5013 Supplementary and can be carried forward indefinitely and deducted when a positive "at-risk" balance is restored. Inter Pipeline Fund does not anticipate any future "at-risk" losses.

This amount is used by Canada Revenue Agency and is not reported on your income tax return

Partnership's Total Gross Income

T5013: Box 34

RL 15: Box 14

This amount represents the total 2010 gross income earned by Inter Pipeline Fund and includes all the unitholders' share of earnings.

This box is for information purposes only and is not to be reported on your return.



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Interest from Canadian Sources

T5013: Box 50

RL 15: Box 7

This amount represents your share of Inter Pipeline Fund's 2010 interest income that is subject to Canadian income tax. The 2010 taxable interest income amount was 0.09282% of the total 2010 cash distributions declared in 2010.

Individual unitholders:

This amount should be reported in Area II "Interest and other investment income" of Schedule 4 of your Federal 2010 personal income tax return. The total of all interest and other investment income amounts should be reported on line 121 (page 2) of your 2010 T1 General tax return.

Foreign Dividend and Interest Income

T5013: Box 55

RL 15: Box 8

This amount represents your share of Inter Pipeline Fund's 2010 foreign dividend and interest income that is subject to Canadian income tax. The 2010 taxable foreign dividend and interest income amount was 6.03978% of the total 2010 cash distributions declared in 2010.

Individual unitholders:

This amount should be reported in Area II "Interest and other investment income" of Schedule 4 of your Federal 2010 personal income tax return. The total of all interest and other investment income amounts should be reported on line 121 (page 2) of your 2010 T1 General tax return.

Capital Loss

T5013: Box 70

RL 15: Box 12

This represents your share of Inter Pipeline Fund's 2010 "gross" capital loss that is subject to Canadian income tax. The 2010 capital loss amount was -0.68066% of the total 2010 cash distributions declared in 2010.

Individual unitholders:

This amount should be reported on line 174 of Schedule 3 of your Federal 2010 personal income tax return. Please note that only ½ of this capital loss is taxable as indicated on line 199 of Schedule 3. Whether you are able to claim the capital loss is dependent upon your personal tax situation.

Capital Cost Allowance

T5013: Box 85

RL 15: Box 5

This is your share of the amount of tax depreciation claimed by Inter Pipeline Fund in 2010 in arriving at the amount of income that is taxable to the unitholders.

This box is for information purposes only and is not to be reported on your return.

Additional Information

Inter Pipeline Fund has permanent establishments in two provinces. The information contained in this section provides the necessary information for a unitholder to allocate their business income accordingly.

RL 15 – For Corporate Partners only

For Corporations reporting in Quebec, boxes 24A, 24B and 24C have additional information provided relating to the Corporation's share of year end debt, year end qualified property, and year end total assets of Inter Pipeline Fund. Please consult the Tax Information found at www.interpipelinefund.com for more details.

**INTER PIPELINE FUND
SUPPORT FOR 2010 T5013 SUPPLEMENTARY
Filing Instruction for Form T5013**

The following form should be used in gathering information to be used in completing Form T5013 for the unitholders

Unitholder's Name and Full Address

Surname first, followed by usual first name and initial
Enter full mailing address

Partnership's Name and Full Address

Inter Pipeline Fund
2600, 237 - 4th Avenue S.W.
Calgary, AB
Canada, T2P 4K3

DO NOT REPORT "\$" IN FRONT OF THE AMOUNTS REPORTED ON THE FORM T5013

<u>Form T5013 Identification</u>	<u>Description</u>	<u>Only Information Contained in the Boxes Should Vary</u>	
Box 01	Fiscal Period End	2010 12	
Box 02	Partnership's Business Number	866936255	
Box 03	Tax Shelter #	N/A	
Box 04	Publicly Traded Partnership	1	
Box 05	Type of slip	<input type="text"/>	0 for original; 1 for amended; 2 for additional; 3 for cancelled; 4 for duplicate
Box 06	Partnership Code	1	
Box 07	Country Code	CAN	
Box 08	Member Code	0	
Box 09	Number of units held	<input type="text"/>	Insert the number of units held at year end by the unitholder
Box 10	Partner's % of Partnership income (loss)	<input type="text" value="x.xxxx%"/>	$\frac{x.xxxx\%}{\$232,602,393} = \text{\$Unitholder's total 2010 Distribution entitlement} \times 100$
Box 11	Recipient's ID #	<input type="text"/>	Recipient type: Individual - enter social insurance number Corporation - enter "0" followed by the account or business number Trust - enter the Trust account number Partnership - enter the partnership's filer identification or business number
Box 22	Limited Partnership business income (loss)	<input type="text"/>	93.86740% x amount of 2010 cash distributions to which unitholder was entitled to receive
Box 22-1	At - risk amount	N/A	
Box 27	Return of capital	<input type="text"/>	0.00000% x amount of 2010 cash distributions to which unitholder was entitled to receive
Box 34	Gross income	830,427,882	
Box 35	Business income (loss)	<input type="text"/>	0.00000% x amount of 2010 cash distributions to which unitholder was entitled to receive
Box 50	Interest income from Canadian sources	<input type="text"/>	0.09282% x amount of 2010 cash distributions to which unitholder was entitled to receive
Box 55	Foreign dividend and interest income	<input type="text"/>	6.03978% x amount of 2010 cash distributions to which unitholder was entitled to receive
Box 59	Carrying charges	<input type="text"/>	0.00000% x amount of 2010 cash distributions to which unitholder was entitled to receive
Box 70	Capital gains (losses)	<input type="text"/>	-0.68066% x amount of 2010 cash distributions to which unitholder was entitled to receive
Box 85	Capital cost allowance	<input type="text"/>	21.07956% x amount of 2010 cash distributions to which unitholder was entitled to receive

All other Boxes on the Form T5013 Supplementary should be left blank (do not report "0" or "N/A")

Details:
 Box 22 - Business income is allocated 97.82% to Alberta and 2.18% to Saskatchewan
 Gross Revenues: Alberta - \$809,030,610 ; Saskatchewan - \$21,397,272
 Gross Salaries: Alberta - \$39,440,718 ; Saskatchewan - \$718,824

 Box 55 - Foreign dividend and interest income is allocated 84.5969% to the United Kingdom (GBR) and 15.4031% to Germany (DEU)

**INTER PIPELINE FUND
SUPPORT FOR 2010 T5013 SUPPLEMENTARY
Filing Instruction for RELEVE 15**

The following form should be used in gathering information to be used in completing RELEVE 15 for the unitholders

Unitholder's Name and Full Address

Surname first, followed by usual first name and initial
Enter full mailing address

Partnership's Name and Full Address

Inter Pipeline Fund
2600, 237 - 4th Avenue S.W.
Calgary, AB
Canada, T2P 4K3

DO NOT REPORT "\$" IN FRONT OF THE AMOUNTS REPORTED ON THE FORM RL 15

<u>RELEVE15 Identification</u>	<u>Description</u>	<u>Only Information Contained in the Boxes Should Vary</u>	
	Fiscal Period End	2010/12/31	
	Quebec Partnership ID #	1021059567SP0001	
	Code du releve		"R" for original;"A" for amended;"D" for cancelled
Box 1	Net business income		93.86740% x amount of 2010 cash distributions to which unitholder was entitled to receive
Box 5	Capital cost allowance		21.07956% x amount of 2010 cash distributions to which unitholder was entitled to receive
Box 7	Interest income from Canadian sources		0.09282% x amount of 2010 cash distributions to which unitholder was entitled to receive
Box 8	Foreign dividend and interest income		6.03978% x amount of 2010 cash distributions to which unitholder was entitled to receive
Box 12	Capital gains (losses)		-0.68066% x amount of 2010 cash distributions to which unitholder was entitled to receive
Box 14	Gross income	830,427,882	
Box 15A	Carrying charges		0.00000% x amount of 2010 cash distributions to which unitholder was entitled to receive
Box 24A	Share of debt		For Corporate Partners Only Number of units held at December 31, 2010 x \$605,621,201 258,043,887 Units
Box 24B	Share of qualified property		For Corporate Partners Only Number of units held at December 31, 2010 x \$508,700,900 258,043,887 Units
Box 24C	Share of total assets		For Corporate Partners Only Number of units held at December 31, 2010 x \$1,908,224,688 258,043,887 Units
Box 26	At - risk amount	N/A	
Box 36	Partner's % of Partnership income (loss)	x.xxxx%	x.xxxx% = <u>\$Unitholder's total 2010 Distribution entitlement</u> x 100 \$232,602,393
Box 37	Units held at year end		Insert the number of units held at year end by the unitholder
Box 38	Business code	22	
Box 39	Partnership code	1	
Box 40	Member code	0	
Box 41	Taxpayer code		Recipient type: "1" - for an individual other than a trust "3" - for a corporation "4" - for a trust or a partnership
Box 42	% business in Quebec	0.00%	The Partnership has no operations in Quebec
	Recipient ID #		Recipient type: Individual - enter social insurance number Corporation - enter "0" followed by the corporation's registration number Trust - enter the Trust identification number Partnership - enter the partnership's identification number

Details:

Box 1 - Business income is allocated 97.82% to Alberta and 2.18% to Saskatchewan
Gross Revenues: Alberta - \$809,030,610 ; Saskatchewan - \$21,397,272
Gross Salaries: Alberta - \$39,440,718 ; Saskatchewan - \$718,824

Box 8 - Foreign dividend and interest income is allocated 84.5969% to the United Kingdom (GBR) and 15.4031% to Germany (DEU)

Identification

01 Fiscal period end 2010-12 Y M	02 Partnership's Business Number 866936255	03 If the partnership is a tax shelter, do not use this form as Form T5013A applies instead.	04 Is this a publicly traded partnership? 1	05 Type of slip 0
06 Partnership code 1	07 Country code CAN	08 Member code 0	09 Number of partnership units held 1,000.000	10 Partner's share (%) of partnership income (loss) 0.000389

Partner's name and address Your Name Your Address		11 Recipient's identification number
12 Complex sharing arrangements		Partnership's name and address Inter Pipeline Fund Suite 2600, 237 - 4th Avenue SW Calgary AB T2P 4K3

If your partnership is a tax shelter, you should receive a T5013A information slip.

Limited partnership net income (loss)

20 Limited partnership farming income (loss)	20-1 Agricultural income stabilization	21 Limited partnership fishing income (loss)	22 Limited partnership business income (loss) 849 50	22-1 Limited partner's at-risk amount	22-2 Limited partner's adjusted at-risk amount	23 Limited partnership rental income (loss)
24 Limited partnership loss available for carryforward	25 Previous loss carry forward eligible in the current year	27 Return of capital	Box	Box	Box	Box
		Amount/Details		Amount/Details	Amount/Details	Amount/Details

Canadian and foreign net business income (loss)

35 Business income (loss)	37 Professional income (loss)	41 Farming income (loss)	43 Fishing income (loss)	30 Other income	34 Partnership's total gross income 830,427,882 00
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Canadian and foreign investments and carrying charges

26 Canadian and foreign net rental income (loss)	51 Actual amount of dividends (other than eligible dividends)	51-1 Taxable amount of dividends (other than eligible dividends)	51-2 Dividend tax credit for dividends other than eligible dividends	52 Actual amount of eligible dividends	52-1 Taxable amount of eligible dividends	52-2 Dividend tax credit for eligible dividends
50 Interest from Canadian sources 0 84	55 Foreign dividend and interest income 54 66	56 Business investment loss	59 Carrying charges	Box	Box	Box
		Amount/Details		Amount/Details	Amount/Details	Amount/Details

Other amounts and information

70 Capital gains (losses) -6 16	71 Capital gains reserve	85 Capital cost allowance 190 77	Box	Box	Box	Box
		Amount/Details		Amount/Details	Amount/Details	Amount/Details
Box	Box	Box	Box	Box	Box	Box
		Amount/Details		Amount/Details	Amount/Details	Amount/Details
Box	Box	Box	Box	Box	Box	Box
		Amount/Details		Amount/Details	Amount/Details	Amount/Details
Box	Box	Box	Box	Box	Box	Box
		Amount/Details		Amount/Details	Amount/Details	Amount/Details

22	Prov. Allocation: AB 97.82% SK 2.18%	55	GBR - 84.5969% ; (DEU) 15.4031%
22	Revenues: AB - \$809,030,610		
	SK - \$21,397,272		
22	Salaries: AB- \$39,440,718		
	SK - \$718,824		

Date de clôture de l'exercice financier

2010-12-31

Numéro d'identification de l'abri fiscal, s'il y a lieu

1- Revenu net (ou perte nette) d'entreprise, canadien et étranger 849 50	2- Revenu net (ou perte nette) d'entreprise de source étrangère	3- Revenu net (ou perte nette) de location, canadien et étranger	4- Revenu net (ou perte nette) de location de source étrangère	5- Amortissement 190 77	6a- Montant réel des dividendes déterminés
7- Intérêts et autres revenus de placement de source canadienne 0 84	8- Dividendes et intérêts de source étrangère 54 66	9- Ristourne de coopérative	10- Gains (ou pertes) en capital servant au calcul de la déduction	11- Provisions relatives aux immobilisations aliénées	6b- Montant réel des dividendes ordinaires
12- Gains (ou pertes) en capital ne servant pas à calculer la déduction -6 16	13- Perte à l'égard d'un placement dans une entreprise	14- Revenu brut (ou perte brute) de la société de personnes 830,427,882 00	15a- Frais financiers et frais d'intérêts	15b- Paiements compensatoires d'un mécanisme de transfert de dividendes	16- Impôt du Québec retenu à la source
17- Impôts étrangers payés sur les revenus non tirés d'une entreprise	18- Impôts étrangers payés sur les revenus d'entreprise	19- Dons de bienfaisance	20- Autres dons	21a- Crédit d'impôt à l'investissement – Biens amortissables	21b- Crédit d'impôt à l'investissement – Autres biens
24a- Capital versé – Part de la société membre dans les dettes 2,346 96	24b- Capital versé – Part de la société membre dans les biens admissibles 1,971 37	24c- Capital versé – Part de la société membre dans l'actif total 7,394 96	26- Fraction à risques	27- Perte comme membre à responsabilité limitée	28- Frais d'exploration au Canada
29- Frais de mise en valeur au Canada	30- Frais à l'égard de biens canadiens relatifs au pétrole et au gaz	31- Frais relatifs à des ressources étrangères	32- Frais d'exploration au Québec	33- Frais d'explor. minière de surface, pétrolière ou gazière au Québec	34- Frais d'exploration dans le Nord québécois
35- Montants d'aide pour les frais inscrits aux cases 28 à 30 et 32 à 34					
28- 32-	29- 33-	30- 34-	36- Pourcentage de participation dans les revenus (ou les pertes) 0.000389 %	37- Nombre d'unités détenues par l'associé 1,000.000	38- Code d'activité 22
39- Code de société de personnes 1	40- Code d'associé 0	41- Code de contribuable 1	42- Pourcentage des affaires faites au Québec par la société de personnes %	43- Remboursement de capital	44- Crédit d'impôt pour dividendes
					45- Partie admise des gains en capital imposables sur biens relatifs aux ressources

Abri fiscal

Description et code de la principale activité commerciale concernant l'abri fiscal :

Le numéro d'identification attribué à cet abri fiscal doit être indiqué sur le formulaire TP-1079.6. Il ne confirme aucunement le droit de l'investisseur aux avantages fiscaux découlant de cet abri fiscal.

50- Nombre d'unités acquises au cours de l'exercice financier	51- Coût unitaire	52- Coût total des unités	53- Montant à recours limité	54- Montant du rajustement à risque	55- Autres réductions indirectes
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Actions accréditatives

60- Frais d'exploration au Canada	61- Frais de mise en valeur au Canada	62- Frais d'exploration au Québec	63- Frais d'explor. minière de surface, pétrolière ou gazière au Québec	64- Frais d'exploration dans le Nord québécois	65- Frais d'émission d'actions ou de titres
66- Montants d'aide pour les frais inscrits aux cases 60 à 64	60-	61-	62-	63-	64-

Crédit d'impôt

70- Code de crédit	71- Montant admissible	72- Code de région ou de MRC	73- Code de frais	74- Pourcentage de participation pour le crédit d'impôt %
75- Date d'acquisition du bien	76- Date d'utilisation du bien			

Voyez l'explication des cases dans le formulaire RL-15.EX.

Box 1 - Provincial Allocation: AB - 97.82% SK - 2.18%
 Box 1 - Gross Revenues: AB - \$809,030,610 ; SK - \$21,397,272
 Box 1 - Gross Salaries: AB - \$39,440,718 ; SK - \$718,824
 Box 8 - GBR - 84.5969% DEU - 15.4031%

Nom et adresse de l'associé

Your Name
Your Address

Raison sociale et adresse de la société de personnes

Inter Pipeline Fund
Suite 2600, 237 - 4th Avenue SW
Calgary AB T2P 4K3

Numéro d'assurance sociale ou numéro d'identification de l'associé

Numéro d'identification de la société de personnes

1021059567SP0001