

# NOTICE OF BINDING OPEN SEASON IN RESPECT OF THE COCHIN PIPELINE



## Notice of Cochin Pipeline Open Season

PKM Cochin ULC ("Cochin Canada") and Pembina Cochin LLC ("Cochin U.S.", and together with Cochin Canada, "Cochin") are commencing a binding Open Season ("Open Season") to obtain commitments for the transportation of light condensate on the U.S. Segment and the Canadian Segment of the Cochin Pipeline. The Open Season begins November 29, 2022, at 8 a.m. Mountain Standard Time ("MST") ("Open Date") and will close on January 6, 2023, at 5 p.m. MST ("Close Date").

## THE COCHIN PIPELINE



The Cochin Pipeline currently transports light condensate from receiving points at Kankakee County, Illinois, Clinton, Iowa, and Maxbass, North Dakota to a delivery point at Fort Saskatchewan, Alberta, Canada. The U.S. Segment of the Cochin Pipeline transports light condensate from the receiving points in the U.S. to the U.S. / Canadian border near Maxbass, North Dakota. The Canadian Segment of the Cochin Pipeline transports the light condensate from the U.S. / Canadian border to the terminus of the Cochin Pipeline at Fort Saskatchewan, Alberta.

Through the Open Season, Cochin will make available up to 9,000 bpd of committed capacity on a ship or pay basis on the Cochin Pipeline for the transportation of Light Condensate from the receipt point at Kankakee County, Illinois to Fort Saskatchewan, Alberta. Any shipper that wishes to participate in the Open Season must complete, execute, and submit the provided form of Transportation Services Agreement ("TSA") for committed, firm transportation on the Canadian Segment of the Cochin Pipeline and the provided form of Throughput and Deficiency Agreement ("T&D") for committed transportation on the U.S. Segment of the Cochin Pipeline to Cochin on or before the Close Date. The committed capacity that is being offered in the Open Season will be available as of February 1, 2023, subject to receipt of regulatory approvals, and committed service under the TSAs and T&Ds will commence on that date for a term of either 12 months or 17 months, as selected by the shipper.

Provided below is a summary of key terms and conditions of service on the Cochin Pipeline that is the subject of the Open Season (the below summary is provided for information purposes only and in the event of conflict or inconsistency with the TSA and/or the T&D, the provisions of the TSA and/or T&D will govern). Further details regarding the key terms and conditions of service are provided in the documents that will be included in the Open Season Package. Cochin will make the Open Season Package available to any interested shipper that has executed the Confidentiality Agreement in the form that is available

## NOTICE OF BINDING OPEN SEASON IN RESPECT OF THE COCHIN PIPELINE



upon email request made to cochinbd@pembina.com (the "CA"), and that has submitted the executed CA to Cochin prior to January 4th, 2023, at 5 p.m. MST.

### SUMMARY OF KEY TERMS AND CONDITIONS

- The commitment terms for the TSA and T&D will be 12 months or 17 months.
- The minimum volume commitment is 3,000 bpd of Light Condensate, which may be increased in 1,000 bpd increments up to the total available capacity of 9,000 bpd.
- Commencement of service on February 1, 2023, subject to receipt of regulatory approvals.
- The award of capacity pursuant to the Open Season will be subject to satisfaction of all conditions precedent set forth in the applicable TSA and T&D, including the requirement that an interested shipper must execute both a TSA (Canada) and a T&D (U.S.) with matching terms, volumes, and rates.
- The Committed Joint Rate will be \$7.00 USD per barrel for the first two months of the term (February 1 through March 31, 2023). For the remaining term, an interested shipper must submit a blind bid for the applicable Committed Joint Rate for transportation from the receipt point to the delivery point. The minimum bid accepted will be \$7.00 USD per barrel. For April 1, 2023, through the end of the term, any shipper that is awarded capacity during the Open Season will pay the rate that it bids. Given the nature of the blind bid process, it is possible that a shipper may pay a per-barrel committed rate (i) that is more than the rate paid by another committed shipper that makes a smaller commitment to the Cochin Pipeline in terms of length of contract and volumes, or (ii) that is more or less than the rate paid by another committed shipper that makes the same or a similar commitment.
- Exhibits A to the TSA and T&D (Key Commercial Terms) are to be completed by interested shipper to indicate requested term, volume commitment and Committed Joint Rate bid for the volume commitment.
- Service is from the receipt point at Kankakee County, Illinois to Fort Saskatchewan, Alberta.
- Ship or pay obligation will be at the Committed Joint Rate.
- Shipper will pay Retention Stock surcharge in lieu of providing physical Retention Stock.
- Pursuant to the Canadian and US Rules and Regulations, as included in the Open Season package, a shipper must either:
  - maintain an investment grade credit rating or provide a guarantee from an entity satisfying the requirements of the applicable Rules and Regulations for all amounts that could reasonably accrue; or
  - make prepayment, provide a letter of credit or guarantee with respect to all amounts that could reasonably accrue, provided that the maximum amount of prepayment or letter of credit is equal to 60 days of transportation charges and applicable fees for the shipper's selected Minimum Volume.

## NOTICE OF BINDING OPEN SEASON IN RESPECT OF THE COCHIN PIPELINE



- For clarity, such Financial Assurances must be provided within 3 Business Days of notice of any award of capacity. See Section 21 of the Canadian and/or US Rules and Regulations as included in the Open Season package for complete details.

### OPEN SEASON PACKAGE

Cochin will make available to interested shippers that have executed and submitted a CA the following documents, which will be included in the Open Season Package:

- Further information regarding the Open Season
- Form of TSA
- Form of T&D Agreement
- Pro forma Rules Tariffs, the Rates Tariff (US), and the Committed Rate Tariff (Canada) respecting the capacity and the terms of service that are the subject of the Open Season
- Form of letter of credit
- Form of parental guarantee
- Any revised or updated policies

### SUBMISSION OF BINDING PROPOSALS

If you are interested in submitting a binding bid for committed capacity on the Cochin Pipeline pursuant to the Open Season, binding proposals must be made by submitting to Cochin by email an executed TSA and T&D Agreement by no later than 5 PM MST on January 6, 2023, to [cochinbd@pembina.com](mailto:cochinbd@pembina.com).

Execution and delivery of the TSA and T&D by a shipper constitutes an offer by that shipper to enter into a binding TSA and T&D, and that offer will remain open until 5 PM MST on January 20, 2023. A shipper's offer to ship light condensate pursuant to the terms of the TSA and T&D shall not be deemed accepted by Cochin, and Cochin shall not be bound by the terms of the TSA and T&D, unless the TSA and T&D are executed and delivered by Cochin (in its sole discretion).

All offers submitted during the Open Season are irrevocable. Cochin may in its sole discretion reject any executed TSA or T&D which is incomplete or inconsistent with the terms and conditions outlined in this summary or in the form of TSA or T&D, or a TSA or T&D which contains any modifications or additions whatsoever, or which is submitted after the close of the Open Season.

Once the Open Season period has ended, based on the level of shipper interest, Cochin will decide whether to proceed with the commitment. If Cochin elects to go forward with the program Cochin will notify each successful shipper of their award of capacity and, subject to provision of Financial Assurances (if applicable), each of Cochin Canada and Cochin US will execute the TSA and T&D, respectively, of the successful shipper(s) and return an executed copy to the shipper along with a notification letter confirming the level of committed capacity that has been awarded.

If more than one interested shipper elects to participate in the Open Season, Cochin Canada and Cochin US will award the committed capacity based on the highest net present value of the aggregate bids selected. If multiple interested shippers have made qualifying offers with the same net present value to Cochin, and the remaining available capacity does not fulfill the contracted volume requested in such qualifying offers, then Cochin Canada and Cochin US shall have the option to request the shippers that provided the qualifying offers of the same net present value to Cochin to resubmit bids (or specific components thereof) within 24 hours of notification. If, after such process, there continue to be bids of

## NOTICE OF BINDING OPEN SEASON IN RESPECT OF THE COCHIN PIPELINE



equal net present value, and the available capacity remains insufficient to fulfill the contracted volume requested in such qualifying offers, then capacity will be allocated among the qualifying offers of equal net present value on a pro-rata basis based on the contracted volume requested, provided that if such allocation would result in contracted volume of less than 1,500 bpd, Cochin Canada and Cochin US shall use an impartial method to determine the successful shipper.

Please direct any questions regarding the Open Season, or requests for further information including requests for copies of the documents included in the Open Season Package, by email to [cochinbd@pembina.com](mailto:cochinbd@pembina.com).

### DISCLAIMERS

Cochin may, in its sole and absolute discretion and for any reason, elect at any time prior to the Close Date, to modify or extend the Open Season process or Open Season Package, or at any time give notice of a subsequent Open Season. Cochin may also in its sole discretion and for any reason, elect to terminate the Open Season, including in the event that Cochin has determined there are insufficient requests for the capacity being made available in the Open Season. Any changes to this Notice will be reflected on the website at [www.pembina.com/operations/customers](http://www.pembina.com/operations/customers) and otherwise changes in respect of the Open Season will be reflected in the documents made available at the OneDrive site that will be accessible to only those interested shippers who have executed and submitted a CA (as described above). Any such changes may be made without prior notice, and interested parties are solely responsible for following such changes without further notification by Cochin.

This Notice and the Open Season Package are informal marketing documents, and they establish no contractual relationship between or among Cochin or any of its affiliates and any party who receives them. This Notice and the Open Season Package are not, and shall not be deemed, an offer or any binding obligation whatsoever on Cochin to proceed with the provision of the capacity or the service that is contemplated by the Open Season unless and until Cochin has countersigned and delivered a fully executed TSA and T&D Agreement to an interested shipper.

Cochin disclaims any and all liability for all materials or information supplied to prospective interested shippers in connection with this Notice or the Open Season, whether made directly or indirectly, in verbal, written or electronic form by Cochin, its affiliates or any of its or their directors, officers, employees, or other personnel, consultants, agents or representatives and no representation or warranty or assurance is made by Cochin as to the accuracy or completeness of this Notice or the Open Season Package.