

# **ENBRIDGE PIPELINES INC.**

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## **LINE 8 OIL PRODUCTS TARIFF**

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### **RULES AND REGULATIONS**

Governing the

### **TRANSPORTATION**

of

### **OIL PRODUCTS IN LINE 8 FACILITIES**

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▲ Denotes changes in wording from NEB No. 225

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## RULES AND REGULATIONS

### 1. DEFINITIONS

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

**"Allocated Capacity"** means the capacity of the Facilities which a shipper has contracted for pursuant to such Shipper's facilities support agreement with Carrier.

**"Carrier"** means Enbridge Pipelines Inc.

**"Carrying Charges"** means carrying costs calculated using the average monthly Bank Rates in effect at the end of the month as published in the Bank of Canada Statistical Review plus 100 basis points.

**"Facilities"** means Carrier's 20" pipeline, commonly known as Line 8, and related lands, together with additional facilities constructed on Carrier's property or easement required for transportation of Oil Products between the Regular Receipt Point and Regular Delivery Point.

**"Firm Service Toll"** means the toll approved by the NEB for firm service under this tariff.

**"Firm Shipper"** means a Shipper with Priority Access Capacity to the extent such Shipper tenders Oil Products in amounts not greater than such Shipper's Priority Access Capacity.

**"Kilopascal"** is equivalent to 0.145 037 7 pounds per square inch.

**"NEB"** means the National Energy Board.

**"Oil Products"** means the low vapour pressure products of oil wells and products of a refinery tendered as gasoline, diesel fuel, aviation fuel, kerosene, stove oil, furnace fuel, or a mixture of such products or their components [low vapour pressure product is defined as a liquid with an absolute vapour pressure of 107 kilopascals or less at 38 degrees Celsius].

**"Priority Access Capacity"** means the capacity of the Facilities to which such Shipper has been granted unapportioned access by the NEB.

**"Regular Delivery Point"** means the point where the Facilities connect with the pipeline facilities of Sarnia Products Pipeline in the vicinity of Millgrove Junction for the delivery of Oil Products as provided for in the Carrier's tariff.

**"Regular Receiving Point"** means the point where the Facilities connect with the pipeline facilities of Sarnia Products Pipeline in the vicinity of the Carrier's Sarnia terminal for the receipt of Oil Products as provided for in the Carrier's tariff.

**"Shipper"** means the party that contracts with the Carrier for the transportation of Oil Products in the Facilities under the terms of this tariff.

**"Tender"** means an offer by a Shipper to the Carrier in accordance with this tariff for the transportation of a stated quantity of Oil Products from the Regular Receiving Point to the Regular Delivery Point.

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### 2. COMMODITY

This tariff applies to the transportation of Oil Products by the Carrier by means of the Facilities.

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### 3. ORIGIN AND DESTINATION FACILITIES

(a) Subject to the further provisions of this tariff, the Carrier will only accept Oil Products for transportation:

(i) at the Regular Receiving Point; (ii) when the Oil Products have been specified to be delivered at the Regular Delivery Point; and (iii) when the party taking delivery of the Oil Products has been specified in writing to the Carrier.

(b) Except where the Carrier provides such facilities, the Carrier will only accept Oil Products for transportation when the Shipper has provided the necessary facilities satisfactory to the Carrier at the specified Regular Receiving Point and Regular Delivery Point for such Oil Products.

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### 4. SPECIFICATIONS AS TO QUALITY

(a) A Shipper shall not deliver to the Carrier and the Carrier shall not be obligated to accept Oil Products 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 107 kilopascals; and (iii) other physical or chemical characteristics that may cause harm to the Facilities or render such Oil Products not readily transportable by the Carrier or that may otherwise cause disadvantage to Carrier.

(b) A Shipper shall, as required by the Carrier, provide to the Carrier a certificate with respect to the specifications of the Oil Products 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 Oil Products.

(c) A Shipper shall, if requested by the Carrier and in accordance with law, provide and inject corrosion inhibitor compound of a type and amount that is satisfactory to the Carrier into Oil Products to be received by the Carrier from such Shipper in amounts sufficient to meet the requirements of paragraph (a) (iii) of Rule 4 of this tariff.

(d) If the Carrier determines that a Shipper does not comply with the provisions of paragraph (a) or (c) of Rule 4 of this tariff, then such Shipper shall remove its Oil Products from the facilities of the Carrier as directed by the Carrier.

## **RULES AND REGULATIONS**

### **4. SPECIFICATIONS AS TO QUALITY (Continued)**

(e) If a Shipper fails to remove its Oil Products from the facilities of the Carrier as directed by the Carrier, then the Carrier shall have the right to remove and sell such Oil Products 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 Oil Products. 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**

(a) The Carrier shall endeavour to deliver substantially the same type of Oil Products as that received from the Shipper, however the Carrier shall not be obligated to make delivery of the identical Oil Products received by the Carrier.  
(b) The Carrier shall operate the Facilities in accordance with prudent pipeline operating practice.  
(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 Oil Products as a result of the Carrier's transportation of such Oil Products.

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### **6. TENDERS**

Tenders for the month shall be submitted to the Carrier, in a form acceptable to Carrier, three (3) business days prior to the first day of each month. The Carrier may, subject to the availability of space and the operating conditions of the Facilities, accept Tenders or revised Tenders after such time.

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### **7. SUSPENSION OF SERVICE**

A Firm Shipper may elect to suspend shipments of Oil Products for a period of not less than one (1) year subject to the provisions of such Shipper's facilities support agreement with Carrier.

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### **8. APPLICATION OF TOLLS**

The Carrier shall charge Firm Shippers the Firm Service Toll in effect for the month multiplied by such Shipper's Allocated Capacity.

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### **9. PAYMENT OF TOLLS AND LIEN FOR UNPAID CHARGES**

(a) A Shipper shall pay all charges and costs as provided for in this tariff relating to the transportation of the Shipper's Oil Products by the Carrier. Shipper shall pay all bills within thirty (30) days of receipt of such bills (the "Due Date"). Should Shipper fail to pay the full amount of any bill by the Due Date, Carrying Charges will be applied on the unpaid portion of the bill commencing on the Due Date. If such failure to pay continues for 20 days after a written notice of late payment by Carrier (the "Notice Date"), then Carrier may suspend further receipts and deliveries until such amount is paid; provided that:

(i) if Shipper in good faith disputes the amount of any such bill or part thereof and pays to Carrier such amounts as it concedes to be correct within such 20 day period following the Notice Date; and (ii) any time thereafter within 20 days after a demand is made by Carrier, Shipper furnishes a surety bond or other financial guarantee for the amount in dispute, in a form reasonably satisfactory to Carrier, assuring payment to Carrier of the amount ultimately found to be due upon such bill after a final determination which may be reached either by mutual agreement or a judgment of a court of competent jurisdiction;

then Carrier shall not be entitled to suspend further receipts and deliveries because of such nonpayment unless and until a default occurs in relation to the conditions of such bond.

(b) The actual payment of any statement or part thereof shall not prejudice the right of Shipper to protest or question the correctness thereof; provided, however, all statements rendered to Shipper during any month shall conclusively be presumed to be true and correct after five (5) years following the close of the calendar year in which such statement was received, unless prior to the end of said five (5) year period Shipper takes written exception thereto and makes a claim on Carrier for an adjustment or unless such statements contain charges related to capital projects in progress. In the case of capital projects in progress, Shipper will be permitted, upon completion of such projects, to protest or question the correctness of all statements rendered by Carrier in respect of any charges contained in such statements relating to such projects. Carrier shall neither be required nor permitted to adjust any item unless a claim is presented by Shipper in writing, or adjustment is initiated by Carrier, within the above period, and in the absence of such timely claims or adjustments, all statements rendered by Carrier to Shipper shall be conclusively established as correct.

## RULES AND REGULATIONS

### **9. PAYMENT OF TOLLS AND LIEN FOR UNPAID CHARGES (Continued)**

(c) In the event it is found that Shipper has been overcharged or undercharged for service and Shipper has paid the bills containing such overcharge or undercharge then, within 30 days after the final determination of the amount of such overcharge or undercharge:

(i) Carrier shall refund the amount of any such overcharge plus Carrying Charges applied from the time such overcharge was paid to the date of refund. If such refund is made by credit on an invoice from Carrier to Shipper, the date of the refund shall be the date upon which the invoice reflecting such credit was payable to Carrier by Shipper; or (ii) Shipper shall pay the amount of any such undercharge without interest.

(d) The Carrier shall have a general lien on a Shipper's Oil Products that is in the possession of the Carrier to secure the payment of all charges and costs accruing or due relating to the transportation of the Shipper's Oil Products by the Carrier. If a Shipper fails to provide the financial guarantees provided for in paragraph (a) (ii) of Rule 9 of this tariff, then the Carrier shall have the right to remove and sell any or all of such Shipper's Oil Products that are in the possession of the Carrier in such lawful manner as deemed appropriate by the Carrier. The Carrier shall pay from the proceeds of such sale all charges and costs accruing or due relating to the transportation of such Shipper's Oil Products by the Carrier and all costs incurred by the Carrier with respect to the storage, removal and sale of such Shipper's Oil Products. 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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### **10. METERING**

The Carrier shall meter, or cause to be metered, a Shipper's Oil Products upon receipt and delivery by the Carrier for the purposes of leak detection and system monitoring and control.

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### **11. DELIVERY AND ACCEPTANCE**

(a) A Shipper or the designate of the Shipper shall accept such Shipper's Oil Products upon arrival at the designated Regular Delivery Point for such Oil Products.

(b) If a Shipper fails to remove its Oil Products 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 Oil Products 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 Oil Products. 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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### **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 Oil Products, including without limitation the breakdown of the facilities of the Carrier.

(b) If damage or loss to Oil Products results from any cause other than the direct negligence of the Carrier while the Carrier is in possession or control of such Oil Products 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 Oil Products in the possession of the Carrier on the date of such loss to the total volume of Oil Products in the possession of the Carrier on the date of such loss.

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### **13. INDEMNIFICATION BY THE SHIPPER**

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

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### **14. APPORTIONMENT**

If more Oil Products are tendered by Firm Shippers than can be transported by the Carrier under the current operating conditions of the Facilities, then the Carrier shall apportion the available capacity among all Firm Shippers on the basis of such Shippers' Priority Access Capacities.

**RULES AND REGULATIONS**

**15. ADVERSE CLAIMS AGAINST OIL PRODUCTS**

(a) A Shipper shall not Tender or deliver to the Carrier Oil Products which is involved in litigation, the ownership of which may be in dispute or which are 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 made to the Carrier.

(b) The Carrier shall not be obligated to accept Oil Products that is involved in litigation, the ownership of which may be in dispute or which are 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 Oil Products is in the possession of the Carrier, such Oil Products become involved in litigation, the ownership of such Oil Products become in dispute or such Oil Products become 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 satisfactory to the Carrier protecting the Carrier against any liability or loss that may arise as a result of such Shipper's Oil Products 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.

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**16. 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 Oil Products by the Carrier within 30 days of delivery of such Oil Products 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 within 180 days from the date that written notice is given by the Carrier to such Shipper that the Carrier has disallowed such 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 16 of this tariff, then such Shipper waives all rights it has to bring an action against the Carrier with respect to such claim.