



ENBRIDGE SOUTHERN LIGHTS GP INC.
ON BEHALF OF
ENBRIDGE SOUTHERN LIGHTS LP

LOCAL TOLLS APPLYING ON DILUENT

FROM
INTERNATIONAL BOUNDARY NEAR GRETNA, MANITOBA
TO
EDMONTON AND HARDISTY, ALBERTA; KERROBERT, SASKATCHEWAN

The tolls of the Carrier are regulated by the Canada Energy Regulator (“CER”) on a complaint basis. The Carrier is required to make copies of tariffs and supporting financial information readily available to interested persons. Persons who cannot resolve traffic, toll and tariff issues with the Carrier may file a complaint with the CER. In the absence of a complaint, the CER does not normally undertake a detailed examination of the Carrier’s tolls.

The tolls listed in this tariff are for the transportation of Diluent by pipeline subject to the Rules and Regulations published in Enbridge Southern Lights GP Inc. on behalf of Enbridge Southern Lights LP’s tariff NEB No. 17, supplements thereto and reissues thereof, all of which are specifically incorporated herein.

The tolls listed in this tariff are payable in Canadian currency and are applicable only to Diluent tendered to the Carrier for transportation in Canada.

ISSUED: November 30, 2021

EFFECTIVE: January 1, 2022

ISSUED BY:

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DILUENT TRANSMISSION TOLLS¹

| COMMITTED TOLL^{2,3} IN CANADIAN DOLLARS | |
|---|--|
| From | To |
| International Boundary near Gretna, Manitoba | Edmonton, Alberta; Hardisty, Alberta, Kerrobert, Saskatchewan |
| | [I] \$12.493 /m ³ |
| | [I] \$1.986 /bbl |

| UNCOMMITTED TOLL^{2,3} IN CANADIAN DOLLARS | |
|---|--|
| From | To |
| International Boundary near Gretna, Manitoba | Edmonton, Alberta; Hardisty, Alberta, Kerrobert, Saskatchewan |
| | [I] \$24.986 /m ³ |
| | [I] \$3.973 /bbl |

NOTES:

1. As detailed within the Transportation Services Agreement (TSA) as amended, uncommitted revenue for volumes up to and including 162,000 bpd and 75% of uncommitted revenue for volumes over 162,000 bpd will be refunded back to all shippers at the end of each full calendar year net of committed shipper volume credits and the true-up between forecast and actual revenue requirement. To the extent the actual revenue for the base period is less than (greater than) the true-up revenue requirement for the calendar year, Carrier shall recover (refund) from each Shipper its share of the difference based on such Shipper's proportionate contribution to the actual revenue for the said calendar year. The annual true-up, as detailed within the TSA as amended, will occur as soon as reasonably practicable after the end of each calendar year.
2. The tolls listed in this tariff include an abandonment collection amount pursuant to NEB MH-001-2013 Reasons for Decision.
3. The tolls are published on both a per barrel and a per cubic metre basis. Shippers will be invoiced on a per cubic metre basis.

SYMBOLS:

- [C] – Cancel
 [I] – Increase
 [W] – Change in wording only

| <i>Description</i> | <i>Label</i> |
|--|--------------|
| Revenue Requirement and Toll Calculation | Statement A |
| Overall Return on Rate Base | Statement B |
| Income Tax Allowance | Statement C |
| Rate Base | Statement D |
| Depreciation Expense | Statement E |

| Line | Description | Source | TSA Reference | 2022 |
|------|--|------------------------------|--------------------------|--------------------------|
| 1 | Overall Return on Rate Base | Statement B, Line 8 + Line 9 | Schedule B Section 9, 10 | \$30,590 |
| 2 | Income Tax Allowance | Statement C, Line 18 | Schedule B Section 12 | \$ - |
| 3 | Operating Expenses Excluding Power Costs | Projected | Schedule B Section 13 | \$ 27,694 |
| 4 | Power Costs | Projected | Schedule B Section 13 | \$ 12,327 |
| 5 | Abandonment Collection amount ¹ | Projected | | \$ 6,100 |
| 6 | Total Depreciation Expense | Statement E, Line 5 | Schedule B Section 11 | <u>\$ 40,737</u> |
| 7 | Total TSA Revenue Requirement | Sum Lines (1 - 6) | Schedule B Section 14(a) | <u><u>\$ 117,448</u></u> |
| 8 | Annual Committed Volume (thousands of m ³) | | | 9,401 |
| 9 | Committed Toll (\$ per m ³) | Line 7/Line 8 | | \$ 12.493 |
| 10 | Uncommitted Toll (\$ per m ³) | Line 9 * 2 | | \$ 24.986 |

¹ Based on Enbridge Southern Lights GP Inc.'s Abandonment Cost Estimate approved by the NEB on March 1, 2019 [A98121]

| Line | Description | Source | 2022 |
|------|-----------------------------|---------------------|------------------|
| 1 | 13 Pt Avg Rate Base | Statement D, Line 4 | \$ 522,381 |
| 2 | Debt Ratio | Per TSA | 70.00% |
| 3 | Equity Ratio | Per TSA | 30.00% |
| 4 | Debt Portion of Rate Base | Line 1 * Line 2 | \$ 365,667 |
| 5 | Equity Portion of Rate Base | Line 1 * Line 3 | \$ 156,714 |
| 6 | Cost of Debt | Projected | 4.08% |
| 7 | Equity Rate of Return | Per TSA | 10.00% |
| 8 | Interest Return | Lines (4 * 6) | \$ 14,919 |
| 9 | Equity Return | Lines (5 * 7) | \$ 15,671 |
| 10 | Total Return | Lines 8 + 9 | <u>\$ 30,590</u> |

| Line | Description | Source | 2022 |
|------|---|---------------------------|-------------|
| 1 | Return on Equity | Statement B, Line 9 | \$ 15,671 |
| 2 | Abandonment Collection Amount | Statement A, Line 5 | \$ 6,100 |
| 3 | Earnings before Income Taxes | Line 1 + Line 2 | 21,771 |
| | Permanent Differences: | | |
| | Attributed QET Investment Income * | | \$ - |
| | | | \$ - |
| | Temporary Differences: | | |
| 4 | Contribution to QET Account | Deduct Line 2 | \$ (6,100) |
| 5 | AIDC Capitalized | | \$ (124) |
| 6 | Depreciation | Statement E, Line 3 | \$ 40,325 |
| 7 | Capital Cost Allowance | | \$ (28,126) |
| 8 | Book Amortizations | | \$ 383 |
| 9 | Integrity Digs | | \$ (15,406) |
| 10 | Capitalized General & Administrative Expenses | | \$ (1,567) |
| 11 | Other Temporary Differences | | \$ - |
| 12 | Total Temporary Differences | Sum Lines (4 - 11) | \$ (10,616) |
| 13 | Income Tax Base | Line 3 + Line 12 | \$ 11,156 |
| 14 | Tax Loss Carryforward | | \$ (11,156) |
| 15 | Adjusted Income Tax Base | Line 13 + Line 14 | \$ - |
| 16 | Income Tax Rate | | 24.8405% |
| 17 | Income Taxes | | \$ - |
| 18 | Income Tax Allowance | Line 17 / (1 - Line 16) | \$ - |

| Line | Description | Source | 2022 |
|------|--|---|--------------------------|
| | <u>Rate Base</u> | | |
| 1 | 13 pt Avg Carrier Property In Service | Company Data | \$ 514,366 |
| 2 | Rate Base for Capitalized Upfront Debt Issue Costs | Company Data | \$ 4,681 |
| 3 | Working Capital | Statement A, (Line 3 + Line 4) * (1/12) | <u>\$ 3,335</u> |
| 4 | 13 Pt Avg Rate Base | Sum Lines (1 - 3) | <u><u>\$ 522,381</u></u> |

| Line | Description | Source | 2022 |
|------|---|-----------------|------------------|
| 1 | Monthly Average Carrier Gross Property In Service | Company Data | \$ 823,246 |
| 2 | Depreciation Rate per TSA (Average) | TSA Schedule D | 5.01% * |
| 3 | Plant Depreciation Expense | Company Data | \$ 40,325 ** |
| 4 | Amortization of Financing Charges | Company Data | \$ 412 |
| 5 | Total Depreciation Expense | Line 3 + Line 4 | <u>\$ 40,737</u> |

* Depreciation rate of 5.01% is the average of the 2022 Jan-Jun sculpted depreciation rate of 4.83% and the Jul-Dec rate of 5.18%. Annual depreciation rate for capital placed into service on or after January 1, 2018 will be 3.33%, as agreed to between Enbridge Southern Lights GP and its committed shippers.

** Depreciation is calculated on a monthly basis from forecasted plant balances.