

**ENBRIDGE SOUTHERN LIGHTS LP
ENBRIDGE PIPELINES (SOUTHERN LIGHTS) L.L.C.**

**COMPONENT EQUALIZATION PRACTICE APPLICABLE
TO RECEIPT AND DELIVERY OF DILUENT**

(January 1, 2011)

EQUALIZATION PRACTICE

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EQUALIZATION PRACTICE

This Equalization Practice is subject to the Rules Tariff for the Pipeline (as hereinafter defined) as filed by Carrier with the appropriate governing regulatory authority. In the event of any inconsistency between this Equalization Practice and the Rules Tariff, the Rules Tariff shall prevail. Defined terms not identified Section 1.2 shall have the meaning set forth in the Rules Tariff

The Equalization Practice provides the mechanism that shall be used by Carrier for quality equalization of commingled Diluent received into, transported on and delivered out of the Pipeline. This Equalization Practice may be modified, amended or replaced by Carrier.

1. PURPOSE AND GUIDING PRINCIPLES

1.1. Purpose of Equalization

The purpose of equalization is to compensate Shippers, via a monetary credit or debit, for the quality, and hence the value, of Diluent, (i) received into the Pipeline at the Receipt Point compared with the average quality of all Diluent received into the Pipeline within the same time period and (ii) delivered out of the Pipeline at a Delivery Point compared with the average quality of all Diluent delivered out of the Pipeline at all Delivery Points within the same time period. The sum of all the equalization credits and debits within a period are, by definition, zero.

1.2. Definitions

“Administrative Costs” shall have the meaning set forth in Section 1.7.

“Benchmark Values” means, individually and collectively as the case may be, (i) the Density Scale Reference, Density Scale Factor, Sulfur Scale Reference, Sulfur Scale Factor, Butane Price, Butane Lower Reference, Butane Upper Reference and Condensate Allowance Oil Price as established by the EQ Committee from time to time; and (ii) Exchange Rate, all of which shall be applicable to the Month for which the Shipper Equalization Amounts are being determined.

“Business Day” means any day that is not a statutory holiday, Saturday or Sunday in the Calgary, AB or Chicago, IL as the case may be.

“Butane Content” means butane and lighter density hydrocarbons measured as % of total hydrocarbon volume, rounded to the nearest 0.1%.

“Butane Lower Reference” means 5% or other such figure representing a fixed percent butane by volume as set forth by the EQ Committee from time to time and applicable to the Month for which Carrier is determining Shipper Equalization.

“Butane Price” means the butane price identified in the monthly condensate equalization data notice issued by the EQ Committee and applicable to the Month for which Carrier is determining Shipper Equalization.

“Butane Upper Reference” means 7% or other such figure representing a fixed percent butane by volume as set forth by the EQ Committee from time to time and applicable to the Month for which Carrier is determining Shipper Equalization.

[C] ~~“CAPP Equalization Steering Committee” or “EQ Committee” means the standing committee of members of CAPP as constituted to advise on and monitor the industry process for fair and equitable monetary equalization between Shippers in regards to density, sulfur and butane content of Shippers’ Diluent transported on the Pipeline.~~

[C] ~~“CAPP” means the Canadian Association of Petroleum Producers.~~

“**Carrier**” means, for the implementation and administration of the Equalization Practice, (i) Enbridge Pipelines (Southern Lights) LLC for Diluent received at the Receipt Point; and (ii) Enbridge Southern Lights LP for Diluent delivered at a Delivery Point.

“**Condensate Allowance Oil Price**” means the condensate price identified in the monthly condensate equalization data notice issued by the EQ Committee.

“**Connecting Facilities**” means facilities connecting directly to the Pipeline for the purpose of providing Diluent volumes into the Pipeline or taking delivery of Diluent from the Pipeline.

“**Delivery Equalization Pool**” means the account of funds administered by Carrier comprising the sum of all Shipper Delivery Net Equalization Amounts.

“**Delivery Point**” means, singularly or collectively as the case may be, a location as set forth in the Rules Tariff where the Pipeline physically interconnects with a downstream pipeline or any other facility (such as a storage facility) and the Pipeline is capable of delivering Diluent into such downstream pipeline.

“**Density Scale Factor**” means the density slope identified in the monthly condensate equalization data notice issued by the EQ Committee from time to time and applicable to the Month for which Carrier is determining Shipper Equalization.

“**Density Scale Reference**” means 750 kilograms per cubic meter or other density measure identified in the monthly condensate equalization data notice issued by the EQ Committee from time to time and applicable to the Month for which Carrier is determining Shipper Equalization.

“**Exchange Rate**” means Average Bank of Canada Noon Day Rate for the corresponding month of the equalization calculation.

“**Equalization Formula**” means those measurements, analytical and commercial determinations contemplated in the Equalization Practice and as set out in Attachment 1 hereto.

“**Equalization Practice**” shall have the meaning set forth in the Rules Tariff.

[N] “**Equalization Steering Committee**” or “**EQ Committee**” means the standing committee of members of industry as constituted to advise on and monitor the industry process for fair and equitable monetary equalization between Shippers in regards to density, sulfur and butane content of Shippers’ Diluent transported on the Pipeline.

“**Month**” means that duration of time during a year from 0700 on the first day of a calendar month to 0700 of the first day of the immediate following calendar month.

“**Notice**” means a written notice provided by one party to another party hereto.

“**Pipeline**” means, as the case may be, that portion of the Chicago to Edmonton Southern Lights Diluent Pipeline, (i) located in the United States and owned and operated by Enbridge Pipelines (Southern Lights) LLC; or (ii) located in Canada and owned and operated by Enbridge Southern Lights LP.

“**Quality Factors**” mean collectively the sampled, analyzed, measured and recorded density, sulfur content and Butane Content of each Shipper Batch for the purposes intended herein.

“**Receipt Equalization Pool**” means the account of funds administered by Carrier comprising the sum of all Shipper Receipt Equalization Amounts.

“Receipt Point” means a location as set forth in the Rules Tariff where the Pipeline connects to an upstream pipeline or any other facility (such as a storage facility) for the purpose of the Pipeline receiving Diluent and the Pipeline assuming care and custody of such Diluent.

“Reference Values” means collectively those densities, sulfur and butane factors, value and analytical reference values and other information applicable to the purposes intended herein issued by the EQ Committee.

“Rules Tariff” means the Rules and Regulations Tariff for the Pipeline, as filed from time to time with the applicable regulatory authorities.

“Shipper Batch” means, as the case may be, each and every discrete and identifiable volume of Diluent that is, (i) duly nominated by a Shipper for transportation on the Pipeline; (ii) accepted by Carrier for transportation in a Month; and (iii) either physically received by Carrier into the Pipeline at a Receipt Point or physically delivered out of the Pipeline by Carrier at a Delivery Location.

“Shipper Equalization” means the measured Quality Factors and monetary amounts (and determination thereof) applicable to a Shipper’s Shipper Batches in a Month at a Receipt Point or at a Delivery Point as the case may be.

“Shipper(s)” means any shipper(s) who has (have) provided volumes to the Pipeline for transportation in the previous six months and Committed Shippers (as defined in the Rules Tariff).

“Southern Lights Shipper Group” means all Committed Shippers (as defined in the Rules Tariff).

“Sulfur Scale Reference” means 0.2% or other such figure representing percent sulfur by weight as set forth by the EQ Committee from time to time and applicable to the Month for which Carrier is determining Shipper Equalization.

“Sulfur Scale Factor” means the sulfur slope identified in the monthly condensate equalization data notice issued by the EQ Committee from time to time and applicable to the Month for which Carrier is determining Shipper Equalization.

“Weighted Average Pipeline Density” or **“WAPD”** means the volume weighted average density of all of the Diluent received by the Pipeline in a given period in kilograms per cubic meter.

“Weighted Average Pipeline Sulfur” or **“WAPS”** means the mass weighted average sulfur content of all of the Diluent received by the Pipeline in a given period in kilograms.

“Weighted Average Shipper Density” or **“WASD”** means the volume weighted average density of all of the Diluent received by the Pipeline from a specific Shipper in a given period in kilograms per cubic meter.

“Weighted Average Shipper Sulfur” or **“WASS”** means the mass weighted average sulfur content of all of the Diluent received by the Pipeline from a specific Shipper in a given period in kilograms.

Terms not defined in this Section 1.2 shall have the meaning specified in Attachment 1 hereto.

1.3. Responsibilities of Carrier

Carrier shall consult with Shippers prior to modifying the Equalization Practice. Carrier shall, utilizing reasonable efforts, have regards for fairness and equity amongst all Shippers in its implementation and administration of the Equalization Practice.

1.4. Undertakings of Carrier

- 1.4.1. Carrier will report to each Shipper who shipped during any given period the Shipper Equalization results for that period, following the procedure and timetable established herein.
- 1.4.2. Carrier will calculate each Shipper Equalization in accordance with the Equalization Formula.
- 1.4.3. Carrier will administer the collection and dispersal of equalization charges and payments made in accordance with the terms of this Equalization Practice.
- 1.4.4. Carrier will establish a program designed to accurately capture the input components of the Equalization Formula.
- 1.4.5. Carrier will make revisions to equalization statements in accordance with Section 2.7.

1.5. Liability of Carrier

Shippers acknowledge and agree that, (i) Carrier has undertaken to implement the services contemplated in this Equalization Practice on a reasonable efforts basis at the request of Shippers, and (ii) except where caused by the gross negligence or willful misconduct of Carrier, Carrier shall not be liable to any Shipper in any manner for any Shipper losses (monetary or otherwise, direct, indirect or consequential), damages or liabilities resulting from Carrier's performance or non-performance of any Carrier's undertakings set forth in this Equalization Practice.

1.6. Notification of Diluent Equalization Shipper Meetings

At the request of a Shipper, Carrier shall convene a meeting of Shippers to discuss the Equalization Practice including the Equalization Formula, equalization policies, procedures, practices and/or calculations of equalization charges and payments. Any meeting so convened shall be held in Calgary or another mutually agreeable location on a Business Day. Carrier shall provide written notice of any such meeting to each Shipper no later than ten (10) business days prior to such meeting. This Notice shall include a complete description of the matters to be considered at the meeting.

1.7. Administrative Costs

Shippers acknowledge and agree that, (i) the Equalization Practice is a necessary part of the Diluent transportation service provided by the Carrier; and (ii) Carrier shall have the right to invoice and recover all direct and indirect administrative costs reasonably incurred and accrued ("Administrative Costs") by Carrier in its implementation and ongoing administration of the Equalization Practice from Shippers.

Administrative Costs applicable to a Shipper and due to Carrier will be specifically identified and included in a Shipper's equalization invoice, in accordance with Section 6 of the Rules Tariff.

2. DILUENT EQUALIZATION PROCEDURES

2.1. Methodology

Carrier will sample and calculate monthly for each Shipper who shipped Diluent (i) a Shipper Receipt Equalization Amount (in accordance with Part I of Attachment 1) and (ii) a Shipper Delivery Point Equalization Amount (in accordance with Part II of Attachment 1).

2.2. Reference Values

Carrier will utilize the following reference values in the Equalization Formula from the [C] ~~CAPP~~ monthly condensate equalization data notice issued by the [C] ~~CAPP~~ Equalization Steering Committee. In the

event of the [C] ~~GAPP~~ Equalization Steering Committee's failure to timely issue any Month's notice, the previously issued notice will be utilized in Shipper Equalization. In the event that the EQ Committee issues either or both a Density Scale Factor and a Sulfur Scale Factor then Carrier shall recalculate Shipper Equalization for the applicable months.

2.2.1. Butane Price, Butane Lower Reference and Butane Higher Reference

2.2.2. Condensate Allowance Oil Price

2.2.3. Density Scale Factor and Density Reference Factor

2.2.4. Sulfur Scale Factor and Sulfur Reference Factor

2.3. Taxes

All applicable taxes, including those incurred by virtue of an assessment by any government authority in connection with the provision of services pursuant to this Equalization Practice will be applied to equalization charges/credits and service fees. Applicable tax charges/credits will be identified separately on the equalization invoices. For the purposes of taxation, at no time will the Carrier be deemed to be the owner of Diluent..

2.4. Timing

Equalizations will be completed on a timely basis. The timing schedule shall be as set forth below, and has been developed to provide that all equalization payments and receipts for any volumes will be completed within a two-month period after the Month such volumes are received by the Pipeline.

2.5. Equalization Schedule:

2.5.1. Month 1: Month Shipper Batch or Batches received by the Pipeline

2.5.2. Month 2: Month following the Month of receipt

2.5.3. Month 3: two Months following the Month of receipt

2.6. Timing and Procedures

2.6.1. Carrier will complete the equalization administration and issue statements and invoices to Shippers on or before the eighth (8th) Business Day of Month 3.

2.6.2. Each Shipper owing money to the Receipt Equalization Pool or Delivery Equalization Pool as the case may be must remit such money owing via electronic funds or wire transfer for receipt by Carrier on or before the fifth (5th) Business Day prior to the last Business Day in Month 3. All such remittances must be net of any applicable electronic funds or wire transfer fees.

2.6.3. Carrier will disburse payments received pursuant to Section 2.6.2 on a monthly basis to Shippers entitled to payments out of the Receipt Equalization Pool or Delivery Equalization Pool as the case. Subject to the receipt of all funds by Carrier as set out in Section 2.6.2, Carrier will initiate electronic funds or wire transfers to Shippers on the last Business Day in Month_3. If there is any shortfall in payments received by Carrier pursuant to Section 2.6.2, payments actually received by Carrier will be allocated on the basis of amounts owed. All such disbursements must be net of any applicable electronic funds or wire transfer fees.

2.7. Revisions

- 2.7.1. Upon its own initiative or at the request of any Shipper, Carrier will use reasonable efforts to determine, in its sole discretion, but acting reasonably, whether a proposed revision to a payment or disbursement from the Receipt or Delivery Equalization Pools or a proposal to amend or otherwise change the Equalization Formula is warranted.
- 2.7.2. Consideration of revisions will involve only the correction of materially significant errors which have occurred within the immediate past twelve (12) months. To the extent that it was originally correct, time sensitive data, including Section 2.2 "Reference Values" above, will not be updated in a revision due to the passage of time between the application of the Equalization formula and the date of revision.
- 2.7.3. Unless advised otherwise by Carrier, Shippers shall utilize separate electronic funds or wire transfer for current Equalization Formula payments and prior Month adjustments resulting from a revision. All such payments or adjustments must be net of any applicable electronic funds or wire transfer fees.

2.8. Quality Measurements

- 2.8.1. Sampling of Diluent Streams Delivered to Pipeline:
 - 2.8.1.1. Determining and measuring the physical and chemical quality characteristics of Diluent shall be the responsibility of Carrier. Carrier shall be responsible for maintenance of data integrity regarding sampling procedures and analysis.
 - 2.8.1.2. Carrier will endeavor to sample, measure, or otherwise obtain sulfur, Butane Content and density with the following frequency:
 - i. Batch Receipts: On a per batch basis.
 - ii. Continuous Receipts: In conjunction with periodic reset of custody transfer tickets (typically weekly).
 - iii. At any time as a spot check.
 - 2.8.1.3. Each Shipper shall have the right to witness quality tests performed by Carrier for equalization purposes on each of its Shipper Batch received by the Pipeline.
 - 2.8.1.4. Analysis of the Diluent will be as per applicable industry standards and in accordance with the Diluent Acceptance Practice referenced in Rule 23 of the Rules Tariff.

2.9. Reporting

2.9.1. Information access:

- 2.9.1.1. Carrier will provide each Shipper with equalization data on such Shipper's specific Shipper Batches received by the Pipeline and the Pipeline aggregate volumes received from, or delivered to, the Connecting Facilities.
- 2.9.1.2. A Shipper will only see detailed information specific to Shipper Batches. Shippers will not be entitled to receive data on Diluent received or delivered by the Pipeline from any other Shipper, except in Pipeline-aggregate form.

2.9.2. Pipeline Equalization Report to Shippers:

2.9.2.1. The individual Shipper information available to each Shipper shall include:

- i. Connecting Facility name connecting to Pipeline.
- ii. Butane Content: expressed in liquid volume percent for each sample.
- iii. Density: expressed in kilograms per cubic meter.
- iv. Sulfur: expressed in weight percent rounded to the nearest 0.01%.
- v. Volume: Shipper volume.
- vi. Shipper Equalization: charges or credits for Shipper.
- vii. Taxes: applicable taxes owing to or receivable from a Shipper.

2.9.3. Pipeline Summary Report

2.9.3.1. Aggregate Pipeline information to be provided to each Shipper shall include:

- i. Total volume for Shipper and Pipeline.
- ii. Total value: the total value of the equalization for both Shipper and Pipeline.
- iii. WASD: the volume weighted average density in kilograms per cubic meter for total Shipper volume.
- iv. WASS: the mass weighted average sulfur content in kilograms for total Shipper volume.
- v. WAPD: the volume weighted average densities in kilograms per cubic meter for total Pipeline volume.
- vi. Mass weighted average sulfur content in kilograms for total Pipeline volume.
- vii. Total Pipeline Butane Adjustment.
- viii. Total Equalization.
- ix. Taxes: applicable taxes owing to or receivable from a Shipper.

2.9.4. Report packaging:

2.9.4.1. Reports and invoices will specify: date of issue; name; and phone number of the contact at Carrier.

2.9.4.2. Reports and invoices will provide Shipper with Carrier banking information and the due date for electronic funds transfer of equalization payment amounts payable by Shipper.

2.9.4.3. Each page of the report will indicate the equalization Month.

Attachment 1: Equalization Practice Methodology

Part I: Receipt Equalization Methodology

1. For each and every Shipper Batch delivered at the Receipt Point in a Month Carrier shall sample analyze, determine and record for such Shipper Batch;
 - a. Density in units of kilograms per cubic meter (“Shipper Batch Density”);
 - b. Sulfur content in units of liquid weight percent (“Shipper Batch Sulfur Content”); and
 - c. Butane content in units of liquid volume percent (“Shipper Batch Butane Content”).
2. For each Shipper Batch, Carrier shall determine an arithmetic differential between each of Quality Factors and the respective industry-agreed upon Benchmark Values as follows:
 - a. For density, the arithmetic difference obtained by subtracting the Density Scale Reference from the Shipper Batch Density (“Shipper Batch Density Differential”).
 - b. For sulfur, the arithmetic difference obtained by subtracting the Sulfur Scale Reference from the Shipper Batch Sulfur Content (“Shipper Batch Sulfur Differential”).
 - c. For butane, the arithmetic differential to be utilized for the determination of a Shipper Batch quality impact on the overall butane content of the comingled Diluent stream (“Shipper Batch Butane Differential”) shall be selected as follows:
 - i. If the Shipper Batch Butane Content is less than or equal to Butane Lower Reference or in the event that Carrier has not determined a Shipper Batch Butane Content, then Shipper Batch Butane Differential shall be equal to zero.
 - ii. If the Shipper Batch Butane Content is greater than Butane Lower Reference by volume but less than or equal to Butane Upper Reference, Shipper Batch Butane Differential shall be equal to Shipper Batch Butane Content less the Butane Lower Reference.
 - iii. If the Shipper Batch Butane Content is greater than Butane Upper Reference, Shipper Batch Butane Differential shall be equal to Shipper Batch Butane Content less the Butane Upper Reference.
3. Carrier shall determine the positive, neutral or negative monetary per cubic meter value impact that the Quality Factors have on the comingled Diluent stream in the following manner:
 - a. For density, the Shipper Batch Density Differential shall first be multiplied by the Density Scale Factor and then secondly divided by the Exchange Rate to yield a value expressed in United States currency (“Shipper Batch Density Value Differential”).
 - b. For sulfur, the Shipper Batch Sulfur Differential shall first be multiplied by the Sulfur Scale Factor and then secondly divided by the Exchange Rate to yield a value expressed in United States currency (“Shipper Batch Sulfur Value Differential”).
 - c. For butane, the per unit value differential to be utilized for the determination of a Shipper Batch quality impact on the overall butane value of the comingled Diluent stream (“Shipper Batch Butane Value Differential”) shall be selected and determined as follows;
 - i. In the event that the Shipper Batch Butane Differential is equal to zero, then the Shipper Batch Butane Value Differential shall be equal to zero.

- ii. In the event that the Shipper Batch Butane Content is greater than the Butane Lower Reference but less than or equal to the Butane Upper Reference, then the Shipper Batch Butane Value Differential shall be equal to the result of Shipper Batch Butane Differential being firstly multiplied by the [N] difference between the Condensate Allowance Oil Price less one-half of the Butane Price and secondly [C] ~~by one half and thirdly~~ divided by the Exchange Rate to yield a per unit value expressed in United States currency.
 - iii. In the event that the Shipper Batch Butane Content is greater than the Butane Upper Reference, then the Shipper Batch Butane Value Differential shall be the sum of:
 - 1. The Shipper Batch Butane Value Differential firstly multiplied by the Condensate Allowance Oil Price and secondly divided by the Exchange Rate to yield a per unit value expressed in United States currency, and
 - 2. The [N] difference between the Condensate Allowance Oil Price less one-half of the Butane Price firstly multiplied by the difference between the Butane Lower Reference and the Butane Upper Reference and secondly [C] ~~multiplied by one half and thirdly~~ divided by the Exchange Rate to yield a per unit value expressed in United States currency.
- 4. For each Shipper, Carrier shall determine a weighted average dollar per unit measure (“Shipper Weighted Average Differential Factor” or “SWADF”) of the aggregated density, sulfur and butane value differentials for all Shipper Batches in a Month by;
 - a. Multiplying the particular Shipper Batch by that particular Shipper Batch Density Value Differential (“Shipper Batch Density Differential Amount”), and
 - b. Multiplying the particular Shipper Batch by that particular Shipper Batch Sulfur Value Differential (“Shipper Batch Sulfur Differential Amount”), and
 - c. Multiplying the particular Shipper Batch by that particular Shipper Batch Butane Value Differential Amount (“Shipper Batch Butane Differential Amount”), and finally
 - d. Dividing the sum of the Shipper Batch Density Differential Amount and the Shipper Batch Sulfur Differential Amount and the Shipper Batch Butane Differential Amount by the aggregate volume of the Shipper Batches of a Shipper in that particular Month.
- 5. Carrier shall determine for each particular Month a weighted average dollar per unit measure (“Pipeline Weighted Average Differential Factor” or “PWADF”) of the aggregated density, sulfur and butane value differentials for all Shippers and the aggregated volume of all Shipper Batches by;
 - a. Aggregating, for all Shippers in a Month, those Shippers’ respective Shipper Batch Density Differential Amount and Shipper Batch Sulfur Differential Amount and Shipper Batch Butane Differential Amount (“Pipeline Total Differential Amount”), and then
 - b. Dividing the Pipeline Total Differential Amount by the aggregate volume of all Shipper Batches in that particular Month.
- 6. The Carrier shall determine for each Shipper in a Month the monetary amount that a particular Shipper shall be required to pay into the Receipt Equalization Pool or that such Shipper will receive as payment from the Receipt Equalization Pool by firstly subtracting the Pipeline Weighted Average Differential Factor from the particular Shipper Weighted Average Differential Factor (“Shipper/Pipeline Equalization Differential”) and secondly multiplying that Shipper/Pipeline Equalization Differential by the aggregated volume of the particular Shipper Batches in the Month (“Shipper Receipt Equalization Amount”). In the event a Shipper’s Shipper Receipt Equalization Amount is negative, such Shipper shall be paid the Shipper Receipt Equalization Amount out of the Receipt Equalization Pool. In the event a Shipper’s

Shipper Receipt Equalization Amount is positive, such Shipper shall pay the Shipper Receipt Equalization Amount into the Receipt Equalization Pool.

7. The information in this Part I Section 7 shall be determined by Carrier and provided to a Shipper for informational purposes only. Carrier shall calculate in the manner set out below and provide to a Shipper the Quality Factor information strictly related to the Shipper Batches in a Month and the Pipeline weighted average Quality Factors at the inlet to the Pipeline based on total Diluent volumes received in a Month ("Pipeline Total Monthly Receipt Volume");

a. For Shipper Batches:

i. Density:

1. For each Shipper in a Month, Carrier shall multiply such Shipper Batches by the applicable Shipper Batch Density ("Shipper Batch Oil Mass" in kilograms).
2. The Shipper Batch Oil Mass calculated figures shall be aggregated for the Month ("Shipper Aggregated Oil Mass") and divided by the total Shipper Batch volume for the Month ("Shipper Weighted Average Density" expressed in kilograms per cubic meter).

ii. Sulfur Content:

1. For each Shipper in a Month, Carrier shall multiply such Shipper's Shipper Batch Oil Mass by the applicable Shipper Batch Sulfur Content expressed in weight percent ("Shipper Batch Sulfur Mass" expressed in kilograms).
2. The Shipper Batch Sulfur Mass calculated figures shall be aggregated for the Month ("Shipper Aggregated Sulfur Mass") and divided by the Shipper Aggregated Oil Mass for the Month ("Shipper Weighted Average Sulfur" expressed in weight percent).

iii. Butane Content:

1. For each Shipper in a Month, Carrier shall multiply such Shipper Batches by the applicable Shipper Batch Butane Content ("Shipper Batch Butane Volume").
2. The Shipper Batch Butane Volume figures shall be aggregated for the Month ("Shipper Aggregated Butane Volume") and divided by total Shipper Batch volume for the Month ("Shipper Weighted Average Butane Volume").

b. For the Pipeline:

i. Density:

1. The Shipper's Shipper Aggregated Oil Mass figures in kilograms shall be summed for a Month ("Pipeline Receipt Aggregated Oil Mass").
2. The Pipeline Receipt Aggregated Oil Mass shall be divided by the aggregate of all Shipper Batches received in the Month ("Pipeline Total Monthly Receipt Volume") ("Pipeline Receipt Weighted Average Density Factor" or "PRWADF").

ii. Sulfur:

1. Carrier shall sum the Shipper Aggregated Sulfur Mass in kilograms for the Month ("Pipeline Receipt Aggregated Sulfur Mass").

2. The Pipeline Receipt Aggregated Sulfur Mass in kilograms shall be divided by the Pipeline Receipt Aggregated Oil Mass ("Pipeline Receipt Weighted Average Sulfur Factor" or "PRWASF").
- iii. Butane:
1. The Shipper Aggregated Butane Volumes in M3 for a Month shall be summed ("Pipeline Receipt Aggregated Butane Volume").
 2. The Pipeline Receipt Aggregated Butane Volume shall be divided by the Pipeline Total Monthly Receipt Volume ("Pipeline Receipt Weighted Average Butane Factor" or "PRWABF").
8. Attachment 2 appended hereto provides a notional and illustrative numerical example of the Receipt Equalization Methodology.

PART II: Delivery Equalization Methodology

1. Each Month, Carrier shall measure and identify the volume of each Shipper Batch delivered at a Delivery Point.
2. For each and every identified and discrete Shipper Batch delivered at the Delivery Point in a Month; Carrier shall sample analyze, determine and record for such Shipper Batch:
 - a. Shipper Batch Density for Density in units of kilograms per cubic meter;
 - b. Shipper Batch Sulfur Content for Sulfur content in units of liquid weight percent; and
 - c. Shipper Batch Butane Content for Butane content in units of liquid volume percent.
3. For each Shipper Batch delivered at each Delivery Point, Carrier shall determine the following amounts in the same manner as specified in Part I hereto excepting that such amounts shall be determined in Canadian funds:
 - a. Shipper Batch Density Differential Amount:
 - b. Shipper Batch Sulfur Differential Amount: and
 - c. Shipper Batch Butane Differential Amount.
4. At and for each Delivery Point, for each Shipper, Carrier shall determine an aggregate monetary amount representing the sum of the Shipper Batch Density Differential Amount and Shipper Batch Sulfur Differential Amount and Shipper Batch Density Differential Amount ("Shipper Batch Aggregated Differential Amount").
5. At and for each Delivery Point, Carrier shall determine for each Month, a weighted average dollar per unit measure ("Delivery Point Weighted Average Differential Factor" or "DWADF") by:
 - a. Aggregating, for all Shippers in a Month, those Shippers' respective Shipper Batch Aggregated Differential Amount ("Delivery Point Total Differential Amount"); and then
 - b. Dividing the Delivery Point Total Differential Amount by the aggregate volume of all Shipper Batches in that particular Month ("Delivery Point Total Delivered Volumes").

6. For each Month, Carrier shall determine a weighted average dollar per unit measure applicable to all Delivery Points ("Pipeline Delivery Weighted Average Differential Factor" or "PDWADF") by:
 - a. Aggregating the Delivery Point Total Differential Amounts of all Delivery Points ("Pipeline Aggregate Delivery Differential Amount"); and then
 - b. Dividing the Aggregate Pipeline Delivery Differential Amount by the aggregate of all volumes delivered at all Pipeline Delivery Points ("Pipeline Aggregate Delivery Point Volumes") for the Month.
7. For each Month, Carrier shall determine for each Delivery Point, a monetary amount that each Shipper who delivered Shipper Batches to such Delivery Point shall be required to pay into the Delivery Equalization Pool or that such Shipper will receive as payment from the Delivery Equalization Pool ("Shipper Delivery Point Equalization Amount") by;
 - a. Firstly subtracting the Pipeline Weighted Average Differential Factor from the particular Delivery Point Weighted Average Differential Factor ("Pipeline/Delivery Point Differential Factor"), and then
 - b. Secondly multiplying that Pipeline/Delivery Point Differential Factor by the total volume of Shipper Batches delivered to that Delivery Point in the Month ("Shipper Delivery Point Equalization Amount").
8. Carrier shall sum the particular Shipper's positive and negative Shipper Delivery Point Equalization Amounts for all Delivery Points for the Month ("Shipper Delivery Net Equalization Amount"). In the event a Shipper's Shipper Delivery Net Equalization Amount is negative, such Shipper shall be paid the Shipper Delivery Net Equalization Amount out of the Equalization Pool. In the event a Shipper's Shipper Delivery Net Equalization Amount is positive, such Shipper shall pay the Shipper Delivery Net Equalization Amount into the Delivery Point Equalization Pool.
9. Attachment 2 appended hereto provides a notional and illustrative numerical example of the Delivery Equalization Methodology.

Attachment 2: Illustrative Equalization Methodology Numerical Example

Part I: Numerical Example of RECEIPT Equalization Methodology

Benchmark Values Applicable for the Month	
Density Scale Reference (kg/m ³)	750
Density Scale Factor (CAN\$/m ³ per kg/m ³)	\$0.17
Sulphur Scale Reference (WT%)	0.20
Sulphur Scale Factor (CAN\$/m ³ per 0.1%WT%)	\$0.58
Butane Price (CAN\$/m ³)	\$303.89
Butane Lower Reference	5%
Butane Upper Reference	7%
Condensate Allowance Oil Price (CAN\$/M3)	\$500.98
Exchange Rate	1.0544

Receipt Equalization Practice Example: Notional Shipper Parameters											
Carrier Receipt Volumes		Measured Content (Quality Factors)				Measured Content Differential			Value Differential		
Connecting Feeder Pipeline	Shipper	Shipper Batch	Shipper Batch Density	Shipper Batch Sulphur Content	Shipper Batch Butane Content	Shipper Batch Density Differential	Shipper Batch Sulphur Differential	Shipper Batch Butane Differential	Shipper Batch Density Value Differential	Shipper Batch Sulphur Value Differential	Shipper Batch Butane Value Differential
		M3	kg/m ³	WT %	Vol %	kg/m ³	WT %	Vol %	US\$/m ³	US\$/m ³	US\$/m ³
Feeder PL 1	XYZ	10,000	725.0	0.200	0.5%	(25.0)	0.00	0.00%	(\$4.03)	\$0.00	\$0.00
Feeder PL 1	XYZ	20,000	723.0	0.180	0.5%	(27.0)	-0.02	0.00%	(\$4.35)	(\$0.11)	\$0.00
Feeder PL 1	ABC	15,000	722.0	0.210	0.3%	(28.0)	0.01	0.00%	(\$4.51)	\$0.06	\$0.00
Feeder PL 1	ABC	15,000	735.0	0.100	1.0%	(15.0)	-0.10	0.00%	(\$2.42)	(\$0.55)	\$0.00
Feeder PL 1	XYZ	10,000	760.0	0.300	3.0%	10.0	0.10	0.00%	\$1.61	\$0.55	\$0.00
Feeder PL 1	XYZ	10,000	760.0	0.300	3.0%	10.0	0.10	0.00%	\$1.61	\$0.55	\$0.00
Feeder PL 1	XYZ	10,000	760.0	0.300	3.0%	10.0	0.10	0.00%	\$1.61	\$0.55	\$0.00
Feeder PL 1	ABC	15,000	700.0	0.050	20.0%	(50.0)	-0.15	13.00%	(\$8.06)	(\$0.83)	\$68.39
Feeder PL 1	ABC	15,000	705.0	0.050	6.1%	(45.0)	-0.15	1.10%	(\$7.26)	(\$0.83)	\$3.64
Feeder PL 2	XYZ	25,000	745.0	0.200	6.1%	(5.0)	0.00	1.10%	(\$0.81)	\$0.00	\$3.64
Feeder PL 2	XYZ	25,000	750.0	0.200	12.0%	0.0	0.00	5.00%	\$0.00	\$0.00	\$30.38

Shipper XYZ Individual Parameters & SWADF					Shipper ABC Individual Parameters & SWADF									
Connecting Feeder Pipeline	Shipper	Shipper Batch	Shipper Batch Density Differential Amount	Shipper Batch Sulphur Differential Amount	Shipper Batch Butane Differential Amount	Connecting Feeder Pipeline	Shipper	Shipper Batch	Shipper Batch Density Differential Amount	Shipper Batch Sulphur Differential Amount	Shipper Batch Butane Differential Amount			
		M3	US\$	US\$	US\$			M3	US\$	US\$	US\$			
Feeder PL 1	XYZ	10,000	(\$40,307)	\$0	\$0	Feeder PL 1	ABC	15,000	(\$67,716)	\$825	\$0			
Feeder PL 1	XYZ	20,000	(\$87,064)	(\$2,200)	\$0			ABC	15,000	(\$36,277)	(\$8,251)	\$0		
Feeder PL 1	XYZ	10,000	\$16,123	\$5,501	\$0		Feeder PL 1	ABC	15,000	(\$120,922)	(\$12,377)	\$1,025,817		
Feeder PL 1	XYZ	10,000	\$16,123	\$5,501	\$0				ABC	15,000	(\$108,830)	(\$12,377)	\$54,619	
Feeder PL 1	XYZ	10,000	\$16,123	\$5,501	\$0				Feeder PL 2	XYZ	25,000	(\$20,154)	\$0	\$91,032
Feeder PL 1	XYZ	10,000	\$16,123	\$5,501	\$0						XYZ	25,000	\$0	\$0
Totals		120,000	(\$83,033)	\$19,803	\$850,462	Totals		60,000	(\$333,744)	(\$32,179)	\$1,080,437			
Sum of Shipper Differential Amounts					\$787,232	Sum of Shipper Differential Amounts					\$714,513			
Shipper Weighted Average Differential Factor					\$6.56	Shipper Weighted Average Differential Factor					\$11.91			

Carrier Pipeline Aggregation of Shipper Differential Amounts & PWADF						Determination of Receipt Equalization Pool Debits and Credits by Shipper				
Connecting Feeder Pipeline	Shipper	Shipper Batch	Shipper Batch Density Differential Amount	Shipper Batch Sulphur Differential Amount	Shipper Batch Butane Differential Amount	Shipper Weighted Average Differential Factor (US\$/M3)	Shipper XYZ	Shipper ABC		
		M3	US\$	US\$	US\$					
Feeder PL 1	XYZ	10,000	(\$40,307)	\$0	\$0	Pipeline Weighted Average Differential Factor (US\$/M3)	\$8.34	\$8.34		
Feeder PL 1	XYZ	20,000	(\$87,064)	(\$2,200)	\$0					
Feeder PL 1	ABC	15,000	(\$67,716)	\$825	\$0					
Feeder PL 1	ABC	15,000	(\$36,277)	(\$8,251)	\$0	Pipeline/Shipper Equalization Differential (US\$/M3)	(\$1.78)	\$3.57		
Feeder PL 1	XYZ	10,000	\$16,123	\$5,501	\$0					
Feeder PL 1	XYZ	10,000	\$16,123	\$5,501	\$0	Shipper Batch Volumes in Month (M3)	120,000	60,000		
Feeder PL 1	XYZ	10,000	\$16,123	\$5,501	\$0					
Feeder PL 1	XYZ	10,000	\$16,123	\$5,501	\$0	Shipper Receipt Equalization Amount (US\$)	(\$213,931)	\$213,931		
Feeder PL 1	XYZ	10,000	\$16,123	\$5,501	\$0					
Feeder PL 1	ABC	15,000	(\$120,922)	(\$12,377)	\$1,025,817	If Shipper Equalization Amount is negative, Shipper shall receive a payment equal to the Shipper Equalization Amount out of the Equalization Pool.				
Feeder PL 1	ABC	15,000	(\$108,830)	(\$12,377)	\$54,619	If Shipper Equalization Amount is positive, Shipper shall make a payment equal to the Shipper Equalization Amount into the Equalization Pool.				
Feeder PL 2	XYZ	25,000	(\$20,154)	\$0	\$91,032					
Feeder PL 2	XYZ	25,000	\$0	\$0	\$759,430					
Totals		180,000	(\$416,777)	(\$12,377)	\$1,930,899					
Pipeline Total Differential Amount						\$1,501,744				
Pipeline Weighted Average Differential Factor						\$8.34				

Shipper XYZ: Determination of Quality Factor Weighted Averages (for information purposes only)										
Connecting Feeder Pipeline	Shipper Batch	Shipper Batch Oil Mass	Shipper Aggregated Oil Mass	Shipper Weighted Average Density	Shipper Batch Sulphur Mass	Shipper Aggregated Sulphur Mass	Shipper Weighted Average Sulphur Mass	Shipper Batch Butane Volume	Shipper Aggregated Butane Volume	Shipper Weighted Average Butane Volume Factor
	M3	kg x 1000	kg x 1000	kg/M3	kg	kg	Weight %	M3	M3	
Feeder PL 1	10,000	7,250			14,500			60		
Feeder PL 1	20,000	14,460			26,028			100		
Feeder PL 1										
Feeder PL 1										
Feeder PL 1	10,000	7,600			22,800			300		
Feeder PL 1	10,000	7,600			22,800			300		
Feeder PL 1	10,000	7,600			22,800			300		
Feeder PL 1	10,000	7,600			22,800			300		
Feeder PL 2	25,000	18,625			37,250			1,525		
Feeder PL 2	25,000	18,750			37,500			3,000		
Totals	120,000		89,485	746	206,478	0.23		5,885	0.05	

Shipper ABC: Determination of Quality Factor Weighted Averages (for information purposes only)										
Connecting Feeder Pipeline	Shipper Batch	Shipper Batch Oil Mass	Shipper Aggregated Oil Mass	Shipper Weighted Average Density	Shipper Batch Sulphur Mass	Shipper Aggregated Sulphur Mass	Shipper Weighted Average Sulphur Mass	Shipper Batch Butane Volume	Shipper Aggregated Butane Volume	Shipper Weighted Average Butane Volume Factor
	M3	kg x 1000	kg x 1000	kg/M3	kg	kg	Weight %	M3	M3	
Feeder PL 1										
Feeder PL 1	15,000	10,830.0			22,743			45		
Feeder PL 1	15,000	11,025.0			11,025			150		
Feeder PL 1										
Feeder PL 1										
Feeder PL 1	15,000	10,500.0			5,250			3,000		
Feeder PL 1	15,000	10,575.0			5,288			915		
Feeder PL 2										
Feeder PL 2	60,000		42,930	716	44,306	0.10		4,110	0.07	

Pipeline: Determination of Quality Factor Weighted Averages (for information purposes only)		
Pipeline Receipt Aggregated Oil Mass	kg x 1000	132,415
Pipeline Total Monthly Receipt Volume	M3	180,000
Pipeline Receipt Weighted Average Density Factor	kg/M3	736
Pipeline Receipt Aggregated Sulphur Mass	kg	250,784
Pipeline Receipt Aggregated Oil Mass	kg x 1000	132,415
Pipeline Receipt Weighted Average Sulphur Factor	WT %	0.19
Pipeline Receipt Aggregated Butane Volume	M3	9,995
Pipeline Total Monthly Receipt Volume	M3	180,000
Pipeline Receipt Weighted Average Butane Factor		0.06

Part II: Numerical Example of DELIVERY Equalization Methodology

Benchmark Values Applicable for the Month	
Density Scale Reference (kg/m3)	750
Density Scale Factor (CANS/m3 per kg/m3)	\$0.17
Sulphur Scale Reference (Wt%)	0.20
Sulphur Scale Factor (CANS/m3 per 0.1%Wt%)	\$0.58
Butane Price (CANS/M3)	\$303.89
Butane Lower Reference	5%
Butane Upper Reference	7%
Condensate Allowance Oil Price (CANS/M3)	\$500.98
Exchange Rate	not applicable

Shipper Deliveries to Delivery Point #1: Volumes and Quality Factors											
Carrier Delivery Volumes		Measured Delivery Content (Quality Factors)				Measured Content Differential			Value Differential		
Diluent Delivery Point	Shipper	Shipper Batch	Shipper Batch	Shipper Batch	Shipper Batch	Shipper Batch	Shipper Batch	Shipper Batch	Shipper Batch	Shipper Batch	Shipper Batch
		M3	Density	Sulfur Content	Butane Content	Density Differential	Sulfur Differential	Butane Differential	Density Value Differential	Sulfur Value Differential	Butane Value Differential
		M3	kg/m3	Wt. %	Vol. %	kg/m3	Wt. %	Vol. %	CANS/m3	CANS/m3	CANS/m3
Delivery Point #1	XYZ	10,000	725.0	0.200	0.6%	(25.0)	0.00	0.00%	(\$4.25)	\$0.00	\$0.00
Delivery Point #1	XYZ	20,000	723.0	0.180	0.5%	(27.0)	-0.02	0.00%	(\$4.59)	(\$0.12)	\$0.00
Delivery Point #1	ABC	15,000	722.0	0.210	0.3%	(28.0)	0.01	0.00%	(\$4.78)	\$0.06	\$0.00
Total Deliveries		45,000									

Delivery Point #1 Weighted Average Differential Factor (D1WADF)						
Diluent Delivery Point	Shipper	Shipper Batch	Shipper Batch	Shipper Batch	Shipper Batch	Shipper Batch
		M3	Density Differential Amount	Sulfur Differential Amount	Butane Differential Amount	Aggregated Differential Amount
		M3	CANS	CANS	CANS	CANS
Delivery Point #1	XYZ	10,000	(\$42,500)	\$0	\$0	\$0
Delivery Point #1	XYZ	20,000	(\$91,800)	(\$2,320)	\$0	\$0
Shipper XYZ Totals		30,000	(\$134,300)	(\$2,320)	\$0	(\$136,620)
Delivery Point #1	ABC	15,000	(\$71,400)	\$870	\$0	(\$70,530)
Shipper ABC Totals		15,000	(\$71,400)	\$870	\$0	(\$70,530)
Delivery Point #1 Total Differential Amounts						(\$207,150)
Delivery Point #1 Total Delivered Volumes						45,000
Delivery Point #1 Weighted Average Differential Factor \$/M3 (D1WADF)						(\$4.60)

Shipper Deliveries to Delivery Point #2: Volumes and Quality Factors											
Carrier Receipt Volumes		Measured Content (Quality Factors)				Measured Content Differential			Value Differential		
Diluent Delivery Point	Shipper	Shipper Batch	Shipper Batch	Shipper Batch	Shipper Batch	Shipper Batch	Shipper Batch	Shipper Batch	Shipper Batch	Shipper Batch	Shipper Batch
		M3	Density	Sulfur Content	Butane Content	Density Differential	Sulfur Differential	Butane Differential	Density Value Differential	Sulfur Value Differential	Butane Value Differential
		M3	kg/m3	Wt. %	Vol. %	kg/m3	Wt. %	Vol. %	CANS/m3	CANS/m3	CANS/m3
Delivery Point #2	ABC	15,000	735.0	0.100	1.0%	(15.0)	-0.10	0.00%	(\$2.55)	(\$0.58)	\$0.00
Delivery Point #2	XYZ	10,000	760.0	0.300	3.0%	10.0	0.10	0.00%	\$1.70	\$0.58	\$0.00
Delivery Point #2	XYZ	10,000	760.0	0.300	3.0%	10.0	0.10	0.00%	\$1.70	\$0.58	\$0.00
Delivery Point #2	XYZ	10,000	760.0	0.300	3.0%	10.0	0.10	0.00%	\$1.70	\$0.58	\$0.00
Delivery Point #2	ABC	15,000	0.050	20.0%	(50.0)	-0.15	13.00%		(\$8.50)	(\$0.87)	\$68.17
Delivery Point #2	ABC	15,000	705.0	0.050	6.1%	(45.0)	-0.15	1.10%	(\$7.65)	(\$0.87)	\$1.67
Delivery Point #2	XYZ	25,000	745.0	0.200	6.1%	(5.0)	0.00	1.10%	(\$0.85)	\$0.00	\$1.67
Shipper Total		110,000									

Delivery Point #2 Weighted Average Differential Factor (D2WADF)						
Diluent Delivery Point	Shipper	Shipper Batch	Shipper Batch	Shipper Batch	Shipper Batch	Shipper Batch
		M3	Density Differential Amount	Sulfur Differential Amount	Butane Differential Amount	Aggregated Differential Amount
		M3	CANS	CANS	CANS	CANS
Delivery Point #2	XYZ	10,000	\$17,000	\$5,800	\$0	\$22,800
Delivery Point #2	XYZ	10,000	\$17,000	\$5,800	\$0	\$22,800
Delivery Point #2	XYZ	10,000	\$17,000	\$5,800	\$0	\$22,800
Delivery Point #2	XYZ	10,000	\$17,000	\$5,800	\$0	\$22,800
Delivery Point #2	XYZ	25,000	(\$21,250)	\$0	\$41,785	\$20,535
Shipper XYZ Totals		65,000	\$46,750	\$23,200	\$41,785	\$111,735
Delivery Point #2	ABC	15,000	(\$38,250)	(\$3,700)	\$0	(\$46,950)
Delivery Point #2	ABC	15,000	(\$127,500)	(\$13,050)	\$1,022,495	\$881,945
Delivery Point #2	ABC	15,000	(\$114,750)	(\$13,050)	\$25,071	(\$102,729)
Shipper ABC Totals		45,000	(\$280,500)	(\$34,800)	\$1,047,565	\$732,265
Delivery Point #2 Total Differential Amounts						\$844,000
Delivery Point #2 Total Delivered Volumes						110,000
Delivery Point #2 Weighted Average Differential Factor \$/M3 (D2WADF)						\$7.67

Shipper Deliveries to Delivery Point #3: Volumes and Quality Factors											
Carrier Receipt Volumes		Measured Content (Quality Factors)				Measured Content Differential			Value Differential		
Diluent Delivery Point	Shipper	Shipper Batch	Shipper Batch	Shipper Batch	Shipper Batch	Shipper Batch	Shipper Batch	Shipper Batch	Shipper Batch	Shipper Batch	Shipper Batch
		M3	Density	Sulfur Content	Butane Content	Density Differential	Sulfur Differential	Butane Differential	Density Value Differential	Sulfur Value Differential	Butane Value Differential
		M3	kg/m3	Wt. %	Vol. %	kg/m3	Wt. %	Vol. %	CANS/m3	CANS/m3	CANS/m3
Delivery Point #3	XYZ	25,000	750.0	0.200	12.0%	0.0	0.00%	5.00%	\$0.00	\$0.00	\$28.09
Shipper Total		25,000									

Delivery Point #3 Weighted Average Differential Factor (D3WADF)						
Diluent Delivery Point	Shipper	Shipper Batch	Shipper Batch	Shipper Batch	Shipper Batch	Shipper Batch
		M3	Density Differential Amount	Sulfur Differential Amount	Butane Differential Amount	Aggregated Differential Amount
		M3	CANS	CANS	CANS	CANS
Delivery Point #3	XYZ	25,000	\$0	\$0	\$702,198	\$702,198
Shipper XYZ Totals		25,000	\$0	\$0	\$702,198	\$702,198
Delivery Point #3 Total Differential Amounts						\$702,198
Delivery Point #3 Total Delivered Volumes						25,000
Delivery Point #3 Weighted Average Differential Factor \$/M3 (D3WADF)						\$28.09

Pipeline Weighted Average Differential Factor (PWADF)			
Delivery Points	Total Monthly Pipeline Delivery Volume	Total Differential Amount	
	M3	CANS	
Delivery Point #1	45,000	(\$207,150)	
Delivery Point #2	110,000	\$844,000	
Delivery Point #3	25,000	\$702,198	
Pipeline Aggregate Delivery Differential Amount		\$1,339,048	
Pipeline Aggregate Delivery Point Volumes (M3)		180,000	
Pipeline Weighted Average Differential Factor (PWADF) CANS/M3		\$7.44	

Determination of Delivery Equalization Pool Debits and Credits for Shipper XYZ			
	Delivery Point #1	Delivery Point #2	Delivery Point #3
Delivery Point Weighted Average Differential Factor CANS/M3	(\$4.60)	\$7.67	\$28.09
Pipeline Weighted Average Differential Factor CANS/M3	\$7.44	\$7.44	\$7.44
Pipeline/Delivery Point Differential Factor CANS/M3	(\$12.04)	\$0.23	\$20.65
Total of Shipper XYZ Shipper Batches, M3	30,000	65,000	25,000
Shipper Delivery Point Equalization Amounts CANS	(\$361,275)	\$15,182	\$516,219

Shipper Delivery Net Equalization Amount \$170,126

If Shipper Equalization Amount is negative, Shipper shall receive a payment equal to the Shipper Equalization Amount out of the Equalization Pool

If Shipper Equalization Amount is positive, Shipper shall make a payment equal to the Shipper Equalization Amount into the Equalization Pool

Determination of Delivery Equalization Pool Debits and Credits For Shipper ABC			
	Delivery Point #1	Delivery Point #2	Delivery Point #3
Delivery Point Weighted Average Differential Factor CANS/M3	(\$4.60)	\$7.67	\$28.09
Pipeline Weighted Average Differential Factor CANS/M3	\$7.44	\$7.44	\$7.44
Pipeline/Delivery Point Differential Factor CANS/M3	(\$12.04)	\$0.23	\$20.65
Total of Shipper Batches, M3	15,000	45,000	0
Shipper Delivery Point Equalization Amounts CANS	(\$180,637)	\$10,511	\$0

Shipper Delivery Net Equalization Amount (\$170,126)

If Shipper Equalization Amount is negative, Shipper shall receive a payment equal to the Shipper Equalization Amount out of the Equalization Pool

If Shipper Equalization Amount is positive, Shipper shall make a payment equal to the Shipper Equalization Amount into the Equalization Pool