

**Enbridge Southern Lights
NAFTA Practice
(July 1, 2010)**

Preamble

This NAFTA Practice sets forth the categories of product pursuant to NAFTA which must be met by a Shipper of Diluent in order to ship on the Diluent Pipeline. Defined terms not identified herein shall have the meaning given in the Rules Tariff. This NAFTA Practice may be modified, amended or replaced by Carrier.

Defined Terms

“Diluent” means natural gas condensates, refinery naphthas or a mixture of both that are proposed to be shipped on the Southern Lights Diluent Pipeline system.

“HS” means the *Harmonized Commodity Description and Coding System*, as defined and used in NAFTA.

“NAFTA” means the *North American Free Trade Agreement*.

Shipper Responsibilities

1. Shipper warrants that all Diluent tendered by Shipper to Carrier for transportation shall be classified as being of NAFTA origin under HS heading 27.09 or 27.10 or non-NAFTA origin under HS heading 27.10.
2. Carrier has no responsibility to and will not monitor the NAFTA classification of the Diluent. However, Shipper shall, on request of the Carrier, provide proof that the Shipper responsibilities under this Practice have been met.
3. It is the responsibility of Shipper to obtain any ruling or approval pursuant to the Canadian Customs Act, the Canadian Customs Tariff, the Canadian Excise Tax Act and/or any other applicable laws or regulations for the transportation of the Diluent on the Diluent Pipeline or any subsequent use of the Diluent, should any such ruling or approval be required.
4. Any dispute about NAFTA classification of Diluent or of any duties, taxes or other amounts which may be levied regarding the Diluent transported on the Diluent Pipeline or the subsequent use of the Diluent alone or in combination with any other liquid hydrocarbon shall be resolved between Shippers and shall not include Carrier.