To: **Cold Lake Pipeline Shippers**

Date: February 25, 2011

Re: Cold Lake Pipeline Form 'A' Forecasts

For the past few months industry has been dealing with trunkline apportionment, making it difficult for both shippers and feeder pipelines to operate in accordance with, and respond quickly to changes in production levels. Apportionment demands ratability, where it may at times be difficult for an oil sands production facility to keep production rates steady at all times.

The Crude oil Logistics Committee (COLC) has documented and published industry standard procedures for monthly supply forecasting and initial nominations of volumes available for delivery from one facility or pipeline to another. These procedures support producers in bringing their production to the pipeline, in addition to providing a method for the pipeline to determine, assess and ultimately accept the producer nominations/forecasts.
Inter Pipeline Fund (IPF) would like to remind Cold Lake Pipeline shippers that the COLC Forecasting Procedures must be adhered to when submitting your Form A forecasts to the pipeline.

For your reference, the procedures may be viewed on the COLC website, www.colcomm.com.

Shippers should pay particular attention to Section 3.3 which reads as follows:

3.3 Forms 'A' Forecasts and Form 'A' Equivalent Forecasts

Forms 'A' forecasts and Transfer Forms 'A' forecasts and Form 'A' Equivalent forecasts shall be presented to the appropriate facility or pipeline operator by the dates shown on the Crude Oil Logistics Committee Industry Reporting Calendar. It is imperative that the volume and shipper information be accurate.
The total volume forecast shall not exceed the system/facility calculated capability reported in cubic metres per day without a formal request for a capability increase accompanied with the required detailed backup for the requested increase and the appropriate COLC deviation codes.
Lower total volume forecasts shall be submitted where appropriate.

For those that submit a blend shipment schedule for the next production month, this would be considered a "Form 'A' Equivalent Forecast".

IPF will review the Form 'A' forecasts and determine if the production volume falls within the recommended procedures as set out in Section 2.1, with one modification as indicated by the underlined text below. This is achievable given actual oil sands production numbers are finalized early enough to accommodate a one month lag as opposed to the two month lag on conventional crude pipeline systems.

2.1.1 Setting Pipeline Connected Battery and Pipeline Connected Truck Terminal/Custom Treater/Cleaning Plant Capability

Pipeline connected battery and pipeline connected truck terminal/custom treater/cleaning plant capabilities shall be determined by the receiving feeder pipeline using the last three full months of commonly known receipts into the pipeline. The three months to be used shall be the three months ending one full month before the beginning of the month being forecasted (e.g. for March forecast, the three months of actual receipts to be used shall be November, December and January). Using these last three full months of commonly known pipeline receipts, the feeder pipeline shall determine for each pipeline connected battery and for each pipeline connected truck terminal/custom treater/cleaning plant the sum of:

- *The highest month's average in m^3/d, and*
- *The average m^3/d of all the three months*

This sum is then divided by two to determine the capability for the next forecasting month.

Please refer to Appendix A for an example of this calculation for Cold Lake Pipeline.

If there is a request for an increase to your capability that reflects new production or additional volume that reflects field inventory, which includes caverns and tank inventory, details identifying the source of the volume must be submitted with your Form A (or equivalent) to Cold Lake Pipeline. Requests for an increase in capabilities shall be assessed and determined by Cold Lake Pipeline.

Once all the information has been received and compiled, IPF Oil Movements will determine the shippers' allocated capacity. The capacity allocation is based on the guidelines as described in each of the shippers' respective transportation agreements with the Cold Lake Pipeline.

If there any questions regarding this process, please do not hesitate to contact me at (403) 290-6057.

Regards,
Inter Pipeline Fund
By its General Partner, Pipeline Management Inc.

Lis Carney
Supervisor, Oil Movements

Appendix A

Example: Forecast for March 2011

Last 3 months of known receipts from a producing facility.

Month

November	1 000 m^3/d	} Average 1 066.7 m^3/d
December	1 200 m^3/d	
January	1 000 m^3/d	

Three month Average	1 066.7 m^3/d
Highest month's Average	1 200.0 m^3/d
	2 266.7 m^3/d / 2 = 1 133.4 m^3/d

1 133.4 m^3/d is the highest capability to which the pipeline connected facility shall forecast without being required to provide additional detailed information to such receiving feeder pipeline in support of a capability increase. Increases to capabilities (reflecting new production or additional volume that reflects field inventory, which includes caverns and tank inventory) shall be assessed and determined by the receiving feeder pipeline scheduler.