



**Statement of Partnership Income  
2013 Income Tax Supplementary Information**

*Please be advised that Inter Pipeline Ltd., successor to Inter Pipeline Fund (“Inter Pipeline”), 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’s transfer agent, Computershare Trust Company of Canada.*

Please find attached the tax results of Inter Pipeline for its 2013 operations while structured as a publicly traded limited partnership. From a Canadian income tax perspective the income earned by the partnership must be allocated to the members of the partnership. For 2013, Inter Pipeline declared and paid cash distributions totaling \$0.74750 per unit. On a cash distribution basis, the 2013 taxable portion represents 11.26823% of the total cash distributions declared in 2013. The allocation of this taxable portion between eligible dividends, foreign interest income, carrying charges and capital gains is discussed in more detail below. The return of capital is 88.73177% of cash distributions declared in 2013.

It is important to note that in 2013 Inter Pipeline is allocating a capital loss to the members of the partnership.

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

**Return of Capital**

**T5013: Box 113**

**RL 15: Box 43**

This amount represents your share of the capital (including drawings) returned to you from Inter Pipeline. The 2013 return of capital amount was 88.73177% of the total 2013 cash distributions declared in 2013.

Individual unitholders:

This amount is not reported on your current year income tax return. This amount is required when you compute the “adjusted cost base” of your units in Inter Pipeline.

**Partnership's Gross Income**

**T5013: Box 118**

**RL 15: Box 14**

This amount represents your share of the total 2013 gross income earned by Inter Pipeline and includes all the unitholders' share of gross income.

Individual unitholders:

Box 118 should be entered on line 162 of your T1 Return.

**Actual amounts of eligible dividends**

**T5013: Box 132**

**RL 15: Box 6a**

This amount represents your share of the Inter Pipeline’s 2013 actual eligible dividends. The 2013 eligible dividend amount was 3.21472% of the total 2013 cash distributions declared in 2013.

Individual unitholders:

This amount is not reported on your current year income tax return.

**Taxable amounts of eligible dividends****T5013: Box 133****RL 15: Box 6a-1**

This amount represents the taxable amount of eligible dividends from Box 132 noted above. The 2013 taxable amount of eligible dividends is determined by multiplying box 132 by 1.38.

Individual unitholders:

This amount should be reported in Area I "Taxable amount of dividends from taxable Canadian corporations" of Schedule 4 of your Federal 2013 personal income tax return. The total of all taxable eligible dividends should be reported on line 120 (page 2) of your 2013 T1 General tax return.

**Dividend tax credit for eligible dividends****T5013: Box 134****RL 15: Box 44**

This amount represents the federal dividend tax credit applicable to the taxable amount of eligible dividends from Box 133 noted above. The 2013 federal dividend tax credit is determined by multiplying box 133 by 0.150198. For those who receive the RL 15 form, Box 44 contains the Quebec dividend tax credit.

Individual unitholders:

This amount should be entered on line 425 of Schedule 1 of your Federal 2013 personal income tax return.

**Foreign Interest Income****T5013: Box 135****RL 15: Box 8**

This amount represents your share of Inter Pipeline's 2013 foreign interest income that is subject to Canadian income tax. The 2013 taxable foreign interest income amount was 12.06421% of the total 2013 cash distributions declared in 2013. The T5013 slip shows the foreign interest income by country of source.

Individual unitholders:

This amount should be reported in Area II "Interest and other investment income" of Schedule 4 of your Federal 2013 personal income tax return. The total of all interest and other investment income amounts should be reported on line 121 (page 2) of your 2013 T1 General tax return.

**Total Carrying Charges****T5013: Boxes 210 & 211****RL 15: Box 15a**

This represents your share of Inter Pipeline's 2013 carrying charges that is subject to Canadian income tax. The 2013 carrying charges amount was 3.43946% of the total 2013 cash distributions declared in 2013. Box 211 of the T5013 slip shows the carrying charges on foreign interest income by country of source.

Individual unitholders:

This amount should be reported in Area III "Carrying charges and interest expenses" of Schedule 4 of your Federal 2013 personal income tax return. The total of all carrying charges and interest expenses amounts should be reported on line 221 (page 3) of your 2013 T1 General tax return.

**Capital Loss****T5013: Box 151****RL 15: Box 12**

This represents your share of Inter Pipeline's 2013 "gross" capital loss that is subject to Canadian income tax. The 2013 capital loss amount was 0.57124% of the total 2013 cash distributions declared in 2013.



Individual unitholders:

This amount should be reported on line 174 of Schedule 3 of your Federal 2012 personal income tax return. Please note that only ½ of this capital loss is taxable as indicated on line 199 of Schedule 3.

**Other Information**

**Part IX.1 Tax**

**T5013: Box 169**

This is the amount of Part IX.1 tax payable for the 2013 taxation year for Inter Pipeline.

Individual unitholders:

This amount is NOT reported on your 2013 T1 personal income tax return. This information is required by the CRA to be disclosed in your T5013 slip, however, this amount is provided for information purposes only.

**Taxable non-portfolio earnings (NPF)**

**T5013: Box 170**

This is the amount of the taxable income for the 2013 taxation year for Inter Pipeline.

Individual unitholders:

This amount is NOT reported on your 2013 T1 personal income tax return. This information is required by the CRA to be disclosed in your T5013 slip, however, this amount is provided for information purposes only.

**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. Please consult the Tax Information found at [www.interpipeline.com](http://www.interpipeline.com) for more details.