

Executive Summary

Topic: Rail Operations

Date: April 28, 2021

SUMMARY OF TYPICAL OPERATIONS

- Under typical operations, the Lubricants Centre moves 30-40 railcars per day between the Plant and the Clarkson Railyard.
- A typical day would see our contractor, Railserve, a third party rail operator; make three to five runs to Clarkson Yard and back.
- On average, runs are scheduled between 7:30 a.m. and 9 p.m. with each run lasting around four minutes.
- Limited by the track incline, the locomotives can pull up to 12 loaded cars, more if the cars are empty.
- Railserve prepares the incoming cars at Clarkson Yard for delivery into the plant and the outgoing cars for removal by CN.
- CN removes the full railcars and delivers empty railcars and/or railcars of products at Clarkson Yard, for use at the Plant as per CN's schedule. All transportation throughout Canada, including our rail operations, is regulated by the Transportation of Dangerous Goods (TDG) Act and Regulations.

NOISE MITIGATION EFFORTS

- Implemented a new track maintenance program with a third party provider, which includes assessing track smoothness. No recommendations issued for 2020; next inspection is scheduled for 2021.
- Increased the track greasing inspection frequency to a weekly occurrence, with grease applied as needed.
- Replaced the previous locomotives with locomotives built to the latest standards. The first is currently in service and the second is expected to be in May.
- We continue to look for opportunities to consolidate trips between Clarkson Yard and the Plant in an effort to reduce the number of trips overall.
- Spoke with CN regarding hitching speeds in Clarkson Yard.
- Reduced the slope of the rail tracks in the large curve near Clarkson Yard. The reduced slope centers the rail cars on the tracks, thereby reducing the wheels squealing against the rails.

BACKGROUND

Route:

- Movements run from the Plant on the north-south rail spur to CN's Clarkson yard on the main east/west line.
- HollyFrontier, through the Petro-Canada Lubricants Inc. business, owns and maintains the track located within the Plant's boundaries.
- HollyFrontier, through the Petro-Canada Lubricants Inc. business, owns the land and maintains the track on the spur to Clarkson Yard.
- CN owns the track on the spur to Clarkson Yard and is responsible for the maintenance of signage at crossings (e.g. Orr Road).
- CN owns and operates Clarkson Yard, sharing the main track with Metrolinx.

Track and railcar inspections:

- The track has a robust inspection program exceeding Canadian Rail Association (CRA) recommendations.
- Inspections are conducted quarterly, both visually and using instruments.
- The track meets all CRA regulations.
- All of our railcars are subject to an inspection program meeting Transport Canada and CRA direction and guidelines.
- The inspection process requires a pressure test every 10 years and a railcar frame inspection every four years.
- A visual inspection is performed on every railcar that comes to site.

Transportation regulations:

- Effective July 1, 1985, The Transportation of Dangerous Goods (TDG) Act and Regulations applies to all handling, offering for transport, importing and transporting of dangerous goods for all modes of transportation.
- The TDG regulations were established for personal and environmental protection and assign duties to shippers, carriers and handlers.
- Duties include the proper assessment and labeling of goods, training of personnel and development of emergency response plans.