

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

Ancillary Services Circular

Originally Issued April 1, 2024 Revised Effective May 1, 2025



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Section 1 - General

Item 105 Cando Rail & Terminals 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 **CHANGE**

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

All charges are payable to Cando Rail & Terminals LP. Address: Unit C-4110 Victoria Avenue, Brandon, MB R7B 4K7.

Item 120 Application of Authorized Increases

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

All ancillary service rates, unless superseded either by individual contract or where contracts may be silent on the ancillary services outlined in this circular are subject to Annual CPI Increase and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 <u>lethbridge.terminal@candorail.com</u>; 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.

Lethbridge Terminal staff may communicate with you directly related to Ancillary Service requests, customer is required to respond to Cando at <u>lethbridge.terminal@candorail.com</u> within 24 hours, otherwise railcars in question may be returned to haulage carrier (CPKC) 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 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 \$1,800 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 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 \$150 per railcar moved will be assessed to the customer.

Item 252 Special Switch Request

This fee applies when you request a switch service outside of your normal service window such as weekends, holidays, or after regular business hours. The Special Switch service governs switching railcars from the Cando Lethbridge Terminal to the outbound tracks for CPCK to pick up. 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 **(\$5,200.00** minimum).

Item 260 Maintenance Shop Switch Request **NEW**

This **\$225** per railcar fee applies to any car(s) requested to be moved from the Operating yard to a 3rd party maintenance facility for the purpose of repair.



Item 265 Railcars not covered by contractual storage agreement

Any railcar requiring inbound to terminal and is not covered by a current (nonexpired) commercial storage agreement will be subject to an inbound / outbound fee of \$225 per railcar. This amount is chargeable for each of the inbound and outbound movement. In addition, a storage fee of \$30 per day per railcar will also apply.

Item 270 Outbound Blocking by Destination **NEW**

This **\$175** per railcar fee applies to any car(s) requested to be blocked by destination or direction on the CPKC outbound track.

Item 272 Minor Adjustment or Inspection **NEW**

This **\$75** per railcar fee applies when an unsafe condition exists that necessitates Cando intervention by way of an inspection or a minor adjustment such as closing gates/doors/hatches or applying a seal, this charge will apply.

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 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 Lethbridge 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 <u>railcar.storage@candorail.com</u> to discuss private railcar storage and loaded staging options on Cando tracks, subject to availability.

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.



Section 4 - Miscellaneous

Item 405 Dangerous Commodity Railcar Inspection

Dangerous commodities staged enroute must be inspected after two days and then every two 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 be received or departed based on CPKC 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 Cando, that car is unloaded and available to Cando. 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 railroadcontrolled car.

Item 430 Payment Terms **CHANGE**

All invoiced amounts are due and payable within thirty (30) days of the date of such invoice. Customer is solely responsible for any and all applicable taxes on all invoiced amounts, including without limitation any applicable sales taxes.



If Customer fails to pay the entire amount of any invoice when due, the remaining outstanding balance of such invoice shall accrue interest from such due date at the lesser of: (i) the rate of two (2.0%) percent per month (an annual rate of twenty-four (24.0%) percent); and (ii) the maximum interest rate permitted by applicable law, until the balance of such invoice, together with all interest thereon, is paid in full. All payments shall be made and all charges calculated in Canadian dollars.

Item 440 3rd Party Access **CHANGE**

3rd party access to railcars contained within the Lethbridge terminal for the purposes of inspection, cleaning, repair and/or application of regulatory decals or stencils will be charged at a rate of **\$535.00** per car unless otherwise stipulated in a private storage agreement.

Item 450 Loader and Operator **CHANGE**

Customers who request front end loader services outside of any service agreement will be charged **\$257** per hour. Services such as snow removal, yard grading, material handling, and towing must be requested in writing to lethbridge.terminal@candorail.com.

Item 460 Equipment Inspections **CHANGE**

If non-rail equipment on site requires inspections, refueling, or other support services, a labour rate of **\$82** per hour will be charged with a minimum of 3 hours per day. Cost plus **20%** will be charged for any consumables required to carry out the inspection or requested work.

Item 480 Custom truck scaling

For trucks that require scaling outside of any operations on site, a fee of \$10 per scale will be charged and is subject to availability during business hours.