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January 16, 2009

National Energy Board  
444 Seventh Avenue S.W.  
Calgary, Alberta  
T2P 0X8

Filed Electronically

Attention: Ms. Claudine Dutil-Berry, Secretary

Dear Ms. Dutil-Berry:

**Re: TransCanada PipeLines Limited (“TransCanada”)  
Amendments to TransCanada’s Canadian Mainline Transportation Tariff**

TransCanada hereby files an application with the National Energy Board (“Board”) pursuant to Section 60(1)(b) of the *National Energy Board Act* for an order or orders approving:

1. a new Short Term Short Notice (“ST-SN”) Transportation Service by the addition of a ST-SN Toll Schedule and ST-SN Proforma Contract to the Mainline Tariff, and amendments to the General Terms & Conditions (“GT&Cs”), Firm Transportation Short Notice (“FT-SN”) Toll Schedule and Short Term Firm Transportation (“STFT”) Toll Schedule; and
2. amendments to the STFT Toll Schedule and the Transportation Access Procedures (“TAPs”) to give effect to changes to the STFT Capacity Postings and Daily Existing Capacity Open Season Bid Deadline.

The proposed amendments were presented to the Tolls Task Force (“TTF”) and were unopposed by the TTF in TTF Resolution 02.2009 and TTF Resolution 03.2009, both voted on January 7, 2009.

In support of its application, TransCanada attaches as Tab 1 a copy of TTF Resolution 02.2009 and its accompanying ST-SN Term Sheet and a copy of TTF Resolution 03.2009.

TransCanada also attaches as Tab 2 the blacklined and clean copies of the GT&Cs, FT-SN Toll Schedule, STFT Toll Schedule and the TAPs, and clean copies of the ST-SN Toll Schedule and ST-SN Contract. Also attached as Tab 3 for the Board's information are the 2009 TTF Index, the 2009 TTF Report No. 1, the TTF Procedures, and the 2009 TTF Membership List

TTF Resolution 02.2009 (ST-SN) proposes an effective date of February 1, 2009. In the event Board approval of the ST-SN amendments occurs after that date, TransCanada requests an effective date concurrent with Board approval.

To effect the changes proposed in TTF Resolution 03.2009 (STFT Capacity Postings), TransCanada requests an effective date 30 days following Board approval.

Should the Board require additional information, please contact Stella Morin at (403) 920-6844 or [stella\\_morin@transcanada.com](mailto:stella_morin@transcanada.com).

Yours truly,

Murray Sondergard  
Director, Regulatory Services

Attachments

cc: Tolls Task Force (on-line notification)  
Mainline Customers (on-line notification)

## Tab 1 - TTF Resolutions

# Tolls Task Force



## 2008 TOLLS TASK FORCE ISSUE

<b>Date Accepted As Issue:</b>	<b>Resolution:</b> 02.2009
<b>Date Issue Originated:</b> September 3, 2008	<b>Sheet Number:</b> 1 of 2
<b>Issue Originated By:</b> TransCanada	
<b>Individuals to Contact:</b> Ken Schubert Tim Stringer	<b>Telephone Number</b> 403-920-5551 416-869-2177

**ISSUE:** Short Term Short Notice Service (ST-SN)

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## RESOLUTION

The Task Force agrees to incorporate ST-SN into TransCanada's Tariff on the terms and conditions set out in the attached ST-SN Term Sheet, ST-SN Toll Schedule and ST-SN Proforma Contract. Associated changes to the FT-SN Toll Schedule, Short Term Firm Transportation (STFT) Toll Schedule and General Terms and Conditions are also attached.

ST-SN will take effect on February 1, 2009.

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## BACKGROUND

TransCanada is proposing that the TTF consider a short term short notice service with attributes based on Firm Transportation Short Notice (FT-SN) and Short Term Firm Service (STFT). It is anticipated that the service could be used by power generators, marketers, LDCs, and any Shipper wishing to access market at a short notice location.

The service would allow ST-SN shippers to supplement FT-SN service at FT-SN locations. This would help to address the current concern that only FT-SN service can be offered at FT-SN locations.

A Shipper may request ST-SN service at a delivery point where FT-SN is not contracted. In this scenario, TransCanada will consider building metering and flow control facilities if certain criteria are met. These include: 1) there is a demonstration of a long term market, 2) there is evidence the facilities will be used and useful, 3) the facilities represent the lowest cost alternative to serving the market, and 4) the expected revenue will generate a net economic benefit.

# Tolls Task Force



The features of the service are outlined in the attached Term Sheet.

## VOTING RESULTS

Unopposed resolution at the January 7, 2009 TTF meeting in Calgary.

# Tolls Task Force



## **Short Term Short Notice (“ST-SN”) Term Sheet**

October 23, 2008

### **Description**

ST-SN is designed to serve markets which have volatile flow rate requirements in situations where the shipper desires a firm contract and a term shorter term than the minimum 1 year term applicable to FT-SN. Possible users of ST-SN include power generators, LDCs and others wishing to access markets at short notice locations. The attributes of ST-SN are based on certain attributes of FT-SN (e.g. reserved capacity, flow control, separate delivery point, flow rate nominations, up to 96 nomination cycles per day) and STFT (e.g. term between 7 and 364 days, bid price, no diversions, no RAM).

### **Service Attributes**

#### **Maximum Daily Quantity (MDQ)**

- MDQ provided by shipper in bid, subject to TransCanada awarding of capacity during the applicable open season.
- Same as STFT.

#### **Toll:**

- Bid price provided by shipper in bid:
  - No maximum price.
  - Floor price = 100% load factor FT-SN toll = 110% of the FT toll.
- Same logic applied as with the STFT toll vs FT toll.

#### **Access Procedure**

- ST-SN competes with STFT in short term open seasons.
- Shipper bids a toll for a given path and term. This is the same as STFT.
- For bid evaluation purposes, TransCanada will normalize ST-SN bids to STFT. This is accomplished by dividing the ST-SN bid price by 1.10. This follows the same logic as evaluating FT-SN bids in FT open seasons.

#### **Billing**

- Shipper shall pay the Bid Price x Term x MDQ, regardless of usage.
- Same as STFT.

#### **Fuel**

- Shipper provides applicable fuel for the delivered quantity and path.
- Same as FT-SN and STFT.

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## Term

- Provided by shipper in bid.
- Minimum of 7 days and maximum of 364 days.
- Same as STFT.

## Nominations

- Flow rate units (GJ/hour).
- Shipper's nomination on an hourly flow rate basis cannot exceed 5% of MDQ.
- Up to 96 nomination cycles available each day with nominations due 15 minutes before flow, subject to the willingness of both the upstream and downstream interconnecting operators to confirm such cycles.
- Flow rate confirmations required to align with flow rate nominations of ST-SN. If an interconnected operator confirms using daily quantity, TransCanada will convert to flow rate using the following formula:

$$\text{Flow Rate for an effective time} = (A - B) / C$$

*Where*

*A = Daily Quantity applicable to that effective time*

*B = Cumulative quantity that has been scheduled to flow from start of gas day up to that effective time*

*C = Remaining hours in that gas day*

- Same as FT-SN.

## Priority of Service

- ST-SN capacity is firm and reserved
  - Shipper has full right to contracted capacity at each nomination cycle.
  - Capacity which is not nominated by shipper at a nomination cycle is not available to any other service (e.g. diversions or interruptible service).
- Same as FT-SN.

## Delivery Location Requirements

- The delivery point specified in a ST-SN contract must:
  - Not be grouped with any other delivery point or meter station for the purposes of transportation service contracts and nominations;
  - Have flow control facilities operated by TransCanada; and
  - Be only available for Short Notice services (ie. FT-SN and ST-SN)
- Same as FT-SN (note: the FT-SN Toll Schedule will be modified to allow both FT-SN and ST-SN at the same delivery point).

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## **Assignments**

- ST-SN is not assignable.
- Same as STFT.

## **Renewal Rights**

- ST-SN is not renewable.
- Same as STFT.

## **RAM (Risk Alleviation Mechanism)**

- No RAM.
- Same as STFT.

## **Alternate Receipts & Diversions:**

- ST-SN does not have access to Alternate Receipts or Diversions.
- Same as STFT.

## **Title Transfers:**

- Title transfers are available among ST-SN and FT-SN shippers at the receipt point of such contracts.
- Same as FT-SN.

## **Conditioned Bids:**

- Conditioned Bids are not available with ST-SN.



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## 2007 TOLLS TASK FORCE ISSUE

<b>Date Accepted As Issue:</b> June 5, 2008	<b>Resolution:</b> 03.2009
<b>Date Issue Originated:</b> May 21, 2008	<b>Sheet Number:</b> 1 of 3
<b>Issue Originated By:</b> Shell Energy North America (Canada) Inc.	
<b>Individual to Contact:</b> Tomasz Lange	<b>Telephone Number</b> (403) 216-3580

**ISSUE:** Changes to STFT Capacity Postings and Daily Existing Capacity Open Season Bid Deadline

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## RESOLUTION

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TTF agrees to amend the STFT Toll Schedule, Section 3.2 to facilitate the following postings of STFT capacity:

- During the period of January 16 – 31 for the individual monthly blocks of the Summer Period (April 1 to October 31) and during the period of July 16 – 31 for the individual monthly blocks of the Winter Period (November 1 to March 31).

TransCanada will review this amendment on an ongoing basis and propose, to the TTF, any changes as required.

In addition, TTF agrees to amend the daily STFT postings bid deadline from 11:00 hours CCT to 09:00 hours CCT in order to facilitate bids for service commencing the day after the bid is received.

TTF also agrees to amend the Transportation Access Procedure, Section 4.6 (b) as follows, to align the bid deadlines for Daily STFT and Daily existing capacity open seasons:

- TransCanada shall post the Daily Existing Capacity on its electronic bulletin board by 16:00 hours CCT on each Day prior to the Day a Daily Existing Capacity Open Season is held. Daily Existing Capacity will be awarded according to bids

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received by 09:00 hours CCT.

These changes will be effective 30 days following Board approval.

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## BACKGROUND

The purpose of the amendment is to provide certainty in the offering of STFT capacity in monthly blocks following the STFT open seasons for the Summer and Winter Periods and to allow bids for next day service.

Some stakeholders believe it is in the best interest of all of the Mainline shippers for TransCanada to offer the available STFT capacity to the market on a timely basis. In a volatile market, in which conditions change not only daily but also hourly and even minute-by-minute, it's imperative that the available STFT capacity is offered to the market. The timely offering of available STFT capacity in monthly blocks will provide a greater opportunity for sales of such capacity and the maximization of associated revenues. Similarly, the ability to bid for next day STFT service will provide more opportunity for sales of STFT capacity.

The current STFT Toll Schedule specifies the posting period for the entire Summer and Winter seasons. However, there is no tariff requirement for TransCanada to post the individual monthly blocks within the seasons. Historically, the timing of subsequent postings of the available STFT capacity, particularly the individual monthly blocks, has varied and arguably the capacity was not available during market conditions which could have resulted in sales of such capacity.

TransCanada is aligned with the goal of maximizing revenues. TransCanada also recognizes that the proposed tariff amendment provides clear market signals with respect to the timing of the offering of monthly blocks of STFT capacity. However, TransCanada does not believe that the offering of monthly blocks of STFT capacity maximizes revenues in all market circumstances. This tariff amendment encourages shorter-term versus longer-term capacity sales which may not result in the goal of maximizing revenues in all situations. For instance, greater revenue may be able to be generated from the longer term sales of capacity in areas of constrained capacity on the pipeline or situations where the market economics support longer term contracting decisions. TransCanada has also been subject to successful incentives to maximize revenues in the past. Prescriptive practices for the sales of capacity may also not align with the goal of revenue maximization. Therefore, this tariff amendment would need to be removed in situations including, but not limited to, an environment where it is clearly not achieving the revenue maximization objective or where TransCanada has a revenue incentive. As a result, TransCanada will review

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the appropriateness of this tariff amendment on an ongoing basis and propose, to the TTF, any changes as required.

In order to allow for more efficient allocation of capacity through the daily open seasons, it's appropriate to align the bid deadlines for both the daily STFT and existing capacity open seasons.

Bids for Daily existing capacity (FT) will be evaluated first as per tariff provisions. The remaining available capacity will be awarded to STFT bids as per tariff provisions.

### **Voting Results:**

Unopposed resolution at the January 7, 2009 TTF meeting in Calgary.

Tab 2 - Tariffs  
Black-line Copy

**GENERAL TERMS AND CONDITIONS****INDEX**

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b) 5% of the aggregate Shipper's Authorized Quantity for deliveries to such delivery point or area under all of Shipper's IT, IBT, and ECR Contracts, STS Overrun, FST Makeup, Diversions on such Day and deliveries which are on a best effort basis pursuant to STS and STS-L Contracts.

- "Short Notice Service" shall mean service pursuant to a FT-SN Toll Schedule, SNB Toll Schedule or ST-SN Toll Schedule.
- "Storage Injection Point" shall have the meaning ascribed in Exhibit "A" of the STS Contract or the STS-L Contract as the case may be.
- "Storage Withdrawal Point" shall have the meaning ascribed in Exhibit "A" of the STS Contract or the STS-L Contract as the case may be.
- "Subsidiary" shall mean a company in which 50% or more of the issued share capital (having full voting rights under all circumstances) is owned or controlled directly or indirectly by another company, by one or more subsidiaries of such other company, or by such other company and one or more of its subsidiaries.
- "Title Transfer" shall mean the transfer of title to gas between two (2) Shippers at a Title Transfer Point.
- "Title Transfer Point" shall be those points and areas where the quantity of gas allocated to each Shipper is established each day and is not subject to reallocation.
- "TransCanada" shall mean "TransCanada PipeLines Limited" and its successors.
- "Transportation Service Contract" shall mean "Firm Transportation Service Contract", "FT Contract", "Firm Transportation Short Notice Contract", "FT-SN Contract", "Non Renewable Firm Transportation Contract", "FT-NR Contract", "Interruptible Service Transportation Contract", "IT Contract", "Interruptible Backhaul Service Contract", "IT Backhaul Contract", "Storage Transportation Service Contract", "STS Contract", "STS-L Contract", "Short Term Firm Transportation Service Contract", "STFT Contract", "Short Term Short Notice Service Contract", "ST-SN Contract", "Firm Service Tendered Contract, "FST Contract", "Enhanced Capacity Release Service Contract", "ECR Contract", "Long-Term Firm Service Contract", "LT-WFS Contract", "Firm Backhaul Transportation Service Contract" and "FBT Contract".

- (f) Sixth quantities to be delivered on a best efforts basis under STS and STS-L Contracts.
- (g) Seventh except for Shipper's Make-up quantities curtailed pursuant to 1 (a) above, under any FST Contracts up to the total amount that TransCanada is entitled to curtail under such contracts during such day under the provisions thereof other than under this Section XV; PROVIDED HOWEVER, that subject to TransCanada's seasonal obligations if TransCanada's inability to deliver is due to an occurrence of a force majeure during the period May 1 to September 30, then TransCanada shall be entitled to completely interrupt deliveries under such contracts on such day during such period.

(h) Eighth proportionately under:

- (i) FT, FT-SN, FT-NR, FST, STFT, ST-SN, SNB, STS, STS-L and LT-WFS Contracts (other than quantities to be delivered on a best efforts basis under STS and STS-L Contracts) in amounts proportional to the Operating Demand Quantities minus the quantities to be delivered pursuant to an Alternate Receipt or a Diversion of such Contracts.
- (ii) Alternate Receipts made pursuant to FT, FT-SN or FT-NR Contracts and/or Diversions made pursuant to FT, FT-SN, FT-NR, FST, and LT-WFS Contracts not already curtailed pursuant to sub-Sections, (d) and (e) above, in amounts to be delivered pursuant to such Alternate Receipt and/or Diversion.

(For the purpose of this sub-Section, the Operating Demand Quantity shall be:

- (A) under FT Contracts, the Contract Demand;
- (B) under FT-SN Contracts, the Contract Demand;
- (C) under FT-NR Contracts, the Contract Demand;
- (D) under LT - WFS Contracts, the LT - WFS Maximum Daily Quantity;
- (E) under STS Contracts, the Daily Injection Quantity or the Daily Withdrawal Quantity, as the case may be;

- (F) under STS-L Contracts, the Daily Contract Injection Quantity and the Daily Contract Withdrawal Quantity;
- (G) under FST Contracts, fifty (50%) percent of the winter period average daily winter capacity, or TransCanada's estimate of Shipper's requirement, as the case may be;
- (H) under STFT Contracts, the ~~Contract Demand~~ Maximum Daily Quantity;
- (I) under ST-SN Contracts, the Maximum Daily Quantity;
- ~~(J)~~ under FBT Contracts, the Maximum Daily Quantity; and
- ~~(K)~~ under SNB Contracts, the Contract Quantity.

- (iii) Any forward haul component of a FBT Contract, that are affected by the disability in proportion Operating Demand Quantities of such Contract.
- (iv) Back haul components of an FBT Contract as required due to any lack of forward haul quantities to support the back haul quantities.

2. If TransCanada estimates that it will be unable to meet its total minimum obligations to deliver under all of its contracts during the then current season, TransCanada shall order seasonal curtailment in the following order of priority:

- (a) First under any Shipper's Make-up pursuant to the FST Toll Schedule
- (b) Second under interruptible service provided pursuant to the IT and IT Backhaul Toll Schedules.

The toll for STS Overrun is the 100% Load Factor Toll. Therefore when STS Overrun is tolled at an equal or higher price than IT, then the priority of STS Overrun is higher; when the STS Overrun Toll is at a lower price than IT, then the priority of STS Overrun is lower.

- (c) Third under any gas storage program of TransCanada.
- (d) Fourth under:



Transmission, L.P., Union Gas Limited and Trans Québec and Maritimes Pipeline Inc.) to exceed the capability of the affected segment by an amount greater than that which would have occurred had the gas which is the subject of an Alternate Receipt and/or a Diversion, been received at the receipt point and delivered at the delivery point or delivery area specified in the FT, FT-SN, FT-NR or LT-WFS Contract.

Solely for the purpose of making the aforesaid determination, TransCanada may, for certain quantities, treat the point of interconnection between TransCanada's system and the system of Union Gas Limited at Parkway as a delivery point specified in those FT, FT-SN, FT-NR or LT-WFS Contracts which have delivery points on the segment of TransCanada's integrated system from Kirkwall to Niagara Falls.

- (f) Sixth Quantities to be delivered on a best efforts basis under STS and STS-L Contracts.
- (g) Seventh under FST Contracts up to the total amount that TransCanada is entitled to curtail under such contracts during such season under the provisions thereof other than under this Section XV.
- (h) Eighth proportionately under:
  - (i) FT, FT-SN, FT-NR, FST, STFT, ST-SN, SNB, STS, STS-L and LT-WFS Contracts (other than quantities to be delivered on a best efforts basis under STS and STS-L Contracts) once the curtailments made in (e) above have taken place, in amounts proportional to the Operating Demand Quantities or Maximum Daily Quantities, as the case may be, minus the quantities to be delivered pursuant to an Alternate Receipt and/or a Diversion of such Contracts,
  - (ii) Alternate Receipts made pursuant to FT, FT-SN or FT-NR Contracts and /or Diversions made pursuant to FT, FT-SN, FT-NR, FST, or LT-WFS Contracts not already curtailed pursuant to sub-Sections (d) and (e) above, in amounts to be delivered pursuant to such Alternate Receipt and/or Diversion.

- (iii) Any forward haul components of a FBT Contract, that are affected by the disability in proportion Operating Demand Quantities of such Contract.
- (iv) Back haul components of an FBT Contract as required due to any lack of forward haul quantities to support the back haul quantities.

For this purpose the seasonal requirement shall be:

- (i) under FST Contracts, the seasonal quantity of the applicable season, less the quantity curtailed pursuant to sub-Sections 2 (a), (d) and (e) above.
- (ii) under FT Contract, FT-SN Contracts, SNB Contracts, FT-NR Contracts, STFT Contracts, ST-SN Contracts, STS Contracts, STS-L Contracts and FBT Contracts, TransCanada's estimate of Shipper's total seasonal requirements under each such Contract.
- (iii) under LT-WFS, the LT-WFS Maximum Daily Quantity, as the case may be, multiplied by the number of days in Shipper's Service Entitlement.

In curtailing deliveries under this sub-Section 2, TransCanada will endeavor to minimize its daily curtailments under its FT Contracts, FT-SN Contracts, FT-NR Contracts, STFT Contracts, ST-SN Contracts, SNB Contracts, LT-WFS Contracts, STS Contracts, STS-L Contracts and FBT Contracts in an attempt to meet Shipper's daily requirements for deliveries.

## XVI DETERMINATION OF DAILY DELIVERIES

1. A Shipper taking delivery of gas under contracts and/or toll schedules for more than one class of service in one delivery area or one Export Delivery Point shall be deemed on any day to have taken delivery of Shipper's Authorized Quantity under the applicable contract and/or toll schedule in accordance with such agreement as may exist between TransCanada and the downstream operator(s). Absent such agreement, shipper shall be deemed to have taken delivery of Shipper's Authorized Quantities sequentially as follows:

- (a) IT Backhaul Contract Receipt Quantity
- (b) FT Contract

- (c) FT-SN Contract
- (d) FT-NR Contract
- (e) STFT and ST-SN Contracts
- (f) STS and STS-L Contracts
- (g) FBT Contract
- (h) LT- WFS Contract
- (i) firm portion of gas quantities under FST Contract
- (j) interruptible portion of gas quantities under FST Contract, except for any Shippers Make-up
- (k) IT and IT Backhaul Contracts, Delivery Quantity
- (l) Shippers Make-up under FST Contract

## **XVII DEFAULT AND TERMINATION**

Subject to the provisions of Section XI, Section XIV, Section XV and Section XXIII of these General Terms and Conditions, if either TransCanada or Shipper shall fail to perform any of the covenants or obligations imposed upon it under any Contract into which these General Terms and Conditions are incorporated, then in such event the other party may, at its option, terminate such Contract by proceeding as follows: the party not in default shall cause a written notice to be served on the party in default stating specifically the default under the Contract and declaring it to be the intention of the party giving the notice to terminate such Contract; thereupon the party in default shall have ten (10) days after the service of the aforesaid notice in which to remedy or remove the cause or causes stated in the default notice and if within the said ten (10) day period the party in default does so remove and remedy said cause or causes and fully indemnifies the party not in default for any and all consequences of such default, then such default notice shall be withdrawn and the Contract shall continue in full force and effect.

In the event that the party in default does not so remedy and remove the cause or causes or does not indemnify the party giving the default notice for any and all consequences of such default within the said

FIRM TRANSPORTATION SHORT NOTICE SERVICE

FT-SN TOLL SCHEDULE

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FT-SN TOLL SCHEDULE

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**1. AVAILABILITY**

1.1 Any Shipper shall be eligible to receive service pursuant to this Toll Schedule provided that:

- (a) Shipper has entered into a Firm Transportation Short Notice (FT-SN) Service Contract (the "Contract") with TransCanada having a minimum term of 1 year; or has obtained an Order of the NEB, pursuant to sub-section 71(2) of the National Energy Board Act as amended from time to time ("71(2) Order"), requiring TransCanada to transport gas for Shipper subject to the provisions of this Toll Schedule and to the terms and conditions contained in the 71(2) Order; and
- (b) Shipper has pipeline facilities interconnecting with TransCanada's facilities at the delivery point specified in the Contract, or has provided TransCanada with adequate assurances that arrangements have been made to have an authorized gas distribution or transmission company act as Shipper's agent in receiving from TransCanada the gas to be delivered pursuant to this Toll Schedule;
- (c) the delivery point specified in the Contract has flow control facilities that are operated by TransCanada;
- (d) the delivery point specified in the Contract is in a distributor delivery area or is an export delivery point that is available only for transportation service pursuant to ~~the FT-SN Toll Schedule~~Short Notice Service; and
- (e) Shipper has provided TransCanada with financial assurances as required by TransCanada pursuant to Section XXIII of the General Terms and Conditions referred to in Section 11 hereof.

**1.2 Facilities Construction Policy**

In order to provide service pursuant to this Toll Schedule, TransCanada utilizes capacity available from its own gas transmission system and from its firm transportation service entitlement on the Great Lakes Gas Transmission Company system, the Union Gas Limited system, and the Trans Québec & Maritimes Pipeline Inc. system (the "Combined Capacity"). If a request for service pursuant to this Toll Schedule (the "Requested Service") requires an increase to the Combined Capacity, TransCanada is prepared to

**SHORT TERM FIRM TRANSPORTATION SERVICE**

**TOLL SCHEDULE**

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STFT TOLL SCHEDULE

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**1. DEFINITIONS**

1.1. For the purposes of the STFT Toll Schedule, the following terms shall be defined as:

- (a) ~~“Available – STFT”~~“Available Short Term” Capacity” shall have the meaning attributed to it in sub-section 2.3;
- (b) “Block Period” shall have the meaning attributed to it in sub-section 2.3;
- (c) “East/West Differential” shall have the meaning attributed to it in sub-section 3.3(c)(iii);
- (d) “Maximum Daily Quantity” shall mean for any shipper the Maximum Daily Quantity set out on such shipper’s bid or the Maximum Daily Quantity as amended by TransCanada pursuant to sub-section 3.3(d);
- (e) “Minimum Daily Quantity” shall mean for any shipper the Minimum Daily Quantity set out on such shipper’s bid;
- (f) “Posting Period” shall have the meaning attributed to it in sub-section 3.2;
- (g) “Remaining Capacity” shall have the meaning attributed to it in sub-section 2.3;
- (h) “Service Period” shall have the meaning attributed to it in sub-section 2.3;
- (i) “STFT” shall mean Short Term Firm Transportation;
- (j) ~~“STFT Bid Price”~~ shall have the meaning attributed to in sub-section 3.3(b);
- (k) “STFT Contract” shall have the meaning attributed to it in sub-section 2.1(a);
- (l) “System Capacity” shall mean TransCanada’s pipeline facilities and TransCanada’s contractual entitlement on the pipeline systems of the Great Lakes Gas Transmission Limited Partnership, Union Gas Limited and Trans Quebec and Maritimes Pipeline Inc.;
- (m) “System Segment” shall have the meaning attributed to it in sub-section 2.3.

**2. AVAILABILITY****2.1 Availability of Service**

Any Shipper shall be eligible to receive service pursuant to this STFT Toll Schedule provided such Shipper:

- (a) has entered into a Short Term Firm Transportation service contract (the “STFT Contract”) with TransCanada or has obtained an Order of the NEB, pursuant to sub-Section 71(2) of the National Energy Board Act, as amended from time to time (“71(2) Order”), requiring TransCanada to transport gas for Shipper subject

STFT TOLL SCHEDULE

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to the provisions of this STFT Toll Schedule and to the terms and conditions contained in the 71(2) Order; and

- (b) has provided TransCanada with financial assurances as required by TransCanada pursuant to Section XXIII of the General Terms and Conditions referred to in Section 7 hereof.

## 2.2 Facilities Construction Policy

In order to provide service pursuant to this STFT Toll Schedule, TransCanada utilizes capacity available from its System Capacity. It is understood that TransCanada shall not construct additional facilities for the purpose of providing service hereunder.

## 2.3 Capacity Available for STFT

The total capacity available to Shippers under this STFT Toll Schedule shall be TransCanada's transportation capacity remaining, as determined by TransCanada in its sole discretion, after having made provision for all firm obligations with Shipper and all other Shippers (the "Remaining Capacity").

Remaining Capacity made available for Shippers under this STFT Toll Schedule shall be offered in respect of certain segments of TransCanada's System Capacity, each such segment being defined by reference to the receipt point and the delivery point or delivery area applicable thereto (a "System Segment"). Service under this STFT Toll Schedule shall be offered for a specific period of time (a "Service Period") which may consist of a specified number of days not less than seven (7) consecutive days, a separate monthly period or any combination of consecutive monthly periods (such combination of consecutive monthly periods hereinafter called a "Block Period"). TransCanada shall notify Shippers of the Remaining Capacity offered for each combination of System Segments and Service Periods (the "Available ~~STFT-Short Term~~ Capacity").

## 2.4 ~~Short Term FT~~ Availability Periods

TransCanada, in its sole discretion, may offer Available ~~STFT-Short Term~~ Capacity in any combination of System Segments, for a specified number of days not less than seven (7) consecutive days, monthly periods and Block Periods for a period extending up to one (1) year less one (1) day.



STFT TOLL SCHEDULE

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**3. APPLICABILITY AND CHARACTER OF SERVICE****3.1 Definition of STFT Service**

On each day during the term of the STFT Contract that Shipper has been allocated Available ~~Short Term STFT~~ Capacity, Shipper shall be entitled to nominate for service hereunder. Nominations for service shall be made pursuant to Section XXII of the General Terms and Conditions. Service hereunder shall not be subject to curtailment or interruption except as provided in this STFT Toll Schedule, the STFT Contract, and Section XI, Section XIV and Section XV of the General Terms and Conditions; provided however, that if Shipper fails to provide on an ongoing and timely basis to TransCanada satisfactory evidence of its right to remove from the province or country of production all or any part of the quantities of gas to be transported by TransCanada under the STFT Contract, Shipper shall be in default hereunder (a "Default") to the extent of the daily quantity not authorized for removal from the province or country of production as aforesaid (the "Default Quantity"). TransCanada shall be entitled to immediately suspend service for a quantity up to, and including, the Default Quantity until such time as Shipper remedies the Default, when TransCanada shall terminate any such suspension and resume service as to that part of the Default Quantity in respect of which the Default has been remedied.

**3.2 Notification of ~~Available STFT~~ Available Short Term Capacity**

TransCanada shall post ~~Available STFT~~ Available Short Term Capacity for a period of 5 Banking Days (the "Posting Period"). If some or all of the ~~Available STFT~~ Available Short Term Capacity has not been allocated at the end of a Posting Period, TransCanada may, in its sole discretion, continue to post ~~Available STFT~~ Available Short Term Capacity on a daily basis. At the end of the Posting Period and any daily posting, TransCanada shall allocate ~~Available STFT~~ Available Short Term Capacity among Shipper bids received by TransCanada.

The ~~Available STFT~~ Available Short Term Capacity shall be posted on TransCanada's electronic bulletin board and web site as follows:

- (a) During the period of January 1-15 for the Summer Period (April 1 to October 31) and during the period of July 1-15 for the Winter Period (November 1 to March 31);

## STFT TOLL SCHEDULE

(b) During the period of January 16-31 for the individual monthly blocks of the Summer Period (April 1 to October 31) and during the period of July 16-31 for the individual monthly blocks of the Winter Period (November 1 to March 31);

~~(b)(c)~~ If ~~Available STFT~~Available Short Term Capacity is not posted on a daily basis, TransCanada will post ~~Available STFT~~Available Short Term Capacity on or before the 7<sup>th</sup> day of each month; or

~~(c)(d)~~ At any time TransCanada determines in its sole discretion that there is ~~Available STFT~~Available Short Term Capacity.

~~Available STFT~~Available Short Term Capacity shall be allocated in accordance with Section 3.3 hereunder.

### 3.3 Allocation of ~~Available Short Term Capacity~~FT Service

#### (a) Shipper Bids

For each combination of System Segment and Service Period in which Shipper wishes to request service under this STFT Toll Schedule, Shipper shall submit a written bid to TransCanada's Contracts and Billing Department by telecopier or through TransCanada's electronic bulletin board during the bid period. No Shipper bid shall be accepted by TransCanada if received after the bid deadline specified in the posting of ~~Available STFT~~Available Short Term Capacity. Each Shipper bid shall be in the form of an Exhibit "A" Addendum to the STFT Contract, duly completed with the information described below and executed by Shipper.

Each Shipper bid shall contain the following information:

- Shipper name and address
- Shipper contact, telephone number and telecopier number
- System Segment for which bid is being made pursuant to sub-Section 3.3 (b)
- Receipt point and delivery point or delivery area
- Service Period
- Maximum Daily Quantity (in GJ)
- Minimum Daily Quantity pursuant to subSection 3.3 (c) (ii)
- ~~STFT~~ Bid Price determined pursuant to subSection 3.3 (b)

Effective Draft Date: ~~January 31, 2007~~December 15, 2008January 16, 2009

STFT TOLL SCHEDULE

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- A statement whether such bid is conditional on another STFT bid being accepted by TransCanada

Shipper must submit separate Shipper bids for each separate combination of System Segment and Service Period. Shipper shall be entitled to submit more than one Shipper bid for any combination of System Segment and Service Period, but Shipper bids for the same System Segment shall not have the same ~~STFT~~ Bid Price. Shipper shall not be entitled to submit multiple Shipper bids for any System Segment where the aggregate Maximum Daily Quantity of the multiple Shipper bids is greater than the ~~Available STFT~~ Available Short Term Capacity being offered for that System Segment. Shipper bids which do not conform to these requirements shall be rejected and TransCanada shall be under no obligation to notify Shipper of any such rejection or to provide Shipper with any opportunity to correct or complete its Shipper bid.

(b) ~~STFT~~ Bid Price

Bids for ~~Available STFT~~ Available Short Term Capacity shall be expressed in Canadian dollars and cents per GJ per day (\$CDN/GJ/day).

Bids for ~~Available STFT~~ Available Short Term Capacity shall not be less than the 100% Load Factor FT Toll for the applicable System Segment listed in the List of Tolls referred to in Section 7 hereof in effect at the time the bids are received by TransCanada (each a "~~STFT~~ Bid Price") for service pursuant to the STFT Toll Schedule.

Provided however, if the NEB has approved a new FT Toll and the Shipper is requesting STFT service commencing on or after the effective date of the new FT Toll, then Shipper's ~~STFT~~ Bid Price shall not be less than the 100% Load Factor of the new FT Toll. If TransCanada has a rolling daily Short Term Capacity ~~STFT~~ posting in effect then Shipper may bid the new FT Toll on the second Banking Day following the date of the NEB approval of such new FT Toll.

Bids for ~~Available STFT~~ Available Short Term Capacity must identify the System Segment offered by TransCanada for which the Shipper is bidding. The Shipper's requested receipt point and delivery point for ~~Available STFT~~ Available Short Term Capacity must be contained wholly within the requested System Segment.

STFT TOLL SCHEDULE

(c) **Allocation of ~~Available STFT~~Available Short Term Capacity**

All ~~Available STFT~~Available Short Term Capacity for each combination of System Segment and Service Period offered by TransCanada shall be allocated among Shipper bids pursuant to this STFT Toll Schedule and Shipper bids pursuant to the ST-SN Toll Schedule. For purposes of allocation hereunder the Bid Price for bids for service pursuant to the ST-SN Toll Schedule shall be divided by 1.1. Such allocation process is as follows:

(i) Subject to sub-Sections 3.3(c)(ii) and (iii), for all Shipper bids for System Segments which compete for the same capacity and:

A. have the same Service Period, TransCanada shall rank Shipper bids in descending order from the highest to lowest ~~STFT~~-Bid Price and TransCanada shall allocate ~~Available STFT~~Available Short Term Capacity to the Shipper bids resulting in the highest aggregate transportation revenue; or

B. have a different Service Period, for each different Service Period, TransCanada shall rank Shipper bids ~~Available STFT~~Available Short Term Capacity in descending order from the highest to lowest ~~STFT~~-Bid Price and TransCanada shall allocate ~~Available STFT~~Available Short Term Capacity to the Shipper bids resulting in the highest aggregate transportation revenue.

(ii) If 2 or more Shipper bids result in the same aggregate transportation revenue and the ~~Available STFT~~Available Short Term Capacity is not sufficient to provide service for the quantities requested in such Shipper bids, the ~~Available STFT~~Available Short Term Capacity shall be allocated pro-rata among such Shipper bids

If such pro-rata share falls below the Minimum Daily Quantity specified by a Shipper in its Shipper bid, such pro-rata share allocated shall be deemed to be rejected, and TransCanada will reallocate among the remaining Shipper bids.

(iii) For the purpose of evaluating Shipper bids and allocating ~~Available STFT~~Available Short Term Capacity, TransCanada shall add the

east/west differential (the "East/West Differential") to all Shipper bids for Western Service, which shall be determined as the sum of the difference between Eastern Zone and Manitoba Zone costs for the following items:

- A. the increment of the percentage of marginal fuel costs in excess of the percentage of average fuel costs over the twelve (12) month period immediately preceding the date that tolls become effective, priced at the average Empress border spot price for the preceding twelve (12) month period, as published in *Canadian Gas Price Reporter* or, if such publication ceases to exist, such other reporting service as TransCanada may deem appropriate, where the incremental marginal fuel cost in the Eastern Zone is for the northern route of the TransCanada system only; and
- B. the applicable commodity toll then in effect from Empress, Alberta.

(d) **Notification to Shippers**

Within three (3) Banking Days of the end of any applicable bid period for ~~Available STFT~~Available Short Term Capacity TransCanada shall notify, in the manner set forth in the STFT of ST-SN Contract or through TransCanada's electronic bulletin board, all Shippers who have been allocated any of the ~~Available STFT~~Available Short Term Capacity. The daily capacity allocated to each Shipper shall be such Shipper's allocated Maximum Daily Quantity. If Shipper is allocated service hereunder, TransCanada will, if necessary, and is hereby authorized to, amend the Exhibit "A" Addendum submitted by Shipper as its Shipper bid to reflect the allocation of ~~Available STFT~~Available Short Term Capacity to such Shipper. The Exhibit "A" Addendum shall then be executed by TransCanada and forwarded to Shipper. Each executed Exhibit "A" Addendum shall be binding on TransCanada and Shipper.

**4. MONTHLY BILL**

**4.1 Transportation Service**

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**APPENDICES**

- A Existing or New Capacity Open Season Bid Form
- B Daily Existing Capacity Open Season Bid Form

- (a) If not all Existing Capacity is allocated pursuant to sub-Section 4.4 above, TransCanada will post on each Banking Day on its electronic bulletin board the Daily Existing Capacity for FT, FT-NR, FT-SN, STS-L or STS service (the “Daily Existing Capacity Open Season”). The Daily Existing Capacity on any System Segment to be posted will be determined as follows:

Remaining Existing Capacity at Close of Existing Capacity Open Season	Daily Existing Capacity for Daily Existing Capacity Open Season
Greater than or equal to 20,000 GJ/Day	50 percent of remaining Existing Capacity
10,000 to 20,000 GJ/Day	10,000 GJ/Day
Less than 10,000 GJ/Day	100 percent of remaining Existing Capacity

- (b) TransCanada shall post the Daily Existing Capacity on its electronic bulletin board by ~~14~~16:00 hours CCT on each Day prior to the Day that a Daily Existing Capacity Open Season is held. Daily Existing Capacity will be awarded according to bids received by ~~16~~09:00 hours CCT.
- (c) TransCanada shall post on its electronic bulletin board a summary of all new operating FT, FT-NR, FT-SN, STS-L or STS Contracts entered into that reduce the Daily Existing Capacity, and an explanation of why other changes are made to the Daily Existing Capacity.
- (d) Service Applicants will bid in a Daily Existing Capacity Open Season by submitting a signed Daily Existing Capacity Open Season Bid Form, as well as any financial assurances required by TransCanada. All Daily Existing Capacity Open Season Bid Forms once received by TransCanada shall be deemed to be irrevocable and cannot be withdrawn or amended by Service Applicant unless

Tab 2 - Tariffs  
Clean Copy



**GENERAL TERMS AND CONDITIONS****INDEX**

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**I DEFINITIONS**

Except where the context expressly states another meaning, the following terms, when used in these General Terms and Conditions, in any Contract and in any Toll Schedule into which these General Terms and Conditions are incorporated, shall be construed to have the following meanings:

- "Alternate Receipt" shall mean the receipt of quantities of gas at a receipt point not specified in Shipper's FT, FT-SN or FT-NR Contract.
- "Banking Day" shall mean any day that the Royal Bank of Canada, Main Branch, Calgary, Canada or other financial institutions agreed to by TransCanada for payment pursuant to Section XI herein, conducts business.
- "Contract" shall mean a transportation service contract or a contract pursuant to the SNB Toll Schedule and shall also mean an Order of the NEB pursuant to Section 71(2) of the National Energy Board Act, as amended from time to time requiring TransCanada to provide transportation service.
- "Contract Demand" shall mean:
  - (i) with respect to transportation service contracts entered into prior to November 1, 1998, the contract demand, maximum daily quantity, annual contract quantity or maximum quantity as stated in a transportation service contract, converted to GJ by multiplying such contract demand, maximum daily quantity, annual contract quantity or maximum quantity by GHV-97 for the relevant delivery point as more particularly set out in the HV-97 Schedule attached to these General Terms and Conditions subject to variance pursuant to a Shipper election to restate its contract demand within the range from 99% of GHV-97 to 101% of GHV-97, which was received by TransCanada on or before February 13, 1998; and,
  - (ii) with respect to transportation service contracts entered into on or after November 1, 1998, that quantity of gas expressed in GJ specified in Shipper's transportation service contract as Shipper's daily or seasonal entitlement, as the case may be, to transportation capacity.

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GENERAL TERMS and CONDITIONS

- "Contract Year" shall mean a period of 12 consecutive months beginning on a first day of November.
- "Cubic Metre" or "m<sup>3</sup>" shall mean the volume of gas which occupies one cubic metre when such gas is at a temperature of fifteen degrees (15°) Celsius, and at a pressure of 101.325 kilopascals absolute.
- "Cumulative Storage Balance" for a Shipper's STS or STS-L Contract on any Day shall be equal to: **A + B + C + D – E**

Where:

"A" = the cumulative Daily Injection Quantity on such Day;

"B" = the cumulative Daily STFT Quantity on such Day;

"C" = the cumulative Daily IT Quantity on such Day;

"D" = the cumulative Daily Diversion Quantity on such Day; and

"E" = the cumulative Daily Withdrawal Quantity on such Day;

- all as defined in sub-section 3.1(e) of the STS Toll Schedule for STS Contracts or 3.1(c) of the STS-L Toll Schedule for STS-L Contracts. "Daily Contract Injection Quantity" shall, for the purposes of the STS-L Contracts, mean the quantity of gas specified in the STS-L Contract for delivery from the Market Point to the Storage Injection Point(s).
- "Daily Contract Withdrawal Quantity" shall, for the purposes of the STS-L Contracts, mean 75% of the Daily Contract Injection Quantity, for delivery from the Storage Withdrawal Point to the Market Point.
- "Daily Diversion Quantity" shall have the meaning ascribed in sub-Section 3.1(e)(i) of the STS Toll Schedule.
- "Daily Excess Withdrawal Quantity" shall be as defined in sub-Section 3.1(e) of the STS Toll Schedule for STS Contracts and sub-Section 3.1(c) of the STS-L Toll Schedule for STS-L Contracts.

- “Daily Injection Quantity” shall be as defined in sub-Section 2.2(a) of the STS Toll Schedule for STS Contracts or STS-L Toll Schedule for STS-L Contracts.
- “Daily IT Quantity” shall be as defined in sub-Section 3.1(e) of the STS Toll Schedule for STS Contracts and in sub-Section 3.1(e) of the STS-L Toll Schedule for STS-L Contracts.
- “Daily Operational Injection Quantity” shall, for the purposes of STS-L Contracts, mean the least of the aggregate of the Contract Demand(s) of the Linked FT Contract(s) and the Daily Contract Injection Quantity from the Market Point to the Storage Injection Point(s).
- “Daily STFT Quantity” shall be as defined in sub-Section 3.1 (e) of the STS Toll Schedule for STS Contracts and in sub-Section 3.1(e) of the STS-L Toll Schedule for STS-L Contracts.
- “Daily Withdrawal Quantity” shall be as defined in sub-Section 2.2(b) of the STS Toll Schedule for STS Contracts and sub-Section 2.2(b) STS-L Toll Schedule for STS-L Contracts.
- "Daily Demand Toll" shall mean the toll determined by multiplying the Monthly Demand Toll for transportation service, as approved by the NEB (as set forth in the List of Tolls referred to in Section III hereof), by twelve (12) and dividing the result by the number of days in the Year.
- "Day" shall mean a period of 24 consecutive hours, beginning and ending at 09:00 hours Central Clock Time, or at such other time as may be mutually agreed upon by Shipper and TransCanada. The reference date for any day shall be the calendar date upon which the 24 hour period shall commence.
- "Delivery Pressure Daily Demand Toll" shall mean the toll determined by multiplying the Delivery Pressure Monthly Demand Toll, as approved by the NEB (as set forth in the List of Tolls referred to in Section III hereof), by twelve (12) and dividing the result by the number of days in the Year.
- "Diversion" shall mean the delivery of quantities of gas at a delivery point and/or delivery area not specified in Shipper's FT, FT-SN, FT-NR, FST or LT-WFS Contract.
- “EDI” means Electronic Data Interchange being the direct computer-to-computer transfer of information using ANSI ASC X12 protocol and a specific definition assigned by TransCanada under standards agreed to by a consensus of the natural gas industry (through standard-setting committees).

## GENERAL TERMS and CONDITIONS

- "EDI format" shall mean a file format compliant with the ANSI ASC X12 protocol used for EDI and according to the specific definition assigned by TransCanada under standards agreed to by a consensus of the natural gas industry (through standard-setting committees).
- "Financial Assurance" shall have the meaning attributed to it in sub-Section XXIII(1) hereof.
- "Fuel Quantity" shall mean the quantity of gas expressed in gigajoules which is to be used by TransCanada as fuel for transporting Shipper's Authorized Quantity.
- "GJ" shall mean gigajoule being 1,000,000,000 joules and include the plural as the context requires.
- "GHV-97" shall mean the gross heating value for each delivery point as set out in the HV-97 Schedule attached to these general terms and conditions as adjusted in accordance with any Shipper election given to TransCanada prior to February 13, 1998.
- "GHV" shall mean gross heating value.
- "Gas" shall mean: (i) any hydrocarbons or mixture of hydrocarbons that, at a temperature of 15° C and a pressure of 101.325 kPa, is in a gaseous state, or (ii) any substance designated as a gas product by regulations made under section 130 of the National Energy Board Act.
- "Gross Heating Value" shall mean the total joules expressed in megajoules per cubic metre (MJ/m<sup>3</sup>) produced by the complete combustion at constant pressure of one (1) cubic metre of gas with air, with the gas free of water vapour and the temperature of the gas, air and products of combustion to be at standard temperature and all water formed by combustion reaction to be condensed to the liquid state.
- "Joule" (J) shall mean the work done when the point of application of a force of one (1) newton is displaced a distance of one (1) metre in the direction of the force.
- "Linked FT Contract" shall mean the FT Contract(s) identified in Exhibit "B" of Shipper's STS-L Contract and such FT Contract shall satisfy the following:
  - i. the delivery point shall be the same as the Market Point specified in Exhibit "A" of Shippers STS-L Contract;

## GENERAL TERMS and CONDITIONS

- ii. is not identified in any other STS Contract or any Exhibit "B" of any other STS-L Contract;
  - iii. has a minimum Linked Term of 1 month, and shall commence on the first day of a month and shall end on the last day of a month;
  - iv. has a receipt point that is Empress or in the province of Saskatchewan.
- "Linked Term" shall have the meaning ascribed in Exhibit "B" of the STS-L Toll Schedule
- "Market Point" shall have the meaning ascribed in Exhibit "A" of the STS Contract or STS-L Contract as the case may be.
- "Month" shall mean the period beginning on the first day of the calendar month and ending at the beginning of the first day of the next succeeding calendar month.
- Natural Gas Interchangeability Indices shall have the meaning ascribed in section 5(iv).
- "CCT" shall mean Central Clock Time, representing the time in effect in the Central Time Zone of Canada at the time a transaction occurs, regardless of whether that time may be Standard Time or Daylight Savings Time as those terms are commonly known and understood.
- "NEB" shall mean the National Energy Board or any regulatory or government authority hereafter having a similar jurisdiction in substitution therefor.
- "Shipper" shall mean a customer of transportation service.
- "Shipper's Authorized Quantity" shall be as defined in subsection 1 of Section XXII.
- "Shipper's Maximum Hourly Flow Rate" shall mean, on any Day, the maximum hourly rate of flow of Gas Shipper may receive at a delivery point or area and which shall be equal to the sum of:
  - a) 5% of the aggregate daily Contract Demand for all of Shipper's service pursuant to FT, FT-NR, FST, LT-WFS, STFT, FBT, STS and STS-L Contracts which specify delivery of gas to such delivery point or area (excluding deliveries pursuant to STS and STS-L Contracts that are on a best efforts basis) minus all Diversions under such Contracts on such Day; and

- b) 5% of the aggregate Shipper's Authorized Quantity for deliveries to such delivery point or area under all of Shipper's IT, IBT, and ECR Contracts, STS Overrun, FST Makeup, Diversions on such Day and deliveries which are on a best effort basis pursuant to STS and STS-L Contracts.
- "Short Notice Service" shall mean service pursuant to a FT-SN Toll Schedule, SNB Toll Schedule or ST-SN Toll Schedule.
  - "Storage Injection Point" shall have the meaning ascribed in Exhibit "A" of the STS Contract or the STS-L Contract as the case may be.
  - "Storage Withdrawal Point" shall have the meaning ascribed in Exhibit "A" of the STS Contract or the STS-L Contract as the case may be.
  - "Subsidiary" shall mean a company in which 50% or more of the issued share capital (having full voting rights under all circumstances) is owned or controlled directly or indirectly by another company, by one or more subsidiaries of such other company, or by such other company and one or more of its subsidiaries.
  - "Title Transfer" shall mean the transfer of title to gas between two (2) Shippers at a Title Transfer Point.
  - "Title Transfer Point" shall be those points and areas where the quantity of gas allocated to each Shipper is established each day and is not subject to reallocation.
  - "TransCanada" shall mean "TransCanada PipeLines Limited" and its successors.
  - "Transportation Service Contract" shall mean "Firm Transportation Service Contract", "FT Contract", "Firm Transportation Short Notice Contract", "FT-SN Contract", "Non Renewable Firm Transportation Contract", "FT-NR Contract", "Interruptible Service Transportation Contract", "IT Contract", "Interruptible Backhaul Service Contract", "IT Backhaul Contract", "Storage Transportation Service Contract", "STS Contract", "STS-L Contract", "Short Term Firm Transportation Service Contract", "STFT Contract", "Short Term Short Notice Service Contract", "ST-SN Contract", "Firm Service Tendered Contract", "FST Contract", "Enhanced Capacity Release Service Contract", "ECR Contract", "Long-Term Firm Service Contract", "LT-WFS Contract", "Firm Backhaul Transportation Service Contract" and "FBT Contract".

- "Wobbe Index" shall mean a measure of the thermal input through a fixed orifice, calculated by dividing the natural gas Gross Heating Value in mega joules per cubic meter by the square root of the natural gas specific gravity with respect to air, based on a gross or higher heating value (HHV) at standard conditions 14.73 psi/60° F, 101.325Kpa/15° C real, dry basis.
- "Year" shall mean a period of 365 consecutive days commencing January 1<sup>st</sup> of any year; PROVIDED HOWEVER, that any such year which contains a date of February 29 shall consist of 366 consecutive days.

## **II APPLICABILITY AND CHARACTER OF SERVICE**

1. (a) Subject to the provisions of the applicable Toll Schedule and these General Terms and Conditions, on each day for which service is requested by Shipper, and authorized by TransCanada pursuant to Section XXII hereof, Shipper shall deliver and TransCanada shall receive, at the receipt point set out in Shipper's Contract (the "receipt point"), the Shipper's Authorized Quantity and TransCanada shall transport for Shipper and Shipper shall receive, at the delivery point set out in Shipper's Contract (the "delivery point"), a quantity of gas equal thereto; PROVIDED HOWEVER, that under no circumstances shall TransCanada be obligated to deliver to Shipper in any one day, at the delivery point, a quantity of gas in excess of the Contract Demand.
- (b) If on any day Shipper fails to accept all or any portion of the gas delivered at the delivery point by TransCanada pursuant to the applicable Toll Schedule, TransCanada shall have the right to curtail further receipts of gas from Shipper at the receipt point in a quantity equal to that which Shipper failed to accept from TransCanada. If on any day Shipper requests service hereunder but fails, for whatever reason, to deliver gas to TransCanada at the receipt point, then TransCanada shall have the right to curtail further deliveries of gas to Shipper at the delivery point in a quantity equal to that which Shipper failed to deliver to TransCanada.
2. Shipper's Authorized Quantity shall, where applicable, be delivered on such day by Shipper to TransCanada at the receipt point or taken on such day by Shipper from TransCanada at the delivery point or area, as the case may be, at hourly rates of flow as nearly constant as possible; PROVIDED HOWEVER, that Shipper may not, without TransCanada's consent, take delivery of



## GENERAL TERMS and CONDITIONS

such gas at the delivery point or area at an hourly rate of flow in excess of the Shipper's Maximum Hourly Flow Rate.

3. Departures from scheduled daily deliveries due to the inability of TransCanada or Shipper to maintain precise control shall be kept to the minimum permitted by operating conditions.
4. From the time gas is delivered into the possession of TransCanada at the receipt point TransCanada shall have the unqualified right to commingle such gas with other gas in TransCanada's pipeline system.

**III TOLLS**

1. The tolls applicable to service provided under any Contract into which these General Terms and Conditions are incorporated shall be determined:
  - (i) in the case of all transportation services, except Storage Transportation Service ("STS") and "Storage Transportation Service-Linked" (STS-L), where the receipt point is located at the Alberta/Saskatchewan border or where the receipt and delivery points are located in different provinces, on the basis of the Canadian Toll Zone in which the delivery point is located for gas which is delivered for consumption in Canada under a Contract in which the principal delivery point(s) specified therein do not include any export delivery points for gas destined for export to the United States; or
  - (ii) as fixed and approved by the NEB, on the basis of the receipt and delivery points for delivery of gas destined for export to the United States; or
  - (iii) in the case of STS and STS-L contracts and contracts providing receipt and delivery points within one province of Canada, as fixed and approved by the NEB, on the basis of the receipt point and delivery points set out therein.

If gas intended for consumption in Canada is delivered hereunder at more than one delivery point within a Canadian Toll Zone, the appropriate toll shall be applied as though such delivery points were one point and as if the gas delivered was measured by one meter; or
  - (iv) in the case of service pursuant to the SNB Toll Schedule using a methodology approved by the NEB.

2. The tolls applicable to services provided pursuant to the Toll Schedules of TransCanada's Transportation Tariff are set out in the List of Tolls of TransCanada's Transportation Tariff as same may be amended from time to time upon approval of the NEB.

#### IV SHIPPER PROVISION OF FUEL REQUIREMENTS

##### 1. Daily Operations

- (a) For each and every day in respect of which Shipper's Authorized Quantity is accepted by TransCanada for transportation, Shipper shall, in addition to Shipper's Authorized Quantity, nominate, pursuant to the provisions of Section 2 hereof, and make available to TransCanada at any receipt point specified in the contract and/or Alternate Receipt point for FT or FT-NR Contracts the Fuel Quantity ("Qf"), which quantity shall be determined as follows:

$$Q_f = Q_d \times FR\% / 100 + \sum (Q_{d_i} \times fr_i\% / 100)$$

where FR% is the applicable monthly fuel ratio respecting transportation service from the nominated receipt point to the nominated delivery point and  $fr_i\%$  is the applicable monthly fuel ratio for delivery pressure in excess of a gauge pressure of 4000 kilopascals at delivery point "i", both as set out in TransCanada's notice to Shipper delivered pursuant to Section 2 hereof,  $Q_d$  is the Shipper's Authorized Quantity, and  $Q_{d_i}$  is the quantity to be delivered at delivery point "i", for which point a toll for delivery pressure services has been approved by the NEB (as set forth in the List of Tolls referred to in Section III hereof); and where  $\sum (Q_{d_i} \times fr_i\% / 100)$  represents the sum of the fuel quantities required for delivery pressure in excess of a gauge pressure of 4000 kilopascals at all points applicable to Shipper's Authorized Quantity.

- (b) TransCanada shall not be required to accept or deliver gas on any day if the appropriate Fuel Quantity has not been nominated by Shipper, or if TransCanada is unable to confirm that a quantity of gas equal to Shipper's Authorized Quantity plus the appropriate Fuel Quantity will, in fact, be made available on such day.

##### 2. Nominations and Authorizations

Concurrent with nominating for transportation service for a given day, pursuant to Section XXII hereof, Shipper shall also nominate the Fuel Quantity to be made available to TransCanada on such day (the "fuel tender"). In the event TransCanada is not prepared to authorize Shipper's nomination or if TransCanada determines that Shipper's fuel tender is incorrect, TransCanada shall, by 14:00 hours CCT of the day immediately preceding the day for which service has been requested, advise Shipper to revise its fuel tender, and Shipper shall nominate such revised fuel tender by 15:00 hours CCT on such day. All fuel tenders shall be stated to the nearest one (1) GJ.

Shipper's fuel tender shall be determined by Shipper pursuant to the formula set out in sub-section 1(a) hereof. On or before the twenty-fifth day of each month, TransCanada shall provide Shipper with written notice of the monthly fuel ratio to be applied during the next succeeding month. In the absence of any notice as aforesaid Shipper shall determine the fuel tender on the basis of the fuel ratio used in the immediately preceding month.

## **V QUALITY**

1. The gas to be delivered hereunder shall be natural gas; provided however, that helium, natural gasoline, butane, propane and any other hydrocarbons except methane may be removed prior to delivery. TransCanada may subject, or permit the subjection of the natural gas to compression, cooling, cleaning and other processes.
2. **Heating Value:** The minimum gross heating value of the gas to be received and delivered by TransCanada shall be 36.00 MJ/m<sup>3</sup>. The maximum Gross Heating Value of the gas to be received and delivered by TransCanada shall be 41.34 MJ/m<sup>3</sup>. TransCanada shall have the right to refuse to accept Shipper's gas if the Gross Heating Value of such gas remains below 36.00 MJ/m<sup>3</sup> or above 41.34 MJ/m<sup>3</sup>.

In the event that the Gross Heating Value of the gas to be delivered by TransCanada is below 36.00 MJ/m<sup>3</sup> or above 41.34 MJ/m<sup>3</sup> the Shipper shall have the option to refuse to accept such gas so long as the Gross Heating Value remains below 36.00 MJ/m<sup>3</sup> or above 41.34 MJ/m<sup>3</sup>.

3. **Freedom from Objectionable Matter:** The gas to be received by TransCanada from Shipper and to be delivered by TransCanada hereunder:
  - (a) Shall be commercially free (at prevailing pressure and temperature in TransCanada's pipeline) from sand, dust, gums, oils, hydrocarbons liquefiable at temperatures in excess

of minus ten degrees (-10°) Celsius at five thousand five hundred (5500) kPa absolute, impurities, other objectionable substances which may become separated from the gas, and other solids or liquids which will render it unmerchantable or cause injury to or interference with proper operations of the lines, regulators, meters or other appliances through which it flows; and shall not contain any substance not contained in the gas at the time the same was produced other than traces of those materials and chemicals necessary for the transportation and delivery of the gas and which do not cause it to fail to meet any of the quality specifications herein set forth.

- (b) Shall contain no more than twenty-three (23) milligrams of hydrogen sulphide per cubic metre nor more than one hundred and fifteen (115) milligrams of total sulphur per cubic metre of gas as determined by standard methods of testing.
  - (c) Shall not contain more than two per cent (2%) by volume of carbon dioxide.
  - (d) Shall have been dehydrated, if necessary, for removal of water present therein in a vapour state, and in no event contain more than sixty-five (65) milligrams of water vapour per cubic metre of gas.
  - (e) Shall not exceed a temperature of fifty degrees (50°) Celsius.
  - (f) Shall be as free of oxygen as practicable and shall not in any event contain more than four tenths of one percent (0.4%) by volume of oxygen.
  - (g) Shall not have a total inert gas content in excess of 4% when used as a diluent to meet Natural Gas Interchangeability Indices.
  - (h) Shall be free of any microbiological organisms active bacteria or bacterial agents, including but not limited to sulphate reducing bacteria, iron oxidizing bacteria, and/or acid producing bacteria.
4. **Failure to Conform to Specifications Re Objectionable Matter:** If the gas being received by TransCanada from Shipper or transported by TransCanada to Shipper fails at any time to conform to any of the specifications set forth in sub-Section 3 of this Section, then the party receiving such gas (the "First Party") shall notify the party delivering such gas (the "Second Party") of such deficiency and thereupon the First Party may at the First Party's option refuse to accept delivery pending correction by the Second Party. Upon the Second Party's failure promptly to remedy any deficiency in quality as specified in sub-Section 3 of this Section, the First Party may accept delivery of such gas and may make changes necessary to bring such gas into

conformity with such specifications, and the Second Party shall reimburse the First Party for any reasonable expense incurred by the First Party in effecting such changes.

5. **Natural Gas Interchangeability Indices:** The natural gas received by TransCanada shall conform to the following specifications (the "Natural Gas Interchangeability Indices");

- i) Weaver Incomplete Combustion Index less than or equal to 0.05;
- ii) AGA Yellow Tipping Index greater than or equal to 0.86;
- iii) The minimum Wobbe Index of the gas shall be  $47.23 \text{ MJ/m}^3$ ;
- iv) The maximum Wobbe Index of the gas shall be  $51.16 \text{ MJ/m}^3$ ; and
- v) Shall not contain greater than 1.5 mole percent (%) Butanes Plus.

The Natural Gas Interchangeability Indices are based on the following historical supply gas composition:

<b>Compound</b>	<b>Mole %</b>
Methane	95.6734
Ethane	1.6241
Propane	0.1410
I-Butane	0.0180
N-Butane	0.0173
I-Pentane	0.0034
N-Pentane	0.0034
N-Hexane	0.0014
N-Heptane	0.0007
N-Octane	0.0002
Nitrogen	1.8419
Carbon Dioxide	0.6411
Helium	0.0339

## VI MEASUREMENTS

1. **Unit of Volume and Unit of Quantity:** The unit of volume for the purpose of reporting shall be one thousand (1000) cubic metres ( $10^3 \text{ m}^3$ ) of gas and the unit of quantity shall be GJ.

2. **Determination of Volume and Gross Heating Value:** The volume and the gross heating value of the gas received by TransCanada from Shipper and delivered to Shipper shall be determined as follows:
- (a) The gas volumes shall be computed in accordance with the methodology prescribed in the Electricity and Gas Inspection Act (Canada) (R.S.C. 1985, c.E-4) as amended from time to time including all regulations and specifications promulgated pursuant to such Act (collectively, the "Electricity and Gas Inspection Act").
  - (b) For the purpose of measurement of gas received into and delivered from the TransCanada system, the parties agree that the average absolute atmospheric (barometric) pressure at such points shall be assumed to be constant during the term thereof, regardless of variations in actual barometric pressure from time to time, and shall be calculated based on the elevation of the measurement point. The formula used to calculate the atmospheric pressure shall be in accordance with the methodology prescribed in the Electricity and Gas Inspection Act (Canada) (R.S.C. 1985, c.E-4) amended from time to time including all regulations and specifications promulgated pursuant to such Act.
  - (c) The determination of the gross heating value of the gas received or delivered shall be performed in a manner approved under the Electricity and Gas Inspection Act or, if such specification is not set out in such Act, in accordance with industry accepted standards, and, in any event, in such manner as to ensure that the gross heating values so determined are representative of the gas received or delivered at the receipt or delivery point.
  - (d) The determination of the relative density of the gas received or delivered shall be performed in a manner approved under the Electricity and Gas Inspection Act or, if such specification is not set out in such Act, in accordance with industry accepted standards, and, in any event, in such manner as to ensure that the relative densities so determined are representative of the gas received or delivered at the receipt or delivery point.

## VII DELIVERY POINT

1. For the purpose of Section VIII hereunder, unless otherwise specified in the Contract, the delivery point or points for all gas to be delivered by TransCanada to Shipper pursuant to any Contract

into which these General Terms and Conditions are incorporated shall be on the outlet side of TransCanada's measuring stations located at or near the point or points of connection with the facilities of Shipper or Shipper's agent in receiving the gas, as specified in the Contract.

2. If the total quantity of gas delivered at any delivery point is less than 3750 GJ during any contract year, then Shipper shall pay TransCanada at the end of such contract year, in addition to any amounts otherwise payable, an amount equal to:

$$\frac{(\text{3750 GJ minus "X"}) \text{ times "Y"}}{3750 \text{ GJ}}$$

Where "X" is the total quantity (expressed in GJ) actually delivered by TransCanada to all Shippers at such delivery point during such contract year; and

Where "Y" is 18% of TransCanada's actual original costs of installation of the delivery facilities at such delivery point.

## VIII POSSESSION OF GAS

TransCanada shall be deemed to be in control and possession of, and responsible for, all gas transported under the Contract from the time that such gas is received by it at the receipt point until such gas is delivered at the delivery point.

## IX MEASURING EQUIPMENT

1. All meters and measuring equipment for the determination of gross heating value and/or relative density shall be approved pursuant to, and installed and maintained in accordance with, the Electricity and Gas Inspection Act.

Notwithstanding the foregoing, all installation of equipment applying to or affecting deliveries of gas shall be made in such manner as to permit an accurate determination of the quantity of gas delivered and ready verification of the accuracy of measurement. Care shall be exercised by both parties in the installation, maintenance and operation of pressure regulating equipment so as to prevent any inaccuracy in the determination of the volume or quantity of gas delivered under the Contract.

- (a) **Measuring Station:** In accordance with the above, TransCanada will install, maintain and operate, or will cause to be installed, maintained and operated, at or near each delivery

point, a measuring station equipped with a meter or meters and other necessary equipment for accurate measurement of the gas delivered under the Contract.

2. **Calibration and Test of Measuring Equipment:** The accuracy of measuring equipment shall be verified by TransCanada at reasonable intervals, and if requested, in the presence of representatives of Shipper, but TransCanada shall not be required to verify the accuracy of such equipment more frequently than once in any thirty (30) day period. In the event either party shall notify the other that it desires a special test of any measuring equipment the parties shall co-operate to secure a prompt verification of the accuracy of such equipment. The expense of any such special test, if called for by Shipper, shall be borne by Shipper if the measuring equipment is found to be in error by not more than the limits set out as follows:

- (a) 2% for measuring equipment utilized to determine volume,
- (b) 1% for any instrument utilized to determine relative density,
- (c) 0.5% for any instrument utilized to determine gross heating value.

If upon test, any measuring equipment is found to be in error by not more than the limits specified above, the previous readings of such equipment shall be considered accurate in computing deliveries or receipts of gas but such equipment shall be adjusted at once to register accurately.

If, for the period since the last preceding test, it is determined that:

- (a) any measuring equipment, except for those instruments specified in (b) and (c) below, shall be found to be inaccurate by an amount exceeding 2% at a recording corresponding to the average hourly rate of flow for such period, and/or
- (b) any instrument utilized to determine the relative density shall be found to be inaccurate by an amount exceeding 1%, and/or
- (c) any instrument utilized to determine the gross heating value shall be found to be inaccurate by an amount exceeding 0.5%, then the previous readings of measurement equipment and/or instruments utilized to determine the relative density or gross heating value, as the case may be, shall be corrected to zero error for any period which is known definitely but in any case where the period is not known or agreed upon such correction shall be for a period extending over 50% of the time elapsed since the date of the last test.



Notwithstanding the foregoing, when TransCanada and Shipper mutually agree that a measurement instrument inaccuracy occurred at a definite point in time, a quantity correction shall be made even though said inaccuracy is less than the limits specified in (a), (b) and (c) above.

3. **Correction of Metering Errors: Failure of Meters:** In the event a meter is out of service, or registering inaccurately, the volume or quantity of gas delivered shall be determined by the most equitable method. Such methods shall include but not be limited to:
  - (a) mathematical calculations and comparisons including prevailing ratio with a parallel meter,
  - (b) the use of Shipper's check measuring equipment, and
  - (c) comparison to deliveries under similar conditions when the meter was registering accurately.
4. **Preservation of Metering Records:** TransCanada and Shipper shall each preserve for a period of at least six (6) years all test data, charts and other similar records. Microfilms of the original documents shall be considered true records.
5. **Check Measuring Equipment:** Shipper may install, maintain and operate at its own expense, such check measuring equipment as desired, provided that such equipment shall be so installed as not to interfere with the operation of TransCanada's measuring equipment. Any pressure or volume control regulators installed by Shipper shall be operated so as not to interfere with TransCanada's measuring facilities.
6. **Rights of Parties:** The measuring equipment so installed by either party together with any building erected by it for such equipment, shall be and remain its property. However, TransCanada and Shipper shall have the right to have representatives present at the time of any installing, reading, cleaning, changing, repairing, inspecting, testing, calibrating or adjusting done in connection with the other's measuring equipment used in measuring or checking the measurement of the delivery of gas under the Contract. The records from such measuring equipment shall remain the property of their owner, but upon request each will submit to the other its records and charts, together with calculations therefrom, for inspection and verification, subject to return within ten days after receipt thereof.

**X BILLING**

1. **Monthly Billing Date:** For all contracts in effect prior to the effective date of the NEB's Decision in the RH-2-95 proceeding, TransCanada shall render bills on or before the tenth (10th) day of each month for all transportation services provided by TransCanada to the Canadian Toll Zones ("Domestic Service") and on or before the fifteenth (15th) day of each month for all transportation services provided by TransCanada to any Export Delivery Point ("Export Service"). For gas taken by Shipper in excess of the total daily quantity authorized by TransCanada, TransCanada shall also render bills for charges made pursuant to Section XXII on or before the tenth (10th) day of each month, in respect of Domestic Service, and on or before the fifteenth (15th) day of each month, in respect of Export Service.

For all Export Service Contracts coming into effect after the effective date of the NEB's Decision in the RH-2-95 proceeding, including the renewal of any Export Service Contracts which existed prior to such date, the billing date shall be the tenth (10th) day of each month.

2. **Information:** Shipper hereby undertakes to provide TransCanada with all the information and material required by TransCanada to calculate and verify the quantity of gas actually received by TransCanada from Shipper, and the quality specifications and components thereof.

If such information is not received by TransCanada in sufficient time prior to TransCanada rendering bills to Shipper pursuant to this Section X, such bills shall be calculated based on TransCanada's best estimate of the quantity and quality of gas actually received by TransCanada from Shipper. Any overcharges or undercharges resulting from any differences between the above estimates and the actual amounts shall be adjusted in the subsequent bill without any interest thereon.

**XI PAYMENTS**

1. **Monthly Payment Date:** For all contracts in effect prior to the effective date of the NEB's Decision in the RH-2-95 proceeding, Shipper shall pay to TransCanada, at its address designated in the Contract, or shall pay to the Royal Bank of Canada, Main Branch, Calgary, Alberta, or at other institutions if agreed to by TransCanada for deposit to the account of TransCanada so that TransCanada shall receive payment from Shipper on or before the twentieth (20th) day of each month for Domestic Service, and by the twenty-fifth (25th) day of each month for Export Service (the "Payment Date") provided by TransCanada to Shipper

pursuant to the applicable toll schedules and for any charges made pursuant to Section XXII herein during the preceding month and billed by TransCanada in a statement for such month according to the nominated and/or measured deliveries, computations, prices and tolls provided in the Contract. If the Payment Date is not a Banking Day, then payment must be received by TransCanada on Shipper's account or before the first (1st) Banking Day immediately prior to the Payment Date.

For all Export Service Contracts coming into effect after the effective date of the NEB's Decision in the RH-2-95 proceeding, including the renewal of any Export Service Contracts which existed prior to such date, the payment date shall be the twentieth (20th) day of each month; provided however, if the Payment Date is not a Banking Day, then payment must be received by TransCanada on Shipper's account on or before the first (1st) Banking Day immediately prior to the Payment Date.

2. **Remedies for Non-Payment: Notwithstanding Section XVII,** if Shipper fails to pay the full amount of any bill when payment is due, TransCanada may upon four (4) Banking Days written notice immediately suspend any or all service being or to be provided to Shipper provided however that such suspension shall not relieve Shipper from any obligation to pay any rate, toll, charge or other amount payable to TransCanada. If at any time during such suspension Shipper pays the full amount payable to TransCanada, TransCanada shall within two (2) Banking Days recommence such suspended service.

**Notwithstanding Section XVII** following suspension, TransCanada may, in addition to any other remedy that may be available to it, upon four (4) Banking Days written notice to Shipper immediately:

- (a) terminate any or all service being or to be provided to Shipper; and
- (b) declare any and all amounts payable now or in the future by Shipper to TransCanada for any and all service to be immediately due and payable as liquidated damages and not as a penalty.

In the event Shipper disputes any part of a bill, Shipper shall nevertheless pay to TransCanada the full amount of the bill when payment is due.

If Shipper fails to pay all of the amount of any bill as herein provided when such amount is due, interest on the unpaid portion of the bill accrues daily at a rate of interest equal to the prime rate of interest of the Royal Bank of Canada as it may vary from time to time, plus one percent (1%) and the principle and accrued interest to date shall be payable and due immediately upon demand.

3. **Adjustment of Underpayment, Overpayment or Error in Billing:** If it shall be found that at any time or times Shipper has been overcharged or undercharged in any form whatsoever under the provisions of the Contract and Shipper shall have actually paid the bills containing such overcharge or undercharge, then within thirty (30) days after the final determination thereof, TransCanada shall refund the amount of any such overcharge with interest which is equal to the prime rate of interest of the Royal Bank of Canada as it may vary from time to time from the time such overcharge was paid to the date of refund, plus one percent (1%) in addition thereto. If such refund is made by a credit on an invoice from TransCanada to Shipper, then the date of the refund shall be the date upon which the invoice reflecting such credit was rendered to Shipper by TransCanada. Shipper shall pay the amount of any such undercharge, but without interest. Adjustments to the amount billed in any statement rendered by TransCanada shall be made within the following time frames:

- (a) Measurement data corrections shall be processed within six (6) months of the production month with a three (3) month rebuttal period.
- (b) The time limitation for disputes of allocations shall be six (6) months from the date of the initial month-end allocation with a three (3) month rebuttal period.
- (c) Prior period adjustment time limits shall be six (6) months from the date of the initial transportation invoice with a three (3) month rebuttal period, excluding government-required rate changes.

These time limits shall not apply in the case of deliberate omission or misrepresentation or mutual mistake of fact. Parties' other statutory or contract rights shall not be otherwise diminished by these time limits.

4. **Time of Payment Extended if Bill Delayed:** If presentation of a bill to Shipper is delayed after the tenth (10th) or the fifteenth (15th) day of the month, as applicable for domestic or export

service respectively, then the time of payment shall be extended accordingly unless Shipper is responsible for such delay.

## **XII DELIVERY PRESSURE**

Subject to the provisos set out in sub-Sections a) and b) below, TransCanada shall deliver gas to Shipper at TransCanada's line pressure at the delivery point or points designated in the Contract, but the minimum pressure at each delivery point shall be not less than a gauge pressure of 4000 kilopascals or such lesser pressure that is agreed to by the parties; provided, however, that:

- (a) the parties shall not be required in any Contract into which these General Terms and Conditions are incorporated, to agree to delivery pressures less than the minimum contractual pressure theretofore applicable at existing delivery point; and
- (b) if the deliveries to Shipper at a delivery point or an agreed upon grouping of delivery points, exceeds the Shipper's Maximum Hourly Flow Rate without the prior consent of TransCanada, and the delivery pressure to Shipper falls below the delivery pressure agreed to in the Contract, despite reasonable preventative measures undertaken by TransCanada, then TransCanada shall, for the period of such excess deliveries, be relieved of its contractual obligation to such Shipper to deliver gas at such delivery point or area affected by the excess deliveries at the delivery pressure stipulated in the Contract.

If the receipt point or points under Shipper's Contract include that point on TransCanada's system which is immediately east of the Alberta/Saskatchewan border ("Empress"), then Shipper agrees to cause NOVA Corporation of Alberta (hereinafter called "NOVA") to design and construct sufficient facilities to allow Shipper's Authorized Quantity to be delivered to TransCanada at Empress at a gauge pressure of 4137 kPa or any greater pressure which may from time to time be specified by TransCanada for all gas to be delivered into TransCanada's system at Empress and to cause NOVA to deliver Shipper's Authorized Quantity to TransCanada at NOVA's line pressure provided that said pressure shall not be less than a gauge pressure of 3792 kPa.

For any receipt point downstream of Empress, Shipper shall do or cause others to do all that is required to allow Shipper's Authorized Quantity to be delivered to TransCanada at a pressure no less than that

prevailing in TransCanada's pipeline at such receipt point at the time of delivery and no greater than the maximum allowable operating pressure of TransCanada's pipeline at such point.

**XIII WARRANTY OF TITLE TO GAS**

Shipper warrants that it owns or controls, has the right to:

1. deliver or have delivered, the gas that is delivered to TransCanada under the Contract;
2. transfer the gas pursuant to Section XXIV of these General Terms and Conditions.

Shipper shall indemnify and hold harmless TransCanada against all claims, actions or damages arising from any adverse claims by third parties claiming an ownership or an interest in the gas delivered for transport to TransCanada under the Contract or transferred pursuant to Section XXIV of these General Terms and Conditions.

**XIV FORCE MAJEURE**

In the event of either Shipper or TransCanada being rendered unable, wholly or in part, by force majeure to perform or comply with any obligation or condition hereof or any obligation or condition in any Contract into which these General Terms and Conditions are incorporated, such party shall give notice and full particulars of such force majeure in writing or by telegraph to the other party as soon as possible thereafter, and the obligations of the party giving such notice, other than obligations to make payments of money then due, so far as they are affected by such force majeure, shall be suspended during the continuance of any inability so caused but for no longer period, and such cause shall as far as possible be remedied with all reasonable dispatch. The term "force majeure" as used herein shall mean acts of God, strikes, lockouts or other industrial disturbances, acts of the public enemy, wars, blockades, insurrections, riots, epidemics, landslides, lightning, earthquakes, fires, storms, floods, washouts, arrests and restraints of governments and people, civil disturbances, explosions, breakage or accident to machinery or lines of pipe, the necessity for making repairs to or alterations of machinery or lines of pipe, freezing of wells or lines of pipe, temporary failure of TransCanada's gas supply, inability to obtain materials, supplies, permits or labour, any laws, orders, rules, regulations, acts or restraints of any governmental body or authority, civil or military, any act or omission (including failure to deliver gas) of a supplier of gas to, or a transporter of gas to or for, TransCanada which is excused by any event or occurrence of the character herein defined as constituting force majeure, any act or omission by parties

## GENERAL TERMS and CONDITIONS

not controlled by the party having the difficulty and any other similar causes not within the control of the party claiming suspension and which by the exercise of due diligence such party is unable to prevent or overcome.

The settlement of strikes, lockouts or other labour disputes shall be entirely within the discretion of the party having the difficulty. Under no circumstances will lack of finances be construed to constitute force majeure.

In the event of an occurrence of a force majeure, TransCanada shall curtail delivery of gas to Shipper in accordance with Section XV hereof, and with respect to FST Service Contracts:

- (a) TransCanada's obligation to deliver gas to Shipper during the particular season shall be reduced by the amount of the curtailment under such Contract pursuant to sub-Section 2(c) of Section XV and,
- (b) For purposes of subsection 2.5 of TransCanada's FST Toll Schedule no quantities curtailed under sub-Section 2 of Section XV shall be included in determining the accumulative deficiency in delivery.

**XV IMPAIRED DELIVERIES**

For the purposes of this Section XV, TransCanada's minimum obligation to deliver gas under a FST Contract in any season shall be deemed to be an obligation to deliver the Winter Capacity or the Summer Capacity as the case may be.

On each day TransCanada shall determine in respect of all Contracts:

- (i) the total quantities which all Shippers have requested to be delivered on that day, and
- (ii) its available system capacity, including the maximum transportation on TransCanada's behalf under agreements that it has with Great Lakes Gas Transmission Limited Partnership, Union Gas Limited and Trans Québec and Maritimes Pipeline Inc.

If due to any cause whatsoever TransCanada is unable on any day to deliver the quantities of gas Shippers would have received if such disability did not exist, then TransCanada shall order curtailment by all Shippers affected thereby in the following manner to the extent necessary to remove the effect of the disability:

1. If TransCanada estimates that, notwithstanding its then inability to deliver, it nevertheless will be able to meet its total minimum obligations to deliver under all Contracts during the then current season, TransCanada shall order daily curtailment in the following order of priority:

- (a) First under any Shipper's Make-up provided pursuant to the FST Toll Schedule
- (b) Second under interruptible service provided pursuant to the IT and IT Backhaul Toll Schedules.

The toll for STS Overrun is the 100% Load Factor Toll. Therefore when STS Overrun is tolled at an equal or higher price than IT, then the priority of STS Overrun is higher; when the STS Overrun Toll is at a lower price than IT, then the priority of STS Overrun is lower.

- (c) Third under any gas storage program of TransCanada.

- (d) Fourth under:

Diversions made

- A. under FST contracts which:

- (i) cause the flow of gas on a lateral or extension to exceed the capability of the lateral or extension, and/or:
- (ii) cause the actual flow of gas through a metering facility to exceed the capability of the metering facility, and/or
- (iii) cause the actual flow of gas on any segment of TransCanada's integrated pipeline system (including those notional segments comprised of TransCanada's maximum transportation entitlements under transportation agreements that it has with Great Lakes Gas Transmission, L.P., Union Gas Limited and Trans Québec and Maritimes Pipeline Inc.) to exceed the capability of the affected segment by an amount greater than that which would have occurred had the gas which is the subject of the Diversion been delivered at the delivery point(s) or delivery area specified in the FST Contract; and

- B. to TransCanada's St. Clair export delivery point under FST Contracts.



- (e) Fifth under:

Alternate Receipts made pursuant to FT, FT-SN or FT-NR Contracts or Diversions made pursuant to FT, FT-SN, FT-NR or LT-WFS Contracts which:

- A. cause the actual flow of gas on a lateral or extension to exceed the capability of the lateral or extension, and/or
- B. cause the actual flow of gas through a metering facility to exceed the capability of the metering facility, and/or
- C. cause the actual flow of gas on any segment of TransCanada's integrated pipeline system (including those notional segments comprised of TransCanada's maximum transportation entitlements under transportation agreements that it has with Great Lakes Gas Transmission, L.P., Union Gas Limited and Trans Québec and Maritimes Pipeline Inc.) to exceed the capability of the affected segment by an amount greater than that which would have occurred had the gas which is the subject of an Alternate Receipt and/or a Diversion, been received at the receipt point and delivered at the delivery point(s) or delivery area specified in the FT, FT-SN, FT-NR or LT-WFS Contract. Solely for the purpose of making the aforesaid determination, TransCanada may, for certain quantities, treat the point of interconnection between TransCanada's system and the system of Union Gas Limited at Parkway as a delivery point specified in those FT, FT-SN, FT-NR or LT-WFS Contracts which have delivery points on the segment of TransCanada's integrated system from Kirkwall to Niagara Falls.

- (f) Sixth quantities to be delivered on a best efforts basis under STS and STS-L Contracts.
- (g) Seventh except for Shipper's Make-up quantities curtailed pursuant to 1 (a) above, under any FST Contracts up to the total amount that TransCanada is entitled to curtail under such contracts during such day under the provisions thereof other than under this Section XV; PROVIDED HOWEVER, that subject to TransCanada's seasonal obligations if TransCanada's inability to deliver is due to an occurrence of a force majeure during the period May 1 to September 30, then TransCanada shall be entitled to completely interrupt deliveries under such contracts on such day during such period.

- (h) Eighth proportionately under:
- (i) FT, FT-SN, FT-NR, FST, STFT, ST-SN, SNB, STS, STS-L and LT-WFS Contracts (other than quantities to be delivered on a best efforts basis under STS and STS-L Contracts) in amounts proportional to the Operating Demand Quantities minus the quantities to be delivered pursuant to an Alternate Receipt or a Diversion of such Contracts.
  - (ii) Alternate Receipts made pursuant to FT, FT-SN or FT-NR Contracts and/or Diversions made pursuant to FT, FT-SN, FT-NR, FST, and LT-WFS Contracts not already curtailed pursuant to sub-Sections, (d) and (e) above, in amounts to be delivered pursuant to such Alternate Receipt and/or Diversion.

(For the purpose of this sub-Section, the Operating Demand Quantity shall be:

- (A) under FT Contracts, the Contract Demand;
- (B) under FT-SN Contracts, the Contract Demand;
- (C) under FT-NR Contracts, the Contract Demand;
- (D) under LT - WFS Contracts, the LT - WFS Maximum Daily Quantity;
- (E) under STS Contracts, the Daily Injection Quantity or the Daily Withdrawal Quantity, as the case may be;
- (F) under STS-L Contracts, the Daily Contract Injection Quantity and the Daily Contract Withdrawal Quantity;
- (G) under FST Contracts, fifty (50%) percent of the winter period average daily winter capacity, or TransCanada's estimate of Shipper's requirement, as the case may be;
- (H) under STFT Contracts, the Maximum Daily Quantity;
- (I) under ST-SN Contracts, the Maximum Daily Quantity;
- (J) under FBT Contracts, the Maximum Daily Quantity; and
- (K) under SNB Contracts, the Contract Quantity.

- (iii) Any forward haul component of a FBT Contract, that are affected by the disability in proportion Operating Demand Quantities of such Contract.
  - (iv) Back haul components of an FBT Contract as required due to any lack of forward haul quantities to support the back haul quantities.
- 2. If TransCanada estimates that it will be unable to meet its total minimum obligations to deliver under all of its contracts during the then current season, TransCanada shall order seasonal curtailment in the following order of priority:
  - (a) First under any Shipper's Make-up pursuant to the FST Toll Schedule
  - (b) Second under interruptible service provided pursuant to the IT and IT Backhaul Toll Schedules.
 

The toll for STS Overrun is the 100% Load Factor Toll. Therefore when STS Overrun is tolled at an equal or higher price than IT, then the priority of STS Overrun is higher; when the STS Overrun Toll is at a lower price than IT, then the priority of STS Overrun is lower.
  - (c) Third under any gas storage program of TransCanada.
  - (d) Fourth under:
 

Diversions made:

    - (A) under FST Contracts which:
      - (I) cause the actual flow of gas on a lateral or extension to exceed the capability of the lateral or extension, and/or
      - (II) cause the actual flow of gas through a metering facility to exceed the capability of the metering facility, and/or
      - (III) cause the actual flow of gas on any segment of TransCanada's integrated pipeline system (including those notional segments comprised of TransCanada's maximum transportation entitlements under transportation agreements that it has with Great Lakes Gas Transmission, L.P., Union Gas Limited and

Trans Québec and Maritimes Pipeline Inc.) to exceed the capability of the affected segment by an amount greater than that which would have occurred had the gas which is the subject of the Diversion been delivered at the delivery point(s) or delivery area specified in the FST Contract; and

(B) to TransCanada's St. Clair export delivery point under FST Contracts.

(e) Fifth under:

Alternate Receipts made pursuant to FT, FT-SN or FT-NR Contracts or Diversions made pursuant to FT, FT-SN, FT-NR or LT-WFS Contracts which:

- (A) cause the actual flow of gas on a lateral or extension to exceed the capability of the lateral or extension, and/or
- (B) cause the actual flow of gas through a metering facility to exceed the capability of the metering facility, and/or
- (C) cause the actual flow of gas on any segment of TransCanada's integrated pipeline system (including those notional segments comprised of TransCanada's maximum transportation entitlements under transportation agreements that it has with Great Lakes Gas Transmission, L.P., Union Gas Limited and Trans Québec and Maritimes Pipeline Inc.) to exceed the capability of the affected segment by an amount greater than that which would have occurred had the gas which is the subject of an Alternate Receipt and/or a Diversion, been received at the receipt point and delivered at the delivery point or delivery area specified in the FT, FT-SN, FT-NR or LT-WFS Contract.

Solely for the purpose of making the aforesaid determination, TransCanada may, for certain quantities, treat the point of interconnection between TransCanada's system and the system of Union Gas Limited at Parkway as a delivery point specified in those FT, FT-SN, FT-NR or LT-WFS Contracts which have delivery points on the

segment of TransCanada's integrated system from Kirkwall to Niagara Falls.

- (f) Sixth Quantities to be delivered on a best efforts basis under STS and STS-L Contracts.
- (g) Seventh under FST Contracts up to the total amount that TransCanada is entitled to curtail under such contracts during such season under the provisions thereof other than under this Section XV.
- (h) Eighth proportionately under:
  - (i) FT, FT-SN, FT-NR, FST, STFT, ST-SN, SNB, STS, STS-L and LT-WFS Contracts (other than quantities to be delivered on a best efforts basis under STS and STS-L Contracts) once the curtailments made in (e) above have taken place, in amounts proportional to the Operating Demand Quantities or Maximum Daily Quantities, as the case may be, minus the quantities to be delivered pursuant to an Alternate Receipt and/or a Diversion of such Contracts,
  - (ii) Alternate Receipts made pursuant to FT, FT-SN or FT-NR Contracts and /or Diversions made pursuant to FT, FT-SN, FT-NR, FST, or LT-WFS Contracts not already curtailed pursuant to sub-Sections (d) and (e) above, in amounts to be delivered pursuant to such Alternate Receipt and/or Diversion.
  - (iii) Any forward haul components of a FBT Contract, that are affected by the disability in proportion Operating Demand Quantities of such Contract.
  - (iv) Back haul components of an FBT Contract as required due to any lack of forward haul quantities to support the back haul quantities.

For this purpose the seasonal requirement shall be:

- (i) under FST Contracts, the seasonal quantity of the applicable season, less the quantity curtailed pursuant to sub-Sections 2 (a), (d) and (e) above.
- (ii) under FT Contract, FT-SN Contracts, SNB Contracts, FT-NR Contracts, STFT Contracts, ST-SN Contracts, STS Contracts, STS-L Contracts and FBT

Contracts, TransCanada's estimate of Shipper's total seasonal requirements under each such Contract.

- (iii) under LT-WFS, the LT-WFS Maximum Daily Quantity, as the case may be, multiplied by the number of days in Shipper's Service Entitlement.

In curtailing deliveries under this sub-Section 2, TransCanada will endeavor to minimize its daily curtailments under its FT Contracts, FT-SN Contracts, FT-NR Contracts, STFT Contracts, ST-SN Contracts, SNB Contracts, LT-WFS Contracts, STS Contracts, STS-L Contracts and FBT Contracts in an attempt to meet Shipper's daily requirements for deliveries.

## **XVI DETERMINATION OF DAILY DELIVERIES**

1. A Shipper taking delivery of gas under contracts and/or toll schedules for more than one class of service in one delivery area or one Export Delivery Point shall be deemed on any day to have taken delivery of Shipper's Authorized Quantity under the applicable contract and/or toll schedule in accordance with such agreement as may exist between TransCanada and the downstream operator(s). Absent such agreement, shipper shall be deemed to have taken delivery of Shipper's Authorized Quantities sequentially as follows:
  - (a) IT Backhaul Contract Receipt Quantity
  - (b) FT Contract
  - (c) FT-SN Contract
  - (d) FT-NR Contract
  - (e) STFT and ST-SN Contracts
  - (f) STS and STS-L Contracts
  - (g) FBT Contract
  - (h) LT- WFS Contract
  - (i) firm portion of gas quantities under FST Contract
  - (j) interruptible portion of gas quantities under FST Contract, except for any Shippers Make-up

- (k) IT and IT Backhaul Contracts, Delivery Quantity
- (l) Shippers Make-up under FST Contract

**XVII DEFAULT AND TERMINATION**

Subject to the provisions of Section XI, Section XIV, Section XV and Section XXIII of these General Terms and Conditions, if either TransCanada or Shipper shall fail to perform any of the covenants or obligations imposed upon it under any Contract into which these General Terms and Conditions are incorporated, then in such event the other party may, at its option, terminate such Contract by proceeding as follows: the party not in default shall cause a written notice to be served on the party in default stating specifically the default under the Contract and declaring it to be the intention of the party giving the notice to terminate such Contract; thereupon the party in default shall have ten (10) days after the service of the aforesaid notice in which to remedy or remove the cause or causes stated in the default notice and if within the said ten (10) day period the party in default does so remove and remedy said cause or causes and fully indemnifies the party not in default for any and all consequences of such default, then such default notice shall be withdrawn and the Contract shall continue in full force and effect.

In the event that the party in default does not so remedy and remove the cause or causes or does not indemnify the party giving the default notice for any and all consequences of such default within the said period of ten (10) days, then, at the option of the party giving such default notice, the Contract shall terminate. Any termination of the Contract pursuant to the provisions of this Section shall be without prejudice to the right of TransCanada to collect any amounts then due to it for gas delivered or service provided prior to the date of termination, and shall be without prejudice to the right of Shipper to receive any gas which it has not received but the transportation of which has been paid prior to the date of termination, and without waiver of any other remedy to which the party not in default may be entitled for breaches of the Contract.

This Section shall not apply to any default and terminations pursuant to Section XI and Section XXIII.

**XVIII NON-WAIVER AND FUTURE DEFAULT**

No waiver by TransCanada or Shipper of any one or more defaults by the other in the performance of any provisions of the Contract shall operate or be construed as a waiver of any continuing or future default or defaults, whether of a like or different character.

**XIX DELIVERY AREAS**

Deliveries of gas within a delivery area shall be subject to sufficient capacity and facilities within such delivery area.

**XX DELIVERY AREAS, TOLL ZONES AND EXPORT DELIVERY POINTS****1. Delivery Areas**

TransCanada's delivery areas for purposes of determining the Contract Demand applicable to the points of delivery of TransCanada's pipeline system are as follows:

Saskatchewan Southern Delivery Area or SSDA

extends from a point on TransCanada's main pipeline at the Alberta- Saskatchewan border near Empress, Alberta to a point on TransCanada's main pipeline at the Saskatchewan-Manitoba border.

Manitoba Delivery Area or MDA

extends from a point on TransCanada's main pipeline at the Saskatchewan- Manitoba border to a point on TransCanada's pipeline at the Manitoba-Ontario border to a point on TransCanada's pipeline at the International Border near Emerson, Manitoba.

Western Delivery Area or WDA

extends from a point on TransCanada's pipeline at the Manitoba- Ontario border to a point on TransCanada's pipeline 24.99 kilometres east of TransCanada's Station 80 near Geraldton, Ontario.

Northern Delivery Area or NDA

extends from a point on TransCanada's pipeline 24.99 kilometres east of TransCanada's Station 80 near Geraldton, Ontario to a point on TransCanada's pipeline 23.09 kilometres south and east respectively of TransCanada's Station 116 near North Bay, Ontario.

Sault Ste. Marie Delivery Area or SSMDA

any point on TransCanada's Sault Ste. Marie pipeline.

North Central Delivery Area or NCDA

extends from a point on TransCanada's pipeline 23.09 kilometres south of TransCanada's Station 116 near North Bay Ontario, to a point on TransCanada's



pipeline 0.50 kilometres south of TransCanada's Station 127 near Barrie Ontario, provided that points of delivery to the Enbridge Gas Distribution Inc. Gas within this area are deemed for the purposes of this Tariff to be in the Central Delivery Area.

**Central Delivery Area or CDA**

extends from a point on TransCanada's pipeline 0.50 kilometres south of TransCanada's Station 127 near Barrie Ontario to a point on TransCanada's pipeline at the International Border near Niagara Falls, Ontario and to a point on TransCanada's pipeline 24.99 kilometres east of TransCanada's Station 134 near Bowmanville, Ontario.

**Southwestern Delivery Area or SWDA**

any point on TransCanada's St. Clair to Dawn pipeline.

**Eastern Delivery Area or EDA**

extends from a point on TransCanada's pipeline 24.99 kilometres east of TransCanada's Station 134 near Bowmanville, Ontario and from a point on TransCanada's North Bay Shortcut 23.09 kilometres east of TransCanada's Station 116 near North Bay, Ontario to a point on TransCanada's pipeline at the International Border near Philipsburg, Québec and to a point on the pipeline system of Trans Québec & Maritimes Pipeline Inc. near Québec City, Québec.

**2. Toll Zones**

TransCanada's toll zones for purposes of determining the toll applicable to any point of delivery on TransCanada's pipeline system are as follows:

**Saskatchewan Zone or Zone S**

includes all points in the Saskatchewan Southern Delivery Area.

**Manitoba Zone or Zone M**

includes all points in the Manitoba Delivery Area.

**Western Zone or Zone W**

includes all points in the Western Delivery Area.

**Northern Zone or Zone N**

includes all points in the Northern Delivery Area and the Sault Ste. Marie Delivery Area.

Eastern Zone or Zone E

includes all points in the North Central Delivery Area, the Central Delivery Area and the Eastern Delivery Area.

Southwest Zone or Zone SW

includes all points in the Southwestern Delivery Area.

## **XXI INCORPORATION IN TOLL SCHEDULES AND CONTRACTS**

1. These General Terms and Conditions are incorporated in and are a part of all of TransCanada's Toll Schedules, Contracts and transportation service contracts.
2. These General Terms and Conditions are subject to the provisions of the National Energy Board Act or any other legislation passed in amendment thereto or substitution therefor.

## **XXII NOMINATIONS AND UNAUTHORIZED QUANTITIES**

### **1. Nominations**

For service required on any day under each of Shipper's transportation contracts (for the purposes of this Section XXII the "said Contract"), Shipper shall provide TransCanada with a nomination of the quantity of gas, expressed in GJ, it desires TransCanada to deliver at the delivery point ("Shipper's nomination") or Title Transfer pursuant to Section XXIV of these General Terms and Conditions. Unless otherwise provided under the applicable Toll Schedule or as outlined under this section in the Schedule of Nomination Times below, such nominations are to be provided in writing or EDI format, or by other electronic means, so as to be received by TransCanada's Gas Control Department in Calgary on or before 12:00 hours CCT on the day immediately preceding the day for which service is requested. Subject to the provisions of the applicable toll schedules and Sections XIV and XV of these General Terms and Conditions, TransCanada shall determine whether or not all or any portion of Shipper's nomination will be accepted.

In the event TransCanada determines that it will not accept such nomination, TransCanada shall advise Shipper, (on or before 14:00 hours CCT on the day immediately preceding the day for which service is requested), of the reduced quantity of gas, (if any) (the "quantity available") that TransCanada is prepared to deliver under the said Contract. Forthwith after receiving such advice from TransCanada but no later than 1 hour after receiving such notice on such day,

Shipper shall provide a revised nomination to TransCanada which shall be no greater than the quantity available. If such revised nomination is not provided within the time allowed as required above or such revised nomination is greater than the quantity available, then the revised nomination shall be deemed to be the quantity available. If the revised nomination (delivered within the time allowed as required above) is less than the quantity available, then such lesser amount shall be the revised nomination. That portion of a Shipper's nomination or revised nomination, which TransCanada shall accept for delivery shall be known as "Shipper's Authorized Quantity" which authorized quantity shall be limited, for firm services, to Shipper's Contract Demand and, for other services, to such quantity permitted by the provisions of the Contract.

**Schedule of Nomination Times (CCT)**

<b>Gas Day Time</b>	<b>Class of Service *</b>	<b>Effective 0900 Hours Next Gas Day</b>
12:00	All Services	Faxed, EBB & EDI (EBB & EDI commencing on October 1, 1997)

Please refer to FST Toll Schedule for appropriate times.

\*\* Effective October 1, 1997 nominations for service must be received by TransCanada through its electronic bulletin board or EDI at the time specified pursuant to Section XXII of the General Terms and Conditions. TransCanada shall not accept nominations by fax unless TransCanada's electronic bulletin board and EDI systems are inoperative, except in the case of FT-SN and SNB Service. Nominations for FT-SN and SNB Service shall be submitted to TransCanada via fax or by other electronic means as determined from time to time by TransCanada.

**2. Definitions in Section XXII**

In this Section XXII, the following terms shall be construed to have the following meanings:

- (a) "Total Allocated Quantity":

- (i) for any receipt point, means the total quantity of gas which TransCanada determines has been received during any time period under all transportation service contracts with a Shipper; and
  - (ii) for any delivery point or delivery area, means the total quantity of gas which TransCanada determines has been delivered during any time period under all transportation service contracts with a Shipper.
- (b) "Total Authorized Quantity" or "TAQ" for any day:
  - (i) for any receipt point, means the sum of the Shipper's Authorized Quantities under all transportation service contracts at that receipt point.
  - (ii) for any delivery point or delivery area, means the sum of the Shipper's Authorized Quantities under all transportation service contracts at a delivery point or for that delivery area.
- (c) "Daily Variance" for a Shipper at any receipt or delivery point or delivery area means the absolute difference between the Total Authorized Quantity and the Total Allocated Quantity.
- (d) "FT Daily Demand Charge" or "FTD" means the result when the Demand Toll for Canadian Firm Service to the Eastern Zone Toll, as set out in the List of Tolls, is multiplied by 12 and divided by the number of days in the Year.
- (e) "Average Authorized Quantity" or "AAQ" for a Shipper at any receipt or delivery point or delivery area means the average Total Authorized Quantity during the preceding 30 days.
- (f) "Cumulative Variance" is the absolute value accumulation of the daily differences between the Total Authorized Quantity and the Total Allocated Quantity for a Shipper at any delivery point, delivery area or receipt point.

### 3. **Emergency Operating Conditions**

#### (a) EOC Definition

"Emergency Operating Conditions" ("EOC") means that TransCanada determines, in the exercise of its reasonable judgement, that its ability to fulfill its obligations under firm contracts is at risk

due, in whole or in part, to Shipper variances during periods of extreme weather changes, and/or supply, market, pipeline interruptions, and TransCanada issues an EOC notice pursuant to subsection 3(b).

(b) EOC Notices

If TransCanada determines an EOC exists, TransCanada shall issue notice to all Shippers via High Priority Bulletin on its electronic bulletin board setting out the following information related to the EOC:

- i) EOC effective time, and
- ii) anticipated duration of the EOC, and
- iii) delivery points and delivery areas where EOC is in effect

In addition to such notice, TransCanada will use reasonable efforts to contact by phone those Shippers directly impacted by the EOC.

(c) EOC Effective Times

If TransCanada issues notice of EOC prior to 13:00 Central Clock Time (CCT), then the EOC takes effect on that day. If TransCanada issues notice of EOC after 13:00 CCT, then the EOC takes effect on the next day. The EOC will remain in effect until the operational condition has been remedied.

**4. Daily Balancing Fee**

On each day Shipper shall pay a "Daily Balancing Fee" equal to:

(Tier 1 Quantity times Tier 1 Fee); plus

(Tier 2 Quantity times Tier 2 Fee); plus

(Tier 3 Quantity times Tier 3 Fee); plus

(Tier 4 Quantity times Tier 4 Fee).

Where:

(a) Tier 1, 2, 3, 4 Fees and Quantities are set out in the following Table:

	<b>Tier 1</b>	<b>Tier 2</b>	<b>Tier 3</b>	<b>Tier 4</b>
Minimum Quantity	Greater of: 2% of TAQ, or 2% of AAQ or 75 GJ	Greater of: 4% if TAQ, or 4% of AAQ, or 150 GJ	Greater of: 8% of TAQ, or 8% of AAQ, or 302 GJ	Greater of: 10% of TAQ, or 10% of AAQ, or 377 GJ
Maximum Quantity	Greater of: 4% of TAQ, or 4% of AAQ, or 150 GJ	Greater of: 8% of TAQ, or 8% of AAQ, or 302 GJ	Greater of: 10% of TAQ, or 10% of AAQ, or 377 GJ	$\infty$ (Infinity)
Standard Fee	0.2 times FTD	0.5 times FTD	0.75 times FTD	1.0 times FTD
EOC Draft Fee	1.0 times Index	1.25 times Index	1.50 times Index	2.0 times Index
EOC Pack Fee	0	0	0	0

- (a) Quantity for each Tier equals that portion of the Daily Variance which is greater than the Minimum Quantity and less than the Maximum Quantity.
- (b) The applicable Fee for each Tier equals:
- (i) Standard Fee for days and locations where EOC are not in effect,
  - (ii) EOC Draft Fee for days and locations where EOC are in effect and where Shipper's Total Authorized Quantity is less than Shipper's Total Allocated Quantity, and
  - (iii) EOC Pack Fee for days and locations where EOC are in effect and where Shipper's Total Authorized Quantity is greater than Shipper's Total Allocated Quantity.
- (c) No Daily Balancing Fee is payable on the portion of a Daily Variance which is less than 75 GJ.
- (d) The Daily Balancing Fee is added to the bill for the month in which the day is included.

- (e) "Index" means the highest price of gas on the day among all receipt and delivery points on the TransCanada pipeline system as published by Platts Gas Daily or such other recognized industry publication.

## 5. Cumulative Balancing Fee

On each day Shipper shall pay a "Cumulative Balancing Fee" equal to:

(Tier 1 Quantity times Tier 1 Fee); plus

(Tier 2 Quantity times Tier 2 Fee).

Where:

- (a) Tier 1, 2 Fees and Quantities are set out in the following Table:

	<b>Tier 1</b>	<b>Tier 2</b>
Minimum Quantity	Greater of: 4% of TAQ, or 4% of AAG, or 150 GJ	Greater of: 6% of TAQ, or 6% of AAG, or 225 GJ
Maximum Quantity	Greater of: 6% of TAQ, or 6% of AAG, or 225 GJ	∞ (Infinity)
Standard Fee	0.15 times FTD	0.25 times FTD
EOC Draft Fee	0.15 times FTD	0.25 times FTD
EOC Pack Fee	0	0

- (b) Quantity for each Tier equals that portion of the Cumulative Variance which is greater than the Minimum Quantity and less than the Maximum Quantity.
- (c) The applicable Fee for each Tier equals:
- (i) Standard Fee for days and locations where EOC are not in effect,

- (ii) EOC Draft Fee for days and locations where EOC are in effect and where Shipper's accumulated Total Authorized Quantity is less than Shipper's accumulated Total Allocated Quantity, and
- (iii) EOC Pack Fee for days and locations where EOC are in effect and where Shipper's accumulated Total Authorized Quantity is greater than Shipper's accumulated Total Allocated Quantity.
- (d) No Cumulative Balancing Fee is payable on the portion of an Absolute Cumulative Variance which is less than 150 GJ.
- (e) The Cumulative Balancing Fee is added to the bill for the month in which the day is included.
- (f) A Cumulative Balancing Fee is in addition to Daily Balancing Fees payable under subsection 4 of Section XXII, and an additional Cumulative Balancing Fee is payable on each day where there is an Absolute Cumulative Variance.

## **6. Payback Provisions**

- (a) Shippers may reduce Cumulative Variances through nomination of "Payback Quantities" which shall be nominated and authorized in accordance with these General Terms and Conditions.

TransCanada is not obligated to provide additional transportation capacity to deliver Payback Quantities.

- (b) If, on any day, a Shipper nominates a Payback Quantity under sub-Section (d), and TransCanada is unable to deliver or receive a quantity ("Minimum Payback Quantity") equal to the lesser of:
  - (i) Shipper's nominated Payback Quantities, or
  - (ii) the greater of:
    - (a) two percent of the Total Authorized Quantity,
    - (b) two percent of the Average Authorized Quantity, and
    - (c) 75 GJ



then Shipper is relieved from the Cumulative Balancing Fee by a quantity ("Payback Relief Quantity") equal to the difference between:

- (iii) the Minimum Payback Quantity, and
- (iv) The level of Payback Quantities which TransCanada was able to deliver or receive.

The relief from Cumulative Balancing Fees shall apply for each day until TransCanada delivers or receives the Payback Relief Quantity. No Payback Relief will be granted as a result of TransCanada not authorizing a transportation service.

- (c) If TransCanada determines, in its sole discretion, that its ability to meet firm obligations is at risk due to Shipper variances, and after curtailment of all discretionary transportation services that are hindering TransCanada's ability to meet its firm obligations, TransCanada may, without further notice, adjust Shipper's nominations for any day in order to reduce Shipper's Cumulative Variance to zero.

#### **7. Obligation to Balance Accounts**

Payments of balancing fees under this Section XXII do not give Shipper the right to receive or deliver unauthorized quantities, or incur Cumulative or Daily Variances, nor shall payment of the balancing fees be a substitute for other remedies available to TransCanada.

#### **8. Energy Imbalance Recovery**

- (a) Cumulative energy imbalances that result from energy in transit, accumulated fuel imbalances and imbalances held under other applicable accounts, shall be recovered in the following manner:
  - (i) on the 20th Day of each month, TransCanada shall advise Shipper in writing of all cumulative energy imbalances attributed to Shipper arising up to the end of the 19<sup>th</sup> Day of such month and carried forward or arising from previous months, provided however that such cumulative energy imbalances for export delivery points referred to in sub-section 8(b) shall be the amount by which the cumulative energy imbalance at such points exceed 50 GJ;

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- (ii) the cumulative energy imbalance reported to Shipper shall be aggregated at each applicable location from all of Shipper's Contracts, nomination groups and other applicable accounts;
- (iii) on or before the 3<sup>rd</sup> last Day of each month, Shipper may reduce the cumulative energy imbalances reported by TransCanada.
- (iv) The cumulative energy imbalance after giving effect to applicable offsetting transactions (the "Net Imbalance"), shall be determined on:
  - (A) the end of the 3<sup>rd</sup> last Day of such month if the cumulative energy imbalance is less than the cumulative energy imbalance on the 19<sup>th</sup> Day of such month; or
  - (B) the 19<sup>th</sup> Day of such month if the cumulative energy imbalance on the 3<sup>rd</sup> last Day of such month is greater than the energy balance on the 19<sup>th</sup> Day of such month.

The Net Imbalance shall be scheduled and recovered in equal amounts on each Day over the first 15 Days, or a lesser number of Days as mutually agreed to by Shipper and TransCanada, of next month (the "Recovery Period"). The amount of the Net Imbalance to be recovered each Day of the Recovery Period (the "Daily Imbalance Recovery") will be determined by TransCanada and verbally communicated to Shipper on the 2<sup>nd</sup> last Day of each month. Shipper shall nominate the Daily Imbalance Recovery on each Day of the Recovery Period as an "Imbalance Payback" under the Shipper account (nomination group) with the largest energy imbalance as determined by TransCanada based on the most recent monthly statements available.

- (vi) in nominating the Daily Imbalance Recovery, Shipper will ensure that all nominations remain in balance. Any nomination received from Shipper which does not include the required Daily Imbalance Recovery will, at TransCanada's sole discretion, be either rejected or forced to balance by TransCanada. TransCanada is authorized to curtail Shipper's gas supply and market, as necessary, to balance the nomination after accounting for the Daily Imbalance Recovery;
- (vii) where applicable, deliveries of the Daily Imbalance Recovery shall be the first deliveries made under the nomination on each Day of the Recovery Period; and

- (viii) any imbalance shall be deemed to have occurred and shall be held at the primary receipt point specified in the transportation service agreement.
- (b) Cumulative energy imbalances at export delivery points that result from rounding when converting between energy units used for daily scheduling purposes shall be subject to the following:
  - (i) Each Day Shipper shall be entitled to an energy imbalance of up to 5 GJ provided however, Shipper's cumulative energy imbalance at any time shall not exceed 50 GJ;
  - (ii) Shipper may reduce its cumulative energy imbalance on any Day by up to 10 GJ provided however, such reduction shall not result in the cumulative energy imbalance moving from a positive imbalance to a negative imbalance, or from a negative imbalance to a positive imbalance.

### XXIII FINANCIAL ASSURANCES

1. **Financial Assurance for Performance of Obligations:** TransCanada may request that Shipper (or any assignee) at any time from time to time prior to and during service, provide TransCanada with an irrevocable letter of credit or other assurance acceptable to TransCanada, in form and substance satisfactory to TransCanada and in an amount determined in accordance with **sub-Section XXIII(3) hereof** (the "Financial Assurance").
2. **Failure to Provide Financial Assurance:** TransCanada may withhold the provision of new service until TransCanada has received a requested Financial Assurance.

**Notwithstanding Section XVII**, if Shipper fails to provide a requested Financial Assurance to TransCanada within four (4) Banking Days of TransCanada's request, TransCanada may upon four (4) Banking Days written notice immediately suspend any or all service being or to be provided to Shipper provided however that any such suspension shall not relieve Shipper from any obligation to pay any rate, toll, charge or other amount payable to TransCanada. If at any time during such suspension Shipper provides such Financial Assurance to TransCanada, TransCanada shall within two (2) Banking Days recommence such suspended service.

**Notwithstanding Section XVII**, if Shipper fails to provide such Financial Assurance during such suspension, TransCanada may, in addition to any other remedy that may be available to it, upon four (4) Banking Days written notice to shipper immediately:

- a) Terminate any or all service being or to be provided to Shipper; and
- b) Declare any and all amounts payable now or in the future by Shipper to TransCanada for any and all service to be immediately due and payable as liquidated damages and not as a penalty.

Any notice provided by TransCanada to Shipper to withhold, suspend or terminate service pursuant to **sub-Section XXIII(2) hereof** shall be filed concurrently with the NEB.

3. **Amount of Financial Assurance:** The maximum amount of Financial Assurance TransCanada may request from a Shipper (or assignee) shall be as determined by TransCanada an amount equal to:

- a) for the provision of all gas transportation and related services, other than such services referred to in **sub-Section XXIII(3)(b)**, the aggregate of all rates, tolls, charges or other amounts payable to TransCanada for a period of seventy (70) days. Provided however, the amount of the Financial Assurance for all rates, tolls and charges other than demand charges shall be based on the daily average of the actual charges billed for service for the preceding twelve (12) month period with the initial forecast to be provided by Shipper; and
- b) for the provision of any gas transportation and related services where TransCanada determines it must construct facilities and Shipper has executed the Financial Assurances Agreement defined in Section 4.4(c)(ii) of the Transportation Access Procedure, the aggregate of all rates, tolls, charges or other amounts payable to TransCanada for a period of seventy (70) days plus one (1) month for each remaining year of the term of such service, up to a maximum of twelve (12) months total.

Nothing in this Section XXIII shall limit Shipper's right to request the NEB to issue an order, under sub-section 71(2) of the National Energy Board Act, requiring TransCanada to receive, transport and deliver gas offered by Shipper for transmission, or to grant such other relief as Shipper may request under the circumstances, notwithstanding Shipper's default under this Section XXIII.

**XXIV TITLE TRANSFERS**

Shippers may request and TransCanada shall authorize Title Transfers subject to the following:

- a. TransCanada receives a nomination satisfactory to TransCanada from each Shipper that is a party to a Title Transfer;
- b. If TransCanada determines at any time that any title transfer account of a Shipper is out of balance, TransCanada may, without notice to the title transfer account holder, curtail transfers up to such amounts as TransCanada deems necessary to bring all affected title transfer accounts into balance. In so doing, TransCanada shall have no liability whatsoever to Shipper or any third party claiming through Shipper for any claims, actions or damages of any nature arising out of or in any way related to such curtailment

**XXV LIABILITY AND LIMITATION OF LIABILITY**

TransCanada's and Shipper's liability to each other is limited to direct damages only. In no event, other than in the case of gross negligence or wilful default, shall either TransCanada or Shipper be liable for loss of profits, consequential, incidental, punitive, or indirect damages, in tort, contract or otherwise.

**HV-97 SCHEDULE**

GENERAL TERMS and CONDITIONS

<b>Area</b>	<b>Heating Value</b>
	MJ/m3
CHIPPAWA	37.77
CORNWALL	37.69
EMERSON 1	37.68
EMERSON 2	37.68
EMPRESS	37.73
IROQUOIS-EXP.	37.68
NAPIERVILLE	37.68
NIAGARA FALLS	37.75
PARKWAY ENBRIDGE	37.69
PARKWAY UNION	37.68
PHILIPSBURG	37.68
ST-LAZARE	37.69
SABREVOIS	37.69
SPRUCE	37.68
ST. CLAIR	37.72
NCCA, UNION GAS LIMITED	37.69
CDA, ENBRIDGE GAS DISTRIBUTION INC.	37.69
CDA, UNION GAS LIMITED	37.68
EDA, UNION GAS LIMITED	37.68
EDA, GAZ METROPOLITAIN & CO. L.P.	37.69
EDA, KINGSTON PUBLIC UTILITIES COMM	37.68
EDA, ENBRIDGE GAS DISTRIBUTION INC.	37.69
MDA, CENTRA GAS MANITOBA INC	37.68
MDA, CENTRA TRANSMISSION HOLDINGS	37.68
MDA, GLADSTONE AUSTIN	37.68
NDA, UNION GAS LIMITED	37.68
NDA, GAZ METROPOLITAIN & CO. L.P.	37.68
NDA, TRANSCANADA POWER, L.P.	37.68
SSDA, CENTRA GAS MANITOBA INC	37.67
SSDA, TRANSGAS LTD.	37.66
SSMDA UNION GAS LIMITED.	37.71
SWDA, ENBRIDGE GAS DISTRIBUTION INC	37.68
SWDA, UNION GAS LIMITED	37.71
WDA, UNION GAS LIMITED	37.68
WDA, TRANSCANADA POWER, L.P.	37.67

**FIRM TRANSPORTATION SHORT NOTICE SERVICE****FT-SN TOLL SCHEDULE****INDEX**

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FT-SN TOLL SCHEDULE**1. AVAILABILITY**

1.1 Any Shipper shall be eligible to receive service pursuant to this Toll Schedule provided that:

- (a) Shipper has entered into a Firm Transportation Short Notice (FT-SN) Service Contract (the "Contract") with TransCanada having a minimum term of 1 year; or has obtained an Order of the NEB, pursuant to sub-section 71(2) of the National Energy Board Act as amended from time to time ("71(2) Order"), requiring TransCanada to transport gas for Shipper subject to the provisions of this Toll Schedule and to the terms and conditions contained in the 71(2) Order; and
- (b) Shipper has pipeline facilities interconnecting with TransCanada's facilities at the delivery point specified in the Contract, or has provided TransCanada with adequate assurances that arrangements have been made to have an authorized gas distribution or transmission company act as Shipper's agent in receiving from TransCanada the gas to be delivered pursuant to this Toll Schedule;
- (c) the delivery point specified in the Contract has flow control facilities that are operated by TransCanada;
- (d) the delivery point specified in the Contract is in a distributor delivery area or is an export delivery point that is available only for transportation service pursuant to Short Notice Service; and
- (e) Shipper has provided TransCanada with financial assurances as required by TransCanada pursuant to Section XXIII of the General Terms and Conditions referred to in Section 11 hereof.

**1.2 Facilities Construction Policy**

In order to provide service pursuant to this Toll Schedule, TransCanada utilizes capacity available from its own gas transmission system and from its firm transportation service entitlement on the Great Lakes Gas Transmission Company system, the Union Gas Limited system, and the Trans Québec & Maritimes Pipeline Inc. system (the "Combined Capacity"). If a request for service pursuant to this Toll Schedule (the "Requested Service") requires an increase to the Combined Capacity, TransCanada is prepared to

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FT-SN TOLL SCHEDULE

use all reasonable efforts to enable it to increase the Combined Capacity to the extent necessary provided that:

- (a) there is reasonable expectation of a long term requirement for the increase in the Combined Capacity;
- (b) the NEB approves the additional facilities and/or transportation services necessary to increase the Combined Capacity; and
- (c) the availability provisions of sub-section 1.1 hereof are satisfied with respect to the Requested Service.

## **2. APPLICABILITY AND CHARACTER OF SERVICE**

- 2.1 On each Day during the term of the Contract, Shipper shall be entitled to request service for a quantity of gas equal to or less than the Contract Demand less any quantity of gas nominated for such Day for a Diversion and/or Alternate Receipt (Shipper's "Reservation Entitlement") hereunder. Nominations for service shall be made pursuant to Section XXII of the General Terms & Conditions. Service hereunder shall not be subject to curtailment or interruption except as provided in Section XI and Section XIV of the General Terms and Conditions; provided however, that if Shipper fails to provide on an ongoing and timely basis to TransCanada satisfactory evidence of its right to remove from the province of production all or any part of the quantities of gas to be transported by TransCanada under the Contract, Shipper shall be in default hereunder (the "Default") to the extent of the daily quantity not authorized for removal from the province of production as aforesaid (the "Default Quantity"), and TransCanada shall be entitled to immediately suspend service for a quantity up to, and including, the Default Quantity until such time as Shipper remedies the Default. TransCanada shall terminate any such suspension and resume service as to that part of the Default Quantity in respect of which the Default has been remedied.
- 2.2 Shipper shall not, without TransCanada's consent, deliver gas to the receipt point or receive gas from the delivery point, each as specified in the Contract, at an hourly rate of flow in excess of five percent (5%) of Reservation Entitlement.

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FT-SN TOLL SCHEDULE**3. MONTHLY BILL**

3.1 The monthly bill payable to TransCanada for service hereunder shall include the demand charge and the commodity charge in effect during the billing month for transportation service and, where applicable, for delivery pressure service and shall be calculated by applying, as follows, the applicable tolls as approved by the NEB (as set forth in the List of Tolls referred to in Section 10 hereof):

(a) **Transportation Service**

(i) Demand Charge

For each month, the demand charge for transportation service shall be equal to the applicable monthly FT-SN Demand Toll multiplied by Shipper's Contract Demand. If Shipper's Contract Demand changes during a month, then a weighted average daily Contract Demand shall be determined for such month and shall be used to calculate the demand charge for such month. The said demand charge is payable by Shipper notwithstanding any failure by Shipper during such month, for any reason whatsoever including force majeure or a Default by Shipper under sub-section 2.1 hereof, to deliver quantities of gas authorized to TransCanada at the receipt point.

(ii) Commodity Charge

For each month the commodity charge for transportation service shall be equal to the applicable Commodity Toll multiplied by Shipper's Authorized Quantities for transportation service between each authorized receipt point and delivery point or area.

(b) **Delivery Pressure Service**

For each month, the demand charge for delivery pressure service at each delivery point at which a toll for delivery pressure has been set shall be equal to the applicable Delivery Pressure Monthly Demand Toll multiplied by Shipper's Contract Demand in effect at each such delivery point. If Shipper's Contract Demand changes during a month, then a weighted average daily Contract Demand shall be determined for such month and shall be used to calculate the demand charge for such month. The said demand charge is payable by Shipper

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FT-SN TOLL SCHEDULE

notwithstanding any failure by Shipper during such month, for any reason whatsoever including force majeure or a Default by Shipper under sub-section 2.1 hereof, to deliver quantities of gas authorized to TransCanada at the receipt point.

(c) **Fuel**

For each month, a Shipper shall provide, on a daily basis, a quantity of fuel in accordance with Section IV (1)(a) of the General Terms and Conditions.

**4. MINIMUM BILL**

- 4.1 The minimum monthly bill for service hereunder shall be the demand charges determined in sub-section 3.1 (a) (i) and (if applicable) 3.1 (b) hereof, after giving effect to any adjustment pursuant to Section 5 hereof.

**5. DEMAND CHARGE ADJUSTMENTS**

- 5.1 If during any Day, TransCanada fails to deliver the quantity of gas requested by Shipper up to the Contract Demand, for any reason related solely to TransCanada's operations, including an event of force majeure occurring on any of the pipeline systems of TransCanada, Great Lakes Gas Transmission Company ("GLGT"), Union Gas Limited ("Union") and Trans Québec & Maritimes Pipeline Inc. ("TQM"), then the monthly demand charge shall be reduced by an amount equal to the applicable Daily Demand Toll multiplied by the difference between the quantity of Reservation Entitlement that Shipper would otherwise have, and the Reservation Entitlement for such Day. If TransCanada refuses to accept deliveries of Shipper's gas or curtails receipts from or deliveries to Shipper pursuant to Paragraph 8 (Energy Imbalance Recovery) of Section XXII of the General Terms and Conditions, then there shall be no corresponding reduction in the monthly demand charge to Shipper. Notwithstanding the foregoing, if the quantity of gas which TransCanada fails to deliver is the subject of an accepted nomination for a Diversion and/or an Alternate Receipt, then TransCanada shall only be obligated to reduce the monthly demand charge if such Diversion is a Diversion and/or such Alternate Receipt is of the nature described in sub-Section 1(h)(ii) or 2(h)(ii) in

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FT-SN TOLL SCHEDULE

Section XV of the General Terms and Conditions and in all other cases there shall be no reduction in the monthly demand charge.

**6. ALTERNATE RECEIPT AND DIVERSION OF GAS**

- 6.1 (a) Subject to the provisions herein, Shipper shall have the right to nominate an Alternate Receipt and/or Diversion under Shipper's Contract in the manner provided herein.
- (b) The aggregate of all nominations for delivery under this toll schedule shall not exceed the Contract Demand under Shippers Contract.
- (c) Shipper shall not be entitled to nominate a Diversion to a delivery point or delivery area which is upstream of the receipt point specified in Shipper's Contract or upstream of the Alternate Receipt point.
- (d) Shipper shall not be entitled to nominate an Alternate Receipt from a receipt point that is upstream of the receipt point specified in Shippers Contract or is downstream of the delivery point or delivery area specified in Shippers Contract.
- (e) For the purpose of Section XVI of the General Terms and Conditions, Alternate Receipts and Diversions shall be equivalent to service under an STS Contract.
- 6.2 Any nomination by Shipper for an Alternate Receipt and/or a Diversion under Shipper's Contract must be received by TransCanada's Gas Control Department in Calgary at the time specified pursuant to Section XXII of the General Terms and Conditions.
- 6.3 TransCanada shall have the right to not accept a nomination made pursuant to Sub-section 6.2 hereof or to accept only a portion of the quantities so nominated if the Alternate Receipt and/or Diversion requested would negatively impact TransCanada's ability to provide those transportation services which, pursuant to Section XV of the General Terms and Conditions, have a priority of service which is higher than that of the Alternate Receipt and/or Diversion nominated by Shipper or if such Alternate Receipt and/or Diversion would otherwise be immediately curtailed pursuant to sub-section 1(e) or 2(e) of Section XV of the General Terms and Conditions. TransCanada shall have the right to curtail Alternate Receipts and/or Diversions in accordance with Section XV of the General Terms and Conditions.

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FT-SN TOLL SCHEDULE**6.4 Alternate Receipts and Diversions Return Home**

In the event that TransCanada does not accept a nomination for an Alternate Receipt and/or Diversion pursuant to sub-sections 6.2, and 6.3 hereof, or accepts only a portion of the quantity so nominated, then TransCanada shall exercise reasonable efforts to allow Shipper to renominate to the receipt point and/or delivery point specified in Shipper's Contract. TransCanada shall have the right to reject any such renomination, or to accept only a portion of the quantity so renominated, if the renomination would negatively impact any other authorized transportation service. In any event, Shipper shall pay the FT-SN Daily Demand Toll based on the receipt point and delivery point or area specified in Shipper's Contract for the entire quantity set out in an Alternate Receipt and/or Diversion nomination which was rejected by TransCanada pursuant to sub-section 6.3 hereof.

- (a) In addition to the charges payable pursuant to Section 3.1(a) and (b) above, Shipper shall pay TransCanada for all Alternate Receipts and Diversions, a charge equal to the aggregate of:
  - (i) the product obtained by multiplying the amount, if any, by which the FT Daily Demand Toll, applicable from the Alternate Receipt point to the delivery point or area specified in Shipper's Contract, exceeds the applicable FT Daily Demand Toll from the receipt point to the delivery point or area which are specified in Shipper's Contract by Shippers Authorized Quantity, and
  - (ii) the product obtained by multiplying the amount, if any, by which the FT Daily Demand Toll, applicable from the receipt point specified in the Shipper's Contract to the Diversion point, exceeds the applicable FT Daily Demand Toll from the receipt point to the delivery point or area which are specified in the Shipper's Contract, by Shippers Authorized Quantity.
- (b) If the gas is diverted hereunder to a delivery point at which a delivery pressure charge has been approved by the NEB and no delivery pressure charge exists for the delivery point specified in Shipper's Contract, then Shipper shall pay TransCanada, in addition to the charges provided above, an amount equal to the

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FT-SN TOLL SCHEDULE

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applicable Delivery Pressure Toll multiplied by Shipper's total Diversion quantity at such delivery point for such month (a "Point Diversion Delivery Pressure Charge"). If a delivery pressure charge exists at the delivery point specified in Shipper's Contract, then Shipper shall pay TransCanada, in addition to the delivery pressure charge described in Section 3.1(b) above, an amount (a "Point Diversion Delivery Charge") equal to the product obtained by multiplying Shipper's total Diversion quantity at the delivery point which is the subject of the Diversion multiplied by that amount, if any, by which the Delivery Pressure Toll at the delivery point which is the subject of the Diversion exceeds the delivery pressure toll at the delivery point specified in Shipper's Contract.

The total delivery pressure charge for Diversion quantities shall be the sum of the Point Diversion Delivery Pressure Charges at all applicable delivery points plus the delivery pressure charge, if any, payable pursuant to sub-section 3.1(b) above.

## **7. ASSIGNMENT**

- 7.1 Any company which shall succeed by purchase, merger or consolidation to the properties, substantially or in entirety, of Shipper or of TransCanada, as the case may be, shall be entitled to the rights and shall be subject to the obligations of its predecessor in title under any Contract into which this Toll Schedule is incorporated and any related contracts. Further, either Shipper or TransCanada may, without relieving itself of its obligations under any Contract into which this Toll Schedule is incorporated (unless consented to by the other party which consent shall not be unreasonably withheld), assign any of its rights and obligations thereunder to another party. Nothing herein shall in any way prevent either party to such Contract from pledging or mortgaging its rights thereunder as security for its indebtedness. Such Contract shall be binding upon and shall inure to the benefit of the respective successors and assigns of the parties thereto. No assignment hereunder in respect of a service which has already resulted in a reduction of the affected distributor's Contract Demand shall entitle such distributor to any further reduction in its Contract Demand.
- 7.2 Assignments at a discount negotiated between assignors and assignees are permitted, provided that the approved toll continues to be paid to TransCanada.

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FT-SN TOLL SCHEDULE

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- 7.3 Prior to the effective date of any assignment of any Contract subject to sub-section XXIII(3)(b) of the General Terms and Conditions of TransCanada's Tariff, assignee shall as requested by TransCanada, execute an assignment of any related Financial Assurances Agreements (as defined in sub-section 4.4(c)(ii) of the Transportation Access Procedure) or execute a new Financial Assurances Agreement.
- 7.4 Save as herein provided, assignments of any Contracts into which this Toll Schedule is incorporated are expressly prohibited.

**8. RENEWAL RIGHTS**

- 8.1 Pursuant to any Contract into which this FT-SN Toll Schedule is incorporated and which Contract has been determined by TransCanada to be serving a long term market, and subject to the following conditions, Shipper shall have the option (the "Renewal Option") of extending the existing term (the "Existing Term") of the Contract for a period of no less than one (1) year (the "Renewal Term") and revising the Contract Demand to a level no greater than the Contract Demand set out in the Contract (the "Renewal OD") provided that the following conditions are met:
- (a) TransCanada receives written notice from Shipper of Shipper's election to exercise the Renewal Option which sets out the term and Contract Demand of such renewal (the "Renewal Provisions") no less than six (6) months before the termination date which would otherwise prevail under the Contract; and
  - (b) Shipper supplies TransCanada at the time of such notice with evidence satisfactory to TransCanada that Shipper will meet the availability provisions of the FT-SN Toll Schedule in respect of the Renewal Provisions prior to the commencement of the Renewal Term.

TransCanada may accept late notice of Shipper's election to exercise the Renewal Option if TransCanada, in its sole discretion, determines that TransCanada will have the required capacity available after providing capacity for all of TransCanada's obligations pursuant to prior outstanding requests from Shipper and/or others, that such renewal will not adversely impact TransCanada's system operations and that all of the costs for providing this service will be covered by TransCanada's tolls. Contracts may be revised as of



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FT-SN TOLL SCHEDULE

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the effective renewal date to adhere to the then current Pro Forma Firm Transportation Service Contract.

Shipper may exercise the Renewal Option more than one time provided that the conditions found in this sub-section 8.1 and 8.2 hereof are met upon each and every exercise of the Renewal Option.

8.2 Provided TransCanada has either received timely notice as provided in sub-section 8.1(a) above from Shipper of Shipper's election to exercise the Renewal Option, or accepted late notice from Shipper of his election to exercise the Renewal Option, and provided that Shipper has met the availability provisions of the FT-SN Toll Schedule in respect of the Renewal Provisions, the Contract shall be amended as follows:

- (a) the Contract Demand set out in the Contract shall be revised to the level specified in the Renewal Provisions, effective as of the commencement of the Renewal Term; and
- (b) the term of the Contract shall be extended to that specified in the Renewal Provisions, effective as of the expiry of the Existing Term.

8.3 All renewals shall be stated in GJ.

## **9. TEMPORARY RECEIPT AND/OR DELIVERY POINT**

9.1 Upon receipt of a written request from Shipper, TransCanada may, in its sole discretion, allow Shipper to temporarily change the receipt and/or delivery point under a Contract. Such a temporary change in receipt and/or delivery point, once authorized by TransCanada, shall apply for a minimum duration of 3 months and shall not exceed the remaining term of the Contract.

9.2 Shipper's limited entitlement to obtain temporary receipt and/or delivery point may apply to the full Contract Demand specified in the Contract, or any portion thereof.

9.3 For transportation service from a temporary receipt point and/or to a temporary delivery point, Shipper shall pay the following:

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FT-SN TOLL SCHEDULE

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- (a) the greater of the Monthly FT-SN Demand Toll payable for transportation from the original receipt point to the original delivery point specified in the Contract, and the FT-SN Demand Toll which applies:
  - (i) from the original receipt point to the temporary delivery point;
  - (ii) from the temporary receipt point to the original delivery point; or
  - (iii) from the temporary receipt point to the temporary delivery point;

as the case may be;

- (b) the applicable FT-SN Commodity Toll for the quantity of gas delivered after giving effect to the temporary receipt and/or delivery point; and
- (c) the greater of the Delivery Pressure Monthly Demand Toll applicable to the original delivery point specified in the Contract and the Delivery Pressure Monthly Demand Toll which applies to the temporary delivery point, plus any fuel related to the delivery pressure.

9.4 The demand charges set out in subsections 9.3 a) and c) above are payable by Shipper notwithstanding any failure by Shipper during such month, for any reason whatsoever, including force majeure or a Default by Shipper under sub-section 2.1 hereof, to deliver Shipper's Receipt Gas to TransCanada at the temporary receipt point.

9.5 Shipper shall pay for or provide, on a daily basis, a quantity of fuel based on the applicable monthly fuel ratio established by TransCanada for transportation for the quantity of gas delivered after giving effect to the temporary receipt and/or delivery point.

9.6 Upon acceptance by TransCanada of Shipper's request for a temporary receipt or delivery point, transportation service hereunder shall be firm in accordance with sub-section 2.1 of this FT-SN Toll Schedule.

## **10. MISCELLANEOUS PROVISIONS**

10.1 The General Terms and Conditions and the List of Tolls of TransCanada's Transportation Tariff, as amended from time to time, are applicable to this Toll Schedule and are hereby

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**FT-SN TOLL SCHEDULE**

- made a part hereof. If there is any conflict between the provisions of this Toll Schedule and the General Terms and Conditions, the provisions of this Toll Schedule shall prevail.
- 10.2 This Toll Schedule, the List of Tolls and the General Terms and Conditions are subject to the provisions of the National Energy Board Act or any other legislation passed in amendment thereof or substitution therefor.
- 10.3 This Toll Schedule together with the provisions of the General Terms and Conditions supercedes and replaces all previous Toll Schedules applicable to the Contract.

SHORT TERM FIRM TRANSPORTATION SERVICE

TOLL SCHEDULE

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STFT TOLL SCHEDULE**1. DEFINITIONS**

1.1. For the purposes of the STFT Toll Schedule, the following terms shall be defined as:

- (a) "Available Short Term Capacity" shall have the meaning attributed to it in sub-section 2.3;
- (b) "Block Period" shall have the meaning attributed to it in sub-section 2.3;
- (c) "East/West Differential" shall have the meaning attributed to it in sub-section 3.3(c)(iii);
- (d) "Maximum Daily Quantity" shall mean for any shipper the Maximum Daily Quantity set out on such shipper's bid or the Maximum Daily Quantity as amended by TransCanada pursuant to sub-section 3.3(d);
- (e) "Minimum Daily Quantity" shall mean for any shipper the Minimum Daily Quantity set out on such shipper's bid;
- (f) "Posting Period" shall have the meaning attributed to it in sub-section 3.2;
- (g) "Remaining Capacity" shall have the meaning attributed to it in sub-section 2.3;
- (h) "Service Period" shall have the meaning attributed to it in sub-section 2.3;
- (i) "STFT" shall mean Short Term Firm Transportation;
- (j) "Bid Price" shall have the meaning attributed to in sub-section 3.3(b);
- (k) "STFT Contract" shall have the meaning attributed to it in sub-section 2.1(a);
- (l) "System Capacity" shall mean TransCanada's pipeline facilities and TransCanada's contractual entitlement on the pipeline systems of the Great Lakes Gas Transmission Limited Partnership, Union Gas Limited and Trans Quebec and Maritimes Pipeline Inc.;
- (m) "System Segment" shall have the meaning attributed to it in sub-section 2.3.

**2. AVAILABILITY****2.1 Availability of Service**

Any Shipper shall be eligible to receive service pursuant to this STFT Toll Schedule provided such Shipper:

- (a) has entered into a Short Term Firm Transportation service contract (the "STFT Contract") with TransCanada or has obtained an Order of the NEB, pursuant to sub-Section 71(2) of the National Energy Board Act, as amended from time to time ("71(2) Order"), requiring TransCanada to transport gas for Shipper subject

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STFT TOLL SCHEDULE

to the provisions of this STFT Toll Schedule and to the terms and conditions contained in the 71(2) Order; and

- (b) has provided TransCanada with financial assurances as required by TransCanada pursuant to Section XXIII of the General Terms and Conditions referred to in Section 7 hereof.

## 2.2 Facilities Construction Policy

In order to provide service pursuant to this STFT Toll Schedule, TransCanada utilizes capacity available from its System Capacity. It is understood that TransCanada shall not construct additional facilities for the purpose of providing service hereunder.

## 2.3 Capacity Available for STFT

The total capacity available to Shippers under this STFT Toll Schedule shall be TransCanada's transportation capacity remaining, as determined by TransCanada in its sole discretion, after having made provision for all firm obligations with Shipper and all other Shippers (the "Remaining Capacity").

Remaining Capacity made available for Shippers under this STFT Toll Schedule shall be offered in respect of certain segments of TransCanada's System Capacity, each such segment being defined by reference to the receipt point and the delivery point or delivery area applicable thereto (a "System Segment"). Service under this STFT Toll Schedule shall be offered for a specific period of time (a "Service Period") which may consist of a specified number of days not less than seven (7) consecutive days, a separate monthly period or any combination of consecutive monthly periods (such combination of consecutive monthly periods hereinafter called a "Block Period"). TransCanada shall notify Shippers of the Remaining Capacity offered for each combination of System Segments and Service Periods (the "Available Short Term Capacity").

## 2.4 Short Term Availability Periods

TransCanada, in its sole discretion, may offer Available Short Term Capacity in any combination of System Segments, for a specified number of days not less than seven (7) consecutive days, monthly periods and Block Periods for a period extending up to one (1) year less one (1) day.

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STFT TOLL SCHEDULE**3. APPLICABILITY AND CHARACTER OF SERVICE****3.1 Definition of STFT Service**

On each day during the term of the STFT Contract that Shipper has been allocated Available Short Term Capacity, Shipper shall be entitled to nominate for service hereunder. Nominations for service shall be made pursuant to Section XXII of the General Terms and Conditions. Service hereunder shall not be subject to curtailment or interruption except as provided in this STFT Toll Schedule, the STFT Contract, and Section XI, Section XIV and Section XV of the General Terms and Conditions; provided however, that if Shipper fails to provide on an ongoing and timely basis to TransCanada satisfactory evidence of its right to remove from the province or country of production all or any part of the quantities of gas to be transported by TransCanada under the STFT Contract, Shipper shall be in default hereunder (a "Default") to the extent of the daily quantity not authorized for removal from the province or country of production as aforesaid (the "Default Quantity"). TransCanada shall be entitled to immediately suspend service for a quantity up to, and including, the Default Quantity until such time as Shipper remedies the Default, when TransCanada shall terminate any such suspension and resume service as to that part of the Default Quantity in respect of which the Default has been remedied.

**3.2 Notification of Available Short Term Capacity**

TransCanada shall post Available Short Term Capacity for a period of 5 Banking Days (the "Posting Period"). If some or all of the Available Short Term Capacity has not been allocated at the end of a Posting Period, TransCanada may, in its sole discretion, continue to post Available Short Term Capacity on a daily basis. At the end of the Posting Period and any daily posting, TransCanada shall allocate Available Short Term Capacity among Shipper bids received by TransCanada.

The Available Short Term Capacity shall be posted on TransCanada's electronic bulletin board and web site as follows:

- (a) During the period of January 1-15 for the Summer Period (April 1 to October 31) and during the period of July 1-15 for the Winter Period (November 1 to March 31);

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STFT TOLL SCHEDULE

- (b) During the period of January 16-31 for the individual monthly blocks of the Summer Period (April 1 to October 31) and during the period of July 16-31 for the individual monthly blocks of the Winter Period (November 1 to March 31);
- (c) If Available Short Term Capacity is not posted on a daily basis, TransCanada will post Available Short Term Capacity on or before the 7<sup>th</sup> day of each month; or
- (d) At any time TransCanada determines in its sole discretion that there is Available Short Term Capacity.

Available Short Term Capacity shall be allocated in accordance with Section 3.3 hereunder.

### 3.3 Allocation of Available Short Term Capacity

#### (a) Shipper Bids

For each combination of System Segment and Service Period in which Shipper wishes to request service under this STFT Toll Schedule, Shipper shall submit a written bid to TransCanada's Contracts and Billing Department by telecopier or through TransCanada's electronic bulletin board during the bid period. No Shipper bid shall be accepted by TransCanada if received after the bid deadline specified in the posting of Available Short Term Capacity. Each Shipper bid shall be in the form of an Exhibit "A" Addendum to the STFT Contract, duly completed with the information described below and executed by Shipper.

Each Shipper bid shall contain the following information:

- Shipper name and address
- Shipper contact, telephone number and telecopier number
- System Segment for which bid is being made pursuant to sub-Section 3.3 (b)
- Receipt point and delivery point or delivery area
- Service Period
- Maximum Daily Quantity (in GJ)
- Minimum Daily Quantity pursuant to subSection 3.3 (c) (ii)
- Bid Price determined pursuant to subSection 3.3 (b)
- A statement whether such bid is conditional on another STFT bid being accepted by TransCanada



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STFT TOLL SCHEDULE

Shipper must submit separate Shipper bids for each separate combination of System Segment and Service Period. Shipper shall be entitled to submit more than one Shipper bid for any combination of System Segment and Service Period, but Shipper bids for the same System Segment shall not have the same Bid Price. Shipper shall not be entitled to submit multiple Shipper bids for any System Segment where the aggregate Maximum Daily Quantity of the multiple Shipper bids is greater than the Available Short Term Capacity being offered for that System Segment. Shipper bids which do not conform to these requirements shall be rejected and TransCanada shall be under no obligation to notify Shipper of any such rejection or to provide Shipper with any opportunity to correct or complete its Shipper bid.

(b) **Bid Price**

Bids for Available Short Term Capacity shall be expressed in Canadian dollars and cents per GJ per day (\$CDN/GJ/day).

Bids for Available Short Term Capacity shall not be less than the 100% Load Factor FT Toll for the applicable System Segment listed in the List of Tolls referred to in Section 7 hereof in effect at the time the bids are received by TransCanada (each a "Bid Price") for service pursuant to the STFT Toll Schedule.

Provided however, if the NEB has approved a new FT Toll and the Shipper is requesting STFT service commencing on or after the effective date of the new FT Toll, then Shipper's Bid Price shall not be less than the 100% Load Factor of the new FT Toll. If TransCanada has a rolling daily Short Term Capacity posting in effect then Shipper may bid the new FT Toll on the second Banking Day following the date of the NEB approval of such new FT Toll.

Bids for Available Short Term Capacity must identify the System Segment offered by TransCanada for which the Shipper is bidding. The Shipper's requested receipt point and delivery point for Available Short Term Capacity must be contained wholly within the requested System Segment.

(c) **Allocation of Available Short Term Capacity**

All Available Short Term Capacity for each combination of System Segment and Service Period offered by TransCanada shall be allocated among Shipper bids pursuant to this STFT Toll Schedule and Shipper bids pursuant to the ST-SN Toll

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STFT TOLL SCHEDULE

Schedule. For purposes of allocation hereunder the Bid Price for bids for service pursuant to the ST-SN Toll Schedule shall be divided by 1.1. Such allocation process is as follows:

- (i) Subject to sub-Sections 3.3(c)(ii) and (iii), for all Shipper bids for System Segments which compete for the same capacity and:
  - A. have the same Service Period, TransCanada shall rank Shipper bids in descending order from the highest to lowest Bid Price and TransCanada shall allocate Available Short Term Capacity to the Shipper bids resulting in the highest aggregate transportation revenue; or
  - B. have a different Service Period, for each different Service Period, TransCanada shall rank Shipper bids Available Short Term Capacity in descending order from the highest to lowest Bid Price and TransCanada shall allocate Available Short Term Capacity to the Shipper bids resulting in the highest aggregate transportation revenue.
- (ii) If 2 or more Shipper bids result in the same aggregate transportation revenue and the Available Short Term Capacity is not sufficient to provide service for the quantities requested in such Shipper bids, the Available Short Term Capacity shall be allocated pro-rata among such Shipper bids  
  
If such pro-rata share falls below the Minimum Daily Quantity specified by a Shipper in its Shipper bid, such pro-rata share allocated shall be deemed to be rejected, and TransCanada will reallocate among the remaining Shipper bids.
- (iii) For the purpose of evaluating Shipper bids and allocating Available Short Term Capacity, TransCanada shall add the east/west differential (the "East/West Differential") to all Shipper bids for Western Service, which shall be determined as the sum of the difference between Eastern Zone and Manitoba Zone costs for the following items:
  - A. the increment of the percentage of marginal fuel costs in excess of the percentage of average fuel costs over the twelve (12)

STFT TOLL SCHEDULE

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month period immediately preceding the date that tolls become effective, priced at the average Empress border spot price for the preceding twelve (12) month period, as published in *Canadian Gas Price Reporter* or, if such publication ceases to exist, such other reporting service as TransCanada may deem appropriate, where the incremental marginal fuel cost in the Eastern Zone is for the northern route of the TransCanada system only; and

- B. the applicable commodity toll then in effect from Empress, Alberta.

(d) **Notification to Shippers**

Within three (3) Banking Days of the end of any applicable bid period for Available Short Term Capacity TransCanada shall notify, in the manner set forth in the STFT of ST-SN Contract or through TransCanada's electronic bulletin board, all Shippers who have been allocated any of the Available Short Term Capacity. The daily capacity allocated to each Shipper shall be such Shipper's allocated Maximum Daily Quantity. If Shipper is allocated service hereunder, TransCanada will, if necessary, and is hereby authorized to, amend the Exhibit "A" Addendum submitted by Shipper as its Shipper bid to reflect the allocation of Available Short Term Capacity to such Shipper. The Exhibit "A" Addendum shall then be executed by TransCanada and forwarded to Shipper. Each executed Exhibit "A" Addendum shall be binding on TransCanada and Shipper.

#### **4. MONTHLY BILL**

##### **4.1 Transportation Service**

The monthly bill payable by Shipper to TransCanada for transportation service hereunder shall be equal to the STFT Bid Price (\$CDN/GJ/day) set out in each Exhibit "A" Addendum multiplied by Shipper's STFT allocated Maximum Daily Quantity and the number of days of STFT Service during the month. These transportation service charges are payable by Shipper notwithstanding any failure by Shipper during such month, for any reason whatsoever, including force majeure or Default by Shipper under subSection 3.1 hereof, to deliver Shipper's Receipt Volume to TransCanada at the receipt point.

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STFT TOLL SCHEDULE**4.2 Delivery Pressure Service**

Shipper shall also pay monthly to TransCanada a charge for delivery pressure provided that deliveries hereunder are made to a delivery point at which a charge for delivery pressure has been approved by the NEB (and set forth in the List of Tolls referred to in Section 8 hereof). The monthly delivery pressure charge at each such delivery point shall be the product of the applicable Delivery Pressure Daily Demand Toll and the total of Shipper's quantities to be delivered hereunder at that delivery point during such month determined as the STFT allocated Maximum Daily Quantity multiplied by the number of days of STFT Service during such month. The said delivery pressure demand charge is payable by Shipper notwithstanding any failure by Shipper during such month, for any reason whatsoever including force majeure or a Default by Shipper under subSection 3.1 hereof, to deliver Shipper's Authorized Quantity to TransCanada at the receipt point.

**4.3 Fuel**

For each month, Shipper shall provide, on a daily basis, a quantity of fuel based on a monthly fuel ratio to be established by TransCanada from time to time.

**5. TRANSPORTATION AND DELIVERY PRESSURE CHARGE ADJUSTMENTS**

**5.1 Transportation Charge Adjustments** If during any day, TransCanada fails to deliver the quantity of gas requested by Shipper up to the Maximum Daily Quantity, for any reason related solely to TransCanada's operations, including an event of force majeure occurring on any of the pipeline systems of TransCanada, Great Lakes Gas Transmission Company, Union Gas Limited, and Trans Quebec & Maritimes Pipeline Inc., then the transportation service charges payable pursuant to subSection 4.1 hereof shall be reduced by an amount equal to the STFT Bid Price multiplied by the difference between the quantity of gas which TransCanada actually delivered to Shipper on such day, and the quantity of gas which such Shipper in good faith nominated for delivery on such day.

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STFT TOLL SCHEDULE**5.2 Delivery Pressure Charge Adjustments**

For any day on which transportation service charges are adjusted pursuant to sub-Section 5.1 above, the delivery pressure charge payable by Shipper pursuant to sub-Section 4.2 hereof shall also be adjusted. The delivery pressure charge shall be reduced by an amount equal to the applicable Daily Equivalent Delivery Pressure Demand Toll multiplied by the difference between the quantity of gas which TransCanada actually delivered to Shipper on such day and the quantity which such Shipper in good faith nominated for delivery on such day.

**5.3 Shipper's Receipt or Delivery Failure**

If TransCanada refuses to accept deliveries of Shipper's gas or curtails receipts from or deliveries to Shipper pursuant to sub-section 1(b) of Section II of the General Terms and Conditions, then there shall be no corresponding reduction in transportation service or delivery pressure charges to Shipper.

**6. ASSIGNMENTS**

- 6.1 Assignments of any STFT Contracts into which this STFT Toll Schedule is incorporated are expressly prohibited without TransCanada's prior written consent.

**7. MISCELLANEOUS PROVISIONS**

- 7.1 The General Terms and Conditions and the List of Tolls of TransCanada's Transportation Tariff, as amended from time to time, are applicable to this STFT Toll Schedule and are hereby made a part hereof. If there is any conflict between the provisions of this STFT Toll Schedule and the General Terms and Conditions, the provisions of this STFT Toll Schedule shall prevail.
- 7.2 This STFT Toll Schedule, the List of Tolls and the General Terms and Conditions are subject to the provisions of the *National Energy Board Act* or any other legislation passed in amendment thereof or substitution therefor.

**TRANSPORTATION ACCESS PROCEDURE****INDEX**

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**APPENDICES**

- A Existing or New Capacity Open Season Bid Form
- B Daily Existing Capacity Open Season Bid Form

**1. DEFINITIONS**

- 1.1 For the purposes of the Transportation Access Procedures the following terms shall be defined as follows:
- (a) “Accepted Bid” shall be as defined in sub-section 5.4(c);
  - (b) “Bid Form” shall mean the Existing or New Capacity Bid Form set out in “Appendix A”;
  - (c) “Daily Existing Capacity” shall mean all or a portion of the amount of Existing Capacity not allocated pursuant to sub-section 4.4 that is made available for the Daily Existing Capacity Open Season pursuant to sub-section 4.6;
  - (d) “Daily Existing Capacity Open Season” shall be as defined in sub-section 4.6(a);
  - (e) “Daily Existing Capacity Open Season Bid Form” shall mean the Daily Existing Capacity Open Season Bid Form as set out in “Appendix B”;
  - (f) “Date of Commencement” for service shall be as defined in the FT, FT-NR, FT-SN, SNB, STS, or STS-L Contracts as the case may be;
  - (g) “Deposit” shall mean the deposit referred to in sub-section 4.2(f) or 5.2(d) as the case may be;
  - (h) “Existing Capacity Open Season” shall be defined as in sub-section 4.2(a);
  - (i) “Existing Capacity” shall mean all or a portion of System Capacity that is available on System Segments that TransCanada determines in its sole discretion to be available for an Open Season;
  - (j) “Existing Service Applicant” shall mean a Shipper or another party that submits either a Bid Form or a Daily Existing Capacity Open Season Bid Form and at the time of submission of such Bid Form is receiving gas transportation service pursuant to a Transportation Service Contract from TransCanada;
  - (k) “Facilities Application” shall mean an application pursuant to Part III of the National Energy Board Act for authorization to construct facilities or otherwise obtain New Capacity;
  - (l) “Financial Assurances Agreement” shall mean the agreement which sets forth the financial assurances which the Successful Bidder will be required to provide to TransCanada prior to TransCanada’s execution of the Transportation Contract for service;
  - (m) “Minimum Term” shall mean the minimum term of service required by TransCanada;
  - (n) “New Capacity” shall be as defined in sub-section 5.1(a);
  - (o) “New Capacity Open Season” shall be as defined in sub-section 5.1(a);

- (p) "New Service Applicant" shall mean a party that submits either a Bid Form or a Daily Existing Capacity Open Season Bid Form and at the time of submission of such Bid Form is not receiving gas transportation service pursuant to a Transportation Service Contract from TransCanada;
- (q) "New Service Start Date" shall mean the date the New Capacity may be first offered for service;
- (r) "Notice" shall mean the notice posted on TransCanada's electronic bulletin board, or provided by fax or email;
- (s) "Precedent Agreement" shall be as defined in sub-section 5.4(c) (i);
- (t) "Rejected Offer" shall be defined as in sub-section 5.5(a);
- (u) "Return Period" shall be as defined in sub-section 5.4(c);
- (v)
- (w) "Service Applicant" shall mean either a New Service Applicant or an Existing Service Applicant;
- (x) "Service Applicant's Acceptance" shall be as defined sub-section 5.4(c);
- (y) "Successful Bidder" shall mean a Service Applicant who has been allocated any New Capacity;
- (z) "System Capacity" shall mean TransCanada's pipeline facilities and TransCanada's contractual entitlement on the pipeline systems of the Great Lakes Gas Transmission Limited Partnership, Union Gas Limited and Trans Quebec and Maritimes Pipeline Inc. that TransCanada relies on to provide firm service;
- (aa) "System Segment" shall mean the segment of the System Capacity, referred to in a Notice, which is defined by reference to the receipt point and the export delivery point or delivery area specified;
- (ab) "TAPs" shall mean this Transportation Access Procedure;
- (ac) "TransCanada's Offer" shall be as defined in sub-section 5.4(c) (i); and
- (ad) "Transportation Contract" shall mean the pro-forma transportation service contract for the Existing Capacity or New Capacity allocated to the Service Applicant, or in the case of SNB a pro-forma SNB service contract.

## **2. PURPOSE**

- 2.1 The purpose of the TAPs is to set forth the process by which TransCanada shall administer requests for service to ensure fair and equitable treatment to all Service



Applicants seeking FT, FT-NR, FT-SN, SNB, STS-L and STS service with TransCanada for the transportation of natural gas utilizing TransCanada's System Capacity.

### **3. APPLICABILITY**

- 3.1 TAPs is applicable to all requests for FT, FT-NR, FT-SN, SNB, STS-L and STS transportation services and to all requests for any increases to the Contract Demand under existing FT, FT-SN, STS-L and STS Contracts or Contract Quantity under existing SNB Contracts provided however Section 5 shall not be applicable to any request for FT-NR transportation service.

### **4. ACCESS TO EXISTING CAPACITY**

#### **4.1 Posting of Existing Capacity**

If at any time prior to or during an open season TransCanada determines it has Existing Capacity, TransCanada may at any time, notify Service Applicants and prospective Service Applicants by posting a Notice of:

- (a) the Existing Capacity for each of the available System Segments;
- (b) the Date of Commencement for such Existing Capacity, provided that TransCanada is not obligated to offer a Date of Commencement two (2) or more years from the date of the notice;
- (c) the type of service available;
- (d) in the case of FT-NR the term the service will be available for; and
- (e) the date(s) the Existing Capacity Open Season will commence and end.

#### **4.2 The Existing Capacity Open Season**

- (a) TransCanada shall hold an open season for the Existing Capacity (the "Existing Capacity Open Season") commencing on or about May 5 in each calendar year (unless it has no Existing Capacity). The Existing Capacity Open Season shall be for a period of time determined by TransCanada which shall not be less than five (5) Banking Days after the commencement of such Existing Capacity Open Season. TransCanada may hold an additional Existing Capacity Open Season at any time it determines necessary. Service Applicant may during the Existing Capacity Open Season submit by fax or mail a Bid Form for all or a portion of the Existing Capacity for a minimum term of one (1) year. Bids with a term greater

than 1 year shall be in full month increments. TransCanada must receive all Bid Forms before the end of such Existing Capacity Open Season.

- (b) Service Applicant shall submit a separate Bid Form for all or a portion of the Existing Capacity for each System Segment. TransCanada shall accept a Bid Form for the purposes of evaluation and allocation in accordance with sub-Section 4.4 hereof for:
  - (i) capacity from a specified receipt point to a specified delivery point or area within the System Segment;
  - (ii) a different Date of Commencement;
  - (iii) a different type of service;
  - (iv) a Bid Form which is subject to the condition that another specified Bid Form(s) has been accepted; and/or
  - (v) a Bid Form for service pursuant to the SNB Toll Schedule.
- (c) If TransCanada determines in its sole discretion that a Bid Form is incomplete or does not conform to the requirements herein, such Bid Form shall be rejected by TransCanada.
- (d) TransCanada shall advise Service Applicant whether or not its Bid Form has been rejected within two (2) Banking Days of its receipt.
- (e) Information on the Bid Forms will be kept confidential by TransCanada, however, TransCanada shall provide the information to the NEB if required or requested to do so by the NEB.
- (f) Within 2 Banking Days of the end of the Existing Capacity Open Season for each Bid Form, New Service Applicant shall provide to TransCanada a Deposit equal to the lesser of:
  - (i) one (1) month demand charges for the maximum capacity set out on the Bid Form; or
  - (ii) \$10,000;
- (g) Notwithstanding sub-section 4.2 (e), if any of the Bid Forms received by TransCanada is for service pursuant to the SNB Toll Schedule, TransCanada shall notify all Service Applicants within 2 Banking Days following the end of the Existing Capacity Open Season.

**4.3 Pricing of Existing Capacity**

The toll applicable to the Existing Capacity shall be the toll approved by the NEB and set forth in the List of Tolls in the TransCanada Tariff, or a toll determined by a methodology approved by the NEB.

**4.4 Allocation of Existing Capacity**

- (a) At the close of the Existing Capacity Open Season, TransCanada shall rank the submitted Bid Forms and TransCanada shall, subject to sub-Section 4.4(b), allocate the Existing Capacity among Service Applicants in the following priority:
  - (i) First by the demand toll multiplied by the Contract term for each Bid Form or combination of Bid Forms, with the bid(s) yielding the highest overall product having the highest priority;
    - (I) If a Bid Form is for FT-SN Service, the applicable demand toll for the purpose of determining such product shall be the demand toll for FT Service from the receipt point to the delivery point or area each specified in the Bid Form;
    - (II) If a Bid Form is for service pursuant to the SNB Toll Schedule then the product of demand toll and Contract term will be adjusted by multiplying such product by the requested maximum capacity and dividing such amount by the actual impact on Posted Capacity as determined by TransCanada;
  - (ii) Then by the requested Date of Commencement, with the earliest requested Date of Commencement having the highest priority, provided that TransCanada will have no obligation to award any Existing Capacity to a Bid Form with a service to commence two or more years from the close of the Existing Capacity Open Season.
- (b) If two (2) or more Bid Forms or combinations of Bid Forms have the same ranking, determined in accordance with sub-Sections 4.4(a) and the Existing Capacity is not sufficient to provide service for the quantities requested in those Bid Forms or combination Bid Forms, then the Existing Capacity shall be allocated (rounded to the nearest GJ) on a pro-rata basis based on the maximum capacity requested in each Bid Form.

- (c) If the pro-rata share of the remaining Existing Capacity allocated to a Bid Form pursuant to sub-Section 4.4(b) is less than the minimum capacity specified in such Bid Form, that Bid Form shall be deemed to be rejected by TransCanada and the remaining Existing Capacity shall be reallocated under sub-Section 4.4(b) excluding such Bid Form.
- (d) TransCanada shall allocate Existing Capacity to the Bid Forms with the highest rankings until all the Bid Forms have been processed or until all Existing Capacity has been allocated. If an offer of Existing Capacity is withdrawn, pursuant to sub-Section 4.5(d) then this Existing Capacity will be reallocated sequentially to the remaining Bid Forms according to the procedures in sub-Sections 4.4(a), (b), and (c).

#### **4.5 Notification to Service Applicants**

- (a) TransCanada will use reasonable efforts to notify, as soon as possible but in no event longer than two (2) Banking Days after the close of the Existing Capacity Open Season, by telephone, fax or otherwise, all Service Applicants who have been allocated any Existing Capacity. Provided however if TransCanada receives a Bid Form for service pursuant to the SNB Toll Schedule, TransCanada shall be entitled to notify all Service Applicants within 10 Banking Days after the close of the Existing Capacity Open Season.
- (b) Service Applicant shall provide TransCanada with financial assurances as required by TransCanada pursuant to Section XXIII of the General Terms and Conditions of TransCanada's Tariff, within one (1) Banking Day from the time TransCanada sends notice to Service Applicant pursuant to subsection 4.5(a). Such assurances would cover the transportation agreement resulting from the successful bid, as well as all other transportation agreements between TransCanada and Service Applicant (including those provided in relation to Existing Capacity, and those which were used to backstop TransCanada New Capacity expansions.) TransCanada may, at any time in its sole discretion, waive the requirement for Service Applicant to provide financial assurances or extend the period for providing such financial assurances.
- (c) Upon satisfaction of the financial assurances requirements in sub-Section 4.5(b), TransCanada shall forward to Service Applicant for execution a Transportation Contract. Service Applicant shall, within ten (10) Banking Days from the Day

TransCanada sends the Transportation Contract to the Service Applicant, execute and return to TransCanada for execution by TransCanada, the Transportation Contract.

- (d) If a New Service Applicant does not execute and return to TransCanada the Transportation Contract within ten (10) Banking Days, or if a New Service Applicant fails to provide financial assurances as required in sub-Section 4.5 (b), the offer to the New Service Applicant for the Existing Capacity allocated to the New Service Applicant shall be withdrawn and TransCanada shall keep the Deposit. If the Transportation Contract is signed, then the Deposit will be credited by TransCanada to the bill for the first month(s) of service or returned to the New Service Applicant, if requested.
- (e) If an Existing Service Applicant does not execute and return to TransCanada the Transportation Contract within ten (10) Banking Days, or if an Existing Service Applicant fails to provide financial assurances as required in sub-Section 4.5 (b), the offer to the Existing Service Applicant for the Existing Capacity allocated to the Existing Service Applicant shall be withdrawn and Existing Service Applicant shall pay TransCanada an amount equal to the lesser of
  - (i) one (1) month demand charges for the maximum capacity set out on the Bid Form; or
  - (ii) \$10,000.
- (f) TransCanada may in its sole discretion extend the ten (10) Day period for which Service Applicant can execute the Transportation Contract.
- (g) TransCanada will return the Deposit provided by an unsuccessful New Service Applicant within five (5) banking days from the date the Transportation Contracts are executed for all Existing Capacity for that Existing Capacity Open Season.

#### **4.6 Daily Existing Capacity Open Seasons**

- (a) If not all Existing Capacity is allocated pursuant to sub-Section 4.4 above, TransCanada will post on each Banking Day on its electronic bulletin board the Daily Existing Capacity for FT, FT-NR, FT-SN, STS-L or STS service (the "Daily Existing Capacity Open Season"). The Daily Existing Capacity on any System Segment to be posted will be determined as follows:

Remaining Existing Capacity at Close of Existing Capacity Open Season	Daily Existing Capacity for Daily Existing Capacity Open Season
Greater than or equal to 20,000 GJ/Day	50 percent of remaining Existing Capacity
10,000 to 20,000 GJ/Day	10,000 GJ/Day
Less than 10,000 GJ/Day	100 percent of remaining Existing Capacity

- (b) TransCanada shall post the Daily Existing Capacity on its electronic bulletin board by 16:00 hours CCT on each Day prior to the Day that a Daily Existing Capacity Open Season is held. Daily Existing Capacity will be awarded according to bids received by 09:00 hours CCT.
- (c) TransCanada shall post on its electronic bulletin board a summary of all new operating FT, FT-NR, FT-SN, STS-L or STS Contracts entered into that reduce the Daily Existing Capacity, and an explanation of why other changes are made to the Daily Existing Capacity.
- (d) Service Applicants will bid in a Daily Existing Capacity Open Season by submitting a signed Daily Existing Capacity Open Season Bid Form, as well as any financial assurances required by TransCanada. All Daily Existing Capacity Open Season Bid Forms once received by TransCanada shall be deemed to be irrevocable and cannot be withdrawn or amended by Service Applicant unless such Daily Existing Capacity Open Season Bid Form is subject to the condition that another Daily Existing Capacity Open Season Bid Form as set out in the Daily Existing Capacity Open Season Bid Form has been accepted.
- (e) TransCanada shall not be obligated to accept any bid if the Service Applicant has not provided Financial Assurances requested by TransCanada on any other transportation agreements between TransCanada and that Service Applicant (including those provided from Existing Capacity, and those which were used to backstop TransCanada New Capacity expansions).

- (f) TransCanada is not obligated to offer Date of Commencement two (2) or more years from the date of the Daily Existing Capacity Open Season.
- (g) TransCanada shall not be obligated to accept in any Daily Existing Capacity Open Season any bid for service to start within 5 Banking Days of the date on which the bid is made.
- (h) The Daily Existing Capacity Open Season bids will be evaluated according to the criteria for Existing Capacity Open Season bids as outlined in sub-Section 4.4.
- (i) If a Daily Existing Capacity Open Season Bid Form is accepted by TransCanada, TransCanada shall provide a Transportation Contract to Service Applicant. Service Applicant shall then have 1 Banking Day to execute and return such Transportation Contract.
- (j) TransCanada will not hold a Daily Existing Capacity Open Season under any of the following circumstances:
  - (i) on any Day other than a Banking Day; or
  - (ii) if TransCanada has no Daily Existing Capacity to offer; or
  - (iii) if TransCanada has given notice that it will be holding either an Existing Capacity Open Season pursuant to sub-Section 4.2 hereof, or a New Capacity Open Season pursuant to sub-Section 5.1 hereof. No Daily Existing Capacity Open Season would be held from the date of such notice until after the Existing Capacity Open Season, or the New Capacity Open Season, as the case may be, has concluded, and the requested capacity has been allocated, provided however TransCanada may continue to offer capacity in a Daily Existing Capacity Open Season if TransCanada determines in its sole discretion that such capacity does not reduce the capacity offered in the Existing Capacity Open Season and/or New Capacity Open Season
- (k) After all Daily Existing Capacity has been allocated in the Daily Existing Capacity Open Season held pursuant to sub-Section 4.6, the portion of the remaining Existing Capacity not offered in the Daily Existing Capacity Open Season shall be made available in the next Existing Capacity Open Season and/or New Capacity Open Season.

**5. ACCESS TO NEW CAPACITY****5.1 The New Capacity Open Season**

- (a) When TransCanada determines, in its sole discretion, that there is a reasonable expectation of a long term requirement for an expansion of TransCanada's System Capacity (the "New Capacity") and that TransCanada intends to prepare and to submit to the NEB a Facilities Application, TransCanada shall place a notice on its electronic bulletin board and otherwise notify potential Service Applicants by fax or email that it will hold an open season (the "New Capacity Open Season"). Such notice shall:
  - (i) identify the Minimum Term for bids in support of the Facilities Application;
  - (ii) request that Service Applicants provide to TransCanada:
    - A. Bid Form(s) by the end of the New Capacity Open Season; and
    - B. By the date referred to in sub-Section 5.4(c)(i), all applicable supporting documentation set out in the National Energy Board's Filing Manual, determined by TransCanada to be necessary for submission to the NEB in support of TransCanada's Facilities Application and which evidence supports the Service Applicant's need for transportation service in the timeframe contemplated in the Service Applicant's Bid Form;
  - (iii) identify the New Service Start Date;
  - (iv) identify the dates on which the New Capacity Open Season will commence and end;
  - (v) indicate the System Segments which are being offered; and
  - (vi) identify any System Segments where TransCanada determines in its sole discretion that TransCanada may be limited as to the total New Capacity that may be made available and the time such New Capacity may be available.

**5.2 Bidding in the New Capacity Open Season**

- (a) Service Applicant shall submit a separate Bid Form, and other documentation as described in sub-Section 5.1(a)(ii) for each separate request. TransCanada shall



accept a Bid Form and documentation for the purposes of evaluation and allocation in accordance with sub-Section 5.3 hereof for:

- (i) capacity from a specified receipt point to a specified delivery point or area within the System Segment; or
- (ii) a different Date of Commencement; or
- (iii) a different service; or
- (iv) a Bid Form which is subject to the condition that another specified Bid Form(s) has been accepted.

Each Bid Form once received by TransCanada shall be irrevocable.

- (b) TransCanada shall not be obligated to accept any bid if Service Applicant has not provided financial assurances requested by TransCanada on any other transportation agreements between TransCanada and Service Applicant .
- (c) Information on the Bid Forms and in the supporting documentation provided pursuant to sub-Section 5.4(c)(i) will be kept confidential. However, TransCanada shall provide the information to the NEB if required or requested to do so by the NEB, including as needed to support a Facilities Application. Any information submitted by a Service Applicant who has not been allocated New Capacity pursuant to sub-Section 5.3 shall be destroyed by TransCanada.
- (d) Within 2 Banking Days of the end of the New Capacity Open Season, for each Bid Form New Service Applicant shall provide to TransCanada a Deposit equal to the lesser of:
  - (i) one (1) month demand charges for the maximum capacity set out on the Bid Form, calculated based on the tolls in place when the Bid Form was submitted; or
  - (ii) \$10,000.

### **5.3 Allocation of Capacity**

- (a) At the close of the New Capacity Open Season TransCanada shall rank the accepted Bid Forms and TransCanada shall, subject to sub-Section 5.3(b), allocate the New Capacity among Service Applicants in the following priority:
  - (i) First by the demand toll in effect for the service at the time the New Capacity Open Season closes, multiplied by the Contract term for each

Bid Form or combination of Bid Forms, with the bid(s) resulting in the highest overall total product having the highest priority;

- (I) If a Bid Form is for FT-SN Service the applicable demand toll for the purpose of determining such product shall be the demand toll for FT Service from the receipt point to the delivery point or area each specified in the Bid Form;
  - (II) If a Bid Form is for service pursuant to the SNB Toll Schedule then the product of demand toll and Contract term will be adjusted by multiplying such product by the requested maximum capacity and dividing such amount by the actual impact on capacity as determined by TransCanada;
- (ii) Then by the requested Date of Commencement, with the earliest requested Date of Commencement having the highest priority, provided that such commencement date is not earlier than the New Service Start Date.
- (b) If two (2) or more Bid Forms or combinations of Bid Forms have the same ranking, as determined by the procedure set in sub-Section 5.3(a) and the New Capacity is not sufficient to provide service for the quantities requested in those Bid Forms or combination of Bid Forms, then the New Capacity shall be allocated (rounded to the nearest GJ) on a pro-rata basis based on the maximum capacity requested in each Bid Form.
- (c) If the pro-rata share of remaining New Capacity allocated to a Bid Form pursuant to sub-Section 5.3(b) is less than the minimum capacity specified in such Bid Form, that Bid Form shall be deemed to be rejected by TransCanada and the remaining New Capacity shall be reallocated under sub-Section 5.3(b) excluding such Bid Form.
- (d) TransCanada shall allocate New Capacity to the Bid Forms with the highest rankings until all the Bid Forms have been processed or until all New Capacity has been allocated. If an offer of New Capacity is deemed to be withdrawn or rejected, pursuant to sub-Sections 5.4(c) or 5.5, then this New Capacity will be reallocated sequentially to the remaining Bid Forms according to the procedures in sub-Sections 5.3(a), (b), and (c).

**5.4 Notification to Service Applicants**

- (a) TransCanada will use reasonable efforts to notify, as soon as possible but in no event longer than fifteen (15) Banking Days of the close of the Open Season, by telephone, fax or otherwise, all Successful Bidders.
- (b) TransCanada shall return the Deposit to each New Service Applicant not offered any New Capacity.
- (c) TransCanada shall prepare and forward to each Successful Bidder:

- (i) a binding transportation service precedent agreement for the service requested pursuant to their Bid Form ("TransCanada's Offer"), which precedent agreement shall set forth the terms and conditions, including the conditions precedent, upon which the service is offered to Service Applicant (the "Precedent Agreement"). TransCanada's Offer shall be subject to the following condition:

The Successful Bidder has provided the supporting documentation, referred to in sub-Section 5.1(a)(ii), to TransCanada within 5 Banking Days (or such longer period agreed to by TransCanada) of receipt of the Precedent Agreement and such supporting documentation is complete, conforms to the requirements herein and is in a form satisfactory to TransCanada.

If TransCanada determines in its sole discretion that the condition is not satisfied, TransCanada shall notify in writing the Successful Bidder. The Successful Bidder shall have 5 Banking Days following receipt of such notification to satisfy the condition, or TransCanada's Offer shall be deemed to be withdrawn. TransCanada will have the option of allocating any New Capacity arising from withdrawn offers to any accepted Bid Forms that were not allocated New Capacity, pursuant to sub-Section 5.3; and

- (ii) The Financial Assurances Agreement.

Service Applicant may accept TransCanada's Offer by executing and returning the Precedent Agreement, and the Financial Assurances Agreement within thirty (30) calendar Days of Service Applicant's receipt thereof (the "Return Period") and Service Applicant's service request (the "Accepted Bid") shall then be included in support of TransCanada's Facilities Application ("Service Applicant's

Acceptance"). The Return Period may be extended at TransCanada's discretion, if so requested by Service Applicant.

- (d) Upon inclusion of an Accepted Bid in support of TransCanada's Facilities Application, Service Applicant shall then be obligated to provide to TransCanada any additional information that the NEB may require in accordance with NEB procedural orders and information requests in respect of TransCanada's Facilities Application.
- (e) Upon a New Service Applicant's Acceptance, if TransCanada provides service as set out in the Precedent Agreement (as it may be amended), the Deposit will be credited to the New Service Applicant in the first month(s) bill(s) for service, or returned to the New Service Applicant if the New Service Applicant so requests. If TransCanada is unable to provide the service as set out in the Precedent Agreement the Deposit will be returned to the New Service Applicant by TransCanada.

#### **5.5 Non-Acceptance of Offers**

- (a) If Service Applicant does not execute and return both the Precedent Agreement and Financial Assurances Agreement, and such other documents that TransCanada determines to be necessary within the Return Period, Service Applicant will have been deemed to have rejected TransCanada's offer (the "Rejected Offer"). In such case TransCanada will have no obligation to return the Deposit provided by a New Service Applicant, and Existing Service Applicants shall pay TransCanada an amount equal to the lesser of:
  - (i) one (1) month demand charges for the maximum capacity set out on the Bid Form, calculated based on the tolls in place when the Bid Form was submitted; or
  - (ii) \$10,000.
- (b) TransCanada will have the option of allocating any New Capacity arising from Rejected Offers to any accepted Bid Forms that were not allocated New Capacity, pursuant to sub-Section 5.3.

#### **5.6 Inclusion of Existing Capacity**

- (a) If TransCanada's determines in its sole discretion that prior to or during the New Capacity Open Season Existing Capacity is or becomes available, TransCanada shall:

(i) include such Existing Capacity in the New Capacity Open Season; or

(ii) change the New Capacity Open Season to include such Existing Capacity;

provided that such change is made no less than 5 Banking Days prior to the end of a New Capacity Open Season;

- (b) If TransCanada includes such Existing Capacity in a New Capacity Open Season, Service Applicant can apply for service pursuant to Section 4 or Section 5; and

- (c) If TransCanada includes such Existing Capacity in the New Capacity Open Season, TransCanada shall allocate such Existing Capacity to all Service Applicants for New Capacity and Existing Capacity pursuant to sub-section 4.4. If there remain Service Applicants for New Capacity whose requests were not satisfied, or only satisfied in part, such Service Applicants for New Capacity will be allocated New Capacity for such unsatisfied or partially satisfied requests pursuant to sub-section 5.3.

- (d) If such Existing Capacity is allocated to New Capacity requests with Dates of Commencement in the future such Existing Capacity shall be made available to Shippers, firstly as service under the FT-NR Toll Schedule, and secondly as service under the STFT Toll Schedule, during the period commencing on the date such Existing Capacity is available or becomes available and ending on the Day immediately prior to the requested Date(s) of Commencement.

## **6. MISCELLANEOUS PROVISIONS**

- a) This Procedure is subject to the provisions of the National Energy Board Act and any other legislation passed in amendment thereof or substitution therefore.
- b) Any upper cased term not defined herein shall have the meaning attributed thereto in the General Terms & Conditions of TransCanada's Tariff as amended from time to time.

APPENDIX "A"

EXISTING OR NEW CAPACITY OPEN SEASON BID FORM

System Segment: \_\_\_\_\_

The Delivery Point: \_\_\_\_\_ The Receipt Point: \_\_\_\_\_

Date of Commencement: \_\_\_\_\_ Service Termination Date: \_\_\_\_\_

Maximum Capacity: \_\_\_\_\_ GJ/Day Minimum Capacity: \_\_\_\_\_ GJ/Day

Type of Service Requested: FT \_\_\_\_\_ FT-NR \_\_\_\_\_ FT-SN \_\_\_\_\_ SNB \_\_\_\_\_ STS-L \_\_\_\_\_  
STS \_\_\_\_\_

Allocated Existing Capacity: \_\_\_\_\_ GJ's/Day

Service Applicant Contact

Name: \_\_\_\_\_

Address: \_\_\_\_\_

Telephone: \_\_\_\_\_ Telecopy: \_\_\_\_\_

Is this Bid Form conditional upon another bid form(s)?

**Yes** \_\_\_\_ **No** \_\_\_\_ If **Yes**, the Bid Form(s), upon which this Bid Form is conditional must be attached. Indicate number of bid forms attached: \_\_\_\_.

The Bid Form shall be subject to the General Terms and Conditions, the applicable Toll Schedule and List of Tolls of TransCanada's Tariff.

Dated this \_\_\_\_\_ Day of \_\_\_\_\_, \_\_\_\_.

Service Applicant:

By: \_\_\_\_\_

By: \_\_\_\_\_

Title: \_\_\_\_\_

Title: \_\_\_\_\_

## TRANSPORTATION ACCESS PROCEDURE

## APPENDIX "B"

## DAILY EXISTING CAPACITY OPEN SEASON BID FORM

System Segment: \_\_\_\_\_

The Delivery Point: \_\_\_\_\_ The Receipt Point: \_\_\_\_\_

Date of Commencement: \_\_\_\_\_ Service Termination Date: \_\_\_\_\_

Maximum Capacity: \_\_\_\_\_ GJ/Day Minimum Capacity: \_\_\_\_\_ GJ/Day

Type of Service Requested: FT\_\_\_\_ FT-NR\_\_\_\_ FT-SN\_\_\_\_ SNB\_\_\_\_ STS-L\_\_\_\_  
STS\_\_\_\_\_

Allocated Existing Capacity: \_\_\_\_\_ GJ's/Day

## Service Applicant Contact

Name: \_\_\_\_\_

Address: \_\_\_\_\_

Telephone: \_\_\_\_\_ Telecopy: \_\_\_\_\_

Is this Daily Existing Capacity Open Season Bid Form conditional upon another Daily Existing Capacity Open Season Bid Form(s)?

**Yes** \_\_\_\_ **No** \_\_\_\_ If **Yes**, the Daily Existing Capacity Open Season Bid Form(s), upon which this Daily Existing Capacity Open Season Bid Form is conditional must be attached. Indicate number of Daily Existing Capacity Open Season Bid Forms attached:\_\_\_\_\_.

Service Applicant agrees that:

1. This Bid Form once received by TransCanada shall be irrevocable and cannot be withdrawn or amended by Service Applicant unless such Daily Existing Capacity Open Season Bid Form is subject to the condition that another Daily Existing Capacity Open Season Bid Form as set out in the Daily Existing Capacity Open Season Bid Form has been accepted and shall be subject to the General Terms and Conditions, the applicable Toll Schedule and List of Tolls of TransCanada's Tariff; and
2. Service Applicant shall execute the Transportation Contract within 1 Banking Day from the Day TransCanada provides such Transportation Contract.

Dated this \_\_\_\_\_ Day of \_\_\_\_\_, \_\_\_\_\_.

Service Applicant:

By: \_\_\_\_\_

By: \_\_\_\_\_

Title: \_\_\_\_\_

Title: \_\_\_\_\_

Signed: \_\_\_\_\_

Signed: \_\_\_\_\_

**SHORT TERM SHORT NOTICE SERVICE**

**TOLL SCHEDULE**

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ST-SN TOLL SCHEDULE**1. DEFINITIONS**

1.1. For the purposes of the ST-SN Toll Schedule, the following terms shall be defined as:

- (a) "Available Short Term Capacity" shall have the meaning attributed to it in sub-section 2.3;
- (b) "Block Period" shall have the meaning attributed to it in sub-section 2.3;
- (c) "East/West Differential" shall have the meaning attributed to it in sub-section 3.3(c)(iii);
- (d) "Maximum Daily Quantity" shall mean for any shipper the Maximum Daily Quantity set out on such shipper's bid or the Maximum Daily Quantity as amended by TransCanada pursuant to sub-section 3.3(d);
- (e) "Minimum Daily Quantity" shall mean for any shipper the Minimum Daily Quantity set out on such shipper's bid;
- (f) "Posting Period" shall have the meaning attributed to it in sub-section 3.2;
- (g) "Remaining Capacity" shall have the meaning attributed to it in sub-section 2.3;
- (h) "Service Period" shall have the meaning attributed to it in sub-section 2.3;
- (i) "ST-SN" shall mean Short Term Short Notice;
- (j) "Bid Price" shall have the meaning attributed to in sub-section 3.3(b);
- (k) "ST-SN Contract" shall have the meaning attributed to it in sub-section 2.1(a);
- (l) "System Capacity" shall mean TransCanada's pipeline facilities and TransCanada's contractual entitlement on the pipeline systems of the Great Lakes Gas Transmission Limited Partnership, Union Gas Limited and Trans Quebec and Maritimes Pipeline Inc.;
- (m) "System Segment" shall have the meaning attributed to it in sub-section 2.3.

**2. AVAILABILITY****2.1 Availability of Service**

Any Shipper shall be eligible to receive service pursuant to this ST-SN Toll Schedule provided such Shipper:

- (a) has entered into a Short Term Short Notice service contract (the "ST-SN Contract") with TransCanada or has obtained an Order of the NEB, pursuant to sub-Section 71(2) of the National Energy Board Act, as amended from time to time ("71(2) Order"), requiring TransCanada to transport gas for Shipper subject

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ST-SN TOLL SCHEDULE

to the provisions of this ST-SN Toll Schedule and to the terms and conditions contained in the 71(2) Order;

- (b) has provided TransCanada with financial assurances as required by TransCanada pursuant to Section XXIII of the General Terms and Conditions referred to in Section 7 hereof; and
- (c) Service pursuant to this ST-SN Toll Schedule is only available at a delivery point that:
  - (i) has flow control facilities that are operated by TransCanada; and
  - (ii) is not grouped with any other delivery point or meter station for purposes of transportation service contracts and nominations; and
  - (iii) is exclusively for delivery of gas under Contracts for Short Notice Services.

## 2.2 Facilities Construction Policy

In order to provide service pursuant to this ST-SN Toll Schedule, TransCanada utilizes capacity available from its System Capacity. It is understood that TransCanada shall not construct additional facilities for the purpose of providing service hereunder.

## 2.3 Capacity Available for ST-SN

The total capacity available to Shippers under this ST-SN Toll Schedule shall be TransCanada's transportation capacity remaining, as determined by TransCanada in its sole discretion, after having made provision for all firm obligations with Shipper and all other Shippers (the "Remaining Capacity").

Remaining Capacity made available for Shippers under this ST-SN Toll Schedule shall be offered in respect of certain segments of TransCanada's System Capacity, each such segment being defined by reference to the receipt point and the delivery point or delivery area applicable thereto (a "System Segment"). Service under this ST-SN Toll Schedule shall be offered for a specific period of time (a "Service Period") which may consist of a specified number of days not less than seven (7) consecutive days, a separate monthly period or any combination of consecutive monthly periods (such combination of consecutive monthly periods hereinafter called a "Block Period"). TransCanada shall

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ST-SN TOLL SCHEDULE

notify Shippers of the Remaining Capacity offered for each combination of System Segments and Service Periods (the "Available Short Term Capacity").

## **2.4 Short Term Availability Periods**

TransCanada, in its sole discretion, may offer Available Short Term Capacity in any combination of System Segments, for a specified number of days not less than seven (7) consecutive days, monthly periods and Block Periods for a period extending up to one (1) year less one (1) day.

## **3. APPLICABILITY AND CHARACTER OF SERVICE**

### **3.1 Definition of ST-SN Service**

- (a) On each Day during the term of the ST-SN Contract that Shipper has been allocated Available Short Term Capacity, Shipper shall be entitled to nominate for service hereunder for a quantity of gas equal to or less than the Maximum Daily Quantity as set out in Shipper's ST-SN Contract (Shipper's "Reservation Entitlement"). Nominations for service shall be made pursuant to Section XXII of the General Terms and Conditions. Service hereunder shall not be subject to curtailment or interruption except as provided in this ST-SN Toll Schedule, the ST-SN Contract, and Section XI, Section XIV and Section XV of the General Terms and Conditions; provided however, that if Shipper fails to provide on an ongoing and timely basis to TransCanada satisfactory evidence of its right to remove from the province or country of production all or any part of the quantities of gas to be transported by TransCanada under the ST-SN Contract, Shipper shall be in default hereunder (a "Default") to the extent of the daily quantity not authorized for removal from the province or country of production as aforesaid (the "Default Quantity"). TransCanada shall be entitled to immediately suspend service for a quantity up to, and including, the Default Quantity until such time as Shipper remedies the Default, when TransCanada shall terminate any such suspension and resume service as to that part of the Default Quantity in respect of which the Default has been remedied.
- (b) Shipper shall not, without TransCanada's consent, deliver gas to the receipt point or receive gas from the delivery point, each as specified in the ST-SN Contract, at an hourly rate of flow in excess of five percent of Reservation Entitlement.

**3.2 Notification of Available Short Term Capacity**

TransCanada shall post Available Short Term Capacity for a period of 5 Banking Days (the "Posting Period"). If some or all of the Available Short Term Capacity has not been allocated at the end of a Posting Period, TransCanada may, in its sole discretion, continue to post Available Short Term Capacity on a daily basis. At the end of the Posting Period and any daily posting, TransCanada shall allocate Available Short Term Capacity among Shipper bids received by TransCanada.

The Available Short Term Capacity shall be posted on TransCanada's electronic bulletin board and web site as follows:

- (a) During the period of January 1-15 for the Summer Period (April 1 to October 31) and during the period of July 1-15 for the Winter Period (November 1 to March 31);
- (b) If Available Short Term Capacity is not posted on a daily basis, TransCanada will post Available Short Term Capacity on or before the 7<sup>th</sup> day of each month; or
- (c) At any time TransCanada determines in its sole discretion that there is Available Short Term Capacity.

Available Short Term Capacity shall be allocated in accordance with Section 3.3 hereunder.

**3.3 Allocation of Available Short Term Capacity****(a) Shipper Bids**

For each combination of System Segment and Service Period in which Shipper wishes to request service under this ST-SN Toll Schedule, Shipper shall submit a written bid to TransCanada's Contracts and Billing Department by telecopier or through TransCanada's electronic bulletin board during the bid period. No Shipper bid shall be accepted by TransCanada if received after the bid deadline specified in the posting of Available Short Term Capacity. Each Shipper bid shall be in the form of an Exhibit "A" Addendum to the ST-SN Contract, duly completed with the information described below and executed by Shipper.

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ST-SN TOLL SCHEDULE

Each Shipper bid shall contain the following information:

- Shipper name and address
- Shipper contact, telephone number and telecopier number
- System Segment for which bid is being made pursuant to sub-Section 3.3 (b)
- Receipt point and delivery point or delivery area
- Service Period
- Maximum Daily Quantity (in GJ)
- Minimum Daily Quantity pursuant to sub-Section 3.3 (c) (ii)
- Bid Price determined pursuant to sub-Section 3.3 (b)

Shipper must submit separate Shipper bids for each separate combination of System Segment and Service Period. Shipper shall be entitled to submit more than one Shipper bid for any combination of System Segment and Service Period, but Shipper bids for the same System Segment shall not have the same Bid Price. Shipper shall not be entitled to submit multiple Shipper bids for any System Segment where the aggregate Maximum Daily Quantity of the multiple Shipper bids is greater than the Available Short Term Capacity being offered for that System Segment. Shipper bids which do not conform to these requirements shall be rejected and TransCanada shall be under no obligation to notify Shipper of any such rejection or to provide Shipper with any opportunity to correct or complete its Shipper bid.

(b) **Bid Price**

Bids for Available Short Term Capacity shall be expressed in Canadian dollars and cents per GJ per day (\$CDN/GJ/day). Bids for Available Short Term Capacity shall not be less than the 100% Load Factor FT-SN Toll for the applicable System Segment listed in the List of Tolls referred to in Section 7 hereof in effect at the time the bids are received by TransCanada (each a "Bid Price") for service pursuant to the ST-SN Toll Schedule.

Provided however, if the NEB has approved a new FT-SN Toll and the Shipper is requesting ST-SN service commencing on or after the effective date of the new FT-SN Toll, then Shipper's Bid Price shall not be less than the 100% Load Factor of the new FT-SN Toll. If TransCanada has a rolling daily Short Term Capacity

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ST-SN TOLL SCHEDULE

posting in effect then Shipper may bid the new FT-SN Toll on the second Banking Day following the date of the NEB approval of such new FT-SN Toll.

Bids for Available Short Term Capacity must identify the System Segment offered by TransCanada for which the Shipper is bidding. The Shipper's requested receipt point and delivery point for Available Short Term Capacity must be contained wholly within the requested System Segment.

(c) **Allocation of Available Short Term Capacity**

All Available Short Term Capacity for each combination of System Segment and Service Period offered by TransCanada shall be allocated among Shipper bids pursuant to this ST-SN Toll Schedule and Shipper bids pursuant to the STFT Toll Schedule. For purposes of allocation hereunder the Bid Price for bids for service pursuant to the ST-SN Toll Schedule shall be divided by 1.1. Such allocation process is as follows:

- (i) Subject to sub-Sections 3.3(c)(ii) and (iii), for all Shipper bids for System Segments which compete for the same capacity and:
  - A. have the same Service Period, TransCanada shall rank Shipper bids in descending order from the highest to lowest Bid Price and TransCanada shall allocate Available Short Term Capacity to the Shipper bids resulting in the highest aggregate transportation revenue; or
  - B. have a different Service Period, for each different Service Period, TransCanada shall rank Shipper bids Available Short Term Capacity in descending order from the highest to lowest Bid Price and TransCanada shall allocate Available Short Term Capacity to the Shipper bids resulting in the highest aggregate transportation revenue.
- (ii) If 2 or more Shipper bids result in the same aggregate transportation revenue and the Available Short Term Capacity is not sufficient to provide service for the quantities requested in such Shipper bids, the Available Short Term Capacity shall be allocated pro-rata among such Shipper bids

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ST-SN TOLL SCHEDULE

If such pro-rata share falls below the Minimum Daily Quantity specified by a Shipper in its Shipper bid, such pro-rata share allocated shall be deemed to be rejected, and TransCanada will reallocate among the remaining Shipper bids.

- (iii) For the purpose of evaluating Shipper bids and allocating Available Short Term Capacity, TransCanada shall add the east/west differential (the "East/West Differential") to all Shipper bids for Western Service, which shall be determined as the sum of the difference between Eastern Zone and Manitoba Zone costs for the following items:

- A. the increment of the percentage of marginal fuel costs in excess of the percentage of average fuel costs over the twelve (12) month period immediately preceding the date that tolls become effective, priced at the average Empress border spot price for the preceding twelve (12) month period, as published in *Canadian Gas Price Reporter* or, if such publication ceases to exist, such other reporting service as TransCanada may deem appropriate, where the incremental marginal fuel cost in the Eastern Zone is for the northern route of the TransCanada system only; and
- B. the applicable commodity toll then in effect from Empress, Alberta.

(d) **Notification to Shippers**

Within three (3) Banking Days of the end of any applicable bid period for Available Short Term Capacity TransCanada shall notify, in the manner set forth in the ST-SN Contract or through TransCanada's electronic bulletin board, all Shippers who have been allocated any of the Available Short Term Capacity. The daily capacity allocated to each Shipper shall be such Shipper's allocated Maximum Daily Quantity. If Shipper is allocated service hereunder, TransCanada will, if necessary, and is hereby authorized to, amend the Exhibit "A" Addendum submitted by Shipper as its Shipper bid to reflect the allocation of Available Short Term Capacity to such Shipper. The Exhibit "A" Addendum shall then be executed by TransCanada and forwarded to Shipper. Each executed Exhibit "A" Addendum shall be binding on TransCanada and Shipper.

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ST-SN TOLL SCHEDULE**4. MONTHLY BILL****4.1 Transportation Service**

The monthly bill payable by Shipper to TransCanada for transportation service hereunder shall be equal to the ST-SN Bid Price (\$CDN/GJ/day) set out in each Exhibit "A" Addendum multiplied by Shipper's ST-SN allocated Maximum Daily Quantity and the number of days of ST-SN Service during the month. These transportation service charges are payable by Shipper notwithstanding any failure by Shipper during such month, for any reason whatsoever, including force majeure or Default by Shipper under subSection 3.1 hereof, to deliver Shipper's Receipt Volume to TransCanada at the receipt point.

**4.2 Delivery Pressure Service**

Shipper shall also pay monthly to TransCanada a charge for delivery pressure provided that deliveries hereunder are made to a delivery point at which a charge for delivery pressure has been approved by the NEB (and set forth in the List of Tolls referred to in Section 8 hereof). The monthly delivery pressure charge at each such delivery point shall be the product of the applicable Delivery Pressure Daily Demand Toll and the total of Shipper's quantities to be delivered hereunder at that delivery point during such month determined as the ST-SN allocated Maximum Daily Quantity multiplied by the number of days of ST-SN Service during such month. The said delivery pressure demand charge is payable by Shipper notwithstanding any failure by Shipper during such month, for any reason whatsoever including force majeure or a Default by Shipper under Section 3.1 hereof, to deliver Shipper's Authorized Quantity to TransCanada at the receipt point.

**4.3 Fuel**

For each month, Shipper shall provide, on a daily basis, a quantity of fuel based on a monthly fuel ratio to be established by TransCanada from time to time.

**5. TRANSPORTATION AND DELIVERY PRESSURE CHARGE ADJUSTMENTS****5.1 Transportation Charge Adjustments**

If during any day, TransCanada fails to deliver the quantity of gas requested by Shipper up to the Reservation Entitlement, for any reason related solely to TransCanada's operations, including an event of force majeure occurring on any of the pipeline systems



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ST-SN TOLL SCHEDULE

of TransCanada, Great Lakes Gas Transmission Company, Union Gas Limited, and Trans Quebec & Maritimes Pipeline Inc., then the transportation service charges payable pursuant to Section 4.1 hereof shall be reduced by an amount equal to the ST-SN Bid Price multiplied by the difference between the quantity of gas which TransCanada actually delivered to Shipper on such day, and the quantity of gas which such Shipper in good faith nominated for delivery on such day.

**5.2 Delivery Pressure Charge Adjustments**

For any day on which transportation service charges are adjusted pursuant to Section 5.1 above, the delivery pressure charge payable by Shipper pursuant to Section 4.2 hereof shall also be adjusted. The delivery pressure charge shall be reduced by an amount equal to the applicable Daily Equivalent Delivery Pressure Demand Toll multiplied by the difference between the quantity of gas which TransCanada actually delivered to Shipper on such day and the quantity which such Shipper in good faith nominated for delivery on such day.

**5.3 Shipper's Receipt or Delivery Failure**

If TransCanada refuses to accept deliveries of Shipper's gas or curtails receipts from or deliveries to Shipper pursuant to sub-section 1(b) of Section II of the General Terms and Conditions, then there shall be no corresponding reduction in transportation service or delivery pressure charges to Shipper.

**6. ASSIGNMENTS**

- 6.1 Assignments of any ST-SN Contracts into which this ST-SN Toll Schedule is incorporated are expressly prohibited without TransCanada's prior written consent.

**7. MISCELLANEOUS PROVISIONS**

- 7.1 The General Terms and Conditions and the List of Tolls of TransCanada's Transportation Tariff, as amended from time to time, are applicable to this ST-SN Toll Schedule and are hereby made a part hereof. If there is any conflict between the provisions of this ST-SN Toll Schedule and the General Terms and Conditions, the provisions of this ST-SN Toll Schedule shall prevail.

**ST-SN TOLL SCHEDULE**

- 7.2 This ST-SN Toll Schedule, the List of Tolls and the General Terms and Conditions are subject to the provisions of the *National Energy Board Act* or any other legislation passed in amendment thereof or substitution therefor.

**SHORT TERM SHORT NOTICE SERVICE CONTRACT**

THIS SHORT TERM SHORT NOTICE SERVICE CONTRACT,  
made as of the \_\_\_\_ day of \_\_\_\_\_, 20\_\_

BETWEEN:

TRANSCANADA PIPELINES LIMITED  
a Canadian Corporation ("TransCanada")  
OF THE FIRST PART

AND:

\_\_\_\_\_,  
\_\_\_\_\_  
\_\_\_\_\_

("Shipper")  
OF THE SECOND PART

WITNESSES THAT:

WHEREAS TransCanada owns and operates a natural gas pipeline system extending from a point near the Alberta/Saskatchewan border where TransCanada's facilities interconnect with the facilities of NOVA Gas Transmission Ltd. easterly to the Province of Quebec with branch lines extending to various points on the Canada/United States of America International Border; and

WHEREAS Shipper has satisfied in full, or TransCanada has waived, each of the availability conditions set out in Section 2.1 of TransCanada's ST-SN Toll Schedule referred to in Section 8.1 hereof; and

WHEREAS the quantities of gas delivered hereunder by Shipper or Shipper's agent to TransCanada are to be removed from the province or country of production of such gas by Shipper and/or Shipper's suppliers and/or its (their) designated agent(s) pursuant to valid and subsisting permits, licenses or other such authorizations.

NOW THEREFORE, in consideration of the premises and the mutual covenants and agreements herein contained, TransCanada and Shipper covenant and agree as follows:

**ARTICLE I - DEFINITIONS**

1.1 Capitalized terms used but not defined in this Contract shall have the meaning ascribed to such terms in the ST-SN Toll Schedule and in TransCanada's Transportation Tariff, as they may be amended from time to time.

**ARTICLE II - GAS TO BE TRANSPORTED**

2.1 Subject to the provisions of this Contract, the ST-SN Toll Schedule, the List of Tolls, and the General Terms and Conditions referred to in Section 8.1 hereof, TransCanada shall provide firm transportation service to Shipper for such period of time and in respect of a quantity of gas not in excess of the Maximum Daily Quantity specified in the Addendum to this Contract executed from time to time, which Addendum shall be in the form attached hereto as Exhibit "A".

**ARTICLE III - DELIVERY POINT(S) AND RECEIPT POINT(S)**

3.1 The Delivery Point(s) hereunder are those points specified as such in Exhibit "A" Addendum entered into from time to time by the parties.

3.2 The Receipt Point(s) hereunder are those points specified as such in Exhibit "A" Addendum entered into from time to time by the parties.

**ARTICLE IV - TOLLS**

4.1 Shipper shall pay for all transportation service hereunder in accordance with TransCanada's ST-SN Toll Schedule, List of Tolls, and General Terms and Conditions set out in TransCanada's Transportation Tariff, as each may be amended from time to time by the National Energy Board ("NEB"). The toll to be paid by Shipper hereunder shall be that ST-SN Bid Price specified in Exhibit "A" Addendum to this Contract entered into from time to time by the parties for the transportation service described therein.

**ARTICLE V - TERM OF CONTRACT**

5.1 This Contract shall be effective from the date hereof and shall continue in force unless terminated in accordance with Section 5.2 hereof or the provisions of the General Terms and Conditions set out in TransCanada's Transportation Tariff.

5.2 In addition to the termination provisions set out in the General Terms and Conditions of TransCanada's Transportation Tariff, either party shall have the right to terminate this Contract at any time by giving the other party thirty (30) days prior written notice. Upon expiration of the aforesaid thirty (30) day period, this Contract shall terminate and be of no further force or effect; provided that nothing herein shall relieve either party from any obligations which arose prior to the effective date of such termination, including all obligations under Exhibit "A" Addendum in force on the effective date of such termination.

**ARTICLE VI - NOTICES**

6.1 Any notice, request, demand, statement or bill (for the purpose of this paragraph, collectively referred to as "Notice") to or upon the respective parties hereto shall be in writing and shall be directed as follows:

**IN THE CASE OF TRANSCANADA:** TransCanada PipeLines Limited

- |                        |   |
|------------------------|---|
| (i) mailing address:   | P.O. Box 1000<br>Station M<br>Calgary, Alberta<br>T2P 4K5                           |
| (ii) delivery address: | TransCanada Tower<br>450 – 1 <sup>st</sup> Street S.W.<br>Calgary, Alberta, T2P 5H1 |
|                        | Attention: Director, Customer Service<br>Telecopy: _____                            |
| (iii) nominations:     | Attention: Manager, Nominations & Allocations<br>Telecopy: _____                    |
| (iv) bills:            | Attention: Manager, Contracts & Billing<br>Telecopy: _____                          |
| (v) other matters:     | Attention: Director, Customer Service<br>Telecopy: _____                            |

**IN THE CASE OF SHIPPER:**

(i) mailing address:

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---

---

(ii) delivery address:

---

---

(iii) nominations:

Attention: 

---

  
Telecopy: 

---

(iv) bills:

Attention: 

---

  
Telecopy: 

---

  
E-mail address: 

---

(v) other matters:

Attention: 

---

  
Telecopy: 

---

Notice may be given by telecopier or other telecommunication device and any such Notice shall be deemed to be given four (4) hours after transmission. Notice may also be given by personal delivery or by courier and any such Notice shall be deemed to be given at the time of delivery. Any Notice may also be given by prepaid mail and any such Notice shall be deemed to be given four (4) days after mailing, Saturdays, Sundays and statutory holidays excepted. In the event regular mail service, courier service, telecopier or other telecommunication service shall be interrupted by a cause beyond the control of the parties hereto, then the party sending the Notice shall utilize any service that has not been so interrupted to deliver such Notice. Each party shall provide Notice to the other of any change of address for the purposes hereof. Any Notice may also be given by telephone followed immediately by personal delivery, courier, prepaid mail, telecopier or other telecommunication, and any Notice so given shall be deemed to be given as of the date and time of the telephone notice.

**ARTICLE VII - DELIVERY PRESSURE**

7.1 Shipper shall pay for all delivery pressure service hereunder in accordance with the provisions of the ST-SN Toll Schedule, List of Tolls and General Terms and Conditions of TransCanada's Transportation Tariff, as each may be amended from time to time.

**ARTICLE VIII - MISCELLANEOUS PROVISIONS**

8.1 The ST-SN Toll Schedule, the List of Tolls, and the General Terms and Conditions set out in TransCanada's Transportation Tariff, as each may be amended from time to time by the NEB, are all by reference made a part of this Contract and transportation service hereunder shall, in addition to the terms and conditions of this Contract, be subject to the provisions thereof. TransCanada shall notify Shipper at any time that TransCanada files with the NEB revisions to the ST-SN Toll Schedule, the List of Tolls, and/or the General Terms and Conditions (the "Revisions") and shall provide Shipper with a copy of the Revisions.

8.2 The headings used throughout this Contract, the ST-SN Toll Schedule, the List of Tolls and the General Terms and Conditions are inserted for convenience of reference only and are not intended to be considered or taken into account in construing the terms or provisions thereof nor to be deemed in any way to qualify, modify or explain the effect of any such provisions or terms.

8.3 This Contract shall be construed and applied, and be subject to the laws of the Province of Alberta, and, where applicable, the laws of Canada, and shall be subject to the rules, regulations and orders of any regulatory or legislative authority having jurisdiction.

8.4 This Contract, including the Exhibit "A" Addendum attached hereto, each Exhibit "A" Addendum entered into from time to time by the parties, and all terms, conditions and provisions incorporated herein by reference, constitute the entire agreement between the parties pertaining to the subject matter hereof and supersedes all prior agreements, representations and understandings, written or oral, pertaining thereto. Except as otherwise provided for herein, no modification, amendment or variation to this Contract shall be effective unless such modification, amendment or variation is in writing and signed by both parties hereto.

IN WITNESS WHEREOF the parties hereto have executed this Contract as of the date written above.

Shipper:

TRANSCANADA PIPELINES LIMITED:

By: \_\_\_\_\_

By: \_\_\_\_\_

Title: \_\_\_\_\_

Title: \_\_\_\_\_

By: \_\_\_\_\_

By: \_\_\_\_\_

Title: \_\_\_\_\_

Title: \_\_\_\_\_



**EXHIBIT "A" ADDENDUM**

Page \_\_\_\_ of \_\_\_\_

**Short Term Short Notice Service Contract Addendum**

This Exhibit "A" Addendum, made as of the \_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, to the Short Term Firm Transportation Service Contract made as of the \_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, between TransCanada PipeLines Limited ("TransCanada") and \_\_\_\_\_ ("Shipper").

System Segment \_\_\_\_\_

The Delivery Point hereunder is the point of interconnection between the pipeline facilities of TransCanada and \_\_\_\_\_ which is located at or near \_\_\_\_\_.

The Receipt Point hereunder is the point of interconnection between the pipeline facilities of TransCanada and \_\_\_\_\_ which is located at or near \_\_\_\_\_.

ST-SN Service Period: \_\_\_\_\_

Maximum Daily Quantity: \_\_\_\_\_ GJ Minimum Daily Quantity: \_\_\_\_\_ GJ

ST-SN Bid Price (\$/ GJ/day, maximum 4 decimal places): \_\_\_\_\_.

**Shipper Contact**

Name: \_\_\_\_\_

Address: \_\_\_\_\_

\_\_\_\_\_

Telephone: \_\_\_\_\_ Telecopy : \_\_\_\_\_

Dated this \_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

Shipper:

TransCanada PipeLines Limited:

By: \_\_\_\_\_

By: \_\_\_\_\_

Title: \_\_\_\_\_

Title: \_\_\_\_\_

By: \_\_\_\_\_

By: \_\_\_\_\_

Title: \_\_\_\_\_

Title: \_\_\_\_\_

### Tab 3 - TTF Reporting

# INDEX

1 Report date January 16, 2009

# 1 Tolls Task Force Procedures

1 Roster as of January 12, 2009

01.2009	2009 Toll Setting <sup>1</sup>
02.2009	Short Term Short Notice Service (ST-SN)

Sheet 1 of 2

# Tolls Task Force



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| 03.2009 | Changes to STFT Capacity Postings and Daily Existing Capacity Open Season Bid Deadline |
| 04.2009 | FT-RAM, STS-RAM and STSL-RAM Permanent Tariff Feature <sup>2</sup>                     |

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<sup>2</sup> Filed under separate cover, TransCanada PipeLines Limited (TransCanada) Application for approval for FT-RAM, STS-RAM and STSL-RAM Permanent Tariff Feature effective November 1, 2009.

# Tolls Task Force



## 2009 TOLLS TASK FORCE

### REPORT NO. 1

The 2009 Tolls Task Force is filing its first report together with four (4) resolutions approved by unopposed resolution at the Tolls Task Force meeting in Calgary on January 7<sup>th</sup>, 2009 as follows:

- |         |  |
|---------|--|
| 01.2009 | 2009 Toll Setting  |
| 02.2009 | Short Term Short Notice Service (ST-SN)  |
| 03.2009 | Changes to STFT Capacity Postings and Daily Existing Capacity Open Season Bid Deadline |
| 04.2009 | FT-RAM, STS-RAM and STSL-RAM Permanent Tariff Feature                                  |

The Issue Sheets, explanatory and tariff documents for the above Resolutions are included as background to the issues and outline the purpose of the resolutions.

This report is respectfully submitted on behalf of the 2009 Tolls Task Force on this 16<sup>th</sup> day of January, 2009.

W. Simpson  
Chair, Tolls Task Force

# Tolls Task Force



## TOLLS TASK FORCE PROCEDURES

### **TASK FORCE**

The TransCanada Tolls Task Force ("Task Force") was created to seek consensus on the resolution of issues related to the tolls, tariffs and operations of TransCanada PipeLines Limited ("TransCanada") in the context of TransCanada's Tolls Applications.

### **PARTICIPANTS**

The Task Force shall consist of Members and Observers.

### **MEMBERS**

The Task Force Members will be TransCanada and the interested parties who wish to participate actively in the Task Force process. Task Force Members will be entitled to receive notice of, and to send representatives to, all Task Force meetings, and to receive a copy of all Task Force communications and documentation. Only Members shall be entitled to vote on the resolution of issues.

### **OBSERVERS**

The Task Force Observers will be the interested parties who wish to participate passively in the Task Force process. Observers are not entitled to vote on the resolution of issues.

### **REPRESENTATIVES**

Company representatives will be "business" people, those who have been given the authority to make commitments on behalf of their company/organization.

No Tolls Task Force representative will be permitted to "cross-examine" during a TransCanada tolls hearing.

### **SECRETARY**

TransCanada shall appoint the Secretary of the Task Force.

### **PURPOSE**

The Task Force shall attempt to reach consensus on the resolution of issues raised by Task Force Members or deferred from prior Task Forces that are relevant to TransCanada's tolls applications, and to resolve the responses to National Energy Board ("NEB") directives in prior decisions that should be made in conjunction with the tolls applications. All Task Force Members will work toward trying to reach agreement on the resolution of these matters, with a view to reducing the adversarial



## TOLLS TASK FORCE PROCEDURES

aspects of NEB hearings, as well as reducing hearing time and associated costs. If consensus on the resolution of a particular issue, or response to an NEB directive, cannot be reached the Task Force Members will work toward focusing or reducing the number of alternate resolutions of the issue or responses to the NEB directive.

### PARTICIPATION

Participation in the Task Force process is open to any party having a discernible interest in or affected by toll, tariff and operational matters, such as shippers, industry associations and governments of consuming and producing provinces. An interested party may participate actively, as a Task Force Member, or passively, as a Task Force Observer.

Notice of the Task Force process will be given to TransCanada's shippers and to interveners in TransCanada's last tolls hearing by letters and to other interested parties and the general public by newspaper advertisements. It is the responsibility of any party wishing to participate to respond to such notice at any time within the process.

### WITHOUT PREJUDICE

To facilitate free and open communication in the discussion and negotiation of issues, participation by all interested parties in the Task Force process shall be conducted on a completely "without prejudice" basis. This means that any documents, information and any communications not already in the public domain, written or oral, that are created or made as part of the Task Force process shall be considered to be privileged and confidential, and shall be divulged only to persons within TTF Members' own organisation, including consultants, who have a clear need to have that information and only after ensuring that any person to whom disclosure is made is made aware of the confidential nature of the information. The information shall not be filed, referred to or otherwise used in any hearing or other proceeding before the NEB, any other regulatory tribunal, or made public otherwise, without the prior consent of all task



## TOLLS TASK FORCE PROCEDURES

Force Members. The sole exceptions shall be that any member may file, refer to, or otherwise use a document created or made by that Member or if such disclosure is required by law, or by the order of a court, regulatory tribunal or other governmental body of competent jurisdiction.

### PROCEDURES

**Agenda:** Prior to each meeting of the Task Force, TransCanada will provide Members and Observers with an agenda and any relevant documents on the issues to be considered at the meeting.

**Issues:** TransCanada will record the various issues and NEB directives discussed in the Task Force meetings in the following categories:

- a) NEB directives;
- b) issues raised by Task Force Members; and
- c) issues deferred by prior Task Forces

**Identifying and Processing Issues:** Members who wish to raise an issue through the Task Force should ensure that proper documentation is provided to the Secretary for inclusion with the agenda for the next meeting.

An issue will be accepted for discussion by the Task Force once it has been fully delineated by the Member sponsoring the issue. The Task Force will review each potential issue and, if accepted as an issue (by majority vote), will decide whether that issue will be addressed by the Task Force or instead be referred to a subcommittee of the Task Force.

Once an issue has been accepted by the Task Force, the Secretary will prepare an Issue Fact Sheet (utilizing information provided by the Member raising the issue), give it an Issue Number and ensure that the issue is added to the appropriate agenda as directed by the Task Force (Task Force or sub-committee).





## TOLLS TASK FORCE PROCEDURES

The Member bringing forward the issue will make a presentation at the next Task Force (or sub-committee) meeting if so directed by the Task Force. A hard copy of the presentation must be available for inclusion in the minutes.

**Sub-Committee:** An issue referred to a sub-committee will be discussed at up to two meetings (following the initial presentation to the sub-committee). The sub-committee will be responsible for providing an update of its activities, to be reviewed at each Tolls Task Force meeting. The issue will be voted on by the sub-committee, and then forwarded to the Task Force for disposition. The minutes of the sub-committee meetings will only record the results (i.e. Unanimous, Unopposed, Opposed, Non-Resolution) of the vote.

To the extent that two meetings prove insufficient to reach a resolution, the sub-committee may, of its own volition by a majority vote, agree to deal with the issue at a third sub-committee meeting, following which the issue must be automatically referred back to the Task Force for disposition. The Task Force may decide to send the issue back to the sub-committee for a further cycle.

Once an issue has been returned to the Task Force for disposition, the results (i.e. Unanimous, Unopposed, Opposed, Non-Resolution) of the vote of the Task Force will be recorded on the Issue Fact Sheet. Task Force Members may choose to be identified if they so wish.

**Voting:** Each Member shall have one vote. Members unable to attend the meeting may vote by phone, e-mail or by fax. A Member who does not cast a vote for or against a proposed resolution will be deemed to have abstained from voting.

The vote on the resolution of each issue will take place on an issue by issue basis. Prior to any vote taking place, Members will be provided with a draft of the Final Resolution sheet. It will include a clear statement of the



## TOLLS TASK FORCE PROCEDURES

resolution and any required changes to existing tolls, tariffs, policies etc., and a background section, which includes a description of the issue and a summary of the concerns raised by Task Force Members.

It is recognized that not all Members may have a position on an issue, for whatever reason, and may decide to abstain from voting on that particular issue.

Formal notice of an impending vote will be given at the Task Force meeting immediately preceding the meeting at which the vote is to be taken. If a reduced period of notice of an impending vote is given, a Member would have the right to defer its vote for one additional meeting.

There will be a majority of votes in favour if the number of votes "for" exceeds the number of votes "against", without regard to the number of abstentions. There will be a majority of votes against if the number of votes "against" exceeds the number of votes "for", without regard to the number of abstentions. A Member's vote shall not be construed as establishing a binding irrevocable position as to such party (e.g. facts may appear after the vote to change a Member's position).

In the event of a tie vote, without regard to the number of abstentions, the vote will be categorized as a "Non-Resolution".

An electronic (or fax if necessary) vote will occur when the members agree that a vote must take place before the next scheduled meeting of the task force. A standard form will be available to the members online outlining the standard voting categories. The members will e-mail or fax their form back to TransCanada within the prescribed time deadline. After the votes are recorded, the Secretary of the task force will announce to the task force the results of the vote, subject to the categories stated below. Any member wishing to know the fax vote results on a party by party basis shall be entitled to ask for and shall receive such voting results.



## TOLLS TASK FORCE PROCEDURES

The result of a vote on any proposed resolution will be categorized as follows:

- a) **Unanimous** (all votes in favour of the proposed resolution).
- b) **Unopposed** (a majority of votes in favour of the proposed resolution with certain Task Force Members voting against or abstaining and indicating that they will neither actively oppose the proposed resolution nor propose an alternate resolution at the NEB's hearing).
- c) **Opposed** (a majority of votes in favour of the proposed resolution, with certain Task Force Members voting against or abstaining, and indicating that they may actively oppose the proposed resolution and/or propose an alternate resolution at the NEB's hearing).
- d) **Non-Resolution** (either a majority of votes against the proposed resolution or a tie vote).

In the case of an Opposed Resolution, a member will be entitled to request the NEB to resolve the matter.

**Minutes:** Following each meeting, the Task Force Secretary will prepare and issue minutes for each of the sub-committee(s) and for the Task Force. The discussions pertaining to each issue will be summarized and identified by Issue Number. The minutes will not identify individual Task Force Members (unless requested to do so by a Member) when describing the views expressed at a meeting on any issue, any NEB directive, or any proposed resolution.

Minutes will be provided promptly after each meeting to all Task Force Members and Observers. The minutes will include all working papers, handouts, presentations, etc. provided to the Task Force Members at the meetings.

The minutes shall document the “without prejudice” discussions of the Members and are therefore



## TOLLS TASK FORCE PROCEDURES

considered privileged and confidential and shall not be disclosed or referred to without the consent of all Task Force Members.

At the time of providing the minutes of each meeting, the Secretary will update and provide an Issue Status Report. This report will track the progress of all issues, whether they are being addressed by the Task Force or a sub-committee.

### REPORTING

TransCanada will prepare an Interim Report of the Task Force ("Report") and file updates to the Board as required.

The format of the Interim Report will be categorized by Report Number, Procedures, Tolls Task Force Roster, and Resolutions. Each issue will be identified by the Resolution number that was assigned at the time the issue was voted on by the Task Force members.

The vote on the resolution of each issue will take place on an issue by issue basis, as described above.

All Members will be given an opportunity to assist in the drafting of the Final Resolution sheet to ensure that their views and concerns have been properly represented. In this manner, Members will vote on the resolution with full knowledge of what will be included in the Interim Report for each specific issue.

Generally, the Interim Report will include the following:

- a) the issues for which there are Unanimous resolutions
- b) the issues for which there are Unopposed resolutions

### FILING

TransCanada will file a copy of these Task Force Procedures with the NEB.

**TransCanada Tolls Task Force  
Members and Observers**

<b>M/O</b>	<b>Company</b>	<b>Contact</b>	<b>Phone</b>	<b>Fax</b>	<b>E-mail address</b>
M	Alberta Department of Energy #300, 801 – 6 <sup>th</sup> Avenue SW Calgary, AB, T2P 3W2	Jack Shaw Colin King	403-297-5406 403-297-6739	403-297-5499 403-297-5499	<a href="mailto:jack.shaw@gov.ab.ca">jack.shaw@gov.ab.ca</a> <a href="mailto:colin.king@gov.ab.ca">colin.king@gov.ab.ca</a>
O	Apache Canada Ltd. Suite 1000, 700 – 9 <sup>th</sup> Avenue SW Calgary, AB T2P 3V4	Monica Arisman	403-261-1247	403-264-7142	<a href="mailto:monica.arisman@apachecorp.com">monica.arisman@apachecorp.com</a>
O	Association of Major Power Consumers of Ontario (AMPCO) 1702, 372 Bay Street Toronto, ON M5H 2W9	Adam White Shelley Grice Tom Adams	416-260-0225 416-260-5395 416-834-7442	416-260-0442	<a href="mailto:awhite@ampco.org">awhite@ampco.org</a> <a href="mailto:sgrice@ampco.org">sgrice@ampco.org</a> <a href="mailto:tom.adams.energy@gmail.com">tom.adams.energy@gmail.com</a>
M	Association of Power Producers of Ontario (APPRO) 1602, 25 Adelaide Street Toronto, ON, M5C 3A1	Dave Butters Jake Brooks John Wolnik	416-322-6549x231 416-322-6549x224 519-474-0844		<a href="mailto:david.butters@appro.org">david.butters@appro.org</a> <a href="mailto:jake.brooks@appro.org">jake.brooks@appro.org</a> <a href="mailto:jwolnik@sympatico.ca">jwolnik@sympatico.ca</a>
M	Bay State Gas Company 300 Friberg Parkway Westborough, MA, USA 01581	George Simmons	508-836-7216	508-870-2294	<a href="mailto:ghsimmons@nisource.com">ghsimmons@nisource.com</a>
O	BG Energy Merchants Canada 5444 West Heirner, Suite 1200 Houston, TX, USA 77459	Alvin Thompson	713-599-3970		<a href="mailto:alvin.thompson@bg-group.com">alvin.thompson@bg-group.com</a>
M	BP Canada Energy Company 240 – 4 <sup>th</sup> Avenue SW Calgary, AB, T2P 2H8	Cheryl Worthy Jane Fitzpatrick Peter Exall	403-233-1569 403-231-6908 403-233-1252	403-233-5667	<a href="mailto:cheryl.worthy@bp.com">cheryl.worthy@bp.com</a> <a href="mailto:jane.fitzpatrick@bp.com">jane.fitzpatrick@bp.com</a> <a href="mailto:peter.exall@bp.com">peter.exall@bp.com</a>
M	Brookfield Energy Marketing Inc. Boul. de la Cite Gatineau, QC, J8T 8R3	Anne Coughlan	819-561-8646	819-561-2421	<a href="mailto:anne.coughlan@brookfieldpower.com">anne.coughlan@brookfieldpower.com</a>
O	Brooklyn Navy Yard Cogeneration 80-02 Kew Gardens Road Kew Gardens, NY, USA 11415	Edward Fitzgerald	718-261-2164		<a href="mailto:efitzgerald@bnycogen.com">efitzgerald@bnycogen.com</a>
M	Canadian Association of Petroleum Producers 2100, 350 – 7 <sup>th</sup> Avenue SW Calgary, AB, T2P 3N9	Barry Jardine	403-267-1128	403-266-3123	<a href="mailto:jardine@capp.ca">jardine@capp.ca</a>
M	Canadian Natural Resources Suite 1800, 324 – 8 <sup>th</sup> Avenue SW Calgary, AB, T2P 2Z2	Ken Jacobson Darwin Banash	403-517-6795 403-517-7229	403-517-7365 403-517-7365	<a href="mailto:ken.jacobson@cnrl.com">ken.jacobson@cnrl.com</a> <a href="mailto:darwin.banash@cnrl.com">darwin.banash@cnrl.com</a>
M	Cardinal Power of Canada 170 Henry Street, P.O. Box 70 Cardinal, ON, K0E 1E0	Dennis Dmytrow Denis Lamesse	613-657-1400 613-657-1400	613-657-1402 613-657-1402	<a href="mailto:ddmytrow@cardinalpower.com">ddmytrow@cardinalpower.com</a> <a href="mailto:dlamesse@cardinalpower.com">dlamesse@cardinalpower.com</a>



M/O	Company	Contact	Phone	Fax	E-mail address
M	Cargill Power & Gas Markets 200, 440 2 <sup>nd</sup> Ave SW Calgary, AB, T2P 5E9	Bruce Farrell	403-218-1067	403-218-1587	<a href="mailto:bruce_farrell@cargill.com">bruce_farrell@cargill.com</a>
M	Centra Gas a division of MB Hydro 660 – 444 St. Mary Avenue Winnipeg, MB, R3C 3T7	Lori Stewart Brent Moen Neil Kostick* Dan Prydun* Laurie MacDonald* Anna Sangherlin	204-480-5233 204-480-5213 204-480-5350 204-480-5916 204-480-5916 204-480-5470	204-480-5216 204-480-5216 204-480-5216 204-474-3538 204-488-9872	<a href="mailto:lhstewart@hydro.mb.ca">lhstewart@hydro.mb.ca</a> <a href="mailto:bmoen@hydro.mb.ca">bmoen@hydro.mb.ca</a> <a href="mailto:nkostick@hydro.mb.ca">nkostick@hydro.mb.ca</a> <a href="mailto:dprydun@hydro.mb.ca">dprydun@hydro.mb.ca</a> <a href="mailto:llmacdonald@hydro.mb.ca">llmacdonald@hydro.mb.ca</a> <a href="mailto:astrangherlin@hydro.mb.ca">astrangherlin@hydro.mb.ca</a>
O	Chevron Canada Resources 500 – 5 <sup>th</sup> Avenue SW Calgary, AB, T2P 0L7	Tim Houston	403-234-5324	403-234-5355	<a href="mailto:thouston@chevrontexaco.com">thouston@chevrontexaco.com</a> ;
O	Citadel Financial 131 South Dearborn Street Chicago, IL USA 60603	Curt Conover	312-395-2531		<a href="mailto:curtis.conover@citadelgroup.com">curtis.conover@citadelgroup.com</a>
O	Citibank 400 3 <sup>rd</sup> Avenue SW Calgary, AB	Keith Nelson Howard Heintz	403-261-5104 403-261-5121	403-294-0601 403-294-0601	<a href="mailto:keith.nelson@citigroup.com">keith.nelson@citigroup.com</a> <a href="mailto:howard.heintz@citigroup.com">howard.heintz@citigroup.com</a>
O	City of Kitchener – Utilities 200 King Street West Kitchener, ON, N2G 4G7	Loraine Baillargeon Jim Gruenbauer	519-741-2532 519-580-3568	519-741-2633 519-762-2579	<a href="mailto:Loraine.baillargeon@city.kitchener.on.ca">Loraine.baillargeon@city.kitchener.on.ca</a> <a href="mailto:Jim.gruenbauer@city.kitchener.on.ca">Jim.gruenbauer@city.kitchener.on.ca</a>
O	City of Greater Sudbury 200 Brady Street, Box 5000 Sudbury, ON P3A 5P3	Doug Nadorozny	705-674-4455x4624	705-673-2960	<a href="mailto:doug.nadorozny@sudbury.ca">doug.nadorozny@sudbury.ca</a>
O	Comsatec Inc 61 High Street North Callander, ON	Richard Tripp	705-752-4342	705-752-4800	<a href="mailto:Rtripp@comsatec.com">Rtripp@comsatec.com</a> ;
M	Conoco Phillips Canada 401 – 9 <sup>th</sup> Avenue SW Calgary, AB T2P 2H7	Jim Gilholme Mike Baker Wendy Gazzard	403-233-4171 403-233-4107 403-233-3200	403-233-5426 403-233-5426	<a href="mailto:jim.c.gilholme@conocophillips.com">jim.c.gilholme@conocophillips.com</a> ; <a href="mailto:mike.a.baker@conocophillips.com">mike.a.baker@conocophillips.com</a> ; <a href="mailto:wendy.d.gazzard@conocophillips.com">wendy.d.gazzard@conocophillips.com</a>
M	Devon Canada Corporation 2000, 400 3 <sup>rd</sup> Avenue SW Calgary, AB T2P 4H2	Rick Gafiuk Glenn Smetheram	403-213-7867 403-213-7804	403-213-8199 403-213-8199	<a href="mailto:rick.gafiuk@devoncanada.com">rick.gafiuk@devoncanada.com</a> <a href="mailto:glenn.smetheram@devoncanada.com">glenn.smetheram@devoncanada.com</a>
M	Direct Energy Marketing Limited 1000, 111 – 5 <sup>th</sup> Avenue SW Calgary, AB T2P 3Y6	James Chalcroft Jonathan Lui	403-290-8862 403-290-7746		<a href="mailto:james.chalcroft@directenergy.com">james.chalcroft@directenergy.com</a> <a href="mailto:jonathan.lui@directenergy.com">jonathan.lui@directenergy.com</a>
M	DTE Energy 2000 Second Avenue, 1024 WCB Detroit, MI, USA, 48226	Bernard Kramer Ken Slater	313-235-9144 313-235-6840	313-235-0106 313-235-0106	<a href="mailto:kramerb@dteenergy.com">kramerb@dteenergy.com</a> ; <a href="mailto:slaterk@dteenergy.com">slaterk@dteenergy.com</a> ;
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