



Alliance Pipeline Ltd.  
800, 605 – 5 Avenue SW  
Calgary, AB, Canada  
T2P 3H5

Telephone (403) 266-4464  
Toll-free 1-800-717-9017  
Fax (403) 266-4495

**E-Filed / Signed Original Via Messenger**

February 1, 2016

Ms. Sheri Young  
Secretary of the Board  
National Energy Board  
517 10<sup>th</sup> Avenue SW  
Calgary, Alberta  
T2R 0A8

**Re: Alliance Pipeline Ltd., as General Partner of the Alliance Pipeline Limited Partnership  
Compliance Filing and Application Pursuant to Part IV of the *National Energy Board Act* for Tariff Approval  
NEB File Number: OF-Tolls-Group1-A159-2014 01**

Dear Ms. Young

In accordance with the National Energy Board's directives contained in its letter, dated November 26, 2015, Alliance Pipeline Ltd., as General Partner of the Alliance Pipeline Limited Partnership (Alliance) hereby refiles its Tariff for approval, along with the related business policies codified in the Alliance Transportation Access Policy (ATAP).

**Background**

On October 7, 2015, Alliance submitted a compliance filing to the Board in regard to interruptible and seasonal bid mechanics, which included Alliance's ATAP business policy, in response to Board directives stated in Chapter 6.1.1 of its RH-2-2014 Reasons for Decision and in accordance with Condition 6 of Board Order TG-012-2015 issued on June 24, 2015 in conjunction with the Board's RH-2-2014 Decision.

On October 27, 2015, Alliance submitted five tariff amendments, to become effective December 1, 2015, in compliance with Condition 2 of Board Order TG-012-2015, reflecting the specific directions and decisions of the Board that were outlined in its RH-2-2014 Reasons for Decision. In that same filing, Alliance also submitted an additional 10 proposed tariff amendments reflecting service enhancements or modifications, clarifications, and other minor changes, for which Alliance requested the issuance of a Board Order pursuant to Part IV of the *National Energy Board Act* approving the proposed 10 tariff amendments, effective December 1, 2015.

On October 28, 2015, Alliance submitted reply comments in regard to its October 7<sup>th</sup> compliance filing to the Board.



On November 16, 2015, Alliance submitted reply comments in regard to its October 27<sup>th</sup> Tariff submission.

On November 26, 2015, the Board approved Alliance's October 27<sup>th</sup> Tariff application on an interim basis, with the exception of one proposed tariff amendment (Issue 11 – Awarding of Interruptible Capacity). The Board also directed Alliance to file an interim Tariff and an interim ATAP, reflecting this interim approval, which Alliance submitted on November 27, 2015.

In addition, the Board directed Alliance to conduct consultations and negotiations with its shippers and other interested stakeholders on each of the issues that were listed in Appendix 1 to the Board's letter of November 26<sup>th</sup> (see Attachment #1 herein for reference). Following these consultations, Alliance was further directed to refile its Tariff and ATAP by February 1, 2016, along with a report of whether each issue had the full support of its shippers, or whether resolution of the respective issue remained outstanding.

### **Consultation**

In accordance with the Board's November 26<sup>th</sup> consultation related directives, and consistent with commitments previously made by Alliance in its November 16<sup>th</sup> submission, Alliance initiated the development of a new shipper task force in December 2015 to reflect its new customer base. The new "Alliance Pipeline Shipper Task Force" was created as a discussion forum, in which meetings would be conducted on a confidential and without prejudice basis in order to facilitate open dialogue, collaborative discussions, and the sharing of relevant information on toll and tariff matters. These discussions allow members to address concerns related to tolls and service attributes and facilitate the resolution of these issues. Members of the Alliance Pipeline Shipper Task Force include shippers and affected stakeholders, representing, as of February 1, 2016, a total of 37 individual entities. Coincident with these implementation steps, Alliance dissolved the two former shipper task force groups, namely the Alliance Shipper Task Force (Policy Group) and the Alliance Canadian Shipper Task Force.

Discussions within the Alliance Pipeline Shipper Task Force complement individual consultations between Alliance and its shippers. Many of Alliance's customers have indicated that they view one-on-one discussions as beneficial and resource efficient, and at times the preferred approach to discuss customer specific concerns or issues that are commercially sensitive in nature.

Subsequent to its creation, the Alliance Pipeline Shipper Task Force met five times (December 8<sup>th</sup> and 18<sup>th</sup>, 2015, and January 5<sup>th</sup>, 11<sup>th</sup>, and 18<sup>th</sup>, 2016) to discuss, at a minimum, the issues prescribed by the Board.

### **Issue Status Report**

The following is an issue-by-issue reporting of the outcome of each issue referenced in Attachment #1 as a result of consultation with shippers, primarily consisting of discussions held



within the Alliance Pipeline Shipper Task Force framework. In addition, added commentary has been included as applicable with respect to unresolved issues, as was directed by the Board.

For ease of reference, any new proposed Tariff revision resulting from these shipper consultations has been redlined against the November 27<sup>th</sup> interim Tariff filing (see Attachments #2 and #3), and any related new ATAP revision has been redlined against the respective November 27<sup>th</sup> version (see Attachments #4 and #5).

#### Issue 1.1: Bid Floor Definition

The definition of “Bid Floor” in Section 1.1 of the General Terms And Conditions (GT&C) was modified in Alliance’s October 27<sup>th</sup> Tariff submission in accordance with the Board’s decision that established a range within which bid floors may be set by Alliance for Seasonal and Interruptible services,<sup>1</sup> and this tariff amendment was approved by the Board on November 26<sup>th</sup> on an interim basis.

The Alliance Pipeline Shipper Task Force concluded that with respect to this issue, Alliance’s October 27<sup>th</sup> Tariff submission and November 27<sup>th</sup> interim Tariff filing conform with the Board’s directives, as outlined in its RH-2-2014 Decision.

#### Issue 1.2: Recoverable Cost Variances (RCV) Mechanism

Article 6 of each of the Toll Schedules for Firm Receipt, Firm Delivery, and Firm Full Path Service, and Article 5 of each of the Toll Schedules for Interruptible Receipt, Interruptible Delivery, and Interruptible Full Path Service were revised in Alliance’s October 27<sup>th</sup> Tariff submission to reflect the Board’s directive to Alliance to carry over year-end balances in its RCV deferral accounts to offset future RCV surcharges,<sup>2</sup> and the tariff amendments were approved by the Board on November 26<sup>th</sup> on an interim basis.

The Alliance Pipeline Shipper Task Force concluded that with respect to this issue, Alliance’s October 27<sup>th</sup> Tariff submission and November 27<sup>th</sup> interim Tariff filing conform with the Board’s directives, as outlined in its RH-2-2014 Decision.

#### Issue 1.3: Pipeline Abandonment

Schedule A of each of the Toll Schedules for Firm Receipt, Firm Delivery, Firm Full Path, Interruptible Receipt, Interruptible Delivery, and Interruptible Full Path Service were revised in Alliance’s October 27<sup>th</sup> Tariff submission to reflect the updated calculation of the Pipeline Abandonment Demand Surcharges and the Pipeline Abandonment Surcharges, as approved by the Board,<sup>3</sup> and the tariff amendments were approved by the Board on November 26<sup>th</sup> on an interim basis.

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<sup>1</sup> NEB RH-2-2014 Reasons for Decision, Chapter 6.1.1, Page 55.

<sup>2</sup> NEB RH-2-2014 Reasons for Decision, Chapter 7.2.1, Page 59.

<sup>3</sup> NEB RH-2-2014 Reasons for Decision, Chapter 7.3, Page 60



The Alliance Pipeline Shipper Task Force concluded that with respect to this issue, Alliance's October 27<sup>th</sup> Tariff submission and November 27<sup>th</sup> interim Tariff filing conform with the Board's directives, as outlined in its RH-2-2014 Decision.

#### Issue 1.4: Pre-Determined Allocations

GT&C Section 17.1 (a) was revised in Alliance's October 27<sup>th</sup> Tariff submission to reflect Alliance's proposal to allow Common Stream Operators to submit pre-determined allocation instructions to Alliance prior to the flow of gas,<sup>4</sup> as approved by the Board,<sup>5</sup> and this tariff amendment was approved by the Board on November 26<sup>th</sup> on an interim basis.

The Alliance Pipeline Shipper Task Force concluded that with respect to this issue, Alliance's October 27<sup>th</sup> Tariff submission and November 27<sup>th</sup> interim Tariff filing conform with the Board's directives, as outlined in its RH-2-2014 Decision.

#### Issue 1.5: Receipt Points

Schedule A of the GT&C was revised in Alliance's October 27<sup>th</sup> Tariff submission to reflect the correct designation of the Gordondale AB13 receipt point as a Zone 1 receipt point, and the addition of the Tony Creek AB 66 receipt point, which was installed in 2014,<sup>6</sup> and the tariff amendments were approved by the Board on November 26<sup>th</sup> on an interim basis.

The Alliance Pipeline Shipper Task Force concluded that with respect to this issue, Alliance's October 27<sup>th</sup> Tariff submission and interim Tariff filing conform with the Board's directives, as outlined in its RH-2-2014 Decision.

#### Issue 1.6: Imbalance Cash Out Price

In its May 22, 2014 applied-for Tariff, Alliance proposed to calculate imbalance cash out amounts as a function of the NGX AB-NIT Index 1 and 1A prices. During the RH-2-2014 hearing, concerns were raised as to whether this reference price represented a liquid pricing index, and Alliance committed to address this issue if it was determined to be unsuitable. Upon review, Alliance determined it would be more appropriate to utilize the NGX AB-NIT Same Day Index 4 and 4A prices for imbalance cash out purposes, and reflected such change in its October 27<sup>th</sup> Tariff submission, which was approved by the Board on November 26<sup>th</sup> on an interim basis.

As a result of discussions held within the Alliance Pipeline Shipper Task Force, a further refinement was proposed such that the NGX AB-NIT Same Day Index 5 and 5A prices would be utilized for imbalance cash out purposes.

This change requires tariff amendments to GT&C Article 18.7, and Article 4.1 of each of the Toll Schedules for Firm Receipt, Firm Delivery, Firm Full Path, Interruptible Receipt, Interruptible

<sup>4</sup> NEB RH-2-2014 Hearing, Alliance's Responses to NEB IR 5.6, Page 5 of 8, and BP Canada IR 2.2 g).

<sup>5</sup> NEB RH-2-2014 Reasons for Decision, Chapter 4.2.1, Page 29

<sup>6</sup> NEB RH-2-2014 Hearing, Alliance's Additional Evidence, October 2, 2014, Pages 2 and 3.



Delivery, and Interruptible Full Path Service, and a revision to the definition of “Billing Month Index Price” in GT&C Article 1.1 to mean the NGX AB-NIT Same Day Index 5A (Arithmetic Average) price, as reported each month in the Canadian Gas Price Reporter (see Attachments #2 and #3).

The Alliance Pipeline Shipper Task Force concluded that with respect to this issue no residual concerns remain, and Alliance is of the view that this revised proposal has the full support of its shippers.

#### Issue 1.7: Title

The tariff provisions contained in Alliance’s May 22, 2014 Application required each shipper to have title to all of its Gas and Liquids at the time it is tendered to Alliance. The proposed tariff amendments to GT&C Article 25.1 and Article 2.2 of each of the Firm Transportation Service and Interruptible Transportation Service Agreements in Alliance’s October 27<sup>th</sup> Tariff submission, and which were approved by the Board on November 26<sup>th</sup> on an interim basis, will allow Firm Receipt Service shippers and Interruptible Receipt Service shippers to represent and warrant to Alliance that they have title, or the irrevocable right to transfer title, to the Gas and Liquids tendered pursuant to their service contract, and the irrevocable right to grant the option described in Article 5 of the Firm Transportation Service Agreement and the Interruptible Transportation Service Agreement. This alternative provision is also applicable to Firm Receipt Shippers holding service under a temporary assignment.

These amendments will align title transfers at the Alliance Trading Pool more closely with the representations and warranties found in the GasEDI Base Contract for Sale and Purchase of Natural Gas, the NAESB Base Contract for Sale and Purchase of Natural Gas, and the NGX Master Contracting Agreement.

The Alliance Pipeline Shipper Task Force concluded that with respect to this issue no residual concerns remain, and Alliance is of the view that its October 27<sup>th</sup> proposal has the full support of its shippers.

#### Issue 1.8: Alliance Trading Pool

In order to facilitate enhanced liquidity at the Alliance Trading Pool (ATP), Alliance proposed to open up access to the ATP to title transfer parties, in addition to receipt and delivery service shippers. To effect this improvement, Alliance introduced a Title Transfer Agreement in its October 27<sup>th</sup> Tariff submission, which was approved by the Board on November 26<sup>th</sup> on an interim basis, under which a title transfer party can accept or transfer title of gas at the ATP with another title transfer party or with a transportation service shipper.

The Alliance Pipeline Shipper Task Force concluded that with respect to this issue no residual concerns remain, and Alliance is of the view that its October 27<sup>th</sup> proposal has the full support of its shippers.



#### Issue 1.9: Staged Contracts

In Alliance's October 27<sup>th</sup> Tariff submission, which was approved by the Board on November 26<sup>th</sup> on an interim basis, additional flexibility was provided to receipt and full path shippers allowing them to build staged contract profiles with tranches less than a year in length. The threshold requirement for an overall term of five years remains in effect. The proposed tariff amendments included a revision to the definition of "1Yr Demand Charge" in GT&C Article 1.1 and a parallel change to Schedule "B" of each of the Toll Schedules for Firm Receipt and Firm Full Path Service.

The Alliance Pipeline Shipper Task Force concluded that with respect to this issue no residual concerns remain, and Alliance is of the view that its October 27<sup>th</sup> proposal has the full support of its shippers.

#### Issue 1.10: Overrun Charge – Interruptible Service

In Alliance's October 27<sup>th</sup> Tariff submission, which was approved by the Board on November 26<sup>th</sup> on an interim basis, the originally applied-for Overrun Charge provisions for the Interruptible Receipt and Full Path Services were eliminated. Instead, for invoicing purposes, Alliance calculates the monthly bill for Interruptible Receipt and Full Path Service shippers utilizing the applicable toll bid by the shipper and the applicable surcharges, each applied against the interruptible shipper's allocated quantities.

The October 27<sup>th</sup> Tariff amendments included revisions to the definition of "Overrun Quantities Charge" in GT&C Article 1.1, GT&C Article 19.5, and Articles 4 and 5, and Schedule "A" of each of the Toll Schedules for Interruptible Receipt and Interruptible Full Path Service.

The Alliance Pipeline Shipper Task Force concluded that with respect to this issue no residual concerns remain, and Alliance is of the view that its October 27<sup>th</sup> proposal has the full support of its shippers.

#### Issue 1.11: Awarding of Interruptible Capacity

Following discussions within the Alliance Pipeline Shipper Task Force, a unanimous resolution was not achieved in regard to suggested tariff amendments and ATAP revisions relating to the awarding of interruptible capacity between liquids and non-liquids receipt points.

#### *Background*

In its October 27<sup>th</sup> submission, Alliance proposed tariff amendments and revisions to its ATAP business policy to address concerns relating to a perceived inequity between bids submitted for interruptible service at liquids receipt points, and those submitted at non-liquids receipt points. In its letter, dated November 26<sup>th</sup>, the Board excluded this provision from Alliance's interim Tariff, but nevertheless included it in the list of issues set for further consultation.



Alliance has the capability to receive injections of propane and butane from liquids receipt points in the Fort Saskatchewan area. Service at these receipt points over the past few years has been limited to a single shipper. As approved by the Board, Alliance will continue to provide this service under Interruptible Full Path Service. Under the November 26<sup>th</sup> Tariff approved by the Board on an interim basis, shippers can submit bids for interruptible service through a bidding window, and Alliance will subsequently award such service on the basis of highest to lowest bid toll, without regard for whether the bids are at non-liquids receipt points, or at liquids receipt points.

The composition of the commodities received at natural gas and liquids receipt points are fundamentally different and present a far different economic proposition for the shippers and Alliance. For example, the heating value of natural gas received onto the Alliance system generally ranges from 37.2 MJ/m<sup>3</sup> (1,000 btu/scf) to 42.8 MJ/m<sup>3</sup> (1,150 btu/scf). In contrast, the heating value of propane is typically about 95.7 MJ/m<sup>3</sup> (2570 btu/scf), or approximately 2.5 times the heating value of a typical natural gas stream.

Alliance contracts and bills on a volumetric basis. As a result, if a natural gas and propane shipper were each awarded interruptible service at the same toll, the effective cost of shipping on an energy basis can be more than 2.5 times less for the propane shipper than for the natural gas shipper. As an illustration, if a shipper bid 125% of the full path rate in Zone 1 (i.e. \$28.66/10<sup>3</sup>m<sup>3</sup>), a natural gas shipper with a heating value of 37.2 MJ/m<sup>3</sup> (1,000 btu/scf) would pay an effective energy toll of \$0.77/GJ. Conversely, a propane shipper would pay an effective energy toll of \$0.30/GJ. This material price difference clearly disadvantages natural gas shippers on the pipeline as they compete for interruptible capacity. This problem is further exacerbated when the liquid is butane, which has a higher heating value than propane.

The capping of bid floors at 125% of the corresponding fixed five-year toll effectively eliminates any ability of Alliance to level the economic playing field between natural gas and propane or butane shippers.

### *Process*

As a result of discussions held within the Alliance Pipeline Shipper Task Force, it became apparent to Alliance that there was little support amongst shippers for preserving the interruptible bid framework as provided for in the interim Tariff. In addition, the discussions prompted Alliance to consider an alternative resolution.

### *Alliance Position and Rationale*

To address shipper concerns expressed about a perceived inequity between bids submitted for interruptible service at liquids receipt points, and those submitted at non-liquids receipt points, Alliance is proposing to amend its Tariff and ATAP to provide for the application of an Economic Equivalency Factor to assist in leveling the economic playing field between liquids and non-liquids shippers.





Accordingly, Alliance is proposing to amend GT&C Articles 14.2 (c) and 16.1 (c) (iii) and Toll Schedule Interruptible Full Path Service Article 2.4 (see Attachments #2 and #3). Consistent with these tariff amendments, Section 6.3 (a) of Alliance's ATAP business policy was also revised (see Attachments #4 and #5).

Alliance is of the view that, directionally, there is considerable support within the Alliance Pipeline Shipper Task Force to modify the existing interim tariff provisions in regard to this issue, but recognizes that there may not be a unanimous consensus about this proposed approach. Accordingly, Alliance submits that its proposal represents an appropriate manner to address shipper concerns expressed at the task force, but recommends that the Board approve the related proposed tariff amendments on an interim basis, and allow Alliance and its shippers to continue discussions, following which Alliance will report back to the Board with either a request to approve the proposed tariff amendments on a final basis, or with an alternative proposal.

#### Issue 1.12: Minimum Flow Requirements

Alliance's October 27<sup>th</sup> Tariff submission, which was approved by the Board on November 26<sup>th</sup> on an interim basis, included provisions to ensure meter facility measurement accuracy, under which Alliance would post on its website any measurement related minimum flow requirements applicable to a metering facility, and any nominations not able to meet this accuracy threshold would not be eligible for demand charge credits.

As a result of discussions within the Alliance Pipeline Shipper Task Force, Alliance agreed to amend its proposal such that it will continue to post on its website any measurement related minimum flow requirements applicable to a metering facility, but any gas not received as a direct result of nominations being rejected because they do not meet this accuracy threshold would nonetheless remain eligible for demand charge credits.

The October 27<sup>th</sup> revision to GT&C Article 4.1 that was approved by the Board on an interim basis has been retained, but the proposed tariff amendments to Article 5.1 (d) of each of the Toll Schedules for Firm Receipt and Firm Full Path Service have been deleted (see Attachments #2 and #3).

The Alliance Pipeline Shipper Task Force concluded that with respect to this issue no residual concerns remain, and Alliance is of the view that this revised proposal has the full support of its shippers.

#### Issue 1.13: Electronic Communication

In its October 27<sup>th</sup> Tariff submission, which was approved by the Board on November 26<sup>th</sup> on an interim basis, Alliance formalized the manner in which its customers engage in the business of natural gas transportation through the implementation of a Customer Activities Website. General references in the Tariff to shipper-specific electronic submissions and postings were replaced with a specific reference to the Customer Activities Website.





The Alliance Pipeline Shipper Task Force concluded that with respect to this issue no residual concerns remain, and Alliance is of the view that its October 27<sup>th</sup> proposal has the full support of its shippers.

#### Issue 1.14: Diversions (PITS)

In its October 27<sup>th</sup> Tariff submission, which was approved by the Board on November 26<sup>th</sup> on an interim basis, additional flexibility was provided to receipt and full path shippers allowing them to request a diversion to an alternate receipt point for an amount equivalent to the aggregate of their Contracted Capacity and associated PITS Capacity.

The October 27<sup>th</sup> proposed tariff amendments included revisions to the GT&C Article 1.1 definitions for “Diversion Factor”, “PITS Charge 1”, “PITS Charge 2”, “PITS Volume”, and “Priority Interruptible Transportation Service”, the addition of two new definitions in GT&C Article 1.1 – “PITS Capacity” and “Total Service Capacity”, revisions to GT&C Articles 14.2 (b), 15.1 (a) and (b), 18.5, 19.4, 19.5, and 30.2 (c), and Articles 2.2, 3.1, 4.1 (i) and (j), and 7.1 of each of the Toll Schedules for Firm Receipt and Firm Full Path Service.

The Alliance Pipeline Shipper Task Force concluded that with respect to this issue no residual concerns remain, and Alliance is of the view that its October 27<sup>th</sup> proposal has the full support of its shippers.

#### Issue 1.15: Receipt Point Pressure

In Alliance’s October 27<sup>th</sup> Tariff submission, which was approved by the Board on November 26<sup>th</sup> on an interim basis, Schedule A of the GT&C was revised to reflect the amendment of a Facility Connection Agreement between Alliance and the Common Stream Operator at the Karr AB 31 receipt point. The amendment increased the receipt pressure at AB 31 to 8,274 kPa (1200 psig).

The Alliance Pipeline Shipper Task Force concluded that with respect to this issue no residual concerns remain, and Alliance is of the view that its October 27<sup>th</sup> proposal has the full support of its shippers.

#### Issue 2: Diversions (Access and Priority)

Following discussions within the Alliance Pipeline Shipper Task Force, a unanimous resolution was not achieved in regard to suggested tariff amendments relating to changes to diversion access and diversion scheduling and curtailment priority.

#### *Background*

In December 2010, 92% of Alliance’s shippers by contract demand gave notice that they would not extend their 15-year contracts beyond the November 30, 2015 initial expiry date. Shippers indicated to Alliance that interest remained in the delivery of natural gas to the Chicago market, but at a lower market responsive toll level. In addition, shippers expressed a desire to avoid a



tolling framework that could lead to spiraling tolls due to the combination of reduced contract demand and throughput, as had been witnessed elsewhere. In essence, shippers had rejected the traditional cost-of-service tolling model as it applied to Alliance.

In response to these competitive parameters and a changing business environment, Alliance developed a New Services Offering, under which one of the key elements was the adoption of an at-risk, fixed, long-term tolling model for firm transportation service, along with biddable seasonal and interruptible services. The associated market responsive toll offered by Alliance represented an approximately 30% reduction from previous cost-of-service toll levels, driven in large part by Alliance's assumption of greater risk through reduced cost of capital recovery, lower G&A budgets, and the inclusion of an incremental 170 mmcf of seasonal winter firm contracts in the billing determinants used to establish the fixed toll.

In order to balance the increased risk associated with the offering of its fixed market responsive tolls, Alliance required the opportunity to earn discretionary revenue through the offering of seasonal and interruptible service. As a pipeline at-risk for any and all uncontracted capacity, Alliance required the ability to offer this capacity in the primary market to meet demand for seasonal and interruptible service. At the same time, it was recognized that while producer shippers would be contracting capacity at receipt points physically located where their supply would connect with Alliance, shippers would require a degree of receipt point flexibility and optionality to manage supply source variations over time, as well as short term operational issues. A balance of these parameters was established in the New Services Offering through tariff provisions that allow shippers to divert to alternate receipt points on the day, or in the longer term to amend their contracts through temporary monthly or permanent relocations.

This New Services Offering framework was codified in the Precedent Agreement process adopted by Alliance as part of its shipper consultation process. Section 7 (h) of the August 13, 2013 Precedent Agreement version included specific provisions related to diversions. Receipt and full path shippers could, at Alliance's sole discretion, divert their volumes to alternate receipt points. Further, such diversions would be scheduled daily after existing firm and interruptible services are scheduled at the diverted-to receipt point. These diversion-related provisions remained unchanged throughout seven version revisions that unfolded during the Precedent Agreement process, as evident in Attachment 3 – (G) through (L) of Alliance's New Services Offering Application, dated May 22, 2014, and filed under the Board's RH-2-2014 hearing process (see excerpt from the May 15, 2014 Precedent Agreement in Attachment #6). The Precedent Agreement process also served as a means to gauge the level of commercial support underpinning Alliance's New Services Offering through contractual commitments. All of the initial new long-term firm shippers that signed up for service under the New Services Offering, commencing December 1, 2015, executed binding Precedent Agreements specifically containing the above-referenced service attributes.

Diversions were also fully detailed in Alliance's New Services Offering Application, dated May 22, 2014. Paragraph 70 in Section E of the application described how flexibility would be provided to receipt and full path shippers to schedule diversions. Firm receipt and full path shippers, including seasonal shippers, may, by nomination, request a diversion to an alternate receipt point, and Alliance may, in its sole discretion, grant the diversion. Such diversions would



be considered daily for each scheduling cycle and would be scheduled after all existing firm service, PITS, interruptible service, and transportation make-up have been scheduled at the diverted-to receipt point. The specific scheduling and curtailment priorities for diversions were stipulated in GT&C Articles 14 and 16.

This balancing of pipeline risk and service flexibility was also addressed during the Board's RH-2-2014 hearing. For example, in response to a request from the Board in NEB IR No. 1.6 to discuss the attendant risks of its new services offering, Alliance stated that service attributes such as diversions provide shippers with greater flexibility to meet their changing business needs, and that while individually resulting in a shifting of risk to Alliance, they help to make Alliance's New Services Offering, as a whole, more attractive to shippers and thereby help to mitigate Alliance's increased revenue and cost risk. Alliance's response to NEB IR No. 2.6 described in detail the benefits for receipt shippers in regard to diversions. In its response to NEB IR 5.16 a), Alliance highlighted how under its then existing Tariff, Alliance's acceptance of flow at receipt points other than at a receipt point(s) designated by a shipper at its Primary Receipt Point(s) was in Alliance's discretion, consistent with the approach taken in the New Services Offering in regard to diversions. Alliance further stated its belief that because of the at-risk nature of the New Services Offering, unutilized capacity should be allocated first to shippers willing to pay for it and thereby provide incremental revenues to the pipeline. Ranking a shipper's PITS at its contracted Receipt Point ahead of diverted capacity also preserves the value of PITS as an attribute of Firm Service.

The Board specifically addressed this issue in its RH-2-2014 Reasons for Decision. For example, the Board summarized the views of Alliance as follows:

*Alliance indicated that receipt point flexibility would be provided to FRS and FFPS shippers to schedule diversions and to relocate their TSA receipt points. According to Alliance, these service attributes provide FRS and FFPS shippers with the flexibility to respond to operational and market conditions that could affect the availability of supply at their contracted receipt points. Diversions and relocations would be accommodated at Alliance's sole discretion, which Alliance suggested is similar to current practices.*

*Nominations at the diverted-to receipt point would be scheduled according to the following ranking: (i) firm volumes; (ii) PITS volumes; (iii) interruptible volumes; and (iv) diversions. In Alliance's view, scheduling diversions below interruptible service encourages shippers to designate their contracted capacity at locations where they have production and intend to flow. Alliance contended that this provides greater certainty regarding capacity availability and, accordingly, allows Alliance to attract incremental service revenues to the Pipeline. It was Alliance's understanding that only cost-of-service pipelines rank diversions ahead of interruptible service. [Emphasis added.]<sup>7</sup>*

More specifically, the Board ruled on this matter in its RH-2-2014 Reasons for Decision:

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<sup>7</sup> NEB RH-2-2014 Reasons For Decision, Chapter 4.2, Page 25.



*The Board considers many of BP Canada's concerns to be directed towards the way in which service would change under the NSO relative to the existing model. In the Board's view, the NSO is a significant departure from the cost-of-service model currently in place, which makes a comparison of their attributes problematic. The relative certainty of cost recovery under the existing cost-of-service model supports the existing service attributes. In the Board's view, these service attributes could not be incorporated into the NSO without introducing material risk to Alliance or altering the value of, or the relationship among, each of the new services. For this reason, the Board views Alliance's proposed terms and conditions related to the Rich Gas Credit, receipt point flexibility, fuel management, the elimination of AOS, and penalties and charges for imbalances, TPAL and overrun quantities as appropriate. ...*

*... The Board is of the view that the terms and conditions in the NSO, as set out by Alliance, represent a starting point; they are adequate to support the NSO without disadvantaging Alliance or its shippers. [Emphasis Added]<sup>8</sup>*

#### *Process*

The issue of whether tariff amendments should be specifically adopted relating to changes to diversion access and diversion scheduling and curtailment priority was discussed at all three of the January 2016 Alliance Pipeline Shipper Task Force meetings.

#### *Alliance's Position and Rationale*

Alliance submits that the Board's RH-2-2014 Reasons for Decision as they pertain to diversion access and diversion scheduling and curtailment priority remain as appropriate today, as they did just several months ago.

Since the commencement of Alliance's New Services Offering on December 1, 2015, every in-path diversion that was requested by a receipt or full path shipper has been approved by Alliance. An in-path diversion is a diversion to a receipt point that is between the shipper's contracted receipt point and its contracted delivery point. An out-of-path diversion is a diversion to a receipt point that is not between the shipper's contracted receipt point and its contracted delivery point. To assist its shippers in this regard, Alliance has posted on its Informational Posting Site a Receipt Point Pathing policy that lists for every receipt point those points that would be in-path, and those that would be out-of-path.

In addition, over this same time period, every out-of-path diversion that was requested by a receipt or full path shipper, but one, has been approved by Alliance. On December 30, 2015, Alliance was unable to approve requests by shippers to divert from a Zone 1 receipt point to a Zone 2 receipt point. In Alliance's view, such requests were not made to accommodate supply or production issues behind a shipper's receipt point, but were rather an attempt to take

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<sup>8</sup> NEB RH-2-2014 Reasons For Decision, Chapter 4.2.1, Pages 29 and 30.



advantage of a pricing arbitrage between market hubs. On that day there were sufficient requests for IT capacity such that total nominations (including diversions) on Alliance exceeded physical capacity. Allowing out-of-path diversions to proceed on that day would have effectively blocked out legitimate demand for IT service, thus precluding IT shippers from participating in the market. Shippers willing to pay for unutilized capacity would have been denied service, and incremental revenues to Alliance would have been foregone.

It is also important to note that diversions are not always ranked below requests for interruptible service. In accordance with natural gas pipeline nomination standards across North America, once scheduled, diversions cannot be bumped by interruptible nominations. For greater clarity, the following is the scheduling priority ranking on Alliance for each nomination cycle.

1. Primary Firm Flowing
2. Primary Firm New
3. PITS Capacity Flowing
4. PITS Capacity New
5. Interruptible Capacity Flowing
6. Firm In-Path Diversion Flowing
7. Firm Out-of-Path Diversion Flowing
8. Interruptible Capacity New
9. Firm In-Path Diversion New
10. Firm Out-of-Path Diversion New

In its RH-2-2014 Reasons for Decision, the Board stated an expectation that parties would negotiate and develop resolutions that are mutually agreeable to the extent that “unanticipated impacts” arise.<sup>9</sup> However, as explained above, no such “unanticipated impacts” have occurred to date. Since the commencement of the new services on December 1, 2015, shipper requests for receipt point diversions have been readily accommodated by Alliance. Even so, subsequent to the Board’s issuance of its RH-2-2014 Decision, Alliance modified its Tariff to provide added benefits and flexibility to its customers by allowing receipt and full path shippers to include their associated PITS capacities as part of a diversion request (see Issue 1.14 above).

In summary, Alliance submits that the current tariff structure relating to diversion access and diversion scheduling and curtailment priority, as was approved by the Board in its RH-2-2014 Decision, remains just and reasonable, continues to reflect the contractual commitments made by Alliance and its shippers during the Precedent Agreement process, and as evident through operational experience to date is not hindering the efficient functioning of the natural gas market.

### Issue 3: Other Tariff Amendments

During the course of discussions within the Alliance Pipeline Shipper Task Force, no other issues were identified that require a tariff amendment at this time. Nevertheless, some of the new issues that have been set aside for future discussion within the Alliance Pipeline Shipper Task Force (see Issue 11: Other Issues) may require the filing of a future tariff amendment.

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<sup>9</sup> NEB RH-2-2014 Reasons For Decision, Chapter 4.2.1, Page 30.



#### Issue 4: Bid Mechanisms

The issue of interruptible and seasonal bid mechanics was initially addressed by Alliance in its October 7<sup>th</sup> compliance filing to the Board, attached to which was Alliance's ATAP business policy, which addressed in detail the bid process mechanism for interruptible and seasonal service.

As a result of discussions held within the Alliance Pipeline Shipper Task Force, a further refinement was proposed for the ATAP business policy. More specifically, ATAP Sections 5.2 (B), 6.1, and 6.3 (c) were revised to reflect requested changes to bidding window and award notification timelines (see Attachments #4 and #5).

The Alliance Pipeline Shipper Task Force concluded that with respect to this issue no residual concerns remain, and Alliance is of the view that its revised ATAP business policy, as it pertains to the bid mechanisms for interruptible and seasonal service, has the full support of its shippers.

#### Issue 5: Informational Postings

As a result of discussions held within the Alliance Pipeline Shipper Task Force, Alliance committed to the development and posting on its website of two new reports (see Attachment #7):

1. Firm Shipper Contracts by Receipt Point Report;
2. Daily Throughput Report;

Alliance is of the view that these new reports represent a general consensus of the Alliance Pipeline Shipper Task Force and the expressed desire of its shippers that the level of reporting appropriately balances the need for market transparency with the need for preserving commercial confidentiality. Alliance will continue to work with its shippers through the Alliance Pipeline Shipper Task Force to determine if additional, or revised, informational postings are required.

#### Issue 6: Quarterly Surveillance Reports

In its RH-2-2014 Reasons for Decision<sup>10</sup>, the Board directed Alliance to consult with its shippers on the information to be contained in quarterly reports to the Board regarding Alliance's management of bid floors. In its October 7<sup>th</sup> compliance filing to the Board, Alliance indicated that it planned to include a summary of bid floors along with the minimum, maximum, and average successful bid floors.

As a result of discussions held within the Alliance Pipeline Shipper Task Force, Alliance developed a Bid Information Report to be included in Alliance's Quarterly Surveillance Report to the Board. The report provides a breakdown of interruptible bids by month, and a breakdown of seasonal bids by month, and by seasonal open season (see Attachment #8).

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<sup>10</sup> NEB RH-2-2014 Reasons for Decision, Chapter 6.1.1, Page 54 and Chapter 9.2.1, Page 77.





Alliance is of the view that within the Alliance Pipeline Shipper Task Force there was a general consensus for the acceptance of this Bid Information Report for the purpose of meeting Alliance's Quarterly Surveillance Report filing requirements.

#### Issue 7: Access to Information – Bid Floors

Following discussions within the Alliance Pipeline Shipper Task Force, a unanimous resolution was not achieved in regard to whether there is a need for Alliance to take additional measures to prevent the use of non-public information in the setting of bid floors.

#### *Background*

The issue of restricting non-public information from employees responsible for setting bid floors arose during the Board's RH-2-2014 hearing within the context of concerns expressed about pricing discretion practices applied by the TransCanada Mainline. As Alliance explained in its October 7<sup>th</sup> submission, its circumstances are unlike those of the TransCanada Mainline. The pricing discretion concerns identified by the Board in its RH-1-2014 Decision<sup>11</sup> are effectively mitigated by Alliance's present circumstances. In that decision, the Board approved the continuation of the full pricing discretion previously established for TransCanada, with no upper limits on the setting of bid floors for its discretionary services. The Board, on the other hand, in its RH-2-2014 Decision, restricted Alliance's discretion to set bid floors for seasonal and interruptible service to no higher than 125 percent of the corresponding five-year fixed toll. As a result, concerns about discriminatory pricing practices raised in the context of the extreme range and magnitude of bid floors set on the TransCanada system, are essentially fully mitigated on the Alliance system by virtue of the implementation of a 125 percent bid floor limit.

#### *Process*

The issue of whether additional measures should be adopted to prevent the use of non-public information in the setting of bid floors was discussed at the Alliance Pipeline Shipper Task Force meetings.

#### *Alliance's Position and Rationale*

Alliance further stated in its October 7<sup>th</sup> report that confidential customer-specific information will not factor into the setting of bid floors. For example, the bid floors for winter and summer seasonal service offerings conducted to date were all set system-wide at 125% of the corresponding five-year fixed toll, and bid floors for interruptible service have been set by zone.

Alliance's employees are also subject to Code of Business Conduct provisions, which include restrictions against market manipulation activities and require compliance with antitrust and competition laws (the Code of Business Conduct is posted on Alliance's website<sup>12</sup>). More to the

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<sup>11</sup> NEB RH-1-2014 Reasons for Decision, pages xi and 37.

<sup>12</sup> <http://www.alliancepipeline.com> >> About Us >> Ethics and Compliance





point, Alliance's employees are also subject to the provisions of Alliance's internal corporate Fair Markets Policy. Alliance shared the full policy with its shipper task force members under the agreed-to task force confidentiality provisions, but for the Board's benefit and reference, the following are key elements of the policy pertaining to bid floors and pricing:

**Purpose**

*Alliance believes in open and competitive markets in which natural gas prices and prices for discretionary gas transportation services, including interruptible, seasonal and park and loan services, are based on supply and demand.*

**Scope**

*The Policy applies to our activities as a gas transmission provider, including ... our setting of bid floors for seasonal and interruptible gas transportation service.*

**Market Conduct**

*... specific examples of the types of conduct we must avoid.*

- *setting artificially high or artificially low bid floors at specific receipt points to impact prices or supply and demand for transportation services at those or other receipt points;*
- *using confidential customer-specific information to set bid floors;*
- *intentionally creating congestion at specific receipt or constraint points in order to artificially impact supply and demand or price of transportation service or of natural gas, either in the supply or delivery areas;"*

All of the above should alleviate any residual concerns of price discrimination on a customer-by-customer basis. In summary, Alliance submits that no further steps are required with respect to the use of non-public information in the setting of bid floors.

Issue 8: Capacity Availability

In discussions with the Alliance Pipeline Shipper Task Force, Alliance reiterated the statement it made in its October 28<sup>th</sup> reply comments submission that available capacity will be offered to the market through Alliance's full suite of services, including long-term firm service, seasonal service, PITS, and interruptible service. In addition, Section 3.1 of the ATAP business policy, which has remained unchanged since Alliance's October 7<sup>th</sup> submission, addresses the manner in which Alliance determines available capacity.

The Alliance Pipeline Shipper Task Force concluded that with respect to this issue no residual concerns remain, and Alliance is of the view that the manner in which it offers available capacity to the market has the full support of its shippers.

Issue 9: Monthly Relocations

Following discussions within the Alliance Pipeline Shipper Task Force, a unanimous resolution was not achieved with respect to a need for increased flexibility for shippers in regard to monthly relocations.



## *Background*

As in the case of diversions described above in Issue 2, specific provisions for permanent and temporary receipt point relocations were initially codified in the Precedent Agreement process that was adopted by Alliance as part of its shipper consultation process. Section 7 (i) of the Precedent Agreement, which was filed within Attachment 3 to Alliance's New Services Offering Application, dated May 22, 2014, and filed under the Board's RH-2-2014 hearing process (see excerpt from the May 15, 2014 Precedent Agreement in Attachment #6) stipulated that receipt and full path shippers could request the relocation of all or a portion of their receipt point contract capacity on a temporary or permanent basis, and that such requests would be honoured at Alliance's sole discretion. In addition, temporary relocations were to be for a duration of one month, and could be re-applied for on a month-to-month basis. Of note, the priority ranking of relocations was addressed during consultations and specifically revised in response to customer demand (see Attachment 3 (H) to Alliance's New Services Offering Application, dated May 22, 2014). The Precedent Agreement process also served as a means to gauge the level of commercial support underpinning Alliance's New Services Offering through contractual commitments. All of the initial new long-term firm shippers that signed up for service under the New Services Offering, commencing December 1, 2015, executed binding Precedent Agreements specifically containing the above-referenced service attributes.

The provisions for receipt point relocations were also fully detailed in Alliance's New Services Offering Application, dated May 22, 2014. Paragraph 70 in Section E of the application described how flexibility would be provided to receipt and full path shippers through relocations. Receipt and full path shippers may request the relocation of all or a portion of their Contracted Capacity from a contracted receipt point to an alternate receipt point on a temporary or permanent basis. The relocation will be accommodated at Transporter's sole discretion and, if approved, will result in an amendment to the shipper's TSA. The specific relocation provisions were stipulated in GT&C Articles 9 and 11.

This balancing of pipeline risk and service flexibility was also addressed during the Board's RH-2-2014 hearing. For example, in response to a request from the Board in NEB IR No. 1.6 to discuss the attendant risks of its new services offering, Alliance stated that service attributes such as relocations provide shippers with greater flexibility to meet their changing business needs, and that while individually resulting in a shifting of risk to Alliance, they help to make Alliance's New Services Offering, as a whole, more attractive to shippers and thereby help to mitigate Alliance's increased revenue and cost risk. Alliance's response to NEB IR No. 2.6 described in detail the benefits for receipt shippers in regard to relocations.

The Board specifically addressed this issue in its RH-2-2014 Reasons for Decision. For example, the Board summarized the views of Alliance as follows:

*Alliance indicated that receipt point flexibility would be provided to FRS and FFPS shippers to schedule diversions and to relocate their TSA receipt points. According to Alliance, these service attributes provide FRS and FFPS shippers with the flexibility to respond to operational and market conditions that could*



*affect the availability of supply at their contracted receipt points. Diversions and relocations would be accommodated at Alliance's sole discretion, which Alliance suggested is similar to current practices.<sup>13</sup>*

More specifically, the Board ruled on this matter in its RH-2-2014 Reasons for Decision:

*The Board considers many of BP Canada's concerns to be directed towards the way in which service would change under the NSO relative to the existing model. In the Board's view, the NSO is a significant departure from the cost-of-service model currently in place, which makes a comparison of their attributes problematic. The relative certainty of cost recovery under the existing cost-of-service model supports the existing service attributes. In the Board's view, these service attributes could not be incorporated into the NSO without introducing material risk to Alliance or altering the value of, or the relationship among, each of the new services. For this reason, the Board views Alliance's proposed terms and conditions related to the Rich Gas Credit, receipt point flexibility, fuel management, the elimination of AOS, and penalties and charges for imbalances, TPAL and overrun quantities as appropriate. [Emphasis Added]<sup>14</sup>*

#### *Process*

At discussions held within the Alliance Pipeline Shipper Task Force, it became apparent to Alliance that there was a potential need for shippers to be able to relocate to an alternate receipt point on a temporary basis for a term of less than one month, and likely with little advance notification. Shippers expressed a desire to be able to address supply disruptions through short-term relocations rather than rely on diversions.

#### *Alliance Position and Rationale*

To address shipper requests for added receipt point flexibility, Alliance is proposing to amend its Tariff and ATAP to allow for temporary relocations that would be valid for a term of no more than 30 days. Alliance is proposing to insert a new GT&C Article 11.2 that would allow shippers to request an Operational Temporary Relocation as a result of upstream operational issues incurred by the shipper (see Attachments #2 and #3). Additional procedures are spelled out in a new Section 9 of Alliance's ATAP business policy (see Attachments #4 and #5).

Alliance is of the view that, directionally, there is considerable support within the Alliance Pipeline Shipper Task Force in regard to these proposed Tariff and ATAP amendments, but recognizes that there may not be a unanimous consensus about this approach. Accordingly, Alliance submits that its proposal represents an appropriate manner to address shipper requests for additional receipt point flexibility and recommends that the Board approve the related proposed tariff amendments.

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<sup>13</sup> NEB RH-2-2014 Reasons For Decision, Chapter 4.2, Page 25.

<sup>14</sup> NEB RH-2-2014 Reasons For Decision, Chapter 4.2.1, Page 29.



#### Issue 10: Capacity Award Notification

In discussions with the Alliance Pipeline Shipper Task Force, Alliance reiterated the statement it made in its October 28<sup>th</sup> reply comments submission that Alliance fully expects to be able to process normal bid evaluations for firm or seasonal service within one to two business days, but that there may be situations where the resultant complexity of the bids could require three to five business days to properly evaluate. For example, in addition to conducting financial analysis, capacity planning may be required to assess the impact of bids on downstream capacity, or in the evaluation of receipt and delivery service bid combinations and full-path service bids.

Since December 1, 2015, Alliance has processed and awarded all bids for firm or seasonal service within two business days.

Alliance is of the view that within the Alliance Pipeline Shipper Task Force there is a general consensus that Alliance's business practice in regard to the bid notification timeline is acceptable and that Sections 4.4 (d) and 5.2 (A) (h) of Alliance's ATAP business policy are satisfactory.

#### Issue 11: Other Issues

During the course of discussions within the Alliance Pipeline Shipper Task Force, several new issues were identified as items meriting discussion in the future. These issues are not part of Alliance's February 1, 2016 Tariff refiling application. It is Alliance's expectation that the task force will address these issues at future meetings in 2016, following which a determination would be made as to whether there would be a requirement for additional tariff or business policy revisions.

The following is brief summary of such issues identified to date.

1. Access to non-public operating information in regard to the marketing of capacity.
2. The ability to transact title transfers at Receipt Points.
3. A request for a report to the APSTF in Q3, 2016 providing an indication of the operational effectiveness of the following attributes within the New Services Offering:
  - Overrun Quantities Charge
  - Balancing Fees
  - Alliance Transportation Access Procedures
  - BTU Packing
  - Discretionary pricing of Interruptible capacity
4. If credit balances in an RCV deferral account accumulate over time, the issue will be brought forward for discussion within the task force.
5. Consideration to be given to the use of an ATP-based index price for imbalance cash out purposes once there is sufficient operational history to evaluate.
6. Discuss whether bids for interruptible service within a gas day, subsequent to the Timely nomination cycle process, should be handled on a first come, first served basis.
7. Review service attributes of Firm Full Path Service:
  - Feasibility of ATP as an alternate receipt point.



- Feasibility of ATP as an alternate delivery point.
  - Feasibility of contract segmentation into receipt and delivery services.
8. Review operational ability and market demand for the provision of FRGS service on a short-term or interruptible basis.

#### Issue 12: Form of Consultation

The Alliance Pipeline Shipper Task Force has agreed to conduct meetings on a monthly basis. The first monthly meeting has been scheduled for February 23, 2016. Although it is expected that the Alliance Pipeline Shipper Task Force will likely continue to be the primary forum for shipper consultation, Alliance will augment this process with one-on-one shipper discussions, as requested by its customers.

#### **Summary**

Consistent with its October 27<sup>th</sup> Tariff submission, and now confirmed through discussions within the Alliance Pipeline Shipper Task Force, Alliance reiterates its view that all of the tariff amendments related to Issues 1.1, 1.2, 1.3, 1.4, and 1.5 conform with the Board's RH-2-2014 directives. Accordingly, Alliance submits that these five tariff amendments, approved by the Board on an interim basis, comply with Condition 2 of Board Order TG-012-2015, issued on June 24, 2015 in conjunction with the Board's RH-2-2014 Reasons for Decision, and, therefore, merit Board approval on a final basis.

Following discussions held within the Alliance Pipeline Shipper Task Force, the tariff amendments related to Issues 1.7, 1.8, 1.9, 1.10, 1.13, 1.14, and 1.15, remain unchanged from those submitted in Alliance's October 27<sup>th</sup> Tariff submission, and in Alliance's view have the full support of its shippers. Accordingly, Alliance submits that these seven tariff amendments, approved by the Board on an interim basis, now merit Board approval on a final basis.

As a result of discussions held within the Alliance Pipeline Shipper Task Force, the tariff amendments related to Issues 1.6, and 1.12, have been revised from what had been previously approved by the Board on an interim basis, and in Alliance's view these tariff revisions have the full support of its shippers. Accordingly, Alliance submits that the following tariff amendments, as respectively highlighted in Attachment #3, merit Board approval on a final basis.

- GT&C Article 1.1 – Definition of "Billing Month Index Price."
- GT&C Article 18.7
- Article 4.1 of each of the Toll Schedules for Firm Receipt, Firm Delivery, Firm Full Path, Interruptible Receipt, Interruptible Delivery, and Interruptible Full Path Service.
- Article 5.1 (d) of each of the Toll Schedules for Firm Receipt and Firm Full Path Service.

As a result of discussions held within the Alliance Pipeline Shipper Task Force with respect to Issue 1.11, Alliance believes there is sufficient support from its shippers for Board approval of the following tariff amendments, respectively highlighted in Attachment #3, on an interim basis.

- GT&C Article 14.2 (c).



- GT&C Article 16.1 (c) (iii).
- Article 2.4 of Toll Schedule Interruptible Full Path Service.

Lastly, as a result of discussions held within the Alliance Pipeline Shipper Task Force, with respect to Issue 9, Alliance believes there is sufficient support from its shippers to merit Board approval on a final basis of the following tariff amendments, respectively highlighted in Attachment #3.

- GT&C Article 1.1 – Definition of “Operational Temporary Relocation”
- GT&C Article 9.
- GT&C Article 11.2.

### **Requested Relief**

Alliance Pipeline Ltd., in its capacity as the General Partner of Alliance Pipeline Limited Partnership, hereby applies to the Board for an Order pursuant to Part IV of the *National Energy Board Act* approving its tariff in its entirety, as provided herein in Attachment #2, on a final basis, effective December 1, 2015, with the exception of tariff provisions contained in GT&C Articles 14.2 (c) and 16.1 (c) (iii) and Toll Schedule Interruptible Full Path Service Article 2.4, as specifically highlighted in Attachment #3, for which Alliance requests Board approval on an interim basis.

Please contact the undersigned if you have any questions.

Sincerely,

ALLIANCE PIPELINE LTD.

*[Original Signed]*

Brian Troicuk  
Director, Regulatory Affairs  
Alliance Pipeline Ltd.  
Phone: 403-517-6354  
Fax: 403-233-0735  
Email: [brian.troicuk@alliancepipeline.com](mailto:brian.troicuk@alliancepipeline.com)

Attachments

cc: Alliance Pipeline Shipper Task Force

**Attachment 1**

**NEB List of Issues**



Attachment to Board Letter  
Dated 26 November 2015  
Page 1 of 2

### **Appendix 1: List of Issues**

The issues to be discussed in Alliance's consultations with its shippers should include, but not be limited to, the following:

- 1) Each of the 15 Tariff amendments proposed by Alliance in its 27 October 2015 filing:
  - 1.1) Bid Floor Definition;
  - 1.2) Recoverable Cost Variances Mechanism;
  - 1.3) Pipeline Abandonment;
  - 1.4) Pre-Determined Allocations;
  - 1.5) Receipt Points;
  - 1.6) Imbalance Cash Out Price;
  - 1.7) Title;
  - 1.8) Alliance Trading Pool;
  - 1.9) Staged Contracts;
  - 1.10) Overrun Charge – Interruptible Service;
  - 1.11) Awarding of Interruptible Capacity;
  - 1.12) Minimum Flow Requirements;
  - 1.13) Electronic Communication;
  - 1.14) Diversions; and
  - 1.15) Receipt Point Pressure.
  
- 2) Each of the three Tariff amendments requested by Tenaska in its 10 November 2015 application:
  - 2.1) Modifying section 15.1(a) of the General Terms and Conditions to provide that the Alliance Pipeline is obligated to schedule receipt point diversions for firm receipt service and firm full path service shippers, subject only to the availability of capacity;
  
  - 2.2) Modifying section 14.2 of the General Terms and Conditions to provide that receipt point diversions for firm receipt service and firm full path service shippers rank ahead of all interruptible services in priority; and
  
  - 2.3) Including in the Tariff an explicit rule that Alliance personnel who are responsible for or engaged in the marketing of capacity on the Alliance system will have no access to non-public operating information.
  
- 3) Any other Tariff amendments proposed during Alliance's consultations with its shippers.

Attachment to Board Letter  
Dated 26 November 2015  
Page 2 of 2

- 4) The mechanisms of the bid process, including when and how Alliance will announce bid floors, timelines for submitting bids, and any relationship between the timing of nominations for Priority Interruptible Transportation Service and bids for interruptible or seasonal service.
- 5) The information to be posted for shippers to ensure transparency in the way Alliance sets bid floors, including the amount of available capacity on the system.
- 6) The information to be contained in quarterly reports to the Board.
- 7) The measures that Alliance will take to prevent the use of non-public information in setting bid floors.
- 8) Alliance's obligation to offer available capacity for seasonal service or interruptible service, and the manner in which Alliance would determine the available capacity.
- 9) The need for increased flexibility for shippers in section 8 of the Alliance Transportation Access Policy (ATAP) regarding monthly relocations.
- 10) The maximum notification period of five business days, within which Alliance is required to notify all service applicants who have been conditionally awarded any firm capacity or seasonal capacity under sections 4.4(d) and 5.2(A)(h) of the ATAP.
- 11) Any other issues regarding Alliance's compliance filing, including the ATAP, raised during Alliance's consultations with shippers.
- 12) The form of consultations to be undertaken by Alliance on toll and tariff issues on a go-forward basis.

**Attachment 2**

**Transportation Tariff  
of  
Alliance Pipeline Limited Partnership**

**Filed February 1, 2016**



**Transportation Tariff  
of  
Alliance Pipeline Limited Partnership**

**Filed February 1, 2016**

Communications concerning this tariff should be addressed to:

Alliance Pipeline Ltd.  
Director, Regulatory Affairs  
800, 605-5th Ave. SW  
Calgary, Alberta T2P 3H5  
Phone: (403) 517-6354  
Fax: (403) 233-0735

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**Toll Schedule – Term Park and Loan Service**

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## ARTICLE 1 AVAILABILITY OF SERVICE

- 1.1 Any Shipper shall be eligible to receive service hereunder provided that Shipper:
- (a) is a party to a subsisting Firm Transportation Service Agreement for FRS; and
  - (b) has met the requirements of Articles 8 and 26 of the General Terms and Conditions.

## ARTICLE 2 NATURE OF SERVICE

- 2.1 Service under this Toll Schedule is available on any Day hereunder subject to the terms hereof, Shipper's Firm Transportation Service Agreement and the General Terms and Conditions. Nominations for service shall be made pursuant to Article 12 of the General Terms and Conditions. Service hereunder shall not be subject to curtailment or interruption except as provided herein or in the General Terms and Conditions.
- 2.2 Transporter will receive from a Shipper's contracted Receipt Point volumes of Gas up to the sum of a Shipper's Contracted Capacity and PITS Volume, converted to energy in accordance with Article 3.1 hereof, plus the Fuel Requirement, and will credit to the Shipper's account at the Alliance Trading Pool such energy, less the Fuel Requirement.
- 2.3
- (a) Shippers with Firm Transportation Service Agreements for FRS with initial terms of three (3) years or greater are eligible to receive Priority Interruptible Transportation Service hereunder. Actual capacity available for PITS will vary daily depending upon the amount of Firm Service utilized by Shippers and the capability of Transporter's system to provide PITS. Shippers' Nominations for PITS will be scheduled after all Firm Service is scheduled and before Interruptible Service is scheduled in accordance with Article 14 of the General Terms and Conditions.
  - (b) Shippers with Staged Contracts are eligible for service hereunder. Demand Charges for such Staged Contracts shall be calculated in accordance with the formula set out in Schedule "B" hereto and will be specified in Schedule "A" of a Shipper's Firm Transportation Service Agreement.
- 2.4 Provided the Shipper's Firm Transportation Service Agreement for FRS is for an initial term of three (3) years or greater and provided the Shipper has contracted for Firm Rich Gas Service in accordance with Article 8 hereof, Shipper will be entitled to tender Gas that does not meet the HCDP Spec at the contracted Receipt Point, in accordance with its FRGS Agreement, the terms hereof and the General Terms and Conditions.
- 2.5 Transporter shall not be obligated to add any facilities or interconnections or to expand the capacity of its pipeline system in any manner in order to provide service hereunder to any Shipper.

## ARTICLE 3 ENERGY CONVERSION FACTOR

- 3.1 Shipper's Contracted Capacity and PITS Volume will be converted to an equivalent Gigajoule amount for Nomination and scheduling purposes and as specified in Article 2.2 hereof, using an "**Energy Conversion Factor**" established by Transporter from time to time based on the Gross Heating Value at the Shipper's contracted Receipt Point and posted on the Transporter's website.

#### ARTICLE 4 MONTHLY BILL

4.1 For each Month, Transporter shall charge and Shipper shall pay an amount equal to the sum of:

- (a) for Firm Receipt Service, except Seasonal Service, the product obtained by multiplying (1) the Contracted Capacity by (2) the Demand Charge specified in Schedule "A" of Shipper's Firm Transportation Service Agreement;
- (b) for Seasonal Service, the product obtained by multiplying (1) the Contracted Capacity by (2) the Demand Charge specified in Schedule "A" of Shipper's Firm Transportation Service Agreement by (3) the number of Days in the Month for which the Firm Transportation Service Agreement was in effect;
- (c) for Firm Receipt Service, except Seasonal Service, where Shipper's contracted Receipt Point is a Zone 1 Receipt Point and Shipper has, on any given Day of the Month, scheduled a Diversion in accordance with Article 15 of the General Terms and Conditions and such Diversion has resulted in the Shipper diverting Gas to a Receipt Point in Zone 2, the product obtained by multiplying (1) the sum of the Allocated Quantities that were diverted during the Month by (2) the Demand Charge specified in Schedule "A" of Shipper's Firm Transportation Service Agreement multiplied by twelve (12) and divided by the number of Days in the Year by (3) the Diversion Factor specified in Schedule "A" hereto;
- (d) for Seasonal Service, where Shipper's contracted Receipt Point is a Zone 1 Receipt Point and Shipper has, on any given Day of the Month, scheduled a Diversion in accordance with Article 15 of the General Terms and Conditions and such Diversion has resulted in the Shipper diverting Gas to a Receipt Point in Zone 2, the product obtained by multiplying (1) the sum of the Allocated Quantities that were diverted during the Month by (2) the Demand Charge specified in Schedule "A" of Shipper's Firm Transportation Service Agreement by (3) the Diversion Factor specified in Schedule "A" hereto;
- (e) for each Firm Transportation Service Agreement with an associated FRGS Agreement, the product obtained by multiplying (1) the FRGS Demand Surcharge specified in Schedule "C" hereto by (2) the FRGS Volume by (3) the absolute value of the difference between the FRGS HCDP Spec and the HCDP Spec;
- (f) the sum of the daily charges determined for each Day of the Month in which the Allocated Quantities under a Shipper's Firm Transportation Service Agreement with an associated FRGS Agreement exceeds the FRGS Volume and the actual HCDP of the Gas tendered by Shipper exceeds the greater of (i) the HCDP Spec or (ii) the Revised HCDP Spec, where the daily charge is equal to:
  - (i) the product obtained by multiplying (1) the HCDP Off-Spec Surcharge specified in Schedule "C" hereto by (2) the amount by which the actual HCDP of the Gas tendered by Shipper exceeds the greater of (i) the HCDP Spec or (ii) the Revised HCDP Spec by (3) the amount by which the Allocated Quantities exceeds the FRGS Volume;
- (g) the sum of the daily charges determined for each Day of the Month in which the actual HCDP of the Gas tendered by Shipper under a Shipper's Firm Transportation Service

Agreement with an associated FRGS Agreement exceeds the greater of (i) the FRGS HCDP Spec or (ii) the Revised HCDP Spec, where the daily charge is equal to:

- (i) the product obtained by multiplying (1) the HCDP Off-Spec Surcharge specified in Schedule "C" hereto by (2) the amount by which the actual HCDP of the Gas tendered by Shipper exceeds the greater of (i) the FRGS HCDP Spec or (ii) the Revised HCDP Spec by (3) the lesser of (i) the Allocated Quantities or (ii) the FRGS Volume;
- (h) the sum of the daily charges determined for each Day of the Month in which the actual HCDP of the Gas tendered by Shipper under a Shipper's Firm Transportation Service Agreement without an associated FRGS Agreement exceeds the greater of (i) the HCDP Spec or (ii) the Revised HCDP Spec, where the daily charge is equal to:
  - (i) the product obtained by multiplying (1) the HCDP Off-Spec Surcharge specified in Schedule "C" hereto by (2) the amount by which the actual HCDP of the Gas tendered by Shipper exceeds the greater of (i) the HCDP Spec or (ii) the Revised HCDP Spec by (3) the Allocated Quantities;
- (i) the sum of the daily charges determined for each Day of the Month that PITS is scheduled, where the daily charge is equal to the product obtained by multiplying (1) the Allocated Quantities of PITS up to and including the equivalent of ten percent (10%) of Shipper's Contracted Capacity by (2) the applicable PITS Charge 1 specified in Schedule "A" hereto;
- (j) the sum of the daily charges determined for each Day of the Month that PITS is scheduled, where the daily charge is equal to the product obtained by multiplying (1) any Allocated Quantities of PITS in excess of the equivalent of ten percent (10%) of Shipper's Contracted Capacity by (2) the applicable PITS Charge 2 specified in Schedule "A" hereto;
- (k) the sum of the daily charges determined for each Day of the Month that there are Overrun Quantities allocated to a Shipper, where the daily charge is equal to the product obtained by multiplying (1) the Overrun Quantities by (2) the applicable Overrun Quantities Charge(s) specified in Schedule "A" hereto;
- (l) the sum of the daily charges determined for each Day of the Month, where the daily charge is equal to the product obtained by multiplying (1) the absolute value of the difference between a Shipper's cumulative Alliance Trading Pool Imbalance and its Imbalance Tolerance by (2) the Balancing Fee;
- (m) for each instance in which a Deficit Balancing Cash Out occurs, such Deficit Balancing Cash Out calculated by multiplying (1) the absolute value of the difference between a Shipper's cumulative Alliance Trading Pool Imbalance and its Imbalance Tolerance by (2) the applicable NGX AB-NIT Same Day Index 5 price of Gas by (3) the applicable percentage set out in Article 18.7 of the General Terms and Conditions;
- (n) for Firm Receipt Service, except Seasonal Service, the product obtained by multiplying (1) the Contracted Capacity by (2) the applicable Recoverable Cost Variances Demand Surcharge specified in Schedule "A" hereto;

- (o) the product obtained by multiplying (1) the sum of the Allocated Quantities of PITS for the Month by (2) the applicable Recoverable Cost Variances Surcharge specified in Schedule "A" hereto;
- (p) for Seasonal Service, the product obtained by multiplying (1) the Contracted Capacity by (2) the applicable Recoverable Cost Variances Demand Surcharge specified in Schedule "A" hereto by (3) the number of Days in the Month for which the Firm Transportation Service Agreement was in effect;
- (q) where Shipper's contracted Receipt Point is a Zone 1 Receipt Point and Shipper has, on any given Day of the Month, scheduled a Diversion in accordance with Article 15 of the General Terms and Conditions and such Diversion has resulted in the Shipper diverting Gas to a Receipt Point in Zone 2, the product obtained by multiplying (1) the sum of the Allocated Quantities that were diverted during the Month by (2) the difference between the Zone 2 and the Zone 1 Recoverable Cost Variances Surcharge specified in Schedule "A" hereto;
- (r) the product obtained by multiplying (1) the sum of the Overrun Quantities for the Month by (2) the applicable Recoverable Cost Variances Surcharge(s) specified in Schedule "A" hereto;
- (s) for Firm Receipt Service, except Seasonal Service, the product obtained by multiplying (1) the Contracted Capacity by (2) the applicable Pipeline Abandonment Demand Surcharge specified in Schedule "A" hereto;
- (t) the product obtained by multiplying (1) the sum of the Allocated Quantities of PITS for the Month by (2) the applicable Pipeline Abandonment Surcharge specified in Schedule "A" hereto;
- (u) for Seasonal Service, the product obtained by multiplying (1) the Contracted Capacity by (2) the applicable Pipeline Abandonment Demand Surcharge specified in Schedule "A" hereto by (3) the number of Days in the Month for which the Firm Transportation Service Agreement was in effect;
- (v) where Shipper's contracted Receipt Point is a Zone 1 Receipt Point and Shipper has, on any given Day of the Month, scheduled a Diversion in accordance with Article 15 of the General Terms and Conditions and such Diversion has resulted in the Shipper diverting Gas to a Receipt Point in Zone 2, the product obtained by multiplying (1) the sum of the Allocated Quantities that were diverted during the Month by (2) the difference between the Zone 2 and the Zone 1 Pipeline Abandonment Surcharge specified in Schedule "A" hereto;
- (w) the product obtained by multiplying (1) the sum of the Overrun Quantities for the Month by (2) the applicable Pipeline Abandonment Surcharge(s) specified in Schedule "A" hereto;
- (x) any Deficit Month End Cash Out, calculated by multiplying (1) Shipper's Month End Imbalance by (2) the Billing Month Index Price;
- (y) any other surcharges and taxes; and

- (z) any interest on late payments payable by Shipper in accordance with Article 7.8 of the General Terms and Conditions;

Less the sum of:

- (i) any Demand Charge Credits and FRGS Demand Surcharge Credits to which Shipper is entitled in accordance with Article 5 hereof;
- (ii) for each instance in which a Surplus Balancing Cash Out occurs, such Surplus Balancing Cash Out calculated by multiplying (1) the absolute value of the difference between a Shipper's cumulative Alliance Trading Pool Imbalance and its Imbalance Tolerance by (2) the applicable NGX AB-NIT Same Day Index 5 price of Gas by (3) the applicable percentage set out in Article 18.7 of the General Terms and Conditions; and
- (iii) any Surplus Month End Cash Out, calculated by multiplying (1) Shipper's Month End Imbalance by (2) the Billing Month Index Price;

And credited or debited for any prior period adjustments.

- 4.2 Nothing in this Article 4 shall be construed as in any way relieving Shipper from its obligations to pay any adjustments, charges, interest or penalties calculated in accordance with the General Terms and Conditions.

#### **ARTICLE 5 DEMAND CHARGE CREDIT AND FRGS DEMAND SURCHARGE CREDIT**

- 5.1 (a) If, on any Day ("**Under Transport Day**"):

- (i) Transporter's physical capability to transport Gas is reduced; and
- (ii) such reduction in Transporter's physical capability prevents such Shipper from having its Gas transported in accordance with its Firm Transportation Service Agreement, and such Shipper is unable, using reasonable commercial efforts, to mitigate such reduction through commercial or other means available on the Canadian Pipeline or the U.S. Pipeline ("**Impact to Shipper**"),

then, subject to Articles 5.1(b), 5.1(c), 5.1(d), 5.5 and 8.4 hereof, Transporter's liability to a Shipper for a Demand Charge credit as determined in accordance with Article 5.3 hereof ("**Demand Charge Credit**") for the Under Transport Day will arise:

- (iii) immediately for events within Transporter's control; and
- (iv) following the Safe Harbor Period for events of Force Majeure, provided Transporter shall be limited to no more than two (2) Safe Harbor Periods per calendar year per Firm Transportation Service Agreement under which there is an Impact to Shipper;

but in either case, Shipper shall only be entitled to the Demand Charge Credit to the extent of the Impact to Shipper.

- (b) Shipper shall not be entitled to receive a Demand Charge Credit and there shall be deemed to be no Impact to Shipper if:
- (i) Shipper has, in respect of the Under Transport Day, submitted a Nomination for a Diversion, which has been scheduled in accordance with Article 15 of the General Terms and Conditions, where the Diversion is from a contracted Receipt Point that is not impacted by the reduction in Transporter's physical capability to receive Gas as contemplated in Article 5.1(a) hereof to a Receipt Point that is impacted by the reduction in Transporter's physical capability to receive Gas as contemplated in Article 5.1(a) hereof; or
  - (ii) Shipper has, in respect of the Under Transport Day, submitted a Nomination for a Diversion, which has been scheduled in accordance with Article 15 of the General Terms and Conditions, from its contracted Receipt Point which was impacted by the reduction in Transporter's physical capability to receive Gas as contemplated in Article 5.1(a) hereof to a Receipt Point not impacted by the reduction in Transporter's physical capability to receive Gas as contemplated in Article 5.1(a) hereof.
- (c) Shipper shall only be entitled to receive a Demand Charge Credit in respect of Gas ("**Nominal Capacity**") that, if it had been nominated, would have been (1) scheduled in accordance with Article 14 of the General Terms and Conditions and (2) tendered at Shipper's contracted Receipt Point for service hereunder by or on behalf of Shipper, up to Shipper's Contracted Capacity, in the absence of the reduction in Transporter's physical capability to transport Gas under a Shipper's Firm Transportation Service Agreement as contemplated in Article 5.1(a) hereof.
- (d) Refusal by Transporter to receive Gas failing to comply with the Quality Specifications, receipt pressure, or Alliance Trading Pool account Imbalance Tolerance requirements, as set out in the General Terms and Conditions, or which is in excess of the volumes which Transporter is required under the Tariff to accept from Shipper, shall not give rise to any Demand Charge Credit. Shippers ineligible to receive service under a Firm Transportation Service Agreement, for whatever reason, are not eligible for a Demand Charge Credit.
- 5.2 (a) Where a Shipper is entitled to a Demand Charge Credit in accordance with Article 5.1(a) hereof and such Shipper is a party to a corresponding FRGS Agreement, such Shipper shall also be entitled to a corresponding credit for its FRGS Demand Surcharge ("**FRGS Demand Surcharge Credit**") on the Under Transported FRGS Capacity as determined in accordance with Article 5.4 hereof.
- (b) If, on any Day, Transporter is unable, for any reason including a Transporter Force Majeure, to receive all or a portion of Shipper's FRGS Volume under a FRGS Agreement, but Transportation under the corresponding Firm Transportation Service Agreement is not affected, the Shipper shall be entitled to both a Demand Charge Credit, as determined in accordance with Article 5.3 hereof, and a FRGS Demand Surcharge Credit, as determined in accordance with Article 5.4 hereof.
- 5.3 Notwithstanding any Impact to Shipper as set out in Article 5.1(a) hereof, there shall be no reduction in respect thereof to Shipper's Monthly Bill for the Month in which the Under Transport Day occurs ("**Under Transport Month**"). Subject to Article 5.5 hereof, a Shipper's subsequent

Monthly Bill shall be reduced by a Demand Charge Credit if such a Demand Charge Credit is payable, in an amount equal to the product obtained by multiplying (1) for Firm Receipt Service except Seasonal Service, the Demand Charge specified in Schedule "A" of Shipper's Firm Transportation Service Agreement multiplied by twelve (12) and divided by the number of Days in the Year; and for Seasonal Service, the Demand Charge specified in Schedule "A" of Shipper's Firm Transportation Service Agreement by (2) the amount, if any, by which Shipper's Nominal Capacity exceeds the actual energy, converted to volume using the actual heating value of the Gas transported by Transporter on behalf of the Shipper on the Under Transport Day, excluding any PITS Volume and the Fuel Requirement ("**Under Transported Capacity**").

- 5.4 Subject to Article 5.5 hereof, a Shipper's subsequent Monthly Bill shall be reduced by a FRGS Demand Surcharge Credit, if a credit is payable, in an amount equal to the product obtained by multiplying (1) the FRGS Demand Surcharge specified in Schedule "A" hereto multiplied by twelve (12) and divided by the number of Days in the Year by (2) the amount, if any, by which the actual energy, converted to volume using the actual heating value of the Gas transported by Transporter on behalf of the Shipper on the Under Transport Day exceeds the lesser of (i) Shipper's FRGS Volume or (ii) the Nominal Capacity ("**Under Transported FRGS Capacity**").
- 5.5 If Transporter and Shipper agree and subject to available capacity, Transporter may allow Shipper to tender make-up Gas ("**Transportation Make-Up**") in an amount not exceeding the Under Transported Capacity for Transportation within an agreed-upon period of time, in which event Shipper shall not be entitled to receive a Demand Charge Credit nor, if applicable, a FRGS Demand Surcharge Credit in respect of any Transportation Make-Up scheduled by Transporter under Article 14 of the General Terms and Conditions.

## ARTICLE 6 SURCHARGES

- 6.1 Transporter will apply a demand surcharge ("**Recoverable Cost Variances Demand Surcharge**") as set out in Schedule "A" hereto to all Contracted Capacity, and a surcharge ("**Recoverable Cost Variances Surcharge**") as set out in Schedule "A" hereto to all Allocated Quantities of PITS and Overrun Quantities, to recover:
- (a) costs that are incurred by Transporter in excess of forecasted amounts for the Canadian Pipeline's pipeline integrity, including any pipe replacements or reroutes required to comply with Applicable Law, property and business taxes, National Energy Board cost recovery charges, fuel and carbon taxes, and environmental levies for greenhouse gas emissions imposed by an Authority; and
  - (b) as they may arise, new costs that are imposed upon Transporter by an Authority, including, without limitation, fuel and carbon taxes, and environmental levies for greenhouse gas emissions.
- 6.2 In the event costs incurred by Transporter for those categories described in Article 6.1 above are less than forecasted amounts, Transporter will administer deferral accounts to carry over any year-end balances of such costs to offset future Recoverable Cost Variances Demand Surcharges and Recoverable Cost Variances Surcharges.
- 6.3 Transporter will apply a demand surcharge ("**Pipeline Abandonment Demand Surcharge**") as set out in Schedule "A" hereto to all Contracted Capacity, and a surcharge ("**Pipeline Abandonment Surcharge**") as set out in Schedule "A" hereto to all Allocated Quantities of PITS and Overrun Quantities to collect the costs of pipeline abandonment.

## ARTICLE 7 TEMPORARY CAPACITY ASSIGNMENT

- 7.1 Notwithstanding Article 34 of the General Terms and Conditions, Shipper may temporarily assign to third parties its Transportation entitlement for its Contracted Capacity or portion thereof and the associated share of its PITS Capacity; however, notwithstanding such temporary assignment, Shipper will remain responsible for all of its obligations under the Tariff.

## ARTICLE 8 FIRM RICH GAS SERVICE

- 8.1 The availability of Firm Rich Gas Service hereunder will be determined by Transporter in its sole discretion and in accordance with Articles 2, 9 and 30.2 of the General Terms and Conditions.
- 8.2 Once Firm Rich Gas Service is granted to a Shipper and a corresponding agreement, a standard form of which is attached as Appendix III to the General Terms and Conditions, is executed ("**FRGS Agreement**"), the terms and availability to that Shipper of Firm Rich Gas Service shall not be subject to redetermination by Transporter for the initial term of the FRGS Agreement, or for a renewed term, but only if such renewal is granted by Transporter in accordance with Article 28.2(b) of the General Terms and Conditions.
- 8.3 Transporter will receive Gas up to the volume specified in Shipper's FRGS Agreement ("**FRGS Volume**") and up to the HCDP specified in Shipper's FRGS Agreement ("**FRGS HCDP Spec**") for each Day of each Month during the term of the FRGS Agreement, provided that:
- (a) Shipper shall pay a monthly demand surcharge for such FRGS, as set out in Schedule "C" hereto ("**FRGS Demand Surcharge**"), regardless of whether Shipper utilizes such FRGS in a given Month; and
  - (b) such received Gas satisfies all other applicable Quality Specifications.
- 8.4 When: (1) the actual HCDP of the Gas tendered by Shipper at a Receipt Point exceeds the greater of (i) the Shipper's FRGS HCDP Spec or (ii) the Revised HCDP Spec or (2) the amount tendered exceeds the Shipper's FRGS Volume contracted under Shipper's FRGS Agreement and the actual HCDP of the Gas tendered by Shipper exceeds the greater of (i) the HCDP Spec or (ii) the Revised HCDP Spec, then the Transporter may, in its sole discretion:
- (a) elect to accept all or a portion of such volumes of Shipper's Gas on an interruptible basis, subject to availability, in which case, an HCDP Off-Spec Surcharge, as set out in Schedule "C" hereto, shall apply to such Gas, and, if any portion of Shipper's Gas is curtailed hereunder, Shipper shall not be entitled to Demand Charge Credits or FRGS Demand Surcharge Credits for such curtailed Gas; or
  - (b) shut-in the applicable Receipt Point, in which case Shipper shall not be entitled to Demand Charge Credits or FRGS Demand Surcharge Credits.
- 8.5 Shipper may, from time to time and in accordance with Article 9.3 of the General Terms and Conditions, request an increase or decrease in its FRGS Volume and/or FRGS HCDP Spec or, for existing Firm Service Shippers without FRGS, the addition of FRGS, in which case:
- (a) in the event Transporter receives more than one request hereunder, such requests shall be considered by Transporter in the order in which they are received by Transporter;



- (b) in the case of a request to decrease its applicable FRGS HCDP Spec, such request shall be approved by Transporter, and in all other cases, Transporter shall, in its sole discretion determine whether to approve such request and, in no event, shall Shipper's FRGS Volume at a specified Receipt Point exceed Shipper's Contracted Capacity at the specified Receipt Point under the corresponding Firm Transportation Service Agreement; and
- (c) where a request to increase or decrease a Shipper's FRGS Volume and/or FRGS HCDP Spec is approved by Transporter, Shipper's FRGS Agreement shall be amended accordingly.

**ARTICLE 9 DEFINITIONS AND INTERPRETATION**

- 9.1 Capitalized terms used in this Toll Schedule shall have the meanings attributed to them in the General Terms and Conditions.
- 9.2 Schedule "A" – Firm Receipt Service Charges, Schedule "B" – Calculation of Staged Contract Demand Charge and Schedule "C" – Firm Rich Gas Service Surcharges are attached to and made part of this Toll Schedule.
- 9.3 The General Terms and Conditions, as amended and approved by Authorities from time to time, are hereby incorporated in this Toll Schedule and apply to the provision of service hereunder.

**Schedule "A" – Firm Receipt Service Charges**

**Transportation Charges:**

Firm Receipt Service, except Seasonal Service	1Yr Demand Charge \$/10 <sup>3</sup> m <sup>3</sup> /month <sup>1</sup>	3Yr Demand Charge \$/10 <sup>3</sup> m <sup>3</sup> /month	5Yr Demand Charge \$/10 <sup>3</sup> m <sup>3</sup> /month	PITS Charge 1 \$/10 <sup>3</sup> m <sup>3</sup>	PITS Charge 2 \$/10 <sup>3</sup> m <sup>3</sup>	Diversion Factor	Overrun Quantities Charge \$/10 <sup>3</sup> m <sup>3</sup>
Zone 1	\$520.93	\$473.58	\$449.90	110% of applicable Demand Charge converted to daily charge.	125% of applicable Demand Charge converted to daily charge.	0.38	\$23.35
Zone 2	\$718.97	\$653.61	\$620.93	110% of applicable Demand Charge converted to daily charge.	125% of applicable Demand Charge converted to daily charge.	n/a	\$32.23

Firm Receipt Service: Seasonal Service	Demand Charge \$/10 <sup>3</sup> m <sup>3</sup> /day	Diversion Factor	Overrun Quantities Charge \$/10 <sup>3</sup> m <sup>3</sup>
Zone 1	As bid by Shipper.	0.38	\$23.35
Zone 2	As bid by Shipper.	n/a	\$32.23

**Surcharges:**

Recoverable Cost Variances Demand Surcharge and Recoverable Cost Variances Surcharge <sup>2</sup>	FRS, except for Seasonal Service Recoverable Cost Variances Demand Surcharge \$/10 <sup>3</sup> m <sup>3</sup> /month	FRS: Seasonal Service Recoverable Cost Variances Demand Surcharge \$/10 <sup>3</sup> m <sup>3</sup> /day	FRS: PITS Recoverable Cost Variances Surcharge \$/10 <sup>3</sup> m <sup>3</sup>	FRS: Overrun Quantities Recoverable Cost Variances Surcharge \$/10 <sup>3</sup> m <sup>3</sup>
Zone 1	0	0	0	0
Zone 2	0	0	0	0

Pipeline Abandonment Demand Surcharge and Pipeline Abandonment Surcharge	FRS, except for Seasonal Service Pipeline Abandonment Demand Surcharge \$/10 <sup>3</sup> m <sup>3</sup> /month	FRS: Seasonal Service Pipeline Abandonment Demand Surcharge \$/10 <sup>3</sup> m <sup>3</sup> /day	FRS: PITS Pipeline Abandonment Surcharge \$/10 <sup>3</sup> m <sup>3</sup>	FRS: Overrun Quantities Pipeline Abandonment Surcharge \$/10 <sup>3</sup> m <sup>3</sup>
Zone 1	\$12.88	\$0.42	\$0.42	\$0.42
Zone 2	\$17.89	\$0.59	\$0.59	\$0.59

The Bid Floor for Seasonal Service will be posted on the Transporter's website.

<sup>1</sup> 1 Yr Demand Charge is provided only for the purposes of calculating Staged Contract Demand Charges.

<sup>2</sup> For December 1, 2015, the Recoverable Cost Variances Surcharge and the Recoverable Cost Variances Demand Surcharge will be zero; however, the surcharge will be adjusted from time to time in accordance with the provisions of the Tariff.

### Schedule "B" – Calculation of Staged Contract Demand Charge

The Demand Charge for a Staged Contract will be the volume-weighted average Demand Charge for all tranches over the term of the Shipper's Firm Transportation Service Agreement, as specified in Schedule "A" of such Firm Transportation Service Agreement. The formula used to calculate the Demand Charge is:

$$\text{SCDC} = [(5\text{YrVol} \times 5\text{YrDC}) + (3\text{YrVol} \times 3\text{YrDC}) + (1\text{YrVol} \times 1\text{YrDC})] / (5\text{YrVol} + 3\text{YrVol} + 1\text{YrVol})$$

Where:

- "SCDC" = Staged Contract Demand Charge in  $10^3\text{m}^3/\text{mo}$ .
- "5YrVol" = Sum of the Contracted Capacity for tranches with terms of five (5) years or greater.
- "3YrVol" = Sum of the Contracted Capacity for tranches with terms of at least three (3) years but less than five (5) years.
- "1YrVol" = Sum of the Contracted Capacity for tranches with terms less than three (3) years.
- "5YrDC" = Applicable FRS Demand Charge for terms of five (5) years or greater in  $\$/10^3\text{m}^3/\text{mo}$  as specified in Schedule "A" hereof.
- "3YrDC" = Applicable FRS Demand Charge for terms of at least three (3) years but less than five (5) years in  $\$/10^3\text{m}^3/\text{mo}$  as specified in Schedule "A" hereof.
- "1YrDC" = Applicable FRS Demand Charge, for the purpose of Staged Contracts only, for terms less than three (3) years in  $\$/10^3\text{m}^3/\text{mo}$  as specified in Schedule "A" hereof.

**Schedule "C" – Firm Rich Gas Service Surcharges**

FRGS Demand Surcharge	\$10.74/10 <sup>3</sup> m <sup>3</sup> /°C HCDP/month
HCDP Off-Spec Surcharge	\$0.44/10 <sup>3</sup> m <sup>3</sup> /°C HCDP

**TOLL SCHEDULE**  
**FIRM DELIVERY SERVICE**

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## ARTICLE 1 AVAILABILITY OF SERVICE

- 1.1 Any Shipper shall be eligible to receive service hereunder provided that Shipper:
- (a) is a party to a subsisting Firm Transportation Service Agreement for FDS or FDS-IBR;
  - (b) has met the requirements of Articles 8 and 26 of the General Terms and Conditions; and
  - (c) in the case of an FDS-IBR Shipper, it or its Affiliate holds a transportation agreement for FT-1 IBR Service for a volume, less U.S. Fuel Requirement, and term equal to that of Shipper's Firm Transportation Service Agreement for FDS-IBR.

## ARTICLE 2 NATURE OF SERVICE

- 2.1 Service under this Toll Schedule is available on any Day hereunder subject to the terms hereof, Shipper's Firm Transportation Service Agreement and the General Terms and Conditions. Nominations for service shall be made pursuant to Article 12 of the General Terms and Conditions. Service hereunder shall not be subject to curtailment or interruption except as provided herein or in the General Terms and Conditions.
- 2.2 Transporter will receive from a Shipper's account at the Alliance Trading Pool volumes of Gas up to a Shipper's Contracted Capacity, converted to energy in accordance with Article 3.1 hereof, plus the Fuel Requirement, and will transport and deliver to the Delivery Point such energy, less the Fuel Requirement.
- 2.3 Transporter shall not be obligated to add any facilities or interconnections or to expand the capacity of its pipeline system in any manner in order to provide service hereunder to any Shipper.
- 2.4 The minimum term for a Firm Transportation Service Agreement for FDS-IBR is five (5) years.

## ARTICLE 3 ENERGY CONVERSION FACTOR

- 3.1 Shipper's Contracted Capacity will be converted to an equivalent Gigajoule amount for Nomination and scheduling purposes and as specified in Article 2.2 hereof, using an "**Energy Conversion Factor**" of 40.97 MJ/m<sup>3</sup> as posted on the Transporter's website.

## ARTICLE 4 MONTHLY BILL

- 4.1 For each Month, Transporter shall charge and Shipper shall pay an amount equal to the sum of:
- (a) for FDS-IBR and FDS, except Seasonal Service, the product obtained by multiplying (1) the Contracted Capacity by (2) for FDS-IBR, the Demand Charge as calculated pursuant to Article 9 hereof, or for FDS, the Demand Charge specified in Schedule "A" of Shipper's Firm Transportation Service Agreement;
  - (b) for Seasonal Service, the product obtained by multiplying (1) the Contracted Capacity by (2) the Demand Charge specified in Schedule "A" of Shipper's Firm Transportation Service Agreement by (3) the number of Days in the Month for which the Firm Transportation Service Agreement was in effect;

- (c) the sum of the daily charges determined for each Day of the Month, where the daily charge is equal to the product obtained by multiplying (1) the absolute value of the difference between a Shipper's cumulative Alliance Trading Pool Imbalance and its Imbalance Tolerance by (2) the Balancing Fee;
- (d) for each instance in which a Deficit Balancing Cash Out occurs, such Deficit Balancing Cash Out calculated by multiplying (1) the absolute value of the difference between a Shipper's cumulative Alliance Trading Pool Imbalance and its Imbalance Tolerance by (2) the applicable NGX AB-NIT Same Day Index 5 price of Gas by (3) the applicable percentage set out in Article 18.7 of the General Terms and Conditions;
- (e) for FDS-IBR and FDS, except Seasonal Service, the product obtained by multiplying (1) the Contracted Capacity by (2) the applicable Recoverable Cost Variances Demand Surcharge specified in Schedule "A" hereto;
- (f) for Seasonal Service, the product obtained by multiplying (1) the Contracted Capacity by (2) the applicable Recoverable Cost Variances Demand Surcharge specified in Schedule "A" hereto by (3) the number of Days in the Month for which the Firm Transportation Service Agreement was in effect;
- (g) for FDS-IBR and FDS, except Seasonal Service, the product obtained by multiplying (1) the Contracted Capacity by (2) the applicable Pipeline Abandonment Demand Surcharge specified in Schedule "A" hereto;
- (h) for Seasonal Service, the product obtained by multiplying (1) the Contracted Capacity by (2) the applicable Pipeline Abandonment Demand Surcharge specified in Schedule "A" hereto by (3) the number of Days in the Month for which the Firm Transportation Service Agreement was in effect;
- (i) any other surcharges and taxes; and
- (j) any interest on late payments payable by Shipper in accordance with Article 7.8 of the General Terms and Conditions;

Less the sum of:

- (i) any Demand Charge Credits to which Shipper is entitled in accordance with Article 5 hereof;
- (ii) any Rich Gas Credit owing in accordance with Article 8 hereof; and
- (iii) for each instance in which a Surplus Balancing Cash Out occurs, such Surplus Balancing Cash Out calculated by multiplying (1) the absolute value of the difference between a Shipper's cumulative Alliance Trading Pool Imbalance and its Imbalance Tolerance by (2) the applicable NGX AB-NIT Same Day Index 5 price of Gas by (3) the applicable percentage set out in Article 18.7 of the General Terms and Conditions;

And credited or debited for any prior period adjustments.



- 4.2 Nothing in this Article 4 shall be construed as in any way relieving Shipper from its obligations to pay any adjustments, charges, interest or penalties calculated in accordance with the General Terms and Conditions.

#### ARTICLE 5 DEMAND CHARGE CREDIT

- 5.1 (a) If, on any Day ("**Under Transport Day**"):

- (i) Transporter's physical capability to transport Gas is reduced; and
- (ii) such reduction in Transporter's physical capability prevents such Shipper from having its Gas transported in accordance with its Firm Transportation Service Agreement, and such Shipper is unable, using reasonable commercial efforts, to mitigate such reduction through commercial or other means available on the Canadian Pipeline or the U.S. Pipeline ("**Impact to Shipper**"),

then, subject to Articles 5.1(b), 5.1(c) and 5.3 hereof, Transporter's liability to a Shipper for a Demand Charge credit as determined in accordance with Article 5.2 hereof ("**Demand Charge Credit**") for the Under Transport Day will arise:

- (iii) immediately for events within Transporter's control; and
- (iv) following the Safe Harbor Period for events of Force Majeure, provided Transporter shall be limited to no more than two (2) Safe Harbor Periods per calendar year per Firm Transportation Service Agreement under which there is an Impact to Shipper;

but in either case, Shipper shall only be entitled to the Demand Charge Credit to the extent of the Impact to Shipper.

- (b) Shipper shall only be entitled to receive a Demand Charge Credit in respect of Gas ("**Nominal Capacity**") that, if it had been nominated, would have been (1) scheduled in accordance with Article 14 of the General Terms and Conditions and (2) tendered at Shipper's account at the Alliance Trading Pool for service hereunder by or on behalf of Shipper, up to Shipper's Contracted Capacity, in the absence of the reduction in Transporter's physical capability to transport Gas under a Shipper's Firm Transportation Service Agreement as contemplated in Article 5.1(a) hereof.
- (c) Refusal by Transporter to receive Gas failing to comply with the Quality Specifications, pressure, or Alliance Trading Pool account Imbalance Tolerance requirements set out in the General Terms and Conditions, or which is in excess of the volumes which Transporter is required under the Tariff to accept from Shipper, shall not give rise to any Demand Charge Credit. Shippers ineligible to receive service under a Firm Transportation Service Agreement, for whatever reason, are not eligible for a Demand Charge Credit.

- 5.2 Notwithstanding any Impact to Shipper as set out in Article 5.1(a) hereof, there shall be no reduction in respect thereof to Shipper's Monthly Bill for the Month in which the Under Transport Day occurs ("**Under Transport Month**"). Subject to Article 5.3 hereof, a Shipper's subsequent Monthly Bill shall be reduced by a Demand Charge Credit if such a Demand Charge Credit is payable, in an amount equal to the product obtained by multiplying (1) for FDS-IBR and FDS,

except Seasonal Service, the Demand Charge specified in Schedule "A" of Shipper's Firm Transportation Service Agreement multiplied by twelve (12) and divided by the number of Days in the Year; and for Seasonal Service, the Demand Charge specified in Schedule "A" of Shipper's Firm Transportation Service Agreement by (2) the amount, if any, by which Shipper's Nominal Capacity exceeds the actual energy, converted to volume using the actual heating value of the Gas transported by Transporter on behalf of the Shipper on the Under Transport Day, less the Fuel Requirement ("**Under Transported Capacity**").

- 5.3 If Transporter and Shipper agree and subject to available capacity, Transporter may allow Shipper to tender make-up Gas ("**Transportation Make-Up**") in an amount not exceeding the Under Transported Capacity for Transportation within an agreed-upon period of time, in which event Shipper shall not be entitled to receive a Demand Charge Credit in respect of any Transportation Make-Up scheduled by Transporter under Article 14 of the General Terms and Conditions.

## ARTICLE 6 SURCHARGES

- 6.1 Transporter will apply a demand surcharge ("**Recoverable Cost Variances Demand Surcharge**") as set out in Schedule "A" hereto to all Contracted Capacity, to recover:
- (a) costs that are incurred by Transporter in excess of forecasted amounts for the Canadian Pipeline's pipeline integrity, including any pipe replacements or reroutes required to comply with Applicable Law, property and business taxes, National Energy Board cost recovery charges, fuel and carbon taxes, and environmental levies for greenhouse gas emissions imposed by an Authority; and
  - (b) as they may arise, new costs that are imposed upon Transporter by an Authority, including, without limitation, fuel and carbon taxes, and environmental levies for greenhouse gas emissions.
- 6.2 In the event costs incurred by Transporter for those categories described in Article 6.1 above are less than forecasted amounts, Transporter will administer deferral accounts to carry over any year-end balances of such costs to offset future Recoverable Cost Variances Demand Surcharges.
- 6.3 Transporter will apply a demand surcharge ("**Pipeline Abandonment Demand Surcharge**") as set out in Schedule "A" hereto to all Contracted Capacity to collect the costs of pipeline abandonment.

## ARTICLE 7 TEMPORARY CAPACITY ASSIGNMENT

- 7.1 Notwithstanding Article 34 of the General Terms and Conditions, Shipper may temporarily assign to third parties its Transportation entitlement for its Contracted Capacity or portion thereof; however, notwithstanding such temporary assignment, Shipper will remain responsible for all of its obligations under the Tariff.

## ARTICLE 8 RICH GAS CREDIT

- 8.1 (a) A "**Rich Gas Credit**", calculated in accordance with Schedule "B" hereto, is payable to a Shipper when the quarterly, calculated Gross Heating Value of the commingled stream of the Gas transported under all FDS and FDS-IBR exceeds the Energy Conversion Factor and there is no Rich Gas Debit held by the Transporter. Such Rich Gas Credit shall

appear on Shipper's Monthly Bill in the fourth (4th) Month following the measured quarter, provided such Shipper's Firm Transportation Service Agreement is still in effect.

- (b) A "**Rich Gas Debit**", calculated in accordance with Schedule "B" hereto, will be held by the Transporter in aggregate when the quarterly, calculated Gross Heating Value of the commingled stream of the Gas transported under all FDS and FDS-IBR is less than the Energy Conversion Factor.
- (c) Seasonal Service Shippers shall not be eligible to receive Rich Gas Credits.

## ARTICLE 9 INDEX BASED RATE CALCULATION

9.1 Index Based Rates: Each Month, the Demand Charge payable by an FDS-IBR shipper will be determined as follows:

$$FDS-IBR \text{ Demand Charge } (\$CAD/10^3 m^3/mo.) = (FDS-IBR \text{ Floor} (\$USD/Dth) + FDS-IBR \text{ Index Share } (\$USD/Dth)) / FX \text{ Rate} \times \text{the number of Days in the Year} / 12 \times ConvF / 1.055056$$

Where:

- FX Rate = \$USD/\$CAD noon rate as posted on the Bank of Canada on the last Business Day of the prior Month.
- ConvF = Fixed ATP heating value Energy Conversion Factor in accordance with Article 3.1 hereof.
- FDS-IBR Floor = Applicable Canadian Pipeline FDS-IBR floor Demand Charge as provided in Schedule "A" hereto, converted to \$USD/Dth, in the following manner:

$$FDS-IBR \text{ Floor } (\$USD/Dth) = FDS-IBR \text{ Floor Demand Charge from Schedule "A" hereto } (\$CA/10^3 m^3/month) \times 12 / \text{the number of Days in the Year} \times FX \text{ Rate} \times 1.055056 / ConvF$$

$$FDS-IBR \text{ Index Share } (\$USD/Dth) = ((Basis - (FDS-IBR \text{ Floor} + FT1Floor)) \times FDS-IBR \text{ Allocation} \times IBR \text{ Share } \%), \text{ where } FDS-IBR \text{ Index Share} > 0$$

Where:

- Basis = NGI Chicago CG Bidweek Price (\$USD/Dth) – (CGPR AECO-C forward Month price (\$CAD/GJ) x 1.055056 x FX Rate).
- FT1Floor = Applicable FT-1 IBR floor rate in \$USD/Dth.
- FDS-IBR Allocation = FDS-IBR proportion of full IBR toll from ATP to U.S. delivery point (0.35 at par \$USD/\$CAD rate).
- IBR Share % = Applicable IBR index sharing percentage (50%).

**ARTICLE 10 DEFINITIONS AND INTERPRETATION**

- 10.1 Capitalized terms used in this Toll Schedule shall have the meanings attributed to them in the General Terms and Conditions.
- 10.2 Schedule "A" – FDS and FDS-IBR Charges and Schedule "B" – Calculation of Rich Gas Credit and Rich Gas Debit are attached to and made part of this Toll Schedule.
- 10.3 The General Terms and Conditions, as amended and approved by Authorities from time to time, are hereby incorporated in this Toll Schedule and apply to the provision of service hereunder.

**Schedule "A" – FDS and FDS-IBR Charges**

**Transportation Charges:**

<b>FDS-IBR and FDS, except Seasonal Service</b>	<b>1Yr Demand Charge \$/10<sup>3</sup>m<sup>3</sup>/month</b>	<b>3Yr Demand Charge \$/10<sup>3</sup>m<sup>3</sup>/month</b>	<b>5Yr Demand Charge \$/10<sup>3</sup>m<sup>3</sup>/month</b>
FDS	\$247.44	\$247.44	\$247.44
FDS-IBR	n/a	n/a	Floor Demand Charge of \$228.65

	<b>Demand Charge \$/10<sup>3</sup>m<sup>3</sup>/day</b>
FDS: Seasonal Service	As bid by Shipper.

**Surcharges:**

<b>FDS-IBR and FDS, except Seasonal Service</b>	<b>Recoverable Cost Variances Demand Surcharge<sup>1</sup> \$/10<sup>3</sup>m<sup>3</sup>/month</b>	<b>Pipeline Abandonment Demand Surcharge \$/10<sup>3</sup>m<sup>3</sup>/month</b>
FDS	0	\$7.82
FDS-IBR	0	\$7.82

	<b>Recoverable Cost Variances Demand Surcharge \$/10<sup>3</sup>m<sup>3</sup>/day</b>	<b>Pipeline Abandonment Demand Surcharge \$/10<sup>3</sup>m<sup>3</sup>/day</b>
FDS: Seasonal Service	0	\$0.26

**Firm Rich Gas Credit:**

<b>FDS and FDS-IBR, except Seasonal Service</b>	<b>Firm Rich Gas Credit \$/10<sup>3</sup>m<sup>3</sup>/month</b>
FDS	Set quarterly.
FDS-IBR	Set quarterly.

The Bid Floor for Seasonal Service will be posted on the Transporter's website.

<sup>1</sup> For December 1, 2015, the Recoverable Cost Variances Surcharge and the Recoverable Cost Variances Demand Surcharge will be zero; however, the surcharge will be adjusted from time to time in accordance with the provisions of the Tariff.

**Schedule "B" – Calculation of Rich Gas Credit and Rich Gas Debit**

A. The formula for determining whether a Rich Gas Credit or Rich Gas Debit has occurred in a quarter is as follows:

(i) Determine AQV flowing under FDS and FDS-IBR as follows:

$$AQV (10^3 m^3) = (FDS QSQ + FDS-IBR QSQ) / ConvF.$$

(ii) Determine the QSRGC/QSRGD as follows:

$$QSRGC/QSRGD (\$) = AQV \times FDS DC \times ((GHV - ConvF)/ConvF).$$

A negative result means a QSRGD has occurred in the quarter and a positive result means a QSRGC has occurred in the quarter.

Where:

AQV = The actual quarterly volumes flowing under all FDS and FDS-IBR Firm Transportation Service Agreements, except Seasonal Service Firm Transportation Service Agreements.

FDS QSQ = The total of all Scheduled Quantities for FDS, except for Seasonal Service, in the quarter.

FDS-IBR QSQ = The total of all Scheduled Quantities for FDS-IBR in the quarter.

FDS DC = Demand Charge for FDS specified in Schedule "A" hereto

ConvF = Energy Conversion Factor in accordance with Article 3.1 hereof.

GHV = Calculated Gross Heating Value for volumes flowing under FDS, except for Seasonal Service, and FDS-IBR in the quarter.

QSRGC = Quarterly System Rich Gas Credit.

QSRGD = Quarterly System Rich Gas Debit.

B. The Transporter shall carry and accrue system Rich Gas Credits against system Rich Gas Debits. At the end of any quarter in which the accrued system Rich Gas Credits exceeds the accrued system Rich Gas Debits, the Transporter will determine the Shipper's share of such excess and zero the system account balances. A Shipper's Rich Gas Credit shall be credited to Shipper's Monthly Bill in the following manner:

(i) Shipper's Rich Gas Credit =  $((\sum QSRGC - \sum QSRGD) / (FDS CC + FDS-IBR CC)) \times$  Shipper's Contracted Capacity in the Month.

Where:

FDS CC = The sum of all FDS Contracted Capacity in the Month, except for Seasonal Service.

FDS-IBR CC= The sum of all FDS-IBR Contracted Capacity in the Month.

**TOLL SCHEDULE**  
**FIRM FULL PATH SERVICE**

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## ARTICLE 1 AVAILABILITY OF SERVICE

- 1.1 Any Shipper shall be eligible to receive service hereunder provided that Shipper:
- (a) is a party to a subsisting Firm Transportation Service Agreement for FFPS;
  - (b) has met the requirements of Articles 8 and 26 of the General Terms and Conditions; and
  - (c) or its Affiliate holds a transportation agreement for FT-1 Service for a volume and term at least equal to that of Shipper's Firm Transportation Service Agreement for FFPS.

## ARTICLE 2 NATURE OF SERVICE

- 2.1 Service under this Toll Schedule is available on any Day hereunder subject to the terms hereof, Shipper's Firm Transportation Service Agreement and the General Terms and Conditions. Nominations for service shall be made pursuant to Article 12 of the General Terms and Conditions. Service hereunder shall not be subject to curtailment or interruption except as provided herein or in the General Terms and Conditions.
- 2.2 Transporter will receive from a Shipper's contracted Receipt Point volumes of Gas up to the sum of a Shipper's Contracted Capacity and PITS Volume, converted to energy in accordance with Article 3.1 hereof, plus the Fuel Requirement and U.S. Fuel Requirement, and will transport and deliver to the Delivery Point such energy, less the Fuel Requirement.
- 2.3 (a) Shippers with Firm Transportation Service Agreements for FFPS with initial terms of three (3) years or greater are eligible to receive Priority Interruptible Transportation Service hereunder. Actual capacity available for PITS will vary daily depending upon the amount of Firm Service utilized by Shippers and the capability of Transporter's system to provide PITS. Shippers' Nominations for PITS will be scheduled after all Firm Service is scheduled and before Interruptible Service is scheduled in accordance with Article 14 of the General Terms and Conditions and is subject to confirmation that the agreement for FT-1 Service contemplated in Article 1.1(c) hereof is for a volume sufficient to accommodate Shipper's PITS Volume, or in the alternative, that Shipper or its Affiliate holds, in addition to the agreement contemplated in Article 1.1(c) hereof, a transportation agreement for service on the U.S. Pipeline for a volume sufficient to accommodate Shipper's PITS Volume.
- (b) Shippers with Staged Contracts are eligible for service hereunder. Demand Charges for such Staged Contracts shall be calculated in accordance with the formula set out in Schedule "B" hereto and will be specified in Schedule "A" of a Shipper's Firm Transportation Service Agreement.
- 2.4 Provided the Shipper's Firm Transportation Service Agreement for FFPS is for an initial term of three (3) years or greater and provided the Shipper has contracted for Firm Rich Gas Service in accordance with Article 8 hereof, Shipper will be entitled to tender Gas that does not meet the HCDP Spec at the contracted Receipt Point, in accordance with its FRGS Agreement, the terms hereof and the General Terms and Conditions.
- 2.5 Transporter shall not be obligated to add any facilities or interconnections or to expand the capacity of its pipeline system in any manner in order to provide service hereunder to any Shipper.

### ARTICLE 3 ENERGY CONVERSION FACTOR

- 3.1 Shipper's Contracted Capacity and PITS Volume will be converted to an equivalent Gigajoule amount for Nomination and scheduling purposes and as specified in Article 2.2 hereof, using an **"Energy Conversion Factor"** established by Transporter from time to time based on the Gross Heating Value at the Shipper's contracted Receipt Point and posted on the Transporter's website.

### ARTICLE 4 MONTHLY BILL

- 4.1 For each Month, Transporter shall charge and Shipper shall pay an amount equal to the sum of:
- (a) for Firm Full Path Service, except Seasonal Service, the product obtained by multiplying (1) the Contracted Capacity by (2) the Demand Charge specified in Schedule "A" of Shipper's Firm Transportation Service Agreement;
  - (b) for Seasonal Service, the product obtained by multiplying (1) the Contracted Capacity by (2) the Demand Charge specified in Schedule "A" of Shipper's Firm Transportation Service Agreement by (3) the number of Days in the Month for which the Firm Transportation Service Agreement was in effect;
  - (c) for Firm Full Path Service, except Seasonal Service, where Shipper's contracted Receipt Point is a Zone 1 Receipt Point and Shipper has, on any given Day of the Month, scheduled a Diversion in accordance with Article 15 of the General Terms and Conditions and such Diversion has resulted in the Shipper diverting Gas to a Receipt Point in Zone 2, the product obtained by multiplying (1) the sum of the Allocated Quantities that were diverted during the Month by (2) the Demand Charge specified in Schedule "A" of Shipper's Firm Transportation Service Agreement multiplied by twelve (12) and divided by the number of Days in the Year by (3) the Diversion Factor specified in Schedule "A" hereto;
  - (d) for Seasonal Service, where Shipper's contracted Receipt Point is a Zone 1 Receipt Point and Shipper has, on any given Day of the Month, scheduled a Diversion in accordance with Article 15 of the General Terms and Conditions and such Diversion has resulted in the Shipper diverting Gas to a Receipt Point in Zone 2, the product obtained by multiplying (1) the sum of the Allocated Quantities that were diverted during the Month by (2) the Demand Charge specified in Schedule "A" of Shipper's Firm Transportation Service Agreement by (3) the Diversion Factor specified in Schedule "A" hereto;
  - (e) for each Firm Transportation Service Agreement with an associated FRGS Agreement, the product obtained by multiplying (1) the FRGS Demand Surcharge specified in Schedule "C" hereto by (2) the FRGS Volume by (3) the absolute value of the difference between the FRGS HCDP Spec and the HCDP Spec;
  - (f) the sum of the daily charges determined for each Day of the Month in which the Allocated Quantities under a Shipper's Firm Transportation Service Agreement with an associated FRGS Agreement exceeds the FRGS Volume and the actual HCDP of the Gas tendered by Shipper exceeds the greater of (i) the HCDP Spec or (ii) the Revised HCDP Spec, where the daily charge is equal to:
    - (i) the product obtained by multiplying (1) the HCDP Off-Spec Surcharge specified in Schedule "C" hereto by (2) the amount by which the actual HCDP of the Gas

- tendered by Shipper exceeds the greater of (i) the HCDP Spec or (ii) the Revised HCDP Spec by (3) the amount by which the Allocated Quantities exceeds the FRGS Volume;
- (g) the sum of the daily charges determined for each Day of the Month in which the actual HCDP of the Gas tendered by Shipper under a Shipper's Firm Transportation Service Agreement with an associated FRGS Agreement exceeds the greater of (i) the FRGS HCDP Spec or (ii) the Revised HCDP Spec, where the daily charge is equal to:
    - (i) the product obtained by multiplying (1) the HCDP Off-Spec Surcharge specified in Schedule "C" hereto by (2) the amount by which the actual HCDP of the Gas tendered by Shipper exceeds the greater of (i) the FRGS HCDP Spec or (ii) the Revised HCDP Spec by (3) the lesser of (i) the Allocated Quantities or (ii) the FRGS Volume;
  - (h) the sum of the daily charges determined for each Day of the Month in which the actual HCDP of the Gas tendered by Shipper under a Shipper's Firm Transportation Service Agreement without an associated FRGS Agreement exceeds the greater of (i) the HCDP Spec or (ii) the Revised HCDP Spec, where the daily charge is equal to:
    - (i) the product obtained by multiplying (1) the HCDP Off-Spec Surcharge specified in Schedule "C" hereto by (2) the amount by which the actual HCDP of the Gas tendered by Shipper exceeds the greater of (i) the HCDP Spec or (ii) the Revised HCDP Spec by (3) the Allocated Quantities;
  - (i) the sum of the daily charges determined for each Day of the Month that PITS is scheduled, where the daily charge is equal to the product obtained by multiplying (1) the Allocated Quantities of PITS up to and including the equivalent of ten percent (10%) of Shipper's Contracted Capacity by (2) the applicable PITS Charge 1 specified in Schedule "A" hereto;
  - (j) the sum of the daily charges determined for each Day of the Month that PITS is scheduled, where the daily charge is equal to the product obtained by multiplying (1) any Allocated Quantities of PITS in excess of the equivalent of ten percent (10%) of Shipper's Contracted Capacity by (2) the applicable PITS Charge 2 specified in Schedule "A" hereto;
  - (k) the sum of the daily charges determined for each Day of the Month that there are Overrun Quantities allocated to a Shipper, where the daily charge is equal to the product obtained by multiplying (1) the Overrun Quantities by (2) the applicable Overrun Quantities Charge(s) specified in Schedule "A" hereto;
  - (l) the sum of the daily charges determined for each Day of the Month, where the daily charge is equal to the product obtained by multiplying (1) the absolute value of the difference between a Shipper's cumulative Alliance Trading Pool Imbalance and its Imbalance Tolerance by (2) the Balancing Fee;
  - (m) for each instance in which a Deficit Balancing Cash Out occurs, such Deficit Balancing Cash Out calculated by multiplying (1) the absolute value of the difference between a Shipper's cumulative Alliance Trading Pool Imbalance and its Imbalance Tolerance by

- (2) the applicable NGX AB-NIT Same Day Index 5 price of Gas by (3) the applicable percentage set out in Article 18.7 of the General Terms and Conditions;
- (n) for Firm Full Path Service, except Seasonal Service, the product obtained by multiplying (1) the Contracted Capacity by (2) the applicable Recoverable Cost Variances Demand Surcharge specified in Schedule "A" hereto;
- (o) the product obtained by multiplying (1) the sum of the Allocated Quantities of PITS for the Month by (2) the applicable Recoverable Cost Variances Surcharge specified in Schedule "A" hereto;
- (p) for Seasonal Service, the product obtained by multiplying (1) the Contracted Capacity by (2) the applicable Recoverable Cost Variances Demand Surcharge specified in Schedule "A" hereto by (3) the number of Days in the Month for which the Firm Transportation Service Agreement was in effect;
- (q) where Shipper's contracted Receipt Point is a Zone 1 Receipt Point and Shipper has, on any given Day of the Month, scheduled a Diversion in accordance with Article 15 of the General Terms and Conditions and such Diversion has resulted in the Shipper diverting Gas to a Receipt Point in Zone 2, the product obtained by multiplying (1) the sum of the Allocated Quantities that were diverted during the Month by (2) the difference between the Zone 2 and the Zone 1 Recoverable Cost Variances Surcharge specified in Schedule "A" hereto;
- (r) the product obtained by multiplying (1) the sum of the Overrun Quantities for the Month by (2) the applicable Recoverable Cost Variances Surcharge(s) specified in Schedule "A" hereto;
- (s) for Firm Full Path Service, except Seasonal Service, the product obtained by multiplying (1) the Contracted Capacity by (2) the applicable Pipeline Abandonment Demand Surcharge specified in Schedule "A" hereto;
- (t) the product obtained by multiplying (1) the sum of the Allocated Quantities of PITS for the Month by (2) the applicable Pipeline Abandonment Surcharge specified in Schedule "A" hereto;
- (u) for Seasonal Service, the product obtained by multiplying (1) the Contracted Capacity by (2) the applicable Pipeline Abandonment Demand Surcharge specified in Schedule "A" hereto by (3) the number of Days in the Month for which the Firm Transportation Service Agreement was in effect;
- (v) where Shipper's contracted Receipt Point is a Zone 1 Receipt Point and Shipper has, on any given Day of the Month, scheduled a Diversion in accordance with Article 15 of the General Terms and Conditions and such Diversion has resulted in the Shipper diverting Gas to a Receipt Point in Zone 2, the product obtained by multiplying (1) the sum of the Allocated Quantities that were diverted during the Month by (2) the difference between the Zone 2 and the Zone 1 Pipeline Abandonment Surcharge specified in Schedule "A" hereto;

- (w) the product obtained by multiplying (1) the sum of the Overrun Quantities for the Month by (2) the applicable Pipeline Abandonment Surcharge(s) specified in Schedule "A" hereto;
- (x) any Deficit Month End Cash Out, calculated by multiplying (1) Shipper's Month End Imbalance by (2) the Billing Month Index Price;
- (y) any other surcharges and taxes; and
- (z) any interest on late payments payable by Shipper in accordance with Article 7.8 of the General Terms and Conditions;

Less the sum of:

- (i) any Demand Charge Credits and FRGS Demand Surcharge Credits to which Shipper is entitled in accordance with Article 5 hereof;
- (ii) for each instance in which a Surplus Balancing Cash Out occurs, such Surplus Balancing Cash Out calculated by multiplying (1) the absolute value of the difference between a Shipper's cumulative Alliance Trading Pool Imbalance and its Imbalance Tolerance by (2) the applicable NGX AB-NIT Same Day Index 5 price of Gas by (3) the applicable percentage set out in Article 18.7 of the General Terms and Conditions; and
- (iii) any Surplus Month End Cash Out, calculated by multiplying (1) Shipper's Month End Imbalance by (2) the Billing Month Index Price;

And credited or debited for any prior period adjustments.

- 4.2 Nothing in this Article 4 shall be construed as in any way relieving Shipper from its obligations to pay any adjustments, charges, interest or penalties calculated in accordance with the General Terms and Conditions.

## ARTICLE 5 DEMAND CHARGE CREDIT AND FRGS DEMAND SURCHARGE CREDIT

- 5.1 (a) If, on any Day ("**Under Transport Day**"):

- (i) Transporter's physical capability to transport Gas is reduced; and
- (ii) such reduction in Transporter's physical capability prevents such Shipper from having its Gas transported in accordance with its Firm Transportation Service Agreement, and such Shipper is unable, using reasonable commercial efforts, to mitigate such reduction through commercial or other means available on the Canadian Pipeline or the U.S. Pipeline ("**Impact to Shipper**"),

then, subject to Articles 5.1(b), 5.1(c), 5.1(d), 5.5 and 8.4 hereof, Transporter's liability to a Shipper for a Demand Charge credit as determined in accordance with Article 5.3 hereof ("**Demand Charge Credit**") for the Under Transport Day will arise:

- (iii) immediately for events within Transporter's control; and
- (iv) following the Safe Harbor Period for events of Force Majeure, provided Transporter shall be limited to no more than two (2) Safe Harbor Periods per

calendar year per Firm Transportation Service Agreement under which there is an Impact to Shipper;

but in either case, Shipper shall only be entitled to the Demand Charge Credit to the extent of the Impact to Shipper.

- (b) Shipper shall not be entitled to receive a Demand Charge Credit and there shall be deemed to be no Impact to Shipper if:
    - (i) Shipper has, in respect of the Under Transport Day, submitted a Nomination for a Diversion, which has been scheduled in accordance with Article 15 of the General Terms and Conditions, where the Diversion is from a contracted Receipt Point that is not impacted by the reduction in Transporter's physical capability to receive Gas as contemplated in Article 5.1(a) hereof to a Receipt Point that is impacted by the reduction in Transporter's physical capability to receive Gas as contemplated in Article 5.1(a) hereof; or
    - (ii) Shipper has, in respect of the Under Transport Day, submitted a Nomination for a Diversion, which has been scheduled in accordance with Article 15 of the General Terms and Conditions, from its contracted Receipt Point which was impacted by the reduction in Transporter's physical capability to receive Gas as contemplated in Article 5.1(a) hereof to a Receipt Point not impacted by the reduction in Transporter's physical capability to receive Gas as contemplated in Article 5.1(a) hereof.
  - (c) Shipper shall only be entitled to receive a Demand Charge Credit in respect of Gas ("**Nominal Capacity**") that, if it had been nominated, would have been (1) scheduled in accordance with Article 14 of the General Terms and Conditions and (2) tendered at Shipper's contracted Receipt Point for service hereunder by or on behalf of Shipper, up to Shipper's Contracted Capacity, in the absence of the reduction in Transporter's physical capability to transport Gas under a Shipper's Firm Transportation Service Agreement as contemplated in Article 5.1(a) hereof.
  - (d) Refusal by Transporter to receive Gas failing to comply with the Quality Specifications, receipt pressure, or Alliance Trading Pool account Imbalance Tolerance requirements, as set out in the General Terms and Conditions, or which is in excess of the volumes which Transporter is required under the Tariff to accept from Shipper, shall not give rise to any Demand Charge Credit. Shippers ineligible to receive service under a Firm Transportation Service Agreement, for whatever reason, are not eligible for a Demand Charge Credit.
- 5.2
- (a) Where a Shipper is entitled to a Demand Charge Credit in accordance with Article 5.1(a) hereof and such Shipper is a party to a corresponding FRGS Agreement, such Shipper shall also be entitled to a corresponding credit for its FRGS Demand Surcharge ("**FRGS Demand Surcharge Credit**") on the Under Transported FRGS Capacity as determined in accordance with Article 5.4 hereof.
  - (b) If, on any Day, Transporter is unable, for any reason including a Transporter Force Majeure, to receive all or a portion of Shipper's FRGS Volume under a FRGS Agreement, but Transportation under the corresponding Firm Transportation Service Agreement is not affected, the Shipper shall be entitled to both a Demand Charge Credit,

as determined in accordance with Article 5.3 hereof, and a FRGS Demand Surcharge Credit, as determined in accordance with Article 5.4 hereof.

- 5.3 Notwithstanding any Impact to Shipper as set out in Article 5.1(a) hereof, there shall be no reduction in respect thereof to Shipper's Monthly Bill for the Month in which the Under Transport Day occurs ("**Under Transport Month**"). Subject to Article 5.5 hereof, a Shipper's subsequent Monthly Bill shall be reduced by a Demand Charge Credit if such a Demand Charge Credit is payable, in an amount equal to the product obtained by multiplying (1) for Firm Full Path Service except Seasonal Service, the Demand Charge specified in Schedule "A" of Shipper's Firm Transportation Service Agreement multiplied by twelve (12) and divided by the number of Days in the Year; and for Seasonal Service, the Demand Charge specified in Schedule "A" of Shipper's Firm Transportation Service Agreement by (2) the amount, if any, by which Shipper's Nominal Capacity exceeds the actual energy, converted to volume using the actual heating value of the Gas transported by Transporter on behalf of the Shipper on the Under Transport Day, excluding any PITS Volume, the Fuel Requirement and U.S. Fuel Requirement ("**Under Transported Capacity**").
- 5.4 Subject to Article 5.5 hereof, a Shipper's subsequent Monthly Bill shall be reduced by a FRGS Demand Surcharge Credit, if a credit is payable, in an amount equal to the product obtained by multiplying (1) the FRGS Demand Surcharge specified in Schedule "A" hereto multiplied by twelve (12) and divided by the number of Days in the Year by (2) the amount, if any, by which the actual energy, converted to volume using the actual heating value of the Gas transported by Transporter on behalf of the Shipper on the Under Transport Day exceeds the lesser of (i) Shipper's FRGS Volume or (ii) the Nominal Capacity ("**Under Transported FRGS Capacity**").
- 5.5 If Transporter and Shipper agree and subject to available capacity, Transporter may allow Shipper to tender make-up Gas ("**Transportation Make-Up**") in an amount not exceeding the Under Transported Capacity for Transportation within an agreed-upon period of time, in which event Shipper shall not be entitled to receive a Demand Charge Credit nor, if applicable, a FRGS Demand Surcharge Credit in respect of any Transportation Make-Up scheduled by Transporter under Article 14 of the General Terms and Conditions.

## ARTICLE 6 SURCHARGES

- 6.1 Transporter will apply a demand surcharge ("**Recoverable Cost Variances Demand Surcharge**") as set out in Schedule "A" hereto to all Contracted Capacity, and a surcharge ("**Recoverable Cost Variances Surcharge**") as set out in Schedule "A" hereto to all Allocated Quantities of PITS and Overrun Quantities, to recover:
- (a) costs that are incurred by Transporter in excess of forecasted amounts for the Canadian Pipeline's pipeline integrity, including any pipe replacements or reroutes required to comply with Applicable Law, property and business taxes, National Energy Board cost recovery charges, fuel and carbon taxes, and environmental levies for greenhouse gas emissions imposed by an Authority; and
  - (b) as they may arise, new costs that are imposed upon Transporter by an Authority, including, without limitation, fuel and carbon taxes, and environmental levies for greenhouse gas emissions.
- 6.2 In the event costs incurred by Transporter for those categories described in Article 6.1 above are less than forecasted amounts, Transporter will administer deferral accounts to carry over any

year-end balances of such costs to offset future Recoverable Cost Variances Demand Surcharges and Recoverable Cost Variances Surcharges.

- 6.3 Transporter will apply a demand surcharge ("**Pipeline Abandonment Demand Surcharge**") as set out in Schedule "A" hereto to all Contracted Capacity, and a surcharge ("**Pipeline Abandonment Surcharge**") as set out in Schedule "A" hereto to all Allocated Quantities of PITS and Overrun Quantities to collect the costs of pipeline abandonment.

#### **ARTICLE 7 TEMPORARY CAPACITY ASSIGNMENT**

- 7.1 Notwithstanding Article 34 of the General Terms and Conditions, Shipper may temporarily assign to third parties its Transportation entitlement for its Contracted Capacity or portion thereof and the associated share of its PITS Capacity; however, notwithstanding such temporary assignment, Shipper will remain responsible for all of its obligations under the Tariff.

#### **ARTICLE 8 FIRM RICH GAS SERVICE**

- 8.1 The availability of Firm Rich Gas Service hereunder will be determined by Transporter in its sole discretion and in accordance with Articles 2, 9 and 30.2 of the General Terms and Conditions.
- 8.2 Once Firm Rich Gas Service is granted to a Shipper and a corresponding agreement, a standard form of which is attached as Appendix III to the General Terms and Conditions, is executed ("**FRGS Agreement**"), the terms and availability to that Shipper of Firm Rich Gas Service shall not be subject to redetermination by Transporter for the initial term of the FRGS Agreement, or for a renewed term, but only if such renewal is granted by Transporter in accordance with Article 28.2(b) of the General Terms and Conditions.
- 8.3 Transporter will receive Gas up to the volume specified in Shipper's FRGS Agreement ("**FRGS Volume**") and up to the HCDP specified in Shipper's FRGS Agreement ("**FRGS HCDP Spec**") for each Day of each Month during the term of the FRGS Agreement, provided that:
- (a) Shipper shall pay a monthly demand surcharge for such FRGS, as set out in Schedule "C" hereto ("**FRGS Demand Surcharge**"), regardless of whether Shipper utilizes such FRGS in a given Month; and
  - (b) such received Gas satisfies all other applicable Quality Specifications.
- 8.4 When: (1) the actual HCDP of the Gas tendered by Shipper at a Receipt Point exceeds the greater of (i) the Shipper's FRGS HCDP Spec or (ii) the Revised HCDP Spec or (2) the amount tendered exceeds the Shipper's FRGS Volume contracted under Shipper's FRGS Agreement and the actual HCDP of the Gas tendered by Shipper exceeds the greater of (i) the HCDP Spec or (ii) the Revised HCDP Spec, then the Transporter may, in its sole discretion:
- (a) elect to accept all or a portion of such volumes of Shipper's Gas on an interruptible basis, subject to availability, in which case, an HCDP Off-Spec Surcharge, as set out in Schedule "C" hereto, shall apply to such Gas, and, if any portion of Shipper's Gas is curtailed hereunder, Shipper shall not be entitled to Demand Charge Credits or FRGS Demand Surcharge Credits for such curtailed Gas; or
  - (b) shut-in the applicable Receipt Point, in which case Shipper shall not be entitled to Demand Charge Credits or FRGS Demand Surcharge Credits.



- 8.5 Shipper may, from time to time and in accordance with Article 9.3 of the General Terms and Conditions, request an increase or decrease in its FRGS Volume and/or FRGS HCDP Spec or, for existing Firm Service Shippers without FRGS, the addition of FRGS, in which case:
- (a) in the event Transporter receives more than one request hereunder, such requests shall be considered by Transporter in the order in which they are received by Transporter;
  - (b) in the case of a request to decrease its applicable FRGS HCDP Spec, such request shall be approved by Transporter, and in all other cases, Transporter shall, in its sole discretion determine whether to approve such request and, in no event, shall Shipper's FRGS Volume at a specified Receipt Point exceed Shipper's Contracted Capacity at the specified Receipt Point under the corresponding Firm Transportation Service Agreement; and
  - (c) where a request to increase or decrease a Shipper's FRGS Volume and/or FRGS HCDP Spec is approved by Transporter, Shipper's FRGS Agreement shall be amended accordingly.

## **ARTICLE 9 DEFINITIONS AND INTERPRETATION**

- 9.1 Capitalized terms used in this Toll Schedule shall have the meanings attributed to them in the General Terms and Conditions.
- 9.2 Schedule "A" – Firm Full Path Service Charges, Schedule "B" – Calculation of Staged Contract Demand Charge and Schedule "C" – Firm Rich Gas Service Surcharges are attached to and made part of this Toll Schedule.
- 9.3 The General Terms and Conditions, as amended and approved by Authorities from time to time, are hereby incorporated in this Toll Schedule and apply to the provision of service hereunder.

**Schedule "A" – Firm Full Path Service Charges**

**Transportation Charges:**

<b>Firm Full Path Service, except Seasonal Service</b>	<b>1Yr Demand Charge \$/10<sup>3</sup>m<sup>3</sup>/month<sup>1</sup></b>	<b>3Yr Demand Charge \$/10<sup>3</sup>m<sup>3</sup>/month</b>	<b>5Yr Demand Charge \$/10<sup>3</sup>m<sup>3</sup>/month</b>	<b>PITS Charge 1 \$/10<sup>3</sup>m<sup>3</sup></b>	<b>PITS Charge 2 \$/10<sup>3</sup>m<sup>3</sup></b>	<b>Diversion Factor</b>	<b>Overrun Quantities Charge \$/10<sup>3</sup>m<sup>3</sup></b>
Zone 1	\$768.37	\$721.02	\$697.34	110% of applicable Demand Charge converted to daily charge.	125% of applicable Demand Charge converted to daily charge.	0.25	\$23.35
Zone 2	\$966.41	\$901.05	\$868.37	110% of applicable Demand Charge converted to daily charge.	125% of applicable Demand Charge converted to daily charge.	n/a	\$32.23

<b>Firm Full Path Service: Seasonal Service</b>	<b>Demand Charge \$/10<sup>3</sup>m<sup>3</sup>/day</b>	<b>Diversion Factor</b>	<b>Overrun Quantities Charge \$/10<sup>3</sup>m<sup>3</sup></b>
Zone 1	As bid by Shipper.	0.25	\$23.35
Zone 2	As bid by Shipper.	n/a	\$32.23

**Surcharges:**

<b>Recoverable Cost Variances Demand Surcharge and Recoverable Cost Variances Surcharge<sup>2</sup></b>	<b>FFPS, except for Seasonal Service Recoverable Cost Variances Demand Surcharge \$/10<sup>3</sup>m<sup>3</sup>/month</b>	<b>FFPS: Seasonal Service Recoverable Cost Variances Demand Surcharge \$/10<sup>3</sup>m<sup>3</sup>/day</b>	<b>FFPS: PITS Recoverable Cost Variances Surcharge \$/10<sup>3</sup>m<sup>3</sup></b>	<b>FFPS: Overrun Quantities Recoverable Cost Variances Surcharge \$/10<sup>3</sup>m<sup>3</sup></b>
Zone 1	0	0	0	0
Zone 2	0	0	0	0

<b>Pipeline Abandonment Demand Surcharge and Pipeline Abandonment Surcharge</b>	<b>FFPS, except for Seasonal Service Pipeline Abandonment Demand Surcharge \$/10<sup>3</sup>m<sup>3</sup>/month</b>	<b>FFPS: Seasonal Service Pipeline Abandonment Demand Surcharge \$/10<sup>3</sup>m<sup>3</sup>/day</b>	<b>FFPS: PITS Pipeline Abandonment Surcharge \$/10<sup>3</sup>m<sup>3</sup></b>	<b>FFPS: Overrun Quantities Pipeline Abandonment Surcharge \$/10<sup>3</sup>m<sup>3</sup></b>
Zone 1	\$20.69	\$0.68	\$0.68	\$0.68
Zone 2	\$25.71	\$0.85	\$0.85	\$0.85

The Bid Floor for Seasonal Service will be posted on the Transporter's website.

<sup>1</sup> 1 Yr Demand Charge is provided only for the purposes of calculating Staged Contract Demand Charges.

<sup>2</sup> For December 1, 2015, the Recoverable Cost Variances Surcharge and the Recoverable Cost Variances Demand Surcharge will be zero; however, the surcharge will be adjusted from time to time in accordance with the provisions of the Tariff.

### Schedule "B" – Calculation of Staged Contract Demand Charge

The Demand Charge for a Staged Contract will be the volume-weighted average Demand Charge for all tranches over the term of the Shipper's Firm Transportation Service Agreement, as specified in Schedule "A" of such Firm Transportation Service Agreement. The formula used to calculate the Demand Charge is:

$$\text{SCDC} = [(5\text{YrVol} \times 5\text{YrDC}) + (3\text{YrVol} \times 3\text{YrDC}) + (1\text{YrVol} \times 1\text{YrDC})] / (5\text{YrVol} + 3\text{YrVol} + 1\text{YrVol})$$

Where:

- "SCDC" = Staged Contract Demand Charge in  $10^3\text{m}^3/\text{mo}$ .
- "5YrVol" = Sum of the Contracted Capacity for tranches with terms of five (5) years or greater.
- "3YrVol" = Sum of the Contracted Capacity for tranches with terms of at least three (3) years but less than five (5) years.
- "1YrVol" = Sum of the Contracted Capacity for tranches with terms less than three (3) years.
- "5YrDC" = Applicable FFPS Demand Charge for terms of five (5) years or greater in  $\$/10^3\text{m}^3/\text{mo}$  as specified in Schedule "A" hereof.
- "3YrDC" = Applicable FFPS Demand Charge for terms of at least three (3) years but less than five (5) years in  $\$/10^3\text{m}^3/\text{mo}$  as specified in Schedule "A" hereof.
- "1YrDC" = Applicable FFPS Demand Charge, for the purpose of Staged Contracts only, for terms less than three (3) years in  $\$/10^3\text{m}^3/\text{mo}$  as specified in Schedule "A" hereof.

**Schedule "C" – Firm Rich Gas Service Surcharges**

FRGS Demand Surcharge	\$10.74/10 <sup>3</sup> m <sup>3</sup> /°C HCDP/month
HCDP Off-Spec Surcharge	\$0.44/10 <sup>3</sup> m <sup>3</sup> /°C HCDP

**TOLL SCHEDULE**  
**INTERRUPTIBLE RECEIPT SERVICE**

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## ARTICLE 1 AVAILABILITY OF SERVICE

- 1.1 Any Shipper shall be eligible to receive service hereunder provided that Shipper:
- (a) is a party to a subsisting Interruptible Transportation Service Agreement for ITRS; and
  - (b) has met the requirements of Articles 8 and 26 of the General Terms and Conditions.

## ARTICLE 2 NATURE OF SERVICE

- 2.1 Service under this Toll Schedule may be available on any Day and will be interruptible, as provided herein, in Shipper's Interruptible Transportation Service Agreement and the General Terms and Conditions. Nominations for service shall be made pursuant to Article 12 of the General Terms and Conditions.
- 2.2 Transporter shall have the sole discretion to set the Bid Floor for Interruptible Receipt Service under this Toll Schedule for each Receipt Point on the Canadian Pipeline on a daily basis. Bids at or above the Bid Floor will be considered by Transporter during the daily capacity award process.
- 2.3 Shippers requesting Interruptible Receipt Service hereunder on any Day shall submit a bid in the Interruptible Service bidding window, in accordance with the Transporter's process for Interruptible Service. Bids shall specify the volume of Transportation requested at the Receipt Point and the associated bid toll, expressed in dollars per thousand cubic meters (\$/10<sup>3</sup>m<sup>3</sup>), which associated bid toll shall not be less than the posted Bid Floor for the applicable Receipt Point.
- 2.4 Capacity that Transporter has available each Day for Interruptible Receipt Service will be awarded based on the bid toll and shall be awarded from the highest to lowest tolls bid by such Shippers for the service. If there are bid volumes at the same bid toll and there is insufficient available capacity for all bids at the same bid toll, the capacity that remains available will be awarded pro rata by volume amongst all such bids at the same bid toll.
- 2.5 Nominations for service under this Toll Schedule will be scheduled in accordance with Article 14 of the General Terms and Conditions. At the time of scheduling by Transporter, the bid toll will become the Confirmed IT Toll for the Shipper for its service hereunder.
- 2.6 Transporter will receive from a Shipper's nominated Receipt Point volumes of Gas up to or, subject to Transporter's discretion, greater than a Shipper's Maximum Daily Quantity ("**Revised Maximum Daily Quantity**"), converted to energy in accordance with Article 3.1 hereof, plus the Fuel Requirement, and will credit to the Shipper's account at the Alliance Trading Pool such energy, less the Fuel Requirement.
- 2.7 Transporter shall not be obligated to add any facilities or interconnections or to expand the capacity of its pipeline system in any manner in order to provide service hereunder to any Shipper.

## ARTICLE 3 ENERGY CONVERSION FACTOR

- 3.1 Shipper's Maximum Daily Quantity or Revised Maximum Daily Quantity will be converted to an equivalent Gigajoule amount for Nomination and scheduling purposes and as specified in Article 2.6 hereof, using an "**Energy Conversion Factor**" established by Transporter from time

to time based on the Gross Heating Value at the Shipper's contracted Receipt Point and posted on the Transporter's website.

#### ARTICLE 4 MONTHLY BILL

- 4.1 For each Month, Transporter shall charge and Shipper shall pay an amount equal to the sum of:
- (a) the sum of the daily charges determined for each Day of the Month, where the daily charge is equal to the product obtained by multiplying (1) the Confirmed IT Toll for the Day by (2) the Allocated Quantities for the Day;
  - (b) the sum of the daily charges determined for each Day of the Month in which the actual HCDP of the Gas tendered by Shipper exceeds the greater of (i) the HCDP Spec or (ii) the Revised HCDP Spec, where the daily charge is the product obtained by multiplying (1) the HCDP Off-Spec Surcharge specified in Schedule "B" hereto by (2) the Allocated Quantities by (3) the amount by which the actual HCDP of the Gas tendered by Shipper exceeds the greater of (i) the HCDP Spec or (ii) the Revised HCDP Spec;
  - (c) the sum of the daily charges determined for each Day of the Month, where the daily charge is equal to the product obtained by multiplying (1) the absolute value of the difference between a Shipper's cumulative Alliance Trading Pool Imbalance and its Imbalance Tolerance by (2) the Balancing Fee;
  - (d) for each instance in which a Deficit Balancing Cash Out occurs, such Deficit Balancing Cash Out calculated by multiplying (1) the absolute value of the difference between a Shipper's cumulative Alliance Trading Pool Imbalance and its Imbalance Tolerance by (2) the applicable NGX AB-NIT Same Day Index 5 price of Gas by (3) the applicable percentage set out in Article 18.7 of the General Terms and Conditions;
  - (e) the product obtained by multiplying (1) the sum of the Allocated Quantities for the Month by (2) the applicable Recoverable Cost Variances Surcharge specified in Schedule "A" hereto;
  - (f) the product obtained by multiplying (1) the sum of the Allocated Quantities for the Month by (2) the applicable Pipeline Abandonment Surcharge specified in Schedule "A" hereto;
  - (g) any Deficit Month End Cash Out, calculated by multiplying (1) Shipper's Month End Imbalance by (2) the Billing Month Index Price;
  - (h) any other surcharges and taxes; and
  - (i) any interest on late payments payable by Shipper in accordance with Article 7.8 of the General Terms and Conditions;

Less the sum of:

- (i) for each instance in which a Surplus Balancing Cash Out occurs, such Surplus Balancing Cash Out calculated by multiplying (1) the absolute value of the difference between a Shipper's cumulative Alliance Trading Pool Imbalance and its Imbalance Tolerance by



(2) the applicable NGX AB-NIT Same Day Index 5 price of Gas by (3) the applicable percentage set out in Article 18.7 of the General Terms and Conditions; and

- (ii) any Surplus Month End Cash Out, calculated by multiplying (1) Shipper's Month End Imbalance by (2) the Billing Month Index Price;

And credited or debited for any prior period adjustments.

- 4.2 Nothing in this Article 4 shall be construed as in any way relieving Shipper from its obligations to pay any adjustments, charges, interest or penalties calculated in accordance with the General Terms and Conditions.

## ARTICLE 5 SURCHARGES

- 5.1 Transporter will apply a surcharge ("**Recoverable Cost Variances Surcharge**") as set out in Schedule "A" hereto to all Allocated Quantities to recover:

- (a) costs that are incurred by Transporter in excess of forecasted amounts for the Canadian Pipeline's pipeline integrity, including any pipe replacements or reroutes required to comply with Applicable Law, property and business taxes, National Energy Board cost recovery charges, fuel and carbon taxes, and environmental levies for greenhouse gas emissions imposed by an Authority; and

- (b) as they may arise, new costs that are imposed upon Transporter by an Authority, including, without limitation, fuel and carbon taxes, and environmental levies for greenhouse gas emissions.

- 5.2 In the event costs incurred by Transporter for those categories described in Article 5.1 above are less than forecasted amounts, Transporter will administer deferral accounts to carry over any year-end balances of such costs to offset future Recoverable Cost Variances Surcharges.

- 5.3 Transporter will apply a surcharge ("**Pipeline Abandonment Surcharge**") as set out in Schedule "A" hereto to all Allocated Quantities to collect the costs of pipeline abandonment.

## ARTICLE 6 DEFINITIONS AND INTERPRETATION

- 6.1 Capitalized terms used in this Toll Schedule shall have the meanings attributed to them in the General Terms and Conditions.

- 6.2 Schedule "A" – Interruptible Receipt Service Charges and Schedule "B" – Rich Gas Service Surcharge are attached to and made part of this Toll Schedule.

- 6.3 The General Terms and Conditions, as amended and approved by Authorities from time to time, are hereby incorporated in this Toll Schedule and apply to the provision of service hereunder.

**Schedule "A" – Interruptible Receipt Service Charges**

<b>Interruptible Receipt Service</b>	<b>Confirmed IT Toll \$/10<sup>3</sup>m<sup>3</sup></b>	<b>Recoverable Cost Variances Surcharge<sup>1</sup> \$/10<sup>3</sup>m<sup>3</sup></b>	<b>Pipeline Abandonment Surcharge \$/10<sup>3</sup>m<sup>3</sup></b>	
Zone 1	As bid by Shipper.	0	\$0.42	
Zone 2	As bid by Shipper.	0	\$0.59	

Interruptible Receipt Service is awarded through a bidding process in accordance with Article 2 hereof. Bid Floors will be posted on the Transporter's website.

<sup>1</sup> For December 1, 2015, the Recoverable Cost Variances Surcharge will be zero; however, the surcharge will be adjusted from time to time in accordance with the provisions of the Tariff.

**Schedule "B" – Rich Gas Service Surcharge**

HCDP Off-Spec Surcharge	\$0.44/10 <sup>3</sup> m <sup>3</sup> /°C HCDP
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**TOLL SCHEDULE**  
**INTERRUPTIBLE DELIVERY SERVICE**

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**SCHEDULE "A" – INTERRUPTIBLE DELIVERY SERVICE CHARGES**

## ARTICLE 1 AVAILABILITY OF SERVICE

- 1.1 Any Shipper shall be eligible to receive service hereunder provided that Shipper:
- (a) is a party to a subsisting Interruptible Transportation Service Agreement for ITDS; and
  - (b) has met the requirements of Articles 8 and 26 of the General Terms and Conditions.

## ARTICLE 2 NATURE OF SERVICE

- 2.1 Service under this Toll Schedule may be available on any Day and will be interruptible, as provided herein, in Shipper's Interruptible Transportation Service Agreement and the General Terms and Conditions. Nominations for service shall be made pursuant to Article 12 of the General Terms and Conditions.
- 2.2 Transporter shall have the sole discretion to set the Bid Floor for Interruptible Delivery Service under this Toll Schedule on a daily basis. Bids at or above the Bid Floor will be considered by Transporter during the daily capacity award process.
- 2.3 Shippers requesting Interruptible Delivery Service hereunder on any Day shall submit a bid in the Interruptible Service bidding window, in accordance with the Transporter's process for Interruptible Service. Bids shall specify the volume of Transportation requested at the Receipt Point and the associated bid toll, expressed in dollars per thousand cubic meters ( $\$/10^3\text{m}^3$ ), which associated bid toll shall not be less than the posted Bid Floor.
- 2.4 Capacity that Transporter has available each Day for Interruptible Delivery Service will be awarded based on the bid toll and shall be awarded from the highest to lowest tolls bid by such Shippers for the service. If there are bid volumes at the same bid toll and there is insufficient available capacity for all bids at the same bid toll, the capacity that remains available will be awarded pro rata by volume amongst all such bids at the same bid toll.
- 2.5 Nominations for service under this Toll Schedule will be scheduled in accordance with Article 14 of the General Terms and Conditions. At the time of scheduling by Transporter, the bid toll will become the Confirmed IT Toll for the Shipper for its service hereunder.
- 2.6 Transporter will receive from a Shipper's account at the Alliance Trading Pool volumes of Gas up to or, subject to Transporter's discretion, greater than a Shipper's Maximum Daily Quantity ("**Revised Maximum Daily Quantity**"), converted to energy in accordance with Article 3.1 hereof, plus the Fuel Requirement, and will transport and deliver to the Delivery Point such energy, less the Fuel Requirement.
- 2.7 Transporter shall not be obligated to add any facilities or interconnections or to expand the capacity of its pipeline system in any manner in order to provide service hereunder to any Shipper.

## ARTICLE 3 ENERGY CONVERSION FACTOR

- 3.1 Shipper's Maximum Daily Quantity or Revised Maximum Daily Quantity will be converted to an equivalent Gigajoule amount for Nomination and scheduling purposes and as specified in Article 2.6 hereof, using an "**Energy Conversion Factor**" of  $40.97 \text{ MJ/m}^3$  as posted on the Transporter's website.

#### ARTICLE 4 MONTHLY BILL

- 4.1 For each Month, Transporter shall charge and Shipper shall pay an amount equal to the sum of:
- (a) the sum of the daily charges determined for each Day of the Month, where the daily charge is equal to the product obtained by multiplying (1) the Confirmed IT Toll for the Day by (2) the Scheduled Quantities for the Day, converted to volume using the Gross Heating Value specified in Article 3.1 hereof;
  - (b) the sum of the daily charges determined for each Day of the Month, where the daily charge is equal to the product obtained by multiplying (1) the absolute value of the difference between a Shipper's cumulative Alliance Trading Pool Imbalance and its Imbalance Tolerance by (2) the Balancing Fee;
  - (c) for each instance in which a Deficit Balancing Cash Out occurs, such Deficit Balancing Cash Out calculated by multiplying (1) the absolute value of the difference between a Shipper's cumulative Alliance Trading Pool Imbalance and its Imbalance Tolerance by (2) the applicable NGX AB-NIT Same Day Index 5 price of Gas by (3) the applicable percentage set out in Article 18.7 of the General Terms and Conditions;
  - (d) the product obtained by multiplying (1) the Recoverable Cost Variances Surcharge specified in Schedule "A" hereto by (2) the sum of the Scheduled Quantities for the Month, converted to volume using the Gross Heating Value specified in Article 3.1 hereof;
  - (e) the product obtained by multiplying (1) the Pipeline Abandonment Surcharge specified in Schedule "A" hereto by (2) the sum of the Scheduled Quantities for the Month, converted to volume using the Gross Heating Value specified in Article 3.1 hereof;
  - (f) any other surcharges and taxes; and
  - (g) any interest on late payments payable by Shipper in accordance with Article 7.8 of the General Terms and Conditions;

Less:

- (i) for each instance in which a Surplus Balancing Cash Out occurs, such Surplus Balancing Cash Out calculated by multiplying (1) the absolute value of the difference between a Shipper's cumulative Alliance Trading Pool Imbalance and its Imbalance Tolerance by (2) the applicable NGX AB-NIT Same Day Index 5 price of Gas by (3) the applicable percentage set out in Article 18.7 of the General Terms and Conditions;

And credited or debited for any prior period adjustments.

- 4.2 Nothing in this Article 4 shall be construed as in any way relieving Shipper from its obligations to pay any adjustments, charges, interest or penalties calculated in accordance with the General Terms and Conditions.

## ARTICLE 5 SURCHARGES

- 5.1 Transporter will apply a surcharge ("**Recoverable Cost Variances Surcharge**") as set out in Schedule "A" hereto to all Scheduled Quantities, converted to volume using the Gross Heating Value as specified in Article 3.1 hereof, to recover:
- (a) costs that are incurred by Transporter in excess of forecasted amounts for the Canadian Pipeline's pipeline integrity, including any pipe replacements or reroutes required to comply with Applicable Law, property and business taxes, National Energy Board cost recovery charges, fuel and carbon taxes, and environmental levies for greenhouse gas emissions imposed by an Authority; and
  - (b) as they may arise, new costs that are imposed upon Transporter by an Authority, including, without limitation, fuel and carbon taxes, and environmental levies for greenhouse gas emissions.
- 5.2 In the event costs incurred by Transporter for those categories described in Article 5.1 above are less than forecasted amounts, Transporter will administer deferral accounts to carry over any year-end balances of such costs to offset future Recoverable Cost Variances Surcharges.
- 5.3 Transporter will apply a surcharge ("**Pipeline Abandonment Surcharge**") as set out in Schedule "A" hereto to all Scheduled Quantities, converted to volume using the Gross Heating Value as specified in Article 3.1 hereof, to collect the costs of pipeline abandonment.

## ARTICLE 6 DEFINITIONS AND INTERPRETATION

- 6.1 Capitalized terms used in this Toll Schedule shall have the meanings attributed to them in the General Terms and Conditions.
- 6.2 Schedule "A" – Interruptible Delivery Service Charges is attached to and made part of this Toll Schedule.
- 6.3 The General Terms and Conditions, as amended and approved by Authorities from time to time, are hereby incorporated in this Toll Schedule and apply to the provision of service hereunder.



**Schedule "A" – Interruptible Delivery Service Charges**

	<b>Confirmed IT Toll \$/10<sup>3</sup>m<sup>3</sup></b>	<b>Recoverable Cost Variances Surcharge<sup>1</sup> \$/10<sup>3</sup>m<sup>3</sup></b>	<b>Pipeline Abandonment Surcharge \$/10<sup>3</sup>m<sup>3</sup></b>
Interruptible Delivery Service	As bid by Shipper.	0	\$0.26

Interruptible Delivery Service is awarded through a bidding process in accordance with Article 2 hereof. Bid Floors will be posted on the Transporter's website.

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<sup>1</sup> For December 1, 2015, the Recoverable Cost Variances Surcharge will be zero; however, the surcharge will be adjusted from time to time in accordance with the provisions of the Tariff.

**TOLL SCHEDULE**  
**INTERRUPTIBLE FULL PATH SERVICE**

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## ARTICLE 1 AVAILABILITY OF SERVICE

- 1.1 Any Shipper shall be eligible to receive service hereunder provided that Shipper:
- (a) is a party to a subsisting Interruptible Transportation Service Agreement for ITFPS;
  - (b) has met the requirements of Articles 8 and 26 of the General Terms and Conditions; and
  - (c) or its Affiliate holds a transportation agreement for service on the U.S. Pipeline for a volume at least equal to that of Shipper's Interruptible Transportation Service Agreement for ITFPS.

## ARTICLE 2 NATURE OF SERVICE

- 2.1 Service under this Toll Schedule may be available on any Day and will be interruptible, as provided herein, in Shipper's Interruptible Transportation Service Agreement and the General Terms and Conditions. Nominations for service shall be made pursuant to Article 12 of the General Terms and Conditions.
- 2.2 Transporter shall have the sole discretion to set the Bid Floor for Interruptible Full Path Service under this Toll Schedule for each Receipt Point and Liquids Receipt Point on the Canadian Pipeline on a daily basis. Bids at or above the Bid Floor will be considered by Transporter during the daily capacity award process.
- 2.3 Shippers requesting Interruptible Full Path Service hereunder on any Day shall submit a bid in the Interruptible Service bidding window, in accordance with the Transporter's process for Interruptible Service. Bids shall specify the volume of Transportation requested at the Receipt Point or Liquids Receipt Point, as applicable, and the associated bid toll, expressed in dollars per thousand cubic meters ( $\$/10^3\text{m}^3$ ), which associated bid toll shall not be less than the posted Bid Floor for the applicable Receipt Point or Liquids Receipt Point.
- 2.4 Capacity that Transporter has available each Day for Interruptible Full Path Service will be awarded based on the bid toll and shall be awarded from the highest to lowest tolls bid by Shippers for the service, in accordance with the evaluation process stipulated in GT&C Section 14.2 (c). If there are bid volumes at the same bid toll and there is insufficient available capacity for all bids at the same bid toll, the capacity that remains available will be awarded pro rata by volume amongst all bids at the same bid toll, in accordance with the evaluation process stipulated in GT&C Section 14.2 (c).
- 2.5 Nominations for service under this Toll Schedule will be scheduled in accordance with Article 14 of the General Terms and Conditions. At the time of scheduling by Transporter, the bid toll will become the Confirmed IT Toll for the Shipper for its service hereunder.
- 2.6 Transporter will receive from a Shipper's nominated Receipt Point or Liquids Receipt Point volumes of Gas or Liquids up to or, subject to Transporter's discretion, greater than a Shipper's Maximum Daily Quantity ("**Revised Maximum Daily Quantity**"), converted to energy in accordance with Article 3.1 hereof, plus the Fuel Requirement and U.S. Fuel Requirement, and will transport and deliver to the Delivery Point such energy, less the Fuel Requirement.

- 2.7 Transporter shall not be obligated to add any facilities or interconnections or to expand the capacity of its pipeline system in any manner in order to provide service hereunder to any Shipper.

### ARTICLE 3 ENERGY CONVERSION FACTOR

- 3.1 Shipper's Maximum Daily Quantity or Revised Maximum Daily Quantity will be converted to an equivalent Gigajoule amount for Nomination and scheduling purposes and as specified in Article 2.6 hereof, using an "**Energy Conversion Factor**" established by Transporter from time to time based on the Gross Heating Value at the Shipper's contracted Receipt Point or Liquids Receipt Point and posted on the Transporter's website.

### ARTICLE 4 MONTHLY BILL

- 4.1 For each Month, Transporter shall charge and Shipper shall pay an amount equal to the sum of:
- (a) the sum of the daily charges determined for each Day of the Month, where the daily charge is equal to the product obtained by multiplying (1) the Confirmed IT Toll for the Day by (2) the Allocated Quantities for the Day;
  - (b) the sum of the daily charges determined for each Day of the Month in which the actual HCDP of the Gas tendered by Shipper exceeds the greater of (i) the HCDP Spec or (ii) the Revised HCDP Spec, where the daily charge is the product obtained by multiplying (1) the HCDP Off-Spec Surcharge specified in Schedule "B" hereto by (2) the Allocated Quantities by (3) the amount by which the actual HCDP of the Gas tendered by Shipper exceeds the greater of (i) the HCDP Spec or (ii) the Revised HCDP Spec;
  - (c) the sum of the daily charges determined for each Day of the Month, where the daily charge is equal to the product obtained by multiplying (1) the absolute value of the difference between a Shipper's cumulative Alliance Trading Pool Imbalance and its Imbalance Tolerance by (2) the Balancing Fee;
  - (d) for each instance in which a Deficit Balancing Cash Out occurs, such Deficit Balancing Cash Out calculated by multiplying (1) the absolute value of the difference between a Shipper's cumulative Alliance Trading Pool Imbalance and its Imbalance Tolerance by (2) the applicable NGX AB-NIT Same Day Index 5 price of Gas by (3) the applicable percentage set out in Article 18.7 of the General Terms and Conditions;
  - (e) the product obtained by multiplying (1) the sum of the Allocated Quantities for the Month by (2) the applicable Recoverable Cost Variances Surcharge specified in Schedule "A" hereto;
  - (f) the product obtained by multiplying (1) the sum of the Allocated Quantities for the Month by (2) the applicable Pipeline Abandonment Surcharge specified in Schedule "A" hereto;
  - (g) any Deficit Month End Cash Out, calculated by multiplying (1) Shipper's Month End Imbalance by (2) the Billing Month Index Price;
  - (h) any other surcharges and taxes; and

- (i) any interest on late payments payable by Shipper in accordance with Article 7.8 of the General Terms and Conditions;

Less the sum of:

- (i) for each instance in which a Surplus Balancing Cash Out occurs, such Surplus Balancing Cash Out calculated by multiplying (1) the absolute value of the difference between a Shipper's cumulative Alliance Trading Pool Imbalance and its Imbalance Tolerance by (2) the applicable NGX AB-NIT Same Day Index 5 price of Gas by (3) the applicable percentage set out in Article 18.7 of the General Terms and Conditions; and
- (ii) any Surplus Month End Cash Out, calculated by multiplying (1) Shipper's Month End Imbalance by (2) the Billing Month Index Price;

And credited or debited for any prior period adjustments.

- 4.2 Nothing in this Article 4 shall be construed as in any way relieving Shipper from its obligations to pay any adjustments, charges, interest or penalties calculated in accordance with the General Terms and Conditions.

## ARTICLE 5 SURCHARGES

- 5.1 Transporter will apply a surcharge ("**Recoverable Cost Variances Surcharge**") as set out in Schedule "A" hereto to all Allocated Quantities to recover:

- (a) costs that are incurred by Transporter in excess of forecasted amounts for the Canadian Pipeline's pipeline integrity, including any pipe replacements or reroutes required to comply with Applicable Law, property and business taxes, National Energy Board cost recovery charges, fuel and carbon taxes, and environmental levies for greenhouse gas emissions imposed by an Authority; and
- (b) as they may arise, new costs that are imposed upon Transporter by an Authority, including, without limitation, fuel and carbon taxes, and environmental levies for greenhouse gas emissions.

- 5.2 In the event costs incurred by Transporter for those categories described in Article 5.1 above are less than forecasted amounts, Transporter will administer deferral accounts to carry over any year-end balances of such costs to offset future Recoverable Cost Variances Surcharges.

- 5.3 Transporter will apply a surcharge ("**Pipeline Abandonment Surcharge**") as set out in Schedule "A" hereto to all Allocated Quantities to collect the costs of pipeline abandonment.

## ARTICLE 6 LIQUIDS RECEIPT POINTS

- 6.1 All Liquids Receipt Point operators will execute a balancing agreement with the Transporter, in a form prescribed by the Transporter, that will address operations issues specific to Liquids Receipt Points, including flow rate provisions, and confirmation procedures and protocols designed to protect the Canadian Pipeline. Shippers at Liquids Receipt Points will not be subject to Articles 17, 18 and 19 of the General Terms and Conditions.

- 6.2 Shippers will nominate at the Liquids Receipt Point designated for the specific Liquids product, and Transporter will schedule available capacity for each such Liquids product, in accordance with Article 14 of the General Terms and Conditions.
- 6.3 Prior to scheduling at Liquids Receipt Points in accordance with the Article 14 of the General Terms and Conditions, Transporter will take into account the volume of the specific liquids component contained in the Gas and Liquids received from all Receipt Points and Liquids Receipt Points.

**ARTICLE 7 DEFINITIONS AND INTERPRETATION**

- 7.1 Capitalized terms used in this Toll Schedule shall have the meanings attributed to them in the General Terms and Conditions.
- 7.2 Schedule "A" – Interruptible Full Path Service Charges and Schedule "B" – Rich Gas Service Surcharge are attached to and made part of this Toll Schedule.
- 7.3 The General Terms and Conditions, as amended and approved by Authorities from time to time, are hereby incorporated in this Toll Schedule and apply to the provision of service hereunder.

**Schedule "A" – Interruptible Full Path Service Charges**

<b>Interruptible Full Path Service</b>	<b>Confirmed IT Toll \$/10<sup>3</sup>m<sup>3</sup></b>	<b>Recoverable Cost Variances Surcharge<sup>1</sup> \$/10<sup>3</sup>m<sup>3</sup></b>	<b>Pipeline Abandonment Surcharge \$/10<sup>3</sup>m<sup>3</sup></b>	
Zone 1	As bid by Shipper.	0	\$0.68	
Zone 2	As bid by Shipper.	0	\$0.85	

Interruptible Full Path Service is awarded through a bidding process in accordance with Article 2 hereof. Bid Floors will be posted on the Transporter's website.

<sup>1</sup> For December 1, 2015, the Recoverable Cost Variances Surcharge will be zero; however, the surcharge will be adjusted from time to time in accordance with the provisions of the Tariff.



**Schedule "B" – Rich Gas Service Surcharge**

HCDP Off-Spec Surcharge	\$0.44/10 <sup>3</sup> m <sup>3</sup> /°C HCDP
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**TOLL SCHEDULE**  
**TERM PARK AND LOAN SERVICE**

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## ARTICLE 1 AVAILABILITY OF SERVICE

- 1.1 Any Shipper shall be eligible to receive service hereunder provided that Shipper:
- (a) is a party to a subsisting Transportation Service Agreement or Title Transfer Agreement;
  - (b) is a party to a subsisting TPAL Agreement; and
  - (c) has met the requirements of Articles 18 and 26 of the General Terms and Conditions.

## ARTICLE 2 NATURE OF SERVICE

- 2.1 Transporter may make available service hereunder subject to the terms hereof, a TPAL Party's TPAL Agreement and the General Terms and Conditions.
- 2.2 From time to time, Transporter may offer for contracting TPAL Service by posting on its website the quantity of energy available for such service. Shippers requesting TPAL Service shall do so in accordance with Article 8.2 of the General Terms and Conditions. TPAL Service shall be contracted for by Transporter on a first come, first served basis, based on the time of the request in accordance with Article 8.2 of the General Terms and Conditions is received electronically by Transporter. Shippers awarded TPAL Service are required to enter into a TPAL Agreement.
- 2.3 Each Day, Transporter may make available for TPAL Parties quantities of energy for Nomination for Park or Loan. A TPAL Party may nominate, in accordance with Article 12 of the General Terms and Conditions, quantities of energy for Park or Loan, up to, or subject to Transporter's discretion, greater than a TPAL Party's contracted Park Quantity or Loan Quantity, provided that the sum of TPAL Party's transactions over the term of its TPAL Agreement, net of any repayments of energy thereunder ("**TPAL Balance**"), does not exceed the Total TPAL Quantity specified in Schedule "A" of the TPAL Party's TPAL Agreement on the Day. Nominations for Park or Loan that would cause a TPAL Party's TPAL Balance to exceed its Total TPAL Quantity will not be confirmed. If a TPAL Party nominates for Park or Loan in excess of its Total TPAL Quantity, such Park or Loan will only be confirmed up to the Total TPAL Quantity and the TPAL Party will be required to enter into a new TPAL Agreement in respect of any additional quantities for Park or Loan.
- 2.4 Nominations for Parks and Loans will be confirmed by Transporter during the scheduling of service in accordance with Article 14 of the General Terms and Conditions. Where the Nominations of all TPAL Parties exceed the quantities available for such service, Parks and Loans will be confirmed by Transporter pro rata, based on the nominated quantities, between all TPAL Parties' Nominations.
- 2.5 Upon confirmation by Transporter of TPAL Party's Nomination for TPAL Service, TPAL Party's nominated energy shall be transferred. Such transfer of energy shall impart no physical movement of energy.
- 2.6 If a TPAL Party wishes to repay its TPAL Balance at any time during the term of the TPAL Agreement, it must nominate the repayment quantities of energy in accordance with Article 12 of the General Terms and Conditions and, upon confirmation by Transporter, conduct the appropriate transactions in the Alliance Trading Pool to do so. The TPAL Party is responsible for arranging such transactions in accordance with the Tariff.

- 2.7 A TPAL Balance must be zero at the End Date or upon termination of a TPAL Agreement. If a TPAL Balance is not zero at the End Date or upon termination of a TPAL Agreement, the Transporter shall zero the TPAL Balance by transferring such negative or positive quantities of energy to TPAL Party's Alliance Trading Pool account. In the case of a TPAL Balance for a Loan, such transfer of energy will result in a negative adjustment to TPAL Party's Alliance Trading Pool account. In the case of a TPAL Balance for a Park, such transfer of energy will result in a positive adjustment to TPAL Party's Alliance Trading Pool account. In all cases, TPAL Party shall be required to manage any resulting Alliance Trading Pool Imbalance in accordance with Article 18 of the General Terms and Conditions.
- 2.8 On the fifth (5th) Business Day of each Month, Transporter will post on its website a summary of all TPAL Agreements awarded during the preceding Month. This posting will include the TPAL Fee, Start Date, End Date and Total TPAL Quantity for each such TPAL Agreement for the preceding Month.

**ARTICLE 3 CURTAILMENT OF PARKS AND LOANS AND RECALL OF TPAL BALANCES**

- 3.1 (a) In order to maintain or restore the operational integrity of the Canadian Pipeline, Transporter may, in its sole discretion and subject to Article 3.2 hereof, curtail all or any portion of the daily Parks and Loans confirmed for TPAL Service; and/or recall any outstanding TPAL Balances. Transporter shall provide a TPAL Party with Notice regarding any such curtailment of Parks or Loans or recall of a TPAL Balance hereunder.
- (b) Subject to Article 3.2 hereof, Parks and Loans shall be curtailed, if necessary, pro rata based on the nominated quantities, and TPAL Balances shall be recalled, if necessary, on the basis of TPAL Fee, with the lowest TPAL Fee being recalled first. Within twenty-four (24) hours of the Notice provided in accordance with Article 3.1(a) hereof:
- (i) A TPAL Party involved in a Park shall repay the specified quantity of energy from its TPAL Balance into its Alliance Trading Pool account.
- (ii) A TPAL Party involved in a Loan shall repay the specified quantity of energy from its Alliance Trading Pool account into its TPAL Balance.
- 3.2 In the event that a TPAL Party fails to conduct the required transactions regarding any curtailment of Park or Loan or recall of a TPAL Balance in accordance with Article 3.1 hereof, the Transporter will effect such transaction by transferring such positive or negative quantities of energy to TPAL Party's Alliance Trading Pool account and the TPAL Party shall be required to manage any resulting Alliance Trading Pool Imbalance in accordance with Article 18 of the General Terms and Conditions.

**ARTICLE 4 MONTHLY BILL**

- 4.1 For each Month, Transporter shall charge and TPAL Party shall pay an amount equal to the sum of:
- (a) the sum of the daily charges determined for each Day of the Month that TPAL Party's TPAL Agreement is in effect, where the daily charge is equal to the product obtained by multiplying (1) the TPAL Fee specified in Schedule "A" of the TPAL Agreement by (2) the TPAL Balance at the end of that Day;

- (b) any interest on late payments payable by TPAL Party in accordance with Article 7.8 of the General Terms and Conditions; and
- (c) any surcharges and taxes.

**ARTICLE 5 DEFINITIONS AND INTERPRETATION**

- 5.1 Capitalized terms used in this Term Park and Loan Service Toll Schedule have the meanings attributed to them in the General Terms and Conditions of the Tariff.
- 5.2 Schedule "A" – TPAL Fee Ceiling is attached to and made part of this Toll Schedule.
- 5.3 The General Terms and Conditions, as amended and approved by Authorities from time to time, are hereby incorporated in this Toll Schedule and apply to the provision of service hereunder.

**Schedule "A" – TPAL Fee Ceiling**

The TPAL Fee Ceiling is \$0.54/GJ/Day.

## **GENERAL TERMS AND CONDITIONS**



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## ARTICLE 1 DEFINITIONS AND INTERPRETATION

1.1 Except where expressly stated otherwise herein, the following terms when used in the Tariff shall have the following meaning:

**"1Yr Demand Charge"** means the applicable Demand Charge for Firm Delivery Service, expressed in  $\$/10^3\text{m}^3/\text{month}$  and payable by Firm Delivery Service Shippers with Firm Transportation Service Agreements with initial terms of at least one (1) year but less than three (3) years under Toll Schedule Firm Delivery Service; and means, for Shippers with Staged Contracts, the applicable charge, expressed in  $\$/10^3\text{m}^3/\text{month}$ , to be used in calculating a Shipper's Demand Charge under its Staged Contract for tranches less than three (3) years, under Toll Schedule Firm Full Path Service or Toll Schedule Firm Receipt Service, as applicable.

**"3Yr Demand Charge"** means the applicable Demand Charge for Firm Full Path Service and Firm Receipt Service, except Staged Contracts, and for Firm Delivery Service, expressed in  $\$/10^3\text{m}^3/\text{month}$  and payable by Shippers with Firm Transportation Service Agreements with initial terms of at least three (3) years but less than five (5) years under Toll Schedule Firm Full Path Service, Toll Schedule Firm Receipt Service or Toll Schedule Firm Delivery Service, as applicable; and means, for Shippers with Staged Contracts, the applicable charge, expressed in  $\$/10^3\text{m}^3/\text{month}$ , to be used in calculating a Shipper's Demand Charge under its Staged Contract for tranches of at least three (3) years but less than five (5) years, under Toll Schedule Firm Full Path Service or Toll Schedule Firm Receipt Service, as applicable.

**"5Yr Demand Charge"** means the applicable Demand Charge for Firm Full Path Service and Firm Receipt Service, except Staged Contracts, and for Firm Delivery Service, and the applicable floor Demand Charge for FDS-IBR, expressed in  $\$/10^3\text{m}^3/\text{month}$  and payable by Shippers with Firm Transportation Service Agreements with initial terms of five (5) years or greater under Toll Schedule Firm Full Path Service, Toll Schedule Firm Receipt Service or Toll Schedule Firm Delivery Service, as applicable; and means, for Shippers with Staged Contracts, the applicable charge, expressed in  $\$/10^3\text{m}^3/\text{month}$ , to be used in calculating a Shipper's Demand Charge under its Staged Contract for tranches of five (5) years or greater, under Toll Schedule Firm Full Path Service or Toll Schedule Firm Receipt Service, as applicable.

**"10<sup>3</sup>m<sup>3</sup>"** means 1000 Cubic Metres of Gas at standard conditions.

**"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.

**"Alliance Trading Pool"** or **"ATP"** is a notional point constituting (i) a Delivery Point into which quantities of Gas may be scheduled for Transportation, (ii) a Receipt Point from which volumes of Gas may be scheduled for Transportation, and (iii) a point at which Title Transfers and TPAL Service can be transacted.

**"Alliance Trading Pool Imbalance"** has the meaning ascribed to it in Article 18.3 hereof.

**"Allocated Energy"** has the meaning ascribed to it in Article 19.3 hereof.

**"Allocated Quantities"** has the meaning ascribed to it in Article 19.3 hereof.

"**Applicable Law**" means, in relation to any Person, transaction or event, all applicable provisions of laws, statutes, rules, by-laws, regulations, directives, published guidelines, standards, codes of practice and orders of, and the terms of all judgments, orders, awards, decrees and similar pronouncements issued by, any Authorities by which such Person is bound or having application to the transaction or event in question.

"**Authorities**" means, in relation to any Person, transaction or event, any governmental or regulatory body or other entity exercising powers or functions of or pertaining to government, any court, or other entity exercising judicial, quasi-judicial, administrative or similar functions, and any other body or entity created under the authority of or otherwise subject to the jurisdiction of any of the foregoing, in each case having jurisdiction over such Person, transaction or event, and "**Authority**" means any one of them.

"**Balancing Fee**" has the meaning ascribed to it in Article 18.6 hereof.

"**Balancing Period**" has the meaning ascribed to it in Article 18.9 hereof.

"**Bid Floor**" means the minimum acceptable Seasonal Service Demand Charge or IT toll level, expressed in  $\$/10^3\text{m}^3$ , at or above which Transporter may accept Nominations for service under the Tariff, as established and posted on Transporter's website from time to time for the applicable service type and applicable Receipt Points or groups of Receipt Points, or Liquids Receipt Points or groups of Liquids Receipt Points. Transporter may set the applicable Bid Floor for Seasonal Services between 100 percent and 125 percent of the corresponding 5Yr Demand Charge. Transporter may set the applicable Bid Floor for Interruptible Services at any level up to 125 percent of the corresponding 5Yr Demand Charge.

"**Billing Month Index Price**" means the NGX AB-NIT Same Day Index 5A (Arithmetic Average) price, reported for each Month in the Canadian Gas Price Reporter, after the Month closes.

"**Blueberry Hill Compressor Station**" means a compressor station on the Canadian Pipeline, near Gordondale, Alberta.

"**Bulletin G-14**" means Measurement Canada Bulletin G-14, entitled Policy on Granting Conditional Permission for Using Gas Meters in Service without Verification and Sealing at the Low Intervention Trade Transaction Level of the Natural Gas Market, as may be amended from time to time.

"**Business Day**" means any day on which Transporter's main office in Calgary, Alberta is open for business.

"**Canadian Pipeline**" means the Transporter's pipeline and associated facilities used to transport Gas from Receipt Points or Liquids Receipt Points in Western Canada to the Canada-U.S. border.

"**Cash Out**" means a monetary settlement of any quantities of energy owed to or from the Transporter, after which settlement Shipper, or such other party having title to the Gas, shall no longer have title to such energy.

"**Central Clock Time**" or "**CCT**" means Central Daylight Time when Daylight Savings Time is in effect and Central Standard Time when Daylight Savings Time is not in effect.

"**Common Stream Operator**" means the operator responsible for providing confirmations by cycle, daily allocations of measured Gas or Liquids, and Month-end allocations at Receipt Points or Liquids Receipt Points, as applicable.

"**Confirmed IT Toll**" means the Shipper's bid toll for Interruptible Service, expressed in  $\$/10^3\text{m}^3$ , confirmed through the Nominations and scheduling process and used for the purpose of calculating a Shipper's Monthly Bill for Interruptible Service.

"**Contracted Capacity**" means the daily volume of Gas, expressed in  $10^3\text{m}^3$ , contracted by a Firm Service Shipper at a specific Receipt Point and for which the Shipper has agreed to pay the Demand Charge in accordance with the terms of a Firm Transportation Service Agreement.

"**Cubic Metre**" or "**m<sup>3</sup>**" means the volume of Gas occupying one (1) cubic metre at a temperature of fifteen degrees Celsius (15°C), and at a pressure of 101.325 kilopascals absolute.

"**Customer Activities**" means the business function categories relating to nominations, flowing gas, invoicing, capacity release, contracts and other business functions that are conducted on Transporter's Customer Activities Web Site.

"**Customer Activities Web Site**" means that site to which parties are given access by Transporter for purposes of conducting Customer Activities, subject to such parties providing to Transporter the information required in Article 8.1 herein and executing Transporter's Customer Activities Web Site Subscriber Agreement.

"**Day**" or "**day**" means a period of twenty-four (24) consecutive hours beginning and ending at 09:00 CCT or such other period of twenty-four (24) consecutive hours agreed to by Transporter and Shipper.

"**DBRS**" means DBRS Limited, DBRS, Inc., or DBRS Ratings Limited, as the case may be, or any of their successors.

"**Default Notice**" has the meaning ascribed to it in Article 29.1 hereof.

"**Deficit Balancing Cash Out**" has the meaning ascribed to it in Article 18.7 hereof.

"**Deficit Month End Cash Out**" has the meaning ascribed to it in Article 19.1 hereof.

"**Delivery Point**" means (i) the point of interconnection between the Canadian Pipeline and the U.S. Pipeline for FFPS, FDS, FDS-IBR, ITFPS and ITDS, and (ii) the Alliance Trading Pool for FRS and ITRS.

"**Demand Charge**" means the charge, expressed in  $\$/10^3\text{m}^3/\text{month}$  for Firm Service except Seasonal Service, and in  $\$/10^3\text{m}^3/\text{day}$  for Seasonal Service, as specified in Schedule "A" to Shipper's Firm Transportation Service Agreement.

"**Demand Charge Credit**" has the meaning ascribed to it in Toll Schedule Firm Full Path Service, Toll Schedule Firm Receipt Service or Toll Schedule Firm Delivery Service, as applicable.

"**Diversion**" has the meaning ascribed to it in Article 15.1 hereof.

**"Diversion Factor"** means, for purposes of calculating Shipper's Monthly Bill under Toll Schedule Firm Full Path Service and Toll Schedule Firm Receipt Service, the factor applied when all or a portion of Shipper's Total Service Capacity under a Firm Transportation Service Agreement with a contracted Receipt Point in Zone 1 is diverted to a Receipt Point in Zone 2 and represents the difference between the applicable 3Yr Demand Charge for Zone 2 and the applicable 3Yr Demand Charge for Zone 1, expressed as a ratio of the applicable 3Yr Demand Charge for Zone 1.

**"Energy Conversion Factor"** has the meaning ascribed to it in Toll Schedule Firm Full Path Service, Toll Schedule Firm Receipt Service, Toll Schedule Firm Delivery Service, Toll Schedule Interruptible Full Path Service, Toll Schedule Interruptible Receipt Service or Toll Schedule Interruptible Delivery Service, as applicable.

**"FDS"** means Transportation of Gas, on a firm basis, from the Alliance Trading Pool to Transporter's Delivery Point at the Canada-U.S. border pursuant to a fixed Demand Charge under Toll Schedule Firm Delivery Service.

**"FDS-IBR"** means Transportation of Gas, on a firm basis, from the Alliance Trading Pool to Transporter's Delivery Point at the Canada-U.S. border pursuant to an Index Based Rate Demand Charge under Toll Schedule Firm Delivery Service.

**"Firm Full Path Service"** or **"FFPS"** means Transportation of Gas, on a firm basis, from a Receipt Point in Zone 1 or Zone 2 to Transporter's Delivery Point at the Canada-U.S. border under Toll Schedule Firm Full Path Service.

**"Firm Receipt Service"** or **"FRS"** means Transportation of Gas, on a firm basis, from a Receipt Point in Zone 1 or Zone 2 to the Alliance Trading Pool under Toll Schedule Firm Receipt Service.

**"Firm Rich Gas Service"** or **"FRGS"** means a contracted service offered by Transporter that allows FFPS or FRS Shippers to tender Gas, under Toll Schedule Firm Full Path Service and Toll Schedule Firm Receipt Service, that has an HCDP that is higher than the HCDP Spec specified in Article 2.1 hereof.

**"Firm Service"** means Transportation provided on a firm basis pursuant to Toll Schedule Firm Full Path Service, Toll Schedule Firm Receipt Service and Toll Schedule Firm Delivery Service and under the terms of Shipper's Firm Transportation Service Agreement.

**"Firm Transportation Service Agreement"** means an agreement pursuant to which Shipper contracts with Transporter for Firm Service, a standard form of which is attached as Appendix I hereto, and includes, as the context requires, a Staged Contract.

**"Force Majeure"** means any event or circumstance which is beyond the control of any applicable party and which by the exercise of due diligence such party is unable to prevent or overcome, and subject to the foregoing includes without limitation landslides, lightning, earthquakes, explosions, fires, storms, floods, washouts, breakage or accidents to machinery or lines of pipe, the necessity for making repairs to or alterations of machinery or lines of pipe, freezing of lines of pipe, inability to obtain materials, supplies, permits or labour, any act of God, war, civil disturbances, acts of public enemy, strikes, lockouts or other industrial disturbances, accidents, blockades, insurrections, riots, epidemics and arrests, and restraints of governments and people. The settlement of strikes, lockouts or other labour disputes shall be entirely within the discretion of

the party having the difficulty. The following shall not be events of Force Majeure: (i) insufficiency of Shipper's Gas supplies, (ii) inadequate or uneconomic markets for Shipper's Gas, (iii) Shipper's lack of funds, (iv) curtailment or disruption of service, for any reason whatsoever, on facilities which are not part of Transporter's pipeline system, provided however that a curtailment or disruption of service on the U.S. Pipeline shall constitute an event of Force Majeure on the Canadian Pipeline.

**"FRGS Agreement"** has the meaning ascribed to it in Toll Schedule Firm Full Path Service or Toll Schedule Firm Receipt Service, as applicable.

**"FRGS Demand Surcharge"** has the meaning ascribed to it in Toll Schedule Firm Full Path Service or Toll Schedule Firm Receipt Service, as applicable.

**"FRGS Demand Surcharge Credit"** has the meaning ascribed to it in Toll Schedule Firm Full Path Service or Toll Schedule Firm Receipt Service, as applicable.

**"FRGS HCDP Spec"** has the meaning ascribed to it in Toll Schedule Firm Full Path Service or Toll Schedule Firm Receipt Service, as applicable.

**"FRGS Volume"** has the meaning ascribed to it in Toll Schedule Firm Full Path Service or Toll Schedule Firm Receipt Service, as applicable.

**"FT-1 IBR Service"** means contracted FT-1 transportation service on the U.S. Pipeline from the Canada-U.S. border to delivery points in the U.S. pursuant to a negotiated rate that is index based.

**"FT-1 Service"** means contracted FT-1 transportation service on the U.S. Pipeline from the Canada-U.S. border to delivery points in the U.S. pursuant to a rate that is not index based.

**"Fuel Rate"** has the meaning ascribed to it in Article 20.1 hereof.

**"Fuel Requirement"** has the meaning ascribed to it in Article 20.1 hereof.

**"Gas"** means any mixture of hydrocarbons and noncombustible gases in a gaseous state consisting primarily of methane.

**"Gas Management System"** means Transporter's electronic communication system which shall be available to any Shipper and which is used for the purposes of Nominations, scheduling, reporting and other communications.

**"General Terms and Conditions"** means these General Terms and Conditions, as may be amended or approved by Authorities from time to time.

**"Gigajoule"** or **"GJ"** means one billion (1,000,000,000) Joules.

**"Gross Heating Value"** means 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.



**"Guarantor"** means an Affiliate of a Shipper that guarantees that Shipper's obligations under a Transportation Service Agreement.

**"HCDP"** means hydrocarbon dewpoint.

**"HCDP Off-Spec Surcharge"** has the meaning ascribed to it in Article 30.3 hereof.

**"HCDP Spec"** has the meaning ascribed to it in Article 2.1 hereof.

**"Imbalance Tolerance"** has the meaning ascribed to it in Article 18.5 hereof.

**"Impact to Shipper"** has the meaning ascribed to it in Toll Schedule Firm Full Path Service, Toll Schedule Firm Receipt Service or Toll Schedule Firm Delivery Service, as applicable.

**"Index Based Rate"** or **"IBR"** means a charge that varies based on the commodity price difference of Gas traded in Alberta and Chicago, the calculation for which is set out in Article 9 of Toll Schedule Firm Delivery Service.

**"Interruptible Delivery Service"** or **"ITDS"** means Transportation of Gas, on an interruptible basis, from the Alliance Trading Pool to Transporter's Delivery Point at the Canada-U.S. border under Toll Schedule Interruptible Delivery Service.

**"Interruptible Full Path Service"** or **"ITFPS"** means Transportation of Gas, on an interruptible basis, from a Receipt Point or Liquids Receipt Point in Zone 1 or Zone 2 to Transporter's Delivery Point at the Canada-U.S. border under Toll Schedule Interruptible Full Path Service.

**"Interruptible Receipt Service"** or **"ITRS"** means Transportation of Gas, on an interruptible basis, from a Receipt Point in Zone 1 or Zone 2 to the Alliance Trading Pool under Toll Schedule Interruptible Receipt Service.

**"Interruptible Service"** or **"IT"** means Transportation provided on an interruptible basis pursuant to Toll Schedule Interruptible Full Path Service, Toll Schedule Interruptible Receipt Service and Toll Schedule Interruptible Delivery Service and under the terms of Shipper's Interruptible Transportation Service Agreement.

**"Interruptible Transportation Service Agreement"** means an agreement pursuant to which Shipper contracts with Transporter for Interruptible Service, a standard form of which is attached as Appendix II hereto.

**"Joule"** or **"J"** means the base unit for energy as defined by the International System of Units.

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

**"Liquids"** means natural gas liquids and may include individual fractionated ethane, propane and butanes, or mixtures of them, along with small quantities of associated impurities, provided however that such natural gas liquids shall not include more than two percent (2%) of pentanes plus or condensate.

**"Liquids Receipt Point"** means a location on the Canadian Pipeline at which a Shipper may tender specific Liquids as set out in Schedule "A" hereto, in accordance with an Interruptible Transportation Service Agreement for Interruptible Full Path Service.

**"Loan"** means a transaction whereby the Transporter transfers a quantity of energy, expressed in GJ, to a TPAL Party's Alliance Trading Pool account under a TPAL Agreement.

**"Loan Quantity"** means the maximum daily quantity of energy, expressed in GJ/day, that a TPAL Party can nominate for Loan, as specified in Schedule "A" of its TPAL Agreement.

**"Low Intervention Trade Transaction"** has the meaning ascribed to it in Bulletin G-14.

**"Maximum Daily Quantity"** means the daily volume of Gas or Liquids, expressed in  $10^3\text{m}^3$ , identified in a Shipper's Interruptible Transportation Service Agreement that Transporter agrees to receive from Shipper under Toll Schedule Interruptible Full Path Service, Toll Schedule Interruptible Receipt Service or Toll Schedule Interruptible Delivery Service, as applicable.

**"Megajoule"** or **"MJ"** means one million (1,000,000) Joules.

**"Month"** or **"month"** means a period extending from 09:00 CCT on the first Day in a calendar month and ending at 09:00 CCT on the first Day of the next succeeding calendar month, or at such hour as Shipper and Transporter agree upon.

**"Month End Imbalance"** has the meaning ascribed to it in Article 19.1 hereof.

**"Monthly Bill"** means the invoice specifying the amount(s) that Shipper is required to pay to Transporter for each Month for the services provided in accordance with the Tariff.

**"Moody's"** means Moody's Investor Service, Inc. or its successor.

**"Nominal Capacity"** has the meaning ascribed to it in Toll Schedule Firm Full Path Service, Toll Schedule Firm Receipt Service or Toll Schedule Firm Delivery Service, as applicable.

**"Nomination"** or **"Nominations"** has the meaning ascribed to it in Article 12.1 hereof.

**"North American Energy Standards Board"** or **"NAESB"** means the private, accredited organization established to set standards for natural gas practices and procedures.

**"Notice"** has the meaning ascribed to it in Article 31.1 hereof.

**"Operator"** has the meaning ascribed to it in Article 32.1 hereof.

**"Operational Temporary Relocation"** has the meaning ascribed to it in Article 11.2 hereof.

**"Overrun Quantities"** has the meaning ascribed to it in Article 19.5 hereof.

**"Overrun Quantities Charge"** is the amount charged per unit of Overrun Quantities, expressed in  $\$/10^3\text{m}^3$ , as set out in Schedule "A" of Toll Schedule Firm Full Path Service and Toll Schedule Firm Receipt Service, as applicable.



**"Park"** means a transaction whereby a TPAL Party transfers a quantity of energy, expressed in GJ, to the Transporter from such TPAL Party's Alliance Trading Pool account under a TPAL Agreement.

**"Park Quantity"** means the maximum daily quantity of energy, expressed in GJ/day, that a TPAL Party can nominate for Park, as specified in Schedule "A" of its TPAL Agreement.

**"Permanent Relocation"** has the meaning ascribed to it in Article 11.1 hereof.

**"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, Authority or entity however designated or constituted.

**"Pipeline Abandonment Demand Surcharge"** has the meaning ascribed to it in Toll Schedule Firm Full Path Service, Toll Schedule Firm Receipt Service or Toll Schedule Firm Delivery Service, as applicable.

**"Pipeline Abandonment Surcharge"** has the meaning ascribed to it in Toll Schedule Firm Full Path Service, Toll Schedule Firm Receipt Service, Toll Schedule Interruptible Full Path Service, Toll Schedule Interruptible Receipt Service or Toll Schedule Interruptible Delivery Service, as applicable.

**"PITS Capacity"** means the daily volume of Gas, expressed in  $10^3\text{m}^3$ , equivalent to twenty-five percent (25%) of Shipper's Contracted Capacity under Toll Schedule Firm Full Path Service or Toll Schedule Firm Receipt Service, as applicable.

**"PITS Charge 1"** means the charge, expressed in  $\$/10^3\text{m}^3$ , set out in Schedule "A" of Toll Schedule Firm Full Path Service or Toll Schedule Firm Receipt Service, as applicable, for the Shipper's Allocated Quantities of PITS up to and including the equivalent of ten percent (10%) of Shipper's Contracted Capacity.

**"PITS Charge 2"** means the charge, expressed in  $\$/10^3\text{m}^3$ , set out in Schedule "A" of Toll Schedule Firm Full Path Service or Toll Schedule Firm Receipt Service, as applicable, for the Shipper's Allocated Quantities of PITS in excess of the equivalent of ten percent (10%) of Shipper's Contracted Capacity.

**"PITS Volume"** means the daily volume of Gas, expressed in  $10^3\text{m}^3$ , up to twenty-five percent (25%) of Shipper's Contracted Capacity, that Transporter has scheduled and allocated for transport as PITS under Toll Schedule Firm Full Path Service or Toll Schedule Firm Receipt Service, as applicable. **"Prime Rate"** means, at any time, the per annum rate of interest then designated by the main branch of The Bank of Nova Scotia in Calgary, Alberta as its reference rate of interest for Canadian dollar commercial loans in Canada and which is announced by such Bank as its prime rate. A rate of interest payable pursuant hereto shall change automatically without notice to any party on each occasion upon which the prime rate is varied.

**"Priority Interruptible Transportation Service"** or **"PITS"** means the right of Firm Full Path Service Shippers and Firm Receipt Service Shippers to receive Transportation service up to their PITS Capacity at the contracted Receipt Point, subject to available capacity, on an interruptible priority basis and for a fixed charge.

**"Quality Specifications"** means the specifications of Gas and Liquids that are acceptable for receipt by the Transporter, as provided for in the Tariff, including without limitation the specifications in Article 2 hereof, all as may be revised from time to time by Transporter.

**"Receipt Point"** means a location on the Canadian Pipeline as set out in Schedule "A" hereto at which a Shipper may, in accordance with a Transportation Service Agreement, tender Gas and includes the Alliance Trading Pool for FDS, FDS-IBR and ITDS.

**"Recoverable Cost Variances Demand Surcharge"** has the meaning ascribed to it in Toll Schedule Firm Full Path Service, Toll Schedule Firm Receipt Service or Toll Schedule Firm Delivery Service, as applicable.

**"Recoverable Cost Variances Surcharge"** has the meaning ascribed to it in Toll Schedule Firm Full Path Service, Toll Schedule Firm Receipt Service, Toll Schedule Interruptible Full Path Service, Toll Schedule Interruptible Receipt Service or Toll Schedule Interruptible Delivery Service, as applicable.

**"Relocation"** has the meaning ascribed to it in Article 11.1 hereof.

**"Revised HCDP Spec"** has the meaning ascribed to it in Article 2.6 hereof.

**"Revised Maximum Daily Quantity"** has the meaning ascribed to it in Toll Schedule Interruptible Full Path Service, Toll Schedule Interruptible Receipt Service or Toll Schedule Interruptible Delivery Service, as applicable.

**"Rich Gas Credit"** has the meaning ascribed to it in Toll Schedule Firm Delivery Service.

**"Rich Gas Debit"** has the meaning ascribed to it in Toll Schedule Firm Delivery Service.

**"S&P"** means Standard & Poor's Services LLC (a division of the McGraw Hill Financial), or its successor.

**"Safe Harbor Period"** means the first ten (10) days of an event of Force Majeure of the Transporter, of which there shall be no more than two (2) per calendar year per Firm Transportation Service Agreement.

**"Scheduled Quantities"** means the amount of energy expressed in GJ, the Transporter confirms through its scheduling processes in accordance with Article 14 hereof, that it will transport for the Shipper under the applicable Transportation Service Agreement.

**"Seasonal Service"** means Firm Service (i) for the five (5) Month period of November 1 through March 31, (ii) for the seven (7) Month period of April 1 through October 31, or (iii) for any portion of (i) or (ii), pursuant to Toll Schedule Firm Full Path Service, Toll Schedule Firm Receipt Service or Toll Schedule Firm Delivery Service, as applicable, and under the terms of Shipper's Firm Transportation Service Agreement.

**"Service Agreement"** means any Transportation Service Agreement, FRGS Agreement, Title Transfer Agreement or TPAL Agreement, as applicable.

**"Shipper"** means any Person that enters into a Transportation Service Agreement or a Title Transfer Agreement with Transporter.

"**Shipper Default**" has the meaning ascribed to it in Article 29.1 hereof.

"**Shipper Pairing Arrangement**" has the meaning ascribed to it in Article 30.1 hereof.

"**Shipper Task Force**" means the Shipper forum established by Transporter to discuss regulatory and commercial issues.

"**Staged Capacity Profile**" has the meaning ascribed to it in Article 8.2 hereof.

"**Staged Contract**" has the meaning ascribed to it in Article 28.1 hereof.

"**Surplus Balancing Cash Out**" has the meaning ascribed to it in Article 18.7 hereof.

"**Surplus Month End Cash Out**" has the meaning ascribed to it in Article 19.1 hereof.

"**Tariff**" means the General Terms and Conditions under which Transporter will transport Gas and includes all Toll Schedules and any applicable Service Agreement, all as may be amended from time to time.

"**Temporary Relocation**" has the meaning ascribed to it in Article 11.1 hereof.

"**Term Park and Loan Service**" or "**TPAL Service**" means service offered by Transporter, on an interruptible basis, under Toll Schedule Term Park and Loan Service and under the terms of a TPAL Agreement.

"**Title Transfer**" means the transfer of title to Gas between two (2) Shippers at a Delivery Point, provided that each such party has executed a Transportation Service Agreement, or the transfer of title to Gas between two (2) Shippers at ATP, provided each such party has executed either a Transportation Service Agreement or a Title Transfer Agreement.

"**Title Transfer Agreement**" means an agreement between a Title Transfer Party and the Transporter, a standard form of which is attached as Appendix V hereto.

"**Title Transfer Party**" means a Shipper that is a party to a Title Transfer Agreement.

"**Toll Schedules**" means Toll Schedule Firm Full Path Service, Toll Schedule Firm Receipt Service, Toll Schedule Firm Delivery Service, Toll Schedule Interruptible Full Path Service, Toll Schedule Interruptible Receipt Service, Toll Schedule Interruptible Delivery Service and Toll Schedule Term Park and Loan Service, all as may be amended from time to time, and "**Toll Schedule**" means any one of them.

"**Total Service Capacity**" means for Firm Full Path Service and Firm Receipt Service Shippers, the daily volume of Gas, expressed in  $10^3\text{m}^3$ , equivalent to the sum of such Shipper's Contracted Capacity and PITS Capacity under a Firm Service Agreement.

"**Total TPAL Quantity**" means the maximum cumulative quantities of energy, expressed in GJ, that a TPAL Party can Park or Loan from the Start Date to the End Date of its TPAL Agreement, net of repayment of such energy.

"**TPAL Agreement**" means a fixed term agreement for Park or Loan, a standard form of which is attached as Appendix IV hereto, pursuant to which Transporter and TPAL Party negotiate the

TPAL Fee, Total TPAL Quantity, Park Quantity or Loan Quantity and the "**Start Date**" and "**End Date**", constituting the term of such agreement.

"**TPAL Balance**" has the meaning ascribed to it in Toll Schedule Term Park and Loan Service.

"**TPAL Fee**" means the negotiated fee, expressed in \$/GJ/day, to be paid by a TPAL Party to Transporter for TPAL Service, which fee will be set out in Schedule "A" of the TPAL Party's TPAL Agreement and shall, in no event, exceed the TPAL Fee Ceiling.

"**TPAL Fee Ceiling**" means the amount, expressed in \$/GJ/day and specified in Schedule "A" of Toll Schedule Term Park and Loan Service, that the fee for TPAL Service shall not exceed.

"**TPAL Party**" means a Shipper that is a party to a TPAL Agreement.

"**Transportation**" means the receipt of Gas or Liquids from a Shipper at a Receipt Point or Liquids Receipt Point and the delivery of Gas to the Delivery Point pursuant to Shipper's Transportation Service Agreement.

"**Transportation Make-Up**" has the meaning ascribed to it in Toll Schedule Firm Full Path Service, Toll Schedule Firm Receipt Service or Toll Schedule Firm Delivery Service, as applicable.

"**Transportation Service Agreement**" or "**TSA**" means, as the context requires, an agreement pursuant to which Transporter provides Transportation service to a Shipper on the terms and conditions outlined therein and in this Tariff and includes a Firm Transportation Service Agreement and an Interruptible Transportation Service Agreement.

"**Transporter**" means Alliance Pipeline Limited Partnership.

"**Under Transport Day**" has the meaning ascribed to it in Toll Schedule Firm Full Path Service, Toll Schedule Firm Receipt Service or Toll Schedule Firm Delivery Service, as applicable.

"**Under Transport Month**" has the meaning ascribed to it in Toll Schedule Firm Full Path Service, Toll Schedule Firm Receipt Service or Toll Schedule Firm Delivery Service, as applicable.

"**Under Transported Capacity**" has the meaning ascribed to it in Toll Schedule Firm Full Path Service, Toll Schedule Firm Receipt Service or Toll Schedule Firm Delivery Service, as applicable.

"**Under Transported FRGS Capacity**" has the meaning ascribed to it in Toll Schedule Firm Full Path Service or Toll Schedule Firm Receipt Service, as applicable.

"**U.S. Fuel Requirement**" has the meaning ascribed to it in Article 20.2 hereof.

"**U.S. Pipeline**" means the U.S. Transporter's pipeline and associated facilities used to transport Gas from the Canada-U.S. border to delivery points in the U.S.

"**U.S. Transporter**" means Alliance Pipeline L.P.

"**Y Day Cycle**" means the last cycle of the Day just ended, which cycle provides Shippers with an opportunity to ensure their Alliance Trading Pool accounts are within the Imbalance Tolerance.

"Year" or "year" means a period of three hundred sixty-five (365) consecutive days except where the year contains the date February 29, in which case it shall consist of three hundred sixty-six (366) consecutive days.

"Zone 1" means Alberta Receipt Points and Liquids Receipt Points downstream of the Blueberry Hill Compressor Station.

"Zone 2" means British Columbia and Alberta Receipt Points and Liquids Receipt Points at or upstream of the Blueberry Hill Compressor Station.

## ARTICLE 2 QUALITY

2.1 Subject to Articles 2.4, 2.5, 2.6, 2.7 and 21.1 hereof, Gas tendered to Transporter at Receipt Points shall conform to the following Quality Specifications:

- (a) have a Gross Heating Value of no less than thirty-six (36) MJ/m<sup>3</sup> and no greater than sixty (60) MJ/m<sup>3</sup>;
- (b) be free at the prevailing operating pressure and temperature in the Canadian Pipeline from hydrocarbons liquefiable at a temperature equal to or less than minus five degrees Celsius (-5°C) ("**HCDP Spec**") and in no event, contain any mix of components that may cause the presence of any liquids in the Canadian Pipeline under normal operating conditions;
- (c) be free at the prevailing operating pressure and temperature in the Canadian Pipeline from sand, dust, gums, 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 operation of the lines, regulators, meters or other facilities through which it flows, and shall not contain any substance not normally contained in Gas, other than traces of those materials and chemicals necessary for Transportation;
- (d) contain no more than twenty-three (23) milligrams of hydrogen sulphide per Cubic Metre and no more than one-hundred and fifteen (115) milligrams of total sulphur per Cubic Metre;
- (e) contain no more, by volume, than four percent (4%) of total non-hydrocarbons, which shall be combined nitrogen, carbon dioxide and oxygen, provided however, that:
  - (i) the carbon dioxide content shall not exceed two percent (2%); and
  - (ii) such Gas shall be as free of oxygen as practicable and shall, in any event, contain no more than four tenths of one percent (0.4%) by volume of oxygen;
- (f) contain no more than sixty-five (65) milligrams of water vapour per Cubic Metre; and
- (g) not exceed a temperature of fifty degrees Celsius (50°C) nor be less than a temperature of five degrees Celsius (5°C).

- 2.2 Subject to Articles 2.4, 2.5 and 21.1 hereof, Liquids tendered to Transporter at Liquids Receipt Points shall conform to the following Quality Specifications:
- (a) be free at prevailing operating pressure and temperature in the Canadian Pipeline from sand, dust, gums, impurities, organic chlorides, or other objectionable substances which may become separated from the Liquids, and other solids or liquids which will render it unmerchantable or cause injury to or interference with proper operation of the lines, regulators, meters or other facilities through which it flows, and shall not contain any substance not normally contained in Liquids, other than traces of those materials and chemicals necessary for Transportation;
  - (b) contain no more than thirty (30) parts per million by weight of hydrogen sulphide and no more than one-hundred and fifty (150) parts per million by weight of total sulphur;
  - (c) contain no more than two percent (2%) by liquid volume of carbon dioxide;
  - (d) contain no more than two percent (2%) C5+ by liquid volume;
  - (e) contain no more than eighty-five (85) parts per million by weight of water vapour and, in any event, shall contain no free water;
  - (f) contain no more than:
    - (i) one (1) part per million by weight of each of chlorine, mercury, arsenic, cyanide;
    - (ii) five (5) parts per million by weight of fluorides;
    - (iii) four hundred (400) parts per million by weight of C2 to C5 olefin;
    - (iv) one hundred (100) parts per million by weight of isobutene; and
    - (v) ten (10) parts per million by weight of diolefins;
  - (g) not exceed a temperature of fifty degrees Celsius (50°C) nor be less than a temperature of five degrees Celsius (5°C); and
  - (h) in no event, contain any mix of components that will cause the presence of any liquids in the Canadian Pipeline under normal operating conditions.
- 2.3 In the event Gas or Liquids tendered to Transporter by or on behalf of Shipper fail to meet the Quality Specifications, Transporter, in its sole discretion, may refuse to receive the Gas or Liquids.
- 2.4 Transporter reserves the right to waive or modify any or all Quality Specifications set out herein.
- 2.5 In the event that Transporter determines that the projected Gross Heating Value or the projected HCDP of the commingled Gas stream at any location on the Canadian Pipeline is approaching or is expected to approach the maximum acceptable level, based on the design and operating conditions of the Canadian Pipeline, Transporter reserves the right to revoke any waivers granted or modifications made in accordance with Article 2.4 hereof.



- 2.6 Transporter may, from time to time and in its sole discretion, post on its website a revised temporary HCDP Spec ("**Revised HCDP Spec**") for Gas at specified Receipt Points on the Canadian Pipeline. Such Revised HCDP Spec shall at all times be subject to revision or revocation, at Transporter's sole discretion.
- 2.7 FFPS and FRS Shippers that wish to tender Gas having an HCDP greater than the HCDP Spec set forth in Article 2.1 hereof, may, in accordance with Articles 2.4 and 8 of Toll Schedule Firm Full Path Service and Toll Schedule Firm Receipt Service and Article 30.2 hereof, enter into a FRGS Agreement, or in accordance Article 30.1 hereof, enter into a Shipper Pairing Arrangement.
- 2.8 Shipper shall, upon request by Transporter, provide composition data to Transporter for Gas or Liquids tendered to Transporter at a Receipt Point or Liquids Receipt Point, as applicable.

### ARTICLE 3 MEASUREMENT

- 3.1 A unit of energy for purposes of reporting shall be one (1) Gigajoule (GJ). A unit of volume for purposes of reporting shall be one thousand (1,000) Cubic Metres ( $10^3\text{m}^3$ ).
- 3.2 The quantity of Gas received from or delivered to a Shipper shall be determined in accordance with the *Electricity and Gas Inspection Act* (Canada), the Regulations thereunder and the Transporter's measurement policies.
- 3.3 The quantity of Liquids received from a Shipper shall be expressed in units of energy and determined on the basis of equivalent ideal gas heating value.
- 3.4 The absolute atmospheric pressure used for volumetric quantity calculations shall be assumed to be a specific pressure determined by calculations based on the actual elevation above sea level at the site of the meter, regardless of variations in actual barometric pressure. The formula used to calculate the atmospheric pressure shall be in accordance with the methodology prescribed pursuant to the *Electricity and Gas Inspection Act* (Canada), the Regulations thereunder and the Transporter's measurement policies.
- 3.5 The determination of the Gross Heating Value of Gas received shall be performed in a manner approved under the *Electricity and Gas Inspection Act* (Canada), the Regulations thereunder and the Transporter's measurement policies or, if a manner for such determination is not set out in that Act, the Regulations thereunder or the Transporter's measurement policies, then in accordance with industry accepted standards, and, in any event, in a manner that ensures that the Gross Heating Value so determined is representative of the Gas received at the Receipt Point.
- 3.6 If Transporter has received conditional permission from Measurement Canada under Bulletin G-14 for the use of Gas metering equipment without verification and sealing at the Low Intervention Trade Transaction level, then the following shall apply:
- (a) the Low Intervention Trade Transactions shall be subject to the provisions and conditions listed in Bulletin G-14, a copy of which may be viewed on the Measurement Canada website at [www.mc.ic.gc.ca](http://www.mc.ic.gc.ca) (under Laws and Requirements and then Policies);
  - (b) Shipper agrees that the Gas metering equipment has been initially calibrated and will be periodically recalibrated (and reprogrammed where necessary) in accordance with processes and procedures reasonably acceptable to Transporter and Shipper;

- (c) any measurement disputes arising between Transporter and Shipper shall be resolved in accordance with Article 4.2 hereof;
- (d) Transporter and Shipper acknowledge and agree that the conditional permission granted by Measurement Canada may restrict Measurement Canada's ability to successfully conclude a measurement dispute investigation, if Measurement Canada's involvement has been requested; and
- (e) Transporter and Shipper agree to the implementation of Low Intervention Trade Transactions in accordance with Bulletin G-14 and either Transporter or Shipper has the right to request a revocation of the conditional permission for Low Intervention Trade Transactions in accordance with Bulletin G-14.

#### **ARTICLE 4 MEASURING EQUIPMENT**

- 4.1 All meters and measuring equipment for the determination of volume, Gross Heating Value or relative density shall be approved pursuant to, and installed and maintained in accordance with, the *Electricity and Gas Inspection Act* (Canada) and the Regulations thereunder. Notwithstanding the foregoing, all installation of equipment applying to or effecting deliveries of Gas shall be made in a manner permitting accurate determination of the quantity of Gas delivered and ready verification of the accuracy of measurement. Transporter will post on its website any measurement related minimum flow requirements applicable to a metering facility. Care shall be exercised by Transporter and by Shipper in the installation, maintenance and operation of pressure regulating equipment so as to prevent any inaccuracy in the determination of the volume of Gas delivered under a Transportation Service Agreement.
- 4.2 The accuracy of Transporter's measuring equipment shall be tested and verified by Transporter at such intervals as may be appropriate for such equipment. Transporter will verify the accuracy of measuring equipment whenever requested by Shipper, provided requests do not require verification more than once in any thirty (30) day period. If upon a requested verification, the measuring equipment is found to be registering correctly (which shall include any inaccuracy of two percent (2%) or less as mentioned below), the cost of such requested verification shall be charged to and borne by the requesting party; otherwise the cost of all requested verifications shall be borne by Transporter. If, upon any test, measuring equipment is found to be inaccurate but not by more than two percent (2%), previous readings of the equipment shall be considered correct in computing deliveries, but the equipment shall be adjusted in a timely manner to record accurately. If, upon any tests, any measuring equipment is found to be inaccurate by an amount exceeding two percent (2%) then the previous readings of the equipment shall be corrected to zero error for any period which is known definitively or can be agreed upon, but if the period is not known definitively or cannot be agreed upon, such corrections shall be for a period covering the last half of the time elapsed since the date of the last test.
- 4.3 Each of Shipper and Transporter shall have the right to be present at the time of any installing, reading, cleaning, changing, repairing, inspecting, testing, calibrating or adjusting done in connection with the other's equipment used in measuring receipts and deliveries hereunder. The records from such measurement 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 thirty (30) days after receipt thereof. Each of Shipper and Transporter shall preserve for a period of at least two (2) years, or for such longer period as may be required by any Authority, all test data, charts, and other similar records.



## **ARTICLE 5 FORCE MAJEURE**

- 5.1 If either Transporter or Shipper fails to perform any obligations under the Tariff, including any Service Agreement, due to an event of Force Majeure, then subject to the provisions of the Tariff, such failure shall be deemed not to be a breach of such obligations and such obligations shall be deemed to be suspended for so long as the event of Force Majeure continues. A party that fails to perform any obligation under the Tariff where such failure is caused by such an event of Force Majeure shall promptly attempt to remedy the cause or overcome the consequences thereof insofar as it is commercially reasonably able to do so.
- 5.2 Notwithstanding Article 5.1 hereof, no event referred to therein shall: (a) relieve any party from any obligation or obligations pursuant to the Tariff, including a Service Agreement, unless such party gives Notice with reasonable promptness of such event to the other party, or (b) relieve any party from any obligation or obligations pursuant to the Tariff after the expiration of a reasonable period of time within which, by the use of due diligence, such party could have remedied or overcome the consequences of such event, or (c) relieve any Shipper from its obligations to pay any Demand Charges, tolls, surcharges or other payments to the Transporter.
- 5.3 Transporter shall, as soon as practicable, post to Transporter's website notice of any outage in service hereunder that is the result of an event of Force Majeure.

## **ARTICLE 6 RECEIPT AND DELIVERY PRESSURE**

- 6.1 All Gas or Liquids tendered by or on behalf of Shipper to Transporter shall be tendered at a Receipt Point or Liquids Receipt Point, as applicable, at the pressure required by Transporter. Subject to Article 21.1 hereof, unless otherwise specified in Schedule "A" hereto, all Receipt Points will have 8,275 kPa (1,200 psi) as the maximum pressure and Shipper shall not be required to tender Gas or Liquids at a receipt pressure in excess of that specified in Schedule "A" hereto.
- 6.2 All Gas delivered by Transporter to the U.S. Pipeline at the point of interconnection between the Canadian Pipeline and the U.S. Pipeline shall be delivered at the pressure agreed to by Transporter and U.S. Transporter.

## **ARTICLE 7 BILLING AND PAYMENT**

- 7.1 Transporter shall prepare and render to Shipper via the Customer Activities Web Site the Monthly Bill for the preceding Month, which shall include a statement of any charges calculated in accordance with the General Terms and Conditions and the applicable Toll Schedules, including prior period adjustments, as applicable. If Allocated Quantities are unavailable in time to prepare the Monthly Bill, such charges shall be based on a Shipper's daily allocations made in accordance with Article 17.1 hereof and Transporter shall provide, in the subsequent Monthly Bill, an adjustment based on any differences between Allocated Quantities and quantities for which Shipper was billed in the prior Monthly Bill. Any required supporting information will accompany the Monthly Bill. Monthly Bills for service hereunder will be delivered on or before the twentieth (20th) Day of each subsequent Month unless the twentieth (20th) Day does not fall on a Business Day, in which case such Monthly Bills shall be delivered on the next Business Day.
- 7.2 At the reasonable request of Transporter, Shipper shall provide to Transporter in a timely manner any information or data required by Transporter to calculate and verify the volume, quality and Gross Heating Value of Shipper's Gas or Liquids tendered to Transporter.

- 7.3 All payments made by the Shipper under the Tariff shall be made in Canadian funds to a depository designated by Transporter via electronic funds transfer on or before the last day of the Month in which the Monthly Bill is delivered to the Shipper. If the payment due date falls on a day that the designated depository is not open in the normal course of business to receive Shipper's payment, then Shipper's payment shall be made on the first day after the payment due date that such depository is open in the normal course of business.
- 7.4 If, at any time, a Shipper's account is in a credit position, Transporter may, in its sole discretion:
- (a) retain and apply such credit amount against future Monthly Bill(s) of the Shipper; or
  - (b) refund such credit amount to the Shipper.
- 7.5 In the event Shipper disputes any part of a Monthly Bill, Shipper shall provide Transporter with a Notice including a full description of the error, together with copies of supporting documents and shall, notwithstanding the dispute, pay the full amount of the Monthly Bill when payment is due. Provided that a claim is made by way of Notice within sixty (60) days of discovery of an error, and in any event within twelve (12) months from the date on the Monthly Bill claimed to be in error, an error, once confirmed, shall be adjusted within thirty (30) days from the date of receipt by the other party of a Notice claiming discovery of the error, as follows:
- (a) Where Shipper has been overcharged and has paid the Monthly Bill, the amount of the overpayment will be refunded to Shipper with interest at a rate equal to the sum of the Prime Rate plus one percent (1%) from the due date of the applicable Monthly Bill to the date of the refund. Where the refund is provided to Shipper by way of credit on a subsequent Monthly Bill, the overpayment will be deemed to have been refunded on the date the credited Monthly Bill is received by the Shipper.
  - (b) Where Shipper has been undercharged by Transporter, Shipper will pay the amount of the undercharge without interest provided the undercharge is paid within thirty (30) days of Transporter's Notice to Shipper that the Shipper was undercharged. Interest shall accrue daily on undercharged amounts not paid within thirty (30) days of Transporter's Notice to Shipper that the Shipper was undercharged, at a rate equal to the daily equivalent of the Prime Rate plus one percent (1%) from the date of Transporter's Notice to Shipper that the Shipper was undercharged. Such interest shall be compounded monthly.
- 7.6 Shipper shall not be entitled to set off any amounts disputed by Shipper in accordance with Article 7.5 hereof against any subsequent Monthly Bill provided to it by Transporter.
- 7.7 Transporter and Shipper shall have the right at reasonable times to examine the books, records and charts of the other party, to the extent necessary to verify the accuracy of any Monthly Bill or any claim for underpayment or overpayment.
- 7.8 If Shipper fails to pay in accordance with this Article 7 all or any portion of the Monthly Bill:
- (a) interest on the unpaid amount shall accrue daily from the due date at a rate equal to the daily equivalent of the Prime Rate plus one percent (1%) and compounded monthly; and
  - (b) Transporter shall have available to it the rights and remedies set out in Article 29 hereof.

- 7.9 Any good faith billing dispute which the parties are not able to resolve may be submitted to arbitration pursuant to the *Arbitration Act* (Alberta) within sixty (60) days of Transporter's receipt of Shipper's Notice under Article 7.5 hereof.

## ARTICLE 8 REQUESTS FOR SERVICES

- 8.1 Parties requesting services hereunder must, prior to making any such requests, prequalify by providing the following information, and any other information reasonably requested by Transporter, electronically to Transporter's Commercial Services Department:

- (a) its full legal name and principal place of business;
- (b) its telephone number, including at least one telephone number at which an authorized employee or agent can be contacted on a 24 hour, 7 day per week basis;
- (c) its business address for Notices and billing;
- (d) business type (e.g. partnership, corporation);
- (e) city and province or state of incorporation or formation;
- (f) identification of its company's representatives for: Notices, receipt of Monthly Bills, Transporter's Shipper Task Force and primary administrator for the Gas Management System access;
- (g) identification of whether it intends to have a third party acting on its behalf in accordance with Article 34.5 hereof and, if so, the intended functions of that third party as well as its name, address, and telephone number; and
- (h) such additional information Transporter may reasonably request for the purposes of assessing and prequalifying its creditworthiness.

- 8.2 Upon receipt of such information, Transporter will provide the party with an execution copy of Transporter's Customer Activities Web Site Subscriber Agreement as well as any additional agreements or forms required in accordance with Transporter's Tariff. Provided a party has executed and delivered to Transporter the Customer Activities Web Site Subscriber Agreement as well as any additional agreements or forms required in accordance with Transporter's Tariff, a party may make a valid request for services under the applicable Toll Schedule or Title Transfer Agreement by providing the following information via the Customer Activities Web Site:

- (a) for all parties, the type of service(s) requested: FFPS, FRS, FDS, FDS-IBR, ITFPS, ITRS, ITDS, or TPAL Service, or Title Transfer ;.
- (b) for Firm Service, except parties wishing to stage their Contracted Capacity in periodic tranche commitments:
  - (i) the requested Contracted Capacity, stated in 10<sup>3</sup>m<sup>3</sup> per day, including the minimum Contracted Capacity which the party is prepared to accept in the event that pro rationing occurs in accordance with Article 9.1 hereof;
  - (ii) the requested dates of commencement and termination of service;

- (iii) For Firm Full Path Service and Firm Receipt Service, the applicable Receipt Point; and:
  - (A) a request for FRGS and the corresponding FRGS Volume and FRGS HCDP Spec, if applicable; and/or
  - (B) a request for Shipper Pairing Arrangement and the corresponding volumes, Receipt Point and associated HCDP for the paired upstream Gas and the name and Firm Transportation Service Agreement number of the other prospective Shipper, if applicable;
- (c) for parties wishing to stage their Contracted Capacity in periodic tranche commitments, provided such parties meet the requirements set out in Article 28.1(b) hereof:
  - (i) the requested "**Staged Capacity Profile**" as follows:
    - (A) the requested aggregate Contracted Capacity, stated in  $10^3\text{m}^3$  per day, including the minimum aggregate Contracted Capacity which the party is prepared to accept in the event that pro rationing occurs in accordance with Article 9.1 hereof;
    - (B) the requested date of commencement of the staging of Contracted Capacity in periodic tranche commitments;
    - (C) the requested date of termination of the staging of Contracted Capacity in periodic tranche commitments;
    - (D) for each tranche:
      - (1) the start date and end date, provided that such dates must be agreed to by Transporter;
      - (2) the requested Contracted Capacity, stated in  $10^3\text{m}^3$  per day;
      - (3) the applicable Receipt Point; and
      - (4) the applicable Firm Service;
  - (ii) a request for FRGS and the corresponding FRGS Volume and FRGS HCDP Spec, if applicable; and/or
  - (iii) a request for Shipper Pairing Arrangement and the corresponding volumes, Receipt Point and associated HCDP for the paired upstream Gas and the name and Firm Transportation Service Agreement number of the other prospective Shipper, if applicable;
- (d) for Interruptible Service:
  - (i) the requested Maximum Daily Quantity, stated in  $10^3\text{m}^3$  per day;
  - (ii) the applicable Receipt Point;

- (iii) the bid toll; and
- (iv) requested dates of commencement and termination of service;
- (e) for TPAL Service, the Start Date, End Date, Park Quantity or Loan Quantity, expressed in GJ/day, and the Total TPAL Quantity, expressed in GJ; and
- (f) for all parties, whether the party or its agent is an Affiliate of Transporter and, if so, the nature of that affiliation.

## **ARTICLE 9 AWARD OF FIRM SERVICE CAPACITY, RELOCATIONS AND FRGS**

- 9.1 (a) Except for Seasonal Service Shippers, Firm Service Shippers, including Shippers wishing to stage their Contracted Capacity in periodic tranche commitments, will be awarded Firm Service on a first come, first served basis, based on the time a request for service in accordance with Article 8.2 hereof is received by Transporter via the Customer Activities Web Site, provided that no request shall be awarded by the Transporter for less than the minimum Contracted Capacity specified by Shipper in accordance with Article 8.2 hereof. Each request for Firm Service, except Seasonal Service, and any associated FRGS shall specify the parameters required to define the request in accordance with Article 8.2 hereof and shall be unconditional, except that such request may stipulate that Shipper will not contract for Firm Service if its request for FRGS cannot be accommodated by Transporter.
- 9.2 (a) Transporter will post on its website, from time to time, the process for bidding and the capacity available for Seasonal Service, including: (i) the type of Seasonal Service available, (ii) the period(s) of time for which such Seasonal Service is available, and (iii) the Bid Floor for each such service and period. Each request for Seasonal Service shall be unconditional and shall specify the parameters required to define the request in accordance with Article 8.2 hereof and shall include the bid toll for such Seasonal Service. Only bid tolls at or above the Bid Floor for such Seasonal Service will be considered by Transporter during the capacity award process.
- (b) The Capacity available for each type and period of Seasonal Service will be awarded based on the bids that result in the highest net present value of Demand Charge revenues to the Transporter. In the event that available capacity is over-subscribed, then the available capacity will be awarded to the bids that result in the highest net present value of Demand Charge revenues; provided, however, that available capacity will be awarded amongst bids of equal net present value of Demand Charge revenues to the Transporter pro rata based on the capacity requested. No request for Seasonal Service shall be awarded by the Transporter for less than the minimum Contracted Capacity specified by Shipper in accordance with Article 8.2 hereof.
- 9.3 (a) On or before the fifteenth (15th) day of the Month, Transporter may (i) offer capacity available for Permanent or Temporary Relocations and (ii) will consider requests for a change to a Shipper's FRGS Volume and/or FRGS HCDP Spec or, for existing Firm Service Shippers without FRGS, the addition of FRGS, for service to commence on the first day of the succeeding Month. A Shipper's request for such offered capacity, or for a change to or addition of FRGS, must be submitted to Transporter via the Customer Activities Web Site prior to 16:00 hours CCT on the fifth (5th) Business Day of Transporter's posting.

- (b) Each request for a Permanent or Temporary Relocation shall be unconditional, except that a request for Permanent Relocation may stipulate that Shipper will not contract for a Permanent Relocation if the Permanent Relocation of its FRGS cannot be accommodated by Transporter. A request for a Permanent or Temporary Relocation shall specify the applicable Firm Transportation Service Agreement number, whether the request is temporary or permanent, the existing Receipt Point for such service, and the requested Receipt Point under the Relocation. In the event that available capacity for Relocation is over-subscribed, requests for Permanent and Temporary Relocations shall be awarded in accordance with Article 11.1(b) hereof.
- (c) Each request for a change to Shipper's FRGS Volume and/or FRGS HCDP Spec or, for existing Firm Service Shippers without FRGS, the addition of FRGS, shall be unconditional and shall specify the applicable Firm Transportation Service Agreement number, the requested FRGS Volume and FRGS HCDP Spec, the FRGS Agreement number, if applicable, and shall include updated composition data for Shipper's Gas in accordance with Article 2.8 hereof. The availability of Firm Rich Gas Service will be determined by Transporter in its sole discretion and in accordance with Article 8.5 of Toll Schedule Firm Full Path Service and Toll Schedule Firm Receipt Service, as applicable.

#### **ARTICLE 10 AWARD OF INTERRUPTIBLE CAPACITY INCLUDING CAPACITY FOR LIQUIDS RECEIPT POINTS**

- 10.1 In accordance with Article 2.3 of Toll Schedule Interruptible Full Path Service, Toll Schedule Interruptible Receipt Service and Toll Schedule Interruptible Delivery Service, as applicable, Transporter may offer a bidding window for Interruptible Service prior to each Nomination cycle, in which bidding window Shippers requesting Interruptible Service will participate in order to establish their Interruptible Service volumes and bid toll for the purposes of the Nomination cycle. Shippers nominating for service at a Liquids Receipt Point shall ensure that the nominated Liquids Receipt Point is designated for the specific Liquids product as set out in Schedule "A" hereto.
- 10.2 Available capacity for Interruptible Service will be scheduled by Transporter at each Nomination cycle in accordance with Article 14 and Toll Schedule Interruptible Full Path Service, Toll Schedule Interruptible Receipt Service and Toll Schedule Interruptible Delivery Service, as applicable.

#### **ARTICLE 11 RELOCATION OF RECEIPT POINTS**

- 11.1 Subject to Article 30.1(a)(iv) hereof, FFPS Shippers and FRS Shippers with Firm Transportation Service Agreements with initial terms of three (3) years or greater may, in accordance with Article 9.3 hereof, request the relocation ("**Relocation**") of all or a portion of their Contracted Capacity from a contracted Receipt Point to an alternate Receipt Point on a temporary ("**Temporary Relocation**") or permanent ("**Permanent Relocation**") basis. Transporter may, in its sole discretion, agree to the Relocation and, if agreed to by Transporter, the following terms and conditions apply:
  - (a) Shipper's Firm Transportation Agreement will be amended to reflect the Temporary Relocation or Permanent Relocation of Shipper's Receipt Point. If Shipper relocates from a Zone 1 Receipt Point to a Zone 2 Receipt Point, Shipper's Firm Transportation Service Agreement will be amended to reflect the applicable Demand Charge for the Zone 2 Receipt Point and Shipper shall be obligated to pay the applicable Zone 2 surcharges for



the period of any such Relocation. Where only a portion of Shipper's Contracted Capacity is relocated with the result that Shipper's Contracted Capacity will be tendered at more than one Receipt Point, Shipper will be required to execute a new Firm Transportation Service Agreement for each additional Receipt Point for the term of the Relocation.

- (b) Where the capacity that is the subject of requests for Relocation to an alternate Receipt Point exceeds the available capacity at that Receipt Point, Shippers requesting Permanent or Temporary Relocations to that Receipt Point shall be allocated available capacity in accordance with the following order of declining priority. Within each category listed below, capacity shall be allocated pro rata, based on the capacity requested:
- (i) first, among requests for Permanent Relocation where the Relocation is to a Receipt Point that is located between the Shipper's contracted Receipt Point and the Delivery Point;
  - (ii) second, among requests for Temporary Relocation where the Relocation is to a Receipt Point that is located between the Shipper's contracted Receipt Point and the Delivery Point;
  - (iii) third, among requests for Permanent Relocation where the Relocation is to a Receipt Point that is not located between the Shipper's contracted Receipt Point and the Delivery Point; and
  - (iv) fourth, among requests for Temporary Relocation where the Relocation is to a Receipt Point that is not located between the Shipper's contracted Receipt Point and the Delivery Point.
- (c) A Shipper granted a Permanent Relocation hereunder for all or a portion of its FFPS or FRS Contracted Capacity shall not automatically receive, and must request, the Permanent Relocation for any associated FRGS Volume and FRGS HCDP Spec under its FRGS Agreement. The decision of whether to grant a Permanent Relocation for all or a portion of Shipper's associated FRGS Volume and FRGS HCDP Spec will be in Transporter's sole discretion and, if Transporter permits the Permanent Relocation of all or a portion of a Shipper's associated FRGS Volume and FRGS HCDP Spec, the Shipper's FRGS Agreement shall be amended as appropriate. Where only a portion of Shipper's FRGS Volume is relocated with the result that Shipper's FRGS Volume will be tendered at more than one Receipt Point, Shipper will be required to execute a new FRGS Agreement for each additional Receipt Point for the term of the Permanent Relocation. If Transporter cannot accommodate the Permanent Relocation of Shipper's associated FRGS Volume and FRGS HCDP Spec at such relocated-to Receipt Point, Shipper's FRGS Agreement shall terminate.
- (d) A Shipper granted a Temporary Relocation hereunder for all or a portion of its FFPS or FRS Contracted Capacity will have no ability to relocate its associated FRGS Agreement. During the term of the Temporary Relocation, Shipper shall remain obligated to pay all charges under its FRGS Agreement.
- (e) Any Temporary Relocation will be valid for a period of one Month and may be reapplied for in accordance with this Article 11. Following the period of Shipper's Temporary

Relocation, Shipper's Firm Transportation Service Agreement will be amended as appropriate.

11.2 FFPS Shippers and FRS Shippers with Firm Transportation Service Agreements with initial terms of three (3) years or greater may request, on a first come, first served basis, the relocation of all or a portion of their Contracted Capacity from a contracted Receipt Point to an alternate Receipt Point on a short term temporary basis as a result of upstream operational issues incurred by the Shipper ("**Operational Temporary Relocation**"). Transporter may, in its sole discretion, agree to the Operational Temporary Relocation and, if agreed to by Transporter, the following terms and conditions apply:

- (a) Shipper's Firm Transportation Service Agreement will be amended to reflect the Operational Temporary Relocation of Shipper's Receipt Point. If Shipper relocates from a Zone 1 Receipt Point to a Zone 2 Receipt Point, Shipper's Firm Transportation Service Agreement will be amended to reflect the applicable Demand Charge for the Zone 2 Receipt Point and Shipper shall be obligated to pay the applicable Zone 2 surcharges for the period of any such Relocation. Where only a portion of Shipper's Contracted Capacity is relocated with the result that Shipper's Contracted Capacity will be tendered at more than one Receipt Point, Shipper will be required to execute a new Firm Transportation Service Agreement for each additional Receipt Point for the term of the Relocation.
- (b) Any Operational Temporary Relocation will be valid for a term of no more than 30 days in duration. Following the period of Shipper's Operational Temporary Relocation, Shipper's Firm Transportation Service Agreement will be amended as appropriate.

## ARTICLE 12 NOMINATIONS

12.1 (a) Unless otherwise indicated by Transporter and subject to Article 12.1(b) hereof, Transporter shall be open to receive via the Customer Activities Web Site nominations for Transportation, including any associated Fuel Requirement or U.S. Fuel Requirement, as applicable, Title Transfers and TPAL Service twenty-four (24) hours per day via Transporter's Gas Management System. Shippers nominating for service hereunder ("**Nomination**" or "**Nominations**") shall do so in energy, expressed in GJ, and shall provide Transporter with the following:

- (i) The mandatory data elements included in NAESB's standards, together with additional business-conditional or mutually agreeable data elements, and any other information that Transporter reasonably determines necessary.
- (ii) The beginning and end date for such nominated service, which dates must be for a minimum period of one (1) Day and which must be within the term of the Shipper's Service Agreement for such service.
- (iii) The desired order of priority of receipts and deliveries under each of Shipper's Transportation Service Agreements, with a priority of one (1) being the last to be affected by any changes contemplated hereunder. In the absence of such priority information being provided to Transporter by Shipper, Transporter shall, in its sole discretion, determine the Shipper's Nomination priorities. Nominations with the same priority number and which require adjustment in accordance with these



General Terms and Conditions will be adjusted pro rata based on Shipper's Nomination.

- (b) Nominations are to be provided to Transporter in accordance with the timelines established by Transporter and posted on Transporter's Customer Activities Web Site.
- 12.2
- (a) Shipper may revise its Nomination, on a prospective basis, at any time prior to the Nomination submission deadline for the final intra-day cycle as established by Transporter and posted on Transporter's Customer Activities Web Site.
  - (b) When a Nomination is received from a Shipper, each Day within the date range indicated in the Nomination is considered an original Nomination. When a revised Nomination is received from that Shipper, which is for service for one or more Days within the range of the original Nomination, the Shipper's original Nomination will be superseded by its revised Nomination only to the extent of the Days specified in the revised Nomination. Days in the original Nomination outside of the range specified in the revised Nomination will be unaffected.
  - (c) Transporter will not accept a reduced intra-day revised Nomination of any quantity of Gas or Liquids less than the pro rata quantity deemed transported based on elapsed time at the time of the Day when the revised Nomination is submitted by Shipper.
- 12.3
- Transporter may, in its sole discretion, adjust a Shipper's Nomination if any of the following occurs:
- (a) an event of Force Majeure;
  - (b) if a Shipper's aggregate Alliance Trading Pool Imbalance exceeds the Imbalance Tolerance and, in the Transporter's sole discretion, is a detriment to Transporter's ability to provide service to any other Shipper on the Canadian Pipeline; or
  - (c) the Transporter determines it is necessary to take such action in accordance with Article 21.1 hereof.
- 12.4
- A Shipper's Nomination is subject to scheduling by the Transporter in accordance with Article 14 hereof.
- 12.5
- The results of the in-kind Fuel Requirement calculations for the Nomination process shall be rounded to the nearest Gigajoule.

### **ARTICLE 13 TRANSACTIONS IN ENERGY**

- 13.1 All transactions associated with Articles 12, 14, 17, 18, 19 and 20 are conducted in energy, using the Energy Conversion Factor identified in the applicable Toll Schedule.

### **ARTICLE 14 SCHEDULING**

- 14.1 A Title Transfer is confirmed through matching and equal Nominations by both parties to the Title Transfer. A TPAL Service Nomination will be confirmed by Transporter. All remaining Nominations for Transportation, scheduling, and curtailment procedures will be implemented based on the parties' aggregate Nominations net of such Title Transfers and TPAL Service.

- 14.2 After taking its Fuel Requirement, the Transporter shall schedule Nominations for Transportation in accordance with the following order of declining priority:
- (a) Firm Service up to the equivalent of the Shipper's Contracted Capacity, converted to energy by multiplying the Contracted Capacity by the Energy Conversion Factor specified in Article 3.1 of the applicable Toll Schedule for Firm Service, pro rata based on Shipper's Contracted Capacity, amongst all Firm Service Shippers;
  - (b) Priority Interruptible Transportation Service, pro rata based on each Shipper's PITS Capacity;
  - (c) Interruptible Service, on the basis of highest to lowest bid toll, pro rata based on the Nominations of all Shippers seeking Interruptible Service, amongst quantities with the same bid toll (for evaluation purposes, bids received at Liquids Receipt Points for propane injections will be reduced by an economic equivalency factor equal to 2.11, and bids received at Liquids Receipt Points for butane injections will be reduced by an economic equivalency factor equal to 2.74);
  - (d) Transportation Make-Up, pro rata based on the Nominations of all Shippers seeking Transportation Make-Up; and
  - (e) Diversions in accordance with Article 15.1 hereof.
- 14.3 The Transporter shall, as part of its scheduling process, confirm Nominations with upstream and downstream operators. If confirmations received from such parties differ from the Nominations, the lesser amount shall be used for scheduling.
- 14.4 Through its Gas Management System, Transporter will make available reports that will include particulars of Shipper's Scheduled Quantities and, for Interruptible Service Shippers, the Confirmed IT Toll for Shipper's Scheduled Quantities. It is the responsibility of each Shipper to access and review such reports to assist it in managing its Alliance Trading Pool account so that it remains within the Imbalance Tolerance.

## ARTICLE 15 DIVERSIONS

- 15.1 (a) Subject to Article 30.1(a)(iv) hereof, Firm Full Path Service and Firm Receipt Service Shippers may, by Nomination to the Transporter, request a diversion ("**Diversion**") of all or a portion of their Total Service Capacity to an alternate Receipt Point. It shall be in the sole discretion of Transporter whether to grant the Diversion, and if such Diversion is granted:
- (i) the volume of Shipper's Gas subject to the Diversion shall be afforded a different treatment than volumes transported at Shipper's contracted Receipt Point, as specified in Articles 14 and 16 hereof and in Toll Schedule Firm Full Path Service and Toll Schedule Firm Receipt Service, as applicable; and
  - (ii) where such Diversion is from a contracted Receipt Point in Zone 1 to a Receipt Point in Zone 2, Shipper shall be obligated to pay the applicable Demand Charge and surcharges for the Zone 2 Receipt Point.

- (b) Nominations for Diversion may be made for an amount of energy up to the equivalent of a Shipper's Total Service Capacity, and will be considered by Transporter daily for each scheduling cycle, and will be scheduled in accordance with Article 14 hereof. Where such Nominations for Diversion to a Receipt Point exceed the capacity available at that Receipt Point, Shippers shall be allocated available capacity on a pro rata basis, based on Shippers' Nominations, in accordance with the following order of declining priority:
  - (i) first, among Shippers nominating for Diversions to a Receipt Point that is located between the Shipper's contracted Receipt Point and the Delivery Point; and
  - (ii) second, among Shippers nominating for Diversions to a Receipt Point that is not located between the Shipper's contracted Receipt Point and the Delivery Point.
- (c) A Shipper's FRGS Volume shall not be eligible for a Diversion hereunder; however, Shipper shall remain obligated to pay charges under its FRGS Agreement.

## **ARTICLE 16 CURTAILMENT OF SERVICE**

- 16.1 (a) Transporter shall have the right to curtail Transportation, in whole or in part, on all or a portion of the Canadian Pipeline, at a specific Receipt Point or Liquids Receipt Point, or subset of Receipt Points or Liquids Receipt Points, at any time: for reasons of Force Majeure; when, in Transporter's sole discretion, capacity or operating conditions so require; in accordance with Article 21.1 hereof, where such curtailment is necessary to maintain or restore the operational integrity of the Canadian Pipeline; or where it is desirable or necessary to make modifications, repairs or operating changes to the Canadian Pipeline. Transporter shall make available to a Shipper on its Gas Management System information regarding the curtailment of Shipper's Gas or Liquids.
- (b) Transporter shall have the unqualified right to interrupt Priority Interruptible Transportation Service, Interruptible Service and Diversions at any time to provide Firm Service to any Shipper.
  - (c) In the event of curtailment or interruption pursuant to Article 16.1(a) or (b) hereof, the Transportation service of the affected Shippers shall be curtailed pro rata for the same type of service, based on the service scheduled in accordance with Article 14 hereof in the following order:
    - (i) first, Diversions in the reverse order contemplated by Article 15.1(b) hereof, pro rata based on the Scheduled Quantities;
    - (ii) second, Transportation Make-Up pro rata, based on the Scheduled Quantities of all Shippers seeking Transportation Make-Up;
    - (iii) third, Interruptible Service, on the basis of lowest to highest Confirmed IT Toll, pro rata based on Interruptible Service Scheduled Quantities amongst quantities with the same Confirmed IT Toll (for evaluation purposes, the Confirmed IT Toll for service at Liquids Receipt Points for propane injections will be reduced by an economic equivalency factor equal to 2.11, and the Confirmed IT Toll for service at Liquids Receipt Points for butane injections will be reduced by an economic equivalency factor equal to 2.74);

- (iv) fourth, Priority Interruptible Transportation Service, pro rata based on each Shipper's Scheduled Quantities; and
- (v) fifth, Firm Service, pro rata based on a Shipper's Scheduled Quantities.
- (d) Curtailment of Parks and Loans shall be conducted in accordance with Article 3 of Toll Schedule Term Park and Loan Service.

#### **ARTICLE 17 PRE-DETERMINED ALLOCATIONS**

- 17.1 (a) Prior to each Day, Common Stream Operator shall provide Transporter with a pre-determined energy allocation instruction for each Shipper at a Receipt Point. The difference between a Shipper's Scheduled Quantities and the energy received each Day by Transporter for such Shipper as determined by Transporter's measurement and the Common Stream Operator's pre-determined energy allocation instructions will be transferred to the Shipper's Alliance Trading Pool account as an Alliance Trading Pool Imbalance.
- (b) FFPS, FRS, ITFPS and ITRS Shippers shall use reasonable efforts to minimize variances between energy allocated by Common Stream Operators each Day and Scheduled Quantities at Receipt Points.

#### **ARTICLE 18 ALLIANCE TRADING POOL AND IMBALANCE MANAGEMENT**

- 18.1 All Shippers, except for Interruptible Full Path Shippers at Liquids Receipt Points, shall comply with the balancing requirements of the Alliance Trading Pool as described herein.
- 18.2 Each Shipper will have an Alliance Trading Pool account through which its daily transactions of energy on the Canadian Pipeline will be accounted for in the following manner:
- (a) the sum of all of energy received by the Shipper at the Alliance Trading Pool under all of its FFPS, FRS, ITFPS and ITRS Transportation Service Agreements (net of Fuel Requirement and, if applicable, U.S. Fuel Requirement); plus
  - (b) the sum of all energy received by the Shipper from other Shippers through Title Transfers at the Alliance Trading Pool; less
  - (c) the sum of all energy delivered by the Shipper from the Alliance Trading Pool under all of its FDS, FDS-IBR and ITDS Transportation Service Agreements (inclusive of Fuel Requirement); less
  - (d) the sum of all energy delivered by the Shipper to other Shippers through Title Transfers at the Alliance Trading Pool;

All of which shall be:

- (e) adjusted for any daily variances in accordance with Article 17 hereof; and
- (f) adjusted for any daily amounts of energy under Park or Loan on that Day; and
- (g) adjusted for any daily variances created via scheduling confirmation cuts with respect to FFPS, FDS, FDS-IBR, ITFPS and ITDS at the Delivery Point at the Canada-U.S. border.

- 18.3 Any surplus or deficit resulting from the calculation conducted in accordance with Article 18.2 hereof constitutes an "**Alliance Trading Pool Imbalance**". Each Shipper will have the opportunity to ensure, on a daily basis, that its Alliance Trading Pool Imbalance is within the acceptable tolerance provided for in accordance with Article 18.5 hereof by implementing one or more of the following courses of action prior to the end of the Day:
- (a) conducting Title Transfers to or from Shipper's Alliance Trading Pool account sufficient to eliminate any such Alliance Trading Pool Imbalance, provided such Title Transfer is confirmed in accordance with Article 14.1 hereof;
  - (b) by revising its Nomination;
  - (c) by contracting for applicable Transportation services hereunder; and
  - (d) entering into a TPAL Agreement.
- 18.4 All Nomination cycle timelines will be posted on Transporter's Customer Activities Web Site and will include a Y Day Cycle to be used for Alliance Trading Pool Imbalance trading.
- 18.5 (a) The tolerance level for a Shipper's Alliance Trading Pool Imbalance ("**Imbalance Tolerance**") will be the sum of all of the Shipper's Firm Transportation Service Agreement quantities, Interruptible Transportation Service Agreement quantities, and Title Transfer Agreement quantities, each multiplied by the applicable tolerance percentage. Under normal operating conditions and unless otherwise determined by the Transporter, the following are the acceptable tolerance percentages:
- (i) for Firm Full Path Service and Firm Receipt Service, a maximum difference of four percent ( $\pm 4\%$ ) of a Shipper's daily Total Service Capacity, converted to energy using the applicable Energy Conversion Factor, and for Firm Delivery Service, a maximum difference of four percent ( $\pm 4\%$ ) of a Shipper's daily Contracted Capacity, converted to energy using the applicable Energy Conversion Factor;
  - (ii) for Interruptible Service, a maximum difference of four percent ( $\pm 4\%$ ) of a Shipper's Scheduled Quantities; and
  - (iii) for Title Transfers at the Alliance Trading Pool, the acceptable Imbalance Tolerance is zero (0).
- (b) Each Day, Transporter shall make available in advance of the end of the Y Day Cycle, the best available estimate of a Shipper's balance of its Alliance Trading Pool account.
  - (c) Transporter reserves the right to adjust the Imbalance Tolerance and, where the adjusted Imbalance Tolerance is less than four percent ( $\pm 4\%$ ), to set the amounts payable or receivable for an associated Surplus Balancing Cash Out or Deficit Balancing Cash Out. If a Shipper's Alliance Trading Pool account becomes out of balance as a result of such adjustment, such Shipper will be required to have its Alliance Trading Pool Imbalance within the adjusted Imbalance Tolerance by the close of the Y Day Cycle on the Day the Imbalance Tolerance was adjusted.

- 18.6 Shipper shall be subject to a "**Balancing Fee**" each Day, starting at the end of the Day for which its cumulative Alliance Trading Pool Imbalance exceeds the Imbalance Tolerance, in an amount that is the higher of: \$0.16/GJ per Day or the highest TPAL Fee last contracted for by Transporter. Transporter shall post daily on its Customer Activities Web Site such highest TPAL Fee.
- 18.7 If a Shipper fails to bring its cumulative Alliance Trading Pool Imbalance to within the acceptable Imbalance Tolerance within 5 Days of it first exceeding the acceptable Imbalance Tolerance level, the difference between its cumulative Alliance Trading Pool Imbalance and its Imbalance Tolerance will be subject to Cash Out by the Transporter. Where the Shipper has a surplus quantity of energy in its Alliance Trading Pool account, such Shipper shall be subject to a Cash Out representing a "**Surplus Balancing Cash Out**". Where the Shipper has a deficit quantity of energy in its Alliance Trading Pool account, such Shipper shall be subject to a Cash Out representing a "**Deficit Balancing Cash Out**". Surplus Balancing Cash Out and Deficit Balancing Cash Out amounts shall be reflected, respectively, as a credit or debit adjustment to Shipper's Monthly Bill and shall be calculated as a percentage of the NGX AB-NIT Same Day Index 5 price, or if such NGX AB-NIT Same Day Index 5 price ceases to be available or is reasonably judged by Transporter to no longer represent a reasonable measure for use in the calculation hereunder, then such replacement index as reasonably determined by Transporter, of Gas on the first day the Shipper's Alliance Trading Pool Imbalance exceeded the acceptable Imbalance Tolerance hereunder as follows:

Total ATP account imbalance on day six (6) of Alliance Trading Pool Imbalance being out of Imbalance Tolerance	Deficit Balancing Cash Out (% of index price of Gas)	Surplus Balancing Cash Out (% of index price of Gas)
>4% Up to 10%	115%	85%
>10% Up to 15%	130%	70%
>15% Up to 20%	140%	60%
>20%	150%	50%

- 18.8 Transporter may offer Term Park and Loan Service in accordance with Toll Schedule Term Park and Loan Service for purposes of Alliance Trading Pool Imbalance management and other commercial needs of Shippers.
- 18.9 Following the termination of one or more of Shipper's Service Agreements, and unless one or more other Service Agreements remain in effect for that Shipper following such termination, Shipper shall be required to resolve any cumulative imbalance within thirty (30) days after the effective date of termination, or within such longer period of time as can be mutually agreed upon by Shipper and Transporter ("**Balancing Period**"). If, after such Balancing Period, Transporter determines that a negative imbalance or a positive imbalance remains, such imbalances shall be subject to a Cash Out at the Billing Month Index Price.

**ARTICLE 19 MONTH END ALLOCATIONS AND IMBALANCES**

- 19.1 (a) Common Stream Operator will provide, as part of its Month end process, the total energy allocated for each Shipper at a Receipt Point. A Shipper's "**Month End Imbalance**" is any energy imbalance, expressed in GJ, established by end of Month allocation adjustments by Common Stream Operators and represents the difference between the



sum of a Shipper's Scheduled Quantities and the sum of the energy allocated by the Common Stream Operator for the Shipper at all Receipt Points for the Month. All Month End Imbalances will be remedied by Shipper by close of business on the last Business Day of the Month in which Shipper receives its Monthly Bill.

- (b) A Shipper may remedy its Month End Imbalance by:
  - (i) trading its Month End Imbalance with other Shippers at the Alliance Trading Pool. Transporter will post a participating Shipper's Month End Imbalance information on the Transporter's Customer Activities Web Site. All trades shall be requested and confirmed via Transporter's Gas Management System;
  - (ii) initiating a Surplus Month End Cash Out or Deficit Month End Cash Out, as applicable, to be applied on Shipper's subsequent Monthly Bill as described in Article 19.1(c) hereof; or
  - (iii) subject to Transporter's approval of same, transferring its Month End Imbalance to a TPAL Agreement.
- (c) Month End Imbalances not remedied by Shipper by close of business on the last Business Day of the Month in which Shipper receives its Monthly Bill will be subject to Cash Out by the Transporter. Where the Shipper has a surplus Month End Imbalance, such Shipper shall be subject to a Cash Out by the Transporter at the Billing Month Index Price representing a "**Surplus Month End Cash Out**". Where the Shipper has a deficit Month End Imbalance, such Shipper shall be subject to a Cash Out by the Transporter at the Billing Month Index Price representing a "**Deficit Month End Cash Out**".

19.2 Month End Imbalances will not be subject to Balancing Fees.

19.3 Transporter will allocate each Day the total energy allocated by the Common Stream Operator for a Shipper at a Receipt Point, expressed in GJ, in proportion to Shipper's Scheduled Quantities on that Day in accordance with Article 19.4 hereof and apply it to a Shipper's Transportation Service Agreement ("**Allocated Energy**"), converted to volume, expressed in  $10^3\text{m}^3$ , using the actual Gross Heating Value at the Receipt Point ("**Allocated Quantities**"). A Shipper's Allocated Quantities will be used by Transporter for purposes of calculating a Shipper's Monthly Bill.

19.4 (a) Shipper may provide instructions to the Transporter, in advance of the start of the Day, with the requested daily allocation priority of their Transportation Service Agreements for FFPS or FRS, including any Diversions or any associated PITS, or for ITFPS or ITRS. Such information will be used by Transporter at month end for purposes of calculating Shipper's Monthly Bill.

- (b) For Firm Service Shippers that do not provide instructions to the Transporter in accordance with Article 19.4(a) hereof, Transporter will allocate Shipper's Allocated Energy in proportion to the Shipper's Scheduled Quantities for each service type at the Receipt Point. Transporter will then designate the daily allocation priority of their Firm Transportation Service Agreements at each Receipt Point, in the following order: first, to any unutilized Contracted Capacity; and second, to any unutilized PITS Capacity. Where a Diversion has been scheduled for a Shipper, Transporter will allocate Shipper's Allocated Quantities at the diverted-to Receipt Point, in the following order: first, to any unutilized Contracted Capacity; and second, to any unutilized PITS Capacity.

- (c) For Interruptible Service Shippers that do not provide instructions to the Transporter in accordance with Article 19.4(a) hereof, Transporter will allocate Shipper's Allocated Quantities up to Shipper's Maximum Daily Quantity or Revised Maximum Daily Quantity.

19.5 The portion of Allocated Quantities in excess of a Shipper's Total Service Capacity, including any quantities diverted, as applicable, shall represent "**Overrun Quantities**", expressed in  $10^3\text{m}^3$ , and be subject to the applicable Overrun Quantities Charge and other applicable surcharges, as set out in Schedule "A" of Toll Schedule Firm Full Path Service and Toll Schedule Firm Receipt Service, as applicable.

## ARTICLE 20 FUEL

20.1 In addition to the Gas or Liquids that Shipper nominates for and tenders at the applicable Receipt Point or Liquids Receipt Point, as applicable, for its service hereunder, Shipper shall nominate and tender to Transporter an amount of energy determined on the basis of the applicable "**Fuel Rate**" established by Transporter for Gas used by Transporter in the provision of the services hereunder (the "**Fuel Requirement**"). The Fuel Rate for each service will be set annually as a percentage of Nominations and will be based on the actual throughput of the preceding twelve (12) months and adjusted to reflect any differences between the actual fuel collected and the actual fuel used for the period. The initial Fuel Rate, to commence December 1, 2015, and any Fuel Rate revisions shall be posted on Transporter's website.

20.2 (a) FFPS and ITFPS Shippers shall additionally nominate for and tender or cause to be tendered to Transporter at the Receipt Point or Liquids Receipt Point, as applicable, an amount of energy representative of the "**U.S. Fuel Requirement**" established by U.S. Transporter, the applicable fuel rate for which will be posted, from time to time, on U.S. Transporter's and Transporter's website.

(b) FFPS and ITFPS Shippers shall not be required to pay Transporter any charge for Transportation of the U.S. Fuel Requirement.

20.3 Transporter is not required to accept any Nomination: (a) that does not include a Nomination for the Fuel Requirement and, if applicable, the U.S. Fuel Requirement, or (b) if Transporter is not satisfied, in its sole discretion, that the Fuel Requirement and, if applicable, the U.S. Fuel Requirement will actually be tendered to Transporter in accordance with the Nomination. In the event Transporter refuses the Nomination for the reasons set out in this Article 20.3, Transporter shall advise Shipper to revise its Nomination for the Fuel Requirement and, if applicable, U.S. Fuel Requirement, and Shipper shall revise its Nomination for the Fuel Requirement and, if applicable, U.S. Fuel Requirement.

## ARTICLE 21 CANADIAN PIPELINE OPERATIONAL INTEGRITY

21.1 Notwithstanding anything to the contrary contained in the Tariff, Transporter shall have the right to take all actions necessary to maintain or restore the operational integrity of the Canadian Pipeline, including without limitation:

- (a) directing any Shipper or Shippers to decrease quantities of Gas or Liquids tendered at a specific Receipt Point or Liquids Receipt Point or group of Receipt Points or Liquids Receipt Points;



- (b) increasing the pressure above that specified in Article 6.1 hereof and Schedule "A" hereto at a Receipt Point or Liquids Receipt Point or group of Receipt Points or Liquids Receipt Points;
- (c) imposing an HCDP specification below the HCDP Spec or FRGS HCDP Spec, as applicable, at a Receipt Point or group of Receipt Points;
- (d) implementing commercial arrangements with producers and marketers for the supply of Gas; and/or
- (e) changing or suspending the balancing provisions, cash outs and fees set forth in Article 18 hereof.

21.2 Transporter shall not be liable to any Person for any costs or damages associated with any measures taken by Transporter in accordance with Article 21.1 hereof.

## **ARTICLE 22 RIGHT TO COMMINGLE**

22.1 Transporter shall have the right at all times to commingle Shipper's Gas with other Gas in the Canadian Pipeline. Gas delivered by Transporter at the Delivery Point shall have the quality that results from Gas having been transported and commingled with other Gas in the Canadian Pipeline.

22.2 Liquids scheduled for transport under Toll Schedule Interruptible Full Path Service shall be considered commingled Gas once tendered to the Canadian Pipeline for Transportation.

## **ARTICLE 23 NOTICES OF CHANGES IN OPERATING CONDITIONS**

23.1 Transporter and Shipper shall notify each other from time to time as necessary of expected changes in the rates of delivery of Gas or receipt of Gas or Liquids, or in the pressures or other operating conditions, and the reason for such expected changes.

## **ARTICLE 24 POSSESSION AND CONTROL OF GAS**

24.1 Transporter shall be deemed to be in possession and control of all Gas or Liquids received by it until the Gas is delivered by it at the Delivery Point.

## **ARTICLE 25 TITLE AND COMPLIANCE WITH TARIFF BY UPSTREAM FACILITIES**

25.1 Each FDS, FFPS, ITDS, and ITFPS Shipper must have title to all of its Gas or Liquids at the time it is tendered, and must retain title until such time as title is conveyed pursuant to a Title Transfer or assumed by Transporter pursuant to Articles 18.7 or 19.1(c) hereof or in accordance with the provisions of Toll Schedule Term Park and Loan Service. Each FRS and ITRS Shipper must have: a) either: i) title to all of its Gas or Liquids at the time it is tendered, and must retain title until such time as title is conveyed pursuant to a Title Transfer or assumed by Transporter pursuant to Articles 18.7 or 19.1(c) hereof or in accordance with the provisions of Toll Schedule Term Park and Loan Service; or ii) the irrevocable right to transfer title to all of its Gas or Liquids at the time its Gas or Liquids is tendered, and must retain such irrevocable right until such time as title is conveyed pursuant to a Title Transfer or assumed by Transporter pursuant to Articles 18.7 or 19.1(c) hereof or in accordance with the provisions of Toll Schedule Term Park and Loan Service; and, b) the irrevocable right to grant the option specified in Article 5 of Shipper's

Transportation Service Agreement. Shipper shall indemnify and save Transporter harmless from all suits, actions, debts, accounts, damages, costs, losses, and expenses, arising out of the adverse claim of any Person with respect to such Gas or Liquids, including, without limitation, claims related to title to the Gas or Liquids, or the irrevocable right to transfer title to the Gas or Liquids and the irrevocable right to grant the option specified in Article 5 of Shipper's Transportation Service Agreement, and any claims for taxes, licenses, fees, royalties, or charges, which claims arise with respect to such Gas or Liquids prior to the time such Gas is delivered by Transporter at the Delivery Point.

- 25.2 In respect of any facilities upstream of Receipt Points or Liquids Receipt Points, Shipper shall or, if Shipper is not the owner or operator of the facility, Shipper shall cause the owner or operator of the facility from which Gas or Liquids are tendered by or on behalf of Shipper to Transporter hereunder to comply with the Tariff.

## ARTICLE 26 FINANCIAL ASSURANCES

- 26.1 (a) Shipper or its Guarantor shall possess and maintain creditworthiness as is required by Transporter to satisfy Shipper's financial and contractual obligations under a Service Agreement. Transporter shall determine, in its sole discretion, whether Shipper or its Guarantor possesses sufficient creditworthiness.
- (b) If Shipper or its Guarantor has a long-term, senior unsecured, non-credit enhanced and non-implicit debt rating assigned by any one of the following applicable credit rating agencies: (a) DBRS rating of at least BBB; (b) Moody's rating of at least Baa3; or (c) S&P rating of at least BBB-, Shipper will be considered as possessing the required creditworthiness in accordance with this Article 26.
- (c) If a Shipper is required to provide security for the financial and contractual obligations under a Transportation Service Agreement and/or FRGS Agreement such security shall be determined by Transporter in its sole discretion and shall:
- (i) be furnished to Transporter in the form of cash or letter of credit prior to Shipper being allocated service hereunder;
  - (ii) subject to Article 26.1(c)(iii) hereof, not exceed an amount equal to three (3) months of all Demand Charges and other charges and surcharges payable by Shipper under the applicable agreement(s), provided that the number of months of Demand Charges and other charges and surcharges required for such security shall not exceed the term of the applicable agreement(s); and
  - (iii) in the case of Firm Service contracted in connection with requirements for facilities construction or other capital expenditure requirements by the Transporter, not exceed an amount equal to twelve (12) months of all Demand Charges and other charges and surcharges payable by Shipper under the Firm Transportation Service Agreement.
- (d) If a TPAL Party is required to provide security for its financial and contractual obligations under a TPAL Agreement, Transporter may request from the TPAL Party financial assurances in an amount, form and on terms satisfactory to Transporter prior to commencement or continuation of TPAL Service.

- 26.2 Shipper shall furnish to Transporter, upon request, its audited consolidated financial statements setting forth in comparative form the corresponding figures of the preceding fiscal year together with an auditor's report thereon. Shipper shall also furnish to Transporter, upon request, 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.

## **ARTICLE 27 INCORPORATION IN TOLL SCHEDULES AND AGREEMENTS**

- 27.1 These General Terms and Conditions are incorporated in and are part of all Toll Schedules and Service Agreements.

## **ARTICLE 28 SERVICE AGREEMENTS AND RENEWAL**

- 28.1 (a) Shipper shall enter into a Transportation Service Agreement with Transporter under Transporter's appropriate standard form of Transportation Service Agreement, as appended hereto as Appendices I and II. The term of a Transportation Service Agreement shall be agreed upon between Shipper and Transporter at the time of the execution thereof.
- (b) A Shipper may request the staging of its Contracted Capacity in periodic tranche commitments, in accordance with Article 8.2(c) hereof, provided that the term-weighted average aggregate Contracted Capacity across all of its requested FFPS and FRS and across all associated Receipt Points is 1,400 10<sup>3</sup>m<sup>3</sup>/day or greater and the initial term sought by such Shipper is five (5) years or greater. Upon award of staged services by Transporter in accordance with Article 9.1 hereof, each associated Transportation Service Agreement shall constitute a "**Staged Contract**", and each such Staged Contract will specify a single Receipt Point.
- 28.2 (a) Shippers with Firm Transportation Service Agreements with an initial term of three (3) years or greater, or FDS-IBR Shippers or Staged Contract Shippers with Firm Transportation Service Agreements with an initial term of five (5) years or greater, shall have the right to renew their Firm Transportation Service Agreement for the same Contracted Capacity or a lower Contracted Capacity under the Firm Transportation Service Agreement at the date of expiry, without pro ration, at the same Receipt Point, for a minimum of one (1) year, at the applicable Demand Charge prevailing at the time of the election to renew, by providing Transporter with one (1) year's advance Notice. An FFPS or FRS Shipper with a Staged Contract must also specify each tranche in its Firm Transportation Service Agreement and the associated Contracted Capacity, or lower Contracted Capacity that is to be renewed. There is no limitation on the number of times Shippers may exercise their right to renew, provided that it is the initial term of the Shippers' Firm Transportation Service Agreements that shall be used for the purpose of determining Shippers' renewal rights.
- (b) Shippers with a FRGS Agreement with an initial term of three (3) years or greater may request a renewal of their FRGS Agreement for a minimum of one (1) year, at the FRGS Demand Surcharge prevailing at the time of the election to renew, by providing the Transporter with one (1) year's advance Notice. Approval of a request to renew a FRGS Agreement in accordance with this Article shall be in the Transporter's sole discretion

and, in any event, shall not be approved if Shipper's corresponding Firm Transportation Service Agreement has not been renewed pursuant to Article 28.2(a) hereof.

- 28.3 (a) If Shipper has not placed a Nomination for Transportation under a subsisting Interruptible Transportation Service Agreement in accordance with Article 12 hereof for a period of twelve (12) consecutive months, Transporter shall be entitled to provide Notice to Shipper that such Shipper's Interruptible Transportation Service Agreement may be terminated without further Notice if Shipper does not place a Nomination within six (6) months of the provision of such Notice.
- (b) If TPAL Party has not transacted any Parks or Loans under a subsisting TPAL Agreement in accordance with Toll Schedule Term Park and Loan Service for a period of twelve (12) consecutive months, Transporter shall be entitled to provide Notice to TPAL Party that such TPAL Party's TPAL Agreement may be terminated without further Notice if TPAL Party does not transact Parks or Loans within six (6) months of the provision of such Notice.
- 28.4 No termination of a 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 in accordance with Applicable Law, equity or as provided for herein.

#### **ARTICLE 29 DEFAULT, SUSPENSION AND TERMINATION**

- 29.1 If a Shipper fails to perform any of the covenants or obligations imposed upon it under the Tariff (a "**Shipper Default**"), Transporter may serve a Notice ("**Default Notice**") on the Shipper stating specifically the Shipper Default under the Tariff.
- 29.2 Subject to Article 29.3 hereof, in the event that the Shipper does not remedy the Shipper Default within five (5) Days of receiving the Default Notice, then Transporter may, without further Notice, immediately suspend Transportation or service under the applicable Service Agreement (or any portion thereof), provided that such suspension shall not suspend or relieve Shipper from any obligation to pay any amount payable and shall not constitute a failure by Transporter to perform any of its obligations under the Tariff, including under any Service Agreement.
- 29.3 In the event that the Shipper does not remedy the Shipper Default within ten (10) Days of receiving the Default Notice, then at the sole option of Transporter, Transporter may immediately terminate the applicable Service Agreement.
- 29.4 In the event that Transporter elects to terminate the applicable Service Agreement as aforesaid, then, in addition to any amounts which are, on the date of termination, due and owing under such Service Agreement, all Demand Charges, tolls and calculable surcharges or fees which would, but for such termination, become due and owing by Shipper to Transporter in the future under the Tariff, shall become immediately due and payable to Transporter as liquidated damages. Any such amounts reflect the genuine pre-estimate of the financial damage that Transporter would incur as a result of the Shipper Default. Any such amounts payable to Transporter shall not constitute a consequential loss as set forth in Article 33.2 and are not intended as a penalty.
- 29.5 Any suspension or termination of a Service Agreement pursuant to the provisions of this Article 29 shall:

- (a) be without prejudice, and shall in no way affect or extinguish or be deemed to constitute a waiver of any other right or remedy of Transporter as provided for hereunder or at law or equity, including without limitation the right of Transporter to collect any amounts then due to it in respect of the period prior to the date of the termination or accelerated amounts payable under Article 29.4 hereof; and
- (b) be without prejudice to the right of the Shipper in default to receive energy to which it is entitled hereunder for the period prior to the date of termination.

29.6 In addition, and without prejudice to any other right or remedy Transporter may have hereunder or at law or equity, Transporter shall have the right to withhold or set off payment or credit of any amounts of monies due or owing by Transporter to Shipper under the Tariff.

### **ARTICLE 30 RICH GAS SERVICE AND OFFERINGS**

- 30.1 (a) Subject to Article 30.1(b) hereof, Transporter may receive Gas that does not meet the HCDP Spec from FFPS and FRS Shippers if such a Shipper contractually pairs its Gas with an upstream Firm Service Shipper or self-pairs its own upstream Gas subject to a separate Firm Transportation Service Agreement so that the resulting paired Gas stream meets the HCDP Spec ("**Shipper Pairing Arrangement**"). Shippers interested in Shipper Pairing Arrangements may post relevant data on Transporter's Customer Activities Web Site. Transporter may, in its sole discretion based on its analysis of the location of the applicable Receipt Points, Delivery Points and the Quality Specifications of the resultant commingled stream, agree to such Shipper Pairing Arrangement and, if agreed to, the following terms and conditions apply:
- (i) the duration of the Shipper Pairing Arrangement shall be determined by Transporter and shall in no event extend beyond the term of the underlying Transportation Service Agreements with the earliest termination date, provided however, that an approved Shipper Pairing Arrangement shall terminate immediately if either underlying Transportation Service Agreement is terminated under the Tariff;
  - (ii) both parties to a Shipper Pairing Arrangement will have limits on the HCDP and volumes of Gas subject to the Shipper Pairing Arrangement and are prohibited from exceeding those limits;
  - (iii) failure by one Shipper to provide the specified volume or HCDP in the Shipper Pairing Arrangement on any Day could result in the curtailment or non-authorization of flows of one or both Shippers;
  - (iv) a Shipper that is a party to a Shipper Pairing Arrangement is not entitled to nominate for a Diversion or request a Relocation under Article 15 or Article 11 hereof, respectively; and
  - (v) Demand Charge Credits shall not be payable to either Shipper for curtailments resulting from either Shipper's failure under the Shipper Pairing Arrangement.
- (b) Seasonal Service Shippers shall not be eligible to enter into Shipper Pairing Arrangements.

- 30.2 (a) In accordance with Articles 2.4 and 8 of Toll Schedule Firm Full Path Service and Toll Schedule Firm Receipt Service, the Transporter will receive, on a firm basis, Gas that does not meet the HCDP Spec if such Shipper contracts for FRGS by executing a FRGS Agreement and agreeing to pay Transporter a FRGS Demand Surcharge for the FRGS Volume, regardless of whether Shipper utilizes such FRGS in a given Month.
- (b) Seasonal Service Shippers and Interruptible Service Shippers shall not be eligible to receive FRGS.
- (c) FFPS Shippers and FRS Shippers shall not be eligible to receive FRGS for their PITS Capacity.
- 30.3 When Gas tendered at a Receipt Point on any Day exceeds the higher of the applicable HCDP Spec or Revised HCDP Spec, the Transporter may, in its sole discretion:
- (a) grant a waiver of the Quality Specifications in accordance with Article 2.4 hereof and elect to accept all or a portion of such volumes of Shipper's Gas on an interruptible basis, subject to availability, in which case, Shipper shall pay the applicable "**HCDP Off-Spec Surcharge**", as set out in Schedule "C" of Toll Schedule Firm Full Path Service or Toll Schedule Firm Receipt Service, as applicable, and Schedule "B" of Toll Schedule Interruptible Full Path Service or Toll Schedule Interruptible Receipt Service, as applicable. If any portion of Shipper's Gas is curtailed hereunder, Shipper shall not be entitled to Demand Charge Credits for such curtailed Gas; or
- (b) shut-in the applicable Receipt Point, in which case Shipper shall not be entitled to Demand Charge Credits.

### ARTICLE 31 NOTICES

31.1 Except as otherwise provided in the Tariff, any request, demand, statement, or bill, or any notice (collectively "**Notice**") which either party desires to give to the other, must be in writing and shall be validly communicated by the delivery thereof to its addressee, either personally or by courier or electronically, and will be considered duly delivered to the party to whom it is sent at the time of its delivery if personally delivered or if sent electronically during normal business hours, or on the day following transmittal thereof if sent by courier (provided that in the event normal courier service, or electronic 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 or shall personally deliver such Notice) to the other party at the address set forth below. Each party shall provide Notice to the other of any change of address for the purposes hereof.

- (a) Transporter:

Alliance Pipeline Limited Partnership  
c/o Alliance Pipeline Ltd.  
Suite 800, 605-5 Avenue S.W.  
Calgary, AB, Canada T2P 3H5

Attention: Commercial Services Department  
Email: CS@alliancepipeline.com



- (b) Shipper: Shipper's address as set forth in its Customer Activities Web Site Subscriber Agreement, or to the address of Shipper's agent, as provided to Transporter.

Routine communications, including Monthly Bills, will be considered duly delivered when sent electronically or when mailed by registered, certified, or ordinary mail.

### **ARTICLE 32 OPERATOR**

- 32.1 Transporter shall have the right to designate any Person or Persons to function as "**Operator**" of the Canadian Pipeline with respect to, but not limited to, the management of facilities, receipt and disposition of Nominations, scheduling of receipts and deliveries, administration of Service Agreements and accounting. If Transporter designates an Operator, references to Transporter in a Service Agreement, Toll Schedule or these General Terms and Conditions shall be read to include Operator acting on behalf of Transporter, to the extent applicable.

### **ARTICLE 33 LIABILITY AND INDEMNITY**

- 33.1 Subject to the limitations set out in the Tariff (including without limitation as provided for in Articles 33.2 and 33.3 hereof) Shipper shall be liable for, and shall indemnify and save harmless Transporter from and against, any and all liabilities, losses, damages, costs, expenses, suits, actions, claims, charges, levies, liens, taxes, licenses, fees, royalties, or penalties of whatsoever nature incurred by Transporter arising from or in connection with the negligence of Shipper or the breach by Shipper of any of its obligations under the Tariff.
- 33.2 In no event will either Transporter or Shipper be liable to the other for any indirect, special or consequential loss, damage, cost or expense whatsoever based on breach of contract, negligence, strict liability or otherwise including, without limitation, any indirect, special or consequential loss of profits or revenues, cost of capital, business interruption losses, loss or damages for failure to receive or deliver Gas or Liquids, cost of lost, purchased or replacement Gas or Liquids, or loss, damage, cost or expense relating to the cancellation of permits or certificates and the termination of contracts.
- 33.3 Except as specifically set out in Toll Schedule Firm Full Path Service, Toll Schedule Firm Receipt Service or Toll Schedule Firm Delivery Service, as applicable, Transporter shall have no liability to Shipper, nor any obligation to indemnify Shipper, in respect of Transporter's failure for any reason whatsoever to transport Gas pursuant to any Transportation Service Agreement or to perform its obligations under any FRGS Agreement or TPAL Agreement or under the terms of the Tariff, nor will any such failure on the part of the Transporter suspend or relieve Shipper from its obligation to pay any amounts payable to Transporter under the Tariff.

### **ARTICLE 34 ASSIGNMENT AND AGENCY**

- 34.1 (a) Shipper shall have the right to permanently assign its rights and obligations, or parts thereof, under its Firm Transportation Service Agreement or, subject to Article 34.1(b) hereof, FRGS Agreement or, subject to Article 34.1(c) hereof, TPAL Agreement, subject to:
- (i) compliance by the assignee with the creditworthiness requirements set out in Article 26 hereof;

- (ii) the prior written approval of the Lenders, to the extent such written approval is required by the Lenders; and
    - (iii) the prior written approval of Transporter, which approval shall not be unreasonably withheld.
  - (b) Shipper may only permanently assign its FRGS Agreement, or parts thereof, if such Shipper permanently assigns the corresponding Firm Transportation Service Agreement or the corresponding parts thereof, if applicable, in accordance with Article 34.1(a) hereof.
  - (c) Shipper may only permanently assign its TPAL Agreement if the Shipper permanently assigns its corresponding Transportation Service Agreement in accordance with Article 34.1(a) hereof or if the assignee otherwise is, or first becomes, a party to a subsisting Transportation Service Agreement.
- 34.2 Any Person that 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 its Service Agreement(s).
- 34.3 Subject to Article 34.2 hereof, Shipper shall not have the right to assign its rights and obligations, or any part thereof, under its Interruptible Transportation Service Agreement or Title Transfer Agreement.
- 34.4 The restrictions on assignment contained in this Article 34 shall not in any way prevent Transporter from pledging or mortgaging to the Lenders its rights under any Firm Transportation Service Agreement 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 or other acknowledgements in favour of the Lenders or other documents as may be requested by the Lenders or Transporter, of any security interests created under the Tariff.
- 34.5 (a) Any Shipper may designate an agent or agents to act on its behalf and Shipper shall notify Transporter of such designation electronically. In the event Shipper has designated an agent to act on its behalf in a particular capacity, Transporter shall be entitled to rely on any representations made, information provided and actions taken by Shipper's agent in such capacity.
- (b) By designating an agent, Shipper agrees to indemnify and save harmless Transporter from and against any and all liabilities, losses, damages, costs, expenses, suits, actions, claims, charges, levies, liens, taxes, licenses, fees, royalties, or penalties of whatsoever nature incurred by Transporter arising from or in connection with Shipper's agent's actions on behalf of Shipper, Shipper's agent's failure to act on behalf of Shipper, the negligence of Shipper's agent, the breach by Shipper's agent of any of Shipper's obligations under the Tariff or Transporter's reliance upon any representations made, information provided or actions taken by Shipper's agent.



## ARTICLE 35 MISCELLANEOUS

- 35.1 The Tariff shall be governed by and construed in accordance with the laws of Alberta and the laws of Canada applicable therein, and shall be subject to the rules, regulations and orders of any Authority.
- 35.2 The headings used throughout the Tariff are inserted for convenience of reference only and are not to be considered or taken into account in construing the terms or provisions thereof or to be deemed in any way to qualify, modify or explain the effect of any such provisions or terms.
- 35.3 The documents comprising the Tariff are intended to be complementary. That any one component of the Tariff specifies more detail in respect of any matter than is specified by another component of the Tariff is not considered a conflict.
- 35.4 Except where expressly stated to be to the contrary, in the event of any conflict, variation, ambiguity or inconsistency within or between the documents comprising the Tariff, such conflict, variation, ambiguity or inconsistency shall be resolved by reference to the documents comprising the Tariff in the order in which they appear below:
- (a) Transportation Service Agreement;
  - (b) FRGS Agreement, if applicable;
  - (c) TPAL Agreement, if applicable;
  - (d) Title Transfer Agreement, if applicable;
  - (e) Toll Schedule; and
  - (f) General Terms and Conditions.

**SCHEDULE "A" – RECEIPT POINTS AND LIQUIDS RECEIPT POINTS AND RECEIPT PRESSURES**

**Receipt Points:**

RECEIPT POINT NO.	RECEIPT POINT MNEMONIC	RECEIPT POINT NAME	METER LOCATION	ZONE	RECEIPT PRESSURE kPa (psi)
	ATP	ALLIANCE TRADING POOL	n/a	n/a	n/a
BC 01	HIWAY	HIGHWAY	d-37-I 94-B-16	2	7450 (1080)
BC 01A	HWAY2	HIGHWAY 2	d-37-I 94-B-16	2	7450 (1080)
BC 02	ATKCK	AITKEN CREEK	d-44-L 94-A-13	2	8065 (1170)
BC 02-1	ATKCK	AITKEN CREEK	d-44-L 94-A-13	2	8065 (1170)
BC 02A	AKCK2	AITKEN CREEK 2	d-44-L 94-A-13	2	8275 (1200)
BC 03	MCMAN	McMAHON	16-25-82-18W6	2	5380 (780)
BC 04	YUNGR	YOUNGER	04-10-83-17W6	2	5380 (780)
BC 12	WESDO	WEST DOE	13-24-80-15W6	2	8275 (1200)
BC 58	SEPTI	SEPTIMUS	04-22-81-16W6	2	8275 (1200)
BC 62	DOECK	DOE CREEK	13-24-80-15W6	2	8275 (1200)
AB 09	FTKCK	FOURTH CREEK	14-11-82-09W6	2	6895 (1000)
AB 10	JOSEP	JOSEPHINE	08-01-83-10W6	2	6550 (950)
AB 11	PCOUP	POUCE COUPE	11-34-79-12W6	2	7240 (1050)
AB 13	GRDL1	GORDONDALE	16-02-79-12W6	1	8275 (1200)
AB 14	GRDL2	GORDONDALE	11-24-79-11W6	2	6725 (975)
AB 16	PROGR	PROGRESS	01-01-78-10W6	1	7585 (1100)
AB 17	VALH1	VALHALLA	12-21-76-09W6	1	7585 (1100)
AB 20	VALH2	VALHALLA	16-20-75-09W6	1	7585 (1100)
AB 21	TEECK	TEEPEE CREEK	07-02-74-04W6	1	6895 (1000)
AB 22	CLRMT	CLAIRMONT	08-35-73-06W6	1	8275 (1200)
AB 23	SEXSM	SEXSMITH	01-07-75-07W6	1	7585 (1100)
AB 24	HYTHZ	HYTHE/BRAINARD	14-18-74-12W6	1	7930 (1150)
AB 25	KNOPK	KNOPCIK	09-10-74-11W6	1	7930 (1150)
AB 27	WMBLY	WEMBLEY	06-19-73-08W6	1	7240 (1050)
AB 27A	ELMWH	ELMWORTH	01-08-70-11W6	1	5860 (850)
AB 29	WAPTI	WAPITI	03-08-69-08W6	1	7240(1050)
AB 30	GLDCK	GOLD CREEK	14-26-67-05W6	1	5515 (800)
AB 31	KARRZ	KARR	10-10-65-02W6	1	8275 (1200)
AB 32	SMOKY	SMOKY	02-13-63-01W6	1	6550 (950)
AB 33	SIMET	SIMONETTE	09-06-63-25W5	1	6550 (950)
AB 33A	SHLCK	SHELL CREEK	09-06-63-25W5	1	6550 (950)
AB 34	MOORV	MOOSE RIVER	15-12-64-02W6	1	8275 (1200)
AB 35	WASKA	WASKAHIGAN	11-07-64-23W5	1	5860 (850)
AB 36	BIGST	BIGSTONE WEST	14-28-59-22W5	1	7585 (1100)
AB 37	SNIFE	SNIFE MOUNTAIN	11-07-64-23W5	1	8275 (1200)
AB 38	TWOCK	TWO CREEKS	02-04-63-16W5	1	6895 (1000)

RECEIPT POINT NO.	RECEIPT POINT MNEMONIC	RECEIPT POINT NAME	METER LOCATION	ZONE	RECEIPT PRESSURE kPa (psi)
AB 39	GRIZL	GRIZZLY JUNCTION	07-23-60-18W5	1	8275 (1200)
AB 40	KABOB	KAYBOB	14-03-64-19W5	1	5900 (841)
AB 41	KBOBS	KAYBOB SOUTH 1& 2	05-12-62-20W5	1	5900 (856)
AB 42	BEARC	BEAR CREEK	02-13-63-01W6	1	8275 (1200)
AB 43	MCLDR	McLEOD RIVER	02-11-53-18W5	1	8275 (1200)
AB 44	EDSOZ	EDSON	03-11-53-18W5	1	6205 (900)
AB 44A	WOLFS	WOLF SOUTH	11-01-51-15W5	1	6550 (950)
AB 44B	EDSZ2	EDSON 2	03-11-53-18W5	1	6205 (900)
AB 45	KBOS3	KAYBOB SOUTH #3	13-10-59-18W5	1	5500 (798)
AB 46	WWCRT	WEST WHITECOURT	02-17-60-15W5	1	5515 (800)
AB 47	CARCK	CARSON CREEK	16-15-61-12W5	1	6500 (943)
AB 48	WTCRT	WHITECOURT	11/12-26-59-11W5	1	5860 (850)
AB 50	SUNDC	SUNDANCE	06-16-54-18W5	1	8275 (1200)
AB 54	VRNLK	VERNON LAKE	13-2-47-09W4	1	3700 (537)
AB 63	HEAVY	HEAVY SOUND	12-25-61-17W5	1	8275 (1200)
AB 64	SILCK	SILVER CREEK	01-28-59-16W5	1	8275 (1200)
AB 65	LCRLK	LITTLE CROOKED LAKE	03-05-62-21W5	1	8275 (1200)
AB 66	TNYCK	TONY CREEK	04-31-62-24W5	1	8275 (1200)

**Liquids Receipt Points:**

AB 52*	ELKLP	ELK ISLAND Propane	08-14-55-22W4	1	12000 (1740)
AB 52*	ELKLB	ELK ISLAND Butane	08-14-55-22W4	1	12000 (1740)
AB 53*	FSAKP	FORT SASKATCHEWAN Propane	08-14-55-22W4	1	12000 (1740)
AB 55*	SCOTP	SCOTFORD Propane	08-14-55-22W4	1	1930 (280)
AB 55*	SCOTB	SCOTFORD Butane	08-14-55-22W4	1	1930 (280)
SK 56*	STLME	STEELMAN Ethane	03-18-04-02W2	1	12000 (1740)

## **GENERAL TERMS AND CONDITIONS**

### **Appendix I**

### **Form of Firm Transportation Service Agreement**

Firm Transportation Service Agreement No. \_\_\_\_\_

**FIRM TRANSPORTATION SERVICE AGREEMENT**

THIS TRANSPORTATION SERVICE AGREEMENT made and entered into this \_\_\_\_\_ day of \_\_\_\_\_, 20 \_\_\_\_\_.

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 collectively referred to herein as "Parties")

WHEREAS the Transporter is the operator of a pipeline and associated facilities used for the Transportation of Gas on the Canadian Pipeline;

WHEREAS Alliance Pipeline L.P. is operator of a pipeline and associated facilities used for the transportation of Gas on the U.S. Pipeline;

WHEREAS the Shipper has requested that Transporter transport, and Transporter has agreed to transport, volumes of Gas that are tendered by or on behalf of Shipper to Transporter in accordance with and subject to the terms and conditions set forth herein and in the Tariff;

NOW THEREFORE, in consideration of the mutual covenants and agreements herein, the receipt and sufficiency as valuable consideration is acknowledged and agreed to by each of Transporter and Shipper, Transporter and Shipper agree as follows:

**ARTICLE 1 DEFINITIONS AND INTERPRETATION**

- 1.1 Capitalized terms used in this Firm Transportation Service Agreement and not defined herein shall have the meanings attributed to them in the General Terms and Conditions.
- 1.2 Schedule "A" – Firm Transportation Service Agreement Details is attached to and made part of this Firm Transportation Service Agreement.

**ARTICLE 2 REPRESENTATIONS AND WARRANTIES**

- 2.1 Transporter represents and warrants that: (a) it is duly organized and validly existing under the Applicable Law of the Province of Alberta and has all requisite legal power and authority to execute this Firm Transportation Service Agreement and carry out the terms, conditions and provisions hereof; (b) this Firm Transportation Service Agreement constitutes the valid, legal and

binding obligation of Transporter, enforceable in accordance with the terms hereof; and (c) the execution and delivery by Transporter of this Firm Transportation Service Agreement has been duly authorized by all requisite partnership action.

- 2.2 Shipper represents and warrants, and such representations and warranties shall be deemed to be repeated on the dates that Gas is tendered at a Receipt Point by or on behalf of Shipper to Transporter under the Tariff, that: (a) it is duly organized and validly existing under the Applicable Law of the jurisdiction of its formation or incorporation and has all requisite legal power and authority to execute this Firm Transportation Service Agreement and carry out the terms, conditions and provisions hereof; (b) this Firm Transportation Service Agreement constitutes the valid, legal and binding obligation of Shipper, enforceable in accordance with the terms hereof; (c) the execution and delivery by Shipper of this Firm Transportation Service Agreement has been duly authorized by all requisite corporate or partnership action; (d) it has or will have the right to tender all Gas so tendered by it or on its behalf to Transporter for Transportation at any Receipt Point free and clear of liens and any encumbrances and adverse claims of every kind, provided that the option granted pursuant to Article 5 hereof shall not constitute an encumbrance or adverse claim for the purpose of this representation; (e) if it is an FFPS or FDS Shipper, it has, or will have at the time of tendering for Transportation, title to all Gas to be transported under this Firm Transportation Service Agreement, and if it is an FRS Shipper, it has, or will have at the time of tendering for Transportation, either title to all Gas to be transported under this Firm Transportation Service Agreement, or the irrevocable right to transfer title to all Gas to be transported under this Firm Transportation Service Agreement and the irrevocable right to grant the option specified in Article 5 hereof; (f) it has met the requirements of Articles 8 and 26 of the General Terms and Conditions; (g) it is and will remain in compliance with all Applicable Law; (h) it has and will maintain all authorizations for the removal of its Gas from the province of production, the export of its Gas from Canada and the import of its Gas into the United States and any other authorization required for transport hereunder; (i) in the case of an FFPS Shipper, it shall only deliver Gas to an FT-1 Service shipper that has a transportation agreement with the U.S. Transporter for a volume and term at least equal to that of Shipper's Firm Transportation Service Agreement, in accordance with Article 1.1(c) of Toll Schedule Firm Full Path Service; (j) in the case of an FDS-IBR Shipper, it shall only deliver Gas to an FT-1 IBR Service shipper that has a transportation agreement with the U.S. Transporter for a volume, less U.S. Fuel Requirement, and term equal to that of Shipper's Firm Transportation Service Agreement, in accordance with Article 1.1(c) of Toll Schedule Firm Delivery Service; and (k) in the case of an FFPS Shipper, it shall only deliver its PITS Volume to a shipper that has a transportation agreement with the U.S. Transporter for a volume at least equal to that of Shipper's PITS Volume.

### **ARTICLE 3 SERVICES AND OBLIGATION TO PAY**

- 3.1 Subject to the provisions of this Firm Transportation Service Agreement and the provisions of the Tariff:

- (a) Transporter shall provide daily service hereunder for Shipper, for a volume of Gas up to the Contracted Capacity set out in Schedule "A" hereto, from the Receipt Point set out in Schedule "A" hereto to the Delivery Point; and
- (b) if applicable, and subject to available capacity, Transporter shall provide PITS from the Receipt Point set out in Schedule "A" hereto to the Delivery Point.

3.2 For the term of this Firm Transportation Service Agreement, Shipper shall pay all applicable Demand Charges, charges, surcharges and any other amounts owing for service hereunder and in accordance with the Tariff, as may be amended or approved by Authorities from time to time.

#### **ARTICLE 4 TERM**

4.1 Subject to renewal and termination in accordance with the provisions of the Tariff, this Firm Transportation Service Agreement shall be effective from the date hereof and shall continue until the termination date set out in Schedule "A" hereto.

#### **ARTICLE 5 OPTION TO EXTRACT AND TAKE TITLE TO LIQUIDS**

5.1 Shipper's receipts and deliveries, less the Fuel Requirement, will be balanced on an energy basis at the Delivery Point in accordance with the Tariff.

5.2 Shipper hereby grants to Transporter acting solely in its capacity as agent for Aux Sable Liquid Products LP ("**Aux Sable**") the option, exercisable at any time or times, and for any periods during the term of this Firm Transportation Service Agreement, to extract from the commingled Gas transported by Transporter and take title to all natural gas liquids or liquefiable hydrocarbons received by Transporter from Shipper that Aux Sable elects to remove or process and hereby relinquishes to Transporter, acting solely in its capacity as agent for Aux Sable, 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 Shipper will, at the time of execution and delivery of this Transportation Service Agreement, or at any time thereafter as required by Transporter, execute an agreement with Aux Sable in the prescribed form that specifically provides for the option created in Article 5.2 hereof (an "**extraction agreement**"), provided that such extraction agreement will not:

- (a) affect, vary or alter the amounts payable by Shipper for Transportation under this Firm 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 an energy basis, after allowance for the Fuel Requirement.

5.4 FFPS and FDS-IBR Shippers (together with their Affiliates, if applicable) are also required to be party to an extraction agreement in relation to each of their Canadian Transportation and their

service on the U.S. Pipeline. FDS Shippers may deliver their Gas only to shippers on the U.S. Pipeline that are party to an extraction agreement that relates to service on the U.S. Pipeline.

**ARTICLE 6 NOTICES**

6.1 All Notices to be given or sent pursuant to the terms of this Firm 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 Tariff, including this Firm Transportation Service Agreement shall be Shipper's address as set forth in its Customer Activities Web Site Subscriber Agreement with Transporter, or the address of Shipper's agent, as provided to Transporter.

**ARTICLE 7 MISCELLANEOUS**

7.1 Shipper acknowledges and agrees that the General Terms and Conditions and applicable Toll Schedules, as amended and approved by Authorities from time to time, are hereby incorporated in this Firm Transportation Service Agreement and apply to the provision of service hereunder.

7.2 The following provisions survive any termination, cancellation or expiration of this Firm Transportation Service Agreement: Articles 3.2, 6.1 and 7 hereof; Articles 4.3, 7, 18.9, 19, 25.1, 29.4, 29.5, 29.6, 31, 33 and 35 of the General Terms and Conditions; and Article 4 of Toll Schedule Firm Full Path Service, Toll Schedule Firm Receipt Service and Toll Schedule Firm Delivery Service, as applicable.

7.3 Subject to the terms of the Tariff, this Firm Transportation Service Agreement may only be modified or amended by an agreement executed in writing or electronically by each of the Parties, subject to approval by Authorities as may be required.

7.4 This Firm Transportation Service Agreement may be executed and delivered in counterpart and by written or electronic means (including via Transporter's Customer Activities Web Site). All such counterparts shall together constitute an executed original agreement, binding on the Parties and enforceable in accordance with its terms.

IN WITNESS WHEREOF, the Parties have duly executed this Firm Transportation Service Agreement, as of the date first written above, by their duly authorized officers.

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

**[Shipper]**

Per: \_\_\_\_\_  
[Name]  
[Title]

Per: \_\_\_\_\_  
[Name]  
[Title]



**Schedule "A" – Firm Transportation Service Agreement Details**

**A. Commencement Date**

The date of commencement of service hereunder is \_\_\_\_\_.

**B. Termination Date**

Subject to the termination and renewal provisions of the Tariff, the date of termination of service hereunder is \_\_\_\_\_.

**C. Type of Firm Service**

The type of Firm Service approved of by Transporter is \_\_\_\_\_.

**D. Receipt Point and (for FFPS and FRS) Zone**

The Receipt Point approved of by Transporter is \_\_\_\_\_ and the applicable Zone for such Receipt Point is \_\_\_\_\_.

**E. Contracted Capacity**

Shipper's Contracted Capacity approved of by Transporter is \_\_\_\_\_  $10^3\text{m}^3/\text{day}$  or as shown in H. below for Staged Contracts.

**F. Demand Charge (for FDS and FFPS and FRS, including Staged Contracts)**

The Demand Charge for service hereunder is \$ \_\_\_\_\_/ $10^3\text{m}^3/\text{month}$  or \$ \_\_\_\_\_/ $10^3\text{m}^3/\text{day}$  (Seasonal Service only).

**G. Demand Charge (for FDS-IBR)**

The floor Demand Charge for service hereunder is \$ \_\_\_\_\_/ $10^3\text{m}^3/\text{month}$ . This number will be adjusted in accordance with Article 9 of Toll Schedule Firm Delivery Service.

**H. Staged Contract (for FFPS and FRS only)**

The Demand Charge calculated in accordance with the formula set out in Schedule "B" of Toll Schedule Firm Full Path Service or Toll Schedule Firm Receipt Service, as applicable, is based on the following Staged Capacity Profile:

Service Start	Termination Date	Contracted Capacity $10^3\text{m}^3/\text{day}$

## **GENERAL TERMS AND CONDITIONS**

### **Appendix II**

### **Form of Interruptible Transportation Service Agreement**

Interruptible Transportation Service Agreement No. \_\_\_\_\_

**INTERRUPTIBLE TRANSPORTATION SERVICE AGREEMENT**

THIS TRANSPORTATION SERVICE AGREEMENT made and entered into this \_\_\_\_\_ day of \_\_\_\_\_, 20 \_\_\_\_\_.

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 collectively referred to herein as "Parties")

WHEREAS the Transporter is the operator of a pipeline and associated facilities used for the Transportation of Gas on the Canadian Pipeline;

WHEREAS Alliance Pipeline L.P. is operator of a pipeline and associated facilities used for the transportation of Gas on the U.S. Pipeline;

WHEREAS the Shipper has requested that Transporter transport, and Transporter has agreed to transport, volumes of Gas that are tendered as Gas or Liquids by or on behalf of Shipper to Transporter in accordance with and subject to the terms and conditions set forth herein and in the Tariff;

NOW THEREFORE, in consideration of the mutual covenants and agreements herein, the receipt and sufficiency as valuable consideration is acknowledged and agreed to by each of Transporter and Shipper, Transporter and Shipper agree as follows:

**ARTICLE 1 DEFINITIONS AND INTERPRETATION**

- 1.1 Capitalized terms used in this Interruptible Transportation Service Agreement and not defined herein shall have the meanings attributed to them in the General Terms and Conditions.
- 1.2 Schedule "A" – Interruptible Transportation Service Agreement Details is attached to and made part of this Interruptible Transportation Service Agreement.

**ARTICLE 2 REPRESENTATIONS AND WARRANTIES**

- 2.1 Transporter represents and warrants that: (a) it is duly organized and validly existing under the Applicable Law of the Province of Alberta and has all requisite legal power and authority to execute this Interruptible Transportation Service Agreement and carry out the terms, conditions and provisions hereof; (b) this Interruptible Transportation Service Agreement constitutes the

valid, legal and binding obligation of Transporter, enforceable in accordance with the terms hereof; and (c) the execution and delivery by Transporter of this Interruptible Transportation Service Agreement has been duly authorized by all requisite partnership action.

- 2.2 Shipper represents and warrants, and such representations and warranties shall be deemed to be repeated on the dates that Gas or Liquids are tendered at a Receipt Point or Liquids Receipt Point, by or on behalf of Shipper to Transporter under the Tariff, that: (a) it is duly organized and validly existing under the Applicable Law of the jurisdiction of its formation or incorporation and has all requisite legal power and authority to execute this Interruptible Transportation Service Agreement and carry out the terms, conditions and provisions hereof; (b) this Interruptible Transportation Service Agreement constitutes the valid, legal and binding obligation of Shipper, enforceable in accordance with the terms hereof; (c) the execution and delivery by Shipper of this Interruptible Transportation Service Agreement has been duly authorized by all requisite corporate or partnership action; (d) it has or will have the right to tender all Gas or Liquids so tendered by it or on its behalf to Transporter for Transportation at any Receipt Point or Liquids Receipt Point, free and clear of liens and any encumbrances and adverse claims of every kind, provided that the option granted pursuant to Article 5 hereof shall not constitute an encumbrance or adverse claim for the purpose of this representation; (e) if it is an ITFPS or ITDS Shipper, it has, or will have at the time of tendering for Transportation, title to all Gas or Liquids to be transported under this Interruptible Transportation Service Agreement, and if it is an ITRS Shipper, it has, or will have at the time of tendering for Transportation, either title to all Gas or Liquids to be transported under this Interruptible Transportation Service Agreement, or the irrevocable right to transfer title to all Gas or Liquids to be transported under this Interruptible Transportation Service Agreement and the irrevocable right to grant the option specified in Article 5 hereof ; (f) it has met the requirements of Articles 8 and 26 of the General Terms and Conditions; (g) it is and will remain in compliance with all Applicable Law; (h) it has and will maintain all authorizations for the removal of its Gas or Liquids from the province of production, the export of its Gas or Liquids from Canada and the import of its Gas or Liquids into the United States and any other authorization required for transport hereunder; and (i) in the case of an ITFPS Shipper, it shall only deliver Gas to a shipper that has a transportation agreement with the U.S. Transporter for a volume at least equal to that of Shipper's Interruptible Transportation Service Agreement, in accordance with Article 1.1(c) of Toll Schedule Interruptible Full Path Service.

### **ARTICLE 3 SERVICES AND OBLIGATION TO PAY**

- 3.1 Subject to the provisions of this Interruptible Transportation Service Agreement and the provisions of the Tariff, Transporter shall provide service hereunder for Shipper, for a volume of Gas or Liquids tendered by Shipper up to the Maximum Daily Quantity set out in Schedule "A" hereto, from the Receipt Point or Liquids Receipt Point set out in Schedule "A" hereto to the Delivery Point.
- 3.2 For the term of this Interruptible Transportation Service Agreement, Shipper shall pay all applicable tolls, charges, surcharges and any other amounts owing for service hereunder and in accordance with the Tariff, as may be amended or approved by Authorities from time to time.

#### ARTICLE 4 TERM

- 4.1 Subject to termination in accordance with the provisions of the Tariff, this Interruptible Transportation Service Agreement shall be effective from the date hereof and shall continue until the termination date set out in Schedule "A" hereto.

#### ARTICLE 5 OPTION TO EXTRACT AND TAKE TITLE TO LIQUIDS

- 5.1 Shipper's receipts and deliveries, less the Fuel Requirement, will be balanced on an energy basis at the Delivery Point in accordance with the Tariff.
- 5.2 Shipper hereby grants to Transporter acting solely in its capacity as agent for Aux Sable Liquid Products LP ("**Aux Sable**") the option, exercisable at any time or times, and for any periods during the term of this Interruptible Transportation Service Agreement, to extract from the commingled Gas transported by Transporter and take title to all natural gas liquids or liquefiable hydrocarbons received by Transporter from Shipper that Aux Sable elects to remove or process and hereby relinquishes to Transporter, acting solely in its capacity as agent for Aux Sable, 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 Shipper will, at the time of execution and delivery of this Transportation Service Agreement, or at any time thereafter as required by Transporter, execute an agreement with Aux Sable in the prescribed form that specifically provides for the option created in Article 5.2 hereof (an "**extraction agreement**"), provided that such extraction agreement will not:
- (a) affect, vary or alter the amounts payable by Shipper for Transportation under this Interruptible 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 an energy basis, after allowance for the Fuel Requirement.
- 5.4 ITFPS Shippers (together with their Affiliates, if applicable) are required to be party to an extraction agreement in relation to each of their Canadian Transportation and their service on the U.S. Pipeline. ITDS Shippers may deliver their Gas only to shippers on the U.S. Pipeline that are party to an extraction agreement that relates to service on the U.S. Pipeline.

#### ARTICLE 6 NOTICES

- 6.1 All Notices to be given or sent pursuant to the terms of this Interruptible 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 Tariff, including this Interruptible Transportation Service Agreement shall be Shipper's address as set forth in its Customer Activities Web Site Subscriber Agreement with Transporter, or the address of Shipper's agent, as provided to Transporter.

**ARTICLE 7 MISCELLANEOUS**

- 7.1 Shipper acknowledges and agrees that the General Terms and Conditions and applicable Toll Schedules, as amended and approved by Authorities from time to time, are hereby incorporated in this Interruptible Transportation Service Agreement and apply to the provision of service hereunder.
- 7.2 The following provisions survive any termination, cancellation or expiration of this Interruptible Transportation Service Agreement: Articles 3.2, 6.1 and 7 hereof; Articles 4.3, 7, 18.9, 19, 25.1, 29.4, 29.5, 29.6, 31, 33 and 35 of the General Terms and Conditions; and Article 4 of Toll Schedule Interruptible Full Path Service, Toll Schedule Interruptible Receipt Service and Toll Schedule Interruptible Delivery Service, as applicable.
- 7.3 Subject to the terms of the Tariff, this Interruptible Transportation Service Agreement may only be modified or amended by an agreement executed in writing or electronically by each of the Parties, subject to approval by Authorities as may be required.
- 7.4 This Interruptible Transportation Service Agreement may be executed and delivered in counterpart and by written or electronic means (including via Transporter's Customer Activities Web Site). All such counterparts shall together constitute an executed original agreement, binding on the Parties and enforceable in accordance with its terms.

IN WITNESS WHEREOF, the Parties have duly executed this Interruptible Transportation Service Agreement, as of the date first written above, by their duly authorized officers.

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

**[Shipper]**

Per: \_\_\_\_\_  
[Name]  
[Title]

Per: \_\_\_\_\_  
[Name]  
[Title]

**SCHEDULE "A" – Interruptible Transportation Service Agreement Details**

**A. Commencement Date**

The date of commencement of service hereunder is \_\_\_\_\_.

**B. Termination Date**

Subject to the termination provisions of the Tariff, the date of termination of service hereunder is \_\_\_\_\_.

**C. Type of Interruptible Service**

The type of Interruptible Service approved of by Transporter is \_\_\_\_\_.

**D. Maximum Daily Quantity**

Shipper's Maximum Daily Quantity approved of by Transporter is \_\_\_\_\_  $10^3\text{m}^3/\text{day}$ .

**E. Receipt Point and (for ITFPS and ITRS) Zone**

The Receipt Point approved of by Transporter is \_\_\_\_\_ and the applicable Zone for such Receipt Point is \_\_\_\_\_.

**F. Confirmed IT Toll**

The Confirmed IT Toll, as bid by Shipper, is \$\_\_\_\_\_/ $10^3\text{m}^3$ .

## **GENERAL TERMS AND CONDITIONS**

### **Appendix III Form of FRGS Agreement**



FRGS Agreement No. \_\_\_\_\_

### **FIRM RICH GAS SERVICE AGREEMENT**

THIS FIRM RICH GAS SERVICE AGREEMENT made and entered into this \_\_\_\_\_ day of \_\_\_\_\_, 20 \_\_\_\_\_.

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 collectively referred to herein as "Parties")

WHEREAS the Transporter is the operator of a pipeline and associated facilities used for the Transportation of Gas on the Canadian Pipeline;

WHEREAS the Shipper has entered into a Firm Transportation Service Agreement for FRS or FFPS for a term of three (3) years or greater;

WHEREAS in addition to Firm Service, Shipper wishes to contract with Transporter for Firm Rich Gas Service on the terms and conditions set forth herein and in the Tariff;

NOW THEREFORE, in consideration of the mutual covenants and agreements herein, the receipt and sufficiency as valuable consideration is acknowledged and agreed to by each of Transporter and Shipper, Transporter and Shipper agree as follows:

#### **ARTICLE 1 DEFINITIONS AND INTERPRETATION**

- 1.1 Capitalized terms used in this FRGS Agreement and not defined herein shall have the meanings attributed to them in the General Terms and Conditions.
- 1.2 Schedule "A" – FRGS Agreement Details is attached to and made part of this FRGS Agreement.

#### **ARTICLE 2 SERVICES AND OBLIGATION TO PAY**

- 2.1 Subject to the provisions of this FRGS Agreement and the provisions of the Tariff, Transporter shall provide Shipper with FRGS each Day during the term at the Receipt Point, as set out in the attached Schedule "A".

- 2.2 For the term of this FRGS Agreement, Shipper shall pay all charges, surcharges and any other amounts owing for service hereunder and in accordance with the Tariff, as may be amended or approved by Authorities from time to time.

### **ARTICLE 3 TERM AND TERMINATION**

- 3.1 Subject to renewal and termination in accordance with the provisions of the Tariff, including this FRGS Agreement, this FRGS Agreement shall be effective from the date hereof and shall continue until the termination date set out in Schedule "A" hereto.
- 3.2 This FRGS Agreement shall automatically terminate and Shipper shall have no further right to FRGS hereunder if: (1) the corresponding Firm Transportation Service Agreement is terminated in accordance with the Tariff; (2) Shipper relocates by Permanent Relocation its Contracted Capacity in accordance with Article 11 of the General Terms and Conditions and Transporter does not approve the Permanent Relocation of the associated FRGS Volume; or (3) this FRGS Agreement otherwise terminates in accordance with the Tariff.
- 3.3 Shipper may terminate this FRGS Agreement at any time upon the provision of at least one (1) month's prior Notice of termination, in which case, Shipper shall have no further right to FRGS hereunder as of the effective date of termination under such Notice. In the event Shipper wishes to apply for FRGS subsequent to termination of this FRGS Agreement, such request shall be treated as a new request for FRGS.

### **ARTICLE 4 NOTICES**

- 4.1 All Notices to be given or sent pursuant to the terms of this FRGS Agreement shall be effected in accordance with, and be subject to the provisions of, the General Terms and Conditions and sent to the address set out in Shipper's corresponding Firm Transportation Service Agreement.

### **ARTICLE 5 MISCELLANEOUS**

- 5.1 Shipper acknowledges and agrees that the General Terms and Conditions, applicable Toll Schedules and Firm Transportation Service Agreements, as amended and approved by Authorities from time to time, are hereby incorporated in this FRGS Agreement and apply to the provision of service hereunder.
- 5.2 The following provisions survive any termination, cancellation or expiration of this FRGS Agreement: Articles 2.2, 4.1 and 5 hereof; Articles 4.3, 7, 29.4, 29.5, 29.6, 31, 33 and 35 of the General Terms and Conditions; and Article 4 of Toll Schedule Firm Full Path Service, Toll Schedule Firm Receipt Service and Toll Schedule Firm Delivery Service, as applicable.
- 5.3 Subject to the terms of the Tariff, this FRGS Agreement may only be modified or amended by an agreement executed in writing or electronically by each of the Parties, subject to approval by Authorities as may be required.

5.4 This FRGS Agreement may be executed and delivered in counterpart and by written or electronic means (including via Transporter's Customer Activities Web Site). All such counterparts shall together constitute an executed original agreement, binding on the Parties and enforceable in accordance with its terms.

IN WITNESS WHEREOF, the Parties have duly executed this FRGS Agreement, as of the date first written above, by their duly authorized officers.

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

**[Shipper]**

Per: \_\_\_\_\_  
[Name]  
[Title]

Per: \_\_\_\_\_  
[Name]  
[Title]

**SCHEDULE "A" – FRGS Agreement Details**

**A. Commencement Date**

The date of commencement of service hereunder is \_\_\_\_\_.

**B. Termination Date**

Subject to the termination and renewal provisions of the Tariff, the date of termination of service hereunder is \_\_\_\_\_.

**C. Receipt Point**

The Receipt Point approved of by Transporter is \_\_\_\_\_.

**D. FRGS Volume**

Shipper's FRGS Volume approved of by Transporter is \_\_\_\_\_  $10^3\text{m}^3/\text{day}$ .

**E. FRGS HCDP Spec**

The FRGS HCDP Spec designated by Shipper and approved of by Transporter is \_\_\_\_\_.

**F. Corresponding Firm Transportation Service Agreement**

Shipper's corresponding Firm Transportation Service Agreement number is \_\_\_\_\_.

## **GENERAL TERMS AND CONDITIONS**

### **Appendix IV Form of TPAL Agreement**

TPAL Service Agreement No. \_\_\_\_\_

**TERM PARK AND LOAN SERVICE AGREEMENT**

THIS TERM PARK AND LOAN SERVICE AGREEMENT made and entered into this \_\_\_\_\_ day of \_\_\_\_\_, 20 \_\_\_\_\_.

BETWEEN

ALLIANCE PIPELINE LIMITED PARTNERSHIP, formed under the laws of the Province of Alberta as a limited partnership

("Transporter")

- and -

\_\_\_\_\_  
("TPAL Party")

(Transporter and TPAL Party are collectively referred to herein as "Parties")

WHEREAS the Transporter is the operator of a pipeline and associated facilities used for the Transportation of Gas on the Canadian Pipeline;

WHEREAS TPAL Party wishes to contract with Transporter for TPAL Service on the terms and conditions set forth herein and in the Tariff;

NOW THEREFORE, in consideration of the mutual covenants and agreements herein, the receipt and sufficiency as valuable consideration is acknowledged and agreed to by each of Transporter and TPAL Party, Transporter and TPAL Party agree as follows:

**ARTICLE 1 DEFINITIONS AND INTERPRETATION**

- 1.1 Capitalized terms used in this TPAL Agreement and not defined herein shall have the meanings attributed to them in the General Terms and Conditions.
- 1.2 Schedule "A" – TPAL Agreement Details is attached to and made part of this TPAL Agreement.

**ARTICLE 2 SERVICES AND OBLIGATION TO PAY**

- 2.1 Subject to the provisions of this TPAL Agreement and the provisions of the Tariff, Transporter shall provide TPAL Party with TPAL Service each Day from the Start Date and End Date set out in Schedule "A" hereto.
- 2.2 For the term of this TPAL Agreement, TPAL Party shall pay all charges, fees and any other amounts owing for service hereunder and in accordance with the Tariff, as may be amended or approved by Authorities from time to time.

### **ARTICLE 3 TPAL SERVICE PERIODS AND TERM OF TPAL AGREEMENT**

- 3.1 Subject to earlier termination in accordance with the provisions of the Tariff, including this TPAL Agreement, the Start Date and End Date in respect of TPAL Service are specified in Schedule "A" hereto.
- 3.2 This TPAL Agreement shall automatically terminate and TPAL Party shall have no further right to TPAL Service hereunder if: (1) the corresponding Transportation Service Agreement or Title Transfer Agreement is terminated in accordance with the Tariff; or (2) this TPAL Agreement otherwise terminates in accordance with the Tariff.
- 3.3 Either Party may terminate this TPAL Agreement at any time upon the provision of at least one (1) month's prior Notice of termination, in which case, TPAL Party shall have no further right to TPAL Service hereunder as of the effective date of termination under such Notice. In the event Shipper wishes to apply for TPAL Service subsequent to termination of this TPAL Agreement, such request shall be treated as a new request for TPAL Service.

### **ARTICLE 4 NOTICES**

- 4.1 All Notices to be given or sent pursuant to the terms of this TPAL Agreement shall be effected in accordance with, and be subject to the provisions of, the General Terms and Conditions and sent to the address set out in TPAL Party's corresponding Transportation Service Agreement.

### **ARTICLE 5 MISCELLANEOUS**

- 5.1 TPAL Party acknowledges and agrees that the General Terms and Conditions and the Toll Schedule Term Park and Loan Service, as amended and approved by Authorities from time to time, are hereby incorporated in this TPAL Agreement and apply to the provision of service hereunder.
- 5.2 The following provisions survive any termination, cancellation or expiration of this TPAL Agreement: Articles 2.2, 4.1 and 5 hereof; Articles 7, 18.9, 29.4, 29.5, 29.6, 31, 33 and 35 of the General Terms and Conditions; and Article 4 of Toll Schedule Term Park and Loan Service.
- 5.3 The End Date and Park Quantity or Loan Quantity specified in Schedule "A" of this TPAL Agreement may, subject to the terms of the Tariff, be modified or amended by an agreement executed in writing or electronically by each of the Parties, subject to approval by Authorities as may be required.
- 5.4 This TPAL Agreement may be executed and delivered in counterpart and by written or electronic means (including via Transporter's Customer Activities Web Site). All such counterparts shall together constitute an executed original agreement, binding on the Parties and enforceable in accordance with its terms.

IN WITNESS WHEREOF, the Parties have duly executed this TPAL Agreement, as of the date first written above, by their duly authorized officers.

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

**[TPAL Party]**

Per: \_\_\_\_\_  
[Name]  
[Title]

Per: \_\_\_\_\_  
[Name]  
[Title]



**Schedule "A" – TPAL Agreement Details**

**A. The Start Date**

The Start Date for service hereunder is \_\_\_\_\_.

**B. The End Date**

Subject to earlier termination in accordance with the provisions of the Tariff, the End Date for service hereunder is \_\_\_\_\_.

**C. TPAL Service Type**

Park \_\_\_\_ Loan \_\_\_\_

**D. Park Quantity or Loan Quantity**

The Park Quantity or Loan Quantity approved of by Transporter is \_\_\_\_\_ GJ/day.

**E. Total TPAL Quantity of Park or Loan**

The Total TPAL Quantity approved of by Transporter is \_\_\_\_\_ GJ.

**F. TPAL Fee**

The TPAL Fee hereunder is \_\_\_\_\_ \$/GJ/day.

## **GENERAL TERMS AND CONDITIONS**

### **Appendix V Form of Title Transfer Agreement**

Title Transfer Agreement No. \_\_\_\_\_

### TITLE TRANSFER AGREEMENT

THIS TITLE TRANSFER AGREEMENT made and entered into as of \_\_\_\_\_, 20\_\_\_\_.

BETWEEN

ALLIANCE PIPELINE LIMITED PARTNERSHIP, formed under the laws of the Province of Alberta as a limited partnership

("Transporter")

- and -

\_\_\_\_\_  
("Title Transfer Party")

(Transporter and Title Transfer Party are collectively referred to herein as "**Parties**")

WHEREAS Transporter is the operator of a pipeline and associated facilities used for the Transportation of Gas on the Canadian Pipeline;

WHEREAS Title Transfer Party seeks to accept or transfer title of certain Gas at the Alliance Trading Pool ("ATP") on the terms and conditions set forth herein and in the Tariff;

NOW THEREFORE, in consideration of the mutual covenants and agreements herein, the receipt and sufficiency as valuable consideration is acknowledged and agreed to by each of Transporter and Title Transfer Party, Transporter and Title Transfer Party agree as follows:

#### ARTICLE 1 DEFINITIONS AND INTERPRETATION

1.1 Capitalized terms used in this Title Transfer Agreement and not defined herein shall have the meanings attributed to them in the General Terms and Conditions.

#### ARTICLE 2 RECEIPT AND DELIVERY OF NATURAL GAS BY TRANSPORTER

2.1 Subject to the terms and provisions of this Title Transfer Agreement and the provisions of the Tariff, Transporter agrees to accept for Title Transfer Party at and from ATP the quantities of Gas as nominated pursuant to Section 5 of this Title Transfer Agreement. Title Transfer Party total quantities of Gas nominated at and out of ATP shall be in balance.

2.2 The terms and conditions of Article 18 of the General Terms and Conditions shall govern the resolution of the Alliance Trading Pool Imbalance under this Title Transfer Agreement.

Balancing Fees, if any, will be invoiced to the Title Transfer Party by the Transporter through a Monthly Bill.

### **ARTICLE 3 TRANSFER OF TITLE**

3.1 Title to Gas received by Transporter for Title Transfer Party pursuant to this Agreement may be transferred to any other Title Transfer Party or Shipper that has an effective Title Transfer Agreement or Transportation Service Agreement.

### **ARTICLE 4 TERM**

4.1 Subject to earlier termination in accordance with the provisions of the Tariff, this Title Transfer Agreement shall be effective on the date first stated and shall continue until canceled by either party upon five (5) days prior notice.

### **ARTICLE 5 NOMINATION**

5.1 This Title Transfer Agreement shall be assigned a Title Transfer Agreement number to which the Title Transfer Party must reference for nomination purposes. Nominations must be made in accordance with the provisions set forth in Article 12 of the General Terms and Conditions, as amended from time to time.

### **ARTICLE 6 GENERAL TERMS AND CONDITIONS**

6.1 Title Transfer Party acknowledges and agrees that the General Terms and Conditions, as amended and approved by Authorities from time to time, are hereby incorporated in this Title Transfer Agreement and apply to the provisions hereunder.

### **ARTICLE 7 NOTICES**

7.1 All Notices to be given or sent pursuant to the terms of this Title Transfer Agreement shall be effected in accordance with, and be subject to the provisions of, the General Terms and Conditions and, with respect to Title Transfer Party, sent to the Title Transfer Party's address set out in its Customer Activities Web Site Subscriber Agreement with Transporter, or to the address of Title Transfer Party's agent, as provided to Transporter.

### **ARTICLE 8 MISCELLANEOUS**

8.1 Transporter shall have the right to file and seek approval from Authorities of any changes in Transporter's Tariff or the terms of this Title Transfer Agreement.

8.2 The following provisions survive any termination, cancellation or expiration of this Title Transfer Agreement: Articles 2.2 and 7.1 hereof; and Articles 7, 18.9, 29.4, 29.5, 29.6, 31, 33 and 35 of the General Terms and Conditions.

8.3 This Title Transfer Agreement may be executed and delivered in counterpart and by written or electronic means (including via Transporter's Customer Activities Web Site). All such counterparts shall together constitute an executed original agreement, binding on the Parties and enforceable in accordance with its terms.

IN WITNESS WHEREOF, the Parties have duly executed this Title Transfer Agreement, as of the date first written above, by their duly authorized officers.

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

**[Title Transfer Party]**

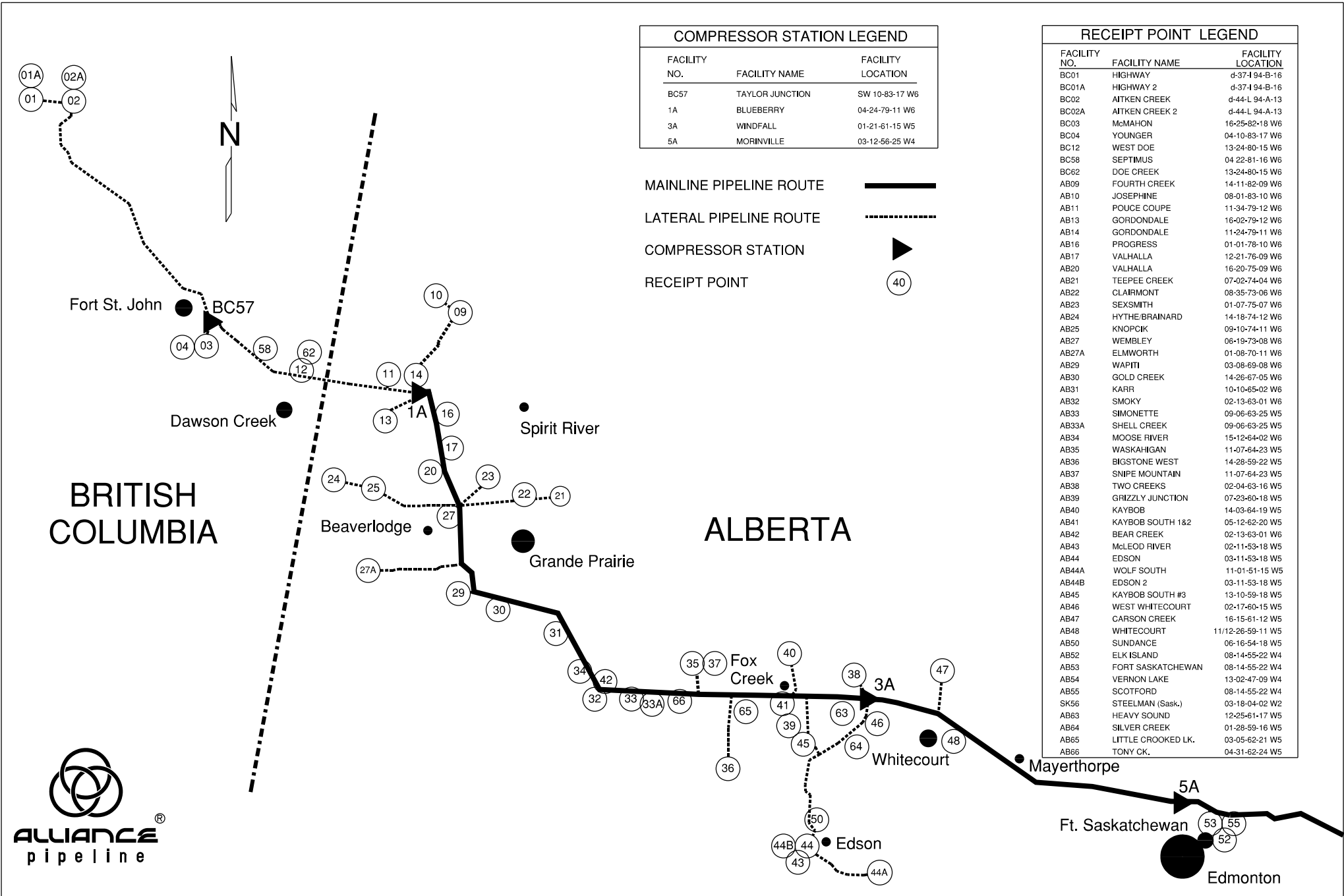
Per: \_\_\_\_\_  
[Name]  
[Title]

Per: \_\_\_\_\_  
[Name]  
[Title]

# **SYSTEM MAPS**

# ALLIANCE PIPELINE LIMITED PARTNERSHIP

## System Map - B.C. and Western Alberta

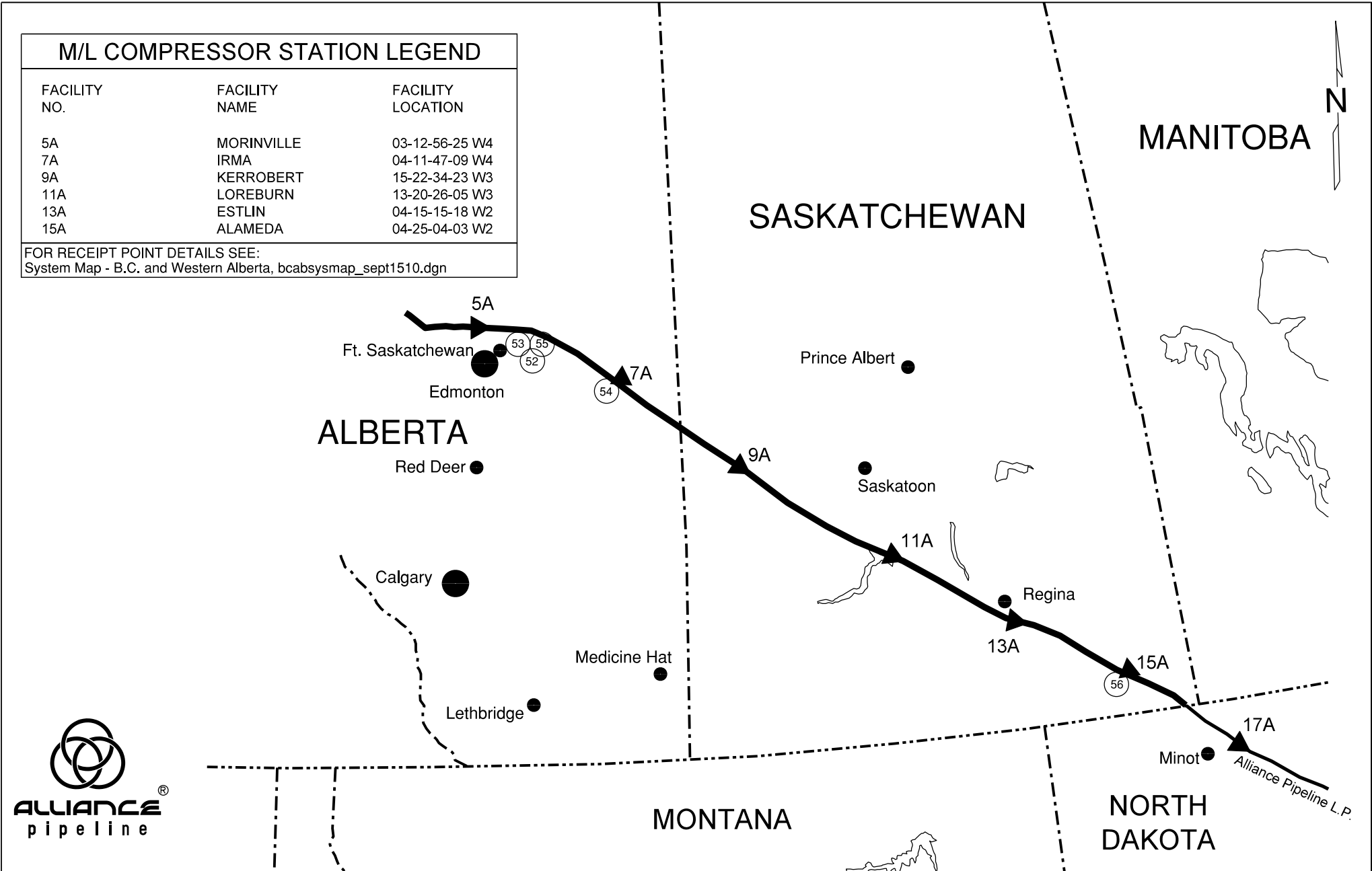


# ALLIANCE PIPELINE LIMITED PARTNERSHIP

## System Map - Eastern Alberta and Saskatchewan

M/L COMPRESSOR STATION LEGEND		
FACILITY NO.	FACILITY NAME	FACILITY LOCATION
5A	MORINVILLE	03-12-56-25 W4
7A	IRMA	04-11-47-09 W4
9A	KERROBERT	15-22-34-23 W3
11A	LOREBURN	13-20-26-05 W3
13A	ESTLIN	04-15-15-18 W2
15A	ALAMEDA	04-25-04-03 W2

FOR RECEIPT POINT DETAILS SEE:  
 System Map - B.C. and Western Alberta, bcabsysmap\_sept1510.dgn





**Attachment 3**

**Transportation Tariff  
of  
Alliance Pipeline Limited Partnership**

**Filed February 1, 2016**

**(Redlined Version)**

**TOLL SCHEDULE**  
**FIRM RECEIPT SERVICE**

Agreement with an associated FRGS Agreement exceeds the greater of (i) the FRGS HCDP Spec or (ii) the Revised HCDP Spec, where the daily charge is equal to:

- (i) the product obtained by multiplying (1) the HCDP Off-Spec Surcharge specified in Schedule "C" hereto by (2) the amount by which the actual HCDP of the Gas tendered by Shipper exceeds the greater of (i) the FRGS HCDP Spec or (ii) the Revised HCDP Spec by (3) the lesser of (i) the Allocated Quantities or (ii) the FRGS Volume;
- (h) the sum of the daily charges determined for each Day of the Month in which the actual HCDP of the Gas tendered by Shipper under a Shipper's Firm Transportation Service Agreement without an associated FRGS Agreement exceeds the greater of (i) the HCDP Spec or (ii) the Revised HCDP Spec, where the daily charge is equal to:
  - (i) the product obtained by multiplying (1) the HCDP Off-Spec Surcharge specified in Schedule "C" hereto by (2) the amount by which the actual HCDP of the Gas tendered by Shipper exceeds the greater of (i) the HCDP Spec or (ii) the Revised HCDP Spec by (3) the Allocated Quantities;
- (i) the sum of the daily charges determined for each Day of the Month that PITS is scheduled, where the daily charge is equal to the product obtained by multiplying (1) the Allocated Quantities of PITS up to and including the equivalent of ten percent (10%) of Shipper's Contracted Capacity by (2) the applicable PITS Charge 1 specified in Schedule "A" hereto;
- (j) the sum of the daily charges determined for each Day of the Month that PITS is scheduled, where the daily charge is equal to the product obtained by multiplying (1) any Allocated Quantities of PITS in excess of the equivalent of ten percent (10%) of Shipper's Contracted Capacity by (2) the applicable PITS Charge 2 specified in Schedule "A" hereto;
- (k) the sum of the daily charges determined for each Day of the Month that there are Overrun Quantities allocated to a Shipper, where the daily charge is equal to the product obtained by multiplying (1) the Overrun Quantities by (2) the applicable Overrun Quantities Charge(s) specified in Schedule "A" hereto;
- (l) the sum of the daily charges determined for each Day of the Month, where the daily charge is equal to the product obtained by multiplying (1) the absolute value of the difference between a Shipper's cumulative Alliance Trading Pool Imbalance and its Imbalance Tolerance by (2) the Balancing Fee;
- (m) for each instance in which a Deficit Balancing Cash Out occurs, such Deficit Balancing Cash Out calculated by multiplying (1) the absolute value of the difference between a Shipper's cumulative Alliance Trading Pool Imbalance and its Imbalance Tolerance by (2) the applicable NGX AB-NIT Same Day Index 45 price of Gas by (3) the applicable percentage set out in Article 18.7 of the General Terms and Conditions;
- (n) for Firm Receipt Service, except Seasonal Service, the product obtained by multiplying (1) the Contracted Capacity by (2) the applicable Recoverable Cost Variances Demand Surcharge specified in Schedule "A" hereto;

- (z) any interest on late payments payable by Shipper in accordance with Article 7.8 of the General Terms and Conditions;

Less the sum of:

- (i) any Demand Charge Credits and FRGS Demand Surcharge Credits to which Shipper is entitled in accordance with Article 5 hereof;
- (ii) for each instance in which a Surplus Balancing Cash Out occurs, such Surplus Balancing Cash Out calculated by multiplying (1) the absolute value of the difference between a Shipper's cumulative Alliance Trading Pool Imbalance and its Imbalance Tolerance by (2) the applicable NGX AB-NIT Same Day Index 45 price of Gas by (3) the applicable percentage set out in Article 18.7 of the General Terms and Conditions; and
- (iii) any Surplus Month End Cash Out, calculated by multiplying (1) Shipper's Month End Imbalance by (2) the Billing Month Index Price;

And credited or debited for any prior period adjustments.

- 4.2 Nothing in this Article 4 shall be construed as in any way relieving Shipper from its obligations to pay any adjustments, charges, interest or penalties calculated in accordance with the General Terms and Conditions.

#### **ARTICLE 5 DEMAND CHARGE CREDIT AND FRGS DEMAND SURCHARGE CREDIT**

- 5.1 (a) If, on any Day ("**Under Transport Day**"):

- (i) Transporter's physical capability to transport Gas is reduced; and
- (ii) such reduction in Transporter's physical capability prevents such Shipper from having its Gas transported in accordance with its Firm Transportation Service Agreement, and such Shipper is unable, using reasonable commercial efforts, to mitigate such reduction through commercial or other means available on the Canadian Pipeline or the U.S. Pipeline ("**Impact to Shipper**"),

then, subject to Articles 5.1(b), 5.1(c), 5.1(d), 5.5 and 8.4 hereof, Transporter's liability to a Shipper for a Demand Charge credit as determined in accordance with Article 5.3 hereof ("**Demand Charge Credit**") for the Under Transport Day will arise:

- (iii) immediately for events within Transporter's control; and
- (iv) following the Safe Harbor Period for events of Force Majeure, provided Transporter shall be limited to no more than two (2) Safe Harbor Periods per calendar year per Firm Transportation Service Agreement under which there is an Impact to Shipper;

but in either case, Shipper shall only be entitled to the Demand Charge Credit to the extent of the Impact to Shipper.

- (b) Shipper shall not be entitled to receive a Demand Charge Credit and there shall be deemed to be no Impact to Shipper if:
- (i) Shipper has, in respect of the Under Transport Day, submitted a Nomination for a Diversion, which has been scheduled in accordance with Article 15 of the General Terms and Conditions, where the Diversion is from a contracted Receipt Point that is not impacted by the reduction in Transporter's physical capability to receive Gas as contemplated in Article 5.1(a) hereof to a Receipt Point that is impacted by the reduction in Transporter's physical capability to receive Gas as contemplated in Article 5.1(a) hereof; or
  - (ii) Shipper has, in respect of the Under Transport Day, submitted a Nomination for a Diversion, which has been scheduled in accordance with Article 15 of the General Terms and Conditions, from its contracted Receipt Point which was impacted by the reduction in Transporter's physical capability to receive Gas as contemplated in Article 5.1(a) hereof to a Receipt Point not impacted by the reduction in Transporter's physical capability to receive Gas as contemplated in Article 5.1(a) hereof.
- (c) Shipper shall only be entitled to receive a Demand Charge Credit in respect of Gas ("**Nominal Capacity**") that, if it had been nominated, would have been (1) scheduled in accordance with Article 14 of the General Terms and Conditions and (2) tendered at Shipper's contracted Receipt Point for service hereunder by or on behalf of Shipper, up to Shipper's Contracted Capacity, in the absence of the reduction in Transporter's physical capability to transport Gas under a Shipper's Firm Transportation Service Agreement as contemplated in Article 5.1(a) hereof.
- (d) Refusal by Transporter to receive Gas failing to comply with the Quality Specifications, receipt pressure ~~or minimum flow requirements~~, or Alliance Trading Pool account Imbalance Tolerance requirements, as set out in the General Terms and Conditions, or which is in excess of the volumes which Transporter is required under the Tariff to accept from Shipper, shall not give rise to any Demand Charge Credit. Shippers ineligible to receive service under a Firm Transportation Service Agreement, for whatever reason, are not eligible for a Demand Charge Credit.
- 5.2 (a) Where a Shipper is entitled to a Demand Charge Credit in accordance with Article 5.1(a) hereof and such Shipper is a party to a corresponding FRGS Agreement, such Shipper shall also be entitled to a corresponding credit for its FRGS Demand Surcharge ("**FRGS Demand Surcharge Credit**") on the Under Transported FRGS Capacity as determined in accordance with Article 5.4 hereof.
- (b) If, on any Day, Transporter is unable, for any reason including a Transporter Force Majeure, to receive all or a portion of Shipper's FRGS Volume under a FRGS Agreement, but Transportation under the corresponding Firm Transportation Service Agreement is not affected, the Shipper shall be entitled to both a Demand Charge Credit, as determined in accordance with Article 5.3 hereof, and a FRGS Demand Surcharge Credit, as determined in accordance with Article 5.4 hereof.
- 5.3 Notwithstanding any Impact to Shipper as set out in Article 5.1(a) hereof, there shall be no reduction in respect thereof to Shipper's Monthly Bill for the Month in which the Under Transport Day occurs ("**Under Transport Month**"). Subject to Article 5.5 hereof, a Shipper's subsequent

**TOLL SCHEDULE**  
**FIRM DELIVERY SERVICE**

- (c) the sum of the daily charges determined for each Day of the Month, where the daily charge is equal to the product obtained by multiplying (1) the absolute value of the difference between a Shipper's cumulative Alliance Trading Pool Imbalance and its Imbalance Tolerance by (2) the Balancing Fee;
- (d) for each instance in which a Deficit Balancing Cash Out occurs, such Deficit Balancing Cash Out calculated by multiplying (1) the absolute value of the difference between a Shipper's cumulative Alliance Trading Pool Imbalance and its Imbalance Tolerance by (2) the applicable NGX AB-NIT Same Day Index 45 price of Gas by (3) the applicable percentage set out in Article 18.7 of the General Terms and Conditions;
- (e) for FDS-IBR and FDS, except Seasonal Service, the product obtained by multiplying (1) the Contracted Capacity by (2) the applicable Recoverable Cost Variances Demand Surcharge specified in Schedule "A" hereto;
- (f) for Seasonal Service, the product obtained by multiplying (1) the Contracted Capacity by (2) the applicable Recoverable Cost Variances Demand Surcharge specified in Schedule "A" hereto by (3) the number of Days in the Month for which the Firm Transportation Service Agreement was in effect;
- (g) for FDS-IBR and FDS, except Seasonal Service, the product obtained by multiplying (1) the Contracted Capacity by (2) the applicable Pipeline Abandonment Demand Surcharge specified in Schedule "A" hereto;
- (h) for Seasonal Service, the product obtained by multiplying (1) the Contracted Capacity by (2) the applicable Pipeline Abandonment Demand Surcharge specified in Schedule "A" hereto by (3) the number of Days in the Month for which the Firm Transportation Service Agreement was in effect;
- (i) any other surcharges and taxes; and
- (j) any interest on late payments payable by Shipper in accordance with Article 7.8 of the General Terms and Conditions;

Less the sum of:

- (i) any Demand Charge Credits to which Shipper is entitled in accordance with Article 5 hereof;
- (ii) any Rich Gas Credit owing in accordance with Article 8 hereof; and
- (iii) for each instance in which a Surplus Balancing Cash Out occurs, such Surplus Balancing Cash Out calculated by multiplying (1) the absolute value of the difference between a Shipper's cumulative Alliance Trading Pool Imbalance and its Imbalance Tolerance by (2) the applicable NGX AB-NIT Same Day Index 45 price of Gas by (3) the applicable percentage set out in Article 18.7 of the General Terms and Conditions;

And credited or debited for any prior period adjustments.

**TOLL SCHEDULE**  
**FIRM FULL PATH SERVICE**



- (2) the applicable NGX AB-NIT Same Day Index [45](#) price of Gas by (3) the applicable percentage set out in Article 18.7 of the General Terms and Conditions;
- (n) for Firm Full Path Service, except Seasonal Service, the product obtained by multiplying (1) the Contracted Capacity by (2) the applicable Recoverable Cost Variances Demand Surcharge specified in Schedule "A" hereto;
  - (o) the product obtained by multiplying (1) the sum of the Allocated Quantities of PITS for the Month by (2) the applicable Recoverable Cost Variances Surcharge specified in Schedule "A" hereto;
  - (p) for Seasonal Service, the product obtained by multiplying (1) the Contracted Capacity by (2) the applicable Recoverable Cost Variances Demand Surcharge specified in Schedule "A" hereto by (3) the number of Days in the Month for which the Firm Transportation Service Agreement was in effect;
  - (q) where Shipper's contracted Receipt Point is a Zone 1 Receipt Point and Shipper has, on any given Day of the Month, scheduled a Diversion in accordance with Article 15 of the General Terms and Conditions and such Diversion has resulted in the Shipper diverting Gas to a Receipt Point in Zone 2, the product obtained by multiplying (1) the sum of the Allocated Quantities that were diverted during the Month by (2) the difference between the Zone 2 and the Zone 1 Recoverable Cost Variances Surcharge specified in Schedule "A" hereto;
  - (r) the product obtained by multiplying (1) the sum of the Overrun Quantities for the Month by (2) the applicable Recoverable Cost Variances Surcharge(s) specified in Schedule "A" hereto;
  - (s) for Firm Full Path Service, except Seasonal Service, the product obtained by multiplying (1) the Contracted Capacity by (2) the applicable Pipeline Abandonment Demand Surcharge specified in Schedule "A" hereto;
  - (t) the product obtained by multiplying (1) the sum of the Allocated Quantities of PITS for the Month by (2) the applicable Pipeline Abandonment Surcharge specified in Schedule "A" hereto;
  - (u) for Seasonal Service, the product obtained by multiplying (1) the Contracted Capacity by (2) the applicable Pipeline Abandonment Demand Surcharge specified in Schedule "A" hereto by (3) the number of Days in the Month for which the Firm Transportation Service Agreement was in effect;
  - (v) where Shipper's contracted Receipt Point is a Zone 1 Receipt Point and Shipper has, on any given Day of the Month, scheduled a Diversion in accordance with Article 15 of the General Terms and Conditions and such Diversion has resulted in the Shipper diverting Gas to a Receipt Point in Zone 2, the product obtained by multiplying (1) the sum of the Allocated Quantities that were diverted during the Month by (2) the difference between the Zone 2 and the Zone 1 Pipeline Abandonment Surcharge specified in Schedule "A" hereto;

- (w) the product obtained by multiplying (1) the sum of the Overrun Quantities for the Month by (2) the applicable Pipeline Abandonment Surcharge(s) specified in Schedule "A" hereto;
- (x) any Deficit Month End Cash Out, calculated by multiplying (1) Shipper's Month End Imbalance by (2) the Billing Month Index Price;
- (y) any other surcharges and taxes; and
- (z) any interest on late payments payable by Shipper in accordance with Article 7.8 of the General Terms and Conditions;

Less the sum of:

- (i) any Demand Charge Credits and FRGS Demand Surcharge Credits to which Shipper is entitled in accordance with Article 5 hereof;
- (ii) for each instance in which a Surplus Balancing Cash Out occurs, such Surplus Balancing Cash Out calculated by multiplying (1) the absolute value of the difference between a Shipper's cumulative Alliance Trading Pool Imbalance and its Imbalance Tolerance by (2) the applicable NGX AB-NIT Same Day Index 45 price of Gas by (3) the applicable percentage set out in Article 18.7 of the General Terms and Conditions; and
- (iii) any Surplus Month End Cash Out, calculated by multiplying (1) Shipper's Month End Imbalance by (2) the Billing Month Index Price;

And credited or debited for any prior period adjustments.

- 4.2 Nothing in this Article 4 shall be construed as in any way relieving Shipper from its obligations to pay any adjustments, charges, interest or penalties calculated in accordance with the General Terms and Conditions.

## ARTICLE 5 DEMAND CHARGE CREDIT AND FRGS DEMAND SURCHARGE CREDIT

- 5.1 (a) If, on any Day ("**Under Transport Day**"):

- (i) Transporter's physical capability to transport Gas is reduced; and
- (ii) such reduction in Transporter's physical capability prevents such Shipper from having its Gas transported in accordance with its Firm Transportation Service Agreement, and such Shipper is unable, using reasonable commercial efforts, to mitigate such reduction through commercial or other means available on the Canadian Pipeline or the U.S. Pipeline ("**Impact to Shipper**"),

then, subject to Articles 5.1(b), 5.1(c), 5.1(d), 5.5 and 8.4 hereof, Transporter's liability to a Shipper for a Demand Charge credit as determined in accordance with Article 5.3 hereof ("**Demand Charge Credit**") for the Under Transport Day will arise:

- (iii) immediately for events within Transporter's control; and
- (iv) following the Safe Harbor Period for events of Force Majeure, provided Transporter shall be limited to no more than two (2) Safe Harbor Periods per

calendar year per Firm Transportation Service Agreement under which there is an Impact to Shipper;

but in either case, Shipper shall only be entitled to the Demand Charge Credit to the extent of the Impact to Shipper.

(b) Shipper shall not be entitled to receive a Demand Charge Credit and there shall be deemed to be no Impact to Shipper if:

(i) Shipper has, in respect of the Under Transport Day, submitted a Nomination for a Diversion, which has been scheduled in accordance with Article 15 of the General Terms and Conditions, where the Diversion is from a contracted Receipt Point that is not impacted by the reduction in Transporter's physical capability to receive Gas as contemplated in Article 5.1(a) hereof to a Receipt Point that is impacted by the reduction in Transporter's physical capability to receive Gas as contemplated in Article 5.1(a) hereof; or

(ii) Shipper has, in respect of the Under Transport Day, submitted a Nomination for a Diversion, which has been scheduled in accordance with Article 15 of the General Terms and Conditions, from its contracted Receipt Point which was impacted by the reduction in Transporter's physical capability to receive Gas as contemplated in Article 5.1(a) hereof to a Receipt Point not impacted by the reduction in Transporter's physical capability to receive Gas as contemplated in Article 5.1(a) hereof.

(c) Shipper shall only be entitled to receive a Demand Charge Credit in respect of Gas ("**Nominal Capacity**") that, if it had been nominated, would have been (1) scheduled in accordance with Article 14 of the General Terms and Conditions and (2) tendered at Shipper's contracted Receipt Point for service hereunder by or on behalf of Shipper, up to Shipper's Contracted Capacity, in the absence of the reduction in Transporter's physical capability to transport Gas under a Shipper's Firm Transportation Service Agreement as contemplated in Article 5.1(a) hereof.

(d) Refusal by Transporter to receive Gas failing to comply with the Quality Specifications, receipt pressure ~~or minimum flow requirements~~, or Alliance Trading Pool account Imbalance Tolerance requirements, as set out in the General Terms and Conditions, or which is in excess of the volumes which Transporter is required under the Tariff to accept from Shipper, shall not give rise to any Demand Charge Credit. Shippers ineligible to receive service under a Firm Transportation Service Agreement, for whatever reason, are not eligible for a Demand Charge Credit.

5.2 (a) Where a Shipper is entitled to a Demand Charge Credit in accordance with Article 5.1(a) hereof and such Shipper is a party to a corresponding FRGS Agreement, such Shipper shall also be entitled to a corresponding credit for its FRGS Demand Surcharge ("**FRGS Demand Surcharge Credit**") on the Under Transported FRGS Capacity as determined in accordance with Article 5.4 hereof.

(b) If, on any Day, Transporter is unable, for any reason including a Transporter Force Majeure, to receive all or a portion of Shipper's FRGS Volume under a FRGS Agreement, but Transportation under the corresponding Firm Transportation Service Agreement is not affected, the Shipper shall be entitled to both a Demand Charge Credit,

**TOLL SCHEDULE**  
**INTERRUPTIBLE RECEIPT SERVICE**

to time based on the Gross Heating Value at the Shipper's contracted Receipt Point and posted on the Transporter's website.

#### ARTICLE 4 MONTHLY BILL

4.1 For each Month, Transporter shall charge and Shipper shall pay an amount equal to the sum of:

- (a) the sum of the daily charges determined for each Day of the Month, where the daily charge is equal to the product obtained by multiplying (1) the Confirmed IT Toll for the Day by (2) the Allocated Quantities for the Day;
- (b) the sum of the daily charges determined for each Day of the Month in which the actual HCDP of the Gas tendered by Shipper exceeds the greater of (i) the HCDP Spec or (ii) the Revised HCDP Spec, where the daily charge is the product obtained by multiplying (1) the HCDP Off-Spec Surcharge specified in Schedule "B" hereto by (2) the Allocated Quantities by (3) the amount by which the actual HCDP of the Gas tendered by Shipper exceeds the greater of (i) the HCDP Spec or (ii) the Revised HCDP Spec;
- (c) the sum of the daily charges determined for each Day of the Month, where the daily charge is equal to the product obtained by multiplying (1) the absolute value of the difference between a Shipper's cumulative Alliance Trading Pool Imbalance and its Imbalance Tolerance by (2) the Balancing Fee;
- (d) for each instance in which a Deficit Balancing Cash Out occurs, such Deficit Balancing Cash Out calculated by multiplying (1) the absolute value of the difference between a Shipper's cumulative Alliance Trading Pool Imbalance and its Imbalance Tolerance by (2) the applicable NGX AB-NIT Same Day Index 45 price of Gas by (3) the applicable percentage set out in Article 18.7 of the General Terms and Conditions;
- (e) the product obtained by multiplying (1) the sum of the Allocated Quantities for the Month by (2) the applicable Recoverable Cost Variances Surcharge specified in Schedule "A" hereto;
- (f) the product obtained by multiplying (1) the sum of the Allocated Quantities for the Month by (2) the applicable Pipeline Abandonment Surcharge specified in Schedule "A" hereto;
- (g) any Deficit Month End Cash Out, calculated by multiplying (1) Shipper's Month End Imbalance by (2) the Billing Month Index Price;
- (h) any other surcharges and taxes; and
- (i) any interest on late payments payable by Shipper in accordance with Article 7.8 of the General Terms and Conditions;

Less the sum of:

- (i) for each instance in which a Surplus Balancing Cash Out occurs, such Surplus Balancing Cash Out calculated by multiplying (1) the absolute value of the difference between a Shipper's cumulative Alliance Trading Pool Imbalance and its Imbalance Tolerance by

(2) the applicable NGX AB-NIT Same Day Index ~~45~~ price of Gas by (3) the applicable percentage set out in Article 18.7 of the General Terms and Conditions; and

- (ii) any Surplus Month End Cash Out, calculated by multiplying (1) Shipper's Month End Imbalance by (2) the Billing Month Index Price;

And credited or debited for any prior period adjustments.

- 4.2 Nothing in this Article 4 shall be construed as in any way relieving Shipper from its obligations to pay any adjustments, charges, interest or penalties calculated in accordance with the General Terms and Conditions.

## ARTICLE 5 SURCHARGES

- 5.1 Transporter will apply a surcharge ("**Recoverable Cost Variances Surcharge**") as set out in Schedule "A" hereto to all Allocated Quantities to recover:

- (a) costs that are incurred by Transporter in excess of forecasted amounts for the Canadian Pipeline's pipeline integrity, including any pipe replacements or reroutes required to comply with Applicable Law, property and business taxes, National Energy Board cost recovery charges, fuel and carbon taxes, and environmental levies for greenhouse gas emissions imposed by an Authority; and

- (b) as they may arise, new costs that are imposed upon Transporter by an Authority, including, without limitation, fuel and carbon taxes, and environmental levies for greenhouse gas emissions.

- 5.2 In the event costs incurred by Transporter for those categories described in Article 5.1 above are less than forecasted amounts, Transporter will administer deferral accounts to carry over any year-end balances of such costs to offset future Recoverable Cost Variances Surcharges.

- 5.3 Transporter will apply a surcharge ("**Pipeline Abandonment Surcharge**") as set out in Schedule "A" hereto to all Allocated Quantities to collect the costs of pipeline abandonment.

## ARTICLE 6 DEFINITIONS AND INTERPRETATION

- 6.1 Capitalized terms used in this Toll Schedule shall have the meanings attributed to them in the General Terms and Conditions.

- 6.2 Schedule "A" – Interruptible Receipt Service Charges and Schedule "B" – Rich Gas Service Surcharge are attached to and made part of this Toll Schedule.

- 6.3 The General Terms and Conditions, as amended and approved by Authorities from time to time, are hereby incorporated in this Toll Schedule and apply to the provision of service hereunder.

**TOLL SCHEDULE**  
**INTERRUPTIBLE DELIVERY SERVICE**

#### ARTICLE 4 MONTHLY BILL

4.1 For each Month, Transporter shall charge and Shipper shall pay an amount equal to the sum of:

- (a) the sum of the daily charges determined for each Day of the Month, where the daily charge is equal to the product obtained by multiplying (1) the Confirmed IT Toll for the Day by (2) the Scheduled Quantities for the Day, converted to volume using the Gross Heating Value specified in Article 3.1 hereof;
- (b) the sum of the daily charges determined for each Day of the Month, where the daily charge is equal to the product obtained by multiplying (1) the absolute value of the difference between a Shipper's cumulative Alliance Trading Pool Imbalance and its Imbalance Tolerance by (2) the Balancing Fee;
- (c) for each instance in which a Deficit Balancing Cash Out occurs, such Deficit Balancing Cash Out calculated by multiplying (1) the absolute value of the difference between a Shipper's cumulative Alliance Trading Pool Imbalance and its Imbalance Tolerance by (2) the applicable NGX AB-NIT Same Day Index 45 price of Gas by (3) the applicable percentage set out in Article 18.7 of the General Terms and Conditions;
- (d) the product obtained by multiplying (1) the Recoverable Cost Variances Surcharge specified in Schedule "A" hereto by (2) the sum of the Scheduled Quantities for the Month, converted to volume using the Gross Heating Value specified in Article 3.1 hereof;
- (e) the product obtained by multiplying (1) the Pipeline Abandonment Surcharge specified in Schedule "A" hereto by (2) the sum of the Scheduled Quantities for the Month, converted to volume using the Gross Heating Value specified in Article 3.1 hereof;
- (f) any other surcharges and taxes; and
- (g) any interest on late payments payable by Shipper in accordance with Article 7.8 of the General Terms and Conditions;

Less:

- (i) for each instance in which a Surplus Balancing Cash Out occurs, such Surplus Balancing Cash Out calculated by multiplying (1) the absolute value of the difference between a Shipper's cumulative Alliance Trading Pool Imbalance and its Imbalance Tolerance by (2) the applicable NGX AB-NIT Same Day Index 45 price of Gas by (3) the applicable percentage set out in Article 18.7 of the General Terms and Conditions;

And credited or debited for any prior period adjustments.

4.2 Nothing in this Article 4 shall be construed as in any way relieving Shipper from its obligations to pay any adjustments, charges, interest or penalties calculated in accordance with the General Terms and Conditions.



**TOLL SCHEDULE**  
**INTERRUPTIBLE FULL PATH SERVICE**

## ARTICLE 1 AVAILABILITY OF SERVICE

- 1.1 Any Shipper shall be eligible to receive service hereunder provided that Shipper:
- (a) is a party to a subsisting Interruptible Transportation Service Agreement for ITFPS;
  - (b) has met the requirements of Articles 8 and 26 of the General Terms and Conditions; and
  - (c) or its Affiliate holds a transportation agreement for service on the U.S. Pipeline for a volume at least equal to that of Shipper's Interruptible Transportation Service Agreement for ITFPS.

## ARTICLE 2 NATURE OF SERVICE

- 2.1 Service under this Toll Schedule may be available on any Day and will be interruptible, as provided herein, in Shipper's Interruptible Transportation Service Agreement and the General Terms and Conditions. Nominations for service shall be made pursuant to Article 12 of the General Terms and Conditions.
- 2.2 Transporter shall have the sole discretion to set the Bid Floor for Interruptible Full Path Service under this Toll Schedule for each Receipt Point and Liquids Receipt Point on the Canadian Pipeline on a daily basis. Bids at or above the Bid Floor will be considered by Transporter during the daily capacity award process.
- 2.3 Shippers requesting Interruptible Full Path Service hereunder on any Day shall submit a bid in the Interruptible Service bidding window, in accordance with the Transporter's process for Interruptible Service. Bids shall specify the volume of Transportation requested at the Receipt Point or Liquids Receipt Point, as applicable, and the associated bid toll, expressed in dollars per thousand cubic meters ( $\$/10^3\text{m}^3$ ), which associated bid toll shall not be less than the posted Bid Floor for the applicable Receipt Point or Liquids Receipt Point.
- 2.4 Capacity that Transporter has available each Day for Interruptible Full Path Service will be awarded based on the bid toll and shall be awarded from the highest to lowest tolls bid by Shippers for the service, in accordance with the evaluation process stipulated in GT&C Section 14.2 (c). If there are bid volumes at the same bid toll and there is insufficient available capacity for all bids at the same bid toll, the capacity that remains available will be awarded pro rata by volume amongst all bids at the same bid toll, in accordance with the evaluation process stipulated in GT&C Section 14.2 (c).
- 2.5 Nominations for service under this Toll Schedule will be scheduled in accordance with Article 14 of the General Terms and Conditions. At the time of scheduling by Transporter, the bid toll will become the Confirmed IT Toll for the Shipper for its service hereunder.
- 2.6 Transporter will receive from a Shipper's nominated Receipt Point or Liquids Receipt Point volumes of Gas or Liquids up to or, subject to Transporter's discretion, greater than a Shipper's Maximum Daily Quantity ("**Revised Maximum Daily Quantity**"), converted to energy in accordance with Article 3.1 hereof, plus the Fuel Requirement and U.S. Fuel Requirement, and will transport and deliver to the Delivery Point such energy, less the Fuel Requirement.

- 2.7 Transporter shall not be obligated to add any facilities or interconnections or to expand the capacity of its pipeline system in any manner in order to provide service hereunder to any Shipper.

### ARTICLE 3 ENERGY CONVERSION FACTOR

- 3.1 Shipper's Maximum Daily Quantity or Revised Maximum Daily Quantity will be converted to an equivalent Gigajoule amount for Nomination and scheduling purposes and as specified in Article 2.6 hereof, using an "**Energy Conversion Factor**" established by Transporter from time to time based on the Gross Heating Value at the Shipper's contracted Receipt Point or Liquids Receipt Point and posted on the Transporter's website.

### ARTICLE 4 MONTHLY BILL

- 4.1 For each Month, Transporter shall charge and Shipper shall pay an amount equal to the sum of:
- (a) the sum of the daily charges determined for each Day of the Month, where the daily charge is equal to the product obtained by multiplying (1) the Confirmed IT Toll for the Day by (2) the Allocated Quantities for the Day;
  - (b) the sum of the daily charges determined for each Day of the Month in which the actual HCDP of the Gas tendered by Shipper exceeds the greater of (i) the HCDP Spec or (ii) the Revised HCDP Spec, where the daily charge is the product obtained by multiplying (1) the HCDP Off-Spec Surcharge specified in Schedule "B" hereto by (2) the Allocated Quantities by (3) the amount by which the actual HCDP of the Gas tendered by Shipper exceeds the greater of (i) the HCDP Spec or (ii) the Revised HCDP Spec;
  - (c) the sum of the daily charges determined for each Day of the Month, where the daily charge is equal to the product obtained by multiplying (1) the absolute value of the difference between a Shipper's cumulative Alliance Trading Pool Imbalance and its Imbalance Tolerance by (2) the Balancing Fee;
  - (d) for each instance in which a Deficit Balancing Cash Out occurs, such Deficit Balancing Cash Out calculated by multiplying (1) the absolute value of the difference between a Shipper's cumulative Alliance Trading Pool Imbalance and its Imbalance Tolerance by (2) the applicable NGX AB-NIT Same Day Index 45 price of Gas by (3) the applicable percentage set out in Article 18.7 of the General Terms and Conditions;
  - (e) the product obtained by multiplying (1) the sum of the Allocated Quantities for the Month by (2) the applicable Recoverable Cost Variances Surcharge specified in Schedule "A" hereto;
  - (f) the product obtained by multiplying (1) the sum of the Allocated Quantities for the Month by (2) the applicable Pipeline Abandonment Surcharge specified in Schedule "A" hereto;
  - (g) any Deficit Month End Cash Out, calculated by multiplying (1) Shipper's Month End Imbalance by (2) the Billing Month Index Price;
  - (h) any other surcharges and taxes; and

- (i) any interest on late payments payable by Shipper in accordance with Article 7.8 of the General Terms and Conditions;

Less the sum of:

- (i) for each instance in which a Surplus Balancing Cash Out occurs, such Surplus Balancing Cash Out calculated by multiplying (1) the absolute value of the difference between a Shipper's cumulative Alliance Trading Pool Imbalance and its Imbalance Tolerance by (2) the applicable NGX AB-NIT Same Day Index ~~45~~ price of Gas by (3) the applicable percentage set out in Article 18.7 of the General Terms and Conditions; and
- (ii) any Surplus Month End Cash Out, calculated by multiplying (1) Shipper's Month End Imbalance by (2) the Billing Month Index Price;

And credited or debited for any prior period adjustments.

- 4.2 Nothing in this Article 4 shall be construed as in any way relieving Shipper from its obligations to pay any adjustments, charges, interest or penalties calculated in accordance with the General Terms and Conditions.

## ARTICLE 5 SURCHARGES

- 5.1 Transporter will apply a surcharge ("**Recoverable Cost Variances Surcharge**") as set out in Schedule "A" hereto to all Allocated Quantities to recover:

- (a) costs that are incurred by Transporter in excess of forecasted amounts for the Canadian Pipeline's pipeline integrity, including any pipe replacements or reroutes required to comply with Applicable Law, property and business taxes, National Energy Board cost recovery charges, fuel and carbon taxes, and environmental levies for greenhouse gas emissions imposed by an Authority; and
- (b) as they may arise, new costs that are imposed upon Transporter by an Authority, including, without limitation, fuel and carbon taxes, and environmental levies for greenhouse gas emissions.

- 5.2 In the event costs incurred by Transporter for those categories described in Article 5.1 above are less than forecasted amounts, Transporter will administer deferral accounts to carry over any year-end balances of such costs to offset future Recoverable Cost Variances Surcharges.

- 5.3 Transporter will apply a surcharge ("**Pipeline Abandonment Surcharge**") as set out in Schedule "A" hereto to all Allocated Quantities to collect the costs of pipeline abandonment.

## ARTICLE 6 LIQUIDS RECEIPT POINTS

- 6.1 All Liquids Receipt Point operators will execute a balancing agreement with the Transporter, in a form prescribed by the Transporter, that will address operations issues specific to Liquids Receipt Points, including flow rate provisions, and confirmation procedures and protocols designed to protect the Canadian Pipeline. Shippers at Liquids Receipt Points will not be subject to Articles 17, 18 and 19 of the General Terms and Conditions.

## **GENERAL TERMS AND CONDITIONS**

"**Applicable Law**" means, in relation to any Person, transaction or event, all applicable provisions of laws, statutes, rules, by-laws, regulations, directives, published guidelines, standards, codes of practice and orders of, and the terms of all judgments, orders, awards, decrees and similar pronouncements issued by, any Authorities by which such Person is bound or having application to the transaction or event in question.

"**Authorities**" means, in relation to any Person, transaction or event, any governmental or regulatory body or other entity exercising powers or functions of or pertaining to government, any court, or other entity exercising judicial, quasi-judicial, administrative or similar functions, and any other body or entity created under the authority of or otherwise subject to the jurisdiction of any of the foregoing, in each case having jurisdiction over such Person, transaction or event, and "**Authority**" means any one of them.

"**Balancing Fee**" has the meaning ascribed to it in Article 18.6 hereof.

"**Balancing Period**" has the meaning ascribed to it in Article 18.9 hereof.

"**Bid Floor**" means the minimum acceptable Seasonal Service Demand Charge or IT toll level, expressed in  $\$/10^3\text{m}^3$ , at or above which Transporter may accept Nominations for service under the Tariff, as established and posted on Transporter's website from time to time for the applicable service type and applicable Receipt Points or groups of Receipt Points, or Liquids Receipt Points or groups of Liquids Receipt Points. Transporter may set the applicable Bid Floor for Seasonal Services between 100 percent and 125 percent of the corresponding 5Yr Demand Charge. Transporter may set the applicable Bid Floor for Interruptible Services at any level up to 125 percent of the corresponding 5Yr Demand Charge.

"**Billing Month Index Price**" means the NGX AB-NIT Same Day Index ~~45~~<sup>A</sup> (Arithmetic Average) price, reported for each Month in the Canadian Gas Price Reporter, after the Month closes.

"**Blueberry Hill Compressor Station**" means a compressor station on the Canadian Pipeline, near Gordondale, Alberta.

"**Bulletin G-14**" means Measurement Canada Bulletin G-14, entitled Policy on Granting Conditional Permission for Using Gas Meters in Service without Verification and Sealing at the Low Intervention Trade Transaction Level of the Natural Gas Market, as may be amended from time to time.

"**Business Day**" means any day on which Transporter's main office in Calgary, Alberta is open for business.

"**Canadian Pipeline**" means the Transporter's pipeline and associated facilities used to transport Gas from Receipt Points or Liquids Receipt Points in Western Canada to the Canada-U.S. border.

"**Cash Out**" means a monetary settlement of any quantities of energy owed to or from the Transporter, after which settlement Shipper, or such other party having title to the Gas, shall no longer have title to such energy.

"**Central Clock Time**" or "**CCT**" means Central Daylight Time when Daylight Savings Time is in effect and Central Standard Time when Daylight Savings Time is not in effect.

"**Liquids Receipt Point**" means a location on the Canadian Pipeline at which a Shipper may tender specific Liquids as set out in Schedule "A" hereto, in accordance with an Interruptible Transportation Service Agreement for Interruptible Full Path Service.

"**Loan**" means a transaction whereby the Transporter transfers a quantity of energy, expressed in GJ, to a TPAL Party's Alliance Trading Pool account under a TPAL Agreement.

"**Loan Quantity**" means the maximum daily quantity of energy, expressed in GJ/day, that a TPAL Party can nominate for Loan, as specified in Schedule "A" of its TPAL Agreement.

"**Low Intervention Trade Transaction**" has the meaning ascribed to it in Bulletin G-14.

"**Maximum Daily Quantity**" means the daily volume of Gas or Liquids, expressed in  $10^3\text{m}^3$ , identified in a Shipper's Interruptible Transportation Service Agreement that Transporter agrees to receive from Shipper under Toll Schedule Interruptible Full Path Service, Toll Schedule Interruptible Receipt Service or Toll Schedule Interruptible Delivery Service, as applicable.

"**Megajoule**" or "**MJ**" means one million (1,000,000) Joules.

"**Month**" or "**month**" means a period extending from 09:00 CCT on the first Day in a calendar month and ending at 09:00 CCT on the first Day of the next succeeding calendar month, or at such hour as Shipper and Transporter agree upon.

"**Month End Imbalance**" has the meaning ascribed to it in Article 19.1 hereof.

"**Monthly Bill**" means the invoice specifying the amount(s) that Shipper is required to pay to Transporter for each Month for the services provided in accordance with the Tariff.

"**Moody's**" means Moody's Investor Service, Inc. or its successor.

"**Nominal Capacity**" has the meaning ascribed to it in Toll Schedule Firm Full Path Service, Toll Schedule Firm Receipt Service or Toll Schedule Firm Delivery Service, as applicable.

"**Nomination**" or "**Nominations**" has the meaning ascribed to it in Article 12.1 hereof.

"**North American Energy Standards Board**" or "**NAESB**" means the private, accredited organization established to set standards for natural gas practices and procedures.

"**Notice**" has the meaning ascribed to it in Article 31.1 hereof.

"**Operator**" has the meaning ascribed to it in Article 32.1 hereof.

**"Operational Temporary Relocation" has the meaning ascribed to it in Article 11.2 hereof.**

"**Overrun Quantities**" has the meaning ascribed to it in Article 19.5 hereof.

"**Overrun Quantities Charge**" is the amount charged per unit of Overrun Quantities, expressed in  $\$/10^3\text{m}^3$ , as set out in Schedule "A" of Toll Schedule Firm Full Path Service and Toll Schedule Firm Receipt Service, as applicable.

- (iii) the bid toll; and
- (iv) requested dates of commencement and termination of service;
- (e) for TPAL Service, the Start Date, End Date, Park Quantity or Loan Quantity, expressed in GJ/day, and the Total TPAL Quantity, expressed in GJ; and
- (f) for all parties, whether the party or its agent is an Affiliate of Transporter and, if so, the nature of that affiliation.

## **ARTICLE 9 AWARD OF FIRM SERVICE CAPACITY, RELOCATIONS AND FRGS**

- 9.1 (a) Except for Seasonal Service Shippers, Firm Service Shippers, including Shippers wishing to stage their Contracted Capacity in periodic tranche commitments, will be awarded Firm Service on a first come, first served basis, based on the time a request for service in accordance with Article 8.2 hereof is received by Transporter via the Customer Activities Web Site, provided that no request shall be awarded by the Transporter for less than the minimum Contracted Capacity specified by Shipper in accordance with Article 8.2 hereof. Each request for Firm Service, except Seasonal Service, and any associated FRGS shall specify the parameters required to define the request in accordance with Article 8.2 hereof and shall be unconditional, except that such request may stipulate that Shipper will not contract for Firm Service if its request for FRGS cannot be accommodated by Transporter.
- 9.2 (a) Transporter will post on its website, from time to time, the process for bidding and the capacity available for Seasonal Service, including: (i) the type of Seasonal Service available, (ii) the period(s) of time for which such Seasonal Service is available, and (iii) the Bid Floor for each such service and period. Each request for Seasonal Service shall be unconditional and shall specify the parameters required to define the request in accordance with Article 8.2 hereof and shall include the bid toll for such Seasonal Service. Only bid tolls at or above the Bid Floor for such Seasonal Service will be considered by Transporter during the capacity award process.
- (b) The Capacity available for each type and period of Seasonal Service will be awarded based on the bids that result in the highest net present value of Demand Charge revenues to the Transporter. In the event that available capacity is over-subscribed, then the available capacity will be awarded to the bids that result in the highest net present value of Demand Charge revenues; provided, however, that available capacity will be awarded amongst bids of equal net present value of Demand Charge revenues to the Transporter pro rata based on the capacity requested. No request for Seasonal Service shall be awarded by the Transporter for less than the minimum Contracted Capacity specified by Shipper in accordance with Article 8.2 hereof.
- 9.3 (a) On or before the fifteenth (15th) day of the Month, Transporter may (i) offer capacity available for Permanent or Temporary Relocations and (ii) will consider requests for a change to a Shipper's FRGS Volume and/or FRGS HCDP Spec or, for existing Firm Service Shippers without FRGS, the addition of FRGS, for service to commence on the first day of the succeeding Month. A Shipper's request for such offered capacity, or for a change to or addition of FRGS, must be submitted to Transporter via the Customer Activities Web Site prior to 16:00 hours CCT on the fifth (5th) Business Day of Transporter's posting.



- (b) Each request for a Permanent or Temporary Relocation shall be unconditional, except that a request for Permanent Relocation may stipulate that Shipper will not contract for a Permanent Relocation if the Permanent Relocation of its FRGS cannot be accommodated by Transporter. A request for a Permanent or Temporary Relocation shall specify the applicable Firm Transportation Service Agreement number, whether the request is temporary or permanent, the existing Receipt Point for such service, and the requested Receipt Point under the Relocation. In the event that available capacity for Relocation is over-subscribed, requests for Permanent and Temporary Relocations shall be awarded in accordance with Article 11.1(b) hereof.
- (c) Each request for a change to Shipper's FRGS Volume and/or FRGS HCDP Spec or, for existing Firm Service Shippers without FRGS, the addition of FRGS, shall be unconditional and shall specify the applicable Firm Transportation Service Agreement number, the requested FRGS Volume and FRGS HCDP Spec, the FRGS Agreement number, if applicable, and shall include updated composition data for Shipper's Gas in accordance with Article 2.8 hereof. The availability of Firm Rich Gas Service will be determined by Transporter in its sole discretion and in accordance with Article 8.5 of Toll Schedule Firm Full Path Service and Toll Schedule Firm Receipt Service, as applicable.

#### **ARTICLE 10 AWARD OF INTERRUPTIBLE CAPACITY INCLUDING CAPACITY FOR LIQUIDS RECEIPT POINTS**

- 10.1 In accordance with Article 2.3 of Toll Schedule Interruptible Full Path Service, Toll Schedule Interruptible Receipt Service and Toll Schedule Interruptible Delivery Service, as applicable, Transporter may offer a bidding window for Interruptible Service prior to each Nomination cycle, in which bidding window Shippers requesting Interruptible Service will participate in order to establish their Interruptible Service volumes and bid toll for the purposes of the Nomination cycle. Shippers nominating for service at a Liquids Receipt Point shall ensure that the nominated Liquids Receipt Point is designated for the specific Liquids product as set out in Schedule "A" hereto.
- 10.2 Available capacity for Interruptible Service will be scheduled by Transporter at each Nomination cycle in accordance with Article 14 and Toll Schedule Interruptible Full Path Service, Toll Schedule Interruptible Receipt Service and Toll Schedule Interruptible Delivery Service, as applicable.

#### **ARTICLE 11 RELOCATION OF RECEIPT POINTS**

- 11.1 Subject to Article 30.1(a)(iv) hereof, FFPS Shippers and FRS Shippers with Firm Transportation Service Agreements with initial terms of three (3) years or greater may, in accordance with Article 9.3 hereof, request the relocation ("**Relocation**") of all or a portion of their Contracted Capacity from a contracted Receipt Point to an alternate Receipt Point on a temporary ("**Temporary Relocation**") or permanent ("**Permanent Relocation**") basis. Transporter may, in its sole discretion, agree to the Relocation and, if agreed to by Transporter, the following terms and conditions apply:
- (a) Shipper's Firm Transportation Agreement will be amended to reflect the Temporary Relocation or Permanent Relocation of Shipper's Receipt Point. If Shipper relocates from a Zone 1 Receipt Point to a Zone 2 Receipt Point, Shipper's Firm Transportation Service Agreement will be amended to reflect the applicable Demand Charge for the Zone 2 Receipt Point and Shipper shall be obligated to pay the applicable Zone 2 surcharges for

the period of any such Relocation. Where only a portion of Shipper's Contracted Capacity is relocated with the result that Shipper's Contracted Capacity will be tendered at more than one Receipt Point, Shipper will be required to execute a new Firm Transportation Service Agreement for each additional Receipt Point for the term of the Relocation.

- (b) Where the capacity that is the subject of requests for Relocation to an alternate Receipt Point exceeds the available capacity at that Receipt Point, Shippers requesting Permanent or Temporary Relocations to that Receipt Point shall be allocated available capacity in accordance with the following order of declining priority. Within each category listed below, capacity shall be allocated pro rata, based on the capacity requested:
- (i) first, among requests for Permanent Relocation where the Relocation is to a Receipt Point that is located between the Shipper's contracted Receipt Point and the Delivery Point;
  - (ii) second, among requests for Temporary Relocation where the Relocation is to a Receipt Point that is located between the Shipper's contracted Receipt Point and the Delivery Point;
  - (iii) third, among requests for Permanent Relocation where the Relocation is to a Receipt Point that is not located between the Shipper's contracted Receipt Point and the Delivery Point; and
  - (iv) fourth, among requests for Temporary Relocation where the Relocation is to a Receipt Point that is not located between the Shipper's contracted Receipt Point and the Delivery Point.
- (c) A Shipper granted a Permanent Relocation hereunder for all or a portion of its FFPS or FRS Contracted Capacity shall not automatically receive, and must request, the Permanent Relocation for any associated FRGS Volume and FRGS HCDP Spec under its FRGS Agreement. The decision of whether to grant a Permanent Relocation for all or a portion of Shipper's associated FRGS Volume and FRGS HCDP Spec will be in Transporter's sole discretion and, if Transporter permits the Permanent Relocation of all or a portion of a Shipper's associated FRGS Volume and FRGS HCDP Spec, the Shipper's FRGS Agreement shall be amended as appropriate. Where only a portion of Shipper's FRGS Volume is relocated with the result that Shipper's FRGS Volume will be tendered at more than one Receipt Point, Shipper will be required to execute a new FRGS Agreement for each additional Receipt Point for the term of the Permanent Relocation. If Transporter cannot accommodate the Permanent Relocation of Shipper's associated FRGS Volume and FRGS HCDP Spec at such relocated-to Receipt Point, Shipper's FRGS Agreement shall terminate.
- (d) A Shipper granted a Temporary Relocation hereunder for all or a portion of its FFPS or FRS Contracted Capacity will have no ability to relocate its associated FRGS Agreement. During the term of the Temporary Relocation, Shipper shall remain obligated to pay all charges under its FRGS Agreement.
- (e) Any Temporary Relocation will be valid for a period of one Month and may be reapplied for in accordance with this Article 11. Following the period of Shipper's Temporary

Relocation, Shipper's Firm Transportation Service Agreement will be amended as appropriate.

11.2 FFPS Shippers and FRS Shippers with Firm Transportation Service Agreements with initial terms of three (3) years or greater may request, on a first come, first served basis, the relocation of all or a portion of their Contracted Capacity from a contracted Receipt Point to an alternate Receipt Point on a short term temporary basis as a result of upstream operational issues incurred by the Shipper ("**Operational Temporary Relocation**"). Transporter may, in its sole discretion, agree to the Operational Temporary Relocation and, if agreed to by Transporter, the following terms and conditions apply:

- (a) Shipper's Firm Transportation Service Agreement will be amended to reflect the Operational Temporary Relocation of Shipper's Receipt Point. If Shipper relocates from a Zone 1 Receipt Point to a Zone 2 Receipt Point, Shipper's Firm Transportation Service Agreement will be amended to reflect the applicable Demand Charge for the Zone 2 Receipt Point and Shipper shall be obligated to pay the applicable Zone 2 surcharges for the period of any such Relocation. Where only a portion of Shipper's Contracted Capacity is relocated with the result that Shipper's Contracted Capacity will be tendered at more than one Receipt Point, Shipper will be required to execute a new Firm Transportation Service Agreement for each additional Receipt Point for the term of the Relocation.
- (b) Any Operational Temporary Relocation will be valid for a term of no more than 30 days in duration. Following the period of Shipper's Operational Temporary Relocation, Shipper's Firm Transportation Service Agreement will be amended as appropriate.

## ARTICLE 12 NOMINATIONS

- 12.1 (a) Unless otherwise indicated by Transporter and subject to Article 12.1(b) hereof, Transporter shall be open to receive via the Customer Activities Web Site nominations for Transportation, including any associated Fuel Requirement or U.S. Fuel Requirement, as applicable, Title Transfers and TPAL Service twenty-four (24) hours per day via Transporter's Gas Management System. Shippers nominating for service hereunder ("**Nomination**" or "**Nominations**") shall do so in energy, expressed in GJ, and shall provide Transporter with the following:
- (i) The mandatory data elements included in NAESB's standards, together with additional business-conditional or mutually agreeable data elements, and any other information that Transporter reasonably determines necessary.
  - (ii) The beginning and end date for such nominated service, which dates must be for a minimum period of one (1) Day and which must be within the term of the Shipper's Service Agreement for such service.
  - (iii) The desired order of priority of receipts and deliveries under each of Shipper's Transportation Service Agreements, with a priority of one (1) being the last to be affected by any changes contemplated hereunder. In the absence of such priority information being provided to Transporter by Shipper, Transporter shall, in its sole discretion, determine the Shipper's Nomination priorities. Nominations with the same priority number and which require adjustment in accordance with these

- 14.2 After taking its Fuel Requirement, the Transporter shall schedule Nominations for Transportation in accordance with the following order of declining priority:
- (a) Firm Service up to the equivalent of the Shipper's Contracted Capacity, converted to energy by multiplying the Contracted Capacity by the Energy Conversion Factor specified in Article 3.1 of the applicable Toll Schedule for Firm Service, pro rata based on Shipper's Contracted Capacity, amongst all Firm Service Shippers;
  - (b) Priority Interruptible Transportation Service, pro rata based on each Shipper's PITS Capacity;
  - (c) Interruptible Service, on the basis of highest to lowest bid toll, pro rata based on the Nominations of all Shippers seeking Interruptible Service, amongst quantities with the same bid toll (for evaluation purposes, bids received at Liquids Receipt Points for propane injections will be reduced by an economic equivalency factor equal to 2.11, and bids received at Liquids Receipt Points for butane injections will be reduced by an economic equivalency factor equal to 2.74);
  - (d) Transportation Make-Up, pro rata based on the Nominations of all Shippers seeking Transportation Make-Up; and
  - (e) Diversions in accordance with Article 15.1 hereof.
- 14.3 The Transporter shall, as part of its scheduling process, confirm Nominations with upstream and downstream operators. If confirmations received from such parties differ from the Nominations, the lesser amount shall be used for scheduling.
- 14.4 Through its Gas Management System, Transporter will make available reports that will include particulars of Shipper's Scheduled Quantities and, for Interruptible Service Shippers, the Confirmed IT Toll for Shipper's Scheduled Quantities. It is the responsibility of each Shipper to access and review such reports to assist it in managing its Alliance Trading Pool account so that it remains within the Imbalance Tolerance.

## ARTICLE 15 DIVERSIONS

- 15.1 (a) Subject to Article 30.1(a)(iv) hereof, Firm Full Path Service and Firm Receipt Service Shippers may, by Nomination to the Transporter, request a diversion ("**Diversion**") of all or a portion of their Total Service Capacity to an alternate Receipt Point. It shall be in the sole discretion of Transporter whether to grant the Diversion, and if such Diversion is granted:
- (i) the volume of Shipper's Gas subject to the Diversion shall be afforded a different treatment than volumes transported at Shipper's contracted Receipt Point, as specified in Articles 14 and 16 hereof and in Toll Schedule Firm Full Path Service and Toll Schedule Firm Receipt Service, as applicable; and
  - (ii) where such Diversion is from a contracted Receipt Point in Zone 1 to a Receipt Point in Zone 2, Shipper shall be obligated to pay the applicable Demand Charge and surcharges for the Zone 2 Receipt Point.

- (b) Nominations for Diversion may be made for an amount of energy up to the equivalent of a Shipper's Total Service Capacity, and will be considered by Transporter daily for each scheduling cycle, and will be scheduled in accordance with Article 14 hereof. Where such Nominations for Diversion to a Receipt Point exceed the capacity available at that Receipt Point, Shippers shall be allocated available capacity on a pro rata basis, based on Shippers' Nominations, in accordance with the following order of declining priority:
  - (i) first, among Shippers nominating for Diversions to a Receipt Point that is located between the Shipper's contracted Receipt Point and the Delivery Point; and
  - (ii) second, among Shippers nominating for Diversions to a Receipt Point that is not located between the Shipper's contracted Receipt Point and the Delivery Point.
- (c) A Shipper's FRGS Volume shall not be eligible for a Diversion hereunder; however, Shipper shall remain obligated to pay charges under its FRGS Agreement.

## ARTICLE 16 CURTAILMENT OF SERVICE

- 16.1 (a) Transporter shall have the right to curtail Transportation, in whole or in part, on all or a portion of the Canadian Pipeline, at a specific Receipt Point or Liquids Receipt Point, or subset of Receipt Points or Liquids Receipt Points, at any time: for reasons of Force Majeure; when, in Transporter's sole discretion, capacity or operating conditions so require; in accordance with Article 21.1 hereof, where such curtailment is necessary to maintain or restore the operational integrity of the Canadian Pipeline; or where it is desirable or necessary to make modifications, repairs or operating changes to the Canadian Pipeline. Transporter shall make available to a Shipper on its Gas Management System information regarding the curtailment of Shipper's Gas or Liquids.
- (b) Transporter shall have the unqualified right to interrupt Priority Interruptible Transportation Service, Interruptible Service and Diversions at any time to provide Firm Service to any Shipper.
  - (c) In the event of curtailment or interruption pursuant to Article 16.1(a) or (b) hereof, the Transportation service of the affected Shippers shall be curtailed pro rata for the same type of service, based on the service scheduled in accordance with Article 14 hereof in the following order:
    - (i) first, Diversions in the reverse order contemplated by Article 15.1(b) hereof, pro rata based on the Scheduled Quantities;
    - (ii) second, Transportation Make-Up pro rata, based on the Scheduled Quantities of all Shippers seeking Transportation Make-Up;
    - (iii) third, Interruptible Service, on the basis of lowest to highest Confirmed IT Toll, pro rata based on Interruptible Service Scheduled Quantities amongst quantities with the same Confirmed IT Toll (for evaluation purposes, the Confirmed IT Toll for service at Liquids Receipt Points for propane injections will be reduced by an economic equivalency factor equal to 2.11, and the Confirmed IT Toll for service at Liquids Receipt Points for butane injections will be reduced by an economic equivalency factor equal to 2.74);



- 18.6 Shipper shall be subject to a "**Balancing Fee**" each Day, starting at the end of the Day for which its cumulative Alliance Trading Pool Imbalance exceeds the Imbalance Tolerance, in an amount that is the higher of: \$0.16/GJ per Day or the highest TPAL Fee last contracted for by Transporter. Transporter shall post daily on its Customer Activities Web Site such highest TPAL Fee.
- 18.7 If a Shipper fails to bring its cumulative Alliance Trading Pool Imbalance to within the acceptable Imbalance Tolerance within 5 Days of it first exceeding the acceptable Imbalance Tolerance level, the difference between its cumulative Alliance Trading Pool Imbalance and its Imbalance Tolerance will be subject to Cash Out by the Transporter. Where the Shipper has a surplus quantity of energy in its Alliance Trading Pool account, such Shipper shall be subject to a Cash Out representing a "**Surplus Balancing Cash Out**". Where the Shipper has a deficit quantity of energy in its Alliance Trading Pool account, such Shipper shall be subject to a Cash Out representing a "**Deficit Balancing Cash Out**". Surplus Balancing Cash Out and Deficit Balancing Cash Out amounts shall be reflected, respectively, as a credit or debit adjustment to Shipper's Monthly Bill and shall be calculated as a percentage of the NGX AB-NIT Same Day Index 45 price, or if such NGX AB-NIT Same Day Index 45 price ceases to be available or is reasonably judged by Transporter to no longer represent a reasonable measure for use in the calculation hereunder, then such replacement index as reasonably determined by Transporter, of Gas on the first day the Shipper's Alliance Trading Pool Imbalance exceeded the acceptable Imbalance Tolerance hereunder as follows:

Total ATP account imbalance on day six (6) of Alliance Trading Pool Imbalance being out of Imbalance Tolerance	Deficit Balancing Cash Out (% of index price of Gas)	Surplus Balancing Cash Out (% of index price of Gas)
>4% Up to 10%	115%	85%
>10% Up to 15%	130%	70%
>15% Up to 20%	140%	60%
>20%	150%	50%

- 18.8 Transporter may offer Term Park and Loan Service in accordance with Toll Schedule Term Park and Loan Service for purposes of Alliance Trading Pool Imbalance management and other commercial needs of Shippers.
- 18.9 Following the termination of one or more of Shipper's Service Agreements, and unless one or more other Service Agreements remain in effect for that Shipper following such termination, Shipper shall be required to resolve any cumulative imbalance within thirty (30) days after the effective date of termination, or within such longer period of time as can be mutually agreed upon by Shipper and Transporter ("**Balancing Period**"). If, after such Balancing Period, Transporter determines that a negative imbalance or a positive imbalance remains, such imbalances shall be subject to a Cash Out at the Billing Month Index Price.

**ARTICLE 19 MONTH END ALLOCATIONS AND IMBALANCES**

- 19.1 (a) Common Stream Operator will provide, as part of its Month end process, the total energy allocated for each Shipper at a Receipt Point. A Shipper's "**Month End Imbalance**" is any energy imbalance, expressed in GJ, established by end of Month allocation adjustments by Common Stream Operators and represents the difference between the

**Attachment 4**

**Alliance Transportation Access Policy**

# Alliance Transportation Access Policy

# Alliance Pipeline

## 1. PURPOSE

1.1 The purpose of the Alliance Transportation Access Policy (ATAP) is to set forth the process by which Alliance administers Requests for Service (RFS) from Service Applicants in regard to Receipt, Delivery and Full-Path service as well as Relocations on the Alliance Canada pipeline system.

## 2. APPLICABILITY

### 2.1 ATAP is applicable to all requests for:

- (a) Firm, Seasonal Firm and Interruptible (IT) Receipt, Delivery and Full-Path transportation services; and
- (b) Monthly relocations

### 2.2 To submit an RFS under this ATAP:

A Service Applicant must prequalify by providing Alliance with the information requirements pursuant to Article 8.1 of the General Terms and Conditions.

## 3. CAPACITY DETERMINATION

3.1 Capacity is based on an assessment of equipment and system performance and is periodically re-evaluated. The basis for setting a capacity level is comprised of equipment and system specifications, along with the operating context (e.g. receipt pressure, receipt temperature, gas composition, etc.). These capacity levels are entered into Alliance's Gas Management System for posting purposes onto the Customer Activity Website. Flow at receipt points may be subject to minimum flow requirements, which would be posted on the Customer Activity Website. Furthermore, some posted segments share common capacity and a successful RFS on one system segment may reduce the capacity available on another system segment.

## 4. ACCESS TO FIRM CAPACITY (Non-Seasonal)

### 4.1 Posting of Firm Capacity

Alliance will notify Service Applicants of Firm Capacity that is available up to a total of 1.325 Bcf/d for contracting for terms of three (3) or more years for Receipt and/or Full-Path or one (1) or more years for Delivery by posting a Notice containing:

- (a) the type of service(s) available;
- (b) the amount of Capacity for each of the available Service Segments;
- (c) the Date of Commencement when the service will be available;
- (d) the Day of Termination when the service will end;
- (e) the minimum and maximum term for which the Capacity is available for; and

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*This version of the Alliance Transportation Access Policy is part of the NEB consultation process and Alliance Pipeline retains the right and flexibility to alter the Policy in the future (with notice) as it works with shippers to develop new and innovative service offerings.*



# Alliance Transportation Access Policy

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- (f) the Demand Charge for each such service pursuant to Section 4.2 below

## 4.2 Pricing of Firm Capacity

- (a) The applicable Demand Charge for each such Service will be the charge prevailing at the time of the Posting in accordance with Alliance's NEB-approved Tariff.

## 4.3 Request of Firm Capacity

- (a) Service Applicants may submit through Alliance's Customer Activity Website a Request For Service (RFS) for all or a portion of the Firm Capacity that has been posted.

The RFS shall:

- (i) state the same commencement date specified by Alliance in the posting;
  - (ii) be for a service specified by Alliance in the posting that is available for contracting;
  - (iii) state the desired Contract Capacity (CC);
  - (iv) if desirable by the Service Applicant, state a specified Minimum CC they are willing to accept upon an award;
  - (v) for Receipt or Full-Path service, include the specified receipt point; and,
  - (vi) include a request for Firm Rich Gas Service or a request for a Shipper Pairing Arrangement, if applicable.
- (b) In the event that the RFS is for Full-Path transportation service, the Service Applicant will require corresponding transport capacity on the U.S. Pipeline
- (c) In the event that the RFS is for Delivery service, the Service Applicant may concurrently request corresponding transport capacity on the U.S. Pipeline.

## 4.4 Allocation of Firm Capacity

- (a) Each RFS shall be deemed to be binding on Service Applicant and is irrevocable and cannot be withdrawn or amended by Service Applicant.
- (b) If the RFS is incomplete or does not conform to the requirements herein, such RFS shall be rejected.
- (c) All awards of Firm Capacity will be made on a first come, first served basis pursuant to Article 9 of the General Terms and Conditions.
- (d) Alliance will use reasonable efforts to notify, as soon as possible but in no event longer than five (5) Business Days after the submission of the RFS, through Alliance's Customer Activity Website or any other electronic means, all Service Applicants who have been conditionally awarded Firm Capacity.
- (e) Service Applicant shall comply with Article 26 Financial Assurances of the General Terms and Conditions of Alliance's Tariff, and, if required by Alliance pursuant to Article 26, shall provide security for its financial and contractual obligations. Such security would cover the transportation agreement resulting from the successful RFS, as well as all other transportation agreements between Alliance and Service Applicant.
- (f) Upon satisfaction of the Financial Assurances requirements in sub-Section 4.4(e), the Transportation Service Agreement (Contract) is created and fully executed electronically.

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## 5. ACCESS TO SEASONAL CAPACITY

### 5.1 Posting of Seasonal Capacity

Alliance may notify Service Applicants of Seasonal Capacity (SC) that is available for contracting by posting a Notice of Open Season (OS) which would include:

- (a) the OS start and end dates;
- (b) the type of service available;
- (c) the amount of SC for each of the available Service Segments;
- (d) the Date of Commencement for such SC;
- (e) the Date of Termination for such SC; and
- (f) the Bid Floor for each such service and, if applicable, each Service Segment pursuant to Section 7 below;

### 5.2 Open Season Process for Seasonal Capacity

Open Season durations, timelines and processes will be different for contract terms in excess of one week and for contract terms of one week or less.

#### **(A) The Seasonal Capacity Open Season (for contract terms in excess of one week)**

- (a) For Seasonal Capacity contract terms in excess of one week, the OS end date shall be set at least five (5) full Business Days prior to the Date of Commencement of Service. Service Applicant may during the OS submit through Alliance's Customer Activity Website, a RFS for all or a portion of the SC available for the term specified in the OS notice. The date of commencement and termination shall be the first day and last day of Service as stated in the OS.

The RFS shall:

- (i) state the same commencement and termination dates specified by Alliance in the Notice of OS;
  - (ii) be for a service specified by Alliance in the posting that is available for contracting;
  - (iii) if for Delivery service, state whether there is a concurrent requirement for corresponding transport on the U.S. Pipeline;
  - (iv) state the desired Contract Capacity (CC);
  - (v) if desirable by the Service Applicant, state a specified Minimum CC they are willing to accept upon an award;
  - (vi) for Receipt or Full-Path service, include the specified receipt point; and
  - (vii) state a bid value at or above the applicable Bid Floor value posted by Alliance.
- (b) In the event that the RFS is for Full-Path transportation service, the successful RFS Service Applicant will be required to contract for corresponding transport capacity on the U.S. Pipeline
  - (c) In the event that the RFS is for Delivery service, and the Service Applicant has indicated in the RFS that there is a concurrent requirement for corresponding transport on the U.S. Pipeline, but the

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## Alliance Transportation Access Policy

## Alliance Pipeline

Service Applicant is unable to obtain the required corresponding transport on the U.S. Pipeline, then the RFS for Delivery service will be rejected.

- (d) The RFS must be submitted to Alliance no later than 12:00 CCT on the Day of the OS end date.
- (e) Each RFS shall be deemed to be binding on Service Applicant and is irrevocable and cannot be withdrawn or amended by Service Applicant after the close of the OS.
- (f) If the RFS is incomplete or does not conform to the requirements herein, such RFS shall be rejected.
- (g) The OS RFSs will be evaluated according to the criteria as set out in sub-Section 5.4.
- (h) Alliance will use reasonable efforts to notify, as soon as possible but in no event longer than five (5) Business Days after the close of the OS, through Alliance's Customer Activity Website or any other electronic means, all Service Applicants who have been conditionally awarded any Seasonal Capacity.
- (i) Service Applicant shall comply with Article 26 Financial Assurances of the General Terms and Conditions of Alliance's Tariff, and if required by Alliance pursuant to Article 26, shall provide security for its financial and contractual obligations within two (2) Business Days from the time Alliance sends notice to Service Applicant pursuant to sub-Section 5.2(h). Such security would cover the transportation agreement resulting from the successful OS RFS, as well as all other transportation agreements between Alliance and Service Applicant. Alliance may, at any time in its sole discretion, extend the period for providing such security.
- (j) Upon satisfaction of the Financial Assurances requirements in sub-Section 5.2(i), the Transportation Service Agreement (Contract) is created and fully executed electronically.
- (k) Information, including bid price and volume, on the RFS will be kept confidential by Alliance: However, Alliance shall include the bid information of winning bidders in an aggregated form (minimum, maximum, average successful bids) in its Quarterly Surveillance Reports and provide the individual information to the NEB if directed to do so by the NEB.

### **(B) Daily Seasonal Capacity Open Seasons (service for terms of a week or less)**

- (a) Alliance may post on its website a Daily Open Season (DOS) for the Daily Capacity for Receipt, Delivery and Full-Path Service on any Business Day. Provided however, if Alliance gives notice that it will hold a Seasonal Capacity Open Season pursuant to sub-Section 5.2 (A) hereof, the Daily Capacity made available in the DOS shall be reduced, as determined by Alliance in its sole discretion, to reflect the capacity being offered in the OS.
- (b) Alliance will post the term for which the Daily Capacity is available, which term will not exceed seven (7) days.
- (c) Alliance shall post the DOS on its website by 18:00 hours CCT on each Day prior to the Day that a DOS is held.
- (d) Service Applicants may bid in a DOS by submitting a DOS RFS on Alliance's Customer Activity Website no later than 08:30 hours CCT on the Day that a DOS is held. Prior to submission of a RFS,

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# Alliance Transportation Access Policy

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the Service Applicant shall provide Alliance with financial assurances as required by Alliance pursuant to Article 26 of the General Terms and Conditions of Alliance's Tariff.

The RFS shall:

- (i) state the same exact commencement and termination dates specified by Alliance in the DOS posting;
  - (ii) be for a service specified by Alliance in the DOS posting that is available for contracting;
  - (iii) if for Delivery service, state whether there is a concurrent requirement for corresponding transport on the U.S. Pipeline;
  - (iv) state the desired Contract Capacity (CC);
  - (v) if desirable by the Service Applicant, state a specified Minimum CC they are willing to accept upon an award;
  - (vi) for Receipt or Full-Path service, include the specified receipt point; and
  - (vii) state a bid value at or above the applicable Bid Floor value posted by Alliance
- (e) In the event that the RFS is for Full-path transportation service, the successful RFS Service Applicant will be required to contract for corresponding transport capacity on the U.S. Pipeline
- (f) In the event that the RFS is for Delivery service, and the Service Applicant has indicated in the RFS that there is a concurrent requirement for corresponding transport on the U.S. Pipeline, but the Service Applicant is unable to obtain the required corresponding transport on the U.S. Pipeline, then the RFS for Delivery service will be rejected.
- (g) Service Applicant may bid for all or a portion of the Daily Capacity.
- (h) Each DOS RFS shall be deemed to be binding on Service Applicant and is irrevocable and cannot be withdrawn or amended by Service Applicant after the close of the DOS.
- (i) Alliance shall not be obligated to accept any DOS RFS if the Service Applicant has not met the requirements of Article 26 Financial Assurances of the General Terms and Conditions of Alliance's Tariff for Daily Capacity.
- (j) The DOS RFSs will be evaluated according to the criteria as set out in sub-Section 5.4.
- (k) Alliance will use commercially reasonable efforts to notify within thirty (30) minutes, after the close of the Daily Open Season, through Alliance's Customer Activity Website or any other electronic means, all Service Applicants who have been allocated any Daily Capacity.
- (l) If a DOS RFS is accepted by Alliance, and Alliance allocates capacity pursuant to sub-Section 5.4, the Transportation Service Agreement (Contract) will be created and fully executed electronically.
- (m) Information, including bid price and volume, on the RFS will be kept confidential by Alliance: However, Alliance shall include the bid information of winning bidders in an aggregated form (minimum, maximum, average successful bids) in its Quarterly Surveillance Reports and provide the individual information to the NEB if directed to do so by the NEB.

## 5.3 Pricing of Seasonal Capacity

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# Alliance Transportation Access Policy

# Alliance Pipeline

- (a) The pricing of the Capacity offered for Seasonal firm services is biddable. Bid floors will be provided by service type and point in accordance with the levels approved by the NEB.
- (b) The derivation of Bid floors for each transportation service will be as per Section 7 below.

## 5.4 Allocation of Seasonal Capacity

- (a) At the close of the OS and DOS, Alliance shall evaluate and award the bids that collectively result in the highest NPV of Demand Charge revenues to Alliance.
- (b) If two (2) or more OS/DOS RFSs have the same NPV value and are to utilize the same receipt and delivery point determined in accordance with sub-Sections 5.4(a), and the Capacity is not sufficient to provide service for the quantities requested in those OS/DOS RFSs, then the Capacity shall be allocated on a pro-rata basis based on the capacity requested in each OS/DOS RFS.
- (c) If the pro-rata share of the remaining Capacity allocated to an OS/DOS RFS pursuant to sub-Section 5.4(b) is less than the minimum capacity specified in such OS/DOS RFS, that OS/DOS RFS shall be deemed to be rejected by Alliance and the remaining Capacity shall be reallocated under sub-Section 5.4(b) excluding such OS/DOS RFS.

## 6. ACCESS TO INTERRUPTIBLE CAPACITY

### 6.1 Posting of the Bidding Window

If at any time Alliance determines it has Interruptible (IT) capacity, Alliance may offer a Bidding Window for IT Service prior to any Nomination cycle. The Bidding Window will:

- (i) for the Timely Cycle, be posted no sooner than five (5) hours prior to the nomination time of the cycle;
- (ii) for all other cycles, be posted no sooner than two (2) hours prior to the nomination time of the cycle;
- (iii) include the type of service available;
- (iv) include the capacity available for each of the available Service Segments;
- (v) include the Bid Floor for each such service which may change from time to time pursuant to Section 7 below
- (vi) close no sooner than thirty (30) minutes prior to award
- (vii) be awarded pursuant to Section 6.3 below

### 6.2 Requests for Available IT Service

- (a) Service Applicants may submit through Alliance's Customer Activity Website, a RFS for all or a portion of the available capacity. Prior to submission of a RFS, the Service Applicant shall comply with Article 26 Financial Assurances of the General Terms and Conditions of Alliance's Tariff, and, if required by Alliance pursuant to Article 26, shall provide security for its IT Service financial and contractual obligations.

The RFS shall:

- (i) be for the same nomination cycle offered in the Bidding Window;
- (ii) be for a service specified by Alliance as being available;

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# Alliance Transportation Access Policy

# Alliance Pipeline

- (iii) state the Maximum Daily Quantity (MDQ) requested;
  - (iv) for Receipt or Full-Path service, include the specified receipt point; and
  - (v) state a bid value at or above the applicable Bid Floor value posted by Alliance
- (b) In the event that the RFS is for service at a Liquids Receipt Point, the Service Applicant must ensure that the nominated Liquids Receipt Point is designated for the specific liquids product.
- (c) In the event that the RFS is for Full-path transportation service, the successful RFS Service Applicant will be required to contract for corresponding transport capacity on the U.S. Pipeline.
- (d) If the RFS is incomplete or does not conform to the requirements herein, such RFS shall be rejected.
- (e) Information on the RFS will be kept confidential by Alliance, however, Alliance shall include the bid information of winning bidders in an aggregated form (minimum, maximum, average successful bids) in its Quarterly Surveillance Reports and provide the individual information to the NEB if directed to do so by the NEB.

## 6.3 Awarding of IT Service

- (a) At the close of the Bidding Window, Alliance shall rank the submitted RFSs and shall allocate the IT Capacity among Service Applicants on the basis of highest to lowest bid toll (for evaluation purposes, bids received at liquids receipt points for propane injections will be reduced by an economic equivalency factor equal to 2.11, and bids received at liquids receipt points for butane injections will be reduced by an economic equivalency factor equal to 2.74).
- (b) If two (2) or more RFSs have the same ranking and are to utilize the same receipt and delivery point, determined in accordance with sub-Sections 6.3(a) and the available IT Capacity is not sufficient to provide service for the quantities requested in those RFSs or combination of RFSs, then the Capacity shall be allocated on a pro-rata basis based on the capacity requested in each RFS.
- (c) For the Timely Cycle, Alliance will use commercially reasonable efforts to award all IT capacity no later than one-hundred and fifty (150) minutes prior to the nomination time of the cycle. For all other cycles, Alliance will use commercially reasonable efforts to award all IT capacity no later than sixty (60) minutes prior to the nomination time of the cycle. IT capacity will not be awarded to Service Applicants who have not met the requirements of Article 26 Financial Assurances of the General Terms and Conditions of Alliance's Tariff.
- (d) A Service Applicants nomination of IT capacity is subject to scheduling by Alliance in accordance with Article 14 of the General Terms and Conditions.

## 7. PRICING OF SEASONAL AND IT CAPACITY

- (a) The pricing of the Capacity offered for IT and Seasonal Firm Service is biddable. Bid floors will be provided by service type and receipt point in accordance with the levels approved by the NEB in its RH-2-2014 Reasons for Decision. The NEB approved levels for bid floors are described below.
- (i) Seasonal firm service bid floor levels may be set to a range between 100% to 125% of the 5-year fixed toll for the corresponding firm service type (e.g. FRS, FDS, FFPS).
  - (ii) IT service bid floor levels (ITRS, ITDS, ITFPS) may be set to a range between 0% to 125% of the 5-year fixed toll for the corresponding firm service type (e.g. FRS, FDS, FFPS).

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# Alliance Transportation Access Policy

# Alliance Pipeline

- (b) The derivation of the bid floors for ITRS and Seasonal firm receipt services within the bands provided above will be based on the following information and other non-data factors:
  - (i) Amount of capacity available
  - (ii) Previous demand and interruptible pricing in each locality
  - (iii) Competitor capacity availability and pricing
  - (iv) Market hub price signals, spot and forwards. Sub-factors include:
    - 1. Current and near-term weather forecasts
    - 2. Storage levels
    - 3. Natural gas supply & demand
- (c) The derivation of the bid floors for ITDS and seasonal firm delivery services within the bands provided above will be based on the following information and other non-data factors:
  - (i) Amount of capacity available
  - (ii) Previous demand and interruptible pricing
  - (iii) Competitor capacity availability and pricing
  - (iv) Market hub price signals, spot and forwards (NIT, Chicago and Dawn gas pricing). Sub-factors include:
    - 1. Current and near-term weather forecasts
    - 2. Storage levels
    - 3. Natural gas supply & demand
    - 4. CAD-US foreign exchange rates
- (d) The derivation of the bid floors for ITFPS and Seasonal Firm Full-Path services within the bands provided above will include a combination of all the factors summarized above.

## 8. MONTHLY RELOCATIONS

### 8.1 Permanent or Temporary Relocation Posting

- (a) On or before the fifteenth (15<sup>th</sup>) day of the Month, Alliance may offer capacity available for relocation and post that it will consider RFS's for Permanent or Temporary Relocations.
- (b) Permanent or Temporary Relocations are available only for existing FFPS Shippers and FRS Shippers with Firm Transportation Service Agreements with initial terms of three (3) years (35 months for contracts commencing December 1, 2015) or greater.

### 8.2 Requests for Permanent or Temporary Relocations

- (a) Shippers may, through Alliance's Customer Activity Website, submit a RFS to Relocate all or a portion of their Contracted Capacity from a contracted Receipt Point to an alternate Receipt Point on a temporary or permanent basis. The request must be submitted prior to 16:00 CCT on the fifth (5<sup>th</sup>) Business Day after the posting.

The RFS shall:

- (i) state the applicable Firm TSA number;
- (ii) indicate if it is to be temporary or permanent (temporary relocations are valid for a period of one month and may be reapplied for each month);
- (iii) state the existing Receipt point;
- (iv) state the requested relocated Receipt point; and
- (v) state the requested portion of Contract Capacity to be relocated.

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# Alliance Transportation Access Policy

# Alliance Pipeline

## 8.3 Granting of Permanent or Temporary Relocations

- (a) The granting of Relocation requests is in Alliance's sole discretion
- (b) Relocations will be granted by 16:00 CCT within ten (10) Business days, but no less than five (5) Business days from the time of the posting.
- (c) Relocation requests will be ranked lower than bids received during any OS or DOS that may be occurring during the same timeframe.
- (d) If any request is granted by Alliance, the terms and conditions of such relocation will be as per Article 11 of the General Terms and Conditions.

## 9. OPERATIONAL TEMPORARY RELOCATIONS

- (a) Operational Temporary Relocations are available only for existing FFPS Shippers and FRS Shippers with Firm Transportation Service Agreements with initial terms of three (3) years (35 months for contracts commencing December 1, 2015) or greater.
- (b) Operational Temporary Relocations will be available on a first come, first served basis, granted at Alliance's sole discretion.
- (c) Shipper may request to Relocate all or a portion of their Contracted Capacity from a contracted Receipt Point to an alternate Receipt Point on a temporary basis as a result of upstream operational issues incurred by the Shipper. Shipper must first provide a paper copy request form to Alliance that would include all data elements required in the RFS, along with the reason for the operational event and company verification and, if applicable, a copy of the notice from the affected CSO that is provided to its customers.
- (d) Alliance will advise shipper of the granting or denying of an Operational Temporary Relocation by 16:00 CCT within two business days from the time of the shipper request.
- (e) Upon Alliance's approval, Shipper will, through Alliance's Customer Activity Website, submit a RFS to Relocate all or a portion of their Contracted Capacity from a contracted Receipt Point to an alternate Receipt Point on a temporary basis, upon which the necessary contract amendments will be affected, including the requested term of the Operational Temporary Relocation.

The RFS shall:

- (i) state the applicable Firm TSA number;
  - (ii) state the requested term, which shall be for a period of no more than 30 days;
  - (iii) state the existing Receipt point;
  - (iv) state the requested relocated Receipt point; and
  - (v) state the requested portion of Contract Capacity to be relocated.
- (f) Relocation requests will be ranked lower than bids received during any OS or DOS that may be occurring during the same timeframe.
  - (g) If any request is granted by Alliance, the terms and conditions of such relocation will be as per Article 11 of the General Terms and Conditions.

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## 10. MISCELLANEOUS PROVISIONS

- (a) This Policy is subject to the provisions of Alliance's NEB-approved Tariff.
- (b) Any upper cased term not defined herein shall have the meaning attributed thereto in the General Terms & Conditions of Alliance's Tariff as amended from time to time.

## 11. DEFINITIONS

**"Bidding Window"** shall mean a period of time during which Service Applicants or potential Service Applicants may submit bids for Interruptible Capacity pursuant to sub-Section 6.1;

**"Daily Open Season (DOS)"** shall mean a defined period of time in which Service Applicants or potential Service Applicants may bid for daily firm service;

**"Daily Capacity (DC)"** shall mean the Capacity not allocated pursuant to Sections 4 & 5.2 (A);

**Firm Capacity (FC)"** shall mean firm capacity with a term of 3 or more years for Receipt and/or Full-Path service and one (1) or more years for Delivery service pursuant to sub-Section 4.1;

**"Seasonal Capacity (SC)"** shall mean the portion of System Capacity that is available for Seasonal Service, as determined by Alliance in its sole discretion;

**"Open Season (OS)"** shall mean a defined period of time and specific process in which Service Applicants or potential Service Applicants may bid for seasonal service;

**"Request For Service (RFS)"** shall mean an electronic written request for Firm Capacity, Seasonal Capacity, Daily Capacity and Interruptible Capacity pursuant to sub-Sections 4.3, 5.2 (A), 5.2 (B), 6.2 and Relocations pursuant to sub-Sections 8.2;

**"Service Applicant"** shall mean a Shipper or another party that submits a Request For Service pursuant to sub-Sections 4.3, 5.2 (A), 5.2 (B), 6.2 and 8.2;

**"Service Segment"** shall mean any of the following segments on the Canadian Alliance Pipeline system: 1) Zone 1 defined as all Alberta Receipt Points and Liquids Receipts points downstream of the Blueberry compressor station and 2) Zone 2 defined as all British Columbia and Alberta Receipt Points and Liquids Receipt Points at or upstream of the Blueberry compressor station and 3) the delivery segment at or downstream of the Alliance Trading Pool.

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**Attachment 5**

**Alliance Transportation Access Policy  
(Redlined Version)**

# Alliance Transportation Access Policy

# Alliance Pipeline

## 1. PURPOSE

1.1 The purpose of the Alliance Transportation Access Policy (ATAP) is to set forth the process by which Alliance administers Requests for Service (RFS) from Service Applicants in regard to Receipt, Delivery and Full-Path service as well as Relocations on the Alliance Canada pipeline system.

## 2. APPLICABILITY

### 2.1 ATAP is applicable to all requests for:

- (a) Firm, Seasonal Firm and Interruptible (IT) Receipt, Delivery and Full-Path transportation services; and
- (b) Monthly relocations

### 2.2 To submit an RFS under this ATAP:

A Service Applicant must prequalify by providing Alliance with the information requirements pursuant to Article 8.1 of the General Terms and Conditions.

## 3. CAPACITY DETERMINATION

3.1 Capacity is based on an assessment of equipment and system performance and is periodically re-evaluated. The basis for setting a capacity level is comprised of equipment and system specifications, along with the operating context (e.g. receipt pressure, receipt temperature, gas composition, etc.). These capacity levels are entered into Alliance's Gas Management System for posting purposes onto the Customer Activity Website. Flow at receipt points may be subject to minimum flow requirements, which would be posted on the Customer Activity Website. Furthermore, some posted segments share common capacity and a successful RFS on one system segment may reduce the capacity available on another system segment.

## 4. ACCESS TO FIRM CAPACITY (Non-Seasonal)

### 4.1 Posting of Firm Capacity

Alliance will notify Service Applicants of Firm Capacity that is available up to a total of 1.325 Bcf/d for contracting for terms of three (3) or more years for Receipt and/or Full-Path or one (1) or more years for Delivery by posting a Notice containing:

- (a) the type of service(s) available;
- (b) the amount of Capacity for each of the available Service Segments;
- (c) the Date of Commencement when the service will be available;
- (d) the Day of Termination when the service will end;
- (e) the minimum and maximum term for which the Capacity is available for; and

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# Alliance Transportation Access Policy

# Alliance Pipeline

- (f) the Demand Charge for each such service pursuant to Section 4.2 below

## 4.2 Pricing of Firm Capacity

- (a) The applicable Demand Charge for each such Service will be the charge prevailing at the time of the Posting in accordance with Alliance's NEB-approved Tariff.

## 4.3 Request of Firm Capacity

- (a) Service Applicants may submit through Alliance's Customer Activity Website a Request For Service (RFS) for all or a portion of the Firm Capacity that has been posted.

The RFS shall:

- (i) state the same commencement date specified by Alliance in the posting;
  - (ii) be for a service specified by Alliance in the posting that is available for contracting;
  - (iii) state the desired Contract Capacity (CC);
  - (iv) if desirable by the Service Applicant, state a specified Minimum CC they are willing to accept upon an award;
  - (v) for Receipt or Full-Path service, include the specified receipt point; and,
  - (vi) include a request for Firm Rich Gas Service or a request for a Shipper Pairing Arrangement, if applicable.
- (b) In the event that the RFS is for Full-Path transportation service, the Service Applicant will require corresponding transport capacity on the U.S. Pipeline
- (c) In the event that the RFS is for Delivery service, the Service Applicant may concurrently request corresponding transport capacity on the U.S. Pipeline.

## 4.4 Allocation of Firm Capacity

- (a) Each RFS shall be deemed to be binding on Service Applicant and is irrevocable and cannot be withdrawn or amended by Service Applicant.
- (b) If the RFS is incomplete or does not conform to the requirements herein, such RFS shall be rejected.
- (c) All awards of Firm Capacity will be made on a first come, first served basis pursuant to Article 9 of the General Terms and Conditions.
- (d) Alliance will use reasonable efforts to notify, as soon as possible but in no event longer than five (5) Business Days after the submission of the RFS, through Alliance's Customer Activity Website or any other electronic means, all Service Applicants who have been conditionally awarded Firm Capacity.
- (e) Service Applicant shall comply with Article 26 Financial Assurances of the General Terms and Conditions of Alliance's Tariff, and, if required by Alliance pursuant to Article 26, shall provide security for its financial and contractual obligations. Such security would cover the transportation agreement resulting from the successful RFS, as well as all other transportation agreements between Alliance and Service Applicant.
- (f) Upon satisfaction of the Financial Assurances requirements in sub-Section 4.4(e), the Transportation Service Agreement (Contract) is created and fully executed electronically.

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## 5. ACCESS TO SEASONAL CAPACITY

### 5.1 Posting of Seasonal Capacity

Alliance may notify Service Applicants of Seasonal Capacity (SC) that is available for contracting by posting a Notice of Open Season (OS) which would include:

- (a) the OS start and end dates;
- (b) the type of service available;
- (c) the amount of SC for each of the available Service Segments;
- (d) the Date of Commencement for such SC;
- (e) the Date of Termination for such SC; and
- (f) the Bid Floor for each such service and, if applicable, each Service Segment pursuant to Section 7 below;

### 5.2 Open Season Process for Seasonal Capacity

Open Season durations, timelines and processes will be different for contract terms in excess of one week and for contract terms of one week or less.

#### **(A) The Seasonal Capacity Open Season (for contract terms in excess of one week)**

- (a) For Seasonal Capacity contract terms in excess of one week, the OS end date shall be set at least five (5) full Business Days prior to the Date of Commencement of Service. Service Applicant may during the OS submit through Alliance's Customer Activity Website, a RFS for all or a portion of the SC available for the term specified in the OS notice. The date of commencement and termination shall be the first day and last day of Service as stated in the OS.

The RFS shall:

- (i) state the same commencement and termination dates specified by Alliance in the Notice of OS;
  - (ii) be for a service specified by Alliance in the posting that is available for contracting;
  - (iii) if for Delivery service, state whether there is a concurrent requirement for corresponding transport on the U.S. Pipeline;
  - (iv) state the desired Contract Capacity (CC);
  - (v) if desirable by the Service Applicant, state a specified Minimum CC they are willing to accept upon an award;
  - (vi) for Receipt or Full-Path service, include the specified receipt point; and
  - (vii) state a bid value at or above the applicable Bid Floor value posted by Alliance.
- (b) In the event that the RFS is for Full-Path transportation service, the successful RFS Service Applicant will be required to contract for corresponding transport capacity on the U.S. Pipeline
  - (c) In the event that the RFS is for Delivery service, and the Service Applicant has indicated in the RFS that there is a concurrent requirement for corresponding transport on the U.S. Pipeline, but the

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## Alliance Transportation Access Policy

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Service Applicant is unable to obtain the required corresponding transport on the U.S. Pipeline, then the RFS for Delivery service will be rejected.

- (d) The RFS must be submitted to Alliance no later than 12:00 CCT on the Day of the OS end date.
- (e) Each RFS shall be deemed to be binding on Service Applicant and is irrevocable and cannot be withdrawn or amended by Service Applicant after the close of the OS.
- (f) If the RFS is incomplete or does not conform to the requirements herein, such RFS shall be rejected.
- (g) The OS RFSs will be evaluated according to the criteria as set out in sub-Section 5.4.
- (h) Alliance will use reasonable efforts to notify, as soon as possible but in no event longer than five (5) Business Days after the close of the OS, through Alliance's Customer Activity Website or any other electronic means, all Service Applicants who have been conditionally awarded any Seasonal Capacity.
- (i) Service Applicant shall comply with Article 26 Financial Assurances of the General Terms and Conditions of Alliance's Tariff, and if required by Alliance pursuant to Article 26, shall provide security for its financial and contractual obligations within two (2) Business Days from the time Alliance sends notice to Service Applicant pursuant to sub-Section 5.2(h). Such security would cover the transportation agreement resulting from the successful OS RFS, as well as all other transportation agreements between Alliance and Service Applicant. Alliance may, at any time in its sole discretion, extend the period for providing such security.
- (j) Upon satisfaction of the Financial Assurances requirements in sub-Section 5.2(i), the Transportation Service Agreement (Contract) is created and fully executed electronically.
- (k) Information, including bid price and volume, on the RFS will be kept confidential by Alliance: However, Alliance shall include the bid information of winning bidders in an aggregated form (minimum, maximum, average successful bids) in its Quarterly Surveillance Reports and provide the individual information to the NEB if directed to do so by the NEB.

### **(B) Daily Seasonal Capacity Open Seasons (service for terms of a week or less)**

- (a) Alliance may post on its website a Daily Open Season (DOS) for the Daily Capacity for Receipt, Delivery and Full-Path Service on any Business Day. Provided however, if Alliance gives notice that it will hold a Seasonal Capacity Open Season pursuant to sub-Section 5.2 (A) hereof, the Daily Capacity made available in the DOS shall be reduced, as determined by Alliance in its sole discretion, to reflect the capacity being offered in the OS.
- (b) Alliance will post the term for which the Daily Capacity is available, which term will not exceed seven (7) days.
- (c) Alliance shall post the DOS on its website by ~~47~~18:00 hours CCT on each Day prior to the Day that a DOS is held.
- (d) Service Applicants may bid in a DOS by submitting a DOS RFS on Alliance's Customer Activity Website no later than ~~09:00~~08:30 hours CCT on the Day that a DOS is held. Prior to submission of a

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# Alliance Transportation Access Policy

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RFS, the Service Applicant shall provide Alliance with financial assurances as required by Alliance pursuant to Article 26 of the General Terms and Conditions of Alliance's Tariff.

The RFS shall:

- (i) state the same exact commencement and termination dates specified by Alliance in the DOS posting;
  - (ii) be for a service specified by Alliance in the DOS posting that is available for contracting;
  - (iii) if for Delivery service, state whether there is a concurrent requirement for corresponding transport on the U.S. Pipeline;
  - (iv) state the desired Contract Capacity (CC);
  - (v) if desirable by the Service Applicant, state a specified Minimum CC they are willing to accept upon an award;
  - (vi) for Receipt or Full-Path service, include the specified receipt point; and
  - (vii) state a bid value at or above the applicable Bid Floor value posted by Alliance
- (e) In the event that the RFS is for Full-path transportation service, the successful RFS Service Applicant will be required to contract for corresponding transport capacity on the U.S. Pipeline
- (f) In the event that the RFS is for Delivery service, and the Service Applicant has indicated in the RFS that there is a concurrent requirement for corresponding transport on the U.S. Pipeline, but the Service Applicant is unable to obtain the required corresponding transport on the U.S. Pipeline, then the RFS for Delivery service will be rejected.
- (g) Service Applicant may bid for all or a portion of the Daily Capacity.
- (h) Each DOS RFS shall be deemed to be binding on Service Applicant and is irrevocable and cannot be withdrawn or amended by Service Applicant after the close of the DOS.
- (i) Alliance shall not be obligated to accept any DOS RFS if the Service Applicant has not met the requirements of Article 26 Financial Assurances of the General Terms and Conditions of Alliance's Tariff for Daily Capacity.
- (j) The DOS RFSs will be evaluated according to the criteria as set out in sub-Section 5.4.
- (k) Alliance will use commercially reasonable efforts to notify, ~~as soon as possible but in no event longer than one (1) hour~~ within thirty (30) minutes, after the close of the Daily Open Season, through Alliance's Customer Activity Website or any other electronic means, all Service Applicants who have been allocated any Daily Capacity.
- (l) If a DOS RFS is accepted by Alliance, and Alliance allocates capacity pursuant to sub-Section 5.4, the Transportation Service Agreement (Contract) will be created and fully executed electronically.
- (m) Information, including bid price and volume, on the RFS will be kept confidential by Alliance: However, Alliance shall include the bid information of winning bidders in an aggregated form (minimum, maximum, average successful bids) in its Quarterly Surveillance Reports and provide the individual information to the NEB if directed to do so by the NEB.

## 5.3 Pricing of Seasonal Capacity

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- (a) The pricing of the Capacity offered for Seasonal firm services is biddable. Bid floors will be provided by service type and point in accordance with the levels approved by the NEB.
- (b) The derivation of Bid floors for each transportation service will be as per Section 7 below.

## 5.4 Allocation of Seasonal Capacity

- (a) At the close of the OS and DOS, Alliance shall evaluate and award the bids that collectively result in the highest NPV of Demand Charge revenues to Alliance.
- (b) If two (2) or more OS/DOS RFSs have the same NPV value and are to utilize the same receipt and delivery point determined in accordance with sub-Sections 5.4(a), and the Capacity is not sufficient to provide service for the quantities requested in those OS/DOS RFSs, then the Capacity shall be allocated on a pro-rata basis based on the capacity requested in each OS/DOS RFS.
- (c) If the pro-rata share of the remaining Capacity allocated to an OS/DOS RFS pursuant to sub-Section 5.4(b) is less than the minimum capacity specified in such OS/DOS RFS, that OS/DOS RFS shall be deemed to be rejected by Alliance and the remaining Capacity shall be reallocated under sub-Section 5.4(b) excluding such OS/DOS RFS.

## 6. ACCESS TO INTERRUPTIBLE CAPACITY

### 6.1 Posting of the Bidding Window

If at any time Alliance determines it has Interruptible (IT) capacity, Alliance may offer a Bidding Window for IT Service prior to any Nomination cycle. The Bidding Window will:

- (i) for the Timely Cycle, be posted no sooner than five (5) hours prior to the nomination time of the cycle;
- (ii) for all other cycles, be posted no sooner than two (2) hours prior to the nomination time of the cycle;
- ~~(ii)~~(iii) \_\_\_\_\_ include the type of service available;
- ~~(iii)~~(iv) \_\_\_\_\_ include the capacity available for each of the available Service Segments;
- ~~(iv)~~(v) \_\_\_\_\_ include the Bid Floor for each such service which may change from time to time pursuant to Section 7 below
- ~~(v)~~(vi) \_\_\_\_\_ close no sooner than ~~sixty (60)~~thirty (30) minutes prior to award
- ~~(vi)~~(vii) \_\_\_\_\_ be awarded pursuant to Section 6.3 below

### 6.2 Requests for Available IT Service

- (a) Service Applicants may submit through Alliance's Customer Activity Website, a RFS for all or a portion of the available capacity. Prior to submission of a RFS, the Service Applicant shall comply with Article 26 Financial Assurances of the General Terms and Conditions of Alliance's Tariff, and, if required by Alliance pursuant to Article 26, shall provide security for its IT Service financial and contractual obligations.

The RFS shall:

- (i) be for the same nomination cycle offered in the Bidding Window;
- (ii) be for a service specified by Alliance as being available;

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# Alliance Transportation Access Policy

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- (iii) state the Maximum Daily Quantity (MDQ) requested;
  - (iv) for Receipt or Full-Path service, include the specified receipt point; and
  - (v) state a bid value at or above the applicable Bid Floor value posted by Alliance
- (b) In the event that the RFS is for service at a Liquids Receipt Point, the Service Applicant must ensure that the nominated Liquids Receipt Point is designated for the specific liquids product.
- (c) In the event that the RFS is for Full-path transportation service, the successful RFS Service Applicant will be required to contract for corresponding transport capacity on the U.S. Pipeline.
- (d) If the RFS is incomplete or does not conform to the requirements herein, such RFS shall be rejected.
- (e) Information on the RFS will be kept confidential by Alliance, however, Alliance shall include the bid information of winning bidders in an aggregated form (minimum, maximum, average successful bids) in its Quarterly Surveillance Reports and provide the individual information to the NEB if directed to do so by the NEB.

## 6.3 Awarding of IT Service

- (a) At the close of the Bidding Window, Alliance shall rank the submitted RFSs and shall allocate the IT Capacity among Service Applicants on the basis of highest to lowest bid toll (for evaluation purposes, bids received at liquids receipt points for propane injections will be reduced by an economic equivalency factor equal to 2.11, and bids received at liquids receipt points for butane injections will be reduced by an economic equivalency factor equal to 2.74).
- (b) If two (2) or more RFSs have the same ranking and are to utilize the same receipt and delivery point, determined in accordance with sub-Sections 6.3(a) and the available IT Capacity is not sufficient to provide service for the quantities requested in those RFSs or combination of RFSs, then the Capacity shall be allocated on a pro-rata basis based on the capacity requested in each RFS.
- (c) For the Timely Cycle, Alliance will use commercially reasonable efforts to award all IT capacity no later than ninety (90) one-hundred and fifty (150) minutes prior to the nomination time of the cycle. For all other cycles, Alliance will use commercially reasonable efforts to award all IT capacity no later than sixty (60) minutes prior to the nomination time of the cycle. IT capacity will not be awarded to Service Applicants who have not met the requirements of Article 26 Financial Assurances of the General Terms and Conditions of Alliance's Tariff.
- (d) A Service Applicants nomination of IT capacity is subject to scheduling by Alliance in accordance with Article 14 of the General Terms and Conditions.

## 7. PRICING OF SEASONAL AND IT CAPACITY

- (a) The pricing of the Capacity offered for IT and Seasonal Firm Service is biddable. Bid floors will be provided by service type and receipt point in accordance with the levels approved by the NEB in its RH-2-2014 Reasons for Decision. The NEB approved levels for bid floors are described below.
- (i) Seasonal firm service bid floor levels may be set to a range between 100% to 125% of the 5-year fixed toll for the corresponding firm service type (e.g. FRS, FDS, FFPS).
  - (ii) IT service bid floor levels (ITRS, ITDS, ITFPS) may be set to a range between 0% to 125% of the 5-year fixed toll for the corresponding firm service type (e.g. FRS, FDS, FFPS).

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- (b) The derivation of the bid floors for ITRS and Seasonal firm receipt services within the bands provided above will be based on the following information and other non-data factors:
- (i) Amount of capacity available
  - (ii) Previous demand and interruptible pricing in each locality
  - (iii) Competitor capacity availability and pricing
  - (iv) Market hub price signals, spot and forwards. Sub-factors include:
    1. Current and near-term weather forecasts
    2. Storage levels
    3. Natural gas supply & demand
- (c) The derivation of the bid floors for ITDS and seasonal firm delivery services within the bands provided above will be based on the following information and other non-data factors:
- (i) Amount of capacity available
  - (ii) Previous demand and interruptible pricing
  - (iii) Competitor capacity availability and pricing
  - (iv) Market hub price signals, spot and forwards (NIT, Chicago and Dawn gas pricing). Sub-factors include:
    1. Current and near-term weather forecasts
    2. Storage levels
    3. Natural gas supply & demand
    4. CAD-US foreign exchange rates
- (d) The derivation of the bid floors for ITFPS and Seasonal Firm Full-Path services within the bands provided above will include a combination of all the factors summarized above.

## 8. MONTHLY RELOCATIONS

### 8.1 Permanent or Temporary Relocation Posting

- (a) On or before the fifteenth (15<sup>th</sup>) day of the Month, Alliance may offer capacity available for relocation and post that it will consider RFS's for Permanent or Temporary Relocations.
- (b) Permanent or Temporary Relocations are available only for existing FFPS Shippers and FRS Shippers with Firm Transportation Service Agreements with initial terms of three (3) years (35 months for contracts commencing December 1, 2015) or greater.

### 8.2 Requests for Permanent or Temporary Relocations

- (a) Shippers may, through Alliance's Customer Activity Website, submit a RFS to Relocate all or a portion of their Contracted Capacity from a contracted Receipt Point to an alternate Receipt Point on a temporary or permanent basis. The request must be submitted prior to 16:00 CCT on the fifth (5<sup>th</sup>) Business Day after the posting.

The RFS shall:

- (i) state the applicable Firm TSA number;
- (ii) indicate if it is to be temporary or permanent (temporary relocations are valid for a period of one month and may be reapplied for each month);
- (iii) state the existing Receipt point;
- (iv) state the requested relocated Receipt point; and
- (v) state the requested portion of Contract Capacity to be relocated.

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# Alliance Transportation Access Policy

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## 8.3 Granting of Permanent or Temporary Relocations

- (a) The granting of Relocation requests is in Alliance's sole discretion
- (b) Relocations will be granted by 16:00 CCT within ten (10) Business days, but no less than five (5) Business days from the time of the posting.
- (c) Relocation requests will be ranked lower than bids received during any OS or DOS that may be occurring during the same timeframe.
- (d) If any request is granted by Alliance, the terms and conditions of such relocation will be as per Article 11 of the General Terms and Conditions.

## 9. OPERATIONAL TEMPORARY RELOCATIONS

- (a) Operational Temporary Relocations are available only for existing FFPS Shippers and FRS Shippers with Firm Transportation Service Agreements with initial terms of three (3) years (35 months for contracts commencing December 1, 2015) or greater.
- (b) Operational Temporary Relocations will be available on a first come, first served basis, granted at Alliance's sole discretion.
- (c) Shipper may request to Relocate all or a portion of their Contracted Capacity from a contracted Receipt Point to an alternate Receipt Point on a temporary basis as a result of upstream operational issues incurred by the Shipper. Shipper must first provide a paper copy request form to Alliance that would include all data elements required in the RFS, along with the reason for the operational event and company verification and, if applicable, a copy of the notice from the affected CSO that is provided to its customers.
- (d) Alliance will advise shipper of the granting or denying of an Operational Temporary Relocation by 16:00 CCT within two business days from the time of the shipper request.
- (e) Upon Alliance's approval, Shipper will, through Alliance's Customer Activity Website, submit a RFS to Relocate all or a portion of their Contracted Capacity from a contracted Receipt Point to an alternate Receipt Point on a temporary basis, upon which the necessary contract amendments will be affected, including the requested term of the Operational Temporary Relocation.

### The RFS shall:

- (i) state the applicable Firm TSA number;
- (ii) state the requested term, which shall be for a period of no more than 30 days;
- (iii) state the existing Receipt point;
- (iv) state the requested relocated Receipt point; and
- (v) state the requested portion of Contract Capacity to be relocated.
- (f) Relocation requests will be ranked lower than bids received during any OS or DOS that may be occurring during the same timeframe.
- (g) If any request is granted by Alliance, the terms and conditions of such relocation will be as per Article 11 of the General Terms and Conditions.

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## 910. MISCELLANEOUS PROVISIONS

- (a) This Policy is subject to the provisions of Alliance's NEB-approved Tariff.
- (b) Any upper cased term not defined herein shall have the meaning attributed thereto in the General Terms & Conditions of Alliance's Tariff as amended from time to time.

## 4011. DEFINITIONS

**"Bidding Window"** shall mean a period of time during which Service Applicants or potential Service Applicants may submit bids for Interruptible Capacity pursuant to sub-Section 6.1;

**"Daily Open Season (DOS)"** shall mean a defined period of time in which Service Applicants or potential Service Applicants may bid for daily firm service;

**"Daily Capacity (DC)"** shall mean the Capacity not allocated pursuant to Sections 4 & 5.2 (A);

**Firm Capacity (FC)"** shall mean firm capacity with a term of 3 or more years for Receipt and/or Full-Path service and one (1) or more years for Delivery service pursuant to sub-Section 4.1;

**"Seasonal Capacity (SC)"** shall mean the portion of System Capacity that is available for Seasonal Service, as determined by Alliance in its sole discretion;

**"Open Season (OS)"** shall mean a defined period of time and specific process in which Service Applicants or potential Service Applicants may bid for seasonal service;

**"Request For Service (RFS)"** shall mean an electronic written request for Firm Capacity, Seasonal Capacity, Daily Capacity and Interruptible Capacity pursuant to sub-Sections 4.3, 5.2 (A), 5.2 (B), 6.2 and Relocations pursuant to sub-Sections 8.2;

**"Service Applicant"** shall mean a Shipper or another party that submits a Request For Service pursuant to sub-Sections 4.3, 5.2 (A), 5.2 (B), 6.2 and 8.2;

**"Service Segment"** shall mean any of the following segments on the Canadian Alliance Pipeline system: 1) Zone 1 defined as all Alberta Receipt Points and Liquids Receipts points downstream of the Blueberry compressor station and 2) Zone 2 defined as all British Columbia and Alberta Receipt Points and Liquids Receipt Points at or upstream of the Blueberry compressor station and 3) the delivery segment at or downstream of the Alliance Trading Pool.

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**Attachment 6**

**Precedent Agreement Excerpts**

**Sections 7. (h) and (i)**

**May 15, 2014**

**PRECEDENT AGREEMENT  
FOR FIRM NATURAL GAS TRANSPORTATION  
SERVICE COMMENCING DECEMBER 1, 2015**

THIS PRECEDENT AGREEMENT FOR FIRM NATURAL GAS TRANSPORTATION SERVICE (“**Precedent Agreement**”) is made effective as of the \_\_\_ day of \_\_\_\_\_, 201\_\_\_, by and between:

**ALLIANCE PIPELINE LIMITED PARTNERSHIP**, an Alberta  
limited partnership

(“**Transporter**”)

- and -

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

(“**Shipper**”)

**RECITALS:**

**WHEREAS** Transporter owns and operates an interprovincial pipeline that transports natural gas and extends from northeast British Columbia to the Canada-United States border near Elmore, Saskatchewan;

**WHEREAS** Transporter proposes to offer natural gas firm transportation services commencing December 1, 2015 (the “**New Services**”) that differ in tolls and terms and conditions from the existing transportation services offered by Transporter;

**WHEREAS** Shipper, by the commitments it gives in this Precedent Agreement, indicates its intention and agreement to contract for one or more of the New Services;

**WHEREAS** Transporter intends to apply for all necessary regulatory approvals and authorizations of the New Services when, in Transporter’s sole discretion, it has attained sufficient commercial support and commitment, and the commitments given by Shipper in this Precedent Agreement and by other shippers in precedent agreements with Transporter will be used as evidence of such support in Transporter’s regulatory applications;

**NOW THEREFORE**, in consideration of the mutual covenants and agreements herein, the receipt and sufficiency as valuable consideration of which is acknowledged and agreed to by each of Transporter and Shipper, Transporter and Shipper agree as follows:

and deliveries (net of fuel gas and lost-and-unaccounted-for gas). FDS, FDS-IBR, **FPSFFPS** Zone 1 and FPS Zone 2 shippers may not deliver to any FT-1 Service shipper unless such FT-1 Service shipper is party to an extraction rights agreement;

- g. **Renewal Rights** – shippers with contract terms of thirty-five (35) months or more shall have the right to renew their TA's for the same volume or a lower volume under their TA at the date of expiry of their TA, without pro ration, at the same receipt point(s), for a minimum of one year, at the then-prevailing toll (prevailing at the time of the election to renew), by providing Transporter with one year's advance written notice. There is no limitation on the number of times such shippers may exercise this right, provided that where any provision of this Precedent Agreement (including this Section 7(g)) requires that shipper have a contract term of at least thirty-five (35) months or of fifty-nine (59) months, as applicable, the initial term of such shipper's original contract (and not the duration of the renewal term) shall be used for the purpose of applying such provision;
- h. **Receipt Point Flexibility – Scheduling Diversions** - FRS Zone 1, FRS Zone 2, **FPSFFPS** Zone 1, and **FPSFFPS** Zone 2 shippers ~~with contract terms of thirty-five (35) months or more~~ may, at Transporter's sole discretion, divert their volumes to an alternate ("**diverted-to**") receipt point. Such diversions will be scheduled daily after existing firm services and interruptible services are scheduled at the diverted-to receipt point, and provided the diverted volumes meet the gas quality specification of the diverted-to receipt point. In-path diversions (i.e. a diversion to a diverted-to receipt point that is between the shipper's contracted receipt point and contracted delivery point) will be scheduled in priority to out-of-path diversions (i.e. a diversion to a diverted-to receipt point that is not between the shipper's contracted receipt point and contracted delivery point). If requests for diversions to a particular receipt point exceed the available capacity, shippers will be allocated the available capacity on a pro-rata basis. FRS Zone 1 and **FPSFFPS** Zone 1 shippers diverted to a receipt point in Zone 2 will pay Zone 2 tolls for the term of the diversion. FRS Zone 2 and **FPSFFPS** Zone 2 shippers diverted to a receipt point in Zone 1 will continue to pay Zone 2 tolls for the term of the diversion;
- i. **Receipt Point Flexibility – Contract Relocations** - FRS Zone 1, FRS Zone 2, **FPSFFPS** Zone 1, and **FPSFFPS** Zone 2 shippers with contract terms of thirty-five (35) months or more may, at any time after execution of this Precedent Agreement, request the relocation of all or a portion of their receipt point contract capacity on a temporary or permanent basis, and such requests will be honored at Transporter's sole discretion. Any temporary relocation of receipt point contracts will be for a duration of one month, and may be re-applied for on a month-to-month basis. Receipt point capacity will be allocated and relocated during a monthly capacity offering on a pro-rata basis, in the following order of priority:



- i) new contract capacity;
- ii) permanent relocations, in-path;
- iii) temporary relocations, in-path;
- iv) permanent relocations out-of-path;
- v) temporary relocations, out-of-path.

FRS Zone 1 and ~~FPS~~FFPS Zone 1 shippers relocated to a receipt point in Zone 2 will pay Zone 2 tolls for the term of the relocation. FRS Zone 2 and ~~FPS~~FFPS Zone 2 shippers relocated to a receipt point in Zone 1 will continue to pay Zone 2 tolls for the term of the relocation;

j. Demand Charge Credits and Force Majeure – Transporter’s liability to a shipper for demand charge credits (“**Demand Charge Credits**”) will arise:

- (i) immediately for outages caused by events within Transporter’s control;  
and
- (ii) following a 10-day safe harbor period for each outage caused by events of Force Majeure,

but in either case, Demand Charge Credits will be payable only if and to the extent: (1) such outages reduce the physical capability of Transporter to receive, transport or deliver gas; and (2) such reduction in Transporter’s physical capability prevents a shipper from having its gas transported in accordance with its TA and such shipper is unable to mitigate such reduction through commercial or other means (**the “Impact to Shipper”**).

Transporter shall be limited to no more than two (2) 10-day safe harbor periods per calendar year for each TA under which there is an Impact to Shipper.

Transporter shall, as soon as practicable, post to Transporter’s website notice of any outage that is the result of an event of Force Majeure. “**Force Majeure**” means any event or circumstance which is beyond the control of any applicable party and which by the exercise of due diligence such party is unable to prevent or overcome, and subject to the foregoing includes without limitation landslides, lightning, earthquakes, explosions, fires, storms, floods, washouts, breakage or accidents to machinery or lines of pipe, the necessity for making repairs to or alterations of machinery or lines of pipe, freezing of lines of pipe, inability to obtain materials, supplies, permits or labour, any act of God, war, civil disturbances, acts of public enemy, strikes, lockouts or other industrial disturbances, accidents, blockades, insurrections, riots, epidemics and arrests, and restraints of governments and people. The settlement of strikes, lockouts or other labour disputes shall be entirely within the discretion of the party having the difficulty. The following shall not be events of Force Majeure: (i) insufficiency of a shipper’s gas supplies, (ii) inadequate or uneconomic markets for a shipper’s gas, (iii) a shipper’s lack of funds or (iv) curtailment or disruption of service, for



**Attachment 7**

**Informational Postings Reports**

**FIRM SHIPPER CONTRACTS by RECEIPT POINT**

Effective as of February 1, 2016

<b>RECEIPT POINT</b>	<b>BUSINESS PARTY NAME</b>
BC01A - HIGHWAY 2	Progress Energy Canada Ltd.
BC03 - McMAHON	Mercuria Commodities Canada Corp. Pengrowth Energy Corporation Progress Energy Canada Ltd. Seven Generations Energy Ltd. Tenaska Marketing Canada, A Division of TMV Corp.
BC04 - YOUNGER	Alliance Canada Marketing L.P. Aux Sable Canada LP Seven Generations Energy Ltd. Storm Resources Ltd. Tidal Energy Marketing Inc.
BC12 - WEST DOE	Seven Generations Energy Ltd.
BC58 - SEPTIMUS	Crew Energy Inc.
BC62 - DOE CREEK	Leucrotta Exploration Inc.
AB09 - FOURTH CREEK	BP Canada Energy Group ULC Tidal Energy Marketing Inc. Tourmaline Oil Corp.
AB13 - GORDONDALE 1	Alliance Canada Marketing L.P. BP Canada Energy Group ULC
AB16 - PROGRESS	Seven Generations Energy Ltd. TAQA North Ltd. Tidal Energy Marketing Inc.
AB17 - VALHALLA 1	Tidal Energy Marketing Inc.
AB20 - VALHALLA 2	Tidal Energy Marketing Inc.
AB23 - SEXSMITH	Tidal Energy Marketing Inc.
AB24 - HYTHE BRAINARD	Tidewater Midstream and Infrastructure Ltd.
AB25 - KNOPCIK	TAQA North Ltd. Tidal Energy Marketing Inc. Tidewater Midstream and Infrastructure Ltd.
AB27A - ELMWORTH	ConocoPhillips Canada (BRC) Partnership Tidewater Midstream and Infrastructure Ltd.
AB29 - WAPITI	Aux Sable Canada LP Shanghai Energy Corporation Tidal Energy Marketing Inc.
AB30 - GOLD CREEK	Aux Sable Canada LP Tidal Energy Marketing Inc.
AB31 - KARR	Seven Generations Energy Ltd. Tidal Energy Marketing Inc.
AB33 - SIMONETTE	NuVista Energy Ltd. Seven Generations Energy Ltd. Tidal Energy Marketing Inc.
AB34 - MOOSE RIVER	Seven Generations Energy Ltd.
AB37 - SNIPE MOUNTAIN	RMP Energy Inc.
AB39 - GRIZZLY JUNCTION	Tangle Creek Energy Ltd. Tidal Energy Marketing Inc. XTO Energy Canada
AB40 - KAYBOB	Tidal Energy Marketing Inc.
AB41 - KAYBOB SOUTH 1 & 2	Aux Sable Canada LP TAQA North Ltd. Tidal Energy Marketing Inc.
AB42 - BEAR CREEK	Seven Generations Energy Ltd.
AB43 - McLEOD RIVER	Tourmaline Oil Corp.
AB44 - EDSON	Aux Sable Canada LP Long Run Exploration Ltd. Tidal Energy Marketing Inc.
AB44A - WOLF SOUTH	Aux Sable Canada LP ConocoPhillips Canada (BRC) Partnership
AB45 - KAYBOB SOUTH #3	Delphi Energy Corp. Tidal Energy Marketing Inc.
AB47 - CARSON CREEK	Seven Generations Energy Ltd.
AB50 - SUNDANCE	Long Run Exploration Ltd.

**FIRM SHIPPER CONTRACTS by RECEIPT POINT**

Effective as of February 1, 2016

<b>RECEIPT POINT</b>	<b>BUSINESS PARTY NAME</b>
AB63 - HEAVY SOUND	SW Resources Partnership
AB64 - SILVER CREEK	SW Resources Partnership
AB65 - LITTLE CROOKED LAKE	Brion Duvernay Gas Partnership Encana Corporation
AB66 - TONY CREEK	Brion Duvernay Gas Partnership Encana Corporation
AB68 - BIG MOUNTAIN CREEK	Seven Generations Energy Ltd.
ATP - ALLIANCE TRADING POOL	Aux Sable Canada LP BP Canada Energy Group ULC Cargill Limited Castleton Commodities Merchant Trading L.P. ConocoPhillips Canada Marketing & Trading ULC Direct Energy Marketing Ltd. EDF Trading North America, LLC Enbridge Gas Distribution Inc. J. Aron and Company Macquarie Energy Canada Ltd. Noble Americas Gas & Power Corp. PetroChina International (Canada) Trading Ltd. Tidal Energy Marketing Inc.

Criteria: Primary Firm Contract Holders

Includes the contract elements:

- Permanent Relocation Contract Changes
- Permanent Capacity Release Contracts

Alliance Pipeline Limited Partnership and Alliance Pipeline L.P.  
Daily Throughput Report (Projected to end of Gas Day)

Date: Time Printed

Gas Day: Jan. 15, 2016

System Receipts <sup>(1)</sup>	Capacity				Scheduled				Flowing			
	10 <sup>3</sup> m <sup>3</sup>	mmcf	GJ	Dth	10 <sup>3</sup> m <sup>3</sup>	mmcf	GJ	Dth	10 <sup>3</sup> m <sup>3</sup>	mmcf	GJ	Dth
Zone 2	20,050	567,963	673,538	638,391	18,255	517,112	613,234	581,234	17,697	501,325	594,513	563,490
Zone 1	43,534	1,233,228	1,462,464	1,386,148	38,592	1,093,214	1,296,424	1,228,773	38,771	1,098,287	1,302,440	1,234,475
Tioga (ND11)	2,799	79,294	94,033	89,126	1,570	44,484	52,753	50,000	2,220	62,883	74,572	70,681
Bantry (ND08)	4,720	133,710	158,564	150,290	3,921	111,083	131,731	124,857	4,375	123,936	146,974	139,304
<b>Totals</b>	<b>71,103</b>	<b>2,014,195</b>	<b>2,388,599</b>	<b>2,263,955</b>	<b>62,338</b>	<b>1,765,893</b>	<b>2,094,142</b>	<b>1,984,863</b>	<b>63,063</b>	<b>1,786,432</b>	<b>2,118,499</b>	<b>2,007,949</b>

System Deliveries <sup>(2)</sup>	Capacity				Scheduled				Flowing			
	10 <sup>3</sup> m <sup>3</sup>	mmcf	GJ	Dth	10 <sup>3</sup> m <sup>3</sup>	mmcf	GJ	Dth	10 <sup>3</sup> m <sup>3</sup>	mmcf	GJ	Dth
Rosholt (ND01)	134	3,807	4,515	4,279	86	2,424	2,875	2,725	89	2,519	2,987	2,831
Hankinson (ND07)	1,656	46,914	55,634	52,731	350	9,906	11,747	11,134	302	8,556	10,146	9,617
Lyle (IA06)	499	14,125	16,750	15,876	283	8,007	9,496	9,000	308	8,737	10,361	9,820
Nicor (IL01)	12,154	344,289	408,287	386,981	943	26,722	31,689	30,035	-	-	-	-
NGPL (IL02)	38,547	1,091,941	1,294,915	1,227,342	-	-	-	-	-	-	-	-
Midwestern (IL03)	21,961	622,121	737,763	699,264	-	-	-	-	-	-	-	-
Peoples (IL04)	17,172	486,436	576,856	546,754	1,596	45,201	53,603	50,806	2,526	71,552	84,852	80,424
ANR (IL05)	40,339	1,142,708	1,355,118	1,284,404	22,044	624,466	740,544	701,900	19,970	565,708	670,864	635,856
Vector (IL06)	40,665	1,151,939	1,366,064	1,294,779	21,944	621,635	737,187	698,718	20,149	570,768	676,864	641,543
Aux Sable (IL09)	11,845	335,539	397,910	377,146	4,955	140,365	166,456	157,770	1,493	42,300	50,163	47,545
Guardian (IL10)	20,169	571,354	677,559	642,202	5,560	157,491	186,766	177,020	9,206	260,795	309,272	293,133
<b>Totals</b>	<b>205,140</b>	<b>5,811,173</b>	<b>6,891,370</b>	<b>6,531,758</b>	<b>57,760</b>	<b>1,636,217</b>	<b>1,940,362</b>	<b>1,839,108</b>	<b>54,043</b>	<b>1,530,934</b>	<b>1,815,509</b>	<b>1,720,770</b>

Line pack <sup>(3)</sup>	10 <sup>3</sup> m <sup>3</sup>	mmcf	GJ	Dth
System (Start)	312,261	8,845,668	10,489,927	9,942,531
System (Current)	314,640	8,913,082	10,569,872	10,018,304
System (Target)	309,496	8,767,353	10,397,054	9,854,504
Lateral (Start)	65,651	1,859,741	2,205,436	2,090,349
Lateral (Current)	65,546	1,856,767	2,201,909	2,087,007
Lateral (Target)	68,765	1,947,970	2,310,065	2,189,518

NOTES

- (1) Volumetric System Receipts converted at projected daily average comingled heat factor.
- (2) Volumetric System Deliveries converted at deemed 1100 btu/scf (40.97 Mj/m<sup>3</sup>).
- (3) Volumetric System Deliveries converted at deemed 1100 btu/scf (40.97 Mj/m<sup>3</sup>).

**Attachment 8**

**Quarterly Surveillance Report  
Bid Information Report**

<b>BIDS BREAKDOWN (CAD/E3M3 unless noted)</b>													
<b>For the Month ending December 31, 2015</b>													
Canadian Services	Term	5 Year Firm Service Rate	MAX Floor Set	MIN Floor Set	Avg. Floor % Set	Avg. Floor Set	MAX Bid Received	MIN Bid Received	Avg. Bid Received	Volume Weighted Avg. Bid	# of Submitted Bids	# of Awarded Bids	Total Volume Awarded (E3M3)
<b>INTERRUPTIBLE SERVICES</b>													
ITRS - Zone 1	Daily	\$ 14.79	125%	125%	125%	\$ 18.49	\$ 26.64	\$ 18.49	\$ 19.48	\$ 18.85	268	245	62,149
ITRS - Zone 2	Daily	\$ 20.41	125%	91%	111%	\$ 22.62	\$ 25.52	\$ 18.52	\$ 22.37	\$ 22.59	29	27	1,935
ITDS	Daily	\$ 8.14	125%	100%	105%	\$ 8.55	\$ 12.81	\$ 8.14	\$ 8.73	\$ 8.79	64	59	67,216
ITFPS - Zone 1	Daily	-	-	-	-	-	-	-	-	-	-	-	-
ITFPS - Zone 2	Daily	-	-	-	-	-	-	-	-	-	-	-	-
<b>SEASONAL FIRM SERVICES*</b>													
FRSS - Zone 1	Jan 1, 2016 - Mar 31, 2016	\$ 14.79	110%	110%	110%	\$ 16.27	-	-	-	-	-	-	-
FRSS - Zone 2	Jan 1, 2016 - Mar 31, 2016	\$ 20.41	110%	110%	110%	\$ 22.46	\$ 22.60	\$ 22.60	\$ 22.60	\$ 22.60	1	1	60
FDSS	Jan 1, 2016 - Mar 31, 2016	\$ 8.14	110%	110%	110%	\$ 8.95	\$ 19.84	\$ 8.95	\$ 11.84	\$ 10.11	7	4	1,208
FFPSS - Zone 1	Jan 1, 2016 - Mar 31, 2016	\$ 22.93	110%	110%	110%	\$ 25.22	\$ 25.25	\$ 25.25	\$ 25.25	\$ 25.25	1	1	526
FFPSS - Zone 2	Jan 1, 2016 - Mar 31, 2016	\$ 28.55	110%	110%	110%	\$ 31.40	-	-	-	-	-	-	-
<b>Services Description</b>													
1 - ITRS - Interruptible Transportation Receipt Service													
2 - ITDS - Interruptible Transportation Delivery Service													
3 - ITFPS - Interruptible Transportation FullPath Service													
4 - FRSS - Firm Receipt Seasonal Service													
5 - FDSS - Firm Delivery Seasonal Service													
6 - FFPSS - Firm FullPath Seasonal Service													
<b>Seasonal Firm Service:</b>													
*One open Season held on December 14, 2015 for capacity from January 1, 2016 - March 31, 2016. Seasonal bid data is not on a per day basis													

PENDING & WITHDRAWN BIDS NOT INCLUDED