



**Cando Rail & Terminals Ltd. (LP)
Sturgeon Multi-Purpose
Terminal**

Ancillary Services Circular

Rev 2

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Section 1 - General

Item 105 CANDO Invoice Commitment

Cando Rail & Terminals Ltd. (CANDO) and/or its affiliate Cando Rail & Terminals LP will invoice for all CANDO performed chargeable ancillary services under the authority of this Ancillary Services Circular, no later than 30 days after the services rendered completion date.

The service rendered completion date for most services is the date of the service. For demurrage, storage, and storage switching the services rendered completion date is generally the last day of the month.

Item 110 Scope of Ancillary Circular

This Circular covers rules, rates, and charges for the Cando Sturgeon Multi Purpose Terminal, operated by Cando Rail & Terminals Ltd. and its affiliate Cando Rail & Terminals LP.

All charges are payable to Cando Rail & Terminals Ltd., Unit 400 - 740 Rosser Ave. Brandon, MB, R7A 0K9.

Item 120 Application of Authorized Increases

Rates and charges under this Circular as published are subject to change upon a 30-day written notice of change and will be published on the Cando website at www.candorail.com

All ancillary service rates, unless superseded either by individual contract or where contracts may be silent on the ancillary services outlined in this circular are subject to Annual CPI Increase and adjustment based on the increase in the Alberta Consumer Price index for the preceding 12-month period January through December of the previous year.

All rates and charges are payable in Canadian dollars (CAD).



Item 125 Ancillary Services Acceptance & Documentation

Customers requesting any Ancillary Services outlined in this circular are subject to the rates, terms and conditions outlined herein.

Customers requesting Ancillary Services must provide the request to Cando in writing at sturgeon.terminal@candorail.com ; customer can expect to receive a response within 24 hours.

Cando is under no obligation to provide Ancillary Services unless otherwise agreed to in writing, in advance.

Sturgeon Terminal staff may communicate with you directly related to Ancillary Service requests, customer is required to respond to Cando at sturgeon.terminal@candorail.com within 24 hours, otherwise railcars in question may be returned to haulage carrier (CN) at customers expense. Cando accepts no liability for customers railcars.

All rates and charges are payable in Canadian dollars (CAD).



Section 2 - Supplemental Services

Item 200 Haulage of Empty Railcars Not Used

When empty railcars are placed at the customer's facility for loading and are subsequently released empty for delivery back to the Class 1 Railway for furtherance, the customer will be subject to a charge of \$297 per railcar moved, unless the aforementioned movement is authorized by a revenue waybill.

When empty railcars are placed at the customer's facility for loading and are subsequently released empty for delivery to the Cando Sturgeon Terminal for storage or staging, the customer will be subject to a charge of \$297 per car charge.

This Circular applies to empty private railcars, including all customer owned or leased equipment, and applies to empty repositioning of such railcar(s) by the customer to a) other facilities for loading, or as a result of railcar(s) becoming unfit for loading and are required to be moved to a repair facility or otherwise by the customer or the customer's customer. This circular does not apply to railway supplied railcars that are unfit for loading, i.e., railcars owned or leased and supplied by CN or other such authorized Class 1 Railway.

This Circular applies to all Buffer type railcars, air repeater cars, and misrouted railcars which may result through the normal course of operations with the delivering carrier from time to time.

Item 205 Overweight Railcars

CANDO reserves the right to refuse any overloaded railcar at the point of interchange or refuse movement of any railcar which exceeds the gross weight on rail as noted below.

For railcars accepted for movement that are less than 2,000 lbs over the published weight restriction, the customer will be subject to a charge of **\$1800** per car.

Railcars accepted for movement that are more than 2,000 lbs over the published weight restriction, charges will be negotiated on a case-by-case basis.



Item 210 CANDO Delayed by Customer or Railway

When a customer delays CANDO at their siding, plant, or interchange for any reason, the customer will be charged **\$425** per hour. Charges will be rounded to the nearest quarter hour.

As examples, this charge may result due to customer's or customer's service provider failing to properly apply handbrakes at the appropriate location on the cut of cars to be lifted, air hoses not coupled properly or angle-cocks in the incorrect position, or excessive amount of time required to lift cuts of railcars which delay the delivery carrier beyond an acceptable duration of time to lift railcars at the customers siding, etc.

Charges under this item commence after the terminal/interchange time agreed to between CANDO and the customer has elapsed.

Item 220 Intra-Plant Switching

After the initial placement of a railcar at a customer's siding, when a railcar is moved at the customer's request from one track to another or from one spot to another on the same track within the customer's facility or industry, a charge of **\$410** per car will be assessed to a maximum of **\$5200** per service.

Item 225 Not First Out Charge

If a customer releases a railcar to be pulled, and if this railcar release results in the need to move additional car(s) that have already been placed in order to access the railcar(s) for release, a charge of **\$85** per railcar moved will be assessed to the customer to a maximum of **\$5200** per service.

Item 235 Released - Not Available

This fee applies if a railcar has been released to CN and at the time of service, Cando is unable to pull the railcar for reasons not attributable to Cando (examples: your gate is closed and we cannot access your tracks, switches are snowed in and not cleaned by the customer). A charge of **\$250** per railcar not available to lift will be assessed to the customer to a maximum of **\$5200** per service.

(Operating customer responsibility)



Item 240 Railcars – Unable to Place

This fee applies if Cando is unable to place the railcar(s) for reasons not attributable to Cando at the time of service (examples: your gate is closed, your facility is full and unable to accept additional railcars or we cannot access your tracks, your switches are snowed in and not cleaned by customer). A charge of \$250 per railcar not available to place will be assessed to the customer to a maximum of **\$5200** per service.

Where customer has a separate and active railcar storage agreement in place with Cando, those storage terms and conditions will apply to those specific railcars, which cannot be placed as a result of the above and remain at the Sturgeon Terminal as a result.

Where customers commercial agreement related to the above is silent, unless otherwise agreed, Item 240 will apply.

(Operating customer responsibility)

Item 250 Railway Supplied Rejected Car

Railcar(s) that are rejected by the customer as being unsuitable for loading will be returned to the delivering railroad. The delivering railroad will inspect the rejected car(s) and charges will be assessed as follows: Item 200 will apply.

Item 251 Railcar Diversion Request *New*

Railcar(s) that have arrived at the Sturgeon facility which have been billed to a specific destination and requested by the customer to divert or change the route, destination location or consignee/care of party that results in your shipment or railcar being rerouted: **\$450.00** per railcar.



Item 252 Special Switch Request *New*

This fee applies when you request a switch service outside of your normal service window. The Special Switch service governs switching railcars from the Cando Sturgeon Terminal to your facility; from your facility to the Cando Sturgeon Terminal and/or switching within your facility. This special switch request only applies for occasional requests and is subject to Cando's resource capacity. The Special Switch Request must be made in writing a minimum of 24 hours in advance, so that we can plan the service, allocate the necessary resources and confirm that we are able to meet your request, : **\$650.00** per hour, with an 8-hour minimum charge (**\$5200.00** minimum).

Item 253 Haulage of Empty or Loaded Railcars between Pembina and Sturgeon *New*

Unless otherwise specified within your separate railcar storage and/or haulage agreements, this fee applies when you request the haulage of your railcar(s) between the Cando Sturgeon Terminal and the Pembina Pipelines Redwater facility. Requests must be made to sturgeon.terminal@candorail.com in writing and approval provided within 24 hours of receipt.

Loaded Short Haul Rate: \$850.00 per railcar.

Empty Short Haul Rate: \$650.00 per railcar.

Item 255 Rejected Equipment Procedures

CN Supplied Cars - Any railcar deemed unsuitable for loading must be rejected. This is accomplished by using CN E Business tool "release railcars" at www.cn.ca/login , and customer must also advise the CN ECT by email to cnsknb@cn.ca .

CANDO must also be advised by email to sturgeon.terminal@candorail.com or by Fax (780) 424-4848.

Item 270 Turning a Railcar

Customer requested turning of railcars to facilitate loading or unloading will be assessed a charge of **\$1875** per car charge.



Item 280 Administration Surcharge

Tariff charges paid by CANDO to other railways as a direct result of Customer errors or omissions in billing and/or switching instructions, will be payable by the Customer, and subject to a **25%** Administration Surcharge.



Section 3 - Demurrage & Private Railcars on Cando Tracks

We place a high priority on keeping our operating yard fluid so that train connections are on time and your goods get to where they need to be. When you need additional time to load, unload or store your private equipment, many options are available to you. You could execute a private railcar storage agreement with Cando at the Sturgeon Terminal, construct additional capacity at your own site or store your railcars at any of our many locations across our Network. You may also reach out to our Railcar Storage team at railcar.storage@candorail.com to discuss private railcar storage and loaded staging options on Cando tracks, subject to availability.

Item 303 Demurrage & Staging Policy

Demurrage and ancillary storage/staging charges are assessed monthly. Demurrage or staging liability starts with the earlier of either Constructive Placement or Actual arrival into the Cando Sturgeon Terminal and ends with the Actual placement of the railcar at the customer's facility. Credits will not be issued.

Railcars released by the customer after the published cut off time for scheduled service will not be pulled until the next scheduled service day unless customer and Cando have agreed to additional service in writing.

Item 310 Demurrage Rates

Demurrage and ancillary staging charges for equipment subject to the provisions of Section 303 will be **\$250** per railcar per day.

Customers with a valid Private Railcar Storage agreement in place will be subject to those specific guaranteed rates contained within the storage agreement.

Item 320 Notification to CANDO

Electronic or mechanical devices are to be used to furnish notification of empty release or other carload disposition information to CANDO. The recorded date and time that the instructions are received will govern.

Fax: (780) 424-4848

Email: sturgeon.terminal@candorail.com



Section 4 - Miscellaneous

Item 400 Staging of Railcars:

Private empty railcars held on Cando tracks prior to being placed for loading.

Free time is provided between the time the customer railcar arrives at the Cando Sturgeon Terminal and the customer's next scheduled switch service. No additional free time is provided.

For spot-on-arrival customers (customers whose railcars are brought directly to their facility instead of being constructively placed at our serving yard, pending an order-in): - If you are unable to accept railcars brought into the region by CN during your regularly scheduled switch service by Cando, asset use for those railcars will start at the end of the service window for which Cando was unable to place the railcars.

A charge of **\$250** per day per car to be computed from the actual time car(s) placed or constructively placed on CANDO tracks. Rate charged is for the staging of railcars and for the unplanned storage of empty or loaded railcars on CANDO property as a result of, but not limited to:

- Lack of room at customer's siding
- Held to complete a shipment
- Held for any other unplanned purpose
- Held as a result of Class 1 Embargo's
- Held as a result of over-the-road congestion delaying the departure

Staging charges commence on all days including Saturdays, Sundays, and Holidays. These are chargeable days with charges continuing until actual placement on orders of, or disposition of cars.

Item 405 Dangerous Commodity Railcar Inspection

Dangerous commodities staged en route must be inspected after two days and then every 2 days following. Customer will be assessed a **\$45** charge per car, per inspection in addition to applicable staging charges for all loaded hazardous railcars which cannot not be received or departed based on CN acceptance for departure.



Item 410 Holidays

Whenever reference is made to “holidays,” it shall apply to the following days:

- New Year’s Day
- Alberta Family Day
- Good Friday
- Victoria Day
- Canada Day
- Heritage Day
- Labor Day
- Thanksgiving Day
- Christmas Day
- Boxing Day

CANDO reserves the right whether or not to operate on Holidays. When a regular scheduled service day falls on a holiday and CANDO does not operate, the day following the holiday will be the scheduled service date as defined by this Circular.

Item 420 Glossary of Terms

Actual Placement

When a car is placed in an accessible position for loading or unloading, or a point designated by the consignor or consignee.

Consignee

The party to whom a shipment is consigned, or the customer entitles to receive the shipment.

Constructive Placement

When a railcar cannot be an Actual Placement due to a condition attributable to the consignee, the railcar will be held at a CANDO holding area. A notice shall be sent to the consignee that the railcar is being held until the consignee can order and receive the railcar. The railcar would then become an Actual Placement once placement is executed.



Empty Release Information

Advice by consignee given to authorized personnel of CAN DO, that car is unloaded and available to CAN DO. Information given must include car initials and number, identity of consignee, and identity of party furnishing the information.

Leased Track

Any trackage assignment to a user through written agreement. Leased Tracks will be treated the same as Private Tracks.

Loaded Release

Is the complete or partial loading of a car in conformity with Railway Loading and Clearance rules and furnishing of Forwarding Instructions including (STCC) Standard Transportation Commodity Code.

Loaded Car

A railcar that is completely or partially loaded.

Private Car

A car bearing other than railroad reporting identification marks and is not a railroad-controlled car.

Item 430 Payment Terms

Interest applies to all overdue amounts. This will be added to the invoice amounts. All invoices are due and payable net 30 days of invoice. Interest in the amount of 2% per month will be charged on overdue accounts.

