

Appendix D

Transportation Service Agreement for Firm Transportation

This appendix sets forth the pro forma Transportation Service Agreement for Firm Transportation of Natural Gas on the Alliance pipeline system, amended as appropriate in light of the company's B.C. expansion proposal.

For ease of reference, all of the amendments to the prevailing pro forma Transportation Service Agreement have been black-lined.

**TRANSPORTATION SERVICE AGREEMENT
FOR FIRM TRANSPORTATION OF NATURAL GAS
ALLIANCE PIPELINE LIMITED PARTNERSHIP**

THIS AGREEMENT made and entered into this _____ day of _____, 2000,

BETWEEN:

ALLIANCE PIPELINE LIMITED PARTNERSHIP,
formed under the laws of the Province of Alberta
as a limited partnership ("**Transporter**"),

and

_____ ("**Shipper**")

TABLE OF CONTENTS

ARTICLE 1	INTERPRETATION	
1.1	Definitions	2
1.2	Schedules.....	5
ARTICLE 2	REPRESENTATIONS AND WARRANTIES	
2.1	.....	5
2.2	.....	5
ARTICLE 3	PAYMENT OF DEMAND AND COMMODITY CHARGES	
3.1	.....	6
3.2	.....	6
ARTICLE 4	GAS TO BE TRANSPORTED	
4.1	.....	7
ARTICLE 5	OPTION TO EXTRACT AND PURCHASE LIQUIDS	
5.1	.....	8
5.2	.....	8
5.3	.....	8
5.4	.....	8
ARTICLE 6	TERM OF CONTRACT	
6.1	.....	9
6.2	.....	9
6.3	.....	9

ARTICLE 7	NOTICES	
7.1		9
ARTICLE 8	DEFAULT AND TERMINATION	
8.1	Transporter Default	10
8.2	Shipper Default	10
8.3	Remedies.....	10
8.4	Termination and Cure Period	10
8.5	Express termination	11
8.6	Accrued rights unaffected:.....	11
ARTICLE 9	ASSIGNMENT	
9.1	By Shipper	11
9.2	By Transporter	11
9.3	Merger, etc.....	11
9.4	Pledging.....	11
9.5	Partial assignment.....	12
ARTICLE 10	AUTHORITIES	
10.1		12
ARTICLE 11	MISCELLANEOUS PROVISIONS	
11.1	Financial Information.....	12
11.2	Other Documents Incorporated	13
11.3	Headings for Reference.....	13
11.4	Supersedes Other Agreements	13
11.5	Waiver	13
11.6	Severability.....	13
11.7	No Waiver	13
ARTICLE 12	CHOICE OF LAW AND ATTORNMENT	
12.1		13
SCHEDULE A	- DELIVERY POINTS AND RECEIPT POINTS	
SCHEDULE B	- OPTIONEE	

**TRANSPORTATION SERVICE AGREEMENT
FOR FIRM TRANSPORTATION OF NATURAL GAS
ALLIANCE PIPELINE LIMITED PARTNERSHIP**

This TRANSPORTATION SERVICE AGREEMENT FOR FIRM TRANSPORTATION OF NATURAL GAS ("**Transportation Service Agreement**") is made and entered into this ____ day of _____, 2000, between:

ALLIANCE PIPELINE LIMITED PARTNERSHIP, formed under the laws of the Province of Alberta as a limited partnership ("**Transporter**"),

and

("Shipper").

Transporter and Shipper are sometimes collectively referred to herein as the "**Parties**" and individually as a "**Party**".

RECITALS:

1. The business of Transporter is the operation of a pipeline (the "**Canadian Pipeline**") to transport Natural Gas from Western Canada to the interconnection of the Canadian Pipeline with the U.S. Pipeline on the Canada-United States border;
2. The business of Alliance Pipeline L.P. (the "**U.S. Transporter**") is the operation of a pipeline (the "**U.S. Pipeline**") to transport Natural Gas from the point of the interconnection of the U.S. Pipeline with the Canadian Pipeline on the Canada-United States border to the midwestern United States area;

3. Shipper has requested that Transporter transport, and Transporter has agreed to transport volumes of Natural Gas that are tendered by or on behalf of Shipper to Transporter at Receipt Points to the Delivery Point in accordance with and subject to the terms and conditions of this Transportation Service Agreement;

4. Shipper, Shipper's agent or another Person designated by Shipper has entered into agreements with U.S. Transporter for transportation of the volumes of Natural Gas referred to in Recital 3 hereof from the Delivery Point to delivery points on the U.S. Pipeline.

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

ARTICLE 1 INTERPRETATION

1.1 Definitions

In this Transportation Service Agreement, including the Recitals and Schedules hereto, the following words and phrases have the following meanings:

"Affiliate", when used to indicate a relationship with a specific Person, means another Person that directly, or indirectly through one or more intermediaries or otherwise, controls, or is controlled by, or is under common control with such specific Person. A corporation shall be deemed to be an Affiliate of another corporation if one of them is directly or indirectly controlled by the other or if each of them is directly or indirectly controlled by the same Person.

"Authorities" means all governmental or regulatory authorities having valid jurisdiction over the Canadian Pipeline or over the facilities and operations of Shipper in Canada, as the case may be and "Authority" means any of them.

"Authorized Overrun Service" has the meaning ascribed to it in the Tariff.

"Canadian Pipeline" has the meaning ascribed to it in Recital 1 hereof.

"**Commodity Charge**" has the meaning ascribed to it in the Tariff.

"**Contract Capacity**" or "**Contracted Capacity**" means the daily volume of Natural Gas set out in Schedule A contracted for by Shipper hereunder and for which Shipper has agreed to pay the Demand Charge, the Commodity Charge and, if applicable, the Demand Charge Surcharge in accordance with the terms of this Transportation Service Agreement.

"**Contract Capacities**" or "**Contracted Capacities**" means the aggregate of the daily volumes of Natural Gas subject to all Transportation Service Agreements to which Transporter is a party.

"**Delivery Point**" means the point of interconnection between the Canadian Pipeline and the U.S. Pipeline.

"**Demand Charge**" has the meaning ascribed to it in the Tariff.

"**Demand Charge Surcharge**" has the meaning ascribed to it in the Tariff.

"**Effective Date**" has the meaning ascribed to it in Section 6.1 hereof.

"**Force Majeure**" has the meaning ascribed to it in the Tariff.

"**Fuel Requirement**" has the meaning ascribed to it in the Tariff.

"**Gas**" or "**Natural Gas**" means methane, and such other hydrocarbon constituents, or a mixture of two or more of them, which, in any case, meets the quality specifications of the Tariff.

"**General Terms and Conditions**" has the meaning ascribed to it in the definition of "**Tariff**".

"**Lenders**" means any banks, financial institutions and investors which provide financing for the construction or operation of, the U.S. Pipeline and/or Canadian Pipeline, as well as Transporter's banking advisers.

"**NEB**" means the National Energy Board of Canada established by the *NEB Act* or any replacement or successor regulatory or government authority or authorities having jurisdiction over the approval, licensing, construction, operation or tolls of interprovincial pipelines in natural gas service.

"**NEB Act**" means the *National Energy Board Act (Canada)* as amended from time to time and includes any Canadian federal legislation enacted in replacement thereof.

"**Optionee**" has the meaning ascribed to it in Section 5.2 hereof.

"**Party**" means a party to this Transportation Service Agreement and "Parties" means each of them.

"**Person**" means an individual, partnership, limited partnership, joint venture, syndicate, sole proprietorship, company or corporation with or without share capital, unincorporated association, trust, trustee, executor, administrator or other legal personal representative, regulatory body or agency, government or governmental agency, authority or entity however designated or constituted.

"**Primary Term**" has the meaning ascribed to it in Section 6.1 hereof.

"**Primary Receipt Point Capacity**" or "Primary Receipt Point Capacities" have the meanings ascribed to them in the Tariff.

"**Receipt Point(s)**" means any one or more of those receipt points described in Section B of Schedule A hereto and any future receipt points notified to Shipper by Transporter.

"**Shipper Default**" has the meaning ascribed to it in Section 8.2 hereof.

"**Shipper's Nomination**" has the meaning ascribed to it in the Tariff.

"**TAC Receipt Point**" has the meaning ascribed to it in the Tariff.

"**Tariff**" means the terms and conditions, in addition to those set out herein, under which Transporter will transport Natural Gas pursuant to this Transportation Service Agreement, as same may from time to time be amended and approved by or filed with the NEB, and is comprised at the date hereof of the Toll Schedule Firm Transportation Service (the "**Toll Schedule Firm Transportation Service**"), and the General Terms and Conditions (the "**General Terms and Conditions**").

"**Transporter Default**" has the meaning ascribed to it in Section 8.1 hereof.

"**U.S. Fuel Requirement**" has the meaning ascribed to it in the Tariff.

"**U.S. Pipeline**" and "**U.S. Transporter**" have the respective meanings ascribed to them in Recital 2 hereof.

Except as specifically provided herein or unless the context otherwise requires, all words and phrases used herein and defined in the Tariff shall have the same meanings ascribed to them in the Tariff.

1.2 Schedules

The following schedules are attached to and made part of this Agreement and each of the terms and provisions thereof, including any revisions thereto made by or necessary to comply with the requirements of any Authorities, are accepted and agreed to by the Parties:

Schedule A - Delivery Point and Receipt Points

Schedule B – Toll Principles

Schedule C - Optionee

ARTICLE 2 REPRESENTATIONS AND WARRANTIES

2.1 Transporter represents and warrants that: (a) it is duly organized and validly existing under the laws of the Province of Alberta and has all requisite legal power and authority to execute this Transportation Service Agreement and carry out the terms, conditions and provisions hereof; (b) this Transportation Service Agreement constitutes the valid, legal and binding obligation of Transporter, enforceable in accordance with the terms hereof; (c) there are no actions, suits or proceedings pending or, to Transporter's knowledge, threatened against or affecting Transporter before any court or Authority that might materially adversely affect the ability of Transporter to meet and carry out its obligations under this Transportation Service Agreement; and (d) the execution and delivery by Transporter of this Transportation Service Agreement has been duly authorized by all requisite partnership action.

2.2 Shipper represents and warrants that: (a) it is duly organized and validly existing under the laws of and has all requisite legal power and authority to execute this Transportation Service Agreement and carry out the terms, conditions and provisions hereof; (b) this Transportation Service Agreement constitutes the valid, legal and binding obligation of Shipper, enforceable in accordance with the terms hereof; (c) there are no actions, suits or

proceedings pending or, to Shipper's knowledge, threatened against or affecting Shipper before any court or Authority that might materially adversely affect the ability of Shipper to meet and carry out its obligations under this Transportation Service Agreement; and (d) the execution and delivery by Shipper of this Transportation Service Agreement has been duly authorized by all requisite action.

ARTICLE 3
PAYMENT OF DEMAND AND COMMODITY CHARGES

- 3.1** (a) Shipper shall pay the Demand Charge for the Contracted Capacity in accordance with the Tariff. This obligation of Shipper to pay the Demand Charge shall continue whether or not Natural Gas is actually transported, and is not subject to abatement under any circumstances, except as specifically provided for in the Tariff.
- (b) Shipper shall pay the Demand Charge Surcharge in accordance with the Tariff for the Primary Receipt Point Capacities, if any, that it has designated for TAC Receipt Points as Primary Receipt Points in Section C of Schedule A hereto. This obligation of Shipper to pay the Demand Charge Surcharge shall continue whether or not Natural Gas is actually transported from any TAC Receipt Points, and is not subject to abatement under any circumstances, except as specifically provided for in the Tariff.

- 3.2** Shipper shall pay the Commodity Charge for Shipper's actual deliveries in accordance with the Tariff.
- 3.3** Notwithstanding any provision of this Transportation Service Agreement, other than Section 10.1, the Parties agree that tolls payable by Shipper for transportation service under this Transportation Service Agreement will be calculated in accordance with the toll principles that are attached hereto as Schedule B, and that such tolls will be set forth in revised Schedule A to the Toll Schedule Firm Transportation Service prepared by Transporter and as filed with or approved by the NEB from time to time.

**ARTICLE 4
GAS TO BE TRANSPORTED**

- 4.1** Subject to the provisions of this Transportation Service Agreement:
- (a) Transporter shall provide daily transportation service hereunder for Shipper, for the Contracted Capacity, from the Receipt Point(s) identified in Shipper's Nominations to the Delivery Point; and
 - (b) Transporter may provide daily transportation service hereunder for Shipper, from the Receipt Point(s) identified in Shipper's Nominations to the Delivery Point, in respect of a volume of Natural Gas equal to Shipper's share of the Authorized Overrun Service.

ARTICLE 5
OPTION TO EXTRACT AND PURCHASE LIQUIDS

5.1 Shipper's receipts and deliveries, less the Fuel Requirement, will be balanced on volume and heating value bases at the Delivery Point in accordance with the Tariff.

5.2 Shipper hereby grants to Transporter acting solely in its capacity as agent for the party identified in Schedule C hereto (the "**Optionee**"), the option, exercisable at any time or times, and for any periods during the term of this Transportation Service Agreement, to extract from the commingled Natural Gas transported by Transporter and purchase all natural gas liquids or liquefiable hydrocarbons received by Transporter from Shipper that the Optionee elects to remove or process and hereby relinquishes to Transporter, acting solely in its capacity as agent for the Optionee, all proceeds, profits and losses derived from or allocable to the removal, processing or sale of such natural gas liquids or liquefiable hydrocarbons.

5.3 At any time that the Optionee exercises its option, then in consideration for the sale by Shipper of the extracted natural gas liquids or liquefiable hydrocarbons, Transporter solely in its capacity as agent for the Optionee, shall arrange for the delivery to Shipper by the U.S. Transporter at delivery points on the U.S. Pipeline of quantities of Natural Gas that have a heating value equal to the heating value of the quantities of such extracted natural gas liquids or liquefiable hydrocarbons acquired by the Optionee.

5.4 Shipper will, at the time of execution and delivery of this Transportation Service Agreement, or at any time thereafter as required by Transporter, execute, and, if required by Transporter, cause any of its Affiliates or any other Person who has been allocated transportation service on the U.S. Pipeline for volumes of Natural Gas corresponding to the Contracted Capacity to execute, agreements or instruments specifically providing for the option created in Section 5.2 or the acknowledgement of such option in the forms required by Transporter, provided that such agreements or instruments will not:

- (a) affect, vary or alter the amounts payable by Shipper for transportation service under this Transportation Service Agreement; or
- (b) affect, vary or alter the entitlement of Shipper to have deliveries made to it by Transporter at the Delivery Point balanced with its deliveries to Transporter on volume and heating value bases, after allowance for the Fuel Requirement; or
- (c) affect, vary or alter the entitlement of Shipper or its Affiliates or any other Person who has been allocated transportation service on the U.S. Pipeline to have deliveries made to it by the U.S. Transporter at delivery points on the U.S. Pipeline balanced with its deliveries to the U.S. Transporter on a heating value basis, after allowance for the U.S. Fuel Requirement.

**ARTICLE 6
TERM OF CONTRACT**

6.1 This Transportation Service Agreement shall be effective from the date hereof (the "**Effective Date**") and shall continue until _____(the "**Primary Term**"), or the final day of any extension effected pursuant to Section 6.2.

6.2 Shipper shall have the right to extend the term of this Transportation Service Agreement beyond the Primary Term for further periods of a minimum of one (1) year each by providing written notice to that effect not less than five (5) years prior to the expiration of the Primary Term or any extended terms, as the case may be. There is no limitation on the number of times Shipper may exercise this right, which will remain in effect for as long as the Canadian Pipeline remains in service.

6.3 Transporter may in its sole discretion from time to time and on a basis that is non-discriminatory to any shipper waive the requirement for five (5) years' notice contained in Section 6.2 and substitute any shorter notice period.

**ARTICLE 7
NOTICES**

7.1 All notices and other communications to be given or sent pursuant to the terms of the principal text of this Transportation Service Agreement shall be effected in accordance with and be subject to the provisions of the General Terms and Conditions. Shipper's address for the purposes of the General Terms and Conditions is:

Telecopier:
Attention:

**ARTICLE 8
DEFAULT AND TERMINATION**

8.1 Transporter Default: The occurrence and continuation of any of the following events, unless any such event occurs as a result of a breach by Shipper of its obligations under this Transportation Service Agreement, shall constitute a "**Transporter Default**": (a) a breach by Transporter of any of its material obligations under this Transportation Service Agreement; or (b) Transporter repudiates this Transportation Service Agreement or evidences in any manner its intention not to perform its obligations under, or to be bound by, this Transportation Service Agreement.

8.2 Shipper Default: The occurrence and continuation of any of the following events, unless any such event occurs as a result of a breach by Transporter of its obligations under this Transportation Service Agreement, shall constitute a "**Shipper Default**": (a) a breach by Shipper of any of its material obligations under this Transportation Service Agreement; or (b) Shipper repudiates this Transportation Service Agreement or evidences in any manner its intention not to perform its obligations under, or be bound by, this Transportation Service Agreement.

8.3 Remedies: Upon the occurrence and continuation of a Transporter Default under Section 8.1 or a Shipper Default under Section 8.2, the non-defaulting Party shall, at its option, have the right to specific performance of this Transportation Service Agreement, and/or to receive damages as would be available under law by giving notice to the defaulting party, and/or to terminate this Transportation Service Agreement in accordance with the provisions of Section 8.4;

8.4 Termination and Cure Period: In the event of an uncured Transporter Default or Shipper Default, then either Transporter or Shipper may thereafter terminate this Transportation Service Agreement by giving one hundred and twenty (120) days prior written notice of its intent to terminate to the defaulting or non-terminating Party; but if the default is cured within such notice period, then termination will not be effective.

8.5 Express termination: If this Transportation Service Agreement is not sooner terminated in any of the circumstances referred to in or Section 8.4, then this Transportation Service Agreement will terminate as provided for in Article 6 hereof.

8.6 Accrued rights unaffected: No termination of this Transportation Service Agreement, however effected, shall affect or extinguish any rights or obligations of the Parties which accrued prior to the date of termination or extinguish any remedies available to any Party at law, equity or as provided for herein.

ARTICLE 9 ASSIGNMENT

9.1 By Shipper: Shipper shall have the right to assign its rights and obligations, or parts thereof, under this Transportation Service Agreement subject to:

- (a) compliance by the assignee with the credit requirements set out in the General Terms and Conditions;
- (b) prior written approval of the Lenders, which shall not be unreasonably withheld; and
- (c) prior written approval of Transporter, which shall not be unreasonably withheld.

9.2 By Transporter: Transporter, without obtaining any approvals or consents from Shipper, may assign this Transportation Service Agreement or any rights arising hereunder to any Affiliate of Transporter.

9.3 Merger, etc.: Any Person which shall succeed by purchase of all or substantially all of the assets and assumption of all or substantially all of the liabilities of, or merger or consolidation with either Transporter or Shipper, as the case may be, shall be entitled to the rights and shall be subject to the obligations of its predecessor in title under this Transportation Service Agreement.

9.4 Pledging: It is agreed that the restrictions on assignment contained in this Article shall not in any way prevent Transporter from pledging or mortgaging to the Lenders its rights hereunder or its rights in respect of any letter of credit or other security given to Transporter by Shipper. Shipper will execute all consents to assignment and acknowledgments in favour of the Lenders as requested by the Lenders or Transporter, of any security interests created hereunder.

9.5 Partial assignment: If Shipper partially assigns its rights under this Transportation Service Agreement to an Affiliate, its rights hereunder must be exercised collectively by Shipper and its Affiliate. Any non-Affiliate partial assignee of this Transportation Service Agreement may exercise any elections or termination rights under this Transportation Service Agreement in respect of its share of the Contracted Capacity independently of the assignor or any other assigns.

ARTICLE 10 AUTHORITIES

10.1 Performance of this Transportation Service Agreement shall be subject to all valid laws, orders, decisions, rules and regulations of duly constituted governmental authorities having jurisdiction or control of any matter related hereto, including Authorities. Should either of the Parties, by force of any such law, order, decision, rule or regulation, at any time during the term of this Transportation Service Agreement be ordered or required to do any act inconsistent with the provisions hereof, then for the period during which the requirements of such law, order, decision, rule or regulation are applicable, this Transportation Service Agreement shall be deemed modified to conform with the requirement of such law, order, decision, rule or regulation; provided, however, nothing in this Section 10.1 shall alter, modify or otherwise affect the respective rights of the Parties to cancel or terminate this Transportation Service Agreement under the terms and conditions hereof.

ARTICLE 11 MISCELLANEOUS PROVISIONS

11.1 Financial Information: Shipper shall furnish to Transporter, as soon as available, and, in any event, within one hundred and twenty (120) days after the end of each fiscal year of Shipper, its audited consolidated financial statements setting forth in comparative form the corresponding figures of the preceding fiscal year together with an auditors report thereon. In addition, Shipper shall furnish to Transporter, as soon as available, and, in any event, within sixty (60) days after the end of the first three fiscal quarters of each fiscal year of Shipper, its unaudited consolidated financial statements prepared on a basis consistent with the corresponding period of the preceding fiscal year. Shipper shall furnish to Transporter any additional information regarding the business affairs, operations, assets and financial condition of Shipper as Transporter may reasonably request from time to time.

11.2 Other Documents Incorporated: The Toll Schedule Firm Transportation Service and the General Terms and Conditions set out in the Tariff are all by reference made a part of this Transportation Service Agreement and transportation service hereunder shall be subject to the provisions thereof. Transporter shall notify Shipper at any time that Transporter files with the NEB proposed revisions to the Tariff and shall provide Shipper with a copy of such revisions.

11.3 Headings for Reference: The headings used throughout this Transportation Service Agreement, the Toll Schedule Firm Transportation Service and the General Terms and Conditions are inserted for convenience of reference only and are not 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.

11.4 Supersedes Other Agreements: This Transportation Service Agreement and the schedules attached hereto reflect the whole and entire agreement among the Parties with respect to the subject matter hereof and supersede all prior agreements and understandings between the Parties with respect to the subject matter hereof.

11.5 Waiver: A new waiver by any Party of any breach or non-performance of any of the obligations to be performed by the other Party shall not take effect or be binding upon the first Party unless the waiver is expressed in writing by that Party. Any waiver so given shall extend only to the particular breach or non-performance so waived and shall not limit or affect any rights with respect to any other or future breach or non-performance.

11.6 Severability: The invalidity or unenforceability, for any reason, of any part of this Transportation Service Agreement shall not prejudice or affect the validity or enforceability or the remainder.

11.7 No Waiver: The failure of any Party to insist upon the strict performance of any of the provisions of this Transportation Service Agreement or to take advantage of any of the rights hereunder shall not be construed as a waiver of any such provisions or relinquishment of any such rights, but the same will continue in full force and effect.

ARTICLE 12 CHOICE OF LAW AND ATTORNTMENT

12.1 This Transportation Service Agreement and the Tariff shall be construed and applied in accordance with and be subject to the laws of the Province of Alberta, and the laws of Canada having application therein, without recourse to any laws governing conflict of laws. Neither Party shall institute any action, suit or other proceeding with respect to any matter arising under or out of this Transportation Service Agreement other than in the Alberta Court

of Queen's Bench in the Judicial Centre of Calgary. In that regard, each Party hereby irrevocably attorns to the jurisdiction of such Court in the event of any such action, suit or other proceeding by the other Party.

IN WITNESS WHEREOF, the Parties have duly executed this Transportation Service Agreement in several counterparts by their duly authorized officers.

ALLIANCE PIPELINE LIMITED PARTNERSHIP
by its General Partner, **ALLIANCE PIPELINE LTD.**

PER: _____

PER: _____

PER: _____

PER: _____

SCHEDULE A
TO TRANSPORTATION SERVICE AGREEMENT dated ?

Between

ALLIANCE PIPELINE LIMITED PARTNERSHIP

and

?

DELIVERY POINT AND RECEIPT POINTS

A. Delivery Point:

The Delivery Point is the point of interconnection between the Canadian Pipeline and the U.S. Pipeline.

B. Receipt Points:

The Receipt Points available for use by Shipper, subject to the terms of the Tariff, are those described in the Tariff, as such description may be changed from time to time.

C. Contracted Capacity:

Shipper's Contracted Capacity pursuant to this Transportation Service Agreement is ? $10^3 \text{m}^3/\text{d}$.

The sum of the Primary Receipt Point Capacities designated by Shipper for TAC Receipt Points for purposes of billing the Demand Charge Surcharge is ? $10^3 \text{m}^3/\text{d}$.

D. Primary Receipt Points Designated by Shipper and Approved by Transporter:

The Primary Receipt Points and associated Primary Receipt Point Capacities designated by Shipper and approved by Transporter are as follows:

Alliance Identification		Designated Primary Receipt Point Capacity 10 ³ m ³ /d		
Primary Receipt Point Name	Receipt Point Number	Designated Primary Receipt Point Capacity	TAC Receipt Point (Y/N)	Taylor-Aitken Creek
Total Designated Primary Receipt Point Capacity: <i>(Not to Exceed 125% of Contracted Capacity)</i>				
Total Current TAC Designated Primary Receipt Point Capacity:				

Revision 0 [Date of TSA]

SCHEDULE B
TO TRANSPORTATION SERVICE AGREEMENT
dated this----- day of -----, 2000

between

ALLIANCE PIPELINE LIMITED PARTNERSHIP

and

TOLL PRINCIPLES

1. Subject to the incentive provisions in item 4 below, the Demand Charge will be calculated on a per unit of capacity basis to provide for the recovery by the Transporter of all of the fixed costs of providing service. In addition, Shippers will pay a Commodity Charge for volumes actually shipped, plus fuel.
2. A deemed capital structure of 70% debt and 30% equity for the Primary Term.
3. A cost of debt calculated using a rate of interest equal to the weighted average of the interest rates borne by Transporter's debt. Changes in Transporter's actual weighted average cost of debt will be reflected in the Canadian Pipeline's tolls from time to time as approved by the NEB.
4. Return on Equity.
 - Base rate of return on equity of 12%.
 - Base rate of return on equity is subject to an incentive adjustment. The resulting rate of return will apply for the Primary Term.
 - The base rate of return on equity will be increased or decreased inversely with increases or decreases in the actual capital cost versus the estimated capital cost [stated in paragraph 11 of this Schedule B] of the Canadian Pipeline. The adjustment formula will be linear so that any variations between actual and estimated capital cost will be reflected in the adjusted rate of return on equity. For example, a 10% increase in the actual capital cost, versus the estimated capital cost, would result in a decrease of 0.5% (50 basis points) in the base rate of return on equity. Similarly, a 20% decrease in the actual capital cost versus the estimated capital cost would result in an increase in the base rate of return on equity of 1.0% (100 basis points). The incentive rate of return increase or decrease will be limited to a maximum of 2% (200 basis points).
5. Income taxes will be calculated on the flow through basis for the Primary Term of the Transportation Service Agreement.

6. The depreciation on transportation plant used for purposes of deriving tolls will be calculated annually in accordance with Table 1 (attached), provided however that depreciation of Receipt Only Service facilities constructed subsequent to the original in-service date of the Canadian Pipeline will be as agreed between Transporter and Shipper(s) subscribing for Receipt Only Service.
7. The rate base will include, among other things, actual capital costs.
8. The Demand Charges will be calculated based upon the higher of the sum of Contracted Capacities or 37,530 10³m³/d (1325 MMcfd) for the Primary Term and any extension of the Primary Term of the Transportation Service Agreement.
9. There will be a Commodity Charge which will recover those costs that vary with volumes actually shipped for the Primary Term and any extension of the Primary Term of the Transportation Service Agreement.
10. Fuel costs will be recovered on an actual tracked basis. Shippers will be required to supply fuel but they will not have to maintain Contracted Capacities for fuel. Fuel required for the U.S. portion of the Alliance system will be transported by Transporter.
11. The estimated capital cost of the Canadian Pipeline, excluding AFUDC, at a system design of 37,530 10³m³/d (1325 MMcfd) is \$2.0707 billion (Canadian).
12. Changes in Transporter's operating and maintenance costs will be reflected in its tolls from time to time.
13. The toll for Authorized Overrun Service will be the Commodity Charge, plus fuel, for the Primary Term and any extension of the Primary Term of the Transportation Service Agreement.
14. The firm service toll for gas received in Alberta and Saskatchewan will be a single uniform toll.
15. A separate British Columbia zone will be established for the Aitken Creek Lateral and that part of the Shipper's Contracted Capacity allocated to Primary Receipt Points in the Aitken Creek Lateral will be subject to a demand charge which is higher than the Demand Charge for the Alberta/Saskatchewan zone. The Demand Charge Surcharge will be fixed at \$42.95/10³m³/month for the Primary Term of the Transportation Service Agreement. All B.C. Shippers will pay the same per unit of capacity B.C. zone demand charge.

TABLE 1

<u>Year</u>	<u>Depreciation Rate</u>
1	3.027%
2	3.299%
3	3.571%
4	3.842%
5	4.114%
6	2.686%
7	2.658%
8	2.930%
9	3.202%
10	3.473%
11	3.745%
12	4.017%
13	4.289%
14	4.561%
15	4.832%
16	4.575%
17	4.575%
18	4.575%
19	4.575%
20	4.575%
21	4.575%
22	4.575%
23	4.575%
24	4.575%
25	4.575%

SCHEDULE C
TO TRANSPORTATION SERVICE AGREEMENT
dated this _____ day of _____, 2000

between

ALLIANCE PIPELINE LIMITED PARTNERSHIP

and

OPTIONEE

The Optionee is Aux Sable Liquid Products LP.