

ENBRIDGE PIPELINES INC.

OFFSHORE CRUDE PETROLEUM TARIFF

RULES AND REGULATIONS

Governing the

TRANSPORTATION

of

OFFSHORE CRUDE PETROLEUM

▲ Denotes changes in wording from NEB No. 279

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RULES AND REGULATIONS

1. DEFINITIONS

As used in this tariff, the following terms have the following meanings:

“API” means American Petroleum Institute.

“ASTM” means American Society for Testing and Materials.

~~“Available Capacity” means the capacity of Line 9 which is available to transport Offshore Crude Petroleum in a given month as determined by Carrier.~~

“Carrier” means Enbridge Pipelines Inc.

~~“Committed Shipper” means a Shipper that has executed a TSA.~~

~~“Committed Volumes” means volumes as defined in the TSA.~~

“Crude Petroleum” means the direct liquid product of oil wells, oil processing plants, the indirect liquid petroleum products of oil or gas wells, or a mixture of such products, but does not include natural gas liquids or refined petroleum products.

“Density” means mass per unit volume at 15 degrees Celsius expressed in kilograms per cubic metre.

“Force Majeure” means an event, which is unforeseen, and beyond the control of the Shipper that either prevents the Shipper from delivering the affected volume to Carrier or prevents the Shipper from accepting delivery of the affected volume from Carrier. The following are the only instances that will be recognized as Force Majeure events: earthquakes; floods; landslides; civil disturbances; sabotage; the acts of public enemies; war; blockades; insurrections; riots; epidemics; the act of any government or other authority or statutory undertaking; the inability to obtain or the curtailment of electric power, water or fuel; strikes, lockouts or other labour disruptions; fires; explosions; breakdowns or failures of pipe, plant, machinery or equipment; and contamination or poisoning of catalyst and/or solvent or biological treatment facilities. For greater certainty, a lack of funds; the availability of a more attractive market; Shipper’s inability to purchase Offshore Crude Petroleum; or inefficiencies in operations do not constitute events of Force Majeure.

“Kilopascal” is equivalent to 0.145 037 7 pounds per square inch.

“Light Petroleum” means a commodity having a density from 800 kilograms per cubic metre (kg/m^3) up to but not including 876 kg/m^3 and a viscosity from 2 square millimetres per second (mm^2/s) up to but not including $20 \text{ mm}^2/\text{s}$ will be classified as Light Petroleum.

“Line 9” means that pipeline and related facilities owned and operated by the Carrier extending from Montreal, Quebec to Sarnia, Ontario and operating in an east to west direction.

~~“Make-Up Volume” means volumes as defined in the TSA.~~

“Medium Petroleum” means a commodity having a density from 876 kilograms per cubic metre (kg/m^3) up to but not including 904 kg/m^3 and a viscosity from $20 \text{ mm}^2/\text{s}$ up to but not including $100 \text{ mm}^2/\text{s}$ will be classified as Medium Petroleum. Medium Petroleum is assessed the light crude transmission charge plus a surcharge of 8%, which is included in the table of Medium Offshore Crude Petroleum Transmission and Terminalling ▲Tolls.

“NEB” means the National Energy Board.

“Offshore Crude Petroleum” means Offshore Crude Petroleum that is received by the Carrier at its Regular Receiving Point in Montreal, Quebec.

“Regular Delivery Point” means a location for the delivery of Offshore Crude Petroleum as provided for in the Carrier’s tariff for Tolls Applying on Offshore Crude Petroleum Transported in Line 9 Operating in an East to West Direction.

“Regular Receiving Point” means a location for the receipt of Offshore Crude Petroleum as provided for in the Carrier’s tariff for Tolls Applying on Offshore Crude Petroleum Transported in Line 9 Operating in an East to West Direction.

“Retention Stock” means the volume of Offshore Crude Petroleum required by the Carrier for operational and scheduling purposes as specified from time to time by the Carrier and includes working stock and tank bottoms.

RULES AND REGULATIONS

1. DEFINITIONS (Continued)

“**Shipper**” means for any day, any person that delivers Offshore Crude Petroleum to the Carrier in accordance with the person’s Tender, for transportation under the terms of this tariff, and that has satisfied the Carrier of that party’s capacity to perform its financial obligations that may arise from the transportation of its Offshore Crude Petroleum under the terms of this tariff, and includes a transferee of a Shipper’s rights and obligations, as approved in accordance with paragraph (c) of Rule 15.

“**Tender**” means for any person, the volume of Offshore Crude Petroleum nominated by the person for transportation by the Carrier, under the terms of this tariff from a Regular Receiving Point to a Regular Delivery Point.

~~“**Toll**” means a toll, as defined in the TSA.~~

~~“**TSA**” means a Transportation Service Agreement executed by a Committed Shipper with Carrier.~~

~~“**Uncommitted Volumes**” means volumes as defined in the TSA.~~

2. COMMODITY

This tariff applies to the transportation of Offshore Crude Petroleum by the Carrier.

3. ORIGIN AND DESTINATION FACILITIES

- (a) Subject to the provisions of this tariff, the Carrier will only accept Offshore Crude Petroleum for transportation: (i) at Regular Receiving Points; (ii) when it is specified in writing that the Offshore Crude Petroleum is to be delivered to one or more Regular Delivery Points; and (iii) when the party taking delivery of the Offshore Crude Petroleum is specified in writing to the Carrier.
- (b) Except where the Carrier provides such facilities, the Carrier will only accept Offshore Crude Petroleum for transportation when the Shipper has provided the necessary facilities satisfactory to the Carrier at the specified Regular Delivery Point for such Offshore Crude Petroleum.

4. SPECIFICATIONS AS TO QUALITY

- (a) Subject to paragraph (b) of Rule 4, a Shipper shall not deliver to the Carrier and the Carrier shall not be obligated to accept Offshore Crude Petroleum that, as determined by the Carrier, has on receipt:
 - (i) a temperature greater than 38 degrees Celsius;
 - (ii) a Reid vapour pressure in excess of 103 Kilopascals;
 - (iii) sediment and water in excess of 1.0 percent by volume;
 - (iv) a Density in excess of 904 kilograms per cubic metre at 15 degrees Celsius;
 - (v) a kinematic viscosity in excess of 100 square millimetres per second, determined at the lower of the temperature of such Offshore Crude Petroleum or the Carrier’s reference line temperature; (vi) any organic chlorides; or (vii) physical or chemical characteristics that may, in the discretion of the Carrier, render such Offshore Crude Petroleum not readily transportable by the Carrier or that may, in the discretion of the Carrier, materially affect the quality of other commodities transported by the Carrier or that may otherwise, in the discretion of the Carrier, cause disadvantage to the Carrier.
- (b) A Shipper shall not deliver and the Carrier shall not be obligated to accept Offshore Crude Petroleum destined for movement through tankage not dedicated for Line 9 use, that, as determined by the Carrier, has on receipt, sediment and water in excess of 0.5 percent by volume.
- (c) A Shipper shall, as required by the Carrier, provide to the Carrier a certificate with respect to the specifications of Offshore Crude Petroleum to be received by the Carrier from such Shipper. If a Shipper fails to provide the Carrier with such certificate, then the Carrier shall not be obligated to accept the Shipper’s Offshore Crude Petroleum.
- (d) If the Carrier determines that a Shipper does not comply with the provisions of paragraphs (a) or (b) of Rule 4 of this tariff, then such Shipper shall remove its Offshore Crude Petroleum from the facilities of the Carrier as directed by the Carrier.
- (e) If a Shipper fails to remove its Offshore Crude Petroleum from the facilities of the Carrier as directed by the Carrier, then the Carrier may remove and sell such Offshore Crude Petroleum in such lawful manner as deemed appropriate by the Carrier. The Carrier shall pay from the proceeds of such sale all costs incurred by the Carrier with respect to the storage, removal and sale of such Offshore Crude Petroleum. The remainder of such proceeds, if any, shall be held by the Carrier for the Shipper and any other party lawfully entitled to such proceeds.

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5. CHANGES IN QUALITY AND SEGREGATION

- (a) The Carrier shall endeavour to deliver substantially the same type of Offshore Crude Petroleum as that received from a Shipper, however the Carrier shall not be obligated to make delivery of the identical Offshore Crude Petroleum received by the Carrier.
- (b) If Offshore Crude Petroleum tendered to the Carrier is of a kind or quality that is not currently being transported by the Carrier, then the Carrier shall, at the request of the Shipper of such Offshore Crude Petroleum and subject to the operating conditions of the facilities of the Carrier, endeavour to segregate such Offshore Crude Petroleum during transportation by the Carrier. In such circumstances, the Shipper shall, at the request of the Carrier, make such Offshore Crude Petroleum available in such quantities and at such times as may be necessary to permit such segregated movements.
- (c) Subject to paragraph (a) of Rule 12 of this tariff, the Carrier shall not be liable for any damage, loss or consequential loss resulting from a change in the Density or other quality of a Shipper's Offshore Crude Petroleum as a result of the Carrier's transportation of such Offshore Crude Petroleum, including without limitation the mixing of Offshore Crude Petroleum with other Offshore Crude Petroleum in the facilities of the Carrier.

6. TENDERS, RATES, VOLUMES

- (a) Tenders shall be submitted to the Carrier in accordance with the notice of shipment format prescribed by the Carrier no later than the time and date set out in the Carrier's monthly nomination schedule. The Carrier shall notify all Shippers of the monthly nomination schedule applicable for the calendar year. Notice of any amendment to a monthly nomination date shall be provided by the Carrier to all Shippers at minimum 24 hours in advance of the proposed change in nomination date.
- ~~(b) In the event that a Committed Shipper fails to nominate and/or Tender a volume of Crude Petroleum equal to its monthly Committed Volume, it shall nonetheless make a payment to Carrier the tolls as outlined in the TSA.~~
- ~~(c) In the event that a Committed Shipper makes a payment pursuant to Section 6(b) above, a Committed Shipper shall have the right to transport the Monthly Deficiency Volume as future Make Up Volume in accordance with the following terms:
 - ~~(i) The Monthly Deficiency Payment constitutes pre payment for the transportation of Make Up Volume;~~
 - ~~(ii) Committed Shipper shall be entitled to transport all of its Monthly Deficiency Volume during the next twelve (12) month period. However, no more than fifty percent (50%) of the Monthly Deficiency Volume may be Tendered over the subsequent twelve (12) month period. At the end of the applicable twelve (12) month period, the right to Tender any outstanding Monthly Deficiency Volume expires unless there was an event of Force Majeure. If an event of Force Majeure occurs, the applicable twelve (12) month period of time during which Committed Shipper may Tender its Monthly Deficiency Volume will be extended by the greater of one (1) month or the actual period of the Force Majeure event.~~
 - ~~(iii) The Carrier agrees to accept Make Up Volumes, provided that, the total amount of Make Up Volume that can be Tendered is limited to 25,000 b/d for each Committed Shipper during each Month and operations permit. Following an event of Force Majeure, a Committed Shipper will be allowed to Tender up to fifty percent (50%) of its Make Up Volume attributable to the Force Majeure period in each of the two (2) Months following the Force Majeure event.~~~~
- ~~(d)~~(b) The Carrier may, subject to the availability of space and the operating conditions of the facilities of the Carrier, accept Tenders or revised Tenders after such time. The Carrier may publicly disclose the volume of each Shipper's Offshore Crude Petroleum tendered to the Carrier by the categories of:
 - (i) Light or Medium Petroleum; or
 - (ii) condensate.
- ~~(e)~~(c) A Shipper shall, upon notice from the Carrier, provide written third party verification as required by the Carrier in support of such Shipper's Tender. The Carrier shall not be obligated to accept a Shipper's Offshore Crude Petroleum where such verification is, in the sole discretion of the Carrier, unacceptable to the Carrier.
- ~~(f)~~(d) The Carrier shall not be obligated to accept a Shipper's Offshore Crude Petroleum if the volume of such Offshore Crude Petroleum is less than the minimum volume prescribed by the Carrier or if the rate at which such Offshore Crude Petroleum is received by the Carrier is less than or greater than the rates specified from time to time by the Carrier for each Regular Receiving Point.
- ~~(g)~~(e) The Carrier shall not be obligated to make a delivery of a Shipper's Offshore Crude Petroleum if such Offshore Crude Petroleum is less than the minimum volume or at a rate less than or greater than the rates specified from time to time by the Carrier for each Regular Delivery Point.

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~~(h)~~(f) A Shipper shall supply its share of Retention Stock by types and volumes as determined from time to time by the Carrier.

7. APPLICATION OF TOLLS

The Carrier shall charge a Shipper the Carrier's Toll and any related charges and costs for the transportation of Offshore Crude Petroleum that are in effect on the date of delivery at the designated Regular Delivery Point for such Offshore Crude Petroleum.

8. PAYMENT OF TOLLS AND LIEN FOR UNPAID CHARGES

- (a) A Shipper shall pay the Toll and any related charges and costs as provided for in this tariff relating to the transportation of such Shipper's Offshore Crude Petroleum by the Carrier. The Shipper shall pay the Toll and any related charges and costs upon receipt of the Carrier's invoice respecting same. If required by the Carrier, the Shipper shall pay the Toll and any related charges and costs before delivery of the Shipper's Offshore Crude Petroleum by the Carrier
 - (b) The Carrier shall have a general lien on all of a Shipper's Offshore Crude Petroleum that is in the possession of the Carrier to secure the payment of the Toll and any related costs and charges accruing or due relating to the transportation of the Shipper's Offshore Crude Petroleum by the Carrier. The general lien provided herein shall be in addition to any lien or security interest otherwise provided by law or contract. The Carrier may withhold the Shipper's Offshore Crude Petroleum from delivery and may exercise any other rights and remedies provided at law or by contract, until the Toll and any related charges and costs have been paid.
 - (c) If the Toll and any related charges and costs for the transportation of a Shipper's Offshore Crude Petroleum remain unpaid for ten days after a notice of demand for payment of same is made to such Shipper by the Carrier, then the Carrier may remove and sell any or all of such Shipper's Offshore Crude Petroleum in the possession of the Carrier in such lawful manner as deemed appropriate by the Carrier.
 - (d) The Carrier shall pay from the proceeds of such sale, the Toll and any related charges and costs due relating to the transportation of such Shipper's Offshore Crude Petroleum by the Carrier and all costs incurred by the Carrier with respect to the storage, removal and sale of such Shipper's Offshore Crude Petroleum. The remainder of such proceeds, if any, shall be held by the Carrier for the Shipper and any other party lawfully entitled to such proceeds.
 - (e) When required, the Carrier shall, with or without notice to the Shipper, appoint agent(s) to retain possession of the Shipper's Offshore Crude Petroleum on behalf of the Carrier for the purpose of enforcing the general lien described in this Rule.
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9. MEASURING, TESTING AND DEDUCTIONS

- (a) The Carrier shall gauge or meter, or cause to be gauged or metered, a Shipper's Offshore Crude Petroleum upon receipt and delivery by the Carrier. The Shipper or the designate of the Shipper may be present at such gauging or metering. If tank gauges are used, the volume of Offshore Crude Petroleum shall be computed from tank tables on a 100 percent volume basis.
 - (b) The Carrier shall have the right to enter the premises where Offshore Crude Petroleum is received or delivered by the Carrier and shall be granted access to all facilities for the purpose of gauging or metering and to make any examination, inspection, measurement or test as required by the Carrier to verify the accuracy of such facilities and the quality of such Shipper's Offshore Crude Petroleum.
 - (c) The Carrier shall correct the Density and volume of Offshore Crude Petroleum received and delivered by the Carrier from the actual temperature of such Offshore Crude Petroleum to 15 degrees Celsius by use of the most current API 2540 Petroleum Measurement Standards or the latest revision to such Standards.
 - (d) The Carrier shall correct the metered volume of Offshore Crude Petroleum for compressibility by the use of the most current API Manual of Petroleum Measurement Standards, Chapter 11.2.1 M or the latest revision to such Chapter.
 - (e) The Carrier shall determine the percentage of sediment and water in Offshore Crude Petroleum by the use of a centrifuge or other method agreed to by the Carrier and the Shipper. The Carrier shall deduct the amount of sediment and water from the corrected volume of such Offshore Crude Petroleum.
 - (f) The Carrier shall, as deemed necessary by the Carrier, adjust the measured volume of Offshore Crude Petroleum for shrinkage in accordance with API Bulletin 2509 C or the latest revision to such Bulletin.
 - (g) The Carrier shall, as deemed necessary by the Carrier, determine the kinematic viscosity of Offshore Crude Petroleum received by the Carrier in accordance with ASTM D 445 or the latest revision to such Standard or such other test as may be agreed to by the Carrier and the Shipper.
 - (h) The results of all gauging, metering and testing by the Carrier shall be final.
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10. EVIDENCE OF RECEIPTS AND DELIVERIES

The Carrier shall evidence the receipt and delivery of Offshore Crude Petroleum by tickets showing the volume, type, temperature, Density, sediment and water and any other data with respect to such Offshore Crude Petroleum as may be specified from time to time by the Carrier. Such tickets shall be signed by the Shipper, or the designate of the Shipper, and the Carrier.

11. DELIVERY AND ACCEPTANCE

- (a) A Shipper or the designate of the Shipper shall accept such Shipper's Offshore Crude Petroleum upon its arrival at the designated Regular Delivery Point for such Offshore Crude Petroleum.
- (b) If a Shipper fails to remove its Offshore Crude Petroleum from the facilities of the Carrier in accordance with the provisions of paragraph (a) of Rule 11 of this tariff, then the Carrier shall have the right to remove and sell such Offshore Crude Petroleum in such lawful manner as deemed appropriate by the Carrier. The Carrier shall pay from the proceeds of such sale all costs incurred by the Carrier with respect to the storage, removal and sale of such Offshore Crude Petroleum. The remainder of such proceeds, if any, shall be held by the Carrier for the Shipper and any other party lawfully entitled to such proceeds.

12. LIABILITY OF THE CARRIER

- (a) Except where caused by the direct negligence of the Carrier, the Carrier shall not be liable to a Shipper for any delay, damage, loss or consequential loss resulting from any cause while the Carrier is in possession or control of such Shipper's Offshore Crude Petroleum, including without limitation the breakdown of the facilities of the Carrier.
- (b) If damage or loss to Offshore Crude Petroleum results from any cause other than the direct negligence of the Carrier while the Carrier is in possession or control of such Petroleum, then the Carrier may apportion the cost of such damage or loss on a pro rata basis among all Shippers. Each Shipper's share of such cost shall be determined by the Carrier based on the proportion of the volume of the Shipper's Offshore Crude Petroleum in the possession of the Carrier on the date of such loss to the total volume of Offshore Crude Petroleum in the possession of the Carrier on the date of such loss.

13. INDEMNIFICATION BY THE SHIPPER

A Shipper shall indemnify the Carrier for any damage, loss, costs or consequential loss incurred by the Carrier or by any other party that claims against the Carrier as a result of such Shipper's failure to comply with any provision of this tariff.

14. APPORTIONMENT

- (a) ▲ If more Crude Petroleum is tendered to the Carrier than can be transported by the Carrier, then the Carrier shall apportion such tenders received among Shippers on the basis of such current tenders and the current operating conditions of the Carrier's facilities applicable to the transportation of Crude Petroleum.
- (b) ▲ Subject to allocations to priority destinations designated by the NEB, the Carrier shall apportion each Shipper a pro rata share of the capacity of such facilities of the Carrier based on such current tenders. Where blending a Crude Petroleum can achieve an increase in the capacity of the facilities of the Carrier, such increase in capacity shall be apportioned on a pro rata basis first to Shippers tendering such blends with any remaining increase in capacity apportioned on a pro rata basis to all other tenders.

~~If more Offshore Crude Petroleum is tendered to Carrier that exceeds Available Capacity, subject to operating conditions of Carrier, the Available Capacity shall be allocated as follows:~~

- ~~(e) Firstly, amongst Committed Shippers for Tenders of Committed Volumes, excluding any Make Up Volume, on a pro rata basis;~~
- ~~(d) Secondly, among the Shippers for their Uncommitted Volumes on a pro rata basis; and~~
- ~~(e) Thirdly, to the extent there is remaining Available Capacity, amongst those Committed Shippers who have submitted a Tender for transportation of their Make Up Volumes, on a pro rata basis.~~

~~If a Shipper releases or is otherwise unable to use any or all of its allocated volume, Carrier will notify all the remaining Shippers of the available space and will redistribute the space on a first come, first serve basis.~~

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15. REQUESTED CHANGE BY THE SHIPPER

- (a) Subject to the operating conditions of the facilities of the Carrier, the Carrier may in its discretion and upon the written request of a Shipper, allow a Shipper to change:
 - (i) the designated Regular Receiving Point for its Offshore Crude Petroleum;
 - (ii) the designated volume and type of its Offshore Crude Petroleum to be received at a designated Regular Receiving Point;
 - (iii) the designated Regular Delivery Point for its Offshore Crude Petroleum;
 - (iv) the designated volume and type of its Offshore Crude Petroleum to be delivered to a designated Regular Delivery Point; and
 - (v) the party designated to take delivery of its Offshore Crude Petroleum.
- (b) The Carrier may allow a Shipper to transfer in such manner as may be specified by the Carrier from time to time, such Shipper's rights and obligations under this tariff respecting its Offshore Crude Petroleum to another shipper.
- (c) A transfer of a Shipper's rights and obligations under paragraph (b) of Rule 15 of this tariff respecting its Offshore Crude Petroleum will not be binding or effective on the Carrier until the Carrier has provided a notice of acceptance to the transferor and transferee. The Carrier will not provide a notice of acceptance of a transfer until such time as the transferee has satisfied the Carrier of its capacity to undertake the transferor's obligations and has provided any Financial Assurances requested by the Carrier in accordance with Rule 19 of this tariff.

16. ADVERSE CLAIMS AGAINST OFFSHORE CRUDE PETROLEUM

- (a) A Shipper shall not submit to the Carrier a Tender nor deliver to the Carrier Offshore Crude Petroleum which is involved in litigation, the ownership of which may be in dispute or which is encumbered by a lien or charge of any kind unless the Shipper provides written notification to the Carrier of such litigation, dispute, lien or charge not less than 20 days before such Tender is submitted to the Carrier.
- (b) Notwithstanding paragraph (a) of Rule 16 of this tariff, the Carrier shall not be obligated to accept Offshore Crude Petroleum that is involved in litigation, the ownership of which may be in dispute or which is encumbered by a lien or charge of any kind.
- (c) A Shipper shall advise the Carrier in writing if, at any time while the Shipper's Offshore Crude Petroleum is in the possession of the Carrier, such Offshore Crude Petroleum becomes involved in litigation, or the ownership of such Offshore Crude Petroleum becomes a matter in dispute or such Offshore Crude Petroleum becomes encumbered by a lien or charge of any kind.
- (d) A Shipper shall, upon demand from the Carrier, provide a bond or other form of indemnity which is satisfactory to the Carrier protecting the Carrier against any liability or loss that may arise as a result of the Offshore Crude Petroleum of the Shipper being involved in litigation, the ownership of the Offshore Crude Petroleum of the Shipper being in dispute or encumbered by a lien or charge of any kind.

17. CLAIMS, SUITS AND TIME FOR FILING

- (a) A Shipper shall advise the Carrier in writing of any claim for delay, damage or loss resulting from the transportation of such Shipper's Offshore Crude Petroleum by the Carrier within 30 days of delivery of such Offshore Crude Petroleum by the Carrier or, in the case of a failure to make delivery, then within 30 days after a reasonable time for delivery has elapsed.
- (b) A Shipper shall institute any action arising out of any claim against the Carrier, pursuant to paragraph (a) of Rule 17 of this tariff, within 180 days from the date of the written notice given by the Carrier to the Shipper that the Carrier has disallowed such Shipper's claim or any part of such claim.
- (c) If a Shipper fails to comply with the provisions of paragraph (a) or paragraph (b) of Rule 17 of this tariff, then such Shipper waives all rights it has to bring an action against the Carrier with respect to such claim.

18. NON-PERFORMANCE

- (a) In months of apportionment, all nominations which are apportioned shall have the Non-Performance Penalty applied to that portion of shortfall in receipts by a Shipper that exceeds five (5) percent of that Shipper's apportioned volume. However, the Non-Performance Penalty will not be applied to that portion of shortfalls caused by Force Majeure events; Carrier imposed restrictions on feeder pipeline deliveries into the Carrier; or any carry over volumes.
- (b) The Shipper shall provide the Carrier with written notice of the Force Majeure event within four business days of the event. Such notice shall state the nature of the event, the estimated duration of the event, and the volume affected. The Shipper shall use reasonable diligence to remedy the Force Majeure event as quickly as reasonably practicable and

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shall keep Carrier informed as to the progress in the efforts to remedy the event; provided the Shipper shall not be required to settle strikes, lockouts or other labour disruptions contrary to its wishes.

- (c) At any time up to thirty (30) calendar days following the receipt of the notice referred to in paragraph (b) of Rule 18 of this tariff, the Carrier will issue written notice to the Shipper informing the Shipper in the event the Carrier disputes all or a portion of the Shipper's claim of Force Majeure. The Carrier shall invoice the Shipper for the amount of the Non-Performance Penalty calculated in accordance with paragraph (a) of Rule 18 of this tariff and the Shipper shall be obligated to make payment of the invoiced amount.
- (d) The Carrier shall publish, on at least a monthly basis, a summary of all Force Majeure notices issued pursuant to paragraph (b) or (c) of Rule 18, which shall contain only the name of the Shipper claiming Force Majeure, volume affected, the amount of the Non-Performance Penalty disputed and/or undisputed, and the status of all disputed claims.
- (e) The Non-Performance Penalty of \$17.00 per cubic metre will be charged in accordance with the provisions of paragraph (a) of Rules 18 and 19 of this tariff.

19. FINANCIAL ASSURANCES

- (a) At any time, upon the request of the Carrier, any prospective or existing Shipper shall provide information to the Carrier that will allow the Carrier to determine the prospective or existing Shipper's capacity to perform any financial obligations that could arise from the transportation of that Shipper's Offshore Crude Petroleum under the terms of this tariff, including the payment of transportation charges, equalization obligations and the value of the allowance oil and negative Shipper's balance positions. The Carrier shall not be obligated to accept Offshore Crude Petroleum for transportation from an existing or prospective Shipper if the Shipper or prospective Shipper fails to provide the requested information to the Carrier within ten (10) days of the Carrier's written request, or if the Carrier's review of the requested information reveals that the existing or prospective Shipper does not have the capacity to perform any financial obligations that could arise from the transportation of that Shipper's Offshore Crude Petroleum under the terms of this tariff, including the payment of transportation charges, equalization obligations and the reasonably determined value of the allowance oil and negative Shipper's balance positions.
 - (b) Subject to the provisions of paragraph (c) of Rule 19 of this tariff, the Carrier, upon notice to the Shipper, may only require one or more of the following Financial Assurances for the payment of all charges and costs as provided for in this tariff, or otherwise lawfully due to the Carrier, to be provided at the expense of the Shipper:
 - (i) prepayment;
 - (ii) a letter of credit in favour of Carrier in an amount sufficient to ensure payment of all costs and charges that could reasonably accrue due to the Carrier, in a form and from an institution acceptable to Carrier;
 - (iii) a guarantee in an amount sufficient to ensure payment of all such costs and charges that could reasonably accrue due to the Carrier, in a form and from a third party acceptable to Carrier; or
 - (iv) such other enforceable collateral security, including but not limited to security agreements over assets of the Shipper, in a form acceptable to the Carrier (the "Financial Assurances").
 - (c) In the event that the Carrier reasonably determines that:
 - (i) the existing or prospective Shipper's financial condition is or has become impaired or unsatisfactory;
 - (ii) any Financial Assurances previously provided by a Shipper no longer provide adequate security for the performance of the Shipper's obligations that could arise from the transportation of its Offshore Crude Petroleum under the terms of this tariff; or
 - (iii) the Carrier otherwise determines that it is necessary to obtain Financial Assurances from the Shipper, then the Shipper shall provide Financial Assurances for the payment of the charges and costs as provided for in this tariff or otherwise lawfully due to the Carrier relating to the transportation of the Shipper's Offshore Crude Petroleum by the Carrier. For the purpose of this tariff, and without limiting the generality of the charges and costs lawfully due to the Carrier relating to the transportation of the Shipper's Offshore Crude Petroleum, those charges and costs shall include transportation charges, equalization obligations, negative Shipper's balance positions and the allowance oil. The Carrier shall not be obligated to accept Offshore Crude Petroleum for transportation from an existing or prospective Shipper if the Shipper or prospective Shipper fails to deliver the Financial Assurances to Carrier within ten (10) days of Shipper's receipt of Carrier's written request for such Financial Assurances.
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