

Appendix 4

Tariff Amendments

Tab A
List of Tariff Amendments

List of Tariff Amendments

The following table provides a summary of the proposed NGTL Tariff amendments which result from the Application.

This summary has been provided for information only and does not form part of the NGTL Tariff.

A black-lined copy of the affected pages of the NGTL Tariff, illustrating the proposed amendments and a clean copy of the affected sections of the NGTL Tariff incorporating the proposed amendments are in Tabs B and C respectively.

Tariff Document	Revision
Rate Schedule FT-R	<ul style="list-style-type: none"> • Paragraph 5.1: Amended Term of Schedule of Service to reflect agreed to minimum Primary and Secondary Terms • Article 11.0: Added new article to reflect ability to Temporally Convert Rate Schedule FT-R to FT-P • Articles 12.0, 13.0 and 14.0: Amended numbering to reflect inserting new article 11.0
Rate Schedule FT-D	<ul style="list-style-type: none"> • Paragraph 5.1: Amended Term of Schedule of Service to reflect agreed to minimum Primary and Secondary Terms • Paragraph 11 b(i): Corrected typo
Rate Schedule FT-P	<ul style="list-style-type: none"> • Paragraph 3.2: Added (iv) Price Point “D” to Rate Schedule FT-P • Paragraph 4.7.1: Corrected typo • Paragraph 5.1: Amended Term of Schedule of Service • Paragraph 5.3: Deleted • Paragraph 5.4: Amended numbering to reflect deletion of Paragraph 5.3 • Paragraph 10.4: Added reference for Rate Schedule FT-R
General Terms and Conditions	Definitions <ul style="list-style-type: none"> • 1.19: Added Schedule of Service Rate Schedule FT-R to the definition of Conversion Eligible Schedule of Service • 1.102: Amended definition to reflect the addition of Price Point “D” to Rate Schedule FT-P • 1.103: Amended reference to Primary Term in definitions of Rate Schedules FT-R, FT-D and FT-P • 1.127: Added reference to Rate Schedule FT-R in definition of Temporary Conversion
Appendix E	<ul style="list-style-type: none"> • Paragraph 2.1: Added Rate Schedule FT-R and update referenced to applicable Rate Schedule for determination of Primary Term • Paragraph 2.2: Added “Delivery Contract Demand” • Paragraph 3.1: Added “Rate Schedule FT-D” and update Primary Term calculation to reflect Application • Paragraph 3.3: Added “Delivery Point” • Subparagraph 3.1(ii): Deleted specific capital cost rate • Subparagraph 3.1(v): Corrected typo • Article 4.0: Deleted • Article 5.0: Deleted • Attachment 1: Updated Illustrative Primary Term Calculation with current information

Tab B
Blackline Version

been nominated, the aggregate volume of gas received from Customer at a Receipt Point shall be allocated for billing purposes as follows:

- (i) first to service to Customer under Rate Schedules LRS and LRS-3 to a maximum of such Customer's LRS Contract Demand for such Receipt Point under such Rate Schedule LRS and to a maximum of such Customer's LRS-3 Contract Demand for such Receipt Point under such Rate Schedule LRS-3;
- (ii) secondly to Service to Customer under Rate Schedule FT-R to a maximum of such Customer's Receipt Contract Demand for such Receipt Point under Rate Schedule FT-R;
- (iii) thirdly to service to Customer under Rate Schedule FT-RN to a maximum of such Customer's Receipt Contract Demand for such Receipt Point under Rate Schedule FT-RN; and
- (iv) fourthly to service to Customer under Rate Schedule IT-R at such Receipt Point. If Customer is not entitled to service under Rate Schedule IT-R at such Receipt Point, gas shall be allocated as Over-Run Gas and charged in accordance with paragraph 4.3.

5.0 TERM OF SERVICE

5.1 Term of a Schedule of Service

If, in the provision of new Service, Company determines that:

- (i) no new Facilities are required to ~~be installed or constructed at any Receipt Point to provide the Service requested, the minimum term of the Schedule of Service shall be a Secondary Term equal to the term requested by Customer with the minimum~~

NOVA Gas Transmission Ltd.

~~term being three (3) years; or of one (1) year;~~

- (ii) new metering Facilities are required to ~~be installed or constructed at any Receipt Point to provide the Service requested, the minimum term of the Schedule of Service shall be equal to the sum of:~~
- (a) ~~the a minimum Primary Term of between two (2) and five (5) years as determined under the Criteria for Determining Primary Term in Appendix “E” of the Tariff; and~~
- (b) ~~a Secondary Term equal to the Secondary Term requested by the Customer with the minimum Secondary Term being three (3) years six (6) years less the Primary Term; or~~
- (iii) other new Facilities are required to provide the Service requested, the minimum term of the Schedule of Service shall be equal to the sum of:
- (a) a minimum Primary Term of two (2) years if no new metering Facilities are required or of between two (2) and five (5) years if new metering Facilities are required as determined under the Criteria for Determining Primary Term in Appendix “E” of the Tariff; and
- (b) a Secondary Term equal to eight (8) years less the Primary Term.

5.2 The Price Point for the term shall be determined in the manner described in paragraph 3.2.

5.3 Term of Service Agreement

Customer’s Service Agreement shall terminate on the latest Service Termination Date of Customer’s Schedules of Service for Service under Rate Schedule FT-R.

9.5 Term Swaps Between Schedules of Service Under Rate Schedule FT-R and other Schedules of Service

Except as provided in article 9, a Customer entitled to receive Service under Rate Schedule FT-R shall not be entitled to swap the Service Termination Date of any Schedule of Service under Rate Schedule FT-R with the Service Termination Date under any Schedule of Service.

10.0 TITLE TRANSFERS

10.1 A Customer entitled to receive Service under Rate Schedule FT-R may transfer all or a portion of Customer's Inventory to another Customer or may accept a transfer of all or a portion of Customer's Inventory from another Customer provided such Customer is entitled to receive service under any Rate Schedule that permits title transfers and such title transfer is in accordance with the Terms and Conditions of Service Respecting Title Transfers in Appendix "C" of the Tariff.

11.0 TEMPORARY CONVERSION OF SERVICE

(i) Customer may request a Temporary Conversion provided that:

(a) at the time of the request, the Schedule of Service Rate Schedule FT-R is a Conversion Eligible Schedule of Service, with at least one (1) year remaining;

(b) the Temporary Conversion:

(i) commences on the first day of a month, which is at least thirty (30) days following written request for Temporary Conversion; and

- (ii) ends on the last day of a month which is at least one (1) year after the Temporary Conversion commencement date;
- (c) all conditions set out in paragraphs 2.1 and 2.2 of Rate Schedule FT-P have been satisfied;
- (d) Company may require Customer to extend the term of the Schedule of Service in order to ensure the Temporary Conversion results in sufficient cost accountability as determined by Company in its sole discretion; and
- (e) Company determines, in its sole discretion, it is able to accommodate the Temporary Conversion.
- (ii) The Temporary Conversion shall revert back to Service under Rate Schedule FT-R at the end of the term of the Temporary Conversion.
- (iii) Rate Schedule FT-P shall apply during Temporary Conversion, excluding however paragraphs 10.1 to 10.3, in which case paragraphs 12.1 to 12.3 of Rate Schedule FT-R shall apply.

11.012.0 RENEWAL OF SERVICE

11.112.1 Renewal Notification

Customer shall be entitled to renew all or any portion of Service under a Schedule of Service under Rate Schedule FT-R as Service under either Rate Schedule FT-R or Rate Schedule FT-P, if Customer gives Notice to Company of such renewal at least one (1) year prior to the Service Termination Date. If Customer does not specify which Rate Schedule the Service is to be renewed under, the Service shall be renewed under Rate

Schedule FT-R. If Customer does not provide such Notice, the Service shall expire on the Service Termination Date.

11.212.2 Irrevocable Notice

Customer's Notice to renew pursuant to paragraph ~~4~~12.1 shall be irrevocable one (1) year prior to the Service Termination Date.

Any renewal of Service is subject to the Financial Assurances provisions in Article 10 of the General Terms and Conditions.

11.312.3 Renewal Term

Customer's Notice shall specify a renewal term of not less than one (1) year consisting of increments of whole months. The Price Point for the renewal term shall be determined in the manner described in paragraph 3.2 based on the length of the renewal term requested by Customer.

12.013.0 APPLICATION FOR SERVICE

12.113.1 Applications for Service under this Rate Schedule FT-R shall be in such form as Company may prescribe from time to time.

14.0 GENERAL TERMS AND CONDITIONS

12.214.1 The General Terms and Conditions of the Tariff and the provisions of any Service Agreement for Service under Rate Schedule FT-R are applicable to Rate Schedule FT-R to the extent that such terms and conditions and provisions are not inconsistent with this Rate Schedule.

4.7.2. At Group 3 Delivery Points:

Notwithstanding any other provision of this Rate Schedule, any Service Agreement or the General Terms and Conditions of the Tariff, and without regard to how gas may have been nominated, the aggregate quantity of gas delivered to Customer at a Group 3 Delivery Point shall be allocated for billing purposes to Service to Customer under Rate Schedule FT-D.

5.0 TERM OF SERVICE**5.1 Term of a Schedule of Service**

If, in the provision of new Service, Company determines that:

- (i) no new Facilities are required ~~that are directly attributable to Customer's request for such~~ provide the Service requested, the minimum term of the Schedule of Service shall be a Secondary Term ~~equal to the term requested by Customer with the minimum term being~~ of one (1) year;
- (ii) new metering Facilities are required to ~~be installed or constructed at any Delivery Point to provide the Service requested~~, the minimum term of the Schedule of Service shall be equal to the sum of:
 - (a) a minimum Primary Term of between two (2) years; and five (5) years as determined under the Criteria for Determining Primary Term in Appendix "E" of the Tariff; and
 - (b) a Secondary Term equal to ~~the Secondary Term requested by Customer with the minimum Secondary Term being three (3) six (6) years less the~~ Primary Term; or

- (iii) other new Facilities are required ~~that are directly attributable to Customer's request for such~~ to provide the Service requested, the minimum term of the Schedule of Service shall be equal to the sum of:
- (a) a minimum Primary Term of ~~five (5)~~ two (2) years if no new metering Facilities are required or of between two (2) and five (5) years if new metering Facilities are required as determined under the Criteria for Determining Primary Term in Appendix "E" of the Tariff; and
- (b) a Secondary Term equal to ~~the Secondary Term requested by Customer with the minimum Secondary~~ eight (8) years less the Primary Term being ~~three (3) years.~~

5.2 The Price Point for the term shall be determined in the manner described in paragraph 3.2.

5.3 Change of Secondary Term

Customer may change all or a portion of the Secondary Term to a Primary Term for all Service under a Schedule of Service Rate Schedule FT-D by providing Notice to Company of its request specifying the number of months of the Secondary Term to change to Primary Term.

5.4 Extension of Primary Term

- (i) Customer may extend the Primary Term for all Service under any Schedule of Service Rate Schedule FT-D that has no remaining Secondary Term by providing Notice to Company in accordance with paragraph 5.4(ii).

11.0 TEMPORARY CONVERSION OF SERVICE

- (i) Customer may request a Temporary Conversion provided that:
 - (a) at the time of the request, the Schedule of Service Rate Schedule FT-D is a Conversion Eligible Schedule of Service with at least one (1) year Primary Term remaining;
 - (b) the Temporary Conversion:
 - (i) commences on the first day of a month, which is ~~at~~ at least thirty (30) days following written request for Temporary Conversion; and
 - (ii) ends on the last day of a month which is at least one (1) year after the Temporary Conversion commencement date;
 - (c) all conditions set out in paragraphs 2.1 and 2.2 of Rate Schedule FT-P have been satisfied; and
 - (d) Company determines, in its sole discretion, it is able to accommodate the Temporary Conversion.
- (ii) The Temporary Conversion shall revert back to Service under Rate Schedule FT-D at the end of the term of the Temporary Conversion.
- (iii) Rate Schedule FT-P shall apply during Temporary Conversion, excluding however paragraphs 10.1 to 10.3, in which case paragraphs 10.1 to 10.3 of Rate Schedule FT-D shall apply.

2.2 The Service is available to any Customer that requests a Points to Point Contract Demand of $140.0 \times 10^3 \text{m}^3/\text{d}$ (5.0 MMcf/d) or greater and has executed a Service Agreement and Schedule of Service under Rate Schedule FT-P. A standard form Service Agreement for Service under this Rate Schedule FT-P is attached.

3.0 PRICING

3.1 Subject to paragraph 3.2, the rate used in calculating Customer's monthly demand charge under each of Customer's Schedules of Service for Service under Rate Schedule FT-P is the FT-P Demand Rate.

3.2 If the term of Customer's Schedule of Service for any new Service or any renewed Service under Rate Schedule FT-P is:

- (i) five (5) years or greater the Price Point shall be 95% (Price Point "A"), unless it falls within the criteria set out in (iv);
- (ii) at least three (3) years but less than five (5) years the Price Point shall be 100% (Price Point "B"); ~~and~~
- (iii) at least one (1) year but less than three (3) years the Price Point shall be 105% (Price Point "C"); or
- (iv) five (5) years or greater, for a Points to Point Contract Demand of between $4,000 \times 10^3 \text{m}^3/\text{d}$ and a maximum Points to Point Contract Demand of less than $10,500 \times 10^3 \text{m}^3/\text{d}$; and having all Receipt Points within 100 km of the Delivery Point, then the Price Point shall be 85% of Price Point "A" (Price Point "D").

each of Customer's Schedule of Service under Rate Schedule FT-P, determined as follows:

$$AC = \sum [(RV - RO) \times DAS + (DV - DO) \times$$

DAS] Where:

“AC” = the aggregate of Customer's FT-P Abandonment credits for such Billing Month;

“RV” = the total volume of gas allocated to Customer by Company as Receipt Over-Run Gas in accordance with paragraph 4.9;

“RO” = the aggregate volume of gas received from Customer at the Receipt Points for such Billing Month in excess of the Points to Point Contract Demand multiplied by the number of days such Points to Point Contract Demand was in effect for such Billing Month;

“DV” = the total volume of gas allocated to Customer by Company as Delivery Over-Run Gas in accordance with paragraph 4.10;

“DO” = the aggregate volume of gas delivered to Customer at the Delivery Point for such Billing Month in excess of the Points to Point Contract Demand multiplied by the number of days such Points to Point Contract Demand was in effect for such Billing Month; and

“DAS” = the Daily Abandonment Surcharge.

4.8 Aggregate Charge For Service

Customer shall pay for each Billing Month the sum of the amounts calculated in accordance with paragraphs 4.1, 4.2, 4.3, 4.4 and 4.6, less the FT-P Credit determined in paragraph 4.7 and the FT-P Abandonment Charge credit determined in paragraph 4.7.1.

- (i) no new Facilities are required to be installed or constructed to provide the Service requested, the minimum term of the Schedule of Service shall be ~~equal to the term requested by Customer with the minimum term being~~ one (1) year; or
- (ii) new Facilities are required to be installed or constructed to provide the Service requested, the minimum term of the Schedule of Service shall be equal to the Primary Term.

5.2 The Price Point for the term shall be determined in the manner described in paragraph 3.2.

~~**5.3** If the number of years calculated for the Primary Term exceeds fifteen (15) years the Primary Term shall be fixed at fifteen (15) years and a Surcharge, determined under the Criteria for Determining Primary Term in Appendix “E” of the Tariff, shall be applied in respect of such Service.~~

5.45.3 Term of Service Agreement

Customer’s Service Agreement shall terminate on the latest Service Termination Date of Customer’s Schedules of Service for Service under Rate Schedule FT-P.

6.0 CAPACITY RELEASE

6.1 A Customer entitled to receive Service under Rate Schedule FT-P shall not be entitled to reduce Customer’s FT-P Contract Demand for all or any portion of its Service under a Schedule of Service under Rate Schedule FT-P.

10.3 Renewal Term

Customer's Notice shall specify a renewal term of not less than one (1) year consisting of increments of whole months. The Price Point for the renewal term shall be determined in the manner described in paragraph 3.2 based on the length of the renewal term requested by Customer.

10.4 Temporary Conversion

Paragraphs 10.1 to 10.3 shall not apply during a Temporary Conversion from Rate Schedule FT-D and paragraphs 10.1 to 10.3 of Rate Schedule FT-D shall apply.

Paragraphs 10.1 to 10.3 shall not apply during a Temporary Conversion from Rate Schedule FT-R and paragraphs 12.1 to 12.3 of Rate Schedule FT-R shall apply.

11.0 ACCOUNT BALANCE

11.1 Notwithstanding paragraph 4 and 5 of the "Terms and Conditions Respecting Customer's Inventories and Related Matters" in Appendix "D" of the Tariff, Company will (if required) once each Day and once each month balance each FT-P Customer Account to zero.

12.0 APPLICATION FOR SERVICE

12.1 Applications for Service under this Rate Schedule FT-P shall be in such form as Company may prescribe from time to time.

- 1.17 “Company’s Gas Use Price” shall mean the monthly weighted average of the “AECO/NGX Intra-Alberta Same Day Index Values” for every day of the month recorded by the Natural Gas Exchange Inc. (or its successor) as published on its website (or any replacement thereof) for the Billing Month multiplied by the average heating value of all physical gas received by Company for the Billing Month.
- 1.18 “Connecting Pipeline Operator” or “CPO” shall mean the person who, with respect to a Delivery Point, places Nominations with Company on behalf of Customers.
- 1.19 “Conversion Eligible Schedule of Service” shall mean either:
- (i) any Schedule of Service Rate Schedule FT-D with a minimum Primary Term of five (5) consecutive years for any new Service or any renewed or extended Service under Rate Schedule FT-D; or
 - (ii) any Schedule of Service Rate Schedule FT-R with a minimum Term of one (1) year for any new Service or any renewed or extended Service under Rate Schedule FT-R.
- 1.20 “Cubic Metre of Gas” shall mean that quantity of gas which, at a temperature of fifteen (15) degrees Celsius and at an absolute pressure of one hundred one and three hundred twenty-five thousandths (101.325) kiloPascals occupies a volume of one cubic metre.
- 1.21 “Customer” shall mean any Person named as a Customer in a Service Agreement or Schedule of Service.
- 1.22 “Customer Account” shall mean an account established by Company for Customer to record Customer’s transactions related to Service under one or more Rate Schedules.
- 1.23 “Customer’s Inventory” shall mean, for each Customer Account at a given time on a day, an estimated energy amount determined by Company as follows:

$$CI = (A + B) - (C + D) - E \pm F$$

- 1.97** “Open Season Bid Form” shall have the meaning attributed to it in subparagraph 2.2(a) of Appendix “A” of the Tariff.
- 1.98** “Over-Run Gas” shall mean, in respect of a Customer in a month, the aggregate quantity of gas for which an amount for over-run gas is payable by Customer in the Billing Month.
- 1.99** “OS Charge” shall mean an OS Charge in the Table of Rates, Tolls and Charges which has been fixed by Company or the Board for Service under Rate Schedule OS.
- 1.100** “Person” shall mean and include Company, a Customer, a corporation, a company, a partnership, an association, a joint venture, a trust, an unincorporated organization, a government, or department of a government or a section, branch, or division of a department of a government.
- 1.101** “Points to Point Contract Demand” shall mean the maximum volume of gas Company may be required to receive from Customer at particular Receipt Points and deliver to Customer at a Delivery Point on any day under a Schedule of Service under Rate Schedule FT-P.
- 1.102** “Price Point” shall mean for the purposes of any Service provided under any Schedule of Service under:
- (i) ~~Rate Schedule FT-R or Rate Schedule FT-P, Price Point “A”, Price Point “B”, or Price Point “C”, each as defined in paragraph 3.2 of Rate Schedule FT-R and Rate Schedule FT-P; and~~
 - (ii) Rate Schedule FT-D, Price Point “X”, Price Point “Y”, or Price Point “Z”, each as defined in paragraph 3.2 of Rate Schedule FT-D; and
 - (iii) Rate Schedule FT-P, Price Point “A”, Price Point “B”, Price Point “C” or Price Point “D”, each as defined in paragraph 3.2 of Rate Schedule FT-P.
- 1.103** “Primary Term” shall mean for the purposes of any Service provided under any Schedule of Service under:

- (i) ~~Rate Schedule FT-R, the term defined in paragraph 5.1 of Rate Schedule FT-R recalculated in accordance with the Criteria for Determining Primary Term in Appendix "E" of the Tariff;~~
- (ii) Rate Schedule FT-P, for receipt metering facilities, the term calculated in accordance with the Criteria for Determining Primary Term in Appendix "E" of the Tariff; and for other facilities, the term as defined in paragraph 5.1 of Rate Schedule FT-D; and
- (iii) Rate Schedule FT-D, the term defined in paragraph 5.1 of Rate Schedule FT-D.

1.104 "Prime Rate" shall mean the rate of interest, expressed as an annual rate of interest, announced from time to time by the Royal Bank of Canada, Main Branch, Calgary, Alberta as the reference rate then in effect for determining interest rates on Canadian dollar commercial loans in Canada.

1.105 "Project Area" shall mean each of:

- (i) the Peace River Project Area;
- (ii) the North and East Project Area; and
- (iii) the Mainline Project Area,

as described in Company's current Annual Plan. The Project Areas may be amended from time to time by Company in consultation with the Tolls, Tariff, Facilities and Procedures Committee (or any replacement of it), provided Company has given six (6) months Notice of such amendment to its Customers.

1.106 "PT Gas Rate" shall mean the PT Gas Rate in the Table of Rates, Tolls and Charges which has been fixed by Company or the Board for Service under Rate Schedule PT, based on the incremental gas requirements associated with the Facilities required to provide such Service.

- 1.127** “Temporary Conversion” shall mean the ability to temporarily convert a Conversion Eligible Schedule of Service to a Schedule of Service Rate Schedule FT-P, in accordance with Article 11 of Rate Schedule FT-D or Article 11 of Rate Schedule FT-R, as applicable.
- 1.128** “Tariff” shall mean this Gas Transportation Tariff, including the Table of Rates, Tolls and Charges, the Rate Schedules, the Service Agreements, Schedules of Service, these General Terms and Conditions and the Appendices.
- 1.129** “Tier” shall mean the Tier 1, Tier 2 or Tier 3 CO₂ Rate as set forth in the Table of Rates, Tolls and Charges.
- 1.130** “TJ” shall mean terajoule, or one trillion joules.
- 1.131** “Thousand Cubic Metres” or “10³m³” shall mean one thousand (1000) Cubic Metres of Gas.
- 1.132** “Website” shall mean Company’s internet site operated by TransCanada PipeLines Limited for Company.
- 1.133** “Winter Season” shall mean the period commencing on November 1 of any year and ending on the next succeeding March 31.

CRITERIA FOR DETERMINING PRIMARY TERM

1.0 DEFINITIONS

1.1 Capitalized terms used in this Appendix have the meanings attributed to them in the Tariff unless otherwise defined in this Appendix.

2.0 INTRODUCTION

2.1 If, pursuant to subparagraphs 5.1(ii) or (iii) of Rate Schedule FT-R, Rate Schedule FT-D or Rate Schedule FT-P, Company determines that new metering Facilities are required to be installed or constructed ~~at any Receipt Point to provide the Service requested under a Schedule of Service under Rate Schedule FT-R or Rate Schedule FT-P to provide the Service requested,~~ Company will determine the minimum Primary Term ~~and Surcharge,~~ ~~if any,~~ in accordance with this Appendix.

2.2 The decision to install or construct new Facilities shall be made by Company. In making such decision, Company will take into account factors which may include, but shall not be limited to: capital investment, Delivery Contract Demand, Receipt Contract Demand, Points to Point Contract Demand, established reserves and area resource potential.

3.0 DETERMINATION OF PRIMARY TERM

3.1 The minimum Primary Term is the minimum number of years of Service under a Schedule of Service under Rate Schedule FT-D, Rate Schedule FT-R or Rate Schedule FT-P required for the cumulative present value revenue (“CPVR”) to equal or exceed the

cumulative present value cost of service (“CPVCOS”). In calculating the Primary Term, partial years shall be rounded up to the next whole year. The minimum Primary Term when new metering Facilities are required may vary from ~~one~~ two (2) to ~~fifteen~~ five (5) years. ~~If a fifteen-year Primary Term is insufficient for the CPVR to equal or exceed the CPVCOS, then a Surcharge shall be charged by Company.~~

An example of the calculation of Primary Term is set out in Attachment 1 to this Appendix.

3.2 Determination of CPVR

- (i) In determining the CPVR, the annual revenue for the first year attributable to the Facilities shall be estimated as follows:

$$AR = \frac{A + B}{12 \text{ months}}$$

Where:

“AR” = annual revenue attributable to the Facilities

“A” = the Receipt Contract Demand, Delivery Contract Demand, or the Points to Point Contract Demand requested by Customer

“B” = the FT-R Demand Rate at the applicable Receipt Point, the FT-D Demand Rate at the applicable Delivery Point, as applicable multiplied by the applicable Price Point or the FT-P Demand Rate at the applicable Receipt Point

- (ii) Commencing in the second year of the Primary Term the annual revenue shall be escalated at 2% per annum. The CPVR for the Primary Term is then calculated by adding each year's revenue, discounted at Company's current pre-tax rate of return. The escalation rate and the pre-tax rate of return may vary from time to time as determined by Company.

3.3 Determination of CPVCOS

In determining the CPVCOS the estimated capital cost for the first year of metering ~~and other~~ Facilities required to be installed or constructed at any Receipt Point or Delivery Point to provide the Service requested shall be used. Estimated capital costs include all direct and indirect costs required to declare a Billing Commencement Date in respect of the requested Service. Facilities are designed in accordance with the criteria and assumptions outlined in Company's Annual Plan.

Commencing in the second year of the Primary Term the annual cost of service ("COS") shall be discounted at Company's current pre-tax rate of return. The CPVCOS for the Primary Term is then calculated by adding each year's COS, discounted at Company's current pre-tax rate of return. Such rate of return may vary from time to time as determined by Company.

The COS is equal to the sum of the components as described in (i) through (v) below.

(i) Operating and Maintenance ("O&M")

O&M expense is estimated based on Company's system average O&M costs.

O&M expense is escalated at 2% per annum commencing in the second year of the Primary Term. The escalation rate may vary from time to time as determined by Company.

(ii) Municipal Taxes

Municipal tax expense is estimated at Company's system average rate applied to ~~of 1.15%~~ of estimated capital cost and is escalated at 2% per annum commencing in the second year of the Primary Term. Company's system average rate and escalation rate may vary from time to time as determined by Company.

(iii) Depreciation

Depreciation expense is calculated on a straight-line basis using the rate required to fully depreciate the estimated capital cost of the Facilities over the Primary Term. This depreciation rate is calculated using an iterative process and is used solely for the determination of Primary Term.

(iv) Income Taxes

Income tax expense is calculated on a flow-through basis. The income tax rate used is computed by applying the current combined federal and provincial income tax rates.

(v) Return on Rate Base

Return on rate base is calculated by applying Company's current rate of return to the average of the opening and closing balances in the rate base account for the applicable ~~twelve-twelve-~~(12) month period. Rate base is equal to the estimated capital cost of the Facilities determined to be required to meet Customer's request for Service, less accumulated depreciation, plus a working capital adjustment. The rate of return may vary from time.

4.0 — DETERMINATION OF SURCHARGE

~~4.1 — If a fifteen year Primary Term is insufficient for the CPVR to equal or exceed the CPVCOS, then a Surcharge shall be charged by Company over the Primary Term.~~

~~4.2 — The Surcharge is calculated by Company such that when multiplied by the Receipt Contract Demand or the Points to Point Contract Demand and discounted over fifteen (15) years and added to the CPVR results in the CPVR being greater or equal to the CPVCOS.~~

5.0 — REVIEW OF PRIMARY TERM AND SURCHARGE

~~5.1 — Upon written request from Customer, Company will review the Primary Term and/or Surcharge on an existing Schedule of Service for Service under Rate Schedule FT-R or Rate Schedule FT-P.~~

~~5.2 — If there is no Surcharge and either the actual capital cost of the Facilities is lower than originally estimated or actual revenue attributable to the Primary Term is higher than estimated, Company will reduce the Primary Term accordingly.~~

~~5.3 — If there is a Surcharge, such Surcharge may be reduced prior to the end of the Primary Term if either the actual capital cost of the Facilities is lower than originally estimated or actual revenue attributable to the Primary Term is higher than estimated, and the resulting CPVCOS is less than or equal to CPVR.~~

Attachment 1

Illustrative Primary Term Calculation

(1) Year	(2) Annual Cost of Service	(3) Cumulative Present Value Cost of Service (CPVCOS)	(4) Annual Revenue	(5) Cumulative Present Value Revenue (CPVR)	(6) Net Present Value (Col. 5-3)
1999	149,329	149,329	121,306	121,306	(28,023)
	\$1,023,422	\$1,023,422	\$891,778	\$891,778	\$131,645
2000	114,767	252,263	123,732	232,281	(19,982)
	\$935,235	\$1,885,753	\$2909,613	\$1,730,484	\$155,269
2001	121,294	349,836	126,207	333,806	(16,029)
	\$893,103	\$2,645,044	\$927,805	\$2,519,279	\$125,766
2002	125,280	440,225	128,731	426,685	(13,539)
	\$850,435	\$3,311,699	\$946,362	\$3,261,131	\$50,568
2003	127,295	522,599	131,305	511,654	(10,945)
	\$807,274	\$3,895,191	\$965,289	\$3,958,835	\$63,644
2004	128,102	596,948	133,932	589,387	(7,561)
2005	127,551	663,346	136,610	660,501	(2,845)
2006	125,918	722,135	139,342	725,558	3,422
Total	1,019,536	722,135	1,041,165	725,558	3,422
	\$4,509,468	\$3,895,191	\$4,640,846	\$3,958,835	\$63,644

Capital Cost: \$2,900,000 460,000

Receipt Contract Demand: 36070 10³ m³ /d- (2.5 MMcf/d)

FT-R Demand Rate: \$206.43 143.52 / 10³ m³ / month (\$4.05 / Mcf / month)

Primary Term Required: 58 years

Rate of Return on Rate Base: 6.969 03%

Discount Rate: 8.45 11.50%

Effective Date: April 29, 2009 [●]

NOVA Gas Transmission Ltd.

Surcharge: _____ N/A

Tab C
Clean Version

RATE SCHEDULE FT-R
FIRM TRANSPORTATION - RECEIPT

1.0 DEFINITIONS

1.1 The capitalized terms used in this Rate Schedule have the meanings attributed to them in the General Terms and Conditions of the Tariff unless otherwise defined in this Rate Schedule.

2.0 SERVICE DESCRIPTION AND AVAILABILITY

2.1 Subject to the stated terms and conditions, service under Rate Schedule FT-R shall mean the receipt of gas from Customer at Customer's Receipt Points (the "Service") which includes transportation of gas that Company determines necessary to provide services under the Tariff.

Provided however, on any day, Service at the Empress or McNeill Receipt Points shall not exceed the greater of:

- (i) 100 GJs; or
- (ii) the total volume of gas delivered to Customer at such point under Rate Schedules FT-D, FT-DW, IT-D, STFT, LRS and LRS-3 on such day.

2.2 The Service is available to any Customer that has executed a Service Agreement and Schedule of Service under Rate Schedule FT-R. A standard form Service Agreement for Service under this Rate Schedule FT-R is attached.

3.0 PRICING

3.1 Subject to paragraph 3.2, the rate used in calculating Customer's monthly demand charge under each of Customer's Schedules of Service for Service under Rate Schedule FT-R is the FT-R Demand Rate.

3.2 If the Primary Term plus the Secondary Term of any of Customer's Schedules of Service for any new Service or any renewed Service under Rate Schedule FT-R is:

- (i) five (5) years or greater the Price Point shall be 95% (Price Point "A");
- (ii) at least three (3) years but less than five (5) years the Price Point shall be 100% (Price Point "B"); and
- (iii) at least one (1) year but less than three (3) years the Price Point shall be 105% (Price Point "C").

4.0 CHARGE FOR SERVICE

4.1 Aggregate of Customer's Monthly Demand Charges

The aggregate of Customer's monthly demand charges for a Billing Month for Service under Rate Schedule FT-R shall be equal to the sum of the monthly demand charges for each of Customer's Schedules of Service under Rate Schedule FT-R, determined as follows:

$$\text{MDC} = \sum (F \times P) \left(A \times \frac{B}{C} \right)$$

Where:

“MDC” = the aggregate of the demand charges applicable to such Schedule of Service for such Billing Month;

“F” = the FT-R Demand Rate applicable to such Schedule of Service;

“P” = the applicable Price Point for such Schedule of Service;

“A” = each Receipt Contract Demand in effect for all or a portion of such Billing Month for such Schedule of Service;

“B” = the number of days in such Billing Month that Customer was entitled to such Receipt Contract Demand under such Schedule of Service; and

“C” = the number of days in such Billing Month.

4.2 Aggregate of Customer’s Surcharges

The aggregate of Customer’s Surcharges for a Billing Month shall be equal to the sum of all Surcharges applicable to each of Customer’s Schedules of Service under Rate Schedule FT-R.

4.3 Aggregate of Customer’s Over-Run Gas Charges

The aggregate of Customer’s charges for Over-Run Gas in a Billing Month for Service under all Rate Schedules shall be equal to the sum of the monthly charges for Over-Run Gas for each Receipt Point at which Customer is entitled to Service under any Rate Schedule, determined as follows:

$$\text{MOC} = (V \times Z) + (V \times A)$$

Where:

“MOC” = the monthly charge for Over-Run Gas at such Receipt Point;

“V” = total volume of gas allocated to Customer by Company as Over-run Gas in accordance with paragraph 4.6 for Service under all Rate Schedules at such Receipt Point for such Billing Month;

“Z” = the IT-R Rate at such Receipt Point; and

“A” = the Daily Abandonment Surcharge.

4.4 The calculation of Customer's charge for Over-Run Gas in paragraph 4.3 shall not take into account Customer's Inventory on the last day of the Billing Month.

4.5 Aggregate Charge For Service

Customer shall pay for each Billing Month:

- (i) the sum of the amounts calculated in accordance with paragraphs 4.1, 4.2, and 4.3; less
- (ii) the amount, if any, calculated in accordance with the Terms and Conditions Respecting Relief for Mainline Capacity Restrictions in Appendix "B" of the Tariff.

4.6 Allocation of Gas Received

Notwithstanding any other provision of this Rate Schedule, any Service Agreement or the General Terms and Conditions of the Tariff, and without regard to how gas may have

been nominated, the aggregate volume of gas received from Customer at a Receipt Point shall be allocated for billing purposes as follows:

- (i) first to service to Customer under Rate Schedules LRS and LRS-3 to a maximum of such Customer's LRS Contract Demand for such Receipt Point under such Rate Schedule LRS and to a maximum of such Customer's LRS-3 Contract Demand for such Receipt Point under such Rate Schedule LRS-3;
- (ii) secondly to Service to Customer under Rate Schedule FT-R to a maximum of such Customer's Receipt Contract Demand for such Receipt Point under Rate Schedule FT-R;
- (iii) thirdly to service to Customer under Rate Schedule FT-RN to a maximum of such Customer's Receipt Contract Demand for such Receipt Point under Rate Schedule FT-RN; and
- (iv) fourthly to service to Customer under Rate Schedule IT-R at such Receipt Point. If Customer is not entitled to service under Rate Schedule IT-R at such Receipt Point, gas shall be allocated as Over-Run Gas and charged in accordance with paragraph 4.3.

5.0 TERM OF SERVICE

5.1 Term of a Schedule of Service

If, in the provision of new Service, Company determines that:

- (i) no new Facilities are required to provide the Service requested, the minimum term of the Schedule of Service shall be a Secondary Term of one (1) year;

NOVA Gas Transmission Ltd.

- (ii) new metering Facilities are required to provide the Service requested, the minimum term of the Schedule of Service shall be equal to the sum of:
 - (a) a minimum Primary Term of between two (2) and five (5) years as determined under the Criteria for Determining Primary Term in Appendix “E” of the Tariff; and
 - (b) a Secondary Term equal to six (6) years less the Primary Term; or
- (iii) other new Facilities are required to provide the Service requested, the minimum term of the Schedule of Service shall be equal to the sum of:
 - (a) a minimum Primary Term of two (2) years if no new metering Facilities are required or of between two (2) and five (5) years if new metering Facilities are required as determined under the Criteria for Determining Primary Term in Appendix “E” of the Tariff; and
 - (b) a Secondary Term equal to eight (8) years less the Primary Term.

5.2 The Price Point for the term shall be determined in the manner described in paragraph 3.2.

5.3 Term of Service Agreement

Customer’s Service Agreement shall terminate on the latest Service Termination Date of Customer’s Schedules of Service for Service under Rate Schedule FT-R.

6.0 CAPACITY RELEASE

6.1 If Customer desires a reduction of Customer's Receipt Contract Demand for all or any portion of its Service under a Schedule of Service under Rate Schedule FT-R, Customer shall give Notice to Company of its request for such reduction specifying the particular Receipt Point, Schedule of Service and the Receipt Contract Demand available to any other Person who requires Service under Rate Schedule FT-R. Company shall not have any obligation to find any Person to assume the Receipt Contract Demand Customer proposes to make available. If after Notice is given to Company a Person is found who agrees to assume the Receipt Contract Demand Customer proposes to make available, together with any applicable Surcharge, Company may reduce Customer's Receipt Contract Demand under such Schedule of Service, on terms and conditions satisfactory to Company, by an amount equal to the Receipt Contract Demand specified in a new Schedule of Service, executed by Company and such Person. Notwithstanding such reduction, Customer shall at Company's sole option either:

- (i) continue to pay any Surcharge until the Service Termination Date as described in the applicable Schedule of Service (unless any other Person acceptable to Company has agreed to pay such Surcharge); or
- (ii) in the event that Company retires any Facilities required to provide such Service, pay to Company within a time determined by Company, an amount equal to the net book value of such Facilities adjusted for all costs and expenses associated with such retirement.

7.0 RELIEF FOR MAINLINE RESTRICTIONS

7.1 Company will grant relief to a Customer entitled to Service under Rate Schedule FT-R, in accordance with the Terms and Conditions Respecting Relief for Mainline Capacity Restrictions in Appendix "B" of the Tariff.

8.0 TRANSFER OF SERVICE

8.1 Transfers Between Receipt Points Within the Same Project Area

If Customer desires to transfer all or any portion of Service under a Schedule of Service from a Receipt Point within a Project Area to a Receipt Point within the same Project Area, Customer shall give Notice to Company of Customer's request for such transfer specifying the Receipt Points, the Schedule of Service and the portion of the Receipt Contract Demand that Customer wishes to transfer.

8.2 Company is under no obligation to permit the transfer requested in paragraph 8.1, but may permit such transfer provided that:

- (i) Company determines that sufficient capacity exists in the Facilities to accommodate the transfer;
- (ii) Company determines that the construction or installation of new Facilities that are directly attributable to the transfer is not required;
- (iii) the transfer does not occur during the Primary Term of the Schedule of Service;
- (iv) the Price Point in effect for Service under the Schedule of Service, from which Customer wishes to transfer Service at the time of the transfer, applies to the new Schedule of Service for the Service that has been transferred;
- (v) the FT-R Demand Rate applicable to Service under the Schedule of Service that has been transferred shall be the FT-R Demand Rate in effect at the Receipt Point to which the Service under the Schedule of Service has been transferred; and
- (vi) Customer executes a transfer of Service agreement.

8.3 Transfers Between Receipt Points in Different Project Areas

If Customer desires to transfer all or any portion of Service under a Schedule of Service from a Receipt Point within a Project Area to a Receipt Point in a different Project Area, Customer shall give Notice to Company of Customer's request for such transfer specifying the Receipt Points, the Schedule of Service and the portion of the Receipt Contract Demand that Customer wishes to transfer.

8.4 Company is under no obligation to permit the transfer requested in paragraph 8.3, but may permit such transfer provided that:

- (i) Company determines that sufficient capacity exists in the Facilities to accommodate the transfer;
- (ii) Company determines that the construction or installation of new Facilities that are directly attributable to the transfer is not required;
- (iii) the transfer does not occur during the Primary Term of the Schedule of Service;
- (iv) three (3) years are added to the balance of Customer's Secondary Term for the new Schedule of Service (the "New Term") for the Service that has been transferred;
- (v) the Price Point for Service under the new Schedule of Service for the Service that has been transferred shall be determined in the manner described in paragraph 3.2 using the New Term;
- (vi) the FT-R Demand Rate applicable to the Service under the Schedule of Service that has been transferred shall be the FT-R Demand Rate in effect at the Receipt Point to which Service under the Schedule of Service has been transferred; and

- (vii) Customer executes a transfer of Service agreement.

8.5 Transfers Between Receipt Points and Delivery Points

A Customer entitled to receive Service under Rate Schedule FT-R shall not be entitled to transfer all or any portion of Service under Rate Schedule FT-R to a Delivery Point.

9.0 TERM SWAPS

9.1 Term Swap Between Receipt Points Within the Same Project Area

If Customer desires to swap the Service Termination Date of a Schedule of Service with the Service Termination Date of another Schedule of Service and the Receipt Points for the Schedules of Service are within the same Project Area, Customer shall give Notice to Company of Customer's request for such swap specifying the particular Receipt Points, the Service Termination Dates and the Schedules of Service, if necessary, that Customer wishes to swap.

9.2 Company is under no obligation to permit the swap requested in paragraph 10.1, but may permit such swap provided that:

- (i) Company determines that sufficient capacity exists in the Facilities to accommodate the swap;
- (ii) Company determines that the construction or installation of new Facilities that are directly attributable to the swap is not required;
- (iii) the swap does not occur during the Primary Term of the Schedule of Service;

NOVA Gas Transmission Ltd.

(iv) the Receipt Contract Demand and the FT-R Demand Rate;

(a) at each Receipt Point; and

(b) for each Service Termination Date

do not change as a result of the swap;

(v) the Price Point in effect for each Schedule of Service after the swap shall be the Price Point in effect for the other Schedule of Service immediately prior to the time the Service Termination Dates were swapped; and

(vi) Customer executes new Schedules of Service.

9.3 Term Swaps Between Receipt Points in Different Project Areas

If Customer desires to swap the Service Termination Date of a Schedule of Service with the Service Termination Date of another Schedule of Service and the Receipt Points for the Schedules of Service are in different Project Areas, Customer shall give Notice to Company of Customer's request for such swap specifying the particular Receipt Points, the Service Termination Dates and the Schedules of Service, if necessary, that Customer wishes to swap.

9.4 Company is under no obligation to permit the swap requested in paragraph 10.3, but may permit such swap provided that:

(i) Company determines that sufficient capacity exists in the Facilities to accommodate the swap;

- (ii) Company determines that the construction or installation of new Facilities that are directly attributable to the swap is not required;
- (iii) the swap does not occur during the Primary Term of the Schedule of Service;
- (iv) the Receipt Contract Demand and the FT-R Demand Rate:
 - (a) at each Receipt Point; and
 - (b) for each Service Termination Datedo not change as a result of the swap;
- (v) subject to subparagraph 9.4(vi), the Price Point in effect for each Schedule of Service after the swap shall be the Price Point in effect for the other Schedule of Service immediately prior to the time the Service Termination Dates were swapped;
- (vi) three (3) years are added to the balance of Customer's Secondary Term for each Schedule of Service (the "New Term") if the remaining term of either of the Schedules of Service is less than three (3) years and the Price Point that shall apply to each Schedule of Service shall be the Price Point determined in the manner described in paragraph 3.2 using the New Term for such Schedules of Service; and
- (vii) Customer executes new Schedules of Service.

9.5 Term Swaps Between Schedules of Service Under Rate Schedule FT-R and other Schedules of Service

Except as provided in article 9, a Customer entitled to receive Service under Rate Schedule FT-R shall not be entitled to swap the Service Termination Date of any Schedule of Service under Rate Schedule FT-R with the Service Termination Date under any Schedule of Service.

10.0 TITLE TRANSFERS

10.1 A Customer entitled to receive Service under Rate Schedule FT-R may transfer all or a portion of Customer's Inventory to another Customer or may accept a transfer of all or a portion of Customer's Inventory from another Customer provided such Customer is entitled to receive service under any Rate Schedule that permits title transfers and such title transfer is in accordance with the Terms and Conditions of Service Respecting Title Transfers in Appendix "C" of the Tariff.

11.0 TEMPORARY CONVERSION OF SERVICE

- (i) Customer may request a Temporary Conversion provided that:
 - (a) at the time of the request, the Schedule of Service Rate Schedule FT-R is a Conversion Eligible Schedule of Service, with at least one (1) year remaining;
 - (b) the Temporary Conversion:
 - (i) commences on the first day of a month, which is at least thirty (30) days following written request for Temporary Conversion; and

- (ii) ends on the last day of a month which is at least one (1) year after the Temporary Conversion commencement date;
 - (c) all conditions set out in paragraphs 2.1 and 2.2 of Rate Schedule FT-P have been satisfied;
 - (d) Company may require Customer to extend the term of the Schedule of Service in order to ensure the Temporary Conversion results in sufficient cost accountability as determined by Company in its sole discretion; and
 - (e) Company determines, in its sole discretion, it is able to accommodate the Temporary Conversion.
- (ii) The Temporary Conversion shall revert back to Service under Rate Schedule FT-R at the end of the term of the Temporary Conversion.
- (iii) Rate Schedule FT-P shall apply during Temporary Conversion, excluding however paragraphs 10.1 to 10.3, in which case paragraphs 12.1 to 12.3 of Rate Schedule FT-R shall apply.

12.0 RENEWAL OF SERVICE

12.1 Renewal Notification

Customer shall be entitled to renew all or any portion of Service under a Schedule of Service under Rate Schedule FT-R as Service under either Rate Schedule FT-R or Rate Schedule FT-P, if Customer gives Notice to Company of such renewal at least one (1) year prior to the Service Termination Date. If Customer does not specify which Rate Schedule the Service is to be renewed under, the Service shall be renewed under Rate

Schedule FT-R. If Customer does not provide such Notice, the Service shall expire on the Service Termination Date.

12.2 Irrevocable Notice

Customer's Notice to renew pursuant to paragraph 12.1 shall be irrevocable one (1) year prior to the Service Termination Date.

Any renewal of Service is subject to the Financial Assurances provisions in Article 10 of the General Terms and Conditions.

12.3 Renewal Term

Customer's Notice shall specify a renewal term of not less than one (1) year consisting of increments of whole months. The Price Point for the renewal term shall be determined in the manner described in paragraph 3.2 based on the length of the renewal term requested by Customer.

13.0 APPLICATION FOR SERVICE

13.1 Applications for Service under this Rate Schedule FT-R shall be in such form as Company may prescribe from time to time.

14.0 GENERAL TERMS AND CONDITIONS

14.1 The General Terms and Conditions of the Tariff and the provisions of any Service Agreement for Service under Rate Schedule FT-R are applicable to Rate Schedule FT-R to the extent that such terms and conditions and provisions are not inconsistent with this Rate Schedule.

SERVICE AGREEMENT
RATE SCHEDULE FT-R

BETWEEN:

NOVA Gas Transmission Ltd., a body corporate having an office in
Calgary, Alberta (“Company”)

- and -

•, a body corporate having an office in •, • (“Customer”)

IN CONSIDERATION of the premises and the covenants and agreements in this Service Agreement, the parties covenant and agree as follows:

1. Customer acknowledges receipt of a current copy of the Tariff.
2. The capitalized terms used in this Service Agreement have the meanings attributed to them in the General Terms and Conditions of the Tariff, unless otherwise defined in this Service Agreement.
3. Customer requests and Company agrees to provide Service pursuant to Rate Schedule FT-R in accordance with the attached Schedules of Service. The Service will commence on the Billing Commencement Date and will terminate, subject to the provisions of this Service Agreement, on the Service Termination Date.
4. Customer agrees to pay to Company each Billing Month, for all Service rendered under this Service Agreement, an amount equal to the aggregate charges for Service described in Rate Schedule FT-R.

5. Customer shall:

- (a) provide such assurances and information as Company may reasonably require respecting any Service to be provided pursuant to this Rate Schedule FT-R including, without limiting the generality of the foregoing, an assurance that necessary arrangements have been made among Customer, producers of gas for Customer, purchasers of gas from Customer and any other Person relating to such Service, including all gas purchase, gas sale, operating, processing and common stream arrangements; and
- (b) at Company's request provide Company with an assurance that Customer has provided the Person operating facilities upstream of any Receipt Point in respect of which Customer has the right to receive service with all authorizations necessary to enable such Person to provide Company with all data and information reasonably requested by Company for the purpose of allocating volumes of gas received by Company among Company's Customers and to bind Customer in respect of all such data and information provided.

If Customer fails to provide such assurances and information forthwith following request by Company, from time to time, Company may at its option, to be exercised by Notice to Customer, suspend the Service to which such assurances and information relate until such time as Customer provides the assurances and information requested, provided however that any such suspension of Service shall not relieve Customer from any obligation to pay any rate, toll, charge or other amount payable to Company.

6. Customer acknowledges that the Facilities have been designed based on certain assumptions and forecasts described in Company's Annual Plan, and that interruption and curtailment of Service may occur if the aggregate gas volume actually received or the aggregate gas volume actually delivered at the Facilities is different than forecast.

7. Every notice, request, demand, statement, bid or bill provided for in Rate Schedule FT-R, this Service Agreement and the General Terms and Conditions, or any other notice which either Company or Customer may desire to give to the other (collectively referred to as “Notice”) shall be in writing and each of them and every payment provided for shall be directed to the Person to whom given, made or delivered at such Person's address as follows:

Customer:

-

-

-

Attention: •

Fax: •

Company:

-

-

-

Attention: Customer Account Representative

Fax: •

Notice may be given by fax or other telecommunication and any such Notice shall be deemed to be given four (4) hours after transmission. Notice may also be given by personal delivery or by courier and any such Notice shall be deemed to be given at the time of delivery. Any Notice may also be given by prepaid mail and any such Notice shall be deemed to be given four (4) business days after mailing, Saturdays, Sundays and statutory holidays excepted. In the event of disruption of regular mail, every payment not made electronically shall be personally delivered, and any other Notice shall be given by one of the other stated means.

NOVA Gas Transmission Ltd.

FT-R

Service Agreement

- (a) Notwithstanding the foregoing:
 - (i) Company may give any Notice on the Website; and
 - (ii) Company and Customer shall give Notice for the matters listed in the Notice Schedule for Electronic Commerce in Appendix "F" of the Tariff via the Website unless the Website is inoperative, in which case Notice shall be given by any other alternative means set out herein.

Any Notice posted on the Website shall be deemed to be given one (1) hour after posting.

- (b) Notice may also be given by telephone followed immediately by fax, personal delivery, courier or prepaid mail, and in the case of Company, by posting on the Website, and any Notice so given shall be deemed to have been given as of the date and time of the telephone Notice.

8. The terms and conditions of Rate Schedule FT-R, the General Terms and Conditions and Schedule of Service under Rate Schedule FT-R are by this reference incorporated into and made a part of this Service Agreement.

IN WITNESS WHEREOF the parties have executed this Service Agreement by their proper signing officers duly authorized in that behalf all as of the • day of •, •.

•

NOVA Gas Transmission Ltd.

Per:

Per:

Per:

Per:

NOVA Gas Transmission Ltd.

**SCHEDULE OF SERVICE
RATE SCHEDULE FT-R**

CUSTOMER: •

Schedule of Service Number	Receipt Point Number and Name	Legal Description	Maximum Receipt Pressure kPa	Secondary Term Start Date	Service Termination Date	Receipt Contract Demand 10 ³ m ³ /d	Price Point	Additional Conditions
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• • • • • • • • •

THIS SCHEDULE FORMS PART OF THE SERVICE AGREEMENT DATED • AND SHALL BE DEEMED TO BE ATTACHED THERETO.

•
Per: _____

NOVA Gas Transmission Ltd.
Per: _____

Per: _____

Per: _____

RATE SCHEDULE FT-D
FIRM TRANSPORTATION - DELIVERY

1.0 DEFINITIONS

1.1 The capitalized terms used in this Rate Schedule have the meanings attributed to them in the General Terms and Conditions of the Tariff unless otherwise defined in this Rate Schedule.

2.0 SERVICE DESCRIPTION AND AVAILABILITY

2.1 Subject to the stated terms and conditions, service under Rate Schedule FT-D shall mean the delivery of gas by Company to Customer at either a Customer's Group 1 Delivery Point, Group 2 Delivery Point or Group 3 Delivery Point (the "Service"), which includes transportation of gas that Company determines necessary to provide services under the Tariff.

2.2 Subject to paragraph 2.3, the Service is available to any Customer that has executed a Service Agreement and Schedule of Service under Rate Schedule FT-D. A standard form Service Agreement for Service under this Rate Schedule FT-D is attached.

2.3 Service under Rate Schedule FT-D at a Group 3 Delivery Point is available to any Customer provided that:

- (i) such Customer is the Connecting Pipeline Operator for such Group 3 Delivery Point;
- (ii) such Customer is the only Customer at such Group 3 Delivery Point;

- (iii) such Customer is not entitled to any other Service at such Group 3 Delivery Point; and
- (iv) the aggregate Delivery Contract Demand at such Group 3 Delivery Point shall not be less than Customer's Group 3 Peak Day Demand Requirement for such Group 3 Delivery Point.

2.4 If at any time, Company determines that:

- (a) the aggregate daily quantity of gas delivered at the FT-D3 Sub-Group Delivery Points exceeds the aggregate FT-D3 Sub-Group Delivery Contract Demand; or
- (b) the daily quantity of gas delivered at a Group 3 Delivery Point exceeds the aggregate Delivery Contract Demand at such Group 3 Delivery Point and such excess utilizes capacity in the Facilities required by Company to provide any other Service;

then Customer shall execute a Schedule of Service for such excess on terms and conditions determined by Company.

3.0 PRICING

3.1 Subject to paragraph 3.2, the rate used in calculating Customer's monthly demand charge under each of Customer's Schedules of Service for Service under Rate Schedule FT-D is the FT-D Demand Rate.

3.2 If the Primary Term plus the Secondary Term of any of Customer's Schedules of Service for any new Service or any renewed or extended Service under Rate Schedule FT-D is:

- (i) five (5) years or greater the Price Point shall be 90% (Price Point "X");
- (ii) at least three (3) years but less than five (5) years the Price Point shall be 95% (Price Point "Y"); and

- (iii) at least one (1) year but less than three (3) years the Price Point shall be 100% (Price Point “Z”).

4.0 CHARGE FOR SERVICE

4.1 Aggregate of Customer's Monthly Demand Charge

The aggregate of Customer's monthly demand charges for a Billing Month for Service under Rate Schedule FT-D shall be equal to the sum of the monthly demand charges for each of Customer's Schedules of Service under Rate Schedule FT-D, determined as follows:

$$\text{MDC} = \sum (F \times P) \left(A \times \frac{B}{C} \right)$$

Where:

“MDC” = the aggregate of the demand charges applicable to such Schedule of Service for such Billing Month;

“F” = the FT-D Demand Rate applicable to such Schedule of Service;

“P” = the applicable Price Point for such Schedule of Service;

“A” = each Delivery Contract Demand in effect for all or a portion of such Billing Month for such Schedule of Service;

“B” = the number of days in such Billing Month that Customer was entitled to such Delivery Contract Demand under such Schedule of Service; and

“C” = the number of days in such Billing Month.

4.2 Aggregate of Customer's Surcharges

The aggregate of Customer's Surcharges for a Billing Month shall be equal to the sum of all Surcharges applicable to each of Customer's Schedules of Service under Rate Schedule FT-D.

4.3 Aggregate of Customer's Over-Run Gas Charges

The aggregate of Customer's charges for Over-Run Gas in a Billing Month for Service under Rate Schedule FT-D shall be equal to the sum of the monthly charges for Over-Run Gas for each Delivery Point at which Customer is entitled to Service under Rate Schedule FT-D, determined as follows:

$$\text{MOC} = (\text{Q} \times \text{Z}) + (\text{Q} \times \text{A})$$

Where:

"MOC" = the monthly charge for Over-Run Gas at the Delivery Point;

"Q" = total quantity of gas allocated to Customer by Company as Over-run Gas in accordance with paragraph 4.7.1 for Service under all Rate Schedules at such Delivery Point for such Billing Month;

"Z" = the IT-D Rate at such Delivery Point; and

"A" = the Daily Abandonment Surcharge.

4.4 The calculation of Customer's charge for Over-Run Gas in paragraph 4.3 shall not take into account Customer's Inventory on the last day of the Billing Month.

4.5 FT-D Alternate Access

4.5.1. Calculation of Customer's FT-D Unutilized Delivery Contract Demand

For each Group 1 Delivery Point and Group 2 Delivery Point, Customer's FT-D unutilized Delivery Contract Demand for a Billing Month for Service under Rate Schedule FT-D shall be a quantity determined as follows:

$$UCD = (\bar{a} (A \cdot B)) - C$$

Where:

- “UCD” = the FT-D unutilized Delivery Contract Demand applicable to such Delivery Point for such Billing Month;
- “A” = each Delivery Contract Demand in effect for all or a portion of such Billing Month for each Schedule of Service at such Delivery Point; and
- “B” = the number of days in such Billing Month that Customer was entitled to such Delivery Contract Demand under such Schedule of Service at such Delivery Point; and
- “C” = the total quantity of gas allocated pursuant to paragraph 4.7.1 (iii) to Customer by Company under each Schedule of Service at such Delivery Point in such Billing Month.

4.5.2. Calculation of Customer's FT-D Alternate Access Credit

Customer's credit for FT-D Alternate Access for a Billing Month shall be determined as the lesser of:

- (a) The aggregate of Customer's charges for Over-Run Gas for Service under Rate Schedule FT-D plus the aggregate of Customer's charges for Service under Rate Schedule IT-D for such Billing Month; or
- (b) The aggregate of the product of Customer's unutilized Delivery Contract Demand determined in accordance with paragraph 4.5.1 applicable to each Delivery Point for such Billing Month multiplied by the IT-D rate at such Delivery Point.

4.5.3 Calculation of Customer's FT-D Abandonment Charge Credit

Customer's Abandonment Charge credit for FT-D Alternate Access for a Billing Month shall be determined as the lesser of:

- (a) The aggregate of the quantity of gas allocated to Customer by Company as Over-Run Gas for Service under Rate Schedule FT-D plus the aggregate of the quantity of gas delivered by Company to Customer for Service under Rate Schedule IT-D in such Billing Month multiplied by the Daily Abandonment Surcharge; or
- (b) The aggregate of the product of Customer's unutilized Delivery Contract Demand determined in accordance with paragraph 4.5.1 applicable to each Delivery Point for such Billing Month multiplied by the Daily Abandonment Surcharge.

NOVA Gas Transmission Ltd.

4.6 Aggregate Charge For Service

Customer shall pay for each Billing Month the sum of the amounts calculated in accordance with paragraphs 4.1, 4.2, and 4.3 less the amount calculated in 4.5.2 and 4.5.3.

4.7 Allocation of Gas Delivered**4.7.1. At Group 1 Delivery Points or Group 2 Delivery Points:**

Notwithstanding any other provision of this Rate Schedule, any Service Agreement or the General Terms and Conditions of the Tariff, and without regard to how gas may have been nominated, the aggregate quantity of gas delivered to Customer at a Group 1 Delivery Point or a Group 2 Delivery Point shall be allocated for billing purposes as follows:

- (i) first to Service to Customer under Rate Schedule FT-DW and Rate Schedule STFT to a maximum of such Customer's allocated FT-DW Capacity and STFT Capacity for such Delivery Point under each such Rate Schedule FT-DW and Rate Schedule STFT;
- (ii) secondly to Service to Customer under Rate Schedule FT-D to a maximum of such Customer's Delivery Contract Demand for such Delivery Point under such Rate Schedule FT-D; and
- (iii) thirdly to Service to Customer under Rate Schedule IT-D at such Delivery Point. If Customer is not entitled to Service under Rate Schedule IT-D at such Delivery Point, gas shall be allocated as Over-Run Gas and charged in accordance with paragraph 4.3.

4.7.2. At Group 3 Delivery Points:

Notwithstanding any other provision of this Rate Schedule, any Service Agreement or the General Terms and Conditions of the Tariff, and without regard to how gas may have been nominated, the aggregate quantity of gas delivered to Customer at a Group 3 Delivery Point shall be allocated for billing purposes to Service to Customer under Rate Schedule FT-D.

5.0 TERM OF SERVICE**5.1 Term of a Schedule of Service**

If, in the provision of new Service, Company determines that:

- (i) no new Facilities are required to provide the Service requested, the minimum term of the Schedule of Service shall be a Secondary Term of one (1) year;
- (ii) new metering Facilities are required to provide the Service requested, the minimum term of the Schedule of Service shall be equal to the sum of:
 - (a) a minimum Primary Term of between two (2) and five (5) years as determined under the Criteria for Determining Primary Term in Appendix “E” of the Tariff; and
 - (b) a Secondary Term equal to six (6) years less the Primary Term; or
- (iii) other new Facilities are required to provide the Service requested, the minimum term of the Schedule of Service shall be equal to the sum of:
 - (a) a minimum Primary Term of two (2) years if no new metering Facilities are required or of between two (2) and five (5) years if new metering

Facilities are required as determined under the Criteria for Determining Primary Term in Appendix “E” of the Tariff; and

- (b) a Secondary Term equal to eight (8) years less the Primary Term.

5.2 The Price Point for the term shall be determined in the manner described in paragraph 3.2.

5.3 Change of Secondary Term

Customer may change all or a portion of the Secondary Term to a Primary Term for all Service under a Schedule of Service Rate Schedule FT-D by providing Notice to Company of its request specifying the number of months of the Secondary Term to change to Primary Term.

5.4 Extension of Primary Term

- (i) Customer may extend the Primary Term for all Service under any Schedule of Service Rate Schedule FT-D that has no remaining Secondary Term by providing Notice to Company in accordance with paragraph 5.4(ii).
- (ii) A Notice to extend the Primary Term under any Schedule of Service Rate Schedule FT-D shall:
 - (a) be provided to Company at least one (1) year prior to the Service Termination Date; and
 - (b) specify the requested extended Service Termination Date;
- (iii) The Price Point for the Schedule of Service extended under this paragraph 5.4 shall be determined in the manner described in paragraph 3.2 using the extended Service Termination Date.

5.5 Term of Service Agreement

Customer's Service Agreement shall terminate on the latest Service Termination Date of Customer's Schedules of Service for Service under Rate Schedule FT-D.

6.0 CAPACITY RELEASE

6.1 If Customer desires a reduction of Customer's Delivery Contract Demand for all or any portion of its Service under a Schedule of Service under Rate Schedule FT-D, Customer shall notify Company of its request for such reduction specifying the particular Delivery Point, Schedule of Service and the Delivery Contract Demand available to any other Person who requires Service under Rate Schedule FT-D. Company shall not have any obligation to find any Person to assume the Delivery Contract Demand Customer proposes to make available. If after Notice is given to Company a Person is found who agrees to assume the Delivery Contract Demand Customer proposes to make available, together with any applicable Surcharge, Company may reduce Customer's Delivery Contract Demand under such Schedule of Service, on terms and conditions satisfactory to Company, by an amount equal to the Delivery Contract Demand specified in a new Schedule of Service, executed by Company and such Person. Notwithstanding such reduction, Customer shall at Company's sole option either:

- (i) continue to pay any Surcharge until the Service Termination Date as described in the applicable Schedule of Service (unless any other Person acceptable to Company has agreed to pay such Surcharge); or
- (ii) in the event that Company retires any Facilities required to provide such Service, pay to Company within the time determined by Company, an amount equal to the net book value of such Facilities adjusted for all costs and expenses associated with such retirement.

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7.0 TRANSFER OF SERVICE

7.1 Transfers Between Delivery Points Within the Same Delivery Design Area

If Customer desires to transfer all or any portion of Service under a Schedule of Service from a Customer's current:

- (i) Group 1 Delivery Point or Group 2 Delivery Point within a Delivery Design Area to a different Group 1 Delivery Point or Group 2 Delivery Point within the same Delivery Design Area; or
- (ii) Group 3 Delivery Point within a Delivery Design Area to a different Group 3 Delivery Point within the same Delivery Design Area,

Customer shall submit a transfer request to Company specifying the Delivery Points, the Schedule of Service, the portion of the Delivery Contract Demand that Customer wishes to transfer and the minimum Delivery Contract Demand that Customer will accept for transfer.

7.2 Company is under no obligation to permit the transfer requested in paragraph 7.1 but may permit such transfer provided that:

- (i) Company determines that sufficient capacity exists in the Facilities to accommodate the transfer, after allocating any requests for new service;
- (ii) Company determines that the construction or installation of new Facilities that are directly attributable to the transfer is not required;
- (iii) Customer's transfer request contains all the information specified in paragraph 7.1;

- (iv) the transfer does not occur during the Primary Term of the Schedule of Service;
- (v) the Price Point in effect for Service under the Schedule of Service, from which Customer wishes to transfer Service at the time of the transfer, applies to the new Schedule of Service for the Service that has been transferred;
- (vi) the FT-D Demand Rate applicable to Service under the Schedule of Service that has been transferred shall be the FT-D Demand Rate in effect at the Delivery Point to which the Service under the Schedule of Service has been transferred;
and
- (vii) Customer executes a transfer of Service agreement for the Service that has been transferred.

7.3 Transfers Between Delivery Points in Different Delivery Design Areas

If Customer desires to transfer all or any portion of Service under a Schedule of Service from a Customer's current:

- (i) Group 1 Delivery Point or Group 2 Delivery Point within a Delivery Design Area to a Group 1 Delivery Point or Group 2 Delivery Point in a different Delivery Design Area; or
- (ii) Group 3 Delivery Point within a Delivery Design Area to a Group 3 Delivery Point in a different Delivery Design Area,

Customer shall submit a transfer request to Company specifying the Delivery Points, the Schedule of Service, the portion of the Delivery Contract Demand that Customer wishes to transfer and the minimum Delivery Contract Demand that Customer will accept for transfer.

NOVA Gas Transmission Ltd.

7.4 Company is under no obligation to permit the transfer requested in paragraph 7.3 but may permit such transfer provided that:

- (i) Company determines that sufficient capacity exists in the Facilities to accommodate the transfer, after allocating any requests for new service;
- (ii) Company determines that the construction or installation of new Facilities that are directly attributable to the transfer is not required;
- (iii) Customer's transfer request contains all the information specified in paragraph 7.3;
- (iv) the transfer does not occur during the Primary Term of the Schedule of Service;
- (v) three (3) years shall be added to the balance of Customer's Secondary Term for the new Schedule of Service (the "New Term") for the Service that has been transferred;
- (vi) the Price Point for Service under the new Schedule of Service for the Service that has been transferred shall be determined in the manner described in paragraph 3.2 using the New Term;
- (vii) the FT-D Demand Rate applicable to the Service under the Schedule of Service that has been transferred shall be the FT-D Demand Rate in effect at the Delivery Point to which Service under the Schedule of Service has been transferred; and
- (viii) Customer executes a transfer of Service agreement for the Service that has been transferred.

7.5 Transfers Between Delivery Points and Receipt Points

A Customer entitled to receive Service under Rate Schedule FT-D shall not be entitled to transfer all or any portion of Service under Rate Schedule FT-D to a Receipt Point.

7.6 All transfer requests shall be irrevocable and must be received by Company prior to the deadline specified on the Website.

8.0 TERM SWAPS

8.1 A Customer entitled to receive Service under Rate Schedule FT-D shall not be entitled to swap the Service Termination Date of any Schedules of Service under Rate Schedule FT-D with the Service Termination Date under any Schedule of Service.

9.0 TITLE TRANSFERS

9.1 A Customer entitled to receive Service under Rate Schedule FT-D may transfer all or a portion of Customer's Inventory to another Customer or may accept a transfer of all or a portion of Customer's Inventory from another Customer provided such Customer is entitled to receive service under any Rate Schedule that permits title transfers and such title transfer is in accordance with the Terms and Conditions of Service Respecting Title Transfers in Appendix "C" of the Tariff.

10.0 RENEWAL OF SERVICE**10.1 Renewal Notification**

Customer shall be entitled to renew all or any portion of Service under a Schedule of Service under Rate Schedule FT-D, if Customer gives Notice to Company of such renewal at least one (1) year prior to the Service Termination Date. If Customer does not provide such Notice, the Service shall expire on the Service Termination Date.

10.2 Irrevocable Notice

Customer's Notice to renew pursuant to paragraph 10.1 shall be irrevocable one (1) year prior to the Service Termination Date.

Any renewal of Service is subject to the Financial Assurances provisions in Article 10 of the General Terms and Conditions.

10.3 Renewal Term

Customer's Notice shall specify a renewal term of not less than one (1) year consisting of increments of whole months. The Price Point for the renewal term shall be determined in the manner described in paragraph 3.2 based on the length of the renewal term requested by Customer.

11.0 TEMPORARY CONVERSION OF SERVICE

- (i) Customer may request a Temporary Conversion provided that:
 - (a) at the time of the request, the Schedule of Service Rate Schedule FT-D is a Conversion Eligible Schedule of Service with at least one (1) year Primary Term remaining;
 - (b) the Temporary Conversion:

- (i) commences on the first day of a month, which is at least thirty (30) days following written request for Temporary Conversion; and
 - (ii) ends on the last day of a month which is at least one (1) year after the Temporary Conversion commencement date;
 - (c) all conditions set out in paragraphs 2.1 and 2.2 of Rate Schedule FT-P have been satisfied; and
 - (d) Company determines, in its sole discretion, it is able to accommodate the Temporary Conversion.
- (ii) The Temporary Conversion shall revert back to Service under Rate Schedule FT-D at the end of the term of the Temporary Conversion.
 - (iii) Rate Schedule FT-P shall apply during Temporary Conversion, excluding however paragraphs 10.1 to 10.3, in which case paragraphs 10.1 to 10.3 of Rate Schedule FT-D shall apply.

12.0 APPLICATION FOR SERVICE

- 12.1** Applications for Service under this Rate Schedule FT-D shall be in such form as Company may prescribe from time to time.

13.0 GENERAL TERMS AND CONDITIONS

- 13.1** The General Terms and Conditions of the Tariff and the provisions of any Service Agreement for Service under Rate Schedule FT-D are applicable to Rate Schedule FT-D

NOVA Gas Transmission Ltd.

to the extent that such terms and conditions and provisions are not inconsistent with this Rate Schedule.

**SERVICE AGREEMENT
RATE SCHEDULE FT-D**

BETWEEN:

NOVA Gas Transmission Ltd., a body corporate having an office in
Calgary, Alberta (“Company”)

- and -

·, a body corporate having an office in ·, · (“Customer”)

IN CONSIDERATION of the premises and the covenants and agreements in this Service Agreement, the parties covenant and agree as follows:

1. Customer acknowledges receipt of a current copy of the Tariff.
2. The capitalized terms used in this Service Agreement have the meanings attributed to them in the General Terms and Conditions of the Tariff, unless otherwise defined in this Service Agreement.
3. Customer requests and Company agrees to provide Service pursuant to Rate Schedule FT-D in accordance with the attached Schedules of Service. The Service will commence on the Billing Commencement Date and will terminate, subject to the provisions of this Service Agreement, on the Service Termination Date.

4. Customer agrees to pay to Company each Billing Month, for all Service rendered under this Service Agreement, an amount equal to the aggregate charges for Service described in Rate Schedule FT-D.

5. Customer shall:
 - (a) provide such assurances and information as Company may reasonably require respecting any Service to be provided pursuant to this Rate Schedule FT-D including, without limiting the generality of the foregoing, an assurance that necessary arrangements have been made among Customer, producers of gas for Customer, purchasers of gas from Customer and any other Person relating to such Service, including all gas purchase, gas sale, operating, processing and common stream arrangements; and

 - (b) at Company's request provide Company with an assurance that Customer has provided the Person operating facilities downstream of any Delivery Point in respect of which Customer has the right to receive service with all authorizations necessary to enable such Person to provide Company with all data and information reasonably requested by Company for the purpose of allocating quantities of gas delivered by Company among Company's Customers and to bind Customer in respect of all such data and information provided.

If Customer fails to provide such assurances and information forthwith following request by Company, from time to time, Company may at its option, to be exercised by Notice to Customer, suspend the Service to which such assurances and information relate until such time as Customer provides the assurances and information requested, provided however that any such suspension of Service shall not relieve Customer from any obligation to pay any rate, toll, charge or other amount payable to Company.

6. Customer acknowledges that the Facilities have been designed based on certain assumptions and forecasts described in Company's Annual Plan, and that interruption and curtailment of Service may occur if the aggregate gas quantity actually received or the aggregate gas quantity actually delivered at the Facilities is different than forecast.
7. Every notice, request, demand, statement, bid or bill provided for in Rate Schedule FT-D, this Service Agreement and the General Terms and Conditions, or any other notice which either Company or Customer may desire to give to the other (collectively referred to as "Notice"), shall be in writing and each of them and every payment provided for shall be directed to the Person to whom given, made or delivered at such Person's address as follows:

Customer:

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Attention: .

Fax: .

Company:

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.

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Attention: Customer Account Representative

Fax: .

Notice may be given by fax or other telecommunication and any such Notice shall be deemed to be given four (4) hours after transmission. Notice may also be given by personal delivery or by courier and any such Notice shall be deemed to be given at the time of delivery. Any Notice may also be given by prepaid mail and any such Notice shall be deemed to be given four (4) business days after mailing, Saturdays, Sundays and statutory holidays excepted. In the event of disruption of regular mail, every payment not made electronically shall be personally delivered, and any other Notice shall be given by one of the other stated means.

- (a) Notwithstanding the foregoing:
 - (i) Company may give any Notice on the Website; and
 - (ii) Company and Customer shall give Notice for the matters listed in the Notice Schedule for Electronic Commerce in Appendix “F” of the Tariff via the Website unless the Website is inoperative, in which case Notice shall be given by any other alternative means set out herein.

Any Notice posted on the Website shall be deemed to be given one (1) hour after posting.

- (b) Notice may also be given by telephone followed immediately by fax, personal delivery, courier or prepaid mail, and in the case of Company, by posting on the Website, and any Notice so given shall be deemed to have been given as of the date and time of the telephone Notice.
- 8.** The terms and conditions of Rate Schedule FT-D, the General Terms and Conditions and Schedule of Service under Rate Schedule FT-D are by this reference incorporated into and made a part of this Service Agreement.

NOVA Gas Transmission Ltd.

Service Agreement

IN WITNESS WHEREOF the parties have executed this Service Agreement by their proper signing officers duly authorized in that behalf all as of the · day of ·, ·.

·

NOVA Gas Transmission Ltd.

Per:

Per:

Per:

Per:

NOVA Gas Transmission Ltd.

**SCHEDULE OF SERVICE
 RATE SCHEDULE FT-D**

CUSTOMER: .

Schedule of Service Number	Delivery Point Number and Name	Legal Description	Maximum Delivery Pressure kPa	Secondary Term Start Date	Service Termination Date	Delivery Contract Demand GJ/d	Price Point	FT-D3 Sub-Group	Additional Conditions
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THIS SCHEDULE FORMS PART OF THE SERVICE AGREEMENT DATED . AND SHALL BE DEEMED TO BE ATTACHED THERETO.

.
 Per: _____

NOVA Gas Transmission Ltd.
 Per: _____

Per: _____

Per: _____

RATE SCHEDULE FT-P

FIRM TRANSPORTATION – POINTS TO POINT

1.0 DEFINITIONS

1.1 The capitalized terms used in this Rate Schedule have the meanings attributed to them in the General Terms and Conditions of the Tariff unless otherwise defined in this Rate Schedule.

2.0 SERVICE DESCRIPTION AND AVAILABILITY

2.1 Subject to the stated terms and conditions, service under Rate Schedule FT-P shall mean:

- (i) the receipt of gas from Customer at Customer's Receipt Points, other than a Storage Receipt Point or an Extraction Receipt Point, provided that each Schedule of Service under Rate Schedule FT-P shall not set out more than fifty (50) Receipt Points;
- (ii) the transportation of gas through the Facilities that Company determines necessary to provide services under the Tariff; and
- (iii) the delivery of gas to Customer at Customer's Group 2 Delivery Point other than a Storage Delivery Point or an Extraction Delivery Point.

Subparagraphs (i), (ii) and (iii) are collectively referred to as the "Service". Company shall establish an FT-P Customer Account for each of Customer's Schedule of Service under Rate Schedule FT-P.

2.2 The Service is available to any Customer that requests a Points to Point Contract Demand of $140.0 \times 10^3 \text{m}^3/\text{d}$ (5.0 MMcf/d) or greater and has executed a Service Agreement and Schedule of Service under Rate Schedule FT-P. A standard form Service Agreement for Service under this Rate Schedule FT-P is attached.

3.0 PRICING

3.1 Subject to paragraph 3.2, the rate used in calculating Customer's monthly demand charge under each of Customer's Schedules of Service for Service under Rate Schedule FT-P is the FT-P Demand Rate.

3.2 If the term of Customer's Schedule of Service for any new Service or any renewed Service under Rate Schedule FT-P is:

- (i) five (5) years or greater the Price Point shall be 95% (Price Point "A"), unless it falls within the criteria set out in (iv);
- (ii) at least three (3) years but less than five (5) years the Price Point shall be 100% (Price Point "B");
- (iii) at least one (1) year but less than three (3) years the Price Point shall be 105% (Price Point "C"); or
- (iv) five (5) years or greater, for a Points to Point Contract Demand of between $4,000 \times 10^3 \text{m}^3/\text{d}$ and a maximum Points to Point Contract Demand of less than $10,500 \times 10^3 \text{m}^3/\text{d}$; and having all Receipt Points within 100 km of the Delivery Point, then the Price Point shall be 85% of Price Point "A" (Price Point "D").

4.0 CHARGE FOR SERVICE

4.1 Aggregate of Customer's Monthly Demand Charges

The aggregate of Customer's monthly demand charges for a Billing Month for Service under Rate Schedule FT-P shall be equal to the sum of the monthly demand charges for each of Customer's Schedules of Service under Rate Schedule FT-P, determined as follows:

$$\text{MDC} = \sum (F \times P) \left(A \times \frac{B}{C} \right)$$

Where:

- “MDC” = the aggregate of the demand charges applicable to such Schedule of Service for such Billing Month;
- “F” = the FT-P Demand Rate applicable to such Schedule of Service;
- “P” = the applicable Price Point for such Schedule of Service;
- “A” = each Points to Point Contract Demand in effect for all or a portion of such Billing Month for such Schedule of Service;
- “B” = the number of days in such Billing Month that Customer was entitled to such Points to Point Contract Demand under such Schedule of Service; and
- “C” = the number of days in such Billing Month.

4.2 Aggregate of Customer's Surcharges

The aggregate of Customer's Surcharges for a Billing Month shall be equal to the sum of all Surcharges applicable to each of Customer's Schedules of Service under Rate Schedule FT-P.

4.3 Customer's Monthly Receipt Points Over-Run Gas Charges

Customer's charges for Receipt Points Over-Run Gas in a Billing Month for Service under Rate Schedule FT-P shall be equal to the sum of the monthly charges for such Over-Run Gas for each of Customer's Schedule of Service under Rate Schedule FT-P, determined as follows:

$$\text{MOC} = (\text{V} \times \text{Z}) + (\text{V} \times \text{A})$$

Where:

"MOC" = the monthly charge for such Over-Run Gas under such Schedule of Service;

"V" = total volume of gas allocated to Customer by Company as Receipt Over-Run Gas in accordance with paragraph 4.9 for Service under such Schedule of Service for Rate Schedule FT-P for such Billing Month;

"Z" = the highest IT-R Rate at the Receipt Points set out in such Schedule of Service; and

"A" = the Daily Abandonment Surcharge.

4.4 Customer's Monthly Delivery Point Over-Run Gas Charge

Customer's charges for Delivery Point Over-Run Gas in a Billing Month for Service under Rate Schedule FT-P shall be equal to the sum of the monthly charges for such Over-Run Gas for each of Customer's Schedule of Service under Rate Schedule FT-P, determined as follows:

$$\text{MOC} = (\text{V} \times \text{Z}) + (\text{V} \times \text{A})$$

Where:

“MOC” = the monthly charge for such Over-Run Gas under such Schedule of Service;

“V” = total volume of gas allocated to Customer by Company as Delivery Over-run Gas in accordance with paragraph 4.10 for Service under such Schedule of Service for Rate Schedule FT-P for such Billing Month;

“Z” = the IT-D Rate at such Delivery Point; and

“A” = the Daily Abandonment Surcharge.

4.5 The calculation of Customer's charge for Over-Run Gas in paragraphs 4.3 and 4.4 shall not take into account Customer's Inventory on the last day of the Billing Month.

4.6 Charge for Gas Used and Gas Lost

The aggregate of Customer's charges for Gas Used and Gas Lost in a Billing Month for Service under Rate Schedule FT-P shall be equal to the sum of the monthly charges for

Gas Used and Gas Lost for each Schedule of Service under Rate Schedule FT-P determined as follows:

$$GU = [E \times (H \times 0.5) + (ROG \times H)] \times P$$

Where:

“GU” = the monthly charge for Gas Used and Gas Lost under such Schedule of Service;

“E” = Customer’s Eligible Points to Point Volume for such Schedule of Service for the Billing Month;

“H” = Company’s system fuel percentage for Gas Used and Gas Lost for the Billing Month;

“ROG”= The amount of gas determined by Company to be Customer’s Over-Run Gas for the month as determined in paragraph 4.9; and

“P” = Company’s Gas Use Price.

4.7 Aggregate of Customer’s Monthly FT-P Credit

The aggregate of Customer’s monthly FT-P Credits for a Billing Month shall be equal to the sum of the monthly FT-P Credit for each of Customer’s Schedule of Service under Rate Schedule FT-P, determined as follows:

$$FC = \sum [(RV - RO) \times RCR + (DV - DO) \times DCR]$$

Where:

“FC” = the aggregate of Customer’s FT-P Credits for such Billing Month;

“RV” = the total volume of gas allocated to Customer by Company as Receipt Over-Run Gas in accordance with paragraph 4.9;

“RO” = the aggregate volume of gas received from Customer at the Receipt Points for such Billing Month in excess of the Points to Point Contract Demand multiplied by the number of days such Points to Point Contract Demand was in effect for such Billing Month;

“RCR” = the FT-P Receipt Credit Rate for such Schedule of Service;

“DV” = the total volume of gas allocated to Customer by Company as Delivery Over-Run Gas in accordance with paragraph 4.10;

“DO” = the aggregate volume of gas delivered to Customer at the Delivery Point for such Billing Month in excess of the Points to Point Contract Demand multiplied by the number of days such Points to Point Contract Demand was in effect for such Billing Month; and

“DCR” = the FT-P Delivery Credit Rate for such Schedule of Service.

4.7.1 Aggregate of Customer’s Monthly FT-P Abandonment Charge Credit

The aggregate of Customer’s monthly FT-P Abandonment Charge credit for a Billing Month shall be equal to the sum of the monthly FT-P Abandonment Charge credits for

each of Customer's Schedule of Service under Rate Schedule FT-P, determined as follows:

$$AC = \sum [(RV - RO) \times DAS + (DV - DO) \times$$

DAS] Where:

“AC” = the aggregate of Customer's FT-P Abandonment credits for such Billing Month;

“RV” = the total volume of gas allocated to Customer by Company as Receipt Over-Run Gas in accordance with paragraph 4.9;

“RO” = the aggregate volume of gas received from Customer at the Receipt Points for such Billing Month in excess of the Points to Point Contract Demand multiplied by the number of days such Points to Point Contract Demand was in effect for such Billing Month;

“DV” = the total volume of gas allocated to Customer by Company as Delivery Over-Run Gas in accordance with paragraph 4.10;

“DO” = the aggregate volume of gas delivered to Customer at the Delivery Point for such Billing Month in excess of the Points to Point Contract Demand multiplied by the number of days such Points to Point Contract Demand was in effect for such Billing Month; and

“DAS” = the Daily Abandonment Surcharge.

4.8 Aggregate Charge For Service

Customer shall pay for each Billing Month the sum of the amounts calculated in accordance with paragraphs 4.1, 4.2, 4.3, 4.4 and 4.6, less the FT-P Credit determined in paragraph 4.7 and the FT-P Abandonment Charge credit determined in paragraph 4.7.1.

4.9 Allocation of Gas Received

Notwithstanding any other provision of this Rate Schedule, any Service Agreement or the General Terms and Conditions of the Tariff, and without regard to how gas may have been nominated for each FT-P Customer Account, the aggregate volume of gas received from Customer at the Receipt Points shall be allocated for billing purposes as follows:

- (i) first to service to Customer under Rate Schedule FT-P to a maximum of such Customer's Eligible Points to Point Volume under such Rate Schedule FT-P; and
- (ii) secondly as Over-Run Gas and charged in accordance with paragraph 4.3.

4.10 Allocation of Gas Delivered

Notwithstanding any other provision of this Rate Schedule, any Service Agreement or the General Terms and Conditions of the Tariff, and without regard to how gas may have been nominated for each FT-P Customer Account, the aggregate volume of gas delivered to Customer at the Delivery Point shall be allocated for billing purposes as follows:

- (i) first to service to Customer under Rate Schedule FT-P to a maximum of such Customer's Eligible Points to Point Volume under such Rate Schedule FT-P; and
- (ii) secondly as Over-Run Gas and charged in accordance with paragraph 4.4.

5.0 TERM OF SERVICE

5.1 Term of a Schedule of Service

If, in the provision of new Service, Company determines that:

- (i) no new Facilities are required to be installed or constructed to provide the Service requested, the minimum term of the Schedule of Service shall be one (1) year; or
- (ii) new Facilities are required to be installed or constructed to provide the Service requested, the minimum term of the Schedule of Service shall be equal to the Primary Term.

5.2 The Price Point for the term shall be determined in the manner described in paragraph 3.2.

5.3 Term of Service Agreement

Customer's Service Agreement shall terminate on the latest Service Termination Date of Customer's Schedules of Service for Service under Rate Schedule FT-P.

6.0 CAPACITY RELEASE

6.1 A Customer entitled to receive Service under Rate Schedule FT-P shall not be entitled to reduce Customer's FT-P Contract Demand for all or any portion of its Service under a Schedule of Service under Rate Schedule FT-P.

7.0 TRANSFER OF SERVICE

7.1 If Customer desires to transfer all or any portion of Service under a Schedule of Service from one Receipt Point to another Receipt Point set out in the same Schedule of Service, Customer shall give Notice to Company of Customer's request for such transfer

specifying the Receipt Points, the Schedule of Service and the portion of the Receipt Contract Demand that Customer wishes to transfer.

7.2 Company is under no obligation to permit the transfer requested in paragraph 7.1, but may permit such transfer provided that:

- (i) such Receipt Points are set out in the same Schedule of Service for Service under Rate Schedule FT-P;
- (ii) Company determines that sufficient capacity exists in the Facilities to accommodate the transfer;
- (iii) Company determines that the construction or installation of new Facilities that are directly attributable to the transfer is not required; and
- (iv) Customer executes new Schedules of Service.

8.0 TERM SWAPS

8.1 A Customer entitled to receive Service under Rate Schedule FT-P shall not be entitled to swap the Service Termination Date of any Schedule of Service under Rate Schedule FT-P with the Service Termination Date under any Schedule of Service.

9.0 TITLE TRANSFERS

9.1 A Customer entitled to receive Service under Rate Schedule FT-P shall not be entitled to transfer or accept a transfer of Customers' inventory to or from any other Customer's Account.

10.0 RENEWAL OF SERVICE

10.1 Renewal Notification

Customer shall be entitled to renew all or any portion of Service under a Schedule of Service under Rate Schedule FT-P as Service under either Rate Schedule FT-P or Rate Schedule FT-R, provided Customer gives Notice to Company of such renewal at least one (1) year prior to the Service Termination Date. If Customer does not specify which Rate Schedule the Service is to be renewed under, the Service shall be renewed under Rate Schedule FT-P. If Customer does not provide such Notice, the Service shall expire on the Service Termination Date.

10.2 Irrevocable Notice

Customer's Notice shall be irrevocable one (1) year prior to the Service Termination Date.

Any renewal of Service is subject to the Financial Assurances provisions in Article 10 of the General Terms and Conditions.

10.3 Renewal Term

Customer's Notice shall specify a renewal term of not less than one (1) year consisting of increments of whole months. The Price Point for the renewal term shall be determined in the manner described in paragraph 3.2 based on the length of the renewal term requested by Customer.

10.4 Temporary Conversion

Paragraphs 10.1 to 10.3 shall not apply during a Temporary Conversion from Rate Schedule FT-D and paragraphs 10.1 to 10.3 of Rate Schedule FT-D shall apply.

Paragraphs 10.1 to 10.3 shall not apply during a Temporary Conversion from Rate Schedule FT-R and paragraphs 12.1 to 12.3 of Rate Schedule FT-R shall apply.

11.0 ACCOUNT BALANCE

11.1 Notwithstanding paragraph 4 and 5 of the “Terms and Conditions Respecting Customer’s Inventories and Related Matters” in Appendix “D” of the Tariff, Company will (if required) once each Day and once each month balance each FT-P Customer Account to zero.

12.0 APPLICATION FOR SERVICE

12.1 Applications for Service under this Rate Schedule FT-P shall be in such form as Company may prescribe from time to time.

13.0 GENERAL TERMS AND CONDITIONS

13.1 The General Terms and Conditions of the Tariff and the provisions of any Service Agreement for Service under Rate Schedule FT-P are applicable to Rate Schedule FT-P to the extent that such terms and conditions and provisions are not inconsistent with this Rate Schedule.

SERVICE AGREEMENT
RATE SCHEDULE FT-P

BETWEEN:

NOVA Gas Transmission Ltd., a body corporate having an office in
Calgary, Alberta (“Company”)

- and -

•, a body corporate having an office in •, • (“Customer”)

IN CONSIDERATION of the premises and the covenants and agreements in this Service Agreement, the parties covenant and agree as follows:

1. Customer acknowledges receipt of a current copy of the Tariff.
2. The capitalized terms used in this Service Agreement have the meanings attributed to them in the General Terms and Conditions of the Tariff, unless otherwise defined in this Service Agreement.
3. Customer requests and Company agrees to provide Service pursuant to Rate Schedule FT-P in accordance with the attached Schedules of Service. The Service will commence on the Billing Commencement Date and will terminate, subject to the provisions of this Service Agreement, on the Service Termination Date.

4. Customer agrees to pay to Company each Billing Month, for all Service rendered under this Service Agreement, an amount equal to the aggregate charges for Service described in Rate Schedule FT-P.

5. Customer shall:
 - (a) provide such assurances and information as Company may reasonably require respecting any Service to be provided pursuant to this Rate Schedule FT-P including, without limiting the generality of the foregoing, an assurance that necessary arrangements have been made among Customer, producers of gas for Customer, purchasers of gas from Customer and any other Person relating to such Service, including all gas purchase, gas sale, operating, processing and common stream arrangements; and

 - (b) at Company's request provide Company with an assurance that Customer has provided the Person operating facilities upstream of any Receipt Point in respect of which Customer has the right to receive service with all authorizations necessary to enable such Person to provide Company with all data and information reasonably requested by Company for the purpose of allocating volumes of gas received by Company among Company's Customers and to bind Customer in respect of all such data and information provided.

If Customer fails to provide such assurances and information forthwith following request by Company, from time to time, Company may at its option, to be exercised by Notice to Customer, suspend the Service to which such assurances and information relate until such time as Customer provides the assurances and information requested, provided however that any such suspension of Service shall not relieve Customer from any obligation to pay any rate, toll, charge or other amount payable to Company.

6. Customer acknowledges that the Facilities have been designed based on certain assumptions and forecasts described in Company's Annual Plan, and that interruption and curtailment of Service may occur if the aggregate gas volume actually received or the aggregate gas volume actually delivered at the Facilities is different than forecast.
7. Every notice, request, demand, statement, bid or bill provided for in Rate Schedule FT-P, this Service Agreement and the General Terms and Conditions, or any other notice which either Company or Customer may desire to give to the other (collectively referred to as "Notice") shall be in writing and each of them and every payment provided for shall be directed to the Person to whom given, made or delivered at such Person's address as follows:

Customer:

-
-
-

Attention: •

Fax: •

Company:

-
-
-

Attention: Customer Account Representative

Fax: •

Notice may be given by fax or other telecommunication and any such Notice shall be deemed to be given four (4) hours after transmission. Notice may also be given by

personal delivery or by courier and any such Notice shall be deemed to be given at the time of delivery. Any Notice may also be given by prepaid mail and any such Notice shall be deemed to be given four (4) business days after mailing, Saturdays, Sundays and statutory holidays excepted. In the event of disruption of regular mail, every payment not made electronically shall be personally delivered, and any other Notice shall be given by one of the other stated means.

- (a) Notwithstanding the foregoing:
 - (i) Company may give any Notice on the Website; and
 - (ii) Company and Customer shall give Notice for the matters listed in the Notice Schedule for Electronic Commerce in Appendix “F” of the Tariff via the Website unless the Website is inoperative, in which case Notice shall be given by any other alternative means set out herein.

Any Notice posted on the Website shall be deemed to be given one (1) hour after posting.

- (b) Notice may also be given by telephone followed immediately by fax, personal delivery, courier or prepaid mail, and in the case of Company, by posting on the Website, and any Notice so given shall be deemed to have been given as of the date and time of the telephone Notice.
- 8.** The terms and conditions of Rate Schedule FT-P, the General Terms and Conditions and Schedule of Service under Rate Schedule FT-P are by this reference incorporated into and made a part of this Service Agreement.

NOVA Gas Transmission Ltd.

Service Agreement

IN WITNESS WHEREOF the parties have executed this Service Agreement by their proper signing officers duly authorized in that behalf all as of the • day of •, •.

•

NOVA Gas Transmission Ltd.

Per:

Per:

Per:

Per:

NOVA Gas Transmission Ltd.

**SCHEDULE OF SERVICE
RATE SCHEDULE FT-P**

CUSTOMER: •

SERVICE TERMINATION DATE: •

POINT TO POINT DISTANCE (km) : •

PRICE POINT: •

Schedule of Service Number	Group 2 Delivery Point Number and Name	Legal Description	Maximum Delivery Pressure kPa	Points to Point Contract Demand 10 ³ m ³ /d	Additional Conditions
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• • • • •

Reference Number	Receipt Points Number and Name	Legal Description	Maximum Receipt Pressure kPa	Receipt Contract Demand 10 ³ m ³ /d
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• • • • •
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 • • • • •

THIS SCHEDULE FORMS PART OF THE SERVICE AGREEMENT DATED • AND SHALL BE DEEMED TO BE ATTACHED THERETO.

•
 Per: _____

NOVA Gas Transmission Ltd.
 Per: _____

Per: _____

Per: _____

GENERAL TERMS AND CONDITIONS

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GENERAL TERMS AND CONDITIONS**1.0 DEFINITIONS**

In this Tariff:

- 1.1** “Abandonment Charge” shall mean the abandonment charge payable by Customer to Company for each Schedule of Service under Rate Schedules FT-R, FT-RN, FT-D, FT-DW, STFT, FT-P, LRS, LRS-3, IT-R, IT-D and certain Rate Schedules OS as set out in Note 3 of the Table of Rates, Tolls and Charges determined by multiplying the:
- (i) Monthly Abandonment Surcharge by the Receipt Contract Demand for Service under Rate Schedules FT-R and FT-RN;
 - (ii) Monthly Abandonment Surcharge by the Delivery Contract Demand for Service under Rate Schedules FT-D, FT-DW and STFT;
 - (iii) Monthly Abandonment Surcharge by the Points to Point Contract Demand for Service under Rate Schedule FT-P;
 - (iv) Monthly Abandonment Surcharge by the LRS-3 Contract Demand for Service under Rate Schedule LRS-3;
 - (v) Daily Abandonment Surcharge by the LRS Contract Demand for Service under Rate Schedule LRS;
 - (vi) Daily Abandonment Surcharge by the IT-R volume of gas received by Company from Customer for Service under Rate Schedule IT-R;
 - (vii) Daily Abandonment Surcharge by the IT-D quantity of gas delivered by Company to Customer for Service under Rate Schedule IT-D; and
 - (viii) Daily Abandonment Surcharge by quantity or volume of gas received or delivered by Company for Service under certain Rate Schedule OS.

- 1.2** “Act” shall mean the *National Energy Board Act*.
- 1.3** “Annual Plan” shall mean a document prepared by Company outlining the planned Facility additions and major modifications as determined by Company.
- 1.4** “ATCO Gas” shall mean ATCO Gas, a division of ATCO Gas and Pipelines Ltd.
- 1.5** “ATCO Pipelines” shall mean ATCO Pipelines, a division of ATCO Gas and Pipelines Ltd.
- 1.6** “ATCO Pipelines Franchise Fees” shall mean any fees, taxes and other charges approved by the Alberta Utilities Commission and its successors, payable by ATCO Pipelines pursuant to a franchise agreement with a municipality and set out in paragraph 15.13 of these General Terms and Conditions.
- 1.7** “Banking Day” shall mean any day that the Royal Bank of Canada, Main Branch, Calgary, Canada, or other financial institutions agreed to by Company, conducts business.
- 1.8** “Billing Commencement Date” shall mean the earlier of:
- (a) the Ready for Service Date; and
 - (b) the date Company commences to provide Service to Customer pursuant to a Service Agreement or Schedule of Service.
- 1.9** “Billing Month” shall mean that month which immediately precedes the month in which Company is required to provide a bill for Service.
- 1.10** “Board” shall mean the National Energy Board.
- 1.11** “Central Clock Time” or “CCT” shall mean the clock time in the Central Zone.
- 1.12** “Closing Date” shall mean the date an open season ends as posted by Company.

1.13 “CO₂ Volume” shall mean the portion of the total excess volume of carbon dioxide allocated by a CSO to a Customer at a particular Receipt Point for any month under a Schedule of Service for Service under Rate Schedule CO₂. The total excess volume of carbon dioxide at a Receipt Point for any month shall be determined by Company as follows:

$$\text{Total Excess CO}_2 \text{ Volume} = A \times (B - C)$$

Where:

- “A” = the total volume of gas received by Company at such Receipt Point;
- “B” = the percentage of carbon dioxide by volume of gas received as determined by Company at such Receipt Point; and
- “C” = two (2) percent.

If “B” is less than or equal to “C”, the Total Excess CO₂ Volume shall be zero.

1.14 “CO₂ Rate” shall mean the CO₂ Rate in the Table of Rates, Tolls and Charges which has been fixed by Company or the Board for Service under Rate Schedule CO₂.

1.15 “Common Stream Operator” or “CSO” shall mean the person who, with respect to a Receipt Point:

- (i) provides Company with the estimates of Flow at the Receipt Point;
- (ii) provides Company with the allocation of the estimated Flow and Total Quantity for the Receipt Point to each Customer receiving Service at the Receipt Point; and
- (iii) accepts Nominations made by Company on behalf of Customers and confirms the availability of gas to meet Customer’s Nominations.

1.16 “Company” shall mean NOVA Gas Transmission Ltd. and any successor to it.

- 1.17** “Company’s Gas Use Price” shall mean the monthly weighted average of the “AECO/NGX Intra-Alberta Same Day Index Values” for every day of the month recorded by the Natural Gas Exchange Inc. (or its successor) as published on its website (or any replacement thereof) for the Billing Month multiplied by the average heating value of all physical gas received by Company for the Billing Month.
- 1.18** “Connecting Pipeline Operator” or “CPO” shall mean the person who, with respect to a Delivery Point, places Nominations with Company on behalf of Customers.
- 1.19** “Conversion Eligible Schedule of Service” shall mean either:
- (i) any Schedule of Service Rate Schedule FT-D with a minimum Primary Term of five (5) consecutive years for any new Service or any renewed or extended Service under Rate Schedule FT-D; or
 - (ii) any Schedule of Service Rate Schedule FT-R with a minimum Term of one (1) year for any new Service or any renewed or extended Service under Rate Schedule FT-R.
- 1.20** “Cubic Metre of Gas” shall mean that quantity of gas which, at a temperature of fifteen (15) degrees Celsius and at an absolute pressure of one hundred one and three hundred twenty-five thousandths (101.325) kiloPascals occupies a volume of one cubic metre.
- 1.21** “Customer” shall mean any Person named as a Customer in a Service Agreement or Schedule of Service.
- 1.22** “Customer Account” shall mean an account established by Company for Customer to record Customer’s transactions related to Service under one or more Rate Schedules.
- 1.23** “Customer’s Inventory” shall mean, for each Customer Account at a given time on a day, an estimated energy amount determined by Company as follows:

$$CI = (A + B) - (C + D) - E \pm F$$

Where:

- “CI” = the Customer’s Inventory;
- “A” = the gas received by Company from Customer at all of Customer’s Receipt Points;
- “B” = the gas received by Customer from another Customer through title transfers;
- “C” = the gas delivered by Company to Customer at all of Customer’s Delivery Points;
- “D” = the gas delivered by Customer to another Customer through title transfers;
- “E” = the gas allocated to Customer for Gas Used, Gas Lost, and Measurement Variance; and
- “F” = the daily recovery of Customer’s Inventory imbalance as a result of:
- (i) any differences in measurement or allocations between the daily estimated gas received by Company from Customer at all of Customer’s Receipt Points and the month end actual quantity of gas received by Company from Customer at such Receipt Points;
 - (ii) any differences in measurement or allocations between the daily estimated quantity of gas delivered by Company to Customer at all of Customer’s Delivery Points and the month end actual gas delivered by Company to Customer at such Delivery Points;

- (iii) any corrections due to measurement or allocations of gas for any prior months; and
- (iv) Company's administration of Customer's Inventory at month end pursuant to paragraphs 8.2 and 8.3 in Appendix "D" of the Tariff.

1.24 "Daily Abandonment Surcharge" shall mean the daily abandonment surcharge set out in the Table of Rates, Tolls and Charges which has been fixed by Company or the Board for Service under Rate Schedules LRS, IT-R, IT-D, certain OS as set out in Note 3 of the Table of Rates, Tolls and Charges and if applicable Overrun Gas.

1.25 "Daily Open Season" shall have the meaning attributed to it in subparagraph 2.6.1 of Appendix "A" of the Tariff.

1.26 "Daily Open Season Bid Form" shall have the meaning attributed to it in subparagraph 2.6.2(a) of Appendix "A" of the Tariff.

1.27 "Day" shall mean a period of twenty-four (24) consecutive hours, beginning and ending at eight hours (08:00) Mountain Standard Time.

1.28 "Delivery Contract Demand" shall mean the maximum quantity of gas, expressed in GJ, Company may be required to deliver to Customer at the Delivery Point on any Day, under a Schedule of Service.

1.29 "Delivery Demand Charge" shall have the meaning attributed to it in subparagraph 4.2.2 (ii) of Rate Schedule LRS.

1.30 "Delivery Design Area" or "DDA" shall mean each of:

- (i) the Northwest Alberta and Northeast B.C. Area;
- (ii) the Northeast Alberta Area;
- (iii) the Southwest Alberta Area;
- (iv) the Southeast Alberta Area; and

(v) Edmonton and Area.

as described in Company's current Annual Plan. The Delivery Design Areas may be amended from time to time by Company in consultation with the Tolls, Tariff, Facilities and Procedures Committee (or any replacement of it), provided Company has given six (6) months Notice of such amendment to its Customers.

- 1.31** "Delivery Point" shall mean the point where gas may be delivered to Customer by Company under a Service Agreement or Schedule of Service.
- 1.32** "EDO" shall mean an emergency diversion order, or direction, of the Energy Resources Conservation Board that requires Company to divert gas pursuant to Section 9 of the Gas Resources Preservation Act, RSA 2000, Chapter G-4, as amended, superseded or replaced from time to time.
- 1.33** "Effective LRS Rate" shall mean the Effective LRS Rate set forth in the Table of Rates, Tolls and Charges which has been fixed by Company or the Board for Service under Rate Schedule LRS.
- 1.34** "Eligible LRS Contract Demand" shall have the meaning attributed to it in subparagraph 4.2.1 of Rate Schedule LRS.
- 1.35** "Eligible LRS-3 Contract Demand" shall have the meaning attributed to it in subparagraph 4.2.1 of Rate Schedule LRS-3.
- 1.36** "Eligible Points to Point Volume" shall mean for each Schedule of Service under Rate Schedule FT-P, the lesser of:
- (i) the sum of each Points to Point Contract Demand in effect for all or a portion of the Billing Month multiplied by the number of days that the Customer was entitled to such Points to Point Contract Demand under such Schedule of Service in such month;

- (ii) the actual volume of gas received by Company from Customer at the Receipt Points under such Schedule of Service; or
 - (iii) the actual volume of gas delivered by Company to Customer at the Delivery Point under such Schedule of Service.
- 1.37** “ERC Adjustment” shall have the meaning attributed to it in Appendix “G” of the tariff.
- 1.38** “ERC Event” shall have the meaning attributed to it in Appendix “G” of the Tariff.
- 1.39** “Existing Capacity” shall have the meaning attributed to it in paragraph 2.1 of Appendix “A” of the Tariff.
- 1.40** Existing Capacity Open Season” shall have the meaning attributed to it in paragraph 2.1 of Appendix “A” of the Tariff.
- 1.41** “Expansion Capacity” shall have the meaning attributed to it in paragraph 3.1 of Appendix “A” of the Tariff.
- 1.42** “Expansion Capacity Open Season” shall have the meaning attributed to it in paragraph 3.1 of Appendix “A” of the Tariff.
- 1.43** “Expansion Closing Date” shall have the meaning attributed to it in subparagraph 3.1(c) of Appendix “A” of the Tariff.
- 1.44** “Extraction Delivery Point” shall mean the point where gas may be delivered to the Extraction Plant by Company for Customer under a Schedule of Service.
- 1.45** “Extraction Plant” shall mean a facility connected to the Facilities where Gas liquids are extracted.
- 1.46** “Extraction Receipt Point” shall mean the point where gas may be received from the Extraction Plant by Company for Customer under a Schedule of Service.

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- 1.47** “Facilities” shall mean Company’s pipelines and other facilities or any part or parts thereof for the receiving, gathering, treating, transporting, storing, distributing, exchanging, handling or delivering of gas.
- 1.48** “Financial Assurance” shall have the meaning attributed to it in paragraph 10.1.
- 1.49** “Flow” shall mean, with respect to a Receipt Point, the rate in $10^3\text{m}^3/\text{d}$ or GJ/d, as the case may be, that gas is being delivered into Company’s Facilities through such Receipt Point at any point in time and means with respect to a Delivery Point, the rate in $10^3\text{m}^3/\text{d}$ or GJ/d, as the case may be, that gas is being delivered off Company’s Facilities through such Delivery Point at any point in time.
- 1.50** “FT-D Demand Rate” shall mean the FT-D Demand Rate for a particular Delivery Point in the Table of Rates, Tolls and Charges which has been fixed by Company or the Board for Service under Rate Schedule FT-D.
- 1.51** “FT-D3 Sub-Group” shall mean a sub-group of Group 3 Delivery Points determined by Company and set forth in Customer’s Schedule of Service under Rate Schedule FT-D.
- 1.52** “FT-DW Bid Price” shall have the meaning attributed to it in article 3.0 of Rate Schedule FT-DW.
- 1.53** “FT-DW Capacity” shall have the meaning attributed to it in paragraph 4.1 of Appendix “A” of the Tariff.
- 1.54** “FT-DW Open Season” shall have the meaning attributed to it in paragraph 4.1 of Appendix “A” of the Tariff.
- 1.55** “FT-P Customer Account” shall mean an account established by Company for Customer to record Customer’s transactions related to Service under Rate Schedule FT-P.
- 1.56** “FT-P Delivery Credit Rate” shall mean the applicable Delivery Credit Rate set out in the Table of Rates, Tolls and Charges which has been fixed by Company or the Board for Service under Rate Schedule FT-P.

- 1.57** “FT-P Demand Rate” shall mean the FT-P Demand Rate for the distance between the particular Receipt Points and the particular Delivery Point in the Table of Rates, Tolls and Charges which has been fixed by Company or the Board for Service under Rate Schedule FT-P.
- 1.58** “FT-P Receipt Credit Rate” shall mean the applicable Receipt Credit Rate set out in the Table of Rates, Tolls and Charges which has been fixed by Company or the Board for Service under Rate Schedule FT-P.
- 1.59** “FT-R Demand Rate” shall mean the FT-R Demand Rate for a particular Receipt Point in the Table of Rates, Tolls and Charges which has been fixed by Company or the Board for Service under Rate Schedule FT-R.
- 1.60** “FT-RN Demand Rate” shall mean the FT-RN Demand Rate in the Table of Rates, Tolls and Charges which has been fixed by Company or the Board for Service under Rate Schedule FT-RN for a particular Receipt Point.
- 1.61** “G-14” shall mean Measurement Canada’s Bulletin G-14, as may be amended from time to time.
- 1.62** “Gas” or “gas” shall mean all natural gas both before and after it has been subjected to any treatment or process by absorption, purification, scrubbing or otherwise, and includes all fluid hydrocarbons other than hydrocarbons that can be recovered from a pool in liquid form by ordinary production methods.
- 1.63** “GIA” shall mean the Electricity and Gas Inspection Act, R.S.C. 1985, c. E-4, as amended, and all Regulations issued pursuant to it.
- 1.64** “Gas Lost” shall mean that quantity of gas determined by Company to be the aggregate of:
- (i) the total quantity of gas lost as a result of a Facilities rupture or leak; and

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- (ii) any Customer's Inventory that Company reasonably determines to be unrecoverable.
- 1.65** "Gas Used" shall mean that quantity of gas determined by Company to be the total quantity of gas used by Company in the operation, maintenance and construction of the Facilities.
- 1.66** "Gas Year" shall mean a period of time beginning at eight hours (08:00) Mountain Standard Time on the first day of November in any year and ending at eight hours (08:00) Mountain Standard Time on the first day of November of the next year.
- 1.67** "GJ" shall mean gigajoule, or one billion joules.
- 1.68** "Gross Heating Value" shall mean the total MJ obtained by complete combustion of one cubic metre of gas with air, the gas to be free of all water vapour and the gas, air and products of combustion to be at standard conditions of fifteen (15) degrees Celsius and one hundred one and three hundred twenty-five thousandths (101.325) kiloPascals (absolute) and all water vapour formed by the combustion reaction condensed to the liquid state.
- 1.69** "Group 1 Delivery Point" shall mean any Delivery Point that interconnects with the following major downstream pipelines:
- (i) TransCanada PipeLines Limited;
 - (ii) Foothills Pipe Lines Ltd. (B.C.);
 - (iii) Foothills Pipe Lines Ltd. (Saskatchewan);
 - (iv) Spectra Energy Transmission; and
 - (v) Alliance Pipeline Limited Partnership.
- 1.70** "Group 2 Delivery Point" shall mean any Delivery Point determined by Company that is not a Group 1 Delivery Point nor a Group 3 Delivery Point.

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- 1.71** “Group 3 Delivery Point” shall mean any Delivery Point that is not a Group 1 Delivery Point and at which Service is subject to the provisions of paragraph 2.3 of Rate Schedule FT-D.
- 1.72** “Group 3 Peak Day Demand Requirement” shall mean the daily flow equivalent of Customer’s estimated highest four (4) consecutive hour demand during the contract term.
- 1.73** “Interconnecting Pipeline Open Season” shall have the meaning attributed to it in subparagraph 2.3.1 of Appendix “A” of the Tariff.
- 1.74** “IT-D Rate” shall mean the IT-D Rate for a particular Delivery Point in the Table of Rates, Tolls and Charges which has been fixed by Company or the Board for Service under Rate Schedule IT-D.
- 1.75** “IT-R Rate” shall mean the IT-R Rate for a particular Receipt Point in the Table of Rates, Tolls and Charges which has been fixed by Company or the Board for Service under Rate Schedule IT-R.
- 1.76** “J” or “Joule” shall mean the base unit for energy as defined by the International System of Units (SI).
- 1.77** “kPa” or “kiloPascals” shall mean kiloPascals of pressure (gauge) unless otherwise specified.
- 1.78** “Line Pack Gas” shall mean at any point in time that quantity of gas determined by Company to be the total quantity of gas contained in the Facilities.
- 1.79** “Low Intervention Trade Transaction” shall have the meaning attributed to it in G-14, as may be amended from time to time.
- 1.80** “LRS Billing Adjustment” shall have the meaning attributed to it in subparagraph 4.2.4 of Rate Schedule LRS.
- 1.81** “LRS Charge” shall have the meaning attributed to it in subparagraph 4.2.3 of Rate Schedule LRS.

- 1.82** “LRS Contract Demand” shall mean the maximum daily volume of gas Company may be required to receive from Customer and deliver at the Empress or McNeill Delivery Point under Rate Schedule LRS.
- 1.83** “LRS Receipt Point Obligation” shall mean the period determined in subparagraph 6.2 or 6.3 of Rate Schedule LRS as the case may be.
- 1.84** “LRS-3 Contract Demand” shall mean the maximum daily volume of gas Company may be required to receive from Customer and deliver at the Empress Delivery Point under a Schedule of Service for Service under Rate Schedule LRS-3.
- 1.85** “LRS-3 Demand Rate” shall mean the LRS-3 Demand Rate in the Table of Rates, Tolls and Charges which has been fixed by Company or the Board for Service under Rate Schedule LRS-3.
- 1.86** “Maximum Carbon Dioxide Volume” shall mean the maximum total excess CO₂ Volume as determined by Company that the Company may be required to accept at a particular Receipt Point on any day, as set forth in a Schedule of Service under Rate Schedule CO₂.
- 1.87** “Maximum Delivery Pressure” shall mean relative to a Delivery Point the maximum pressure at which Company may deliver gas to Customer, as set forth in a Schedule of Service.
- 1.88** “Maximum Receipt Pressure” shall mean relative to a Receipt Point the maximum pressure at which Company may require Customer to deliver gas, as set forth in Schedule of Service.
- 1.89** “MC” shall mean Measurement Canada, an Agency of Industry Canada.
- 1.90** “Measurement Variance” shall mean, for any period, after taking into account any adjustment made in accordance with the provisions of paragraph 2.6 of these General Terms and Conditions, the energy equivalent of the amount determined as follows:

$$MV = (A + B + C) - (D + E)$$

Where:

- “MV” = the Measurement Variance;
- “A” = the energy equivalent of gas determined by Company to have been delivered to all Customers during the period;
- “B” = the energy equivalent of the aggregate of the Gas Lost and Gas Used during the period;
- “C” = the energy equivalent of Line Pack Gas at the end of the period;
- “D” = the energy equivalent of gas determined by Company to have been received from all Customers during the period; and
- “E” = the energy equivalent of Line Pack Gas at the beginning of the period.

- 1.91** “MJ” shall mean megajoule, or one million joules.
- 1.92** “Month” or “month” shall mean a period of time beginning at eight hours (08:00) Mountain Standard Time on the first day of a calendar month and ending at eight hours (08:00) Mountain Standard Time on the first day of the next calendar month.
- 1.93** “Monthly Abandonment Surcharge” shall mean the monthly abandonment surcharge set out in the Table of Rates, Tolls and Charges which has been fixed by Company or the Board, for Service under Rate Schedules FT-R, FT-RN, FT-D, FT-DW, STFT, FT-P and LRS-3.
- 1.94** “Nomination” shall mean, with respect to a Receipt Point or a Delivery Point, a request for Flow made on behalf of a Customer.
- 1.95** “Notice” shall have the meaning attributed to it in the applicable Service Agreement.
- 1.96** “Officer’s Certificate” shall have the meaning attributed to it in subparagraph 4.2.1 of Rate Schedule LRS for Service under Rate Schedule LRS.

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- 1.97** “Open Season Bid Form” shall have the meaning attributed to it in subparagraph 2.2(a) of Appendix “A” of the Tariff.
- 1.98** “Over-Run Gas” shall mean, in respect of a Customer in a month, the aggregate quantity of gas for which an amount for over-run gas is payable by Customer in the Billing Month.
- 1.99** “OS Charge” shall mean an OS Charge in the Table of Rates, Tolls and Charges which has been fixed by Company or the Board for Service under Rate Schedule OS.
- 1.100** “Person” shall mean and include Company, a Customer, a corporation, a company, a partnership, an association, a joint venture, a trust, an unincorporated organization, a government, or department of a government or a section, branch, or division of a department of a government.
- 1.101** “Points to Point Contract Demand” shall mean the maximum volume of gas Company may be required to receive from Customer at particular Receipt Points and deliver to Customer at a Delivery Point on any day under a Schedule of Service under Rate Schedule FT-P.
- 1.102** “Price Point” shall mean for the purposes of any Service provided under any Schedule of Service under:
- (i) Rate Schedule FT-R, Price Point “A”, Price Point “B”, or Price Point “C”, each as defined in paragraph 3.2 of Rate Schedule FT-R; and
 - (ii) Rate Schedule FT-D, Price Point “X”, Price Point “Y”, or Price Point “Z”, each as defined in paragraph 3.2 of Rate Schedule FT-D; and
 - (iii) Rate Schedule FT-P, Price Point “A”, Price Point “B”, Price Point “C” or Price Point “D”, each as defined in paragraph 3.2 of Rate Schedule FT-P.
- 1.103** “Primary Term” shall mean for the purposes of any Service provided under any Schedule of Service under:

- (i) Rate Schedule FT-R, the term defined in paragraph 5.1 of Rate Schedule FT-R;
- (ii) Rate Schedule FT-P, for receipt metering facilities, the term calculated in accordance with the Criteria for Determining Primary Term in Appendix “E” of the Tariff; and for other facilities, the term as defined in paragraph 5.1 of Rate Schedule FT-D; and
- (iii) Rate Schedule FT-D, the term defined in paragraph 5.1 of Rate Schedule FT-D.

1.104 “Prime Rate” shall mean the rate of interest, expressed as an annual rate of interest, announced from time to time by the Royal Bank of Canada, Main Branch, Calgary, Alberta as the reference rate then in effect for determining interest rates on Canadian dollar commercial loans in Canada.

1.105 “Project Area” shall mean each of:

- (i) the Peace River Project Area;
- (ii) the North and East Project Area; and
- (iii) the Mainline Project Area,

as described in Company’s current Annual Plan. The Project Areas may be amended from time to time by Company in consultation with the Tolls, Tariff, Facilities and Procedures Committee (or any replacement of it), provided Company has given six (6) months Notice of such amendment to its Customers.

1.106 “PT Gas Rate” shall mean the PT Gas Rate in the Table of Rates, Tolls and Charges which has been fixed by Company or the Board for Service under Rate Schedule PT, based on the incremental gas requirements associated with the Facilities required to provide such Service.

1.107 “PT Rate” shall mean the PT Rate in the Table of Rates, Tolls and Charges which has been fixed by Company or the Board for Service under Rate Schedule PT, based on the incremental operating costs associated with providing such Service plus ten percent.

- 1.108** “Rate Schedule” shall mean any of the schedules identified as a “Rate Schedule” included in the Tariff.
- 1.109** “Ready for Service Date” shall mean the Day designated as such by Company by Notice to Customer stating that Company has Facilities which are ready for and are capable of rendering the Service applied for by Customer.
- 1.110** “Receipt Contract Demand” shall mean the maximum volume of gas Company may be required to receive from Customer at a Receipt Point on any Day, under a Schedule of Service.
- 1.111** “Receipt Demand Charge” shall have the meaning attributed to it in subparagraph 4.2.2 (i) of Rate Schedule LRS.
- 1.112** “Receipt Point” shall mean the point at which gas may be received from Customer by Company under a Service Agreement or Schedule of Service.
- 1.113** “STFT Bid Price” shall have the meaning attributed to it in article 3.0 of Rate Schedule STFT.
- 1.114** “STFT Capacity” shall have the meaning attributed to it in paragraph 5.1 of Appendix “A” of the Tariff.
- 1.115** “STFT Capacity Open Season” shall have the meaning attributed to it in paragraph 5.1 of Appendix “A” of the Tariff.
- 1.116** “Schedule of Service” shall mean the attachment(s) to a Service Agreement for Service under any Rate Schedule designated as “Schedule of Service” and any amendments thereto.
- 1.117** “Secondary Term” shall mean for the purposes of Service provided under any Schedule of Service any portion of the term of the Schedule of Service that is not Primary Term.
- 1.118** “Service” shall have the meaning attributed to it in article 2.0 of the applicable Rate Schedule.

- 1.119** “Service Agreement” shall mean an agreement between Company and Customer respecting Service to be provided under any Rate Schedule.
- 1.120** “Service Commencement Date” shall mean the service commencement date requested by Customer on Customer bid.
- 1.121** “Service Termination Date” shall mean the last Day in a month upon which Service shall terminate, as set forth in a Schedule of Service and subject to any renewal thereof.
- 1.122** “Storage Delivery Point” shall mean the point where gas may be delivered to the Storage Facility by Company for Customer for ultimate receipt from such Storage Facility at the Storage Receipt Point under a Schedule of Service.
- 1.123** “Storage Facility” shall mean any commercial facility where gas is stored, that is connected to the Facilities and is available to all Customers.
- 1.124** “Storage Receipt Point” shall mean the point where gas may be received from the Storage Facility by Company for Customer that was previously delivered to such Storage Facility at the Storage Delivery Point under a Schedule of Service.
- 1.125** “Surcharge” shall mean the ATCO Pipelines Franchise Fees, the Abandonment Charge and any other surcharge which has been fixed by Company or the Board for Service under a Rate Schedule.
- 1.126** “Table of Rates, Tolls and Charges” shall mean the Table of Rates, Tolls and Charges setting forth rates, tolls and charges that have been fixed by Company or the Board to be imposed, observed and followed by Company.
- 1.127** “Temporary Conversion” shall mean the ability to temporarily convert a Conversion Eligible Schedule of Service to a Schedule of Service Rate Schedule FT-P, in accordance with Article 11 of Rate Schedule FT-D or Article 11 of Rate Schedule FT-R, as applicable.

- 1.128** “Tariff” shall mean this Gas Transportation Tariff, including the Table of Rates, Tolls and Charges, the Rate Schedules, the Service Agreements, Schedules of Service, these General Terms and Conditions and the Appendices.
- 1.129** “Tier” shall mean the Tier 1, Tier 2 or Tier 3 CO₂ Rate as set forth in the Table of Rates, Tolls and Charges.
- 1.130** “TJ” shall mean terajoule, or one trillion joules.
- 1.131** “Thousand Cubic Metres” or “10³m³” shall mean one thousand (1000) Cubic Metres of Gas.
- 1.132** “Website” shall mean Company’s internet site operated by TransCanada PipeLines Limited for Company.
- 1.133** “Winter Season” shall mean the period commencing on November 1 of any year and ending on the next succeeding March 31.

2.0 MEASURING EQUIPMENT

2.1 Installation

Company, at its option, may furnish, install, maintain and operate all measuring equipment located at each Receipt Point, Delivery Point or other point where gas is measured.

2.2 Compliance with Standards

Company may use such measuring equipment as it deems appropriate provided that all measuring equipment shall comply with all applicable requirements under the GIA.

2.3 Check Measuring Equipment

Customer may install and operate check measuring equipment provided that such equipment does not interfere with the operation of the Facilities.

2.4 Pulsation Dampening

Customer shall provide or cause to be provided such pulsation dampening equipment as may be necessary to ensure that any facilities upstream of a Receipt Point do not interfere with the operation of the Facilities.

2.5 Verification

The accuracy of Company's measuring equipment shall be tested and verified by Company at such intervals as may be appropriate for such equipment. Reasonable Notice of the time and nature of each test shall be given to Customer to permit Customer to arrange for a representative to observe the test and any adjustments resulting from such test. If, after Notice, Customer fails to have a representative present, the results of the test shall nevertheless be considered accurate.

2.6 Correction

If at any time any of the measuring equipment is found to be out of service or registering inaccurately with the result that a significant measurement error has occurred, such equipment shall be adjusted as soon as practicable to read as accurately as possible and the readings of such equipment shall be adjusted to correct for such significant error for a period definitely known or agreed upon, or if not known or agreed upon, one-half (1/2) of the elapsed time since the last test. The measurement during the appropriate period shall be determined by Company on the basis of the best data available using the most appropriate of the following methods:

- (a) by using the data recorded by any check measuring equipment if installed and accurately registering;
- (b) by making the appropriate correction if the deviation from the accurate reading is ascertainable by calibration test or mathematical calculation;
- (c) by estimating based on producer measurements; or
- (d) by estimating based on deliveries under similar conditions during a period when the equipment was measuring accurately.

2.7 Expense of Additional Tests

If Customer requests a test in addition to the tests provided for by paragraph 2.5 and if upon testing the deviation from the accurate reading is found to be less than two (2) percent, Customer shall bear the expense of the additional test.

2.8 Inspection of Equipment and Records

Company and Customer shall have the right to inspect measuring equipment installed or furnished by the other, and the charts and other measurement or test data of the other at all times during normal business hours upon reasonable Notice, but the reading,

calibration and adjustment of such equipment and the changing of the charts shall be done only by the Person installing and furnishing same.

2.9 Quality Equipment and Tests

- (a) Company may furnish, install, maintain and operate such equipment as it considers necessary to ensure that gas received by Company conforms to the quality requirements set forth in the Tariff.
- (b) Company may establish and utilize such reasonable methods, procedures and equipment as Company determines are necessary in order to determine whether gas received by Company conforms with the quality requirements set forth in the Tariff.

3.0 GAS QUALITY

3.1 Quality Requirements

Gas received at a Receipt Point:

- (a) shall be free, at the pressure and temperature in the Facilities at the Receipt Point, from sand, dust, gums, crude oil, contaminants, impurities or other objectionable substances which will render the gas unmerchantable, cause injury, cause damage to or interfere with the operation of the Facilities;
- (b) shall not have a hydrocarbon dew point in excess of minus ten (-10) degrees Celsius at operating pressures;
- (c) shall not contain more than twenty-three (23) milligrams of hydrogen sulphide per one (1) cubic metre;
- (d) shall not contain more than one hundred and fifteen (115) milligrams of total sulphur per one (1) cubic metre;

- (e) shall not contain more than two (2) percent by volume of carbon dioxide unless a valid Service Agreement and Schedule of Service under Rate Schedule CO₂ is executed by Customer and in effect at such Receipt Point;
- (f) shall not contain more than:
 - (i) sixty-five (65) milligrams of water vapour per one (1) cubic metre; or
 - (ii) forty-eight (48) milligrams of water vapour per one (1) cubic metre if a valid Service Agreement and Schedule of Service under Rate Schedule CO₂ is executed and in effect at such Receipt Point;
- (g) shall not have a water dew point in excess of minus ten (-10) degrees Celsius at operating pressures greater than eight thousand two hundred seventy five (8275) kPa;
- (h) shall not exceed forty-nine (49) degrees Celsius in temperature;
- (i) shall be as free of oxygen as practicable and shall not in any event contain more than four-tenths of one (0.4) percent by volume of oxygen; and
- (j) shall have a Gross Heating Value of not less than thirty-six (36) megaJoules per cubic metre.

3.2 Nonconforming Gas

- (a) If gas received by Company fails at any time to conform with any of the quality requirements set forth in paragraph 3.1 above, then Company shall give Notice to Customer of such failure and Company may, at Company's option, refuse to accept such gas pending the remedying of such failure to conform to quality requirements. If the failure to conform is not promptly remedied, Company may accept such gas and may take such steps as Company determines are necessary to ensure that such gas conforms with the quality requirements and Customer shall reimburse Company for any reasonable costs and expenses incurred by Company.

- (b) Notwithstanding subparagraph 3.2 (a), if gas received by Company fails to conform to the quality requirements set forth in paragraph 3.1 above, Company may at its option immediately suspend the receipt of gas, provided however that any such suspension shall not relieve Customer from any obligation to pay any rate, toll, charge or other amount payable to Company.
- (c) Notwithstanding subparagraphs 3.2 (a) and 3.2 (b), if gas received by Company fails to conform to the quality requirements set forth in subparagraph 3.1(e) above, Company shall give Notice to Customer of such failure. If the failure to conform is not remedied by Customer within thirty (30) days, Company shall refuse to accept such gas pending the remedying of such failure, provided however that any such suspension shall not relieve Customer from any obligation to pay any rate, toll, charge or other amount payable to Company.

3.3 Quality Standard of Gas Delivered at Delivery Points

Gas which Company delivers at Delivery Points shall have the quality that results from gas having been transported and commingled in the Facilities.

4.0 MEASUREMENT

4.1 Method of Measurement

Company may make such measurements and calculations and use such procedures as it deems appropriate in determining volume, provided that the measurements and calculations made and the procedures used comply with any applicable requirements under the GIA.

4.2 Unit of Measurement

4.2.1 The unit of volume for purposes of measurement hereunder shall be a Thousand Cubic Metres.

4.2.2 The unit of quantity for purposes of measurement hereunder shall be a GJ.

4.3 Atmospheric Pressure

For the purpose of measurement atmospheric pressure shall be determined by a recognized formula applied to the nearest one hundredth (0.01) kPa absolute and deemed to be constant at the time and location of measurement.

4.4 Flowing Temperature

The temperature of flowing gas shall be determined by means of a recording thermometer or other equipment appropriate for the determination of temperature.

4.5 Determination of Gas Characteristics

The gas characteristics including, without limiting the generality of the foregoing, Gross Heating Value, relative density, nitrogen and carbon dioxide content, shall be determined by continuous recording equipment, laboratory equipment or through computer modeling.

4.6 Exchange of Measurement Information

Company and Customer shall make available to the other, as soon as practicable following written request, all measurement and test charts, measurement data and measurement information pertaining to the Service being provided to Customer.

4.7 Preservation of Measurement Records

Company and Customer shall preserve all measurement test data, measurement charts and other similar records for a minimum period of six (6) years or such longer period as may be required by record retention rules of any duly constituted regulatory body having jurisdiction.

4.8 Low Intervention Trade Transaction Level

If, pursuant to the GIA and G-14, Company has received from MC, conditional permission 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 G-14, as published on MC's website (or any replacement thereof);
- (b) Customer agrees that the gas metering equipment has been initially calibrated and will be periodically recalibrated (and reprogrammed where necessary) in accordance with a process and procedures acceptable to Customer;
- (c) Any measurement disputes arising between Company and Customer shall be resolved in accordance with the provisions of paragraph 2.6 of these General Terms and Conditions;
- (d) Company and Customer acknowledge and agree that the conditional permission granted by MC may restrict MC's ability to successfully conclude a measurement dispute investigation, if MC involvement has been requested; and
- (e) Company and Customer agree to the implementation of Low Intervention Trade Transactions in accordance with G-14 and either Company or Customer has the right to request a revocation of the conditional permission for Low Intervention Trade Transactions in accordance with G-14.

5.0 BILLING AND PAYMENT**5.1 Billing**

On or before the twenty-first day of each month, Company shall provide on the Website a bill to Customer for Service rendered during the Billing Month. Customer shall furnish such information to Company as Company may require for billing on or before the twenty-first day of the Billing Month.

5.2 Payment

Customer shall make payment to Company in Canadian dollars of its bill on or before the last day of the month following the Billing Month.

5.3 Late Billing

If Company provides a bill after the twenty-first day of a month, then the date for payment shall be that day which is ten (10) days after the day that such bill was provided.

5.4 Interest on Unpaid Amounts

Company shall have the right to charge interest on the unpaid portion of any bill commencing from the date payment was due and continuing until the date payment is actually received, at a rate per annum equal to the Prime Rate plus one (1) percent. The principal and accrued interest to date shall be due and payable immediately upon demand.

5.5 Adjustment Where Bill Estimated

Information used for billing may be actual or estimated. If actual information necessary for billing is unavailable to Company sufficiently in advance of the twenty-first day of the month to permit the use of such information in the preparation of a bill, Company shall use estimated information. In the month that actual information becomes available respecting a previous month where estimated information was used, the bill for the month in which the actual information became available shall be adjusted to reflect the

difference between the actual and estimated information as if such information related to such later month. Neither Company nor Customer shall be entitled to interest on any adjustment.

5.6 Corrections

Notwithstanding any provision contained in this Tariff to the contrary, the correction of an error in a bill for Service provided in a prior month, shall be made to the bill in accordance with the appropriate provision of this Tariff in effect at the time that the error was made. Company shall proceed with such correction in the month following the month that Company confirms the error, provided however an overcharge of the Abandonment Charge shall be reimbursed only by a credit on an invoice in any subsequent Month that an Abandonment Charge is payable. If there is an undercharge of the Abandonment Charge, Company shall invoice such undercharge in the following Month's invoice. In the case of a disputed bill the provisions of paragraph 5.7 shall apply.

5.7 Disputed Bills

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

5.7.2 If Customer fails to pay the full amount of any bill when payment is due, Company may upon four (4) Banking Days Notice immediately suspend any or all Service being or to be provided to Customer provided however that such suspension shall not relieve Customer from any obligation to pay any rate, toll, charge or other amount payable to Company. If at any time during such suspension Customer pays the full amount payable to Company, Company shall within two (2) Banking Days recommence such suspended Service.

Following suspension, Company may, in addition to any other remedy that may be available to it, upon four (4) Banking Days Notice to Customer immediately:

- (i) terminate any or all Service being or to be provided to Customer; and
- (ii) declare any and all amounts payable now or in the future by Customer to Company for any and all Service to be immediately due and payable as liquidated damages and not as a penalty.

5.7.3 In the event that it is finally determined that Customer's monthly bill was incorrect and that an overpayment has been made, Company shall make reimbursement of such overpayment by cash or credit to an invoice, provided however an overpayment of the Abandonment Charge shall be reimbursed only by a credit on an invoice in any subsequent Month that an Abandonment Charge is payable. Company shall pay interest on the overpayment to Customer, commencing from the date such overpayment was made and continuing until the date reimbursement is actually made, at a rate per annum equal to the Prime Rate plus one (1) percent.

6.0 POSSESSION AND CONTROL

6.1 Control

Gas received by Company shall be deemed to be in the custody and under the control of Company from the time it is received into the Facilities until it is delivered out of the Facilities.

6.2 Warranty

Customer warrants and represents it has the right to tender all gas delivered to Company.

7.0 GAS PRESSURES**7.1 The Gas Pressure At Receipt Points**

The pressure of gas tendered by Customer to Company at any Receipt Point shall be the pressure, up to the Maximum Receipt Pressure, that Company requires such gas to be tendered, from time to time, at that Receipt Point.

7.2 Pressure Protection

Customer shall provide or cause to be provided suitable pressure relief devices, or pressure limiting devices, to protect the Facilities as may be necessary to ensure that the pressure of gas delivered by Customer to Company at any Receipt Point will not exceed one hundred ten (110%) percent of the Maximum Receipt Pressure.

7.3 The Gas Pressure At Delivery Points

The pressure of gas delivered by Company at any Delivery Point shall be the pressure available from the Facilities at that Delivery Point, provided that such pressure shall not exceed the Maximum Delivery Pressure.

8.0 GAS USED, GAS LOST AND MEASUREMENT VARIANCE**8.1 Company's Gas Requirements**

- (a) Company may, at its option, either:
 - (i) take from all Customers at Receipt Points a quantity of gas equal to the aggregate quantity of any or all Gas Used, Gas Lost and Measurement Variance for any period; or
 - (ii) arrange with a Customer or Customers or any other Persons at Receipt Points to take and pay for a quantity of gas equal to the aggregate quantity

of any or all Gas Used, Gas Lost and Measurement Variance for any period.

8.2 Allocation of Gas Taken

If Company in any period exercises its option to take a quantity of gas as provided for in subparagraph 8.1 (a), each Customer's share of the quantity of such gas taken in such period will be a quantity equal to the product of the quantity of such gas taken in such period and a fraction, the numerator of which shall be the aggregate quantity of gas received by Company from Customer in such period at all of Customer's Receipt Points and the denominator of which shall be the aggregate quantity of gas received by Company from all Customers in such period at all Receipt Points.

8.3 Gas Received from Storage Facilities

- (a) Notwithstanding anything contained in this article 8.0, any gas received into the Facilities from a gas storage facility that was previously delivered into the gas storage facility through the Facilities shall not be included in any calculation, and shall not be taken into account in any allocation, of Company's gas requirements.

9.0 DELIVERY OBLIGATION

9.1 Company's Delivery Obligation

Subject to paragraph 9.2:

- (a) Company's delivery obligation for any period where Company has exercised its option as provided for in subparagraph 8.1 (a), shall be to deliver to all Customers at all Delivery Points the quantity of gas Company determines was received from all Customers in such period at all Receipt Points, less all Customers share as determined under paragraph 8.2; and

- (b) Company's delivery obligation, for any period where Company has exercised its option to purchase gas as provided for in subparagraph 8.1 (b), shall be to deliver to all Customers at all Delivery Points the quantity of all gas received from all Customers, other than gas taken from such Customers and paid for pursuant to subparagraph 8.1 (b), in such period at all Receipt Points.

9.2 Variance

Due to variations in operating conditions, the aggregate daily and monthly quantities of gas delivered to all Customers at all Delivery Points, adjusted as provided for in paragraph 9.1, will differ from the aggregate of the corresponding daily and monthly quantities of gas received from all Customers. Customers and Company shall co-operate to keep such differences to the minimum permitted by operating conditions and to balance out such differences as soon as practicable.

9.3 Operating Balance Agreements

Company may enter into agreements and other operating arrangements with any operator of a downstream pipeline facility interconnecting with the Facilities ("downstream operator") respecting the balancing of gas quantities to be delivered by Company and to be received by the downstream operator on any Day at the interconnection of the downstream facility and the Facilities (the "interconnection point"). This may include agreements and operating arrangements providing that for any Day a quantity of gas nominated by a Customer for delivery at the interconnection point may be deemed to have been delivered by Company and received by the downstream operator regardless of the actual flow of gas at the interconnection point on the Day.

9.4 Energy Content and Gas Quality

Gas delivered by Company to Customer at any of Customer's Delivery Points shall have the energy content and quality that results from the gas having been commingled in the Facilities.

9.5 Supply/Demand Balancing

The Terms and Conditions Respecting Customer's Inventories and Related Matters in Appendix "D" of the Tariff apply to all Service provided under this Tariff. Each Customer receiving Service is responsible for ensuring that Customer's Inventory is at all times within the Balanced Zone set out in Appendix "D". If Company determines that Customer's Inventory for any Customer is not within the Balanced Zone, Company may upon Notice suspend all or any portion of Service to Customer until Customer brings Customer's Inventory within the Balanced Zone, provided however that no such suspension shall relieve Customer of its obligation to pay any rate, toll, charge or other amount payable to Company.

9.6 Balancing Procedures

Company may from time to time establish procedures, consistent with the Terms and Conditions Respecting Customer's Inventories and Related Matters set forth in Appendix "D" of the Tariff.

9.7 Limitation on Delivery Obligation

Company shall be obligated to provide only such Service as can be provided through Company's operation of the existing Facilities pursuant to the terms and conditions of the Tariff.

9.8 Uniform Flow Rate

All deliveries of gas to Company at a Receipt Point shall be made in uniform hourly quantities to the extent practicable.

9.9 Emergency Response Compensation Event

If there is an ERC Event, Company shall determine Customer's Final ERC Adjustments in accordance with the Terms and Conditions Respecting Emergency Response Compensation set forth in Appendix "G" of the Tariff.

10.0 FINANCIAL ASSURANCES**10.1 Financial Assurance for Performance of Obligations**

Company may request that Customer (or any assignee) at any time and from time to time provide Company with an irrevocable letter of credit or other assurance acceptable to Company, in form and substance satisfactory to Company and in an amount determined in accordance with paragraph 10.3 (the “Financial Assurance”).

10.2 Failure to Provide Financial Assurance

Company may withhold the provision of new Service until Company has received a requested Financial Assurance.

If Customer fails to provide a requested Financial Assurance to Company within four (4) Banking Days of Company’s request, Company may upon four (4) Banking Days Notice immediately suspend any or all Service being or to be provided to Customer provided however that any such suspension shall not relieve Customer from any obligation to pay any rate, toll, charge or other amount payable to Company. If at any time during such suspension Customer provides such Financial Assurance to Company, Company shall within two (2) Banking Days recommence such suspended Service.

If Customer fails to provide such Financial Assurance during such suspension, Company may, in addition to any other remedy that may be available to it, upon four (4) Banking Days Notice to Customer immediately:

- (i) terminate any or all Service being or to be provided to Customer; and
- (ii) declare any and all amounts payable now or in the future by Customer to Company for any and all Service to be immediately due and payable as liquidated damages and not as a penalty.

10.3 Amount of Financial Assurance

The maximum amount of Financial Assurance Company may request from a Customer (or assignee) shall be as determined by Company an amount equal to:

- (i) for the provision of all Services, other than for Service referred to in paragraph (ii), the aggregate of all rates, tolls, charges or other amounts payable to Company for a period of seventy (70) Days. Provided however, the amount of Financial Assurance for all rates, tolls and charges other than demand charges shall be based on the daily average of the actual charges billed for Service for the preceding twelve (12) Month period with the initial forecast to be provided by Customer; and
- (ii) for the provision of Service under subparagraphs 5.1(ii) and 5.1(iii) of Rate Schedule FT-D, the aggregate of all rates, tolls, charges or other amounts payable to Company for a period of seventy (70) Days plus one (1) Month for each remaining year of the term of such Service, up to a maximum of twelve (12) Months total.

The Financial Assurances for any new Facilities required to be installed or constructed by Company shall be determined in accordance with an agreement between Company and Customer for such Facilities.

11.0 INTERRUPTIONS AND CURTAILMENTS

11.1 Planned Interruptions

Provided that Company shall have given Customer at least forty-eight (48) hours Notice, Company may interrupt, curtail or reduce Service for such periods of time as it may reasonably require for the purpose of effecting any repairs, maintenance, replacement or upgrading or other work related to the Facilities.

11.2 Unplanned Interruptions

Notwithstanding paragraph 11.1, in the event of unforeseen circumstances Company may interrupt, curtail or reduce Service for such periods of time as it may reasonably require without giving Customer the Notice provided for in paragraph 11.1 provided that Company shall give Notice of such interruption, curtailment or reduction as soon as is reasonably possible.

11.3 Notice of Change in Operations

Customer and Company shall give each other as much Notice as is reasonably possible in the circumstances of expected temporary changes in the rates of delivery or receipt of gas, pressures or other operating conditions, together with the expected duration and the reason for such expected temporary changes.

11.4 Priority During Interruptions**11.4.1 At Receipt Points**

During periods of interruption and curtailment Company may reduce any or all Service at Receipt Points in the following order:

- (i) Firstly, Service under Rate Schedules IT-R and IT-S prorata based on Nominations; and
- (ii) Secondly, Service under Rate Schedules FT-R, FT-RN, FT-X, FT-P, LRS and LRS-3 prorata based on Receipt Contract Demand. Within the interrupted and curtailed area as determined by Company, Customer may, subject to Company's consent, nominate Customer's prorated Service at any Receipt Point or combination of Receipt Points within such area during the period of interruption and curtailment, provided that the total volume nominated at each Receipt Point does not exceed:

- (a) the sum of Customer's Receipt Contract Demand for each Schedule of Service at such Receipt Point for Service under Rate Schedules FT-R, FT-RN, FT-X, LRS and LRS-3; or
- (b) the Customer's Receipt Contract Demand for each Receipt Point for Service under Rate Schedule FT-P.

11.4.2 At Delivery Points

Subject to paragraph 11.4.3, during periods of interruption and curtailment Company may reduce any or all Service at Delivery Points in the following order:

- (i) Firstly, Service under Rate Schedules IT-D, IT-S and Service nominated in excess of the Delivery Contract Demand under Rate Schedule FT-D at Group 3 Delivery Points prorata based on Nominations; and
- (ii) Secondly, Service under Rate Schedules FT-D at Group 1 Delivery Points, FT-D at Group 2 Delivery Points, FT-DW, FT-P and STFT prorata based on Delivery Contract Demand and Service under Rate Schedule FT-X prorata based on Nominations. Within the interrupted and curtailed area as determined by Company, Customer may, subject to Company's consent, nominate Customer's prorated Service at any Delivery Point or combination of Delivery Points within such area during the period of interruption and curtailment, provided that the total volume nominated at each Delivery Point does not exceed the sum of Customer's Delivery Contract Demand for each Schedule of Service at such Delivery Point for Service under Rate Schedules FT-D, FT-DW, STFT, FT-P and FT-X; and
- (iii) Thirdly, Service under Rate Schedule FT-D at Group 3 Delivery Points prorata based on Delivery Contract Demand. Within the interrupted and curtailed area as determined by Company, Customer may, subject to Company's consent, nominate Customer's prorated Service at any Delivery Point or combination of Delivery Points within such area during

the period of interruption and curtailment, provided that the total volume nominated at each Delivery Point does not exceed the sum of Customer's Delivery Contract Demand for each Schedule of Service at such Delivery Point under Rate Schedule FT-D.

11.4.3 At Delivery Points If An EDO

In the event of an EDO, Company may reduce any or all Service at Delivery Points in the following order:

- (i) Firstly, Service under Rate Schedules IT-D and IT-S prorata based on Nominations;
- (ii) Secondly, Service under Rate Schedules FT-D at Group 1 Delivery Points, FT-D at Group 2 Delivery Points, FT-DW, FT-P and STFT prorata based on Delivery Contract Demand and Service under Rate Schedule FT-X prorata based on Nominations. Within the interrupted and curtailed area as determined by Company, Customer may, subject to Company's consent, nominate Customer's prorated Service at any Delivery Point or combination of Delivery Points within such area during the period of interruption and curtailment, provided that the total volume nominated at each Delivery Point does not exceed the sum of Customer's Delivery Contract Demand for each Schedule of Service at such Delivery Point for Service under Rate Schedule FT-D, FT-DW, STFT, FT-P and FT-X; and
- (iii) Thirdly, Service under Rate Schedule FT-D at Group 3 Delivery Points prorata based on Delivery Contract Demand. Within the interrupted and curtailed area as determined by Company, Customer may, subject to Company's consent, nominate Customer's prorated Service at any Delivery Point or combination of Delivery Points within such area during the period of interruption and curtailment.

11.5 Customer's Obligations

Notwithstanding any other provision in the Tariff, Customer agrees and acknowledges that any interruption and curtailment shall not under any circumstances suspend or relieve Customer from the obligation to pay any rate, toll, charge or other amount payable to Company.

12.0 FORCE MAJEURE**12.1 Notice of Force Majeure**

In the event that either Company or Customer is rendered unable by reason of force majeure to perform in whole or in part any covenant or obligation in the Tariff, the performance of such covenant or obligation shall be suspended during the continuance of such force majeure, except as provided for in paragraph 12.3, upon the following terms and conditions:

- (a) the party claiming suspension shall give Notice to the other party specifying full particulars of such force majeure as soon as is reasonably possible;
- (b) the party claiming suspension shall as far as possible remedy such force majeure as soon as is reasonably possible; and
- (c) the party claiming suspension shall give Notice to the other party as soon as is reasonably possible after such force majeure has been remedied.

12.2 Events of Force Majeure

For the purposes of these General Terms and Conditions, the term "force majeure" shall mean any cause not reasonably within the control of the party claiming suspension which by the exercise of due diligence such party is unable to prevent or overcome, including but without limiting the generality of the foregoing:

-
- (a) lightning, storms, earthquakes, landslides, floods, washouts, and other acts of God;
 - (b) fires, explosions, ruptures, breakages of or accidents to the Facilities;
 - (c) freezing of pipelines or wells, hydrate obstructions of pipelines or appurtenances thereto, temporary failure of gas supply;
 - (d) shortages of necessary labour, strikes, lockouts or other industrial disturbances;
 - (e) civil disturbances, sabotage, acts of public enemies, war, blockades, insurrections, vandalism, riots, epidemics;
 - (f) arrests and restraints of governments and people;
 - (g) the order of any court, government body or regulatory body;
 - (h) an EDO;
 - (i) inability to obtain or curtailment of supplies of electric power, water, fuel or other utilities or services;
 - (j) inability to obtain or curtailment of supplies of any other materials or equipment;
 - (k) inability to obtain or revocation or amendment of any permit, licence, certificate or authorization of any governmental or regulatory body, unless the revocation or amendment of such permit, licence, certificate or authorization was caused by the violation of the terms thereof or consented to by the party holding the same;
 - (l) the failure for any reason of a supplier of gas to Customer or a purchaser of gas from Customer to supply and deliver gas to Customer or to purchase and take delivery of gas from Customer;
 - (m) any claim by any third party that any covenant or obligation of such third party is suspended by reason of force majeure, including without limiting the generality of

the foregoing any such claim by any transporter of gas to, from or for Company or Customer; and

- (n) any other cause, whether herein enumerated or otherwise, not reasonably within the control of the party claiming suspension which by the exercise of due diligence such party is unable to prevent or overcome.

12.3 Customer's Obligations

Notwithstanding any other provision herein, Customer acknowledges and agrees that the occurrence of an event of force majeure shall not under any circumstances suspend or relieve Customer from the obligation to pay any rate, toll, charge or other amount payable to Company.

12.4 Lack of Funds not Force Majeure

Notwithstanding any other provision herein, Company and Customer agree that a lack of funds or other financial cause shall not under any circumstances be an event of force majeure.

12.5 Strikes and Lockouts

Notwithstanding any other provision herein, Company and Customer agree that the settlement of strikes, lockouts and other industrial disturbances shall be entirely within the discretion of the party involved.

12.6 Service During Force Majeure

In the event that the provision of Service is curtailed or interrupted by reason of force majeure, Company may during the continuance of such force majeure provide such Service as it deems appropriate.

13.0 INDEMNIFICATION**13.1 Customer's Liability**

Customer shall be liable for and shall indemnify and save harmless Company from and against any and all claims, demands, suits, actions, damages, costs, losses and expenses of whatsoever nature arising out of or in any way connected, either directly or indirectly, with any act, omission or default arising out of the negligence of Customer.

13.2 Company's Liability

Company shall be liable for and shall indemnify and save harmless Customer from and against any and all claims, demands, suits, actions, damages, costs, losses and expenses of whatsoever nature arising out of or in any way connected, either directly or indirectly, with any act, omission or default arising out of the negligence of Company.

13.3 Limitations

Notwithstanding the provisions of paragraphs 13.1 and 13.2:

- (a) Company and Customer shall have no liability for, nor obligation to indemnify and save harmless the other from, any claim, demand, suit, action, damage, cost, loss or expense which was not reasonably foreseeable at the time of the act, omission or default;
- (b) Company shall have no liability to Customer, nor obligation to indemnify and save harmless Customer, in respect of Company's failure for any reason whatsoever, other than Company's wilful default, to provide Service pursuant to the provisions of Customer's Service Agreement;
- (c) the failure by Company for any reason whatsoever to receive gas from Customer or deliver gas to Customer shall not suspend or relieve Customer from the obligation to pay any rate, toll, charge or other amount payable to Company; and

- (d) Company shall have no liability to Customer, nor obligation to indemnify and save harmless Customer, in respect of Company providing Service to any Customer under Rate Schedule CO₂ and/or Rate Schedule PT.

14.0 EXCHANGE OF INFORMATION

14.1 Provision of Information

Company and Customer shall make available, on request by either made to the other, certificates, estimates and information as shall be in their possession, and as shall be reasonably required by the other.

14.2 Additional Information

Notwithstanding paragraph 14.1, Customer shall furnish Company with such estimated daily, monthly and annual quantities as Company may require, with respect to any Service provided or to be provided, together with any data that Company may require in order to design, operate and construct facilities to meet Customer's requirements.

15.0 MISCELLANEOUS PROVISIONS

15.1 Effect of Headings

The headings used throughout the Tariff are inserted for reference only and are not to be considered or taken into account in construing any terms or provision nor be deemed in any way to qualify, modify or explain any term or provision.

15.2 Words in Singular or Plural

In the interpretation of the Tariff words in the singular shall be read and construed in the plural and words in the plural shall be read and construed in the singular where the context so requires.

15.3 Preservation of Rights and Authority Under Act

Notwithstanding any of the provisions of the Tariff, Company and Customer reserve all their respective rights and authorities under the Act.

15.4 Governing Law

The Tariff shall be governed by and construed in accordance with the laws of the Province of Alberta and the applicable laws of Canada, and Company and Customers irrevocably submit to the jurisdiction of the courts of the Province of Alberta for the interpretation and enforcement of the Tariff.

15.5 Assignment

Customer shall not assign any Service Agreement, Schedule of Service or any Service without the prior written consent of Company.

15.6 No Interest in Facilities

Customer does not acquire any right to, title to or interest in the Facilities or any part thereof nor does Company dedicate any portion of the Facilities to Service for any Customer.

15.7 Forbearance

Forbearance to enforce any provision of the Tariff shall not be construed as a continuing forbearance to enforce any such provision.

15.8 Inconsistency

In the event that there is any inconsistency between any provision of these General Terms and Conditions, any provision of any Rate Schedule or any provision of any Service Agreement, the provision of the Service Agreement shall prevail over the Rate Schedule which in turn shall prevail over the General Terms and Conditions.

15.9 Amendment of Service Agreement

No amendment or variation of any term, condition or provision of any Schedule of Service or Service Agreement shall be of any force or effect unless in writing and signed by Company.

15.10 Priority for New or Additional Service

Company may from time to time establish procedures respecting priority of entitlement for Customers seeking new or additional Service.

15.11 Establishment of Procedures and Pilot Projects

Company may from time to time establish procedures, including procedures for carrying out and evaluating any pilot projects Company determines to be necessary or desirable, respecting or relating to or affecting any Service or any term, condition or provision contained within the Tariff.

15.12 Conversion of Service Agreements to Energy Units

Effective November 1, 2006, for any Service Agreements under Rate Schedules FT-D, FT-DW and STFT, the Delivery Contract Demand set out in each existing Schedule of Service shall be converted to GJ using the following Delivery Point energy conversion rates:

Alberta-British Columbia	37.98 MJ per m ³
Alberta-Montana	37.71 MJ per m ³
Empress	37.52 MJ per m ³
McNeill	37.57 MJ per m ³

15.13 ATCO Pipelines Franchise Fees

- (i) Each month, Company shall collect the ATCO Pipelines Franchise Fees on behalf of ATCO Pipelines from each Customer for service under any Rate Schedule

subject to such fees as set out in Company's Table of Rates, Tolls and Charges.

- (ii) ATCO Pipelines shall determine the ATCO Pipelines Franchise Fees in accordance with the methodology and rates set out in Rider "A" and Rider "E" of the ATCO Gas Tariff.

- (iii) Customer and Company acknowledge and agree that Company shall provide ATCO Pipelines with any information required to determine the ATCO Pipelines Franchise Fees.

**APPENDIX “E”
TO
GAS TRANSPORTATION TARIFF
OF
NOVA GAS TRANSMISSION LTD.**

**CRITERIA FOR DETERMINING
PRIMARY TERM**

CRITERIA FOR DETERMINING PRIMARY TERM

1.0 DEFINITIONS

1.1 Capitalized terms used in this Appendix have the meanings attributed to them in the Tariff unless otherwise defined in this Appendix.

2.0 INTRODUCTION

2.1 If, pursuant to subparagraphs 5.1(ii) or (iii) of Rate Schedule FT-R, Rate Schedule FT-D or Rate Schedule FT-P, Company determines that new metering Facilities are required to be installed or constructed to provide the Service requested, Company will determine the minimum Primary Term, in accordance with this Appendix.

2.2 The decision to install or construct new Facilities shall be made by Company. In making such decision, Company will take into account factors which may include, but shall not be limited to: capital investment, Delivery Contract Demand, Receipt Contract Demand, Points to Point Contract Demand, established reserves and area resource potential.

3.0 DETERMINATION OF PRIMARY TERM

3.1 The minimum Primary Term is the minimum number of years of Service under a Schedule of Service under Rate Schedule FT-D, Rate Schedule FT-R or Rate Schedule FT-P required for the cumulative present value revenue (“CPVR”) to equal or exceed the cumulative present value cost of service (“CPVCOS”). In calculating the Primary Term,

partial years shall be rounded up to the next whole year. The minimum Primary Term when new metering Facilities are required may vary from two (2) to five (5) years.

An example of the calculation of Primary Term is set out in Attachment 1 to this Appendix.

3.2 Determination of CPVR

- (i) In determining the CPVR, the annual revenue for the first year attributable to the Facilities shall be estimated as follows:

$$AR = \frac{A \times B}{12 \text{ months}}$$

Where:

“AR” = annual revenue attributable to the Facilities

“A” = the Receipt Contract Demand, Delivery Contract Demand, or the Points to Point Contract Demand requested by Customer

“B” = the FT-R Demand Rate at the applicable Receipt Point, the FT-D Demand Rate at the applicable Delivery Point, as applicable multiplied by the applicable Price Point or the FT-P Demand Rate at the applicable Receipt Point

- (ii) Commencing in the second year of the Primary Term the annual revenue shall be escalated at 2% per annum. The CPVR for the Primary Term is then calculated by adding each year's revenue, discounted at Company's current pre-tax rate of

return. The escalation rate and the pre-tax rate of return may vary from time to time as determined by Company.

3.3 Determination of CPVCOS

In determining the CPVCOS the estimated capital cost for the first year of metering Facilities required to be installed or constructed at any Receipt Point or Delivery Point to provide the Service requested shall be used. Estimated capital costs include all direct and indirect costs required to declare a Billing Commencement Date in respect of the requested Service. Facilities are designed in accordance with the criteria and assumptions outlined in Company's Annual Plan.

Commencing in the second year of the Primary Term the annual cost of service ("COS") shall be discounted at Company's current pre-tax rate of return. The CPVCOS for the Primary Term is then calculated by adding each year's COS, discounted at Company's current pre-tax rate of return. Such rate of return may vary from time to time as determined by Company.

The COS is equal to the sum of the components as described in (i) through (v) below.

(i) Operating and Maintenance ("O&M")

O&M expense is estimated based on Company's system average O&M costs.

O&M expense is escalated at 2% per annum commencing in the second year of the Primary Term. The escalation rate may vary from time to time as determined by Company.

(ii) Municipal Taxes

Municipal tax expense is estimated at Company's system average rate applied to estimated capital cost and is escalated at 2% per annum commencing in the second year of the Primary Term. Company's system average rate and escalation rate may vary from time to time as determined by Company.

(iii) Depreciation

Depreciation expense is calculated on a straight-line basis using the rate required to fully depreciate the estimated capital cost of the Facilities over the Primary Term. This depreciation rate is calculated using an iterative process and is used solely for the determination of Primary Term.

(iv) Income Taxes

Income tax expense is calculated on a flow-through basis. The income tax rate used is computed by applying the current combined federal and provincial income tax rates.

(v) Return on Rate Base

Return on rate base is calculated by applying Company's current rate of return to the average of the opening and closing balances in the rate base account for the applicable twelve (12) month period. Rate base is equal to the estimated capital cost of the Facilities determined to be required to meet Customer's request for Service, less accumulated depreciation, plus a working capital adjustment. The rate of return may vary from time.

Attachment 1
Illustrative Primary Term Calculation

(1)	(2)	(3)	(4)	(5)	(6)
Year	Annual Cost of Service	Cumulative Present Value Cost of Service (CPVCOS)	Annual Revenue	Cumulative Present Value Revenue (CPVR)	Net Present Value (Col. 5-3)
1	\$1,023,422	\$1,023,422	\$891,778	\$891,778	(\$131,645)
2	935,235	1,885,753	909,613	1,730,484	(155,269)
3	893,103	2,645,044	927,805	2,519,279	(125,766)
4	850,435	3,311,699	946,362	3,261,131	(50,568)
5	807,274	3,895,191	965,289	3,958,835	63,644
Total	\$4,509,468	\$3,895,191	\$4,640,846	\$3,958,835	\$63,644

Capital Cost:	\$2,900,000
Receipt Contract Demand:	360 10 ³ m ³ /d
FT-R Demand Rate:	\$206.43 / 10 ³ m ³ / month
Primary Term Required:	5 years
Rate of Return on Rate Base:	6.96%
Discount Rate:	8.45%