

# **MONTREAL PIPE LINE LIMITED**

## **TARIFF**

THE RATES AND CHARGES NAMED IN THIS TARIFF ARE FOR  
THE TRANSPORTATION AND DELIVERY OF

### **PETROLEUM**

by pipeline subject to the rules and regulations published herein.

<b>FROM</b>	<b>TO</b>	<b>RATE</b>
INTERNATIONAL BOUNDARY (Highwater, Quebec)	Montreal East, Quebec	<b>[U] \$0.0551 PER BARREL</b>

**TERMINAL CHARGE** – In addition to the above, a charge of [U] \$0.0299 per barrel will be made as a terminal charge for handling at the Terminal, Montreal East, Quebec.

**TRANSPORTATION SURCHARGE** – In addition to the above, a charge of [U] \$0.0551 per barrel will be made as a transportation surcharge for barrels received in excess of 700,000 for each shipper in a calendar quarter.

**TERMINAL SURCHARGE** - In addition to the above, a charge of [U] \$0.0299 per barrel will be made as a terminal surcharge for barrels received in excess of 700,000 for each shipper in a calendar quarter for handling at the Terminal, Montreal East, Quebec.

**RATE FOR ABANDONMENT COLLECTION** – In addition to the pipeline rate and terminal charge above, a charge of [D] \$0.0004 per barrel will be made as an additional terminal charge for handling at the Terminal, Montreal East, Quebec. These charges are pursuant to NEB Decision MH-001-2013.

**RATE FOR HIGH VISCOSITY PETROLEUM** – In addition to all other charges provided herein, Petroleum having a viscosity greater than 1,000 Seconds Saybolt Universal (S.S.U.) at sixty degrees (60°F.) Fahrenheit will be subject to an added charge of [U] \$0.0353 per barrel.

**REGULATION ON A COMPLAINT BASIS** – The tolls of Montreal Pipe Line Limited are regulated by the National Energy Board on a complaint basis. The Company is required to make copies of tariffs and supporting financial information readily available to interested persons. Persons who cannot resolve toll and tariff issues with the Company may file a complaint with the Board. In the absence of a complaint, the Board does not normally undertake a detailed examination of the Company's tolls.

This tariff is applicable only on Canadian movement of Petroleum tendered to Portland Pipe Line Corporation at South Portland, Maine, for delivery at Montreal East.

The rules and regulations governing the Carrier's North Tank Field operations are contained in a separate tariff.

**ISSUED: DECEMBER 8, 2016**

**EFFECTIVE: JANUARY 1, 2017**

**ISSUED BY**  
**J. C. GILLIES, SECRETARY - TREASURER**  
**MONTREAL PIPE LINE LIMITED**  
**10803 SHERBROOKE STREET EAST**  
**MONTREAL EAST, QUEBEC H1B 1B3**  
**207-767-0441**

## 2. RULES AND REGULATIONS

### 1. DEFINITIONS

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

- a) "Barrel" means forty-two (42) United States gallons, or 34.972 Imperial gallons, at a temperature of sixty degrees (60°F.) Fahrenheit.
- b) "Carrier" means Montreal Pipe Line Limited.
- c) "Consignee" means the party named by the Shipper to receive the Petroleum for delivery by the Carrier.
- d) "Density" in this tariff means mass per unit volume at fifteen degrees (15°C) Celsius expressed in kilograms per litre.
- e) "Kilopascal" is equivalent to 0.1450377 pounds per square inch (psi).
- f) "Natural Gas Liquids" means the indirect liquid petroleum products of oil or gas wells having an absolute vapor pressure in excess of 103 Kilopascal.
- g) "North Tank Field" means the Petroleum storage tanks operated by the Carrier and located in Montreal East, Quebec.
- h) "Originating Carrier" means Portland Pipe Line Corporation.
- i) "Petroleum" means the direct liquid product of oil wells or oil processing plants, the indirect liquid petroleum products of oil or gas wells, oil sands, or a mixture of such products, the indirect liquid products resulting from refining crude petroleum or from the operation of gasoline or distillate recovery plants when mixed with the direct product of oil wells, but does not include Natural Gas Liquids or Refined Petroleum Products.
- j) "Refined Petroleum Products" means the products of a refinery tendered as motor gasoline, aviation fuels, kerosene, diesel fuel and domestic heating oil.
- k) "Shipper" means the party that contracts with the Carrier for the transportation of Petroleum under the terms of this tariff.
- l) "Tender" means an offer by a Shipper of a stated quantity of Petroleum for transportation from South Portland, Maine, to Montreal East, Quebec.
- m) "Working Stock" means the volume of Petroleum required by the Carrier for efficient operations and scheduling of Petroleum prior to delivery.

### 2. COMMODITY TRANSPORTED

The carrier is engaged in transportation of Petroleum as defined above and therefore reserves the right to refuse any other commodity for transportation.

### 3. DUTY OF CARRIER

Subject to any applicable governmental regulations, the Carrier will accept Tenders to the Originating Carrier for trunk line transportation of Petroleum in accordance with the terms of this tariff. The Carrier will transport Petroleum with reasonable diligence, considering the quantity of Petroleum being transported by the Carrier, the safety of operation, and other material factors.

### 4. DESTINATION FACILITIES

Petroleum will be received for transportation only when the Shipper or Consignee has provided the necessary facilities or made arrangements for the prompt receiving of said Petroleum at Montreal East, Quebec, at the maximum rates of flow at which the Carrier may operate its pipelines at the designated delivery point. The Carrier's Montreal East Tank #34 is a working tank used for the Carrier's operational purposes only. Changes in destination while the Petroleum is in the Carrier's pipeline may be made if requested in writing by the Shipper prior to arrival at the original destination.

### 5. MINIMUM TENDERS AND ACCEPTANCES

The Carrier will receive for transportation all such Petroleum tendered to the Originating Carrier by the Shipper individually or by him and others, provided the Petroleum is of the same kind and quality and shall amount in the aggregate to the same quantity restrictions imposed by the Originating Carrier.

### 6. IDENTITY OF OIL

Petroleum will be accepted for transportation only on condition that it shall be subject to such changes in Density or quality while in transit as may result from the mixture of said Petroleum with other Petroleum in the pipelines or tanks of the Carrier or Originating Carrier or connecting

### 3.

## RULES AND REGULATIONS

delivery lines of Consignee. Carrier shall be under no obligation to deliver the identical Petroleum received but may make delivery out of common stock or out of Carrier's pipeline stream of substantially like Petroleum.

### 7. SPECIFICATIONS AS TO QUALITY

The Carrier shall not accept Petroleum for transportation, that as determined by the Carrier, has on receipt: (i) a true vapor pressure which would result in Carrier's non-compliance with Federal, Provincial, or local requirements regarding hydrocarbon emissions; (ii) A Reid Vapor Pressure in excess of 83 Kilopascals at thirty-seven and eight tenths degrees (37.8°C) Celsius; (iii) sediment and water in excess of 1.0 percent by volume as determined by the Karl Fischer Titration and sediment by extraction tests or by other methods agreed upon by the Carrier and Shipper; (iv) viscosity greater than 2,500 Seconds Saybolt Universal (S.S.U.) at a temperature determined in accordance with the Carrier's scheduling procedures; (v) any organic chlorides (vi) physical or chemical characteristics that may render such Petroleum not readily transportable by the Carrier or that may materially affect the quality of other Petroleum transported by the Carrier or that may otherwise cause disadvantage to Carrier. A copy of the procedures are available upon request from the Carrier at the address noted on the tariff.

Carrier reserves the right to reject Petroleum containing, prior to receipt, or to inject in Petroleum after receipt, corrosion inhibitors, viscosity or pour point depressants, or other such additives in the Petroleum to be transported.

A Shipper shall, as required by the Carrier, provide to the Carrier a certificate with respect to the specifications of Petroleum to be received by the Carrier from such Shipper. If Shipper fails to provide the Carrier with such certificate, then the Carrier shall not be obligated to accept the Shipper's Petroleum.

### 8. DELIVERY NOTICE

The Carrier shall transport Petroleum with due diligence considering the quality of the Petroleum, the distance of transportation, and other material elements, but may at any time, upon twenty-four (24) hours' notice to the Consignee, Tender oil for delivery from its common stock at point of destination, conformable to Rule 6.

### 9. PAYMENT OF CHARGES AND LIENS FOR UNPAID CHARGES

A Shipper shall pay all transportation and other charges as provided for in this tariff relating to the transportation of the Shipper's Petroleum by the Carrier. The Shipper shall pay such transportation and other charges upon receipt of the Carrier's invoice respecting such transportation and other charges. If required by the Carrier, the Shipper shall pay such charges before delivery of the Shipper's Petroleum by the Carrier.

The Carrier shall have a general lien on a Shipper's Petroleum that is in the possession of the Carrier to secure the payment of all transportation and other charges that are due to the Carrier by the Shipper. The Carrier may withhold the Shipper's Petroleum from delivery until all such transportation and other charges have been paid.

If charges for the transportation of Shipper's Petroleum remain unpaid for ten days after notice of demand for payment of such charges is made to such Shipper by the Carrier, then the Carrier shall have the right to remove and sell in any lawful manner any and all of such Shipper's Petroleum that is in the possession of the Carrier.

The Carrier shall pay from the proceeds of such sale all transportation and other charges accruing or due relating to the transportation of Shipper's Petroleum by the Carrier and all costs incurred by the Carrier with respect to the storage, transportation, removal and sale of such Shipper's Petroleum. 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.

### 10. EVIDENCE OF DELIVERIES

Petroleum delivered to the Consignee shall be evidenced by tickets or other documents, showing quantity, temperature, sediment and water, and any other data essential to the determination of quantity. Such tickets or documents shall constitute full receipt for the Petroleum delivered.

### 11. LIABILITY OF CARRIER

The Carrier shall not be liable for any loss of Petroleum or damage thereto, or delay caused by fire, storm, flood, epidemics, acts of God, riots, strikes, nuclear contamination from any cause, insurrection, rebellion, war, act of the public enemy, acts of terrorism, quarantine, the authority of law, requisition or necessity of the Government of Canada in time of war, default of Shipper or owner, or from any other cause whatsoever not due to the negligence of the Carrier, except to the extent that the Carrier is indemnified by its insurers for all or any part of such loss. In the case of loss of any Petroleum from any such causes after it has been received from the Originating Carrier for transportation and before same has been delivered to Consignee or at Montreal East, Quebec, Canada, and provided that the Carrier is not indemnified by its insurers for all or any part of such loss, the Carrier may apportion such loss among all Shippers and each Shipper's share of the loss shall be proportionate to the amount that his shipment bears to all of the Petroleum then in the custody of the Carrier, and Originating Carrier and the Shipper shall be entitled to have delivered only such portion of his shipment as may remain after deduction of his due proportion of such loss. The Shipper shall be required to pay transportation charges only upon the quantity of Petroleum delivered.

## 4.

# RULES AND REGULATIONS

## 12. CLAIMS, SUITS, AND TIME FOR FILING

As a condition precedent to recovery, claims must be filed in writing with the Carrier, within nine (9) months after delivery of the property, or, in case of failure to make delivery, then within nine (9) months after a reasonable time for delivery has elapsed; and suits shall be instituted against the Carrier only within two (2) years and one (1) day from the day when notice in writing is given by the Carrier to the claimant that the Carrier has disallowed the claim or any part or parts thereof specified in the notice. Where claims are not filed or suits are not instituted thereon in accordance with the foregoing provisions, the Carrier shall not be liable and such claims will not be paid.

## 13. MEASURING, TESTING, AND DEDUCTIONS

Prior to the acceptance of each Tender of Petroleum by a Shipper at South Portland, Maine, it shall be measured and tested by a representative of the Originating Carrier. Upon delivery of each such Tender to a Consignee at Montreal East, it shall be measured and tested by a representative of the Carrier.

The Shipper or Consignee shall have the right to have representatives present at such measuring and testing at Montreal East at a time acceptable to Carrier. Representatives of the Carrier shall have the right to enter upon the premises where such Petroleum is delivered and have access to any and all tanks, or receiving receptacles for the purpose of such measuring and testing, and to make any examination, inspection, measurement, or test authorized by these regulations.

Petroleum shall be measured and calculated in accordance with applicable A.P.I. Manual of Petroleum Measurement Standards. All shipments of Petroleum will be received and delivered as net standard volume, as the total volume excluding water and sediment, corrected by the appropriate volume correction factor for the observed temperature and A.P.I. gravity, relative density, or density to a standard temperature of sixty degrees (60°F) Fahrenheit. Metered volumes will also be corrected by applicable pressure correction factor and meter factor. If tank gauges are used, volumes shall be computed from correctly compiled tank tables on a one hundred percent (100%) volume basis. Karl Fischer Titration and sediment extraction tests, or other methods agreed upon, shall be used for ascertaining the percentage of sediment and water in the Petroleum.

The Carrier shall, as deemed necessary by the Carrier, adjust the measured volume of Petroleum for shrinkage in accordance with A.P.I. Bulletin 2509 C, or the latest revision to such Bulletin.

## 14. APPLICATIONS OF RATES AND CHARGES

Petroleum accepted for transportation shall be subject to the rates and charges in effect on the date of receipt of such Petroleum by the Carrier, irrespective of the date of the Tender. Such rates and charges will be assessed only on the net quantities of such Petroleum delivered.

## 15. NORMAL OVERAGES AND SHORTAGES IN TRANSIT

The Carrier shall account to each shipper for all Crude Petroleum received. Any overage or shortage, including losses or gains resulting from shrinkage, evaporations, expansion or other Crude Petroleum losses or gains inherent in the operation of a pipeline system shall be allocated at a frequency not to exceed three months. The allocation will be made among the shippers based on the total number of barrels delivered from the pipeline system for each shipper to the total number of barrels delivered from the pipeline system for all shippers. The net balance, after applicable deductions defined above, will be the quantity deliverable by the Carrier and upon which transportation charges will be assessed.

## 16. NOMINATIONS AND SCHEDULING

The Carrier is under no obligation to accept a Tender of Petroleum for shipment for any operating month unless the Shipper submits its nomination to the Carrier in accordance with the Carrier's scheduling procedures. A copy of the scheduling procedures are available upon request from the Carrier.

## 17. INVENTORY REQUIREMENTS

A Shipper shall supply its share of Working Stock by type and volume as determined from time to time by the Carrier. Petroleum provided by Shipper for this purpose may be withdrawn only after: (1) shipments have ceased and the Shipper has notified the Carrier in writing of its intention to discontinue shipments in Carrier's system, and (2) Shipper balances have been reconciled between Shipper and Carrier. Carrier, at its discretion, may require advance payment of transportation charges on the volumes to be cleared from Carrier's system, and any unpaid accounts receivable, before final delivery will be made. Carrier shall have a reasonable period of time from the receipt of said notice to complete administrative and operational requirements incidental to Shipper withdrawal.

**5.**  
**RULES AND REGULATIONS**

**18. APPORTIONMENT**

If, for any month, more Petroleum is tendered to Carrier than can be transported by Carrier, then Carrier shall apportion the Available Transportation Service as follows:

- (i) firstly, the Available Transportation Service shall be allocated among Shippers for transportation service to Montreal East in proportion to the Average Historical Shipments of such Shippers provided that the amount of transportation service allocated to each Montreal East Shipper shall not exceed the lesser of the current nomination to Montreal East of such Shipper and the Average Historical Shipment of such Shipper;
- (ii) secondly, any remaining Available Transportation Service shall be allocated among all Shippers on a pro rata share basis, based on the unfilled portion of the current nominations of such Shippers, provided that for purposes of such allocation the unfilled portion of each Shipper's current nomination shall be deemed to be no greater than the total amount of remaining Available Transportation Service.

For the purposes of this Rule 18:

- (i) "Available Transportation Service" for any month means the expected capacity of Carrier's pipeline as determined by Carrier for such month based on Carrier's estimates of the impacts of nominated Petroleum, equipment availability, maintenance, and related activities;
- (ii) "Average Historical Shipment" for a Shipper for any month shall be equal to the average of the monthly deliveries by Carrier to Montreal East on behalf of such Shipper during the thirteen (13) most recent months, excluding the one (1) month with the lowest deliveries;
- (iii) "Montreal East" means the Suncor Montreal Refinery delivery points.

Shippers may request the right to assign all or any portion of their share of apportioned transportation capacity to another Shipper by providing Carrier with a request for assignment in accordance with Carrier's scheduling procedures. A copy of the scheduling procedures are available upon request from the Carrier.

**19. NON-PERFORMANCE**

If in a month of apportionment a Shipper: (i) fails to ship to Montreal East in that month 95% of the volume of Petroleum apportioned to it for transportation service to Montreal East for that month; or (ii) fails to ship in that month 95% of volumes of Petroleum apportioned to it for that month, then the Carrier will reduce that Shipper's allocated share of the transportation service in the next month of apportionment by the volume not shipped. The volume removed from that Shipper will be reallocated among the remaining Shippers in accordance with the foregoing provisions of Rule 18. The reduction will not apply if the cause of the under delivery is deemed by the Carrier to be beyond the Shipper's control.

Explanation of Reference Marks:

[D] Denotes decrease

[U] Denotes unchanged rate