QUALITY POOLING STATUS
COQA

Feb 27th 2014

ENBRIDGE

Enbridge Liquid Pipelines System

QP Process

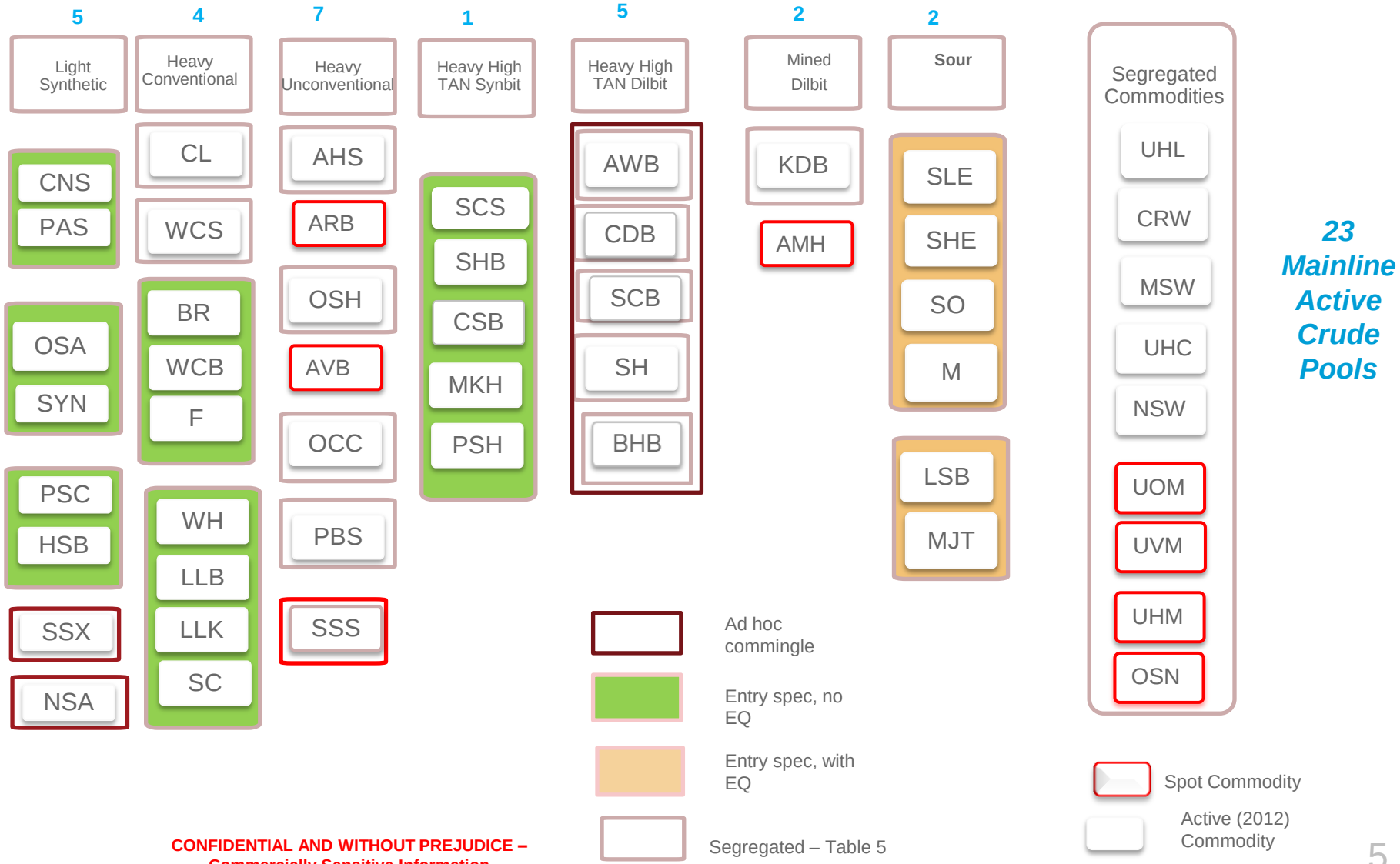
- Enbridge approached EPG April 2012 with need to provide structured quality pooling versus ad hoc commingling
- Quality Pooling Group formulated in May 2012 with industry reps on potential pools & EQ
  - QPG Active Participants
    - Producers 13
    - Integrated 5
    - Refiners 4
    - Total 22
- For confidentiality & anti-trust reasons QPG recruited 2 external consultants to analyze & assimilate technical & commercial data from shippers to recommend potential pools and associated EQ methodologies
- Consultants issued reports to QPG in June 2013
- QPG split into smaller Sub Pool groups to reach consensus

QP PLAN SUMMARY

- Sub groups reached preliminary recommendations. QPG reviewed and endorsed in Dec. EPG had no concerns at Jan 7th mtg
- Chart on next page indicates pools and commodities
  - 43 active commodities reduced to 23 active
  - Only 2 pools EQ'd. Others follow entry specs
- Timelines for Implementation (no regulatory requirement to file)
  - Feb 1: Enbridge announcement re pools & rules
  - May 1: All injections follow QP protocols
- Enbridge to implement Quality Management Program to maintain pool quality bands - quality to be managed to as narrow quality band as possible (volume weighted average subject to usual pipeline variations)
  - Sample & test program - most pools self manage –- 7 commodities to be mixed in ratios
  - Sub groups to meet once per year to assess status and changes
- 4 Additional tanks required – follow RSG process
  - Full segregation would require 24 tanks (~$1.2B) by 2017
- QPG & Sub groups will continue meet in Q1 to finish off

Quality Pools

43 (active)



23 Mainline Active Crude Pools