

## **Enbridge Mainline Supply Exception Procedure**

Capitalized terms used in this Procedure are defined as follows:

**“Auditor”** means a third-party auditor selected and retained in accordance with this Procedure for the purpose of determining whether Supply Exception Claims should be accepted or rejected.

**“Supply Event”** means the failure of a Supply Facility to receive anticipated volumes, resulting in that Supply Facility being unable to deliver a Shipper’s Petroleum to the Carrier in accordance with the Carrier’s schedule. A Supply Event must be beyond the control of the Shipper making a Supply Exception Claim.

**“Supply Exception Claim”** means a claim made in accordance with this Procedure.

Capitalized terms used in this Procedure, which are not defined above, will have the same meaning as they do in the Enbridge Pipelines Inc. Crude Petroleum Tariff, Rules and Regulations Governing the Transportation of Crude Petroleum.

In the event that a Supply Facility fails to deliver a Shipper’s Petroleum to the Carrier in accordance with Carrier’s schedule, the Shipper shall be entitled to make a Supply Exception Claim. In order to make a Supply Exception Claim, the Shipper must notify the Carrier of such Claim on the attached Supply Exception Claim Form within four business days of the Supply Event. The Supply Exception Claim Form will be made available on the Carrier’s customer information portal.

The validity of a Supply Exception Claim will be determined by the Auditor strictly in accordance with the requirements set out in this Supply Exception Procedure. The decision of the Auditor will be final.

The Auditor will be agreed upon by the Carrier and the Shippers.

The costs of retaining the Auditor will be paid by the Shipper making the Supply Exception Claim. If a Shipper’s Supply Exception Claim is approved by the Auditor, then that Shipper shall be reimbursed for the costs of retaining the Auditor through the NPP proceeds if there are sufficient NPP proceeds to cover the costs of retaining the Auditor.

In determining whether to approve a Supply Exception Claim the Auditor **must** consider all of the following information, and such information **must** be sourced from the Supply Facility in relation to which the Supply Exception Claim is being made. In the event that the Auditor, for any reason whatsoever, cannot obtain from the Supply Facility some or all of the information required in relation to a Supply Exception Claim, then the Auditor **must** reject that Supply Exception Claim. The following information is required for all Supply Exception Claims:

1. **All** original accepted nominations made to the Supply Facility by all entities providing supply to that facility.

2. Any and all changes to the original accepted nominations referred to in 1 above.
3. Ticketed receipts for **all** supplies that were delivered to the Supply Facility, showing the volume delivered to the Supply Facility and the time of delivery.
4. The Supply Facility's original schedule (including timing and volumes) for deliveries to connecting facilities and any updated schedules for deliveries to connecting facilities.
5. Documentation showing, based on all of the original accepted nominations to the Supply Facility, the volume of Petroleum that the Carrier would have received if the Supply Event had not occurred.

The Auditor shall not approve a Supply Exception Claim unless it has found that **ALL** of the criteria set out below have been conclusively proven.

- The Shipper making the Supply Exception Claim delivered Petroleum to the Supply Facility in quantities, at rates and at times such that, absent circumstances beyond the Shipper's control, the amount of Petroleum nominated to and accepted by the Carrier by that Shipper would have reached the Carrier in the amounts and at the times scheduled.
- As a direct result of the failure of a Supply Facility shipper (other than the Shipper making the Supply Exception Claim) to provide Petroleum to the Supply Facility, Petroleum belonging to the Shipper who made the Supply Exception Claim was unable to be delivered to the Carrier in accordance with the Carrier's schedule. In making this determination, the Auditor must consider whether any other Supply Facility shipper provided the Supply Facility with enough Petroleum to enable the Petroleum of the Shipper claiming the Supply Exception to be delivered to the Carrier in the amounts and at the times scheduled.
- In situations where the Supply Facility delivers to more than one facility, the failure of supply is not disproportionately or inappropriately impacting the Carrier in relation to the other facilities to which the Supply Facility delivers. For example, if Shipper B claimed a Supply Exception due to an event caused by shipper A that resulted in a supply drop of 10% on a Supply Facility, and the Enbridge Mainline system saw a supply drop of 30% because Shipper B kept another refinery and / or pipeline whole on deliveries, this would be considered a disproportionate impact on the Carrier, and the Supply Exception Claim would not be approved.

**SUPPLY EXCEPTION CLAIM FORM**

<b>Date:</b>	
<b>Name of Claiming Party:</b>	
<b>Supply Facility</b>	
<b>Commodity</b>	
<b>Date of Supply Event that caused the inability of the product to be delivered to Enbridge:</b>	

**(1) Description of Particulars of Supply Event (Provide as many details as possible, attach extra page if necessary)**

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**(2) What is the volume of the commodity that the Claiming Party was prevented from delivering to Enbridge as a result of the Supply Event (“Impacted Volume”)?**

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**(3) At which Regular Receiving Points are the Impacted Volumes scheduled to be received by Enbridge?**

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**(4) Is the above an estimate or final declaration of the Impacted Volume? (circle applicable)**

Estimate\*                      Final declaration

\*If estimate, this form must be updated in writing to Enbridge prior to [x]. Failure to update will result in the estimated Impacted Volume being deemed a final declaration of Impacted Volume.

**(5) Describe how the Claiming Party did not have control over the Supply Event:**

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