QUALITY POOLING STATUS
COQA

Feb 27th 2014
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)

Light Synthetic
Heavy Conventional
Heavy Unconventional
Heavy High TAN Symbit
Heavy High TAN Dilbit
Mined Dilbit
Heavy
Light Synthetic
Heavy Conventional
Heavy Unconventional
Heavy High TAN Symbit
Heavy High TAN Dilbit
Mined Dilbit
Heavy

Segregated Commodities
UHL
CRW
MSW
UHC
NSW
UOM
UVM
UHM
OSN

Spot Commodity
Active (2012)
Commodity
Entry spec, no EQ
Entry spec, with EQ
Segregated – Table 5
Ad hoc commingle

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