

EQUALIZATION STEERING COMMITTEE

To: All Shippers Participating in the Equalization Process
From: Equalization Steering Committee
Date: August 30, 2024
Subject: **Crude Equalization Annual Review – Equalization Procedures Guide Update**

As defined in the Equalization Procedures Guide, Section 1.2 Rights and Responsibilities of a Shipper, – “All shippers who participate in the equalization process have the right to vote on any equalization issue” and “Voting shall take place by ballot, signed by the Shipper’s designated representative.”

The Equalization Steering Committee hereby requests you to respond to the following issue, please submit this ballot with your vote not later than September 24, 2024, 5:00 p.m. MT by email to communication@industryeq.ca. Revised sections for the Equalization Procedures Guide are attached.

Issue – Crude Equalization Annual Review and Equalization Procedure Guide Update

Background: On December 17, 2014, industry voted to carry forward the then-current equalization scale indefinitely with an annual review to be conducted by the Equalization Steering Committee. Since then, the Equalization Steering Committee has annually reviewed the appropriateness of the crude sulphur and density penalties without making any changes. The crude sulphur and density penalties are:

Density (Kg/m³)	Cdn \$/m³ per Kg/m³
<800	\$0.49
800-825	\$0.00
>825	\$0.49

Sulphur (%wt.)	Cdn \$/m³ per 0.1 wt.% Sulphur
< 0.5	(\$1.38)
> 0.5	\$1.38

In light of the crude scales having been static since the end of 2014 and an expectation that market conditions will not be substantially different going forward, the Equalization Steering

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Committee voted in June 2024 to indefinitely maintain the current crude scales without the need for an annual review unless an industry concern is presented to the committee.

As a result, in August 2024 the Equalization Steering Committee approved the revision to the Equalization Procedure Guide effective October 2024 to reflect this decision subject to final approval of the Shippers.

Please indicate by marking an **“X” beside your company’s response.**

- In favour
- Not in favour
- Abstain

Company: _____

Designated Representative: _____

Signature: _____

Date: _____

Please submit this ballot with your vote by e-mail to communication@industryeq.ca not later than September 24, 2024 5:00 p.m. MT. If you have any questions relating to this correspondence, please contact:

Mayerly Bedoya
Phone: 403-245-8619
e-mail: mayerly.bedoya@advantageinsight.ca

or

any Equalization Committee Member
see Committee Member list at www.industryeq.ca

On Behalf of the Equalization Steering Committee,
John Heida and Michael Lam
Co-Chairs