

July 19, 2006

## **ALL BRADSHAW FUELS CUSTOMERS**

Dear Sir or Madam:

### **Subject: Notice of Implementation Regarding Compliance with On-road Diesel Legislation**

In 2002 the Sulphur in Diesel Fuels Regulations in the Canadian Environmental Protection Act, 1999 were amended. Among the changes to the Regulations was a requirement that the sulphur concentration in all diesel fuel sold for on-road use in Canada, outside the "Northern Supply Area", not exceed 15 mg/kg (ppm) after August 31, 2006. We are providing you notice of changes we made to ensure legal compliance and general information regarding the transition process.

Our suppliers began shipping on-road diesel with a sulphur concentration below 15 ppm into the system of distribution terminals at the beginning of June. Our suppliers will be converting existing field inventories of on-road diesel to 15 ppm sulphur so that by September 1, 2006 all on-road diesel sold by Our suppliers will meet the new 15 ppm requirement.

It is your responsibility to ensure you take measures at your site(s) to implement and maintain proper storage, product handling, site and equipment preparation and ongoing operating procedures relating to introducing the new lower sulphur concentration requirement.

#### **Equipment and Inventory Preparations**

It is essential the entire fuel storage and dispensing system, including but not limited to fuel storage tanks, lines, fill pipes, pumps and dispensers, at your site are fully compatible with the storage and dispensing of the 15 ppm sulphur material. It is also your responsibility to ensure that existing inventories of 500 ppm sulphur diesel have been depleted and that the inventory in the dispensing systems is suitable for sale by the required deadline.

Additional information about recommended management practices for the transition to the lower sulphur on-road diesel requirements may be found on the Canadian Petroleum Products Institute (CPPI) website at [http://www.cppei.ca/Technical\\_Documents.html](http://www.cppei.ca/Technical_Documents.html).

You may want to instruct your staff to ensure that:

- inventories of 500 ppm sulphur on-road diesel are minimized prior to conversion,
- supply of 15 ppm sulphur on-road diesel is introduced into the site as soon as is practical after the site's supply point has converted. Our suppliers will provide periodic updates regarding the conversion status of distribution terminals,
- inventories have been successfully converted to the 15 ppm requirement prior to September 1, 2006,
- appropriate Material Safety Data Sheets (MSDS) have been received on site, and
- dispensers have been equipped with product-identifying decals.

#### **Product Quality**

It is your responsibility to ensure your fuel storage systems are and remain capable of meeting the new legislative requirements. Government legislation and Our suppliers site operating standards are to be followed.

#### **Site Preparation**

Our suppliers recommends you review the relevant legislation and CPPI recommended management practices to prepare for the conversion. You may contact the federal government for more details and other requirements associated with selling this fuel. Environment Canada provides information at the following web site which may be helpful to you:

<http://www.ec.gc.ca/CEPARRegistry/regulations/DetailReg.cfm?intReg=63&x=26&y=9>

### **Employee Training and Emergency Procedures**

Please take the necessary steps to ensure that your employees understand, are trained in and adhere to the safe and proper product handling and distribution requirements of on-road diesel. Further information can be found on the [www.cppi.ca](http://www.cppi.ca) web-site. You should be familiar with the appropriate MSDS, which are available from [www.esso.ca](http://www.esso.ca) (select "Products & Services", then "Material Safety Data Sheets").

Additional questions should be directed to the contacts specified on the Environment Canada website noted above.

We appreciate your cooperation through out this transition. If you have any questions, please contact your territory manager.