



TRANS-NORTHERN PIPELINES INC.

CONDITIONS OF TRANSPORTATION

Jan-2020

Effective April 1, 2024

TRANS-NORTHERN PIPELINES INC.

CONDITIONS OF TRANSPORTATION

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TRANS-NORTHERN PIPELINES INC.

CONDITIONS OF TRANSPORTATION

1. Preamble

All ~~petroleum~~Petroleum accepted for transportation on the Pipeline System will be subject to the conditions contained in these Conditions of Transportation ~~as amended from time to time. Cost for transportation will be as detailed in "Schedule I, Tariff", attached hereto as amended from time to time.~~ Definitions of ~~Terms~~words used in this ~~document~~COT are contained in Appendix I, attached. This COT replaces the January 2020 Conditions of Transportation in all respects as of the Effective Date.

2. Shippers' and Consignees' Facilities

- (a) Petroleum will be accepted by the Carrier for transportation only after the Shipper has provided the necessary facilities, satisfactory to the Carrier acting reasonably, to deliver the Petroleum to the Carrier at the Origin and the Shipper or its Consignee has provided the necessary facilities to receive the Petroleum from the Carrier at the Destination, without restricting the full flow capability of the ~~pipeline~~Pipeline System at which the Carrier is then operating. The Shipper shall deliver Petroleum uniformly at rates of flow required by the Carrier and shall maintain at all times the minimum pressure of 350 kPa at the Origin, ~~as required by the Carrier, as specified in Appendix II.~~

Unless otherwise agreed by the Carrier, facilities providing delivery and flow of Petroleum at the Origin will be remotely controlled by the Carrier. Such facilities are to be maintained by Shipper or its agent to the satisfaction of the Carrier, and Shipper shall indemnify and hold Carrier free and harmless of any losses and liabilities and all Claims in connection with the construction, maintenance, and operation of the Shipper's facilities.

Where the Shipper's ~~/ or its~~ Consignee's facilities at the ~~destination~~Destination are remotely controlled or monitored by the Carrier, for the purpose of making a delivery of Petroleum at the Origin or Destination, a separate agreement detailing facility requirements and establishing protocols, and operating procedures will be entered into by the Carrier and the Shipper ~~/ or its~~ Consignee prior to commencement of any such deliveries.

- (b) In ~~pipeline~~ segments of the Pipeline System which ~~may be~~ subject to Backhaul, the Shipper or the Consignee shall provide sufficient Petroleum to displace normal tenders out of the pipeline segment involved in the Backhaul

prior to commencement of the Backhaul.

3. Estimates and Nominations

- (a) ~~The~~ Not later than ninety (90) days prior to the commencement of each calendar year, the Shipper shall furnish to the Carrier upon request, an estimate in writing of the Petroleum quantity the Shipper intends to nominate for transportation through the pipeline for a 12-month period Annual Nomination for each Month during the upcoming calendar year. The estimate is to include the ~~quantities~~ volumes of Gasoline, Middle Distillate and Aviation Turbine Fuel ~~by month~~ intended for transportation through the Pipeline System by Month in such calendar year, for each Origin and ~~each~~ Destination pairing. Where a Shipper has a supply agreement with another Shipper(s), the volume of ~~product~~ Petroleum to be supplied to the other Shipper(s), by source, shall be identified. In the event that a Shipper fails to deliver its Annual Nomination, Shipper shall be deemed to have submitted an Annual Nomination using the same forecast of Petroleum as contained in the last Annual Nomination provided by such Shipper. On or prior to ten (10) Business Days following the Annual Shippers Meeting, each Shipper may, but shall not be obligated to, deliver to Carrier an Amended Annual Nomination which shall thereafter supersede and replace the previously delivered Annual Nomination.

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- (b) Not later than ten (10) Business Days of receipt Carrier's request, Shipper shall deliver to Carrier an Adjusted Nomination in writing for each Month during the remainder (commencing as of the first day of July) of the current calendar year which shall thereafter supersede and replace the previously delivered Annual Nomination for the remainder of the then current calendar year. In the event that a Shipper fails to deliver an Adjusted Nomination within such ten (10) Business Day period, such Shipper shall be deemed to have confirmed its Annual Nomination and waived any right to amend, update or alter its Annual Nomination for the remainder of the current calendar year.
- (c) ~~(b)~~ The Shipper shall furnish to the Carrier, in writing, a monthly volume ~~nomination to include individual product distribution~~ Nomination indicating both Origin and Destination points, on or before the ~~twentieth (20th)~~ day of the ~~month~~ Month preceding the ~~month~~ Month during which the Shipper intends to deliver Petroleum to the Carrier for transportation (the "**Nomination Deadline**"). If the ~~20th~~ ~~Nomination Deadline~~ is not a ~~business-day~~ Business Day, the ~~nomination~~ Nomination is due on the last ~~business day~~ Business Day prior to the ~~20th~~ Nomination Deadline. If a Shipper's Nomination is not provided by the Nomination Deadline, the volumes nominated by that Shipper in the previous Month will be used and be deemed to have been nominated by Shipper. The Carrier will not accept Nomination(s) which exceed the available Capacity of the Pipeline System and any such Nomination(s) shall be reduced to the available Capacity by the Carrier, and shall thereafter be deemed to have been nominated by Shipper. Should the aggregate of all nominations received exceed the available Capacity of the Pipeline System, all such nominations shall be reduced by Carrier to the available Capacity of the Pipeline System in accordance with Section 4. The Carrier will endeavour to provide the Shipper in writing, within ~~2-business-days~~ two (2) Business Days of receiving the Shipper's ~~nomination~~ Nomination, a schedule of intended acceptance, showing the extent to which the Carrier intends, in accordance with ~~section~~ Section 4, to accept those nominations and setting out the timing of Tenders. ~~If a Shipper's nomination is not provided by the day specified, the volumes nominated by that Shipper in the previous month will be used. The Carrier will not accept nominations which exceed the available capacity of the system. Any such nominations shall be reduced to the available capacity by the Carrier.~~ Commencing with Nominations for the April, 2025 delivery Month, and for Nominations for each Month thereafter, Shipper's Nomination shall include written verification (in the form of an officer's certificate in the form attached as Appendix II, the "**Officer's Certificate**") of Shipper's capability and intent to deliver and receive Petroleum to satisfy its Nomination volume, unless Carrier waives the obligation to provide such Officer's Certificate (which waiver shall apply to all Shipper's on all segments). Unless Carrier has waived such obligation, Carrier shall not be obliged to accept Shipper's Nomination if such Officer's Certificate is not received within the time or in the form attached.
- (d) ~~(e)~~ A schedule of intended injection ~~Tenders at the Origin~~, and delivery Tenders ~~at the Destination~~ will be confirmed by the Shipper as requested from time to time ~~by Carrier~~ to allow for the preparation of a detailed Carrier ~~eyele~~ Cycle of injections and deliveries.

4. Allocation

- (a) The Carrier may, subject to the allocation provisions in sections 4(b), ~~(c)~~ and ~~(d4(c))~~, ~~at its sole discretion~~ acting reasonably and without liability, allocate available ~~capacity~~ Capacity of the Pipeline System, for any ~~month~~ Month in which nominated volumes exceed the ~~pipeline's capacity (see Appendix II – Pressure, Flow Rate, and Receipt Temperature Requirements for Delivery to Shippers System, amongst each Shipper~~ Capacity of the Pipeline) to Shippers System, amongst each Shipper in ~~the~~ the proportion ~~to their~~ that such Shipper's monthly ~~nominations~~ Nominations submitted on the ~~20th~~ Nomination Deadline of the previous ~~month~~ Month in accordance with section 3(~~b~~c) ~~bears to the monthly Nominations of all Shippers submitted on the Nomination Deadline of the previous Month (the "Binding Allocation")~~.

Any reduction in ~~pipeline capacity~~ Capacity of the Pipeline System caused by pipeline failure ~~or~~, equipment breakdown, or by interruption of normal flow (see Section 7) will be borne by ~~Shippers~~ each Shipper in ~~the~~ the proportion ~~to~~ that such Shipper's accepted volume ~~nominations~~ Nominations bears to the aggregate accepted volume Nominations of all Shippers.

- (b) ~~Allocation~~ Subject to the following sentence, the allocation of available Capacity of the Pipeline System in accordance with Section 4(a) will be by ~~determined according to the~~ area of restriction or line segment rules set out in this Section 4(b) and notification of allocation will be made in the Shipper ~~Carrier's~~ Carrier's schedule of intended acceptance issued in accordance with Section 3(b)c. ~~This Section 4(b) shall no longer be applicable for Tenders delivered to Carrier after March 31, 2025, and the provisions of Section 4(a) shall thereafter apply.~~ Line segments and allocation rules for each are identified below:

- (i) Montreal Line:

Allocation of ~~capacity~~ Capacity on the Montreal Line will be conducted in accordance with Section 4(a) subject to the priority access and allocation provisions ~~of available to~~ the Priority Access Agreement or the Facility Service Agreement.

- ~~(ii) — Metro Line:~~

~~Allocation of capacity will be conducted in accordance with 4(a)~~ Shipper.

- ~~(ii)~~ ~~(iii)~~ West Line:

Allocation of Capacity ~~is allocated~~ on the West Line will be conducted in the following order:

- 1) The allocation provisions of the Priority Access Agreement or the Facility Service Agreement ~~Agreements will apply; and thereafter:~~
 - 2) Mid-Line terminal volumes that do not pass Belleville shall be allocated in accordance with Section 4(a); and thereafter:
 - 3) Volumes nominated by Spot ~~volumes~~ Shippers shall be allocated in accordance with Section 4(a) ~~with the provision provided, however,~~ that no ~~spot~~ Spot Shipper may nominate a monthly volume greater than 900m3 per day.
- (c) ~~If~~ Commencing April 1, 2025, if a Shipper fails, except as a result of an event of Force Majeure, to deliver to the Carrier the Tender volumes allocated for transportation during any ~~month, the Carrier may, at its sole discretion, do either or both of the following:~~ (i) Month on a line segment that is subject to the extent the Carrier offsets the shortfall with injections from other Shippers, reduce Shipper's allocation in the succeeding month under allocation by the amount of allocated capacity not utilized or, capacity allocations in Sections 4(a) or 4(b), the Carrier shall charge the Shipper a Shortfall Fee on the Binding Allocation Shortfall. Any Shortfall Fees collected in a year shall be returned to Shippers in the form of a reduction in TNPI's revenue requirement in the following year.
- ~~(ii) to the extent the Carrier does not offset the shortfall with injections from other Shippers, charge the Shipper the tariff for the full Tender volumes less the offsetting injections from other Shippers.~~
- ~~(d) The Carrier may, at its sole discretion deem, for the purpose of section 3(b), a Shipper's nomination to be equal to that Shipper's prior 12-month rolling average of actual historical deliveries for up to three (3) months immediately following a month in which the pipeline capacity was materially reduced as a result of the detrimental conduct of that Shipper.~~

5. Quality, Specifications and Testing

- (a) Petroleum delivered by Shipper to the Pipeline System for transportation must be free from water, and dirt of any kind, and ~~other~~ any impurities which may materially affect the Carrier's facilities or other shipments, and the Shipper shall indemnify the Carrier from all losses and liabilities suffered sustained paid or incurred by the Carrier, and shall indemnify the Carrier from any ~~claims~~ Claims arising, by reason of such impurities in the Shipper's Petroleum.
- (b) The Petroleum delivered by Shipper to the Pipeline System for transportation shall comply with all specifications for Petroleum listed on Carrier's website.
- (c) The Petroleum delivered by Shipper to the Pipeline System for transportation shall not:
 - (i) ~~The Petroleum shall not~~ have a temperature greater than ~~indicated in Appendix II at point of~~ 40° C at Nanticoke and 38° C at all other Origin, ~~nor~~ points;

- (ii) have a Reid Vapor Pressure in excess of 110 kPa @at maximum permissible product temperature ~~in accordance with Appendix II; nor a density greater than 930 kg per m³. A complete list of petroleum specifications is available on the Carriers website.~~ at the Origin; nor
- (iii) have a density greater than 930 kg per m³.
- (d) If the Carrier determines, acting reasonably, that Petroleum delivered by a Shipper to the Pipeline System for transportation specifications fails to meet the requirements stipulated in Section 5 (a) or 5 (c), or fails to meet the requirement stipulated in Section 5 (b) pending confirmation through testing conducted by an independent, third party laboratory, then such Shipper shall, at such Shipper's sole cost and expense, remove such off specification Petroleum from the Pipeline System as directed by the Carrier, acting reasonably, failing which the Carrier shall have the right, in addition to any other remedy available to Carrier under this COT, at law or in equity, to remove and sell such Petroleum in such lawful manner as deemed appropriate by the Carrier, acting reasonably, and the Carrier shall be entitled to pay from the proceeds of such sale, all costs incurred by the Carrier with respect to the storage, removal and sale of such Petroleum.
- (e) The Shipper shall supply the Carrier with the Material Safety Data Sheets and other necessary information with respect to the safe handling procedures for the Shipper's Petroleum prior to delivering the Petroleum for transportation. The Shipper shall supply the Carrier with the following information in advance of scheduled

Page 15 movements:

- (i) ~~(a)~~ Gasolines ~~— the~~ Tank number, product designation, and density of such Gasoline.
 - (ii) ~~(b)~~ Middle Distillates ~~— the~~ Tank number, product designation, and density of such Middle Distillates.
 - (iii) ~~(c)~~ Aviation Turbine Fuel (~~For~~ Delivery to Dorval, ~~Mirabel~~, and Toronto Airports) ~~— the~~ Tank number, density, flash point, temperature, and a complete ~~Certificate of Analysis~~ certificate of analysis acceptable to Carrier from an accredited laboratory for such Aviation Turbine Fuel. Waivers from these specifications will only be allowed upon agreement of the Airlines' ~~Fueling Committee~~ Fuel Consortium at the receiving airport.
 - (f) ~~(d)~~ For products Petroleum subject to substitution ~~per terms in~~ pursuant to section 10, ~~Ottawa~~ the specifications at the point of Delivery will govern.
- ~~(e) Unmarketable Products must be certified prior to shipment. Testing of marketable products following shipment of Unmarketable Products will also be conducted to ensure that the shipment of Unmarketable Products is not causing a contamination problem in the pipeline.~~

Note:

- ~~(i) Carrier will not accept any unmarketable product for shipment until satisfactory protocols and testing have been arranged.~~
- ~~(ii) Carrier will suspend shipment of unmarketable product if testing indicates a pipeline contamination problem is developing.~~
- ~~(iii) Carrier, if conditions warrant, will adjust the required protocols and testing requirements for Unmarketable Products.~~
- (g) Shipper acknowledges and accepts that any Petroleum Tendered for transportation will be received by Carrier only on the condition that such Petroleum shall be subject to such changes in density, specification, quality and characteristics while in transit as may result from the transportation thereof in the Pipeline System, including, without limitation, the mixture of said Petroleum with other Petroleum in the Pipeline System. Carrier shall not be liable for any losses, liabilities or Claims resulting from any alteration in density, specification or other quality or characteristic of Petroleum transported by Carrier except where such losses, liabilities and Claims are directly caused by the negligence or willful misconduct of Carrier.
- (h) Carrier will evaluate acceptance of new products and changes to existing quality specifications proposed by Shippers in accordance with Carrier's internal processes posted on Carrier's website.

6. Delivery Timing

The Shipper shall have required volumes of Petroleum available for injection as scheduled or

as otherwise agreed upon. If a Shipper fails to meet this requirement, ~~CARRIER~~Carrier may, at its option, cancel the Tender in whole or in part. At Carrier's option, the cancellation of a Tender may be considered an "interruption of normal flow" and be managed in accordance with Section 7. Carrier will take commercially reasonable steps to reinstate any cancelled Tender upon Shipper providing evidence satisfactory to Carrier that the required volumes of Petroleum are available for injection.

7. Interruption of Normal Flow

The Shipper(s) shall take all necessary steps to provide uninterrupted flow and delivery, and any loss in throughput caused by ~~such an~~ interruption in flow and delivery by Shipper(s) may apply against the Tender volume(s) scheduled for that(those) Shipper(s).

Carrier may interrupt, curtail or reduce transportation service to Shippers for such periods of time as it may reasonably require for the purpose of effecting or allowing any repairs, maintenance, replacement, upgrading or other work related to the Pipeline System, Carrier's other facilities or downstream facilities in circumstances which do not constitute Force Majeure.

If the ~~pipeline~~ Capacity of the Pipeline System is interrupted or reduced, the Carrier will inform the Shippers as soon

~~Page 6~~ as possible. Any such loss in Capacity will be ~~divided equitably among the Spot and Priority Access allocated in accordance with Section 4(PAa) Shippers.~~

8. Interfacial Mixtures

- (a) Normal co-mingling which occurs between Tenders of Petroleum will be divided as equally as possible between the Shippers of those Tenders. A separate meter ticket will be prepared by the Carrier to cover all Critical Interfacial Mixtures.
- (b) Maintenance Slop will be allocated as equally as possible between Shippers of the segment of the Pipeline System in which such Maintenance Slop was generated. A separate meter ticket will be prepared by the Carrier to cover all Maintenance Slop.
- (c) ~~(b) Whenever~~ Notwithstanding Section 8(a), whenever the Carrier creates a ~~contamination~~ Contamination as a result of a specific request of a Shipper, the ~~contamination~~ Contamination created will be assigned solely to that Shipper.
- (d) ~~(c)~~ The Carrier will maintain a record of ~~contaminations~~ Contaminations in order to ensure equitable balance among Shippers. This record will be made available for inspection by the affected Shippers upon request.
- (e) ~~(d)~~ Shippers that are subject to the division, allocation, or assignment pursuant to Sections 8(a), 8(b) or 8(c) as applicable agree to indemnify and to hold Carrier free and harmless of any and all ~~claims~~ Claims regarding ~~contamination~~ Contamination that occurs as a result of normal operations. Carrier will not make adjustments to ticketed volumes solely for the purpose of balancing financial impact between Shippers due to such ~~contamination~~ Contamination.

9. Minimum Deliveries

Minimum ~~deliveries will be~~ delivery volumes ~~as prescribed in Appendix II shall not be less than 250 m³, with the exception of Aviation Turbine Fuel where the minimum delivery volume shall not be less than 1,600 m³, unless requested and approved by the Carrier, and may be~~ composed comprised of the volumes from more than one Shipper.

10. Identity of Petroleum

The Carrier will use reasonable care to maintain the separate identity of each Petroleum Tender which it has agreed with the Shipper to segregate but will be released from, and will accept no liability for, failure to deliver the identical product. Since it is impractical to maintain the absolute identity of all Tenders, substitution by Carrier of Petroleum having the same product ~~designations~~ specification is permissible.

Aviation ~~turbine fuel~~ Turbine Fuel delivered to the Toronto, ~~Mirabel,~~ and Dorval airport jet fuel terminals will be stored in common tankage. Petroleum transported through Farran's Point terminal will also transit common tankage.

Carrier shall be deemed to be in possession and control of, and responsible for, all Petroleum received by it at the Origin until such Petroleum is delivered by it to the Shipper at

the Destination, provided, however, that nothing herein shall be interpreted as effecting the transfer of any right, title or interest in or to the Petroleum, or as a contract of bailment between Carrier and Shipper, while such Petroleum is in Carrier's possession and control.

11. Measurement

- (a) Petroleum received and transported will be measured by ~~meter~~Cubic Meter by the Carrier in accordance with the API Manual of Petroleum Measurement Standards, chapters 4 and 5. Petroleum temperatures used will be rounded to the nearest 0.5°C. The measured volume, density and temperature of Petroleum will be corrected to 15[°]~~C~~C by application of factors taken from Tables 53-B and 54-B of the API Manual of Petroleum Measurement Standards.

- (b) If, for any reason, volume measurement by the Carrier becomes impractical (as determined by the Carrier, acting reasonably, tank gauging, or an alternate method developed in consultation with the Shipper, to the extent practicable, and approved by the Carrier, will be used for all or part of the affected Tender.
- (c) Tanks from which, or into which, deliveries are made will be calibrated, and tank strapping tables satisfactory to Carrier are to be available and furnished by Shipper on request of Carrier.
- (d) All ~~measurement~~ measurements will be documented by Carrier showing net corrected volume received or delivered in accordance with its internal, industry standard measurement practices in accordance with Section 11(a). Meter tickets will be provided to Shippers for their shipments; duplicate copies will only be provided in extraordinary circumstances.
- (e) A representative of the Shipper or the Consignee may be present to witness the measurement process applicable to its shipments if so ~~required~~ requested by Shipper. Meter tickets are prima facie evidence of the amount of Petroleum received or delivered by Carrier, whether or not the Shipper or the Consignee witnesses the measurement.
- (f) Carrier can make, or the Shipper can request, corrections and/or adjustments to prior meter tickets for measurements issued within the last twelve ~~months~~ (12) Months. Adjustments will not be allowed for volumetric measurements dated beyond the twelve (12-month) Month limit. All non-measurement related correction or adjustment requests are limited to three (3-months) Months from the date of issue.

12. Adjustments for Over and Under Deliveries

~~Monthly settlements~~ Settlement for over and under deliveries occurring in normal operations will be ~~based~~ made on a monthly basis. A monthly balance of volumes, by product and by Shipper, of over and under deliveries (Carrier receipts versus deliveries) will be calculated and each Shipper's accounts will be adjusted. The adjustment will be valued by using the Oil Price Information (OPIS) subscription-based service (or agreed upon substitute) that updates daily posted wholesale terminal rack product prices. Carrier will collect these daily posted wholesale terminal rack product prices from OPIS for Montreal and Toronto and will derive a monthly mean average prices by product using prices posted on the 5th, 11th, and 17th days of the available rack postings of Suncor, Imperial Oil, Shell and Valero for the settlement Month by product, for all Business Days. For Aviation Turbine Fuel, the mean average of the available rack postings of Suncor, Imperial Oil, Shell and Valero for Stove Oil & ULSD#1 will be used to derive the month. Carrier will use adjustment value. Montreal ~~pricing for products injected in the Province of~~ rack prices will be used for Quebec injections and Toronto ~~pricing for products injected in~~ rack prices will be used for Ontario injections.

13. Liens

The Shipper's Petroleum is to be free from all liens, encumbrances and charges, and shall not be subject to dispute as to ownership, and the Shipper shall indemnify the Carrier from all

~~claims~~ losses and liabilities suffered, sustained, paid or incurred by Carrier, and all Claims, resulting from any such liens, encumbrances or charges, or from any defect in title to any Petroleum delivered to Carrier at the Origin.

14. Tariffs

Transportation charges are assessed based on the Carrier's current tariff ~~per Schedule I as amended from time to time~~ approved by the CER and posted on Carrier's website. Any change in tariff will apply to all deliveries made after the date the change takes effect.

Transportation charges are invoiced once a ~~month~~ Month for all ~~deliveries~~ Tenders made during the ~~month~~ Month. Transportation charges are to be paid by a Shipper within ten (10) days from the date of billing,

~~Page 8~~ provided that the Carrier may, ~~in any instance~~ if Carrier has reasonable grounds to believe Shipper may not be able to pay, require pre-payment of transportation charges by a Shipper. A late payment charge calculated ~~on an annual rate of 10%~~ using the Carrying Cost will be applied to all amounts outstanding after three (3) days if payment is late for two (2) Months in a row or has been late in three (3) of the previous six (6) Months.

If Shipper fails to make any payment within the time stipulated, or fails to provide a required pre-payment of transportation charges within the time stipulated, or fails or neglects to correct any default of any of the terms, covenants, agreements, conditions or obligations imposed upon it under this COT within ten (10) days after Carrier provides notice, then Carrier may, in addition to any other remedy that it has at law or in equity, at its option and without liability, suspend transportation of Shipper's Petroleum on the Pipeline System until the default has been remedied, and no such suspension will relieve the Shipper from any obligations under this COT.

~~Any change in tariff will apply to all deliveries made after the date the change takes effect.~~

15. Liability of Carrier

- (a) The Carrier will be released from, and shall accept no losses, liability or Claims for any delay in delivery of, loss of, or damage to, Petroleum occasioned by an event of Force Majeure. The time stipulated for performance of Carrier's obligation shall be extended by the length of time the condition of Force Majeure operates to delay or prevent such performance.
- (b) The Carrier will be released from, and shall accept no losses, liability or Claims for any delay in delivery of, loss of, or damage to, a Shipper's Petroleum of any kind or nature whether caused by a third party or Carrier itself, unless such delay in delivery, loss, or damage ~~be is~~ caused by the negligence or willful misconduct of Carrier's employees, servants or agents, and written notification of such delay, loss, or damage, including the specific amount of the ~~claim~~ Claim arising therefrom, has been received by Carrier at its Head Office within thirty (30) calendar days of such event. Actions arising out of such ~~claims~~ losses, liabilities, or Claims must be instituted against the Carrier within one hundred and eighty (180) days from the day when notice in writing is given by the Carrier that it has disallowed the ~~claim~~ Claim, or any parts thereof specified in the notice. The Shipper waives any rights which it might otherwise have, at common law or otherwise, to make ~~claim~~ Claim after the said period of thirty (30) calendar days or to bring an action after the said period of one hundred and eighty (180) days. The Shipper shall indemnify the Carrier from time to time against any such Claim which may be made by its Consignee after the expiration of the said period of thirty (30) calendar days or any such action which may be brought by its Consignee after the expiration of the said period of one hundred and eighty (180) days.

The Carrier will be released from, and shall accept no losses, liability or Claims for, Petroleum allegedly contaminated by the Carrier that is delivered out of Shipper's ~~or~~ Consignee's storage to third parties which results in ~~claims~~ Claims against the Shipper ~~or~~ Consignee. Shipper ~~and~~ Consignee will indemnify the Carrier and hold the Carrier and the employees and agents of the Carrier free and harmless at all

times from and against any and all such Claims.

- (c) In the event of loss, cost or damage to a Shipper or Shippers caused by delay in delivery of, or loss or damage to, Petroleum for which the Carrier is not liable (including line losses and shrinkage), the Shippers shall assume such loss in the proportion that each Shipper's volume of Petroleum bears to the volume of ~~their~~all Shippers Petroleum in the ~~pipeline~~ section of the Pipeline System as of the time such loss was occasioned.
- (d) Carrier shall in no circumstances be liable to the Shipper for the Shipper's indirect, special, punitive or consequential loss, damage, cost or expense whatsoever, whether based on breach of contract, negligence, strict liability or otherwise, including capital costs, business interruption losses, lost profits or revenues, cost of lost, purchased or replacement Petroleum, or lost permits, certificate or contracts.

16. Liability of the Shipper

If a Shipper is unable, except as a result of an event of Force Majeure, to provide Petroleum nominated for supply to the ~~pipeline~~Pipeline System at the Origin or to accept delivery from the ~~pipeline~~Pipeline System at the Destination and a disruption of the Carrier's operation results, the Shipper shall be responsible for all costs of Carrier associated with such disruption, including loss of Carrier revenue resulting therefrom.

17. Force Majeure

A Shipper declaring Force Majeure shall provide to Carrier written notice of the Force Majeure event within four (4) Business Days of the event. Carrier declaring Force Majeure shall provide to Shipper(s) on the impacted segment(s) written notice of the Force Majeure event within four (4) Business Days of the event. The Party declaring Force Majeure shall use reasonable diligence to remedy the Force Majeure event as quickly as reasonably practicable and shall keep the other Party or Parties as the case may be informed as to the progress in the efforts to remedy the event. The Party declaring Force Majeure shall not be required to settle strikes, lockouts or other labour disruptions contrary to its wishes. Tolls remain payable when due during periods of Force Majeure.

18. Governing Law

This COT is governed by, and interpreted and enforced in accordance with, the law of the Province of Alberta and the laws of Canada applicable in that province, excluding the choice of law rules of that province.

APPENDIX I

Definitions

In these Conditions of Transportation, the following ~~terms~~words shall have the following meanings:

- a) "A.P.I." means American Petroleum Institute.;
- b) ~~A Priority Access Shipper means a Shipper with whom CARRIER has signed a Facilities Support Agreement (FSA) or a Priority Access Agreement (PAA);~~ "Adjusted Nomination" means a good faith, non-binding update to a Shipper's Annual Nomination for each of the remaining six (6) Months of the current calendar year commencing on the first day of July of the calendar year.
- c) ~~A Spot Shipper means a Shipper that has no contract with CARRIER to transport products on the pipeline or volumes nominated by a Priority Access Shipper that are in excess of its PAA volumes;~~ "Annual Nomination" means a good faith, non-binding forecast of all nominations for Movements of a Shipper for a calendar year.
- d) "Annual Shippers Meeting" means an annual meeting with Carrier and commercial representatives from all Shippers held on or prior to October 31 each year and at such other times as Carrier may reasonable designate.
- e) "Aviation Fuel Consortium" means a not-for-profit corporation allowing any airline servicing a participating airport to join as a member and which is responsible for managing Aviation Turbine Fuel quality through receipt, storage, and aircraft refueling at the participating airport.
- f) ~~d)~~ "Aviation Turbine Fuel" means petroleum Petroleum conforming to Canadian General Standards Board specification CAN 2 - 3.23 or latest revision for Kerosene type, commonly called Jet A or Jet A-1.;
- g) ~~e)~~ "Backhaul" means reversal of a section of line of the Pipeline System from its normal flow direction.;
- h) "Binding Allocation" has the meaning ascribed thereto in Section 4 (a).
- i) "Binding Allocation Shortfall" means the greater of the difference between (a) eighty-five percent (85%) of the sum of a Shipper's Binding Allocation for all Movements in a calendar quarter and the total of all volume actually tendered by that Shipper during that calendar quarter and (b) zero (0).
- j) "Business Day" means any day, except Saturdays and Sundays, on which banks are generally open for business in Toronto, Ontario.
- k) ~~f)~~ "Capacity" means the volume of Petroleum product that can be ~~pumped~~transported through the ~~pipeline~~Pipeline System in a given time frame; as advised by Carrier from time to time.
- l) ~~g)~~ "Carrier" means Trans-Northern Pipelines Inc.;

- m) "Carrying Cost" means the daily weighted average of the twelve (12) monthly bank rates published in the Bank of Canada "Statistical Review" for the prior calendar year, or agreed upon substitute if the "Statistical Review" ceases to be published, plus 50 basis points.
- n) "CER" means the Canadian Energy Regulator established pursuant to the Canadian Energy Regulator Act (S.C. 2019, c. 28, s.10) or any successor thereof.
- o) ~~h)~~ "Claim" means any and all claims, liabilities, expenses, losses, demands, damages and causes of action of every kind and character, made, incurred, sustained or initiated by any Person~~;~~.
- p) ~~i)~~ "Consignee" means a ~~company~~Person to which ~~petroleum~~Petroleum is consigned by a Shipper and whose facilities comply with Section 2 hereof~~;~~.
- q) "Contamination" refers to Critical Interfacial Mixture, Maintenance Slop, or a combination thereof.
- r) "COT" means these Conditions of Transportation, including the schedules and appendices, as amended from time to time.
- s) ~~j)~~ "Critical Interfacial Mixture", also known as "contamination", means the interfacial mixture occurring between ~~gasoline~~Gasoline and ~~middle distillate;~~Middle Distillate.
- t) ~~k)~~ "Cubic Meter (m³)" means that volume of ~~petroleum~~Petroleum that occupies one cubic meter when such Petroleum is at a temperature of ~~15~~15^o Celsius and a pressure of 101.325 kPa~~;~~.
- ~~l) "Cycle" means the period of time (currently 7 days) required to complete a scheduled pumping of each grade of gasoline, middle distillate and aviation turbine fuel, and which may be subject to modification by the Carrier from time to time;~~
- u) "Cycle" means a sequence of batches comprised of Gasoline, Middle Distillates and Aviation Turbine Fuel not exceeding 20% of the total Binding Allocations in a Month.
- v) ~~m)~~ "Destination" means the point where the Shipper's ~~petroleum~~Petroleum leaves the Carrier's ~~facilities~~Pipeline System and enters the Shipper's/ or Consignee's facilities~~;~~.
- ~~n) "Detrimental conduct" means requests for changes by a Shipper less than 48 hours prior to the scheduled intended acceptance of Shipper's Tender as set out in Section 3(b) that results in a material reduction of pipeline capacity;~~
- w) "Effective Date" means the date set out on the cover page of this COT.

- x) ~~e)~~ "Force Majeure" means an event, which is unforeseen, and beyond the control of the Carrier or Shipper, as applicable, that prevents the Carrier from transporting Petroleum on the Pipeline System, or either prevents the Shipper from delivering the affected volume to Carrier at the Origin or prevents the Shipper/or Consignee from accepting delivery of the affected volume from Carrier at the Destination, and with respect to such event, the affected party has given the other party notice with reasonable promptness of such event. The following are the only instances that will be recognized as Force Majeure events: lightning, storms, earthquakes; floods; landslides; washouts, natural occurrences civil disturbances; sabotage; the acts of public enemies; war; blockades; insurrections; riots; epidemics; the act of any government or other authority or statutory undertaking; the inability to obtain or the curtailment of electric power, water or fuel; strikes, lockouts or other labour disruptions; fires; explosions; freezing, breakdowns or failures of pipe, plant, machinery or equipment; and contamination or poisoning of catalyst and/or solvent or biological treatment facilities, but the following shall be specifically excluded as instances of Force Majeure: an act of negligence or willful misconduct by the party claiming Force Majeure; any lack of money, credit, markets, or economic hardship on the part of the party claiming Force Majeure; Shipper's inability to purchase Petroleum, and any act or omission of any vendor, supplier, contractor or customer of the party claiming Force Majeure, unless such acts or omissions would themselves be excused by reason of Force Majeure pursuant to this definition.
- y) ~~p)~~ "Gasoline" means a refined ~~petroleum~~Petroleum product with a density of 780 kg/m³ or less;.
- z) Maintenance Slop" means a mixture of Petroleum that does not meet specifications for Gasoline, Middle Distillate, and/or Aviation Turbine Fuel generated as a result of pipeline and/or terminal maintenance activities.
- aa) ~~q)~~ "Middle Distillate" means a refined ~~petroleum~~Petroleum product with a density of more than 780 kg/m³, but less than 930 kg/m³;.
- bb) "Month" means the period of time commencing at 0700 EST on the first day of any calendar month and ending at 0700 EST on the first day of the next succeeding calendar month.
- cc) "Movement" means Origin and Destination pairs where Carrier will accept nominations to transport Petroleum between an Origin and a Destination.
- dd) ~~r)~~ "Nomination" means an offer by a Shipper to the Carrier in accordance with this ~~tariff~~COT for the transportation of a stated quantity of ~~petroleum~~Petroleum product in accordance with Section 3.
- ee) "Nomination Deadline" has the meaning ascribed thereto in Section 3(c).
- ff) "Officer's Certificate" has the meaning ascribed thereto in Section 3(c).
- gg) "OPIS" means Oil Price Information Service or agreed upon substitute if a required price quote ceases to be published.
- hh) "OPIS Month Average Montreal Price" means the average of the posted wholesale rack

prices for Montreal quoted by OPIS of each day during the Month for each product.

ii) "OPIS Month Average Toronto Price" means the average of the posted wholesale rack prices quoted for Toronto by OPIS of each day during the Month for each product.

jj) ~~s)~~ "Origin" means that point where the Shipper's ~~petroleum~~ Petroleum leaves the Shipper's facilities and enters the ~~"pipeline";~~ Carrier's Pipeline System.

~~t) "Person" means a person, firm or corporation;~~

kk) "Person" means and includes an individual, limited or general partnership, limited liability company, limited liability partnership, trust, joint venture, association, body corporate, unlimited liability corporation, trustee, executor, administrator, legal representative, government, government agency, or any other entity, whether or not having legal status.

ll) ~~u)~~ "Petroleum" means ~~gasoline, middle distillate or aviation turbine fuel~~ Gasoline, Middle Distillate or Aviation Turbine Fuel, or mixtures thereof;.

mm) "Pipeline System" means the Petroleum and refined products transmission and distribution pipeline system and related facilities, including receipt, delivery, pipeline, pumping, monitoring, control and ancillary facilities, owned and operated by Trans-Northern Pipelines Inc., as such system may be expanded, extended, reduced or modified from time to time.

nn) "Priority Access Agreement" means an agreement circa 2002 and 2003 between a Priority Shipper and Carrier conferring unapportioned access to ship Petroleum between Montreal and Oakville.

oo) "Priority Shipper" means a Shipper that is party to a Priority Access Agreement.

pp) ~~v)~~ "Shipper" means a ~~company~~ Person which has the use of facilities which comply with Section 2, and whose ~~petroleum~~ Petroleum is accepted for transportation by the Carrier;.

qq) "Shortfall Fee" means the Carrying Cost multiplied by the volume weighted average Toll of all forecast Movements for the year based on Carrier's annual toll filing for that year and will be included in Carrier's annual toll filing.

rr) "Spot Shipper" means a Shipper that is not a Priority Shipper or is a Priority Shipper but only with respect to volumes nominated ~~that are in excess of its contractual volumes.~~

ss) ~~w)~~ "Tender" means that portion of a Nomination that is accepted by Carrier, subject to the allocation provisions of Section 4, and scheduled for transportation through the ~~pipeline~~ Pipeline System as a numbered unit;.

tt) "Toll" means the charge Shippers pay to transport Petroleum on the Carrier's Pipeline System.

~~x) "Unmarketable Products" means partially refined products transported between refining centers for further processing;~~

APPENDIX II

Pressure, Flow Rate, and Receipt Temperature Requirements for Delivery to the Pipeline

<u>70/30 Commodity Ratio (gas/oil)</u>				
<u>Location</u>	<u>Receipt Pressure (kPa)</u>	<u>Flow (m³/hour)</u>	<u>Capacity (m³/day)</u>	<u>Maximum Allowable Product receipt Temperature (°C)</u>
<u>METRO</u>	<u>350</u>	<u>540</u>	<u>13,000</u>	
<u>Nanticoke</u>				<u>40</u>
<u>Oakville</u>				<u>38</u>
<u>Clarkson</u>				<u>38</u>
<u>WEST</u>	<u>350</u>		<u>7,470</u>	<u>38</u>
<u>MONTREAL</u>	<u>350</u>	<u>520</u>	<u>12,500</u>	<u>38</u>
<u>Montreal Jet</u>	<u>350</u>	<u>310</u>	<u>7440</u>	<u>38</u>
<u>Minimum deliveries volumes shall not be less than 250m³ except for Aviation fuel. The minimum delivery volume for Aviation fuel shall not be less than 1600m³.</u>				

Form of Officer's Certificate

To: Manager, Product Movement
Trans-Northern Pipelines Inc. (the "Carrier")

Re: Officer's Certificate (the "Certificate") pursuant to Section 3(c) of Trans-Northern Pipelines Inc. Conditions of Transportation

I, _____ (name) am the _____ (office), of _____ (the "Shipper"). On behalf of Shipper and not in a personal capacity and without incurring any personal liability, I do hereby certify that:

1. The capitalized terms used in this Certificate have the meaning provided to them in the Carrier's Conditions of Transportation in effect as of the date of this Certificate.

2. I am an officer of Shipper and have authority to give this Certificate and have informed myself as necessary in order to give this Certificate.
3. With respect to Shipper's Nomination for the Month of _____, 20XX (the "**Monthly Nomination**"), Shipper has the capability and intent to deliver to Carrier at the designated Origin, the stated volume of each Petroleum type(s) as set out in the Monthly Nomination, and the delivery facility indicated on the Monthly Nomination has the capability and intent to receive the stated volume of each Petroleum type(s) as set out in the Monthly Nomination.

Signature: _____
Officer Name: _____
Officer Title: _____
Date: _____

APPENDIX III

TNPI pipeline overview

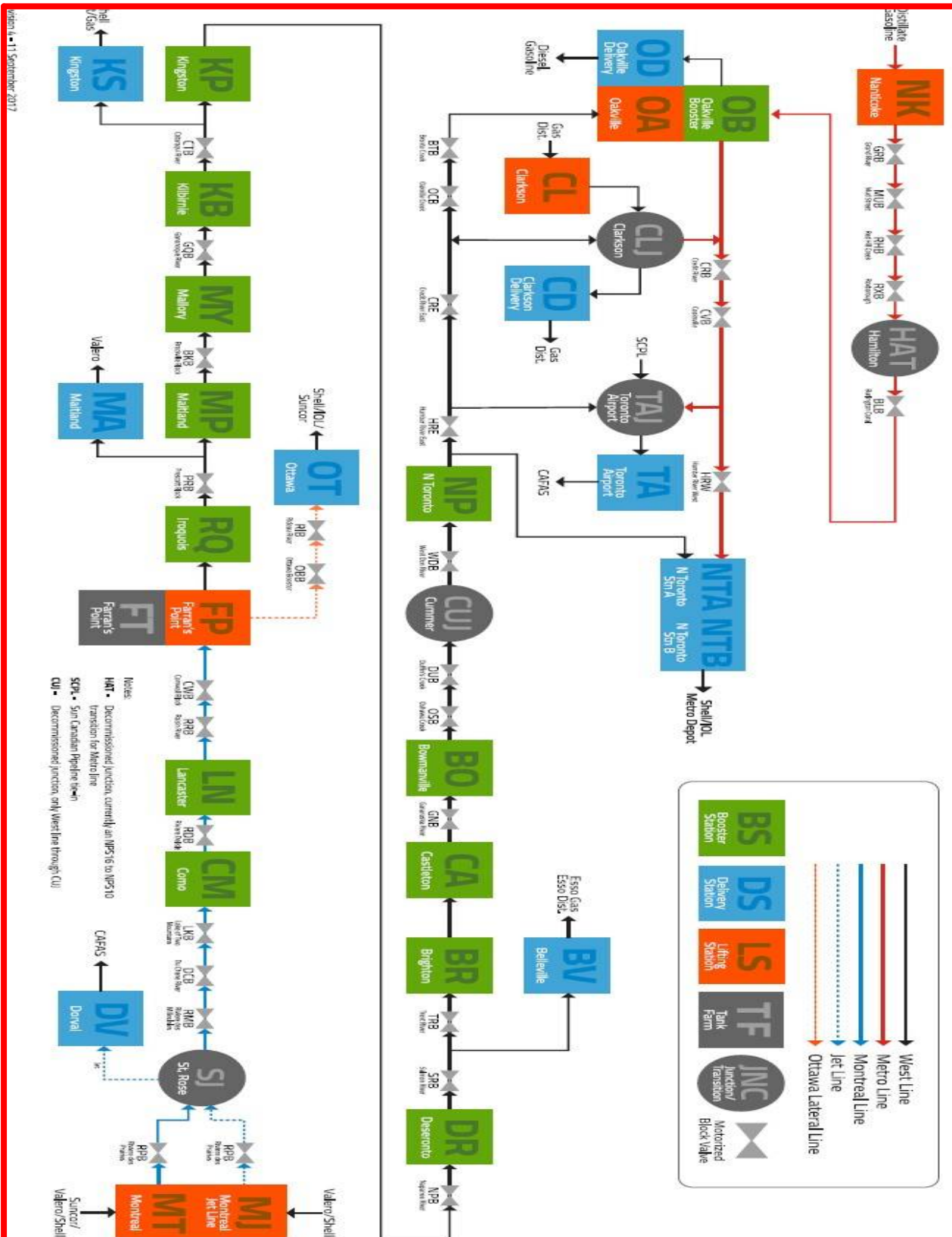


Figure 1-11 September 2017

Jan 2020

April 2024

SCHEDULE I**TARIFFS**

Trans-Northern Pipelines Inc.						Schedule B
Proposed Interim Net Tariff 67						
<p>The rates named in this tariff apply on the transportation of refined petroleum products and are subject to Trans-Northern's Conditions of Transportation with any supplements and/or revisions thereto which may be issued from time to time.</p>						
RATES IN DOLLARS PER CUBIC METRE						
DESTINATION	POINTS OF ORIGIN					Toronto Airport Junction Ontario
	Montreal East Quebec	Nanticoke Ontario	Oakville Ontario	Clarkson Ontario	North Toronto Ontario	
Montreal, Quebec	0.940					
Dorval, Quebec (Jet)	4.466					
Cornwall, Ontario	10.454					
Ottawa, Ontario	17.762					
Maitland, Ontario	17.367					
Kingston, Ontario	24.213					
Belleville, Ontario	29.579					
North Toronto, Ontario	43.656	11.398	5.174	4.044		
Toronto Airport, Ontario	45.525	11.669	5.445	4.315	2.809	2.262
Clarkson, Ontario	46.761	8.294	2.246		4.044	
Oakville, Ontario	47.891	7.164		2.246	5.174	
EFFECTIVE JANUARY 1, 2019						
<p>Trans-Northern Pipelines Inc. 45 Vogell Road, Suite 310 Richmond Hill, Ontario L4B 3P6</p>						



TRANS-NORTHERN PIPELINES INC.

CONDITIONS OF TRANSPORTATION

Jan-2020

Effective April 1, 2024

**Trans-Northern Pipelines Inc.
Suite 310, 45 Vogell
Road Richmond Hill,
Ontario L4B 3P6**

Document comparison by Workshare Compare on March 26, 2024 5:00:31 PM

Input:	
Document 1 ID	file:///C:/Users/pbryan/AppData/Local/Microsoft/Windows/NetCache/Content.Outlook/T7ON9Y8Z/TNPI Conditions of Transport (003).docx
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Document 2 ID	iManage://blg-mobility.imatege.work/DOCUMENTS/143602805/2
Description	#143602805v2<blg-mobility.imatege.work> - TNPI Conditions of Transport (Final 03_24)
Rendering set	Standard

Legend:	
Insertion	
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Format change	
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Padding cell	

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