

Appendix 3-2

Energy East Pipeline System – Base Amendment

“Agreement” means this Petroleum Transportation Service Agreement and any appendices attached hereto in each case, as may be amended, modified, supplemented or restated from time to time.

“Allocated Volume” means that volume of Pipeline System capacity allocated to a Shipper for a Month pursuant to the Rules and Regulations.

“Applicable Law” has the meaning given in the Rules and Regulations.

“Apportionment Month” means any Month where Monthly Nominations exceed Available Capacity as determined in accordance with Rule 7.2.

“Bakken”, when used in connection with a Receipt Point (including a Contract Receipt Point), means, collectively, (a) the Bakken Mainline Receipt Point, and (b) if applicable, the Bakken Trunkline Receipt Point.

“Bakken Mainline Receipt Point” means a Receipt Point on the main portion of the Base Pipeline System at or near Moosomin, Saskatchewan.

“Bakken Trunkline Receipt Point” means, collectively, any one or more Receipt Points on a Petroleum trunkline extending south from the Bakken Mainline Receipt Point as Carrier may seek to include as part of the Base Pipeline System in connection with bid responses received by Carrier as a result of the Open Season, and as may be announced by Carrier prior to its filing of the Pre-Construction Regulatory Approvals.

“Base Pipeline System” means that portion of the Pipeline System extending from Receipt Point(s) at or near Hardisty, Alberta (including batch accumulation terminalling facilities at or near such Hardisty Receipt Point) and in the Bakken region, and Delivery Point(s) at or near Montreal and Quebec City, Quebec, ~~and (ii) associated Petroleum marine terminal facilities at or near Quebec City, Quebec.~~

“Business Day” has the meaning given in the Rules and Regulations.

“Capital Costs” has the meaning given in paragraph C.1 of Appendix B.

“Capital Costs Re-Estimate” means a Class III estimate of the Capital Costs of the Base Pipeline System (including the Re-estimated Acquisition Costs) prepared by Carrier in accordance with AACE Guidelines, having an accuracy level within the range of plus 25% and minus 15% after the application of a risk-dependent contingency.

“Carrier” has the meaning given in the Recitals.

“Carrier Execution Date” has the meaning given in Section 3.4.

“Carrier Force Majeure” has the meaning given in the Rules and Regulations.

“Carrier FM Volumes” has the meaning given in Section 8.1(b).

“Commencement Date” has the meaning given in Section 5.2.

“Contract” has the meaning given in the Rules and Regulations, and this Agreement shall constitute a Contract for such purposes.

“**Founding Shipper**” means a Shipper that: (i) together with its Affiliates has a Contract Volume of at least 3975 m³/Day (25,000 bbl/Day); and (ii) has specified a Contract Term of 5 Years or more, and then only in respect of Contract Volumes for such greater Contract Term(s).

“**Governmental Authority**” has the meaning given in the Rules and Regulations.

“**Insolvency Event**” has the meaning given in the Rules and Regulations.

“**JGR**” means the Jean Gaulin Refinery at or near Quebec City, Quebec.

“**Line Fill**” means the volume of Petroleum determined by Carrier required to be delivered by Shipper to provide for the commissioning and start-up of the Base Pipeline System.

“**Line Fill Share**” means Shipper’s proportionate share of Line Fill calculated in accordance with Appendix D.

“**Make-Up Volume**” means, in respect of a Month, a volume of Petroleum equal to the difference between the Monthly Volume and volumes actually Tendered for shipment in that Month, calculated in accordance with Section 8.1.

“**Maximum Allocation**” means, in any Month, Shipper’s highest Allocated Volume for such Month.

“**Month**” has the meaning given in the Rules and Regulations.

“**Monthly Revenue Commitment**” means the amount calculated in accordance with paragraph B.1 of Appendix B.

“**Monthly Volume**” has the meaning given in the Rules and Regulations.

“**MRC Adjustment**” means the “MRC Adjustment” described in Part E of Appendix B.

“**Nomination**” and any derivative thereof, has the meaning given in the Rules and Regulations.

“**Notice**” has the meaning given in Section 10.1.

“**Notice of Shipment**” has the meaning given in the Rules and Regulations.

“**Open Season**” means the open season bid tender procedures initiated by Carrier in respect of this Agreement (and related Contracts) to provide Services to Term Shippers on the Pipeline System (as such procedures may be replaced or amended from time to time).

“**Operating, Maintenance and Administration Costs**” has the meaning given in paragraph D.3 of Appendix B.

“**Party**” means a party to this Agreement, and “**Parties**” means all of the parties to this Agreement, collectively.

“**Payment Due Date**” has the meaning given in the Rules and Regulations.

“**Person**” has the meaning given in the Rules and Regulations.

APPENDIX A
CONTRACT ELECTIONS BY SHIPPER
(Shipper to Complete)

Contract Volume shall be a minimum of 795 m³/Day (5,000 bbl/Day), in increments of 795 m³/Day (5,000 bbl/Day) in respect of any Contract Receipt Point or Contract Delivery Point.

1. Primary Contract Volume

CONTRACT RECEIPT POINT	CONTRACT DELIVERY POINT	CONTRACT TERM	CONTRACT VOLUME
Hardisty	Montreal	____ Years (10 or 20 years)	_____ m ³ /Day (_____ bbl/Day)
Hardisty	Quebec City (JGR)	____ Years (10 or 20 years)	_____ m ³ /Day (_____ bbl/Day)
Bakken	Montreal	____ Years (5 or 10 years)	_____ m ³ /Day (_____ bbl/Day)
Bakken	Quebec City (JGR)	____ Years (5 or 10 years)	_____ m ³ /Day (_____ bbl/Day)
Hardisty or Bakken	Montreal	____ Years (7*, 10**, 15 or 20 years)	_____ m ³ /Day (_____ bbl/Day)
Hardisty or Bakken	Quebec City (JGR)	____ Years (7*, 10**, 15 or 20 years)	_____ m ³ /Day (_____ bbl/Day)

* 7 Year “Hardisty or Bakken” Contract Term only available for Contract Volumes of 11130 m³/Day (70,000 bbl/Day) or greater

** 10 Year “Hardisty or Bakken” Contract Term only available for Contract Volumes of 9540 m³/Day (60,000 bbl/Day) or greater

2. Supplementary Bakken Contract Volume

If Shipper has elected either of the following items in the Primary Contract Volume above: (i) a Contract Receipt Point of “Bakken” and a Contract Term of 10 Years; or (ii) a Contract Receipt Point of “Hardisty or Bakken” and a Contract Term of 10 Years or longer, Shipper may also elect a supplementary Contract Volume for a Contract Term of 2 Years from the Contract Receipt Point to the Contract Delivery Point, provided that such supplementary Contract Volume may not exceed 75% of the Primary Contract Volume:

Supplementary Contract Volume	_____ m ³ /Day (_____ bbl/Day)
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3. Ramp-Up Volume Option

If Shipper has elected a Contract Receipt Point of Hardisty and a Contract Volume of at least 25,000 bbl/Day, Shipper may elect the Ramp-Up Volume Option below.

RAMP UP VOLUME OPTION	_____ yes
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QUEBEC CITY (JGR) Delivery Point		
Contract Receipt Point	Term (Years)	Fixed Toll in \$/m ³ (bbl)
Hardisty	20	\$24.216 (\$3.85)
	10	\$27.361 (\$4.35)
Hardisty or Bakken	20	\$24.845 (\$3.95)
	15	\$27.046 (\$4.30)
	10	\$28.619 (\$4.55)
	7	\$29.562 (\$4.70)
Bakken	10	\$30.506 (\$4.85)
	5	\$32.078 (\$5.10)
	2	\$35.852 (\$5.70)

2. **Multiple Receipt Point Option:** For greater certainty, if Shipper has elected a Contract Receipt Point of “Hardisty or Bakken” in Appendix A:
- the same Fixed Toll and Monthly Revenue Commitment (applicable to the “Hardisty or Bakken” Contract Receipt Point) will be payable by such Shipper, regardless of which Receipt Point is utilized in any Month; and
 - the Variable Toll will continue to be payable on Barrel Kilometres from the actual Receipt Point to the actual Delivery Point, in the same manner as described in Part D below.
3. **Contract Volume Discount:** If Shipper has elected (i) a Contract Term of 20 Years, and (ii) a Contract Volume for such Contract Term that meets the following criteria, Shipper shall be entitled to a Fixed Toll discount on the following basis:
- if Shipper’s Contract Volume is equal to or greater than 15,900m³/Day (100,000 bbl/Day), but less than 19,080m³/Day (120,000 bbl/Day), a Fixed Toll discount of \$0.943/m³ (\$0.15 per bbl);
 - if Shipper’s Contract Volume is equal to or greater than 19,080m³/Day (120,000 bbl/Day), but less than 23,850m³/Day (150,000 bbl/Day), a Fixed Toll discount of \$2.201/m³ (\$0.35 per bbl); or
 - if Shipper’s Contract Volume is equal to or greater than 23,850m³/Day (150,000 bbl/Day), a Fixed Toll discount of \$3.145/m³ (\$0.50 per bbl);
- with such discount applicable to the entire Contract Term; provided that if Shipper assigns part of the Agreement such that its remaining Contract Volume falls below any of the thresholds outlined above, the amount and availability of a Fixed Toll discount will be reduced (or eliminated) accordingly.
4. **Ramp-Up Shipper Surcharge:** Ramp-Up Shippers will be subject to the following surcharges:
- \$3.774/m³ (\$0.60 per bbl) where such Shipper has elected a Contract Term of 10 Years; or
 - \$2.201/m³ (\$0.35 per bbl) where such Shipper has elected a Contract Term of 20 Years,