

Equalization Procedures Guide Changes Summary - October 2022.

Preface

This document was created in an effort to provide the readers an overview of the main changes to the Equalization Procedures Guide- October 2022.

This high-level summary document is provided for information only and it may contain inaccuracies or typographical errors.

Equalization Procedures Guide Changes Summary

Section	High-level changes
EQUALIZATION PROCEDURES GUIDE DEFINITIONS	Some definitions were updated to add clarity
EQUALIZATION PROCEDURES GUIDE	Introduction section was updated to provide clarity on the purpose of the Equalization Procedures Guide
1 GUIDING PRINCIPLES OF EQUALIZATION	
1.1 Equalization Principles	Language was added to expand in the key principles
1.2 Rights and Responsibilities of a Shipper	Added language to add clarity to the current process
1.3 Representation on the Equalization Steering Committee	Added heavy crude producers as a new category for participation in the EQ Steering Committee
1.3.1 Mandate of the Equalization Steering Committee	Added language to add clarity to the current process
1.4 Role of the Canadian Association of Petroleum Producers (CAPP)	Updated role of CAPP
1.5 Role of Consultant	Updated to reflect current process
1.6 Equalized Facilities Responsibilities	Updated to reflect current process

1.7	Notification of Shipper Meetings	No proposed changes
1.8	Procedure for Equalization	Updated to reflect current process, added reference to the industryeq.ca website
1.9	Finance	Updated to reflect current process
2	CRUDE OIL EQUALIZATION PROCEDURES	
2.1	Methodology	Added language to add clarity to the current process
2.2	Penalty Scales	Updated to add clarity and reflect current process
2.3	Federal Goods and Services Tax (GST)	No proposed changes
2.4	Timing	No proposed changes
2.4.1	Definitions Used in Timing Procedures	Reference to Attachment 3 was removed as Attachment 3 was deleted
2.4.2	Timing Procedures	Updated to reflect reference to COLC Forecasting Calendar
2.4.3	Equalization Payment Timing	Updated to reflect references to COLC Forecasting Calendar
2.4.4	Procedure for Failure to Meet Weighted Average Differential Factor (WADF) Deadline	Updated to reflect calculation of Default WADF. Default WADF will be based on weighted rolling average of the three most recent actual qualities. Included calculation example to add clarity.
2.4.5	Procedure for Weighted Average Differential Factor (WADF) Discrepancies	Updated to add clarity
2.4.6	Zero Balance Process Maintained at the Downstream Level	This section was deleted as the “zero -sum” was added to Section 1.1 Equalization Principles
2.5	Revisions	Updated references
2.6	Quality Measurements	Updated to add clarity
2.6.1	Sampling of Field Receipts and Deliveries from a Non-equalized Facility into an Equalized Facility	Updated to add clarity
2.6.2	New Location	No proposed changes
2.7	Limits	Removed example items
2.8	Reporting	Updated to add clarity and reflect current process
2.8.1	Information Access	No proposed changes

2.8.2	Receipt Point Reporting	Updated to add clarity and to reflect reference to default quality based on rolling average quality
2.8.3	Report Calculations	Updated to add clarity
2.8.4	Report Packaging	Updated to reflect current process
2.9	Expenses	Updated to add clarity
3	CONDENSATE EQUALIZATION PROCEDURES	
3.1	Methodology	Added language to add clarity in the current process
3.2	Penalty Scales	Updated to add clarity and reflect current process
3.3	Federal Goods and Services Tax (GST)	No proposed changes
3.4	Timing	No proposed changes
3.4.1	Definitions Used in Timing Procedures	Reference to Attachment 3 was removed as Attachment 3 was deleted
3.4.2	Timing Procedures	Updated to reflect reference to COLC Forecasting Calendar
3.4.3	Equalization Payment Timing	Updated to reflect references to COLC Forecasting Calendar
3.4.4	Procedure for Failure to Meet Weighted Average Differential Factor (WADF) Deadline.	Updated to reflect calculation of Default WADF. Default WADF will be based on weighted rolling average of the three most recent actual qualities. Included calculation example to add clarity.
3.4.5	Procedure for Weighted Average Differential Factor (WADF) Discrepancies	Updated to add clarity
3.4.6	Zero Balance Process Maintained at the Downstream Level	This section was deleted as the “zero -sum” was added to Section 1.1 Equalization Principles
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3.8.2 Receipt Point Reporting	Updated add clarity and to reflect reference to default quality based on rolling average quality
3.8.3 Report Calculations	Updated to add clarity
3.8.4 Report packaging	Updated to reflect current process
3.9 Expenses	Updated to add clarity
Attachment 1: Crude Oil Equalization	Updated to reflect current process
Attachment 2: Condensate Equalization	Updated to reflect current process
Attachment 3: Illustration of Level Reporting Deadlines for Crude Stream WADF's	[DELETED]
Attachment 4: Sampling and Testing Laboratory	Updated to include sampling to the attachment
Attachment 5: Disputes	Updated to add clarity
Attachment 6: Voting	No proposed changes
Attachment 7: Weighted Average Differential Factor (WADF's)	Updated to add clarity on calculation Added examples to illustrate both crude and condensate WADF calculation
Attachment 8a: Sample of Crude Oil Equalization Statement	Updated to address concerns about data confidentiality
Attachment 8b: Sample of Condensate Equalization Statement	Updated to address concerns about data confidentiality