



Quality Pooling Revision Transport of Midale (M) as a Segregated Commodity

Frequently Asked Questions

Q. What is changing?

A. Effective July 1, 2015, Midale (M) will transport as a segregated commodity based upon receipts of Midale components on all new injections into the mainline. Medium Sour Blend (MSB) will be comprised of the three former transport commodities: Edmonton Low Sour (SLE), Edmonton High Sour (SHE), and Mixed Sour Blend (SO). Midale and MSB will be handled through Enbridge mainline as per Table 5 – Tank Utilization.

Q. Why is it changing?

A. At the Q4 2014 Mainline Shipper meeting, Enbridge acknowledged challenges in attaining the ideal mix scenario for the MSB pool. A review of operations identified very limited opportunities for improvement with respect to the mixing of MSB components upstream of, and including, Superior. This is significant impact as MSB is an equalized stream with the expectation that delivered quality reflects the volume weighted average of the pool. As such, the removal of Midale from the MSB pool is anticipated to result in the MSB pool attaining a more consistent, volume-weighted delivered quality.

Q. Where can we go if we have concerns or feedback with respect to the MSB pool and Midale?

A. The Quality Pooling Group (QPG) will remain in place to conduct annual reviews of specifications and batch management. The QPG was formed with representatives from the producer, refiner, and integrated Shipper communities. If you wish to attend these annual sessions or have a discussion with those that were part of the sessions, then please reach out to Ashok Anand or Nanette Yearley from Petroleum Quality.

Q. Will our overall Retention Stock requirements change?

A. MSB retention stock requirements applicable to Midale will be stream blended to Midale for the July Shipper Balance Statements. June nomination month MSB batches will move through the Enbridge system through to final delivery as MSB.

Q. Will Shipper Balances be held at each terminal for pools?

A. Shipper Balances will be the same as today. Multiple location pools in one Shipper Balance statement will be issued for each feeder receipt commodity, with a stream blend to a single pooled commodity Shipper Balance statement. All deliveries, transfers, Automatic Balancing, in-transit batches, and Retention Stock activity will be provided on the single-pooled commodity Shipper Balance statement.

Q. Where can we obtain a copy of what commodities are in which pools and their respective specifications?

A. Reference information has been updated, including an overview of each crude commodity transport method, as well as an overview of each pool and its respective commodities and specifications. This information can be found on SWIFTLINK under Reports>Reports and References>General>Quality Pooling Reference. The information in these documents is subject to change and the latest copy will be made available on SWIFTLINK. Shippers will be informed via SWIFTLINK of significant changes to the documents.

Q. If a crude commodity is identified as moving “segregated”, does that mean it will not be commingled with other commodities?

A. Segregated commodities are managed through Enbridge mainline facilities as separate from other commodities and will be commingled as per “Table 5 – Tank Utilization”. A revised copy of “Table 5 – Tank Utilization” can be found on SWIFTLINK (Reports>Reports and References>General>Quality Pooling Reference).

Q. What is Enbridge’s Quality Management Program?

A. Enbridge implements a Quality Management Program to maintain the pool quality bands. The quality is managed to as narrow quality band as possible (using a volume-weighted average subject to usual pipeline variations).

Ratio-based guidelines will be worked within the Enbridge scheduling team as follows:

<i>Pool</i>	<i>Requirement</i>
<i>MSB</i>	<i>MBL in a 1:1 ratio with any MSB component</i>
<i>LSB</i>	<i>MJT in at 1:2 ratio with LSB</i>
<i>PSH</i>	<i>BR and WCB mix with F in a 1:1 ratio</i>
<i>CHV</i>	<i>LLB in a 1:2 ratio with CHV component</i>
<i>SYB</i>	<i>PSH in a 1:2 ratio with SYB component</i>

Please note that the Quality Management Program is implemented on a best-efforts basis. Primary efforts are directed to protect and preserve capacity.

Q. Will Shippers be able to perform a non-reported trade for batches between locations?

A. Trades between locations must be a reported as a trade (buy / sell).

Q. Will sampling and test plan protocols remain the same?

A. Protocols will remain unchanged for the sample and test plan.

Q. Will Enbridge be sharing the ongoing specifications of the actual pools (i.e. data)?

A. The Quality Pool Sample & Test results will continue to be made available at:
SWIFTLINK (swiftlink.enbridge.com) at Reports>Reports and References>General>Quality Pooling Reference

Q. How frequently will Quality Pool Sample & Test reports be produced?

A. The reports will continue to be made available on a monthly basis.

Q. How will tanks be allocated? (i.e. what pool for what tank)?

A. Enbridge will apply the same tank allocation methodology used presently.

Q. How will the transport of Midale as a segregated commodity affect equalization?

A. Cromer sour receipts that transport as Midale will be equalized for a given month. Edmonton and Hardisty sour receipts will be equalized for a given month provided no SO (Hardisty Light - MBL) deliveries for that receipt month occur upstream of Superior.

Q. Will there be a tiered Medium Sour Blend (MSB) Weighted Average Differential Factor (WADF) or exclusions from the Equalization process for volumes delivering at Hardisty?

A. Effective July 2015 MSB (Edmonton-EP and Hardisty-YP) and M (Cromer) will be independently equalized and the Stage 2 Equalization will no longer be performed. Any Hardisty MSB deliveries upstream of Superior will be excluded from the equalization process for that month as they would have transported neat through to delivery.

Q. For Medium Sour Blend (MSB) and Midale (M) where there will be a combination of different density transmission categories (light and medium) and different receipt locations for MSB (EP and YP), which tariff will be applied to MSB and M?

A. A Shipper pays the transmission toll based on the receipt site and density of volume from each feeder a Shipper is involved in. The default density of a transport commodity is only utilized for reference and in the event a batch is delivered and invoiced prior to the full month's receipt volumes being received and calculated. After a full month's receipt density is available and density percentages are determined on a shipper-by-shipper basis, invoice adjustments are generated during the mid-month invoicing cycle of the next month. The principle that is applied currently will be applied in exactly the same way post July 1st 0700 2015.



Q. For July nominations, do we need to nominate with the new pool name?

A. Shippers will be nominating to the Midale pool effective July 1, 2015. July business 2015 batches will be built with the new quality pooling nomenclature.

Q. Do we need to nominate the stream blend to the new pools?

A. For July business, volume will be nominated as a transport commodity of the new pool and receipt commodity of the current commodity name.

Q. Will the process of apportionment and allocation of volume change?

A. No, the process of apportionment and allocation of volume will be the same as today.

Q. Will Enbridge allow batches in-transit deliver with their pre-July 1 transport commodity name, or will it be changing batches in-transit over to the pool name?

A. June carryover batches and batches injected prior to 07:00 on July 1, 2015, will deliver through with their pre-July 1 transport commodity name. Current batches in the system will not be changed to the new pool name but will stay as the current commodity until delivered off the system.

Q. How will Enbridge treat batches that are injecting at cutover on July 1?

A. A batch in the process of being injected at 07:00 on July 1, 2015, will continue to its completion under the previous name.

Q. How will Enbridge handle change requests during the transition?

A. During transition, any trades conducted involving a pool commodity and a currently existing transport commodity will need to be a reported in-line trade for Shipper Balance purposes.

Q. When will Q3 Retention Stock be issued to Shippers and how will it be calculated?

A. Q3 Retention Stock will be released no later than June 10th, 2015 and will be based off of April/May actuals plus June nominations. As M (CM) was not a transport commodity during the period used to calculate Retention Stock, shippers will have their MSB (CM) Retention Stock adjusted to M (CM). Stream-blends will occur between MSB and M to negate the Automatic Balancing that would occur from this change. If you are a shipper and are nominating M (CM) for July and you have questions, please contact the Carrier Inventory group.

Q. How would a Shipper ensure to have adequate Working Stock in each set of tanks for Midale?

A. There are currently no Working Stock requirements for M (CM).

Q. Will carryover batches be changed to the new pool names?

A. No, carryover batches will not be changed to the new pool names.

Q. How will incremental pre-receipts be handled during the transition?

A. For June into July, pre-receipts will be accepted as MSB, however adjusted to M for those accepted at CM for July nomination.

Q. How will requested / assigned pre-receipts and builds be handled during the transition?

A. For June into July, a Shipper position from MSB in June that was assigned either a pre-receipt / build in MSB (CM) will be assigned to M (CM) in SWIFTLINK to their July nomination.



Q. How will Automatic Balancing be handled for the month of July?

A. There will be no change to the current process. As there will be over/short in July for M (CM) we ask that in addition to pricing being provided for MSB (EP) that Shippers also provide M (CM).

Q. How will Spearhead and FSP nominations be handled?

A. During the transition period Spearhead and FSP volumes will deliver through with their pre July 1 commodity name (MSB). Shippers will nominate as Midale (M) for August business.

Q. How will this change affect transfers at source, inventory transfers and terminal transfers?

A. As of July nominations, all transfer activities should be under a Midale (M) nomination and no longer under a MSB nomination.

Q. How will the Material Safety Data Sheets (MSDSs) be handled for the new pools?

A. MSDSs for the new pools are being developed and will be made available as soon as possible (in advance of July 1st implementation) via SWIFTLINK.

COMMUNICATION AND IMPORTANT CONTACTS

Contact	Phone	Email
Customer Service - Service delivery, scheduling	(403) 231-5721	Commodity/Geographic specific email addresses listed in SWIFTLINK (References>Contacts)
Emergency Number	(780) 420-8899 (877) 420-8800	Not applicable
Enbridge Business Development	(403) 231-3900	Not applicable
SWIFTLINK Help	(800) 246-5411	SWIFTLINK.support@enbridge.com
Customs inquiries	Not applicable	customs@enbridge.com