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April 22, 2016

Ms. Sheri Young
Secretary of the Board
National Energy Board
517 10th 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
Submission of Tariff
NEB File Number: OF-Tolls-Group1-A159-2014 01**

Dear Ms. Young

In accordance with the National Energy Board's directive issued in its letter, dated April 14, 2016, Alliance Pipeline Ltd., as General Partner of the Alliance Pipeline Limited Partnership (Alliance) hereby files its Canadian Tariff (see Attachment #1). The attached Tariff also includes amendments to Schedule A of the General Terms and Conditions, reflecting the recent installation of two new receipt point meter stations (AB 67 and AB 68). For ease of reference, redlined tariff excerpts are included in Attachment #2 identifying each change from the tariff version that Alliance submitted to the Board on February 1, 2016.

Alliance wishes to advise the Board that the attached Tariff does not contain proposed changes to Articles 2.2 and 3.1 of the Toll Schedules for Firm Receipt and Firm Full Path Service, as referenced in Footnote No. 1 to the Board's April 14th letter. Alliance can confirm that, through an administrative error on its part, the cover letters to Alliance's October 27, 2015, and February 1, 2016 submissions, each incorrectly made reference to a change to Articles 2.2 and 3.1 of the Toll Schedules for Firm Receipt and Firm Full Path Service, when no such tariff change was in fact required.

The tariff provisions of these two articles that were attached to Alliance's October 27, 2015, and February 1, 2016 submissions, remain identical to those contained in Alliance's May 22, 2014 application to the Board, which the Board subsequently approved in its RH-002-2014 Reasons for Decision. The error on Alliance's part was not the omission of proposed changes in its tariff, but rather the inadvertent inclusion of a reference in its cover letters to non-existent tariff changes. To confirm, implementation of the enhancements described in Issue 1.14 that allow



shippers to request a diversion for an amount equivalent to the aggregate of its contracted capacity plus priority interruptible capacity does not require any change to Articles 2.2 or 3.1 of the Toll Schedules for Firm Receipt and Firm Full Path Service. Alliance apologizes for any confusion that this administrative error may have caused.

Alliance's Tariff was initially filed as part of its May 22, 2014 New Services Offering application, subjected to detailed review through the Board's hearing process, and subsequently approved through the issuance of Board Order TG-012-2015. Tariff amendments reflecting directions contained within the Board's RH-002-2014 Reasons for Decision, as well as service enhancements proposed by Alliance were subsequently submitted for approval.

Consistent with the Board's prior approvals of Alliance's Tariff, the Alliance Transportation Access Policy (ATAP) does not form part of Alliance's NEB-approved Tariff. Alliance developed the ATAP as an incremental business policy to assist it, and its shippers, in the provision of Alliance's transportation services. The overarching service principles, rights and obligations are all established in Alliance's Tariff. The ATAP, on the other hand, was created to add detail to the necessary business policies, procedures, and practices required to provide transportation service on a day-to-day basis. The ATAP has been developed through direct consultation with Alliance's shippers, and is posted on Alliance's Informational Postings Site, thus ensuring that all existing or prospective shippers have equal and transparent access to the rules of the day. More importantly, the ATAP represents a business document that through shipper consultation and consensus can be enhanced to meet changing shipper needs and market conditions on an expedient and efficient basis. And of course, the ATAP provisions must not conflict with Alliance's NEB-approved Tariff.

Contrary to the Board's representation of events included in its April 14th letter, Alliance respectfully disagrees that it applied for a tariff amendment in its October 7, 2015 filing to the Board. As stated in Condition 6 of Board Order TG-012-2015, Alliance was directed to "... report to the Board by 7 October 2015 on bid mechanics and setting bid floors." On October 7, 2015, Alliance did exactly that – it filed a letter describing the business procedures it would adopt for December 1, 2015.

In support of this filing, Alliance also attached a copy of its ATAP for the Board's information. However, the ATAP not only addressed bid mechanics and the setting of bid floors, but covered areas beyond the scope of what was prescribed by the Board. Alliance specifically stated in its filing that the ATAP represents a business policy establishing the process by which shippers will be notified of available capacity and the relevant pricing terms, how they can submit requests for long-term firm, seasonal firm, and interruptible receipt, delivery and full path service, as well as receipt point relocations, and how the requests will be administered and awarded by Alliance. Alliance also emphasized that its ATAP represents Alliance's current business policy, and that Alliance would continue to monitor its commercial environment in order to maintain its competitiveness and meet the demands of its customers. If a change in circumstances arose such that a modification to this business policy was warranted, Alliance stated that it would work accordingly with its shipper base to make the appropriate amendments.



On October 27, 2015, and in accordance with Condition 2 of Board Order TG-012-2015, Alliance filed its New Services Offering Tariff, effective December 1, 2015. The tariff filing consisted of the same tariff elements that were included in Alliance's May 22, 2014 application, and subsequently approved by the Board in its RH-002-2014 Reasons for Decision (i.e. Toll Schedules, General Terms and Conditions, and Form of Service Agreements). The ATAP was not included in this filing, and accordingly did not form part of the relief requested by Alliance.

On November 26, 2015, the NEB issued a letter approving Alliance's tariff on an interim basis.¹ On February 1, 2016, Alliance re-filed its tariff seeking final approval, in part, and interim approval, in part. The relief requested by Alliance specifically related only to the tariff documents included in Attachments #2 and #3, and thus by inference excluded the ATAP documents contained in Attachments #4 and #5.²

In summary, Alliance respectfully submits that the filing of the attached Tariff fully complies with the Board's April 14th letter, and is consistent with the procedural decisions and directions outlined in the Board's RH-002-2014 Reasons for Decision and Board Order TG-012-2015.

Please contact the undersigned if you have any questions.

Sincerely,

ALLIANCE PIPELINE LTD.

[Original Signed]

Brian Troicuk
Director, Regulatory Affairs
Alliance Pipeline Ltd.
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Attachments

cc: Alliance Pipeline Shipper Task Force
Alliance Shippers
RH-002-2014 Interested Parties

¹ Alliance acknowledges that the Board also stated in its November 26th letter that it "... approves the ATAP as drafted by Alliance ...", but Alliance had presumed that the Board was in effect signaling its acceptance of the bid mechanics landed on by Alliance and its shippers, but not for other ATAP matters related to a proposed tariff amendment rejected by the Board. Alliance's subsequent compliance filing on November 27, 2016 specifically separated Tariff elements from ATAP elements.

² In Alliance's view, the ATAP was included in its February 1st submission solely for the Board's information and in compliance with the Board's November 26th filing instruction.

Attachment 1

**Transportation Tariff
of
Alliance Pipeline Limited Partnership**

Effective April 14, 2016



**Transportation Tariff
of
Alliance Pipeline Limited Partnership**

Effective, April 14, 2016

Communications concerning this tariff should be addressed to:

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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 ³ m ³ /month ¹	3Yr Demand Charge \$/10 ³ m ³ /month	5Yr Demand Charge \$/10 ³ m ³ /month	PITS Charge 1 \$/10 ³ m ³	PITS Charge 2 \$/10 ³ m ³	Diversion Factor	Overrun Quantities Charge \$/10 ³ m ³
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 ³ m ³ /day	Diversion Factor	Overrun Quantities Charge \$/10 ³ m ³
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 ²	FRS, except for Seasonal Service Recoverable Cost Variances Demand Surcharge \$/10 ³ m ³ /month	FRS: Seasonal Service Recoverable Cost Variances Demand Surcharge \$/10 ³ m ³ /day	FRS: PITS Recoverable Cost Variances Surcharge \$/10 ³ m ³	FRS: Overrun Quantities Recoverable Cost Variances Surcharge \$/10 ³ m ³
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 ³ m ³ /month	FRS: Seasonal Service Pipeline Abandonment Demand Surcharge \$/10 ³ m ³ /day	FRS: PITS Pipeline Abandonment Surcharge \$/10 ³ m ³	FRS: Overrun Quantities Pipeline Abandonment Surcharge \$/10 ³ m ³
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.

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

² 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 ³ m ³ /°C HCDP/month
HCDP Off-Spec Surcharge	\$0.44/10 ³ m ³ /°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/m³ 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:

FDS-IBR and FDS, except Seasonal Service	1Yr Demand Charge \$/10³m³/month	3Yr Demand Charge \$/10³m³/month	5Yr Demand Charge \$/10³m³/month
FDS	\$247.44	\$247.44	\$247.44
FDS-IBR	n/a	n/a	Floor Demand Charge of \$228.65

	Demand Charge \$/10³m³/day
FDS: Seasonal Service	As bid by Shipper.

Surcharges:

FDS-IBR and FDS, except Seasonal Service	Recoverable Cost Variances Demand Surcharge¹ \$/10³m³/month	Pipeline Abandonment Demand Surcharge \$/10³m³/month
FDS	0	\$7.82
FDS-IBR	0	\$7.82

	Recoverable Cost Variances Demand Surcharge \$/10³m³/day	Pipeline Abandonment Demand Surcharge \$/10³m³/day
FDS: Seasonal Service	0	\$0.26

Firm Rich Gas Credit:

FDS and FDS-IBR, except Seasonal Service	Firm Rich Gas Credit \$/10³m³/month
FDS	Set quarterly.
FDS-IBR	Set quarterly.

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

¹ 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:

Firm Full Path Service, except Seasonal Service	1Yr Demand Charge \$/10³m³/month¹	3Yr Demand Charge \$/10³m³/month	5Yr Demand Charge \$/10³m³/month	PITS Charge 1 \$/10³m³	PITS Charge 2 \$/10³m³	Diversion Factor	Overrun Quantities Charge \$/10³m³
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

Firm Full Path Service: Seasonal Service	Demand Charge \$/10³m³/day	Diversion Factor	Overrun Quantities Charge \$/10³m³
Zone 1	As bid by Shipper.	0.25	\$23.35
Zone 2	As bid by Shipper.	n/a	\$32.23

Surcharges:

Recoverable Cost Variances Demand Surcharge and Recoverable Cost Variances Surcharge²	FFPS, except for Seasonal Service	FFPS: Seasonal Service	FFPS: PITS	FFPS: Overrun Quantities
	Recoverable Cost Variances Demand Surcharge \$/10³m³/month	Recoverable Cost Variances Demand Surcharge \$/10³m³/day	Recoverable Cost Variances Surcharge \$/10³m³	Recoverable Cost Variances Surcharge \$/10³m³
Zone 1	0	0	0	0
Zone 2	0	0	0	0

Pipeline Abandonment Demand Surcharge and Pipeline Abandonment Surcharge	FFPS, except for Seasonal Service	FFPS: Seasonal Service	FFPS: PITS	FFPS: Overrun Quantities
	Pipeline Abandonment Demand Surcharge \$/10³m³/month	Pipeline Abandonment Demand Surcharge \$/10³m³/day	Pipeline Abandonment Surcharge \$/10³m³	Pipeline Abandonment Surcharge \$/10³m³
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.

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

² 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 ³ m ³ /°C HCDP/month
HCDP Off-Spec Surcharge	\$0.44/10 ³ m ³ /°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 ($\$/10^3\text{m}^3$), 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

Interruptible Receipt Service	Confirmed IT Toll \$/10³m³	Recoverable Cost Variances Surcharge¹ \$/10³m³	Pipeline Abandonment Surcharge \$/10³m³	
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.

¹ 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 ³ m ³ /°C HCDP
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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 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

	Confirmed IT Toll \$/10³m³	Recoverable Cost Variances Surcharge¹ \$/10³m³	Pipeline Abandonment Surcharge \$/10³m³
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.

¹ 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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SCHEDULE "B" – RICH GAS SERVICE SURCHARGE

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. 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.
- 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

Interruptible Full Path Service	Confirmed IT Toll \$/10³m³	Recoverable Cost Variances Surcharge¹ \$/10³m³	Pipeline Abandonment Surcharge \$/10³m³	
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.

¹ 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 ³ m ³ /°C HCDP
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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.

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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.

" 10^3m^3 " 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 10^3m^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 "**m³**" 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/m³), 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 10^3m^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 10^3m^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 10^3m^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 10^3m^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/m³ and no greater than sixty (60) MJ/m³;
- (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 (10^3m^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 (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 10^3m^3 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 10³m³ 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 10³m³ 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 10³m³ 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;
 - (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;
 - (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 10^3m^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 10^3m^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-implied 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 10³m³/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)
AB 67	TONTO	TONY TOWER	13-31-62-23 W5	1	8275 (1200)
AB 68	BGMTC	BIG MOUNTAIN CREEK	14-26-67-05 W6	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 \$_____/ 10^3m^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]

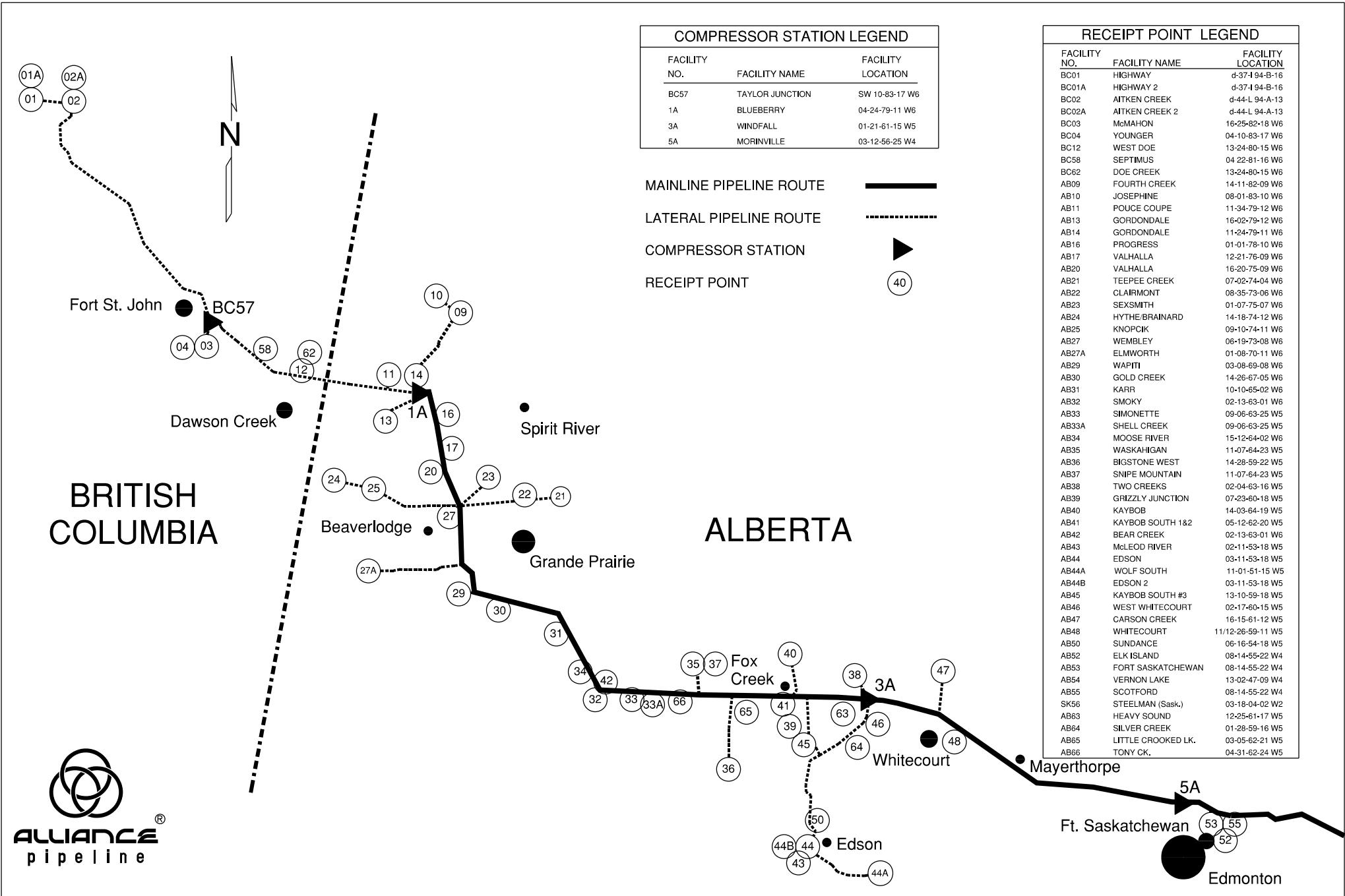
Per: _____
[Name]
[Title]

Per: _____
[Name]
[Title]

SYSTEM MAPS

ALLIANCE PIPELINE LIMITED PARTNERSHIP

System Map - B.C. and Western Alberta



COMPRESSOR STATION LEGEND		
FACILITY NO.	FACILITY NAME	FACILITY LOCATION
BC57	TAYLOR JUNCTION	SW 10-83-17 W6
1A	BLUEBERRY	04-24-79-11 W6
3A	WINDFALL	01-21-61-15 W5
5A	MORINVILLE	03-12-56-25 W4

MAINLINE PIPELINE ROUTE	
LATERAL PIPELINE ROUTE	
COMPRESSOR STATION	
RECEIPT POINT	

RECEIPT POINT LEGEND		
FACILITY NO.	FACILITY NAME	FACILITY LOCATION
BC01	HIGHWAY	d-37-1 94-B-16
BC01A	HIGHWAY 2	d-37-1 94-B-16
BC02	AITKEN CREEK	d-44-L 94-A-13
BC02A	AITKEN CREEK 2	d-44-L 94-A-13
BC03	McMAHON	16-25-82-18 W6
BC04	YOUNGER	04-10-83-17 W6
BC12	WEST DOE	13-24-80-15 W6
BC58	SEPTIMUS	04 22-81-16 W6
BC62	DOE CREEK	13-24-80-15 W6
AB09	FOURTH CREEK	14-11-82-09 W6
AB10	JOSEPHINE	08-01-83-10 W6
AB11	POUCE COUPE	11-34-79-12 W6
AB13	GORDONDALE	16-02-79-12 W6
AB14	GORDONDALE	11-24-79-11 W6
AB16	PROGRESS	01-01-78-10 W6
AB17	VALHALLA	12-21-76-09 W6
AB20	VALHALLA	16-20-75-09 W6
AB21	TEEPEE CREEK	07-02-74-04 W6
AB22	CLAIRMONT	08-35-79-06 W6
AB23	SEXSMITH	01-07-75-07 W6
AB24	HYTHE/BRAINARD	14-18-74-12 W6
AB25	KNOPCIK	09-10-74-11 W6
AB27	WEMBLEY	06-19-73-08 W6
AB27A	ELMWORTH	01-08-70-11 W6
AB29	WAPITI	03-08-69-08 W6
AB30	GOLD CREEK	14-26-67-05 W6
AB31	KARR	10-10-65-02 W6
AB32	SMOKY	02-13-63-01 W6
AB33	SIMONETTE	09-06-63-25 W5
AB33A	SHELL CREEK	09-06-63-25 W5
AB34	MOOSE RIVER	15-12-64-02 W6
AB35	WASKAHIGAN	11-07-64-23 W5
AB36	BIGSTONE WEST	14-28-59-22 W5
AB37	SNIFE MOUNTAIN	11-07-64-23 W5
AB38	TWO CREEKS	02-04-63-16 W5
AB39	GRIZZLY JUNCTION	07-23-60-18 W5
AB40	KAYBOB	14-03-64-19 W5
AB41	KAYBOB SOUTH 1&2	05-12-62-20 W5
AB42	BEAR CREEK	02-13-63-01 W6
AB43	McLEOD RIVER	02-11-53-18 W5
AB44	EDSON	03-11-53-18 W5
AB44A	WOLF SOUTH	11-01-51-15 W5
AB44B	EDSON 2	03-11-53-18 W5
AB45	KAYBOB SOUTH #3	13-10-59-18 W5
AB46	WEST WHITECOURT	02-17-60-15 W5
AB47	CARSON CREEK	16-15-61-12 W5
AB48	WHITECOURT	11/12-26-59-11 W5
AB50	SUNDANCE	06-16-54-18 W5
AB52	ELK ISLAND	08-14-55-22 W4
AB53	FORT SASKATCHEWAN	08-14-55-22 W4
AB54	VERNON LAKE	13-02-47-09 W4
AB55	SCOTFORD	08-14-55-22 W4
SK56	STEELMAN (Sask.)	03-18-04-02 W2
AB63	HEAVY SOUND	12-25-61-17 W5
AB64	SILVER CREEK	01-28-59-16 W5
AB65	LITTLE CROOKED LK.	03-05-62-21 W5
AB66	TONY CK.	04-31-62-24 W5

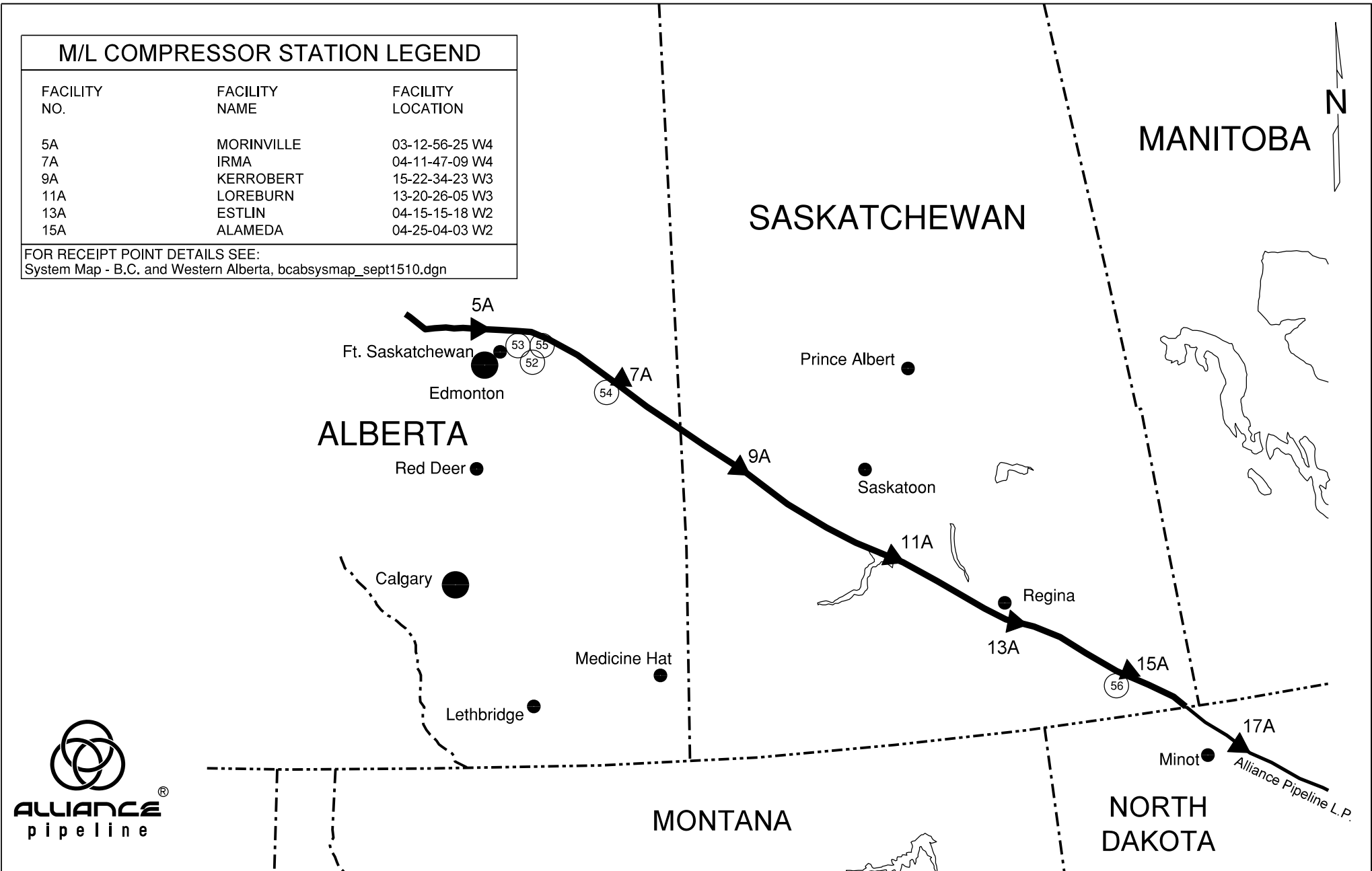


ALLIANCE PIPELINE LIMITED PARTNERSHIP

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 2

**Transportation Tariff
of
Alliance Pipeline Limited Partnership**

**Effective April 14, 2016
(Redlined Tariff Excerpts)**

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(e)~~. 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(e)~~.
- 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.

GENERAL TERMS AND CONDITIONS

- 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);~~

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)
<u>AB 67</u>	<u>TONTO</u>	<u>TONY TOWER</u>	<u>13-31-62-23 W5</u>	<u>1</u>	<u>8275 (1200)</u>
<u>AB 68</u>	<u>BGMTC</u>	<u>BIG MOUNTAIN CREEK</u>	<u>14-26-67-05 W6</u>	<u>1</u>	<u>8275 (1200)</u>

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)