Interim Consolidated Balance Sheets

(unaudited)(millions of Canadian dollars)	March 31 2020	As at December 31 2019
ASSETS		
Current Assets		
Cash and cash equivalents	**$ 32.0**	$ 32.6
Accounts receivable	**266.9**	323.2
Prepaid expenses and other assets	**43.6**	47.9
Inventory	**8.2**	14.7
Total Current Assets	**350.7**	418.4
Non-Current Assets		
Right-of-use assets	**192.1**	192.7
Property, plant and equipment (note 4)	**12,113.9**	11,757.8
Goodwill and intangible assets	**583.3**	582.5
Total Assets	**$ 13,240.0**	$ 12,951.4
LIABILITIES AND EQUITY		
Current Liabilities		
Dividends payable (note 5)	**$ 60.6**	$ 60.0
Accounts payable, accrued liabilities and provisions	**594.3**	638.0
Lease liabilities	**20.0**	20.1
Current income taxes payable	**0.5**	2.2
Deferred revenue	**13.0**	8.5
Short-term debt and current portion of long-term debt (note 6)	**1,349.3**	1,170.1
Commercial paper (note 6)	**1,112.9**	1,199.3
Total Current Liabilities	**3,150.6**	3,098.2
Non-Current Liabilities		
Long-term debt (note 6)	**4,350.0**	4,267.6
Long-term lease liabilities	**203.3**	203.9
Provisions	**355.4**	286.2
Employee benefits (note 7)	**11.4**	21.5
Long-term deferred revenue and other liabilities	**30.8**	29.2
Deferred income taxes	**991.1**	955.5
Total Liabilities	**9,092.6**	8,862.1
Commitments (notes 4 and 9)		
Equity		
Shareholders' equity	**4,064.4**	4,064.0
Total reserves	**83.0**	25.3
Total Equity	**4,147.4**	4,089.3
Total Liabilities and Equity	**$ 13,240.0**	$ 12,951.4

See accompanying condensed notes to the interim consolidated financial statements.

Interim Consolidated Statements of Changes in Equity

(unaudited)(millions of Canadian dollars)

		Share Capital		Earnings / (Deficit)		Contributed Surplus		Reserves		Total Equity
Balance, January 1, 2020	$	4,900.3	$	(838.8)	$	2.5	$	25.3	**$**	**4,089.3**
Net income for the period		—		89.1		—		—		**89.1**
Other comprehensive income		—		—		—		57.7		**57.7**
Dividends declared (note 5)		—		(181.1)		—		—		**(181.1)**
Issuance of common shares (note 8)										
Issued under Premium Dividend™ and Dividend Reinvestment Plan		92.4		—		—		—		**92.4**
Balance, March 31, 2020	$	4,992.7	$	(930.8)	$	2.5	$	83.0	**$**	**4,147.4**
Balance, January 1, 2019	$	4,541.2	$	(671.4)	$	2.5	$	93.0	$	3,965.3
Net income for the period		—		98.3		—		—		98.3
Other comprehensive loss		—		—		—		(38.0)		(38.0)
Dividends declared (note 5)		—		(173.9)		—		—		(173.9)
Issuance of common shares										
Issued under Premium Dividend™ and Dividend Reinvestment Plan		88.8		—		—		—		88.8
Balance, March 31, 2019	$	4,630.0	$	(747.0)	$	2.5	$	55.0	$	3,940.5

See accompanying condensed notes to the interim consolidated financial statements.

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Interim Consolidated Statements of Net Income

(unaudited)(millions of Canadian dollars)	Three Months Ended March 31 2020	2019
REVENUE		
Operating revenue	**$ 603.8**	$ 658.9
EXPENSES		
Cost of sales	**174.7**	209.0
Operating	**137.7**	145.9
Depreciation and amortization	**85.5**	79.7
Financing charges (note 13)	**48.7**	42.4
General and administrative	**27.5**	45.5
Loss on disposal of assets	**6.5**	0.4
Total Expenses	**480.6**	522.9
INCOME BEFORE INCOME TAXES	**123.2**	136.0
Income tax expense		
Current	**1.4**	1.4
Deferred	**32.7**	36.3
Total Income Tax Expense	**34.1**	37.7
NET INCOME	**$ 89.1**	$ 98.3
Net income per share (note 8)		
Basic and diluted	**$ 0.21**	$ 0.24

Interim Consolidated Statements of Comprehensive Income

(unaudited)(millions of Canadian dollars)	Three Months Ended March 31 2020	2019
NET INCOME	**$ 89.1**	$ 98.3
OTHER COMPREHENSIVE INCOME (LOSS)		
Item that may be reclassified subsequently to net income		
Unrealized gain (loss) on translating financial statements of foreign operations	**57.7**	(38.0)
Other Comprehensive Income (Loss)	**57.7**	(38.0)
COMPREHENSIVE INCOME	**$ 146.8**	$ 60.3

See accompanying condensed notes to the interim consolidated financial statements.

Interim Consolidated Statements of Cash Flows

(unaudited)(millions of Canadian dollars)	Three Months Ended March 31 2020	2019
OPERATING ACTIVITIES		
Net income	**$ 89.1**	$ 98.3
Items not involving cash:		
Depreciation and amortization	**85.5**	79.7
Loss on disposal of assets	**6.5**	0.4
Non-cash recovery	**(6.3)**	(3.2)
Deferred income tax expense	**32.7**	36.3
Funds from operations	**207.5**	211.5
Net change in non-cash operating working capital	**(16.5)**	(30.4)
Cash provided by operating activities	**191.0**	181.1
INVESTING ACTIVITIES		
Expenditures on property, plant and equipment	**(316.5)**	(328.5)
Receipt of government grants	**2.1**	—
Proceeds on disposal of assets	**—**	0.7
Net change in non-cash investing working capital	**42.7**	46.6
Cash used in investing activities	**(271.7)**	(281.2)
FINANCING ACTIVITIES		
Cash dividends paid on common shares	**(88.7)**	(85.1)
Principal payments on lease liabilities	**(5.9)**	(0.9)
Increase in debt	**173.4**	179.1
Transaction costs on debt	**(0.1)**	(6.7)
Net change in non-cash financing working capital	**1.5**	1.9
Cash provided by financing activities	**80.2**	88.3
Effect of foreign currency translation on foreign currency denominated cash	**(0.1)**	(1.5)
Decrease in cash and cash equivalents	**(0.6)**	(13.3)
Cash and cash equivalents, beginning of period	**32.6**	46.2
Cash and cash equivalents, end of period	**$ 32.0**	$ 32.9

Cash taxes paid	**$ 2.9**	$ 1.2
Cash interest paid	**$ 68.3**	$ 45.9

See accompanying condensed notes to the interim consolidated financial statements.

Condensed Notes to Interim Consolidated Financial Statements
March 31, 2020

(unaudited)(millions of Canadian dollars, except as otherwise indicated)

1. STATEMENT OF COMPLIANCE AND BASIS OF PREPARATION

These unaudited condensed interim consolidated financial statements (interim financial statements) have been prepared in accordance with International Accounting Standard 34 *Interim Financial Reporting*. These interim financial statements do not contain all disclosures required by International Financial Reporting Standards (IFRS) for annual financial statements and accordingly, should be read in conjunction with Inter Pipeline Ltd.'s (Inter Pipeline) audited consolidated financial statements and notes thereto for the year ended December 31, 2019.

Inter Pipeline has consistently applied the same accounting policies for all periods presented in these interim financial statements as those used in Inter Pipeline's audited consolidated financial statements for the year ended December 31, 2019.

These interim financial statements were authorized for issue in accordance with a resolution of the Board of Directors of Inter Pipeline on May 7, 2020.

2. ESTIMATION AND JUDGMENTS DUE TO NEW DEVELOPMENTS

In March 2020, the World Health Organization declared a global pandemic following the emergence and rapid spread of a novel strain of the coronavirus (COVID-19). The outbreak and the measures intended to limit the pandemic contributed to the recent retracement and volatility in financial markets, which have adversely impacted global commercial activity, including significantly reducing worldwide demand for crude oil. The supply conflict between the Organization of Petroleum Exporting Countries and other oil producing countries over production restrictions has also impacted crude oil prices, resulting in increased global supply. Due to the depressed commodity prices and financial markets, Inter Pipeline's share price and market capitalization significantly declined in the current quarter.

The full extent of the impact of COVID-19 on Inter Pipeline's operations and future financial performance is currently unknown. In the short-to-medium term, Inter Pipeline believes that COVID-19 represents a set of macro risks which are challenging to quantify, and its impact on capital and financial markets continues to evolve as new information on the severity of the virus emerges. The outbreak presents uncertainty and risk with respect to Inter Pipeline, its performance, and estimates and assumptions used by Management in the preparation of its financial results. These uncertainties, which may persist beyond when it is determined how to contain the virus and reduce its impact, may increase the complexity of estimates and assumptions used to prepare the interim financial statements, and changes to these assumptions could result in a material adjustment to the carrying amount of assets and liabilities within the next financial year. Examples of significant estimates include the determination of triggering events for impairment of non-financial assets, provisions, fair value measurements, including those related to financial instruments, unrecognized tax benefits and recognition of tax assets.

For further information, including a full discussion of critical accounting estimates, please see Inter Pipeline's audited consolidated financial statements for the year ended December 31, 2019 available on SEDAR at www.sedar.com or on Inter Pipeline's website at www.interpipeline.com.

3. SEGMENT REPORTING

Inter Pipeline operates its business under the following principal business segments:

Three Months Ended March 31, 2020

	Canada					Europe	
	Oil Sands Transportation	NGL Processing	Conventional Oil Pipelines	Corporate	Total Canadian Operations	Bulk Liquid Storage	Total Canadian and European Operations
REVENUE							
Cost-of-service	$ 204.6	$ 11.9	$ 14.5	$ —	$ 231.0	$ 58.5	$ 289.5
Fee-based	—	56.8	35.3	—	92.1	22.5	114.6
Commodity-based	—	102.8	—	—	102.8	—	102.8
Product margin	—	—	96.9	—	96.9	—	96.9
TOTAL REVENUE[(1)]	$ 204.6	$ 171.5	$ 146.7	$ —	$ 522.8	$ 81.0	$ 603.8
EXPENSES							
Cost of sales	—	81.7	93.0	—	174.7	—	174.7
Operating	37.2	46.2	16.5	—	99.9	37.8	137.7
Depreciation and amortization	27.6	24.5	6.0	7.5	65.6	19.9	85.5
Financing charges	8.5	0.4	0.3	38.1	47.3	1.4	48.7
General and administrative	4.7	—	—	15.1	19.8	7.7	27.5
Loss (gain) on disposal of assets	1.4	2.0	2.6	(0.1)	5.9	0.6	6.5
TOTAL EXPENSES	79.4	154.8	118.4	60.6	413.2	67.4	480.6
INCOME (LOSS) BEFORE INCOME TAXES	125.2	16.7	28.3	(60.6)	109.6	13.6	123.2
Income tax expense	—	—	—	32.5	32.5	1.6	34.1
NET INCOME (LOSS)	$ 125.2	$ 16.7	$ 28.3	$ (93.1)	$ 77.1	$ 12.0	$ 89.1
Items not involving cash:							
Depreciation and amortization[(2)]	29.0	26.5	8.6	7.4	71.5	20.5	92.0
Non-cash expense (recovery)	0.3	—	(0.3)	(7.5)	(7.5)	1.2	(6.3)
Deferred income tax expense	—	—	—	31.6	31.6	1.1	32.7
FUNDS FROM (USED IN) OPERATIONS	$ 154.5	$ 43.2	$ 36.6	$ (61.6)	$ 172.7	$ 34.8	$ 207.5
EXPENDITURES ON PROPERTY, PLANT AND EQUIPMENT	$ 5.7	$ 264.0	$ 24.5	$ 6.2	$ 300.4	$ 16.1	$ 316.5
							As at March 31, 2020
Property, plant and equipment - net book value	$ 6,066.9	$ 3,800.3	$ 855.6	$ 83.8	$ 10,806.6	$ 1,307.3	$ 12,113.9
Goodwill and intangible assets - net book value	$ 203.7	$ 193.6	$ —	$ —	$ 397.3	$ 186.0	$ 583.3
Other assets	$ 79.8	$ 154.6	$ 65.3	$ 84.3	$ 384.0	$ 158.8	$ 542.8
TOTAL ASSETS	$ 6,350.4	$ 4,148.5	$ 920.9	$ 168.1	$ 11,587.9	$ 1,652.1	$ 13,240.0

(1) NGL Processing revenue includes $38.3 million of sales to external customers located in the United States.

(2) Includes loss (gain) on disposal of assets.

Three Months Ended March 31, 2019							
	Canada					Europe	
	Oil Sands Transportation	NGL Processing	Conventional Oil Pipelines	Corporate	Total Canadian Operations	Bulk Liquid Storage	Total Canadian and European Operations
REVENUE							
Cost-of-service	$ 200.7	$ 13.6	$ 14.1	$ —	$ 228.4	$ 49.6	$ 278.0
Fee-based	—	64.7	36.3	—	101.0	23.5	124.5
Commodity-based	—	130.5	—	—	130.5	—	130.5
Product margin	—	—	125.9	—	125.9	—	125.9
TOTAL REVENUE(1)	$ 200.7	$ 208.8	$ 176.3	$ —	$ 585.8	$ 73.1	$ 658.9
EXPENSES							
Cost of sales	—	87.5	121.5	—	209.0	—	209.0
Operating	37.1	53.0	20.4	—	110.5	35.4	145.9
Depreciation and amortization	23.0	23.1	5.6	7.6	59.3	20.4	79.7
Financing charges	9.9	0.6	0.3	30.1	40.9	1.5	42.4
General and administrative	6.1	—	—	31.0	37.1	8.4	45.5
Loss (gain) on disposal of assets	—	0.4	(0.1)	—	0.3	0.1	0.4
TOTAL EXPENSES	76.1	164.6	147.7	68.7	457.1	65.8	522.9
INCOME (LOSS) BEFORE INCOME TAXES	124.6	44.2	28.6	(68.7)	128.7	7.3	136.0
Income tax expense	—	—	—	37.7	37.7	—	37.7
NET INCOME (LOSS)	$ 124.6	$ 44.2	$ 28.6	$ (106.4)	$ 91.0	$ 7.3	$ 98.3
Items not involving cash:							
Depreciation and amortization(2)	23.0	23.5	5.5	7.6	59.6	20.5	80.1
Non-cash expense (recovery)	—	0.3	—	(3.7)	(3.4)	0.2	(3.2)
Deferred income tax expense (recovery)	—	—	—	37.5	37.5	(1.2)	36.3
FUNDS FROM (USED IN) OPERATIONS	$ 147.6	$ 68.0	$ 34.1	$ (65.0)	$ 184.7	$ 26.8	$ 211.5
EXPENDITURES ON PROPERTY, PLANT AND EQUIPMENT	$ 42.8	$ 257.9	$ 19.7	$ 0.1	$ 320.5	$ 8.1	$ 328.6

							As at December 31, 2019
Property, plant and equipment - net book value	$ 6,057.9	$ 3,541.7	$ 829.3	$ 80.8	$ 10,509.7	$ 1,248.1	$ 11,757.8
Goodwill and intangible assets - net book value	$ 204.7	$ 200.9	$ —	$ —	$ 405.6	$ 176.9	$ 582.5
Other assets	$ 78.8	$ 196.3	$ 101.0	$ 85.0	$ 461.1	$ 150.0	$ 611.1
TOTAL ASSETS	$ 6,341.4	$ 3,938.9	$ 930.3	$ 165.8	$ 11,376.4	$ 1,575.0	$ 12,951.4

(1) NGL Processing revenue includes $40.1 million of sales to external customers located in the United States.

(2) Includes loss (gain) on disposal of assets.

4. PROPERTY, PLANT AND EQUIPMENT

	Pipelines, Facilities and Equipment	Construction Work in Progress	Leased to Others	Total
COST				
Balance, January 1, 2019	$ 9,556.4	$ 1,288.0	$ 1,534.2	$ 12,378.6
Additions/transfers from construction[1]	414.8	1,645.5	44.3	2,104.6
Disposals/completed construction[1]	(38.4)	(444.3)	(4.8)	(487.5)
Foreign currency translation adjustments	(2.8)	(0.6)	(80.3)	(83.7)
Balance, December 31, 2019	9,930.0	2,488.6	1,493.4	13,912.0
Additions/transfers from construction[1]	206.6	380.1	—	586.7
Disposals/completed construction[1]	(12.6)	(207.3)	(0.6)	(220.5)
Foreign currency translation adjustments	4.8	1.6	69.5	75.9
Balance, March 31, 2020	**$ 10,128.8**	**$ 2,663.0**	**$ 1,562.3**	**$ 14,354.1**
ACCUMULATED DEPRECIATION				
Balance, January 1, 2019	$ 1,538.4	$ —	$ 382.4	$ 1,920.8
Depreciation	198.4	—	69.0	267.4
Disposals	(15.4)	—	(3.8)	(19.2)
Foreign currency translation adjustments	(0.1)	—	(14.7)	(14.8)
Balance, December 31, 2019	1,721.3	—	432.9	2,154.2
Depreciation	57.8	—	15.9	73.7
Disposals	(5.9)	—	(0.3)	(6.2)
Foreign currency translation adjustments	0.2	—	18.3	18.5
Balance, March 31, 2020	**$ 1,773.4**	**$ —**	**$ 466.8**	**$ 2,240.2**
NET BOOK VALUE				
As at December 31, 2019	$ 8,208.7	$ 2,488.6	$ 1,060.5	$ 11,757.8
As at March 31, 2020	**$ 8,355.4**	**$ 2,663.0**	**$ 1,095.5**	**$ 12,113.9**

(1) The majority of property, plant and equipment additions are related to constructed assets and are initially recorded as construction work in progress before being transferred to pipelines, facilities and equipment, or classified as leased to others, when the related asset is available for use.

At March 31, 2020, Inter Pipeline had $487.6 million of contractual commitments for property, plant and equipment.

5. DIVIDENDS TO SHAREHOLDERS

(millions, except per share amounts)	Three Months Ended March 31 **2020**	2019
Dividends declared on common shares	**$ 181.1**	$ 173.9
Dividends settled with the issuance of shares under the Premium Dividend™ and Dividend Reinvestment Plan	**(92.4)**	(88.8)
Cash dividends paid on common shares	**$ 88.7**	$ 85.1
Dividends declared per share	**$ 0.4275**	$ 0.4275

As at March 31, 2020, dividends of $60.6 million were payable on 425.4 million outstanding common shares at $0.1425 per share (December 31, 2019 - $60.0 million payable on 420.7 million outstanding common shares at $0.1425 per share).

On April 7, 2020, Inter Pipeline declared dividends of $0.04 per share. The dividends will be paid on or about May 15, 2020, to shareholders of record on April 22, 2020. The total declared dividends are $17.2 million.

6. FINANCIAL DEBT

The following table summarizes Inter Pipeline's financial debt as at March 31, 2020 and December 31, 2019:

	March 31 2020	December 31 2019
Corridor syndicated credit facility	**$ 1,344.5**	$ 1,205.1
Inter Pipeline syndicated credit facility	**198.0**	18.0
Inter Pipeline term credit facility	**500.0**	500.0
Corridor debentures	**—**	150.0
Medium-term notes	**3,325.0**	3,325.0
Subordinated hybrid notes	**1,450.0**	1,450.0
Demand facilities(1)	**25.5**	21.4
Long-term debt, short-term debt and commercial paper (excluding transaction costs and discounts)	**6,843.0**	6,669.5
Less: Short-term debt, current portion of long-term debt and commercial paper(2)	**(2,468.2)**	(2,376.5)
Long-term debt excluding transaction costs and discounts	**4,374.8**	4,293.0
Transaction costs, net of accumulated amortization	**(27.9)**	(28.8)
Discount, net of accumulated amortization	**(2.9)**	(3.7)
Add: Current portion of transaction costs and discounts	**6.0**	7.1
Long-term debt	**4,350.0**	4,267.6
Short-term debt and current portion of long-term debt including transaction costs and discounts	**1,349.3**	1,170.1
Commercial paper including transaction costs and discounts(2)	**1,112.9**	1,199.3
Financial debt	**$ 6,812.2**	$ 6,637.0

(1) At March 31, 2020, letters of credit totaling $11.1 million (December 31, 2019 - $11.3 million) have been issued under Inter Pipeline's demand facility; however no amounts have been borrowed against the facility at March 31, 2020 (December 31, 2019 - $nil).

(2) Commercial paper issued by Corridor is fully supported and management expects that it will continue to be supported by the Corridor syndicated credit facility that has no repayment requirements until December 2023.

On February 3, 2020, the $150 million 4.897% Corridor debentures matured and were repaid.

On April 24, 2020, Inter Pipeline entered into a new $1.0 billion unsecured revolving credit facility. The facility has an initial term of 16-months which can be extended under certain conditions. Fees on amounts borrowed are based on bankers' acceptances

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plus an applicable margin. Other terms and conditions are substantially similar with Inter Pipeline's existing $1.5 billion syndicated credit facility.

On April 24, 2020, Inter Pipeline extended the maturity date of the $500 million term credit facility to August 13, 2022.

7. EMPLOYEE BENEFITS

	March 31 2020	December 31 2019
Long-term incentive plan liability	$ 2.5	$ 12.7
Pension liability	8.9	8.8
Employee benefits	$ 11.4	$ 21.5

For the three months ended March 31, 2020, employee benefits expense recognized in net income was $41.4 million (three months ended March 31, 2019 - $61.5 million).

Long-Term Incentive Plan Liability

Restricted Share Units

The following table summarizes the status of Inter Pipeline's Restricted Share Units (RSUs) as at March 31, 2020, and December 31, 2019:

(thousands)	Number of RSUs
Balance, January 1, 2019	1,259.1
Granted	1,231.8
Exercised	(572.4)
Forfeited	(107.8)
Balance, December 31, 2019	1,810.7
Granted	1,297.7
Exercised	(101.6)
Forfeited	(8.2)
Balance, March 31, 2020	**2,998.6**

At March 31, 2020, the current portion of the liability included in accounts payable, accrued liabilities and provisions was $13.7 million (December 31, 2019 - $31.0 million). At March 31, 2020, 686.8 thousand RSUs are exercisable (December 31, 2019 - 788.3 thousand). Inter Pipeline's five day simple average closing share price at March 31, 2020, was $8.98 (December 31, 2019 - $22.61).

The total intrinsic value of RSUs vested and not exercised as at March 31, 2020 was $8.2 million (December 31, 2019 - $19.6 million).

The weighted average remaining contractual life of the outstanding RSUs as at March 31, 2020, was 2.0 years (December 31, 2019 - 1.7 years).

For the three months ended March 31, 2020, RSU recoveries of $2.9 million and $10.1 million were included in operating and general and administrative expenses, respectively (three months ended March 31, 2019 - costs of $1.9 million and $6.1 million, respectively), before allocations to capital projects.

Performance Share Units

The following table summarizes the status of Inter Pipeline's Performance Share Units (PSUs) as at March 31, 2020, and December 31, 2019:

(thousands)	Number of PSUs
Balance, January 1, 2019	243.9
Granted	207.3
Exercised	(112.8)
Balance, December 31, 2019	338.4
Granted	199.0
Balance, March 31, 2020	**537.4**

At March 31, 2020, the current portion of the liability included in accounts payable, accrued liabilities and provisions was $0.3 million (December 31, 2019 - $2.7 million). Inter Pipeline's 20 trading day volume weighted average share price at March 31, 2020 was $10.30 (December 31, 2019 - $22.31).

The weighted average remaining contractual life of the outstanding PSUs as at March 31, 2020, was 1.9 years (December 31, 2019 - 1.2 years).

For the three months ended March 31, 2020, PSU recoveries of $1.3 million were included in general and administrative expenses (three months ended March 31, 2019 - costs of $0.3 million).

8. SHAREHOLDERS' EQUITY

a) Issued, Fully Paid and Outstanding

(millions)	Number of Common Shares		Share Capital
Balance, January 1, 2019	403.8	$	4,541.2
Issued under Premium Dividend™ and Dividend Reinvestment Plan	16.9		359.1
Balance, December 31, 2019	420.7		4,900.3
Issued under Premium Dividend™ and Dividend Reinvestment Plan	4.7		92.4
Balance, March 31, 2020	**425.4**	**$**	**4,992.7**

b) Premium Dividend™ and Dividend Reinvestment Plan

Effective March 30, 2020, Inter Pipeline suspended the Premium Dividend™ and Dividend Reinvestment Plan indefinitely.

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c) Calculation of Net Income per Common Share

(millions, except per share amounts)	Three Months Ended March 31 2020	2019
Net income – basic and diluted	$ 89.1	$ 98.3
Weighted average shares outstanding – basic	422.9	406.0
Effect of Premium Dividend™ and Dividend Reinvestment Plan	1.4	1.1
Weighted average shares outstanding – diluted	424.3	407.1
Net income per common share – basic and diluted	$ 0.21	$ 0.24

9. COMMITMENTS AND CONTINGENCIES

Inter Pipeline had operating purchase commitments totaling approximately $2,743.4 million at March 31, 2020. Refer to note 4 for committed property, plant and equipment expenditures.

Inter Pipeline is involved in a limited number of legal claims which arise in the normal course of business. While the final outcome of these claims are not known, Inter Pipeline expects that any liabilities that might arise, to the extent not provided for, are not likely to have a material effect on its consolidated financial statements.

10. CAPITAL DISCLOSURES

Capital under management includes financial debt and shareholders' equity.

At March 31, 2020, Inter Pipeline had access to committed credit facilities totaling $3,550.0 million, of which $1,507.5 million remained unutilized. Inter Pipeline also had access to demand facilities of $170.4 million, of which $133.8 million remained unutilized. Certain facilities are available to specific subsidiaries of Inter Pipeline.

Inter Pipeline was compliant with all financial covenants throughout each of the periods presented.

11. FINANCIAL INSTRUMENTS

a) Classification of Financial Assets and Financial Liabilities

The carrying value of Inter Pipeline's financial assets and liabilities recorded at March 31, 2020, are classified as follows:

	Amortized Cost	Non-Financial Asset or Liability(1)	Carrying Value of Asset or Liability
Assets(2)			
Cash and cash equivalents	$ 32.0	$ —	$ 32.0
Accounts receivable	249.7	17.2	266.9
Prepaid expenses and other assets	0.2	43.4	43.6
Liabilities			
Dividends payable	$ 60.6	$ —	$ 60.6
Accounts payable, accrued liabilities and provisions	547.8	46.5	594.3
Deferred revenue and other liabilities	13.7	30.1	43.8
Long-term debt, short-term debt and commercial paper (note 6)(3)	6,843.0	—	6,843.0

(1) Not all components of assets and liabilities meet the definition of a financial asset or liability.

(2) Inter Pipeline does not have any assets that meet the definition of "fair value through profit or loss" or "fair value through other comprehensive income".

(3) Carrying values exclude transaction costs, discount and accumulated amortization.

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b) Fair Value of Fixed Rate Debt

At March 31, 2020, the carrying values of fixed rate debt compared to fair values are as follows:

	Carrying Value(1)	Fair Value
Medium-term notes	$ 3,325.0	$ 3,102.8
Subordinated hybrid notes	$ 1,450.0	$ 1,066.5

(1) Carrying value excludes transaction costs, discount and accumulated amortization.

The estimated fair value of fixed rate debt has been determined based on available market information and appropriate valuation methods, including the use of discounted future cash flows using current rates for similar financial instruments subject to similar risks and maturities. The actual amounts realized may differ from these estimates.

12. RISK MANAGEMENT

Inter Pipeline is exposed to a number of inherent financial risks arising in the normal course of operations which include market risk related to interest rates, commodity prices and foreign currency exchange rates, credit risk and liquidity risk.

a) Market Risk

Based on the variable rate debt obligations outstanding at March 31, 2020, a 1% change in interest rates at this date would have changed interest expense for the three months ended March 31, 2020, by approximately $5.1 million assuming all other variables remain constant. Of this amount, $3.3 million for the three months ended March 31, 2020, relates to the Corridor syndicated credit facility (note 6) and is recoverable through the terms of the Corridor Firm Service Agreement; therefore, the after-tax income impact for the three months ended March 31, 2020, would be $1.4 million. When deemed appropriate, Inter Pipeline may enter into interest rate or cross-currency swap agreements to manage its interest rate price risk exposure. As at March 31, 2020, there were no interest rate or cross-currency swap agreements outstanding.

Inter Pipeline is exposed to commodity price risk on crude oil, natural gas, NGL, parafinic and olefinic products. As at March 31, 2020, there were no material commodity price derivative financial instruments outstanding.

Transactional foreign currency risk exposures have not been significant historically, therefore foreign exchange derivative financial instruments are not entered into. As at March 31, 2020, there were no foreign exchange derivative financial instruments outstanding.

b) Credit Risk

Credit risk exposure relates primarily to the non-performance of Inter Pipeline's customer and financial counterparties. Inter Pipeline believes that the credit risk arising from cash and cash equivalents is minimal as these financial assets are predominantly held with major financial institutions. At March 31, 2020, Inter Pipeline considers that the risk of non-performance of its customers is minimal based on Inter Pipeline's credit approval, ongoing monitoring procedures and historical experience. However, with the uncertainty surrounding COVID-19 and recent market volatility, Inter Pipeline has increased the scrutiny and diligence applied to credit monitoring procedures.

Inter Pipeline assesses lifetime expected credit losses for accounts receivable using historical default rates, aged accounts receivable analysis, and forward looking information to determine the appropriate expected credit losses. At March 31, 2020, lifetime expected credit losses for accounts receivable outstanding were insignificant.

Concentrations of credit risk associated with accounts receivable relate to a limited number of principal customers in the oil sands transportation and NGL processing business segments, the majority of which are affiliated with investment grade corporations in the energy and chemical industry sectors. At March 31, 2020, accounts receivable associated with these two business segments were $177.7 million or 66.6% of total accounts receivable outstanding. Inter Pipeline believes the credit risk associated with the remainder of accounts receivable is minimized due to diversity across business segments and customers.

c) Liquidity Risk

The table below summarizes the contractual maturity profile of Inter Pipeline's financial liabilities at March 31, 2020, on an undiscounted basis:

	Total	Less Than One Year	One to Five Years	After Five Years
Dividends payable	$ 60.6	$ 60.6	$ —	$ —
Accounts payable, accrued liabilities and provisions	594.3	594.3	—	—
Lease liabilities	315.1	27.6	95.9	191.6
Deferred revenue and other liabilities	43.8	13.0	22.0	8.8
Long-term debt, short-term debt and commercial paper(1)	6,843.0	2,468.2	1,974.8	2,400.0
Total	$ 7,856.8	$ 3,163.7	$ 2,092.7	$ 2,600.4

(1) Commercial paper issued by Corridor is fully supported and management expects that it will continue to be supported by the Corridor syndicated credit facility that has no repayment requirements until December 2023.

13. FINANCING CHARGES

	Three Months Ended March 31	
	2020	2019
Interest expense on:		
Credit facilities	**$ 12.5**	$ 15.5
Corridor debentures	**0.6**	1.8
Medium-term notes	**29.9**	29.9
Subordinated hybrid notes	**24.5**	0.9
Lease liabilities	**2.1**	2.2
Total Interest	**69.6**	50.3
Capitalized interest	**(23.3)**	(10.1)
Amortization of transaction costs on financial debt	**1.1**	0.9
Accretion of provisions and pension plan funding charges	**1.3**	1.3
Financing charges	**$ 48.7**	$ 42.4