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December 12, 2013

National Energy Board
444 Seventh Avenue S.W.
Calgary, Alberta
T2P 0X8

Filed Electronically

**Attention: Ms. Sheri Young
Secretary of the Board**

Dear Ms. Young:

**Re: NOVA Gas Transmission Ltd. (NGTL)
Amendments to NGTL Gas Transportation Tariff (Tariff)**

NGTL encloses for filing with the Board, pursuant to Section 60(1)(a) of the *National Energy Board Act*, amendments to the Tariff to remove Load Retention Service – 2 (LRS-2) to be effective January 1, 2014. LRS-2 is a non-renewable service and the term of the only Service Agreement under Rate Schedule LRS-2 expired on October 31, 2013.

The Tariff amendments were provided to the Tolls, Tariff, Facilities and Procedures Committee (TTFP) on December 3, 2013. NGTL is not aware of any objections to the proposed amendments.

A summary of the Tariff amendments and a black-lined copy of the affected pages of the Tariff illustrating the amendments are provided as Attachments 1 and 2, respectively. A clean copy of the affected sections of the Tariff, incorporating the amendments, is provided in Attachment 3.

Please direct all notices and communications regarding this matter to the undersigned by e-mail at carolyn_shaw@transcanada.com or by phone at (403) 920-7172.

Yours truly,

NOVA Gas Transmission Ltd.

Original signed by

Carolyn Shaw
Project Manager, Regulatory Services

Attachments

cc: TTFP
NGTL System Shippers

Attachment 1

NOVA Gas Transmission Ltd.

LRS-2 Tariff Clean-up

**Summary of
Tariff Amendments**

The following is a summary of amendments to the NOVA Gas Transmission Ltd. (NGTL) Gas Transportation Tariff, being filed with the Board pursuant to Section 60(1)(a) of the *National Energy Board Act*. The amendments are being filed as a result of the expiry of the LRS-2 Service on October 31, 2013. This summary is provided for information only and is not intended to form part of the NGTL Tariff.

Tariff	Description of Amendment
Table of Contents	Removed reference to LRS-2.
Rate Schedules FT-R and FT-RN	Removed references to LRS-2 in sub-section 4.6 (i).
Rate Schedule FT-D	Removed references to LRS-2 in sub-section 4.7.1 and amended numbering references as necessary
Rate Schedule FT-DW	Removed references to LRS-2 in sub-section 4.6 and amended numbering references as necessary
Rate Schedule STFT	Removed references to LRS-2 in sub-section 4.5 and amended numbering references as necessary
Rate Schedule LRS	Removed references to LRS-2 in sub-section 4.5
Rate Schedule LRS-2	Removed LRS-2 Rate Schedule from Tariff
Rate Schedule IT-R	Removed references to LRS-2 in sub-sections 2.2 and 4.4(i)
Rate Schedule IT-D	Removed references to LRS-2 in sub-section 2.2 and 4.4(i) and amended numbering references as necessary
Rate Schedule IT-S	Removed references to LRS-2 in sub-section 2.2
General Terms and Conditions	<ul style="list-style-type: none"> • Removed definition for “Eligible LRS-2 Volumes” • Removed references to LRS-2 in definition for “Officer’s Certificate” • Amended numbering references as necessary in Definitions • Removed references to LRS-2 in sub-section 11.4, Priority During Interruptions

Attachment 2

NOVA Gas Transmission Ltd.

LRS-2 Tariff Clean-up

**Tariff Amendments
Black-lined Copy**

 TABLE OF CONTENTS

Tab 1	Table of Rates, Tolls and Charges	
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	Rate Schedule FT-R	Firm Transportation – Receipt
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	Rate Schedule LRS	Load Retention Service
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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; and

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

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, ~~LRS-2~~ and LRS-3 to a maximum of such Customer's LRS Contract Demand for such Receipt Point under such Rate Schedule LRS, ~~to a maximum of such Eligible LRS-2 Volumes for the Coleman Receipt Point under such Rate Schedule LRS-2~~ 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 term of the Schedule of Service shall be a Secondary Term equal to the term requested by Customer with the minimum term

- (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, ~~LRS-2~~ and LRS-3 to a maximum of such Customer’s LRS Contract Demand for such Receipt Point under such Rate Schedule LRS, ~~to a maximum of such Eligible LRS-2 Volumes for the Coleman Receipt Point under such Rate Schedule LRS-2~~ 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.

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 applicable to each Delivery Point for such Billing Month multiplied by the IT-D rate at such Delivery Point.

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.

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 LRS-2 to a maximum of such Eligible LRS-2 Volumes for the A/BC Delivery Point under such Rate Schedule LRS-2;~~

(ii)(i) ~~secondly~~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;

(iii)(ii) ~~thirdly~~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

(iv)(iii) ~~fourthly~~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 that are directly attributable to Customer's request for such Service, the term of the Schedule of Service shall be a Secondary Term

4.5 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.

4.6 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, the aggregate quantity of gas delivered to Customer at a Group 1 Delivery Point shall be allocated for billing purposes as follows:

~~(i) first to service to Customer under Rate Schedule LRS 2 to a maximum of such Eligible LRS 2 Volumes for the A/BC Delivery Point under such Rate Schedule LRS 2;~~

~~(ii)~~ (i) secondly first to Service to Customer under Rate Schedule FT-DW and Rate Schedule STFT to a maximum of such allocated FT-DW Capacity and STFT Capacity for such Delivery Point under each such Rate Schedule FT-DW and Rate Schedule STFT;

~~(iii)~~ (ii) thirdly 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

~~(iv)~~ (iii) fourthly 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.

4.2 Aggregate of Customer's Surcharges

The aggregate of Customer's Surcharges for a Billing Month shall be equal to the sum of all Surcharges set forth in the Table of Rates, Tolls and Charges applicable to each of Customer's Schedules of Service under Rate Schedule STFT.

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 STFT shall be equal to the sum of the monthly charges for Over-Run Gas for each Group 1 Delivery Point at which Customer is entitled to Service under Rate Schedule STFT, determined as follows:

$$\text{MOC} = Q \times Z$$

Where:

"MOC" = the monthly charge for Over-Run Gas at the Group 1 Delivery Point;

"Q" = total quantity of gas allocated to Customer by Company as Over-run Gas in accordance with paragraph 4.5 for Service under all Rate Schedules at such Delivery Point for such Billing Month;

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

4.4 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.

4.5 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, the aggregate quantity of gas delivered to Customer at a Group 1 Delivery Point shall be allocated for billing purposes as follows:

~~(i) first to service to Customer under Rate Schedule LRS-2 to a maximum of such Eligible LRS-2 Volumes for the A/BC Delivery Point under such Rate Schedule LRS-2;~~

~~(ii)~~(i) secondly 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;

~~(iii)~~(ii) thirdly 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

~~(iv)~~(iii) fourthly thirdly to service to Customer under Rate Schedule IT-D. 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.

5.0 TERM OF SERVICE AGREEMENT

5.1 The term for any Schedule of Service under Rate Schedule STFT shall be for a minimum of 7 days and a maximum of 1 year less 1 day and shall end on the last day of a month.

5.2 Customer's Service Agreement under Rate Schedule STFT shall be in full force and effect until terminated in accordance with paragraph 5.3.

5.3 Company or Customer shall be entitled to terminate Customer's Service Agreement under Rate Schedule STFT upon at least 60 days prior Notice of such termination. Upon expiration of the aforesaid 60 day period, such Service Agreement shall terminate and be of no further force or effect; provided that nothing herein shall relieve any party from any

- (a) the billing credit, if any, calculated in accordance with the Terms and Conditions Respecting Relief for Mainline Capacity Restrictions in Appendix “B” of the Tariff; and
- (b) the LRS Billing Adjustment, if any, calculated in accordance with paragraph 4.2 of this Rate Schedule LRS.

4.5 Allocation of Gas Received

Notwithstanding any other provision of this Rate Schedule, any Service Agreement or 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 Schedule LRS to a maximum of such Customer’s LRS Contract Demand for such Receipt Point under such Rate Schedule LRS; ~~to service to a maximum of such Eligible LRS-2 Volumes for the Coleman Receipt Point under such Rate Schedule LRS-2_~~ and to Service to Customer under Rate Schedule LRS-3 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 such 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

RATE SCHEDULE LRS-2
LOAD RETENTION SERVICE - 2

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 LRS-2 shall mean:

- (i) the daily receipt of gas from LRS-2 Customer at the Coleman receipt point located at SW 1/4 12-08-05 W5M (the "Coleman Receipt Point");
- (ii) the daily transportation of such gas through the Facilities; and
- (iii) the daily delivery of such gas to LRS-2 Customer at the Alberta-British Columbia delivery point located at LSD-12-08-05 W5M (the "A/BC Delivery Point").

Subparagraphs (i), (ii) and (iii) are collectively referred to as the "Service".

2.2 The Service is available to Northstar Energy Corporation and assignees of it (the "LRS-2 Customer") provided the assignment complies with article 9.0. It is a condition of Service that LRS-2 Customer has executed a Service Agreement and Schedule of Service under Rate Schedule LRS-2. A standard form Service Agreement for Service under this

Rate Schedule LRS-2 is attached.

3.0 SERVICE ENTITLEMENT

3.1 Company shall provide LRS-2 Customer with gas transportation service up to:

- (i) 1127 $10^3 \text{ m}^3/\text{d}$ (40 MMcf/d) from date of commencement of Service under Rate Schedule LRS-2 to December 31, 1999;
- (ii) 1550 $10^3 \text{ m}^3/\text{d}$ (55 MMcf/d) from January 1, 2000 to December 31, 2000;
- (iii) 2113 $10^3 \text{ m}^3/\text{d}$ (75 MMcf/d) from January 1, 2001 to December 31, 2001;
and
- (iv) 2817 $10^3 \text{ m}^3/\text{d}$ (100 MMcf/d) from January 1, 2002 to October 31, 2013.

The amount identified in each of the subparagraphs (i) through (iv) shall, for the applicable period, be referred to as the "Maximum Eligible LRS-2 Volume".

3.2 LRS-2 Customer shall be entitled to increase its then current entitlement to LRS-2 from time to time by giving Company four (4) months prior Notice of the desired increase, provided that any such increase shall not result at any time in the LRS-2 Customer's entitlement to Service under Rate Schedule LRS-2 exceeding the Maximum Eligible LRS-2 Volume in effect at the end of such four (4) month Notice period. LRS-2 Customer's entitlement to Service under Rate Schedule LRS-2, at any point in time, determined in accordance with this paragraph 3.2, shall be referred to as "Service Entitlement". LRS-2 Customer's initial Service Entitlement shall be 1127 $10^3 \text{ m}^3/\text{d}$ (40 MMcf/d), and LRS-2 Customer's Service Entitlement shall never be less than be 1127 $10^3 \text{ m}^3/\text{d}$ (40 MMcf/d).

~~4.0 CHARGE FOR SERVICE~~

~~4.1 Determination of Monthly Charge~~

~~LRS-2 Customer will be charged and shall pay a monthly amount (the "Monthly Charge") for a Billing Month equal to the sum for all days of such month of the following amounts:~~

- ~~(i) the daily equivalent of the FT-R Demand Rate at the Coleman Receipt Point multiplied by Price Point "A" (as defined in Rate Schedule FT-R) multiplied by the Service Entitlement for the day in the Billing Month; and~~
- ~~(ii) the daily volumetric equivalent of the FT-D Demand Rate at the A/BC Delivery Point multiplied by the Service Entitlement for the day in the Billing Month.~~

~~4.2 Determination of the LRS-2 Adjustment~~

~~The LRS-2 Adjustment for a Billing Month shall be equal to the Monthly Charge for such Billing Month less \$50,000. The LRS-2 Adjustment shall then be applied against LRS-2 Customer's invoice issued in the second month following the Billing Month.~~

~~4.3 Determination of Eligible LRS-2 Volume~~

~~4.3.1 Officer's Certificate~~

~~LRS-2 Customer shall provide Company with a valid officer's certificate setting out the Eligible LRS-2 Volume for each day in a Billing Month, in such form as Company may prescribe from time to time (the "Officer's Certificate") on or before the last day of the~~

~~month following the Billing Month, for purposes of determining the Eligible LRS-2 Volume.~~

~~4.3.2 Eligible LRS-2 Volume~~

~~The volume of gas eligible for Service under this Rate Schedule LRS-2 (the "Eligible LRS-2 Volume") for each day, as set forth in the Officer's Certificate, shall be equal to the lesser of:~~

~~(i) the actual volume of gas received by Company from LRS-2 Customer at the Coleman Receipt Point on each day in a Billing Month up to the Service Entitlement; and~~

~~(ii) the actual volumetric equivalent of LRS-2 Customer's allocation of gas to be delivered to the A/BC Delivery Point for Service under Rate Schedule LRS-2 on such day up to the Service Entitlement.~~

~~In the event that LRS-2 Customer fails to provide Company with an Officer's Certificate as provided herein, the Eligible LRS-2 Volume shall be deemed to be zero.~~

~~4.4 Allocation of Gas~~

~~4.4.1 Allocation of Gas Received~~

~~Notwithstanding any other provision of Rate Schedule LRS-2, any Service Agreement or the General Terms and Conditions of the Tariff, and without regard to how gas may have been nominated, the aggregate daily volume of gas received from LRS-2 Customer at the Coleman Receipt Point shall be allocated for billing purposes as follows:~~

~~(i) first to Service to LRS-2 Customer under Rate Schedule LRS-2, to a maximum of Eligible LRS-2 Volumes for the Coleman Receipt Point~~

under Rate Schedule LRS-2;

- (ii) ~~secondly to service to LRS-2 Customer under Rate Schedule FT-R to a maximum of such Customer's Receipt Contract Demand for such Coleman Receipt Point under such Rate Schedule FT-R;~~
- (iii) ~~thirdly to service to LRS-2 Customer under Rate Schedule FT-RN to a maximum of such Customer's Receipt Contract Demand for such Coleman Receipt Point under Rate Schedule FT-RN; and~~
- (iv) ~~fourthly to service to LRS-2 Customer under Rate Schedule IT-R for such Coleman Receipt Point. If LRS-2 Customer is not entitled to service under Rate Schedule IT-R at such Coleman Receipt Point, LRS-2 Customer shall be deemed to have been entitled to such service for the purposes of this subparagraph 4.4.1 (iii) and shall pay to Company an amount determined under article 4.0 of Rate Schedule IT-R for the volumes allocated under this subparagraph 4.4.1 (iii).~~

4.4.2 Allocation of Gas Delivered

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

- (i) ~~first to Service to LRS-2 Customer under Rate Schedule LRS-2 to a maximum of Eligible LRS-2 Volumes for the A/BC Delivery Point under such Rate Schedule LRS-2;~~
- (ii) ~~secondly to service to LRS-2 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 A/BC Delivery Point under each such Rate Schedule FT-DW and Rate Schedule STFT;~~

~~(iii) thirdly to service to LRS 2 Customer under Rate Schedule FT-D to a maximum of such Customer's Delivery Contract Demand for such A/BC Delivery Point under such Rate Schedule FT-D; and~~

~~(iv) fourthly to service to LRS 2 Customer under Rate Schedule IT-D for such A/BC Delivery Point. If LRS 2 Customer is not entitled to service under Rate Schedule IT-D at such A/BC Delivery Point, LRS 2 Customer shall be deemed to have been entitled to such service for the purposes of this subparagraph 4.4.2 (iv) and shall pay to Company an amount determined under article 4.0 of Rate Schedule IT-D for the quantities allocated under this subparagraph 4.4.2 (iv).~~

~~5.0 TERM OF SERVICE AGREEMENT~~

~~5.1 The term of the Service Agreement under Rate Schedule LRS 2 shall commence on the effective date of the Board's Order approving Service under Rate Schedule LRS 2 and shall expire on October 31, 2013, provided however nothing herein shall relieve LRS 2 Customer or Company from any obligation which arose or accrued on or prior to October 31, 2013; and further provided that the LRS 2 Adjustments for the last two Billing Months of the Service Agreement under Rate Schedule LRS 2 shall be paid by the Company to LRS 2 Customer on or before December 31, 2013.~~

~~6.0 TRANSFER OF LRS 2 SERVICE~~

~~6.1 LRS 2 Customer shall not be entitled to transfer all or any portion of Service under Rate Schedule LRS 2 to any other Receipt Point or Delivery Point. LRS 2 Customer shall not~~

~~be entitled to convert Service under Rate Schedule LRS-2 to any other service under any other Rate Schedule.~~

~~7.0 TERM SWAP OF LRS-2 SERVICE~~

~~7.1 LRS-2 Customer entitled to receive Service under Rate Schedule LRS-2 shall not be entitled to swap the Service Termination Date of any Schedules of Service under Rate Schedule LRS-2 with the Service Termination Date under any Schedule of Service.~~

~~8.0 TITLE TRANSFERS~~

~~8.1 LRS-2 Customer shall not be entitled to transfer or accept a transfer of Customer's Inventory to or from any other Customer.~~

~~9.0 ASSIGNMENTS~~

~~9.1 LRS-2 Customer shall only be permitted to assign Service under Rate Schedule LRS-2 under the following conditions:~~

- ~~(i) such assignment is to an affiliate as defined by the *Business Corporations Act*, (Alberta) S.A. 1981, c.B-15 as amended from time to time; or~~
- ~~(ii) in the event that LRS-2 Customer divests all or a portion of its interest in the Coleman gas plant or the reserves which supply such plant, then LRS-2 Customer shall be entitled to assign all or any portion of its Service under Rate Schedule LRS-2 to the party acquiring such interest provided however:~~
 - ~~(a) such assignment does not increase Company's administrative costs related to the provision of Service under Rate Schedule LRS-2 as determined by~~

Company acting reasonably; and

- ~~(b) Company shall only be required to deal with one (1) party with respect to any matter regarding the Service under Rate Schedule LRS-2.~~

~~10.0 RENEWAL OF SERVICE~~

~~10.1 LRS-2 Customer shall not be entitled to renew Service under Rate Schedule LRS-2.~~

~~11.0 GAS USED~~

~~11.1 In respect of quantities that are transported utilizing Service under Rate Schedule LRS-2, LRS-2 Customer shall not be charged for nor shall any deduction be made for that portion of Gas Used which is attributable to gas used for compression. In respect of quantities that are transported utilizing Service under Rate Schedule LRS-2, Company shall also not charge LRS-2 Customer nor shall it make any deduction for that portion of Gas Used which is attributable to gas used for heating and pipeline losses until Company's systems are capable of separating Gas Used into the following components:~~

- ~~(i) gas used for compression;~~
- ~~(ii) gas used for heating; and~~
- ~~(iii) pipeline losses.~~

~~12.0 AUDIT RIGHTS~~

~~12.1 Company shall be entitled to audit, at its sole discretion and expense, at any time it~~

~~determines necessary, any and all documents related to any Officer's Certificate and the contents thereof, in order to verify the accuracy of such Officer's Certificate, provided that any such audit shall be carried out within 24 months of the month to which such Officer's Certificate relates.~~

~~13.0 PRIORITY DURING INTERRUPTIONS~~

~~13.1 For the purposes of paragraph 11.4 of the General Terms and Conditions of the Tariff, Service under Rate Schedule LRS 2 shall have equal priority to service under Rate Schedule FT R, FT RN, FT P, FT X, STFT, LRS, LRS 3, service at Group 1 Delivery Points and Group 2 Delivery Points under Rate Schedule FT D, and FT DW as the case may be.~~

~~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 LRS 2 are applicable to Rate Schedule LRS 2 to the extent that such terms and conditions and provisions are not inconsistent with Rate Schedule LRS 2.~~

**SERVICE AGREEMENT
RATE SCHEDULE LRS-2**

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 herein contained, 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 LRS-2 in accordance with the attached Schedules of Service. The Service will commence on the effective date of the Board's Order approving Service under Rate Schedule LRS-2 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 LRS-2.~~

~~5. Customer shall:~~

~~(a) provide such assurances and information as Company may reasonably require respecting any Service to be provided pursuant to Rate Schedule LRS-2 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 or 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 received or delivered by Company among Company's Customers and to bind Customer in respect of all such data and information provided; and~~

~~(c) provide the Officer's Certificate as defined in 4.3.1 of Rate Schedule LRS-2. 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 each year 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 LRS-2, 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 LRS-2, the General Terms and Conditions and Schedule of Service under Rate Schedule LRS-2 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: _____

**SCHEDULE OF SERVICE
RATE SCHEDULE LRS-2**

CUSTOMER: —●

Schedule of Service Number	Receipt Point Number and Name Delivery Point Number and Name	Legal Descriptions	Maximum Receipt/ Delivery Pressures kPa	Service Termination Date	LRS-2 Contract Demand 10³ m³/d	Additional Conditions
●	2003-Coleman	SW-12-008-05-W5	6205	October 31, 2013	●	●
	2001-Alberta/BC	09-11-008-05-W5	6205			

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

● _____ NOVA Gas Transmission Ltd.
Per: _____ Per: _____
Per: _____ Per: _____

**RATE SCHEDULE IT-R
INTERRUPTIBLE - 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 IT-R shall mean the receipt of gas from Customer at Receipt Points as listed in the Table of Rates, Tolls and Charges (the “Service”) which includes the transportation of gas 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 under this Rate Schedule IT-R provided that capacity exists in the Facilities that is not required by any Customer entitled to receive service under Rate Schedule FT-R, Rate Schedule FT-RN, Rate Schedule FT-P, Rate Schedule LRS, ~~Rate Schedule LRS-2,~~ Rate Schedule LRS-3, Rate Schedule FT-X, Rate Schedule IT-S and Rate Schedule IT-R. Company shall not be required to construct or install Facilities for any Service under Rate Schedule

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 set forth in the Table of Rates, Tolls and Charges applicable to each of Customer's Receipt Points under Rate Schedule IT-R.

4.3 Aggregate Charge For Service

Customer shall pay for each Billing Month the sum of the amounts calculated in accordance with paragraphs 4.1 and 4.2.

4.4 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 Schedule LRS, ~~LRS-2~~ and LRS-3 to a maximum of such Customer's LRS Contract Demand for such Receipt Point under such Rate Schedule LRS, ~~to a maximum of such Eligible LRS-2 Volumes for the Coleman Receipt Point under such Rate Schedule LRS-2~~, 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 such 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

RATE SCHEDULE IT-D
INTERRUPTIBLE - 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 IT-D shall mean the delivery of gas to Customer at Customer's Group 1 Delivery Points or Group 2 Delivery Points (the "Service") which includes transportation of gas that Company determines necessary to provide services under the Tariff.

2.2 The Service is available to any Customer that has executed a Service Agreement under Rate Schedule IT-D provided that capacity exists in the Facilities that is not required by any Customer entitled to receive service under Rate Schedule FT-D, Rate Schedule FT-DW, ~~Rate Schedule LRS-2,~~ Rate Schedule STFT, Rate Schedule FT-X, Rate Schedule FT-P, Rate Schedule IT-S and Rate Schedule IT-D. Company shall not be required to construct or install Facilities for any Service under Rate Schedule IT-D. A standard form Service Agreement for Service under this Rate Schedule IT-D is attached.

3.0 PRICING

3.1 The rate used in calculating Customer's monthly charge for Service under Rate Schedule IT-D at a Delivery Point is the IT-D Rate at such Delivery Point.

4.4 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, the aggregate quantity of gas delivered to Customer at a Group 1 Delivery Point or Group 2 Delivery Point shall be allocated for billing purposes as follows:

~~(i) first to service to Customer under Rate Schedule LRS-2 to a maximum of such Eligible LRS-2 Volumes for the A/BC Delivery Point under such Rate Schedule LRS-2;~~

~~(ii)~~(i) ~~secondly~~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;

~~(iii)~~(ii) ~~thirdly~~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

~~(iv)~~(iii) ~~fourthly~~thirdly to Service to Customer under Rate Schedule IT-D.

5.0 TERM OF SERVICE

5.1 Term of Service at a Group 1 Delivery Point or Group 2 Delivery Point

Customer's Service Agreement shall be in full force and effect until terminated by Customer in accordance with paragraph 5.2.

RATE SCHEDULE IT-S
INTERRUPTIBLE - ACCESS TO STORAGE

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 IT-S shall mean:

- (i) the delivery of gas by Company for Customer at Storage Delivery Points; and
- (ii) the receipt of gas by Company for Customer at Storage Receipt Points.

Subparagraphs (i) and (ii) are collectively referred to as the “Service” which includes transportation of gas that Company determines necessary to provide services under the Tariff.

2.2 The Service is available to any Customer that has executed a Service Agreement and Schedule of Service under Rate Schedule IT-S and a valid Service Agreement under Rate Schedule FCS is executed by any Customer at the Storage Delivery Point provided that:

- (i) with respect to subparagraph 2.1(i), capacity exists in the Facilities that is not required by Company to provide service under Rate Schedule FT-D, Rate Schedule FT-X, ~~Rate Schedule LRS-2~~, Rate Schedule STFT, Rate Schedule FT-P, Rate Schedule IT-D and Rate Schedule IT-S; and

- (ii) with respect to subparagraph 2.1(ii), capacity exists in the Facilities that is not required by Company to provide service under Rate Schedule FT-R, Rate Schedule FT-RN, Rate Schedule FT-P, Rate Schedule FT-X, Rate Schedule LRS, ~~Rate Schedule LRS-2~~, Rate Schedule LRS-3, Rate Schedule IT-R and Rate Schedule IT-S.

A standard form Service Agreement for Service under Rate Schedule IT-S is attached.

- 2.3** Company shall not be required to construct or install Facilities for any Service under Rate Schedule IT-S. If Company determines that new Facilities are required that are directly attributable to Customer's request for Service, Company shall not be required to provide such requested Service unless a valid Service Agreement under Rate Schedule FCS exists in respect of such new Facilities.

3.0 CHARGE FOR SERVICE

3.1 Aggregate of Customer's Monthly Charge

- (i) Customer undertakes to cause the operator of the gas storage facility connected to the Storage Receipt Point and the Storage Delivery Point to provide any information necessary to satisfy Company that the volume of gas received by Company at the Storage Receipt Point connected to a Storage Facility was previously delivered by Company at the Storage Delivery Point for such Storage Facility. If Company is satisfied that the volume of gas received by Company at the Storage Receipt Point connected to a Storage Facility was previously delivered by Company at the Storage Delivery Point for such Storage Facility, Company shall not charge Customer for Service under this Rate Schedule IT-S.

- 1.29** “Delivery Point” shall mean the point where gas may be delivered to Customer by Company under a Service Agreement or Schedule of Service.
- 1.30** “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.
- 1.31** “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.
- 1.32** “Eligible LRS Contract Demand” shall have the meaning attributed to it in subparagraph 4.2.1 of Rate Schedule LRS.
- 1.33** “Eligible LRS-3 Contract Demand” shall have the meaning attributed to it in subparagraph 4.2.1 of Rate Schedule LRS-3.
- ~~**1.34** “Eligible LRS 2 Volume” shall have the meaning attributed to it in subparagraph 4.3.2 of Rate Schedule LRS 2.~~
- 1.35** ~~**1.34**~~ “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.

1.361.35 “ERC Adjustment” shall have the meaning attributed to it in Appendix “G” of the tariff.

1.371.36 “ERC Event” shall have the meaning attributed to it in Appendix “G” of the Tariff.

1.381.37 “Existing Capacity” shall have the meaning attributed to it in paragraph 2.1 of Appendix “A” of the Tariff.

1.391.38 “Existing Capacity Open Season” shall have the meaning attributed to it in paragraph 2.1 of Appendix “A” of the Tariff.

1.401.39 “Expansion Capacity” shall have the meaning attributed to it in paragraph 3.1 of Appendix “A” of the Tariff.

1.411.40 “Expansion Capacity Open Season” shall have the meaning attributed to it in paragraph 3.1 of Appendix “A” of the Tariff.

1.421.41 “Expansion Closing Date” shall have the meaning attributed to it in subparagraph 3.1(c) of Appendix “A” of the Tariff.

1.431.42 “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.

1.441.43 “Extraction Plant” shall mean a facility connected to the Facilities where Gas liquids are extracted.

1.451.44 “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.

1.461.45 “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.

1.471.46 “Financial Assurance” shall have the meaning attributed to it in paragraph 10.1.

1.481.47 “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.

1.491.48 “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.

1.501.49 “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.

1.511.50 “FT-DW Bid Price” shall have the meaning attributed to it in article 3.0 of Rate Schedule FT-DW.

1.521.51 “FT-DW Capacity” shall have the meaning attributed to it in paragraph 4.1 of Appendix “A” of the Tariff.

1.531.52 “FT-DW Open Season” shall have the meaning attributed to it in paragraph 4.1 of Appendix “A” of the Tariff.

1.541.53 “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.

1.551.54 “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.

1.561.55 “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.

1.571.56 “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.

1.581.57 “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.

1.591.58 “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.

1.601.59 “G-14” shall mean Measurement Canada’s Bulletin G-14, as may be amended from time to time.

1.611.60 “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.

1.621.61 “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.

1.631.62 “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
- (ii) any Customer’s Inventory that Company reasonably determines to be unrecoverable.

1.641.63 “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.

1.651.64 “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.

1.661.65 “GJ” shall mean gigajoule, or one billion joules.

1.671.66 “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.

1.681.67 “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.

1.691.68 “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.

1.701.69 “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.

1.711.70 “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.

1.721.71 “Interconnecting Pipeline Open Season” shall have the meaning attributed to it in subparagraph 2.3.1 of Appendix “A” of the Tariff.

1.731.72 “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.

1.741.73 “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.

1.751.74 “J” or “Joule” shall mean the base unit for energy as defined by the International System of Units (SI).

1.761.75 “kPa” or “kiloPascals ” shall mean kiloPascals of pressure (gauge) unless otherwise specified.

1.771.76 “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.

1.781.77 “Low Intervention Trade Transaction” shall have the meaning attributed to it in G-14, as may be amended from time to time.

1.791.78 “LRS Billing Adjustment” shall have the meaning attributed to it in subparagraph 4.2.4 of Rate Schedule LRS.

1.801.79 “LRS Charge” shall have the meaning attributed to it in subparagraph 4.2.3 of Rate Schedule LRS.

1.811.80 “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.

1.821.81 “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.

1.831.82 “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.

1.841.83 “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.

1.851.84 “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.

1.861.85 “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.

1.871.86 “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.

1.881.87 “MC” shall mean Measurement Canada, an Agency of Industry Canada.

1.891.88 “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.

1.901.89 “MJ” shall mean megajoule, or one million joules.

1.911.90 “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.

1.921.91 “Nomination” shall mean, with respect to a Receipt Point or a Delivery Point, a request for Flow made on behalf of a Customer.

1.931.92 “Notice” shall have the meaning attributed to it in the applicable Service Agreement.

1.941.93 “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, ~~and subparagraph 4.3.1 of Rate Schedule LRS-2 for Service under Rate Schedule LRS-2.~~

1.951.94 “Open Season Bid Form” shall have the meaning attributed to it in subparagraph 2.2(a) of Appendix “A” of the Tariff.

1.961.95 “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.

1.971.96 “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.

1.981.97 “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.

1.991.98 “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.

1.1001.99 “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.

1.1011.100 “Primary Term” shall mean for the purposes of any Service provided under any Schedule of Service under:

- (i) Rate Schedule FT-R, the term calculated 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.

1.1021.101 “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.

1.1031.102 “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.

1.1041.103 “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.

1.1051.104 “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.

1.1061.105 “Rate Schedule” shall mean any of the schedules identified as a “Rate Schedule” included in the Tariff.

1.1071.106 “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.

1.1081.107 “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.

1.1091.108 “Receipt Demand Charge” shall have the meaning attributed to it in subparagraph 4.2.2 (i) of Rate Schedule LRS.

1.1101.109 “Receipt Point” shall mean the point at which gas may be received from Customer by Company under a Service Agreement or Schedule of Service.

1.1111.110 “STFT Bid Price” shall have the meaning attributed to it in article 3.0 of Rate Schedule STFT.

1.1121.111 “STFT Capacity” shall have the meaning attributed to it in paragraph 5.1 of Appendix “A” of the Tariff.

1.1131.112 “STFT Capacity Open Season” shall have the meaning attributed to it in paragraph 5.1 of Appendix “A” of the Tariff.

1.1141.113 “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.

1.1151.114 “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.

1.1161.115 “Service” shall have the meaning attributed to it in article 2.0 of the applicable Rate Schedule.

1.1171.116 “Service Agreement” shall mean an agreement between Company and Customer respecting Service to be provided under any Rate Schedule.

1.1181.117 “Service Commencement Date” shall mean the service commencement date requested by Customer on Customer bid.

- 1.1191.118** “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.
- 1.1201.119** “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.
- 1.1211.120** “Storage Facility” shall mean any commercial facility where gas is stored, that is connected to the Facilities and is available to all Customers.
- 1.1221.121** “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.
- 1.1231.122** “Surcharge” shall mean the ATCO Pipelines Franchise Fees and any other Surcharge set forth in the Table of Rates, Tolls and Charges which has been fixed by Company or the Board for Service under a Rate Schedule.
- 1.1241.123** “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.
- 1.1251.124** “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.
- 1.1261.125** “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.
- 1.1271.126** “Tier” shall mean the Tier 1, Tier 2 or Tier 3 CO₂ Rate as set forth in the Table of Rates, Tolls and Charges.

~~1.128~~1.127 “TJ” shall mean terajoule, or one trillion joules.

~~1.129~~1.128 “Thousand Cubic Metres” or “ 10^3m^3 ” shall mean one thousand (1000) Cubic Metres of Gas.

~~1.130~~1.129 “Website” shall mean Company’s internet site operated by TransCanada PipeLines Limited for Company.

~~1.131~~1.130 “Winter Season” shall mean the period commencing on November 1 of any year and ending on the next succeeding March 31.

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, ~~LRS-2~~ 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, ~~LRS-2~~ 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, ~~LRS-2~~ 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, ~~LRS-2~~, 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, ~~LRS-2~~ 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, ~~LRS-2~~, 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

Attachment 3

NOVA Gas Transmission Ltd.

LRS-2 Tariff Clean-up

**Tariff Amendments
Clean Copy**

NOVA Gas Transmission Ltd.

**GAS TRANSPORTATION TARIFF
OF
NOVA GAS TRANSMISSION LTD.**

**GAS TRANSPORTATION TARIFF
OF
NOVA GAS TRANSMISSION LTD.**

Please address communications concerning this Tariff to:

NOVA Gas Transmission Ltd.
450 First Street S.W.
Calgary, Alberta
T2P 5H1

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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 set forth in the Table of Rates, Tolls and Charges 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:

$$\text{MOC} = V \times Z$$

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; and

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

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 be installed or constructed at any Receipt Point to provide the Service requested, the term of the Schedule of Service shall be a Secondary Term equal to the term requested by Customer with the minimum term being three (3) years; or

(ii) new Facilities are required to be installed or constructed at any Receipt Point to provide the Service requested, the term of the Schedule of Service shall be equal to the sum of:

(a) the Primary Term; and

(b) a Secondary Term equal to the Secondary Term requested by Customer with the minimum Secondary 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 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.

5.4 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;

(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 RENEWAL OF SERVICE**11.1 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.

11.2 Irrevocable Notice

Customer's Notice to renew pursuant to paragraph 11.1 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.

11.3 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.

12.0 APPLICATION FOR SERVICE

12.1 Applications for Service under this Rate Schedule FT-R 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-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.

- (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 : _____

**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
----------------------------	-------------------------------	-------------------	------------------------------	---------------------------	--------------------------	---	-------------	-----------------------

• • • • • • • • •

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-RN
FIRM TRANSPORTATION – RECEIPT NON-RENEWABLE

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-RN 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-RN. Company shall not be required to construct or install Facilities for any Service under Rate Schedule FT-RN. A standard form Service Agreement for Service under this Rate Schedule FT-RN is attached.

3.0 PRICING

3.1 The rate used in calculating Customer's monthly demand charge under each of Customer's Schedules of Service for Service under Rate Schedule FT-RN is the FT-RN Demand Rate.

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-RN shall be equal to the sum of the monthly demand charges for each of Customer's Schedules of Service under Rate Schedule FT-RN, determined as follows:

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

Where:

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

"F" = the FT-RN Demand Rate applicable to 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 set forth in the Table of Rates, Tolls and Charges applicable to each of Customer's Schedules of Service under Rate Schedule FT-RN.

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:

$$\text{MOC} = V \times Z$$

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; and

"Z" = the IT-R Rate at such Receipt Point.

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

The term for any Schedule of Service for Service under Rate Schedule FT-RN at each Receipt Point shall be one (1) year and terminates on the Service Termination Date; provided however, if Company determines, in its sole discretion, that capacity at a Receipt Point is only available for a period more than one (1) month and less than one (1) year, the term shall be for such period.

5.2 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-RN.

6.0 CAPACITY RELEASE

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

7.0 RELIEF FOR MAINLINE RESTRICTIONS

7.1 Company will grant relief to a Customer entitled to Service under Rate Schedule FT-RN, 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 A Customer entitled to receive Service under Rate Schedule FT-RN shall not be entitled to transfer all or any portion of Service under Rate Schedule FT-RN to any other Receipt Point or Delivery Point.

9.0 TERM SWAPS

9.1 A Customer entitled to receive Service under Rate Schedule FT-RN shall not be entitled to swap the Service Termination Date of any Schedules of Service under Rate Schedule FT-RN 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-RN 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 RENEWAL OF SERVICE

11.1 Customer shall not be entitled to renew all or any portion of Service under a Schedule of Service under Rate Schedule FT-RN.

12.0 APPLICATION FOR SERVICE

12.1 Applications for Service under this Rate Schedule FT-RN 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-RN are applicable to Rate Schedule FT-RN to the extent that such terms and conditions and provisions are not inconsistent with this Rate Schedule.

SERVICE AGREEMENT
RATE SCHEDULE FT-RN

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-RN 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-RN.

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-RN 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-RN, 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 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-RN, the General Terms and Conditions and Schedule of Service under Rate Schedule FT-RN 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 :

SCHEDULE OF SERVICE
RATE SCHEDULE FT-RN

CUSTOMER: •

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

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

• NOVA Gas Transmission Ltd.
Per: _____ 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 set forth in the Table of Rates, Tolls and Charges 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:

$$\text{MOC} = Q \times Z$$

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.

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:

$$\text{UCD} = \left(\sum (A \times B) \right) - C$$

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 applicable to each Delivery Point for such Billing Month multiplied by the IT-D rate at such Delivery Point.

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.

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 that are directly attributable to Customer's request for such Service, the term of the Schedule of Service shall be a Secondary Term equal to the term requested by Customer with the minimum term being one (1) year;

- (ii) new metering Facilities are required to be installed or constructed at any Delivery Point to provide the Service requested, the term of the Schedule of Service shall be equal to the sum of:
 - (a) a Primary Term of two (2) years; and
 - (b) a Secondary Term equal to the Secondary Term requested by Customer with the minimum Secondary Term being three (3) years; or

- (iii) other new Facilities are required that are directly attributable to Customer's request for such Service, the term of the Schedule of Service shall be equal to the sum of:
 - (a) a Primary Term of five (5) years; and
 - (b) a Secondary Term equal to the Secondary Term requested by Customer with the minimum Secondary 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).

- (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.

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.

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 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:

-
-
-
- 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-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.

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 :

**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-DW
FIRM TRANSPORTATION – DELIVERY WINTER

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-DW shall mean the delivery of gas to Customer at Customer's Group 1 Delivery Points (the "Service"), which includes transportation of gas that Company determines necessary to provide services under the Tariff.

2.2 The Service is available to any Customer requiring the delivery of gas at designated Group 1 Delivery Points during the Winter Season provided that:

- (a) Customer has executed a Service Agreement and Schedule of Service under Rate Schedule FT-DW; and
- (b) Company has accepted Customer's bid pursuant to article 4.0 of Appendix "A" of the Tariff.

Company shall not be required to construct or install Facilities for any Service under Rate Schedule FT-DW.

2.3 A standard form Service Agreement for Service under this Rate Schedule FT-DW is attached.

3.0 FT-DW BID PRICE

3.1 Each Customer bid shall set out the bid price expressed as a percentage, which shall not be less than 125% (the “FT-DW Bid Price”) of the applicable FT-D Demand Rate.

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-DW shall be equal to the sum of the monthly demand charges for each of Customer’s Schedules of Service under Rate Schedule FT-DW, determined as follows:

$$\text{MDC} = \sum P \times (F \times 95\%) \times \left(A \times \frac{B}{C} \right)$$

Where:

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

“P” = the FT-DW Bid Price applicable to such Schedule of Service;

“F” = the FT-D Demand Rate applicable to 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 set forth in the Table of Rates, Tolls and Charges applicable to each of Customer's Schedules of Service under Rate Schedule FT-DW.

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-DW shall be equal to the sum of the monthly charges for Over-Run Gas for each Group 1 Delivery Point at which Customer is entitled to Service under Rate Schedule FT-DW, determined as follows:

$$\text{MOC} = Q \times Z$$

Where:

“MOC” = the monthly charge for Over-Run Gas at the Group 1 Delivery Point;

“Q” = total quantity 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 Delivery Point for the month preceding such Billing Month;

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

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 month preceding the Billing Month.

4.5 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.

4.6 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, the aggregate quantity of gas delivered to Customer at a Group 1 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 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.

5.0 TERM OF SERVICE

5.1 Term of a Schedule of Service

The term for any Schedule of Service for Service under Rate Schedule FT-DW shall be 3 consecutive Winter Seasons.

5.2 Renewal of Service

Customer shall not be entitled to renew all or any portion of Service under a Schedule of Service under Rate Schedule FT-DW.

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-DW.

6.0 CAPACITY RELEASE

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

7.0 TRANSFER OF SERVICE

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

8.0 TERM SWAPS

8.1 A Customer entitled to receive Service under Rate Schedule FT-DW shall not be entitled to swap the Service Termination Date of any Schedules of Service under Rate Schedule FT-DW 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-DW 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 APPLICATION FOR SERVICE

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

11.0 GENERAL TERMS AND CONDITIONS

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

SERVICE AGREEMENT
RATE SCHEDULE FT-DW

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-DW 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-DW.

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-DW 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-DW, 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-DW, the General Terms and Conditions and Schedule of Service under Rate Schedule FT-DW 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 •, •.

•
Per: _____

NOVA Gas Transmission Ltd.
Per : _____

Per: _____

Per : _____

SCHEDULE OF SERVICE
RATE SCHEDULE FT-DW

CUSTOMER: •

Schedule of Service Number	Group 1 Delivery Point Number and Name	Maximum FT-DW Capacity GJ/d	Minimum FT-DW Capacity GJ/d	FT-DW Bid Price Percentage of FT-D Demand Rate	Service Commencement Date	Service Termination Date	Allocated FT-DW Capacity GJ/d	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 STFT
SHORT TERM 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 STFT shall mean the delivery of gas to Customer at Customer's Group 1 Delivery Points (the "Service") which includes the transportation of gas Company determines necessary to provide services under the Tariff.

2.2 The Service is available to any Customer requiring the delivery of gas at designated Group 1 Delivery Points provided that:

- (a) Customer has executed a Service Agreement and Schedule of Service under Rate Schedule STFT; and
- (b) Company has accepted Customer's bid pursuant to article 5.0 of Appendix "A" of the Tariff.

2.3 A standard form Service Agreement for Service under this Rate Schedule STFT is attached.

3.0 STFT BID PRICE

3.1 Each Customer bid shall set out the bid price expressed as a percentage, which shall not be less than 100% (the “STFT Bid Price”) of the applicable FT-D Demand Rate.

4.0 CHARGE FOR SERVICE**4.1 Aggregate of Customer's Monthly Demand Charge**

The aggregate of Customer’s monthly demand charge for a Billing Month for Service made available under Rate Schedule STFT shall be equal to the sum of the monthly demand charges for each of Customer’s Schedules of Service under Rate Schedule STFT, determined as follows:

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

Where:

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

“P” = the STFT Bid Price applicable to such Schedule of Service

“F” = the FT-D Demand Rate applicable to 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 set forth in the Table of Rates, Tolls and Charges applicable to each of Customer's Schedules of Service under Rate Schedule STFT.

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 STFT shall be equal to the sum of the monthly charges for Over-Run Gas for each Group 1 Delivery Point at which Customer is entitled to Service under Rate Schedule STFT, determined as follows:

$$\text{MOC} = Q \times Z$$

Where:

"MOC" = the monthly charge for Over-Run Gas at the Group 1 Delivery Point;

"Q" = total quantity of gas allocated to Customer by Company as Over-run Gas in accordance with paragraph 4.5 for Service under all Rate Schedules at such Delivery Point for such Billing Month;

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

4.4 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.

4.5 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, the aggregate quantity of gas delivered to Customer at a Group 1 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. 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.

5.0 TERM OF SERVICE AGREEMENT

5.1 The term for any Schedule of Service under Rate Schedule STFT shall be for a minimum of 7 days and a maximum of 1 year less 1 day and shall end on the last day of a month.

5.2 Customer's Service Agreement under Rate Schedule STFT shall be in full force and effect until terminated in accordance with paragraph 5.3.

5.3 Company or Customer shall be entitled to terminate Customer's Service Agreement under Rate Schedule STFT upon at least 60 days prior Notice of such termination. Upon expiration of the aforesaid 60 day period, such Service Agreement shall terminate and be of no further force or effect; provided that nothing herein shall relieve any party from any obligations which arose prior to the effective date of such termination, including all obligations under Customer's Schedules of Service in force on the effective date of such termination.

6.0 ASSIGNMENTS

6.1 The Customer shall not be entitled to assign any Schedule of Service under Rate Schedule STFT.

7.0 TITLE TRANSFERS

7.1 A Customer entitled to receive Service under Rate Schedule STFT 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.

8.0 GENERAL TERMS AND CONDITIONS

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

SERVICE AGREEMENT
RATE SCHEDULE STFT

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 herein contained, 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 STFT 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 STFT.

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 STFT 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 STFT, 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 STFT, the General Terms and Conditions and Schedule of Service under Rate Schedule STFT 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 •, •.

•
Per: _____
Per: _____

NOVA Gas Transmission Ltd.
Per : _____
Per : _____

**SCHEDULE OF SERVICE
RATE SCHEDULE STFT**

CUSTOMER: •
•
•
•

ATTENTION: •
PHONE: •

FAX: •

Schedule of Service Number	Group 1 Delivery Point Number and Name	Maximum STFT Capacity GJ/d	Minimum STFT Capacity GJ/d	STFT Bid Price Percentage of FT-D Demand Rate	Service Commencement Date	Service Termination Date	Allocated STFT Capacity GJ/d
• • •		•	•	•	•	•	•

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 LRS
LOAD RETENTION SERVICE

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

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

- (i) the receipt of gas from Customer at Customer's Receipt Points as identified in Appendix "1" of this Rate Schedule; and
- (ii) the delivery of gas to the Empress and/or the McNeill Delivery Points.

2.2 Subparagraphs (i) and (ii) are collectively referred to as the "Service" which includes transportation of gas that Company determines necessary to provide services under the Tariff.

2.3 A standard form Service Agreement for Service under this Rate Schedule LRS is attached.

3.0 AVAILABILITY

3.1 Service is available to those Customers who signed a precedent agreement with Palliser Pipeline Inc. prior to December 12, 1996 (the “Palliser Precedent Agreement”) requiring firm service for the transportation of natural gas. Service under Rate Schedule LRS involves the receipt of quantities of gas at the Receipt Points authorized under this Rate Schedule LRS, being those Receipt Points identified in Appendix “1” attached to this Rate Schedule, and the delivery of such quantities of gas to either the Empress or McNeill Delivery Points. It is a condition of Service that Customers have or are deemed to have executed a Service Agreement and Schedule of Service under Rate Schedule LRS.

3.2 New or additional Service under Rate Schedule LRS at Receipt Points shall be made available in accordance with the provisions of article 5.0.

4.0 CHARGE FOR SERVICE

4.1 Aggregate of Customer's Monthly Receipt Demand Charge

The aggregate of Customer’s monthly receipt demand charges for a Billing Month for Service under Rate Schedule LRS at Customer’s Receipt Points as identified in Appendix “1” shall be equal to the sum of the monthly receipt demand charges for each of Customer’s Schedules of Service under Rate Schedule LRS, determined as follows:

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

Where:

“MDC” = the aggregate of the receipt 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” = Price Point “A” (as defined in Rate Schedule FT-R);
- “A” = each LRS Contract Demand in effect for all or a portion of such Billing Month as set out in such Schedule of Service;
- “B” = the number of days in such Billing Month that Customer was entitled to such LRS Contract Demand under such Schedule of Service; and
- “C” = the number of days in such Billing Month.

4.2 Determination of LRS Billing Adjustment

Customer’s monthly LRS Billing Adjustment for a Billing Month for Service under Rate Schedule LRS shall be calculated by the application of the following four steps:

- (i) determination of the Eligible LRS Contract Demand as described in subparagraph 4.2.1;
- (ii) calculation of the amount that has been charged in respect of the Eligible LRS Contract Demand using the applicable FT-R Demand Rates and the volumetric equivalent of the FT-D Demand Rate as described in subparagraph 4.2.2;
- (iii) calculation of the amount that should be charged in respect of Service under Rate Schedule LRS by applying the Effective LRS Rate to the Eligible LRS Contract Demand as described in subparagraph 4.2.3; and

- (iv) determination of the LRS Billing Adjustment that will be applied to Customer's bill, as described in subparagraph 4.2.4, by determining the difference between the amounts calculated in steps (ii) and (iii).

4.2.1. Determination of Eligible LRS Contract Demand

Eligible LRS Contract Demand will be determined based on the information provided by Customer by way of an Officer's Certificate in such form as Company may prescribe from time to time. Eligibility is achieved only when Customer has provided a valid Officer's Certificate which satisfies Company that the requirements under Rate Schedule LRS have been met. Customer shall provide an Officer's Certificate no later than the twenty-fifth day of each Month.

The Eligible LRS Contract Demand will be determined as follows:

$$\text{ECD} = A - \left(\frac{B + C - D}{E} \right)$$

Where:

"ECD" = the Eligible LRS Contract Demand;

"A" = the aggregate LRS Contract Demand for Service under Rate Schedule LRS at the Customer's Receipt Points identified in Appendix "1" of this Rate Schedule adjusted as per paragraph 4.1;

"B" = the volumes of gas received by Company under Rate Schedule LRS verified by an Officer's Certificate to have been delivered from the Facilities into a storage facility for Customer;

-
- “C” = the volumes of gas not verified by an Officer’s Certificate to have been delivered to the Empress or McNeill Delivery Points under Rate Schedule LRS;
- “D” = the volumes of gas under Rate Schedule LRS verified by an Officer’s Certificate to have been delivered from a storage facility into the Facilities for Customer (provided that these storage volumes of gas originated from Customer’s Receipt Points identified in Appendix “1” of this Rate Schedule for Customer) and were ultimately delivered to the Empress or McNeill Delivery Points; and
- “E” = the average number of days in a month.

4.2.2. Calculation of Amount Charged in respect of the Eligible LRS Contract Demands using the FT-R Demand Rate(s) and the FT-D Demand Rate

After having determined the Eligible LRS Contract Demand, Company will calculate the amount that has been charged with respect to paragraph 4.1 of this Rate Schedule LRS.

The amount that has been charged is the sum of:

- (i) for all of Customer’s Receipt Points identified in Appendix “1” the aggregate of the product of the FT-R Demand Rate and Price Point “A” and the Eligible LRS Contract Demand for each Receipt Point (the “Receipt Demand Charge”); and
- (ii) the volumetric equivalent of the FT-D Demand Rate multiplied by the Eligible LRS Contract Demand (the “Delivery Demand Charge”).

4.2.3. Calculation of the Amounts To Be Charged for LRS Service

The amount to be paid for Service under Rate Schedule LRS (the “LRS Charge”) will be the product of the Effective LRS Rate and the Eligible LRS Contract Demand. The Effective LRS Rate is included in the Table of Rates, Tolls and Charges of this Tariff.

The Effective LRS Rate commences on January 1, 1998 and escalates at the rate of two (2) per cent per annum starting January 1, 1999.

4.2.4. Determination of LRS Billing Adjustment

The LRS Billing Adjustment will be calculated as follows:

- (i) Company will calculate the sum of the Receipt Demand Charge and the Delivery Demand Charge; and
- (ii) Company will calculate the difference between the LRS Charge and the amount calculated in accordance with subparagraph 4.2.4 (i).

The result of the calculations made in accordance with subparagraph 4.2.4 (ii) shall be the LRS Billing Adjustment.

Eligible LRS Contract Demand will not be considered for the determination of the LRS Billing Adjustment unless Customer has satisfied Company in the form of a valid Officer’s Certificate, that the volumes of gas received were delivered to the Empress and McNeill Delivery Point within the Month with the exception of any volume of gas to have been delivered from Facilities into a storage facility.

4.3 Aggregate of Customer's Over-Run Gas Charges

4.3.1. In the event that Company determines in respect of a Billing Month that Company has received from Customer, in such Billing Month, a volume of gas at any Receipt Point identified in Appendix "1" of this Rate Schedule in excess of:

- (a) the aggregate of the products obtained when each of the LRS Contract Demand and LRS-3 Contract Demand in effect for Customer in respect of Rate Schedules LRS and LRS-3, in such Billing Month, is multiplied by the number of Days in such month that such LRS Contract Demand and LRS-3 Contract Demand was in effect; plus
- (b) the aggregate of the products obtained when each of the Receipt Contract Demand in effect for Customer in respect of Rate Schedule FT-R and Rate Schedule FT-RN, in such Billing Month, is multiplied by the number of Days in such month that the Receipt Contract Demand was in effect,

then Customer shall pay to Company an amount equal to the product of a volume equal to such excess and the IT-R Rate for the applicable Receipt Point.

4.3.2. The calculation of Customer's Over-Run Gas charge in subparagraph 4.3.1 shall not take into account Customer's Inventory on the last day of the Billing Month.

4.4 Aggregate Charge For Service

Customer shall pay for each Billing Month:

- (i) the amounts calculated in accordance with paragraphs 4.1 and 4.3; less
- (ii) the sum of

- (a) the billing credit, if any, calculated in accordance with the Terms and Conditions Respecting Relief for Mainline Capacity Restrictions in Appendix “B” of the Tariff; and
- (b) the LRS Billing Adjustment, if any, calculated in accordance with paragraph 4.2 of this Rate Schedule LRS.

4.5 Allocation of Gas Received

Notwithstanding any other provision of this Rate Schedule, any Service Agreement or 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 Schedule LRS to a maximum of such Customer’s LRS Contract Demand for such Receipt Point under such Rate Schedule LRS and to Service to Customer under Rate Schedule LRS-3 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 such 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 AVAILABILITY OF NEW SERVICE

New Service under Rate Schedule LRS shall be made available to Customer receiving Service under this Rate Schedule LRS providing the following conditions are met:

- (i) the Receipt Point location is south of Township 34 west of the 4th meridian and is east of range 29 west of the 4th meridian or is the East Calgary Receipt Point No. 2007;
- (ii) if a new Receipt Point or if new Facilities are required at an existing Receipt Point, Customer has provided a capital contribution equal in amount to the capital costs associated with the installation or construction of any new Facilities;
- (iii) gas received from Customer is for ultimate delivery to the Empress and/or McNeill Delivery Points;
- (iv) Customer has signed a precedent agreement with Palliser Pipeline Inc. prior to December 12, 1996 (the "Palliser Precedent Agreement") requiring firm Service for the transportation of natural gas; and
- (v) the aggregate of Customer's Service under this Rate Schedule LRS shall not exceed the initial volumes and term set out in such Customer's Palliser Precedent Agreement and any additional volumes acquired by Customer pursuant to paragraph 12 of this Rate Schedule.

6.0 TERM OF SERVICE AGREEMENT

- 6.1** The term of a Service Agreement under Rate Schedule LRS shall expire on the date which is the latest Service Termination Date of Customer's LRS Receipt Point Obligations under such Service Agreement.
- 6.2** The initial term of an LRS Receipt Point Obligation in respect of any Customer Receipt Point identified in Appendix "1" shall be the period equal to the term set out in Customer's Palliser Precedent Agreement.
- 6.3** The term of an LRS Receipt Point Obligation in respect of any Customer Receipt Point, where new Service is obtained in accordance with the provisions of article 5.0 of this Rate Schedule, shall be a period equal to the term specified by Customer, provided that the minimum term that can be specified is one (1) year, (expressed in whole years) and provided that the Service Termination Date is no later than December 31, 2017.

7.0 CAPACITY RELEASE

- 7.1** If Customer desires a reduction of Customer's LRS Contract Demand for all or any portion of its Service under a Schedule of Service under Rate Schedule LRS Customer shall give Notice to Company of its request for such reduction specifying the particular Receipt Point, Schedule of Service and the LRS Contract Demand available to any other Person qualifying for Service under Rate Schedule LRS. Company assumes no obligation to find such Person to assume the LRS Contract Demand that Customer proposes to make available. If after Notice is given to Company a Person qualifying for Service under Rate Schedule LRS is found who agrees to assume the LRS Contract Demand Customer proposes to make available, Company may reduce Customer's LRS Contract Demand under such Schedule of Service, on terms and conditions satisfactory to Company, by an amount equal to the LRS Contract Demand specified in a Schedule of Service, executed by Company and such Person. Notwithstanding such reduction, Customer shall at Company's sole option pay to Company within the time determined by

Company an amount equal to the net book value of such Facilities in the event Company retires any Facilities required to provide such Service adjusted for all costs and expenses associated with such retirement.

8.0 RELIEF FOR MAINLINE RESTRICTIONS

8.1 Company may grant relief to a Customer entitled to Service under Rate Schedule LRS, in accordance with the Terms and Conditions Respecting Relief for Mainline Capacity Restrictions in Appendix "B" of the Tariff.

9.0 TRANSFER OF SERVICE BETWEEN RECEIPT POINTS

9.1 If Customer desires to transfer all or any portion of any Service under Rate Schedule LRS from one Receipt Point to another Receipt Point, Customer shall give Notice to Company of its request for such transfer specifying the particular Receipt Points and the Service that Customer wishes to transfer.

9.2 Company shall not be required to permit the transfer requested in paragraph 9.1 if:

- (i) the transferred-to Receipt Point location is north of Township 33 west of the 4th meridian and west of range 28 west of the 4th meridian except for the East Calgary Receipt Point No. 2007; or
- (ii) Company is required to install or construct Facilities at a new Receipt Point to provide the Service requested unless Customer provides a capital contribution equal in amount to the capital costs associated with the installation or construction of new Facilities.

10.0 TITLE TRANSFERS

10.1 A Customer entitled to receive Service under Rate Schedule LRS 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 ASSIGNMENTS

11.1 Customer shall not be permitted to assign any Service Agreements or Schedule of Service pertaining to a LRS Contract Demand at a Receipt Point identified in Appendix "1" of this Rate Schedule unless such assignment is to an affiliate (as defined in the *Business Corporation Act*, (Alberta) S.A. 1981, c. B-15 as amended from time to time) or to another Customer entitled to receive Service under Rate Schedule LRS.

12.0 RENEWAL OF SERVICE

12.1 Provided the Customer shall have given Company Notice advising Company that Customer desires to renew the term of all or a portion of any Service provided to Customer under this Rate Schedule LRS at least one (1) year prior to the expiry of the current term for which Company has agreed to provide such Service, Customer shall be entitled to renew such Service on a one time basis only for an additional term, which additional term:

- (i) shall not exceed the initial term;

- (ii) when added to the initial term shall not exceed twenty (20) years; and
- (iii) shall not have a Service Termination Date later than December 31, 2017.

13.0 APPLICATION FOR SERVICE

13.1 Applications for Service under Rate Schedule LRS 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 LRS are applicable to Rate Schedule LRS to the extent that such terms and conditions and provisions are not inconsistent with this Rate Schedule.

APPENDIX 1 TO RATE SCHEDULE LRS

RECEIPT POINT	STATION NUMBER
Alderson	1075
Atlee Buffalo East	1116
Atlee Buffalo South	1098
Atusis Creek	1792
Atusis Creek East	1792
Badger East	1275
Bantry NE	1296
Bantry North	1122
Bantry NW	1181
Bassano South	1330
Bassano South #2	1794
Berry-Carolside	1085
Berry Creek East	1136
Bowell South	1318
Bowmanton	1216
Carbon	1170
Cassils	1315
Cavalier	1737
Cessford Burfield West	1027
Cessford West	1012
Countess	1028
Countess South	1155
Countess South #2	2296
Countess West	1287
Countess Makepeace	1015
East Calgary	2007
Gatine	1623
Gayford	1358
Gem South	1435
Gem West	1490
Gleichen	1480
Hilda West	1402
Hussar Chancellor	1016
Iddlesleigh South	1277
Jenner West	1099
Lake Newell East	1210
Lonesome Lake	1768
Louisiana Lake	1366
Makepeace North	1419
Makepeace South	1419
Matzhiwin South	1379
Matzhiwin West	1150
Medicine Hat East	1186
Medicine Hat South #2	1043
Nightingale	1747

APPENDIX 1 TO RATE SCHEDULE LRS (continued)

Patricia West	1289
Princess South	1327
Princess West	1183
Rainier South	1378
Rainier SW	1380
Rosemary	1466
Rosemary North	1461
Schuler	1263
Standard	1534
Stanmore South	1156
Suffield	1202
Suffield East	1200
Suffield West	1423
Tide Lake	1348
Trochu	1574
Twelve Mile Coulee	1699
Vale	154
Vale East	1212
Verger	1056
Verger-Millicent	1203
Vulcan	1076
Wayne-Dalum	1039
Wayne-Rosebud	1107
Wintering Hills	1070

SERVICE AGREEMENT
RATE SCHEDULE LRS

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 herein contained, 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.
3. Customer requests and Company agrees to provide Service pursuant to Rate Schedule LRS 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 LRS.

5. Customer shall:
 - (a) provide such assurances and information as Company may reasonably require respecting any Service to be provided pursuant to Rate Schedule LRS 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;

 - (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; and

 - (c) represent and demonstrate on a monthly basis that volumes moved under this service were delivered to either the Empress or McNeill Delivery Points. Should Customer not demonstrate as required, or should the demonstration be inadequate or found to be invalid, the resulting credit will not apply for the subject volumes and associated contract demands.

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 LRS, 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 LRS, the General Terms and Conditions and Schedule of Service under Rate Schedule LRS 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 :

**SCHEDULE OF SERVICE
RATE SCHEDULE LRS**

CUSTOMER: •

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

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 IT-R
INTERRUPTIBLE - 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 IT-R shall mean the receipt of gas from Customer at Receipt Points as listed in the Table of Rates, Tolls and Charges (the “Service”) which includes the transportation of gas 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 under this Rate Schedule IT-R provided that capacity exists in the Facilities that is not required by any Customer entitled to receive service under Rate Schedule FT-R, Rate Schedule FT-RN, Rate Schedule FT-P, Rate Schedule LRS, Rate Schedule LRS-3, Rate Schedule FT-X, Rate Schedule IT-S and Rate Schedule IT-R. Company shall not be required to

construct or install Facilities for any Service under Rate Schedule IT-R. A standard form Service Agreement for Service under this Rate Schedule IT-R is attached.

3.0 PRICING

3.1 The rate used in calculating Customer's monthly charge for Service under Rate Schedule IT-R at a Receipt Point is the IT-R Rate at such Receipt Point.

4.0 CHARGE FOR SERVICE

4.1 Aggregate of Customer's Monthly Charge

The aggregate of Customer's monthly charges for a Billing Month for Service under Rate Schedule IT-R shall be equal to the sum of the monthly charges calculated for each Receipt Point under Rate Schedule IT-R determined as follows:

$$MC = A \times B$$

Where:

“MC” = the monthly charge applicable to such Receipt Point;

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

“B” = the sum of the volume of gas received by Company from Customer at such Receipt Point under Rate Schedule IT-R 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 set forth in the Table of Rates, Tolls and Charges applicable to each of Customer's Receipt Points under Rate Schedule IT-R.

4.3 Aggregate Charge For Service

Customer shall pay for each Billing Month the sum of the amounts calculated in accordance with paragraphs 4.1 and 4.2.

4.4 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 Schedule 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 such 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.

5.0 TERM OF SERVICE

5.1 Term of Service Agreement

Customer's Service Agreement shall be in full force and effect until terminated by Customer in accordance with paragraph 5.2.

5.2 Termination Notice

Customer shall be entitled to terminate Service under Rate Schedule IT-R if Customer gives Company at least one (1) month prior Notice of such termination. Any such termination of Service shall not relieve Customer from any obligation to pay any rate, toll, charge or other amount payable to Company.

6.0 TITLE TRANSFERS

6.1 A Customer entitled to receive Service under Rate Schedule IT-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.

7.0 APPLICATION FOR SERVICE

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

8.0 GENERAL TERMS AND CONDITIONS

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

SERVICE AGREEMENT
RATE SCHEDULE IT-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 herein contained, 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 IT-R. The Service will commence on the Billing Commencement Date and will terminate, subject to the provisions of this Service Agreement.

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 IT-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 IT-R including, without limiting the generality of the foregoing, an assurance that all 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. Every notice, request, demand, statement, bid or bill provided for in Rate Schedule IT-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.

(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.

7. The terms and conditions of Rate Schedule IT-R, the General Terms and Conditions and Schedule of Service under Rate Schedule IT-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 •, •.

•
Per: _____

NOVA Gas Transmission Ltd.
Per : _____

Per: _____

Per : _____

RATE SCHEDULE IT-D
INTERRUPTIBLE - 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 IT-D shall mean the delivery of gas to Customer at Customer's Group 1 Delivery Points or Group 2 Delivery Points (the "Service") which includes transportation of gas that Company determines necessary to provide services under the Tariff.

2.2 The Service is available to any Customer that has executed a Service Agreement under Rate Schedule IT-D provided that capacity exists in the Facilities that is not required by any Customer entitled to receive service under Rate Schedule FT-D, Rate Schedule FT-DW, Rate Schedule STFT, Rate Schedule FT-X, Rate Schedule FT-P, Rate Schedule IT-S and Rate Schedule IT-D. Company shall not be required to construct or install Facilities for any Service under Rate Schedule IT-D. A standard form Service Agreement for Service under this Rate Schedule IT-D is attached.

3.0 PRICING

3.1 The rate used in calculating Customer's monthly charge for Service under Rate Schedule IT-D at a Delivery Point is the IT-D Rate at such Delivery Point.

4.0 CHARGE FOR SERVICE

4.1 Aggregate of Customer's Monthly Charge

The aggregate of Customer's monthly charges for a Billing Month for Service under Rate Schedule IT-D shall be equal to the sum of the monthly charges calculated for each of Customer's Delivery Points under Rate Schedule IT-D determined as follows:

$$MC = A \times B$$

Where:

“MC” = the monthly charge applicable to such Delivery Point;

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

“B” = the sum of the quantity of gas delivered by Company to such Customer at such Delivery Point under Rate Schedule IT-D 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 set forth in the Table of Rates, Tolls and Charges applicable to each of Customer's Delivery Points under Rate Schedule IT-D.

4.3 Aggregate Charge For Service

Customer shall pay for each Billing Month the sum of the amounts calculated in accordance with paragraphs 4.1 and 4.2.

4.4 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, the aggregate quantity of gas delivered to Customer at a Group 1 Delivery Point or 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.

5.0 TERM OF SERVICE**5.1 Term of Service at a Group 1 Delivery Point or Group 2 Delivery Point**

Customer's Service Agreement shall be in full force and effect until terminated by Customer in accordance with paragraph 5.2.

5.2 Term of Service Agreement

Customer shall be entitled to terminate Service under Rate Schedule IT-D if Customer gives Company at least one (1) month prior written Notice of such termination. Any such termination of Service shall not relieve Customer from any obligation to pay any rate, toll, charge or other amount payable to Company.

6.0 TITLE TRANSFERS

6.1 A Customer entitled to receive Service under Rate Schedule IT-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.

7.0 APPLICATION FOR SERVICE

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

8.0 GENERAL TERMS AND CONDITIONS

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

SERVICE AGREEMENT
RATE SCHEDULE IT-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 IT-D. The Service will commence on the Billing Commencement Date and will terminate, subject to the provisions of this Service Agreement.
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 IT-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 IT-D including, without limiting the generality of the foregoing, an assurance that all 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. Every notice, request, demand, statement, bid or bill provided for in Rate Schedule IT-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:

-
-
-

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.

7. The terms and conditions of Rate Schedule IT-D, the General Terms and Conditions and Schedule of Service under Rate Schedule IT-D 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 •, •.

•
Per: _____

NOVA Gas Transmission Ltd.
Per : _____

Per: _____

Per : _____

RATE SCHEDULE IT-S
INTERRUPTIBLE - ACCESS TO STORAGE

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 IT-S shall mean:

- (i) the delivery of gas by Company for Customer at Storage Delivery Points; and
- (ii) the receipt of gas by Company for Customer at Storage Receipt Points.

Subparagraphs (i) and (ii) are collectively referred to as the “Service” which includes transportation of gas that Company determines necessary to provide services under the Tariff.

2.2 The Service is available to any Customer that has executed a Service Agreement and Schedule of Service under Rate Schedule IT-S and a valid Service Agreement under Rate Schedule FCS is executed by any Customer at the Storage Delivery Point provided that:

- (i) with respect to subparagraph 2.1(i), capacity exists in the Facilities that is not required by Company to provide service under Rate Schedule FT-D, Rate Schedule FT-X, Rate Schedule STFT, Rate Schedule FT-P, Rate Schedule IT-D and Rate Schedule IT-S; and

- (ii) with respect to subparagraph 2.1(ii), capacity exists in the Facilities that is not required by Company to provide service under Rate Schedule FT-R, Rate Schedule FT-RN, Rate Schedule FT-P, Rate Schedule FT-X, Rate Schedule LRS, Rate Schedule LRS-3, Rate Schedule IT-R and Rate Schedule IT-S.

A standard form Service Agreement for Service under Rate Schedule IT-S is attached.

- 2.3** Company shall not be required to construct or install Facilities for any Service under Rate Schedule IT-S. If Company determines that new Facilities are required that are directly attributable to Customer's request for Service, Company shall not be required to provide such requested Service unless a valid Service Agreement under Rate Schedule FCS exists in respect of such new Facilities.

3.0 CHARGE FOR SERVICE

3.1 Aggregate of Customer's Monthly Charge

- (i) Customer undertakes to cause the operator of the gas storage facility connected to the Storage Receipt Point and the Storage Delivery Point to provide any information necessary to satisfy Company that the volume of gas received by Company at the Storage Receipt Point connected to a Storage Facility was previously delivered by Company at the Storage Delivery Point for such Storage Facility. If Company is satisfied that the volume of gas received by Company at the Storage Receipt Point connected to a Storage Facility was previously delivered by Company at the Storage Delivery Point for such Storage Facility, Company shall not charge Customer for Service under this Rate Schedule IT-S.

- (ii) If the operator of a gas storage facility fails to provide information to Company's satisfaction that all or a portion of the volume of gas received by Company at the

Storage Receipt Point connected to a Storage Facility was previously delivered by Company at the Storage Delivery Point for such Storage Facility, then Company shall charge for such volumes in accordance with the allocations determined by Company in paragraph 4.1.

- (iii) If the operator of the gas storage facility fails to provide information to Company's satisfaction that all or a portion of the volume of gas delivered by Company at the Storage Delivery Point connected to a Storage Facility is for the sole purpose of storage and ultimate receipt by Company from such Storage Facility at the Storage Receipt Point, then Company shall charge for such volumes in accordance with the allocations determined by Company in paragraph 4.2.

3.2 Aggregate of Customer's Surcharges

The aggregate of Customer's Surcharges for a Billing Month shall be equal to the sum of all Surcharges set forth in the Table of Rates, Tolls and Charges applicable to each of Customer's Schedules of Service under Rate Schedule IT-S.

3.3 Aggregate Charge for Service

Customer shall pay for each Billing Month the sum of the amounts calculated in accordance with paragraphs 3.1 and 3.2.

4.0 ALLOCATION OF GAS RECEIVED AND DELIVERED

4.1 Allocation of Gas Received

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

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

- (i) If paragraph 3.1(i) applies, then the volume of gas received shall be allocated only to Service to Customer under Rate Schedule IT-S; or
- (ii) If paragraph 3.1(ii) applies, then the volume of gas received shall be allocated:
 - (a) 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;
 - (b) secondly to service to Customer under Rate Schedule FT-R to a maximum of such Customer's Receipt Contract Demand for such Storage Receipt Point under such Rate Schedule FT-R;
 - (c) thirdly to service to Customer under Rate Schedule FT-RN to a maximum of such Customer's Receipt Contract Demand for such Storage Receipt Point under such Rate Schedule FT-RN;
 - (d) fourthly to service to Customer under Rate Schedule IT-R at such Storage Receipt Point. If Customer is not entitled to service under Rate Schedule IT-R at such Storage Receipt Point, then Customer shall pay the IT-R Rate at such Storage Receipt Point in respect of such volume of gas allocated to it hereunder.

4.2 Allocation of Gas Delivered

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

been nominated, the aggregate quantity of gas delivered at a Storage Delivery Point for Customer, shall be allocated as follows:

- (i) If paragraph 3.1(i) applies, then the quantity of gas delivered shall be allocated only to Service to Customer under Rate Schedule IT-S; or
- (ii) If paragraph 3.1(iii) applies, then the quantity of gas delivered shall be allocated:
 - (a) first to service to Customer under Rate Schedule FT-D to a maximum of such Customer's Delivery Contract Demand for such Storage Delivery Point under such Rate Schedule FT-D; and
 - (b) secondly, to service to Customer under Rate Schedule IT-D at such Storage Delivery Point. If Customer is not entitled to service under Rate Schedule IT-D at such Storage Delivery Point, then Customer shall pay the IT-D Rate in respect of such quantity of gas allocated to it hereunder.

5.0 STORAGE INFORMATION

5.1 Customer undertakes to cause the operator of every gas storage facility connected to the Storage Receipt Point and the Storage Delivery Point to provide to Company, when requested by the Company, the following information:

- (i) the cumulative total of the volume of gas delivered to the Storage Delivery Point for Customer by Company; and
- (ii) the cumulative total of the volume of gas received at the Storage Receipt Point by Company for Customer.

5.2 If the operator of a gas storage facility fails to provide Company with the information requested with respect to any month within the time provided by Company for a response to Company's request:

- (i) the gas received at the Storage Receipt Point for Customer for such month shall be deemed to have been received for Customer at the Storage Receipt Point under Rate Schedule IT-R and Customer shall pay the IT-R Rate applicable to such Storage Receipt Point in respect of such volume.; and
- (ii) the gas delivered at the Storage Delivery Point for Customer for such month shall be deemed to have been delivered by Customer at the Storage Delivery Point under Rate Schedule IT-D and Customer shall pay the IT-D Rate applicable to such Storage Delivery Point in respect of such volume.

6.0 TERM OF SERVICE

6.1 Term of Service at a Storage Receipt Point and Delivery Point

The term for any Schedule of Service for Service under Rate Schedule IT-S at each Storage Receipt Point and at each Storage Delivery Point shall be the term requested by Customer, provided that the term is a minimum of one (1) month and terminates on the last day of a Gas Year.

6.2 Term of Service Agreement

Customer's Service Agreement shall terminate on the latest Service Termination Date of Customer's Schedules of Service under Rate Schedule IT-S.

7.0 TITLE TRANSFERS

7.1 A Customer entitled to receive Service under Rate Schedule IT-S 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.

8.0 RENEWAL OF SERVICE

8.1 Renewal Notification

Customer shall be entitled to renew Service under Rate Schedule IT-S if Customer gives Notice to Company of such renewal at least one (1) month prior to the Service Termination Date. If Customer does not provide such Notice, the Service shall expire on the Service Termination Date.

8.2 Irrevocable Notice

Customer's Notice to renew pursuant to paragraph 8.1 shall be irrevocable one (1) month 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.

8.3 Renewal Term

The renewal term shall consist of increments of whole years and shall not be less than one (1) year.

9.0 APPLICATION FOR SERVICE

9.1 Applications for Service under this Rate Schedule IT-S shall be in such form as Company may prescribe from time to time.

10.0 GENERAL TERMS AND CONDITIONS

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

SERVICE AGREEMENT
RATE SCHEDULE IT-S

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 IT-S in accordance with the following procedure:
 - (a) subject to the provisions of this paragraph 3, upon execution and delivery of this Service Agreement Customer shall be entitled to Service from any Storage Receipt Point and Storage Delivery Point described in the Schedule of Service respecting Rate Schedule IT-S, provided however that Customer may not with respect to any Service at any Storage Receipt Point and Storage Delivery Point described in such Schedule of Service request Company to receive a volume of

gas in excess of the capacity of the facilities (as determined by Company) upstream of such Storage Receipt Point or in excess of the capacity of the Facilities (as determined by Company) downstream of such Storage Delivery Point;

- (b) Customer shall by Notice to Company in form and substance satisfactory to Company designate Storage Receipt Points and Storage Delivery Points, referred to in subparagraph 3(a), with respect to which Customer desires Service pursuant to Rate Schedule IT-S;
 - (c) from and after the time of receipt by Company of Customer's Notice referred to in subparagraph 3(b) determined in Company's sole judgment, Customer shall be entitled to receive Service pursuant to Rate Schedule IT-S with respect to the Storage Receipt Points and Storage Delivery Points designated as provided for in subparagraph 3(b) in priority to all Customers requesting such Service after the time, but subject to all Customers requesting such Service prior to the time, of Company's receipt of such Notice; and
 - (d) Customer shall at Company's request from time to time provide written confirmation of the Storage Receipt Points and Storage Delivery Points designated by Customer pursuant to subparagraph 3(b).
- 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 IT-S.
- 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 IT-S including, without limiting the generality of the foregoing, an assurance that all

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 or 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 received or 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.** Every notice, request, demand, statement, bid or bill provided for in Rate Schedule IT-S, 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.

7. The terms and conditions of Rate Schedule IT-S, the General Terms and Conditions and Schedule of Service under Rate Schedule IT-S 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 :

**SCHEDULE OF SERVICE
RATE SCHEDULE IT-S**

CUSTOMER: •

Schedule of Service Number	Storage Receipt and Delivery Point Number and Name	Storage Receipt and Delivery Point Legal Description	Maximum Delivery Pressure kPa	Service Termination Date	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 : _____

GENERAL TERMS AND CONDITIONS

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GENERAL TERMS AND CONDITIONS**1.0 DEFINITIONS**

In this Tariff:

- 1.1** “Act” shall mean the *National Energy Board Act*.
- 1.2** “Annual Plan” shall mean a document prepared by Company outlining the planned Facility additions and major modifications as determined by Company.
- 1.3** “ATCO Gas” shall mean ATCO Gas, a division of ATCO Gas and Pipelines Ltd.
- 1.4** “ATCO Pipelines” shall mean ATCO Pipelines, a division of ATCO Gas and Pipelines Ltd.
- 1.5** “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.
- 1.6** “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.
- 1.7** “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.
- 1.8** “Billing Month” shall mean that month which immediately precedes the month in which Company is required to provide a bill for Service.
- 1.9** “Board” shall mean the National Energy Board.

- 1.10** “Central Clock Time” or “CCT” shall mean the clock time in the Central Zone.
- 1.11** “Closing Date” shall mean the date an open season ends as posted by Company.
- 1.12** “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.

- 1.13** “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.
- 1.14** “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.

- 1.15** “Company” shall mean NOVA Gas Transmission Ltd. and any successor to it.
- 1.16** “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.
- 1.17** “Connecting Pipeline Operator” or “CPO” shall mean the person who, with respect to a Delivery Point, places Nominations with Company on behalf of Customers.
- 1.18** “Conversion Eligible Schedule of Service” shall mean 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.
- 1.19** “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.
- 1.20** “Customer” shall mean any Person named as a Customer in a Service Agreement or Schedule of Service.
- 1.21** “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.
- 1.22** “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;

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- “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.

- 1.23** "Daily Open Season" shall have the meaning attributed to it in subparagraph 2.6.1 of Appendix "A" of the Tariff.
- 1.24** "Daily Open Season Bid Form" shall have the meaning attributed to it in subparagraph 2.6.2(a) of Appendix "A" of the Tariff.
- 1.25** "Day" shall mean a period of twenty-four (24) consecutive hours, beginning and ending at eight hours (08:00) Mountain Standard Time.
- 1.26** "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.
- 1.27** "Delivery Demand Charge" shall have the meaning attributed to it in subparagraph 4.2.2 (ii) of Rate Schedule LRS.
- 1.28** "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.

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- 1.29** “Delivery Point” shall mean the point where gas may be delivered to Customer by Company under a Service Agreement or Schedule of Service.
- 1.30** “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.
- 1.31** “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.
- 1.32** “Eligible LRS Contract Demand” shall have the meaning attributed to it in subparagraph 4.2.1 of Rate Schedule LRS.
- 1.33** “Eligible LRS-3 Contract Demand” shall have the meaning attributed to it in subparagraph 4.2.1 of Rate Schedule LRS-3.
- 1.34** “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.
- 1.35** “ERC Adjustment” shall have the meaning attributed to it in Appendix “G” of the tariff.
- 1.36** “ERC Event” shall have the meaning attributed to it in Appendix “G” of the Tariff.

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- 1.37** “Existing Capacity” shall have the meaning attributed to it in paragraph 2.1 of Appendix “A” of the Tariff.
- 1.38** Existing Capacity Open Season” shall have the meaning attributed to it in paragraph 2.1 of Appendix “A” of the Tariff.
- 1.39** “Expansion Capacity” shall have the meaning attributed to it in paragraph 3.1 of Appendix “A” of the Tariff.
- 1.40** “Expansion Capacity Open Season” shall have the meaning attributed to it in paragraph 3.1 of Appendix “A” of the Tariff.
- 1.41** “Expansion Closing Date” shall have the meaning attributed to it in subparagraph 3.1(c) of Appendix “A” of the Tariff.
- 1.42** “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.
- 1.43** “Extraction Plant” shall mean a facility connected to the Facilities where Gas liquids are extracted.
- 1.44** “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.
- 1.45** “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.
- 1.46** “Financial Assurance” shall have the meaning attributed to it in paragraph 10.1.
- 1.47** “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.

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- 1.48** “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.
- 1.49** “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.
- 1.50** “FT-DW Bid Price” shall have the meaning attributed to it in article 3.0 of Rate Schedule FT-DW.
- 1.51** “FT-DW Capacity” shall have the meaning attributed to it in paragraph 4.1 of Appendix “A” of the Tariff.
- 1.52** “FT-DW Open Season” shall have the meaning attributed to it in paragraph 4.1 of Appendix “A” of the Tariff.
- 1.53** “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.
- 1.54** “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.
- 1.55** “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.
- 1.56** “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.

- 1.57** “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.
- 1.58** “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.
- 1.59** “G-14” shall mean Measurement Canada’s Bulletin G-14, as may be amended from time to time.
- 1.60** “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.
- 1.61** “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.
- 1.62** “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
 - (ii) any Customer’s Inventory that Company reasonably determines to be unrecoverable.
- 1.63** “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.
- 1.64** “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.

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- 1.65** “GJ” shall mean gigajoule, or one billion joules.
- 1.66** “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.
- 1.67** “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.
- 1.68** “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.
- 1.69** “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.
- 1.70** “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.
- 1.71** “Interconnecting Pipeline Open Season” shall have the meaning attributed to it in subparagraph 2.3.1 of Appendix “A” of the Tariff.
- 1.72** “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.

- 1.73** “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.
- 1.74** “J” or “Joule” shall mean the base unit for energy as defined by the International System of Units (SI).
- 1.75** “kPa” or “kiloPascals ” shall mean kiloPascals of pressure (gauge) unless otherwise specified.
- 1.76** “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.
- 1.77** “Low Intervention Trade Transaction” shall have the meaning attributed to it in G-14, as may be amended from time to time.
- 1.78** “LRS Billing Adjustment” shall have the meaning attributed to it in subparagraph 4.2.4 of Rate Schedule LRS.
- 1.79** “LRS Charge” shall have the meaning attributed to it in subparagraph 4.2.3 of Rate Schedule LRS.
- 1.80** “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.
- 1.81** “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.
- 1.82** “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.

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- 1.83** “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.
- 1.84** “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.
- 1.85** “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.
- 1.86** “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.
- 1.87** “MC” shall mean Measurement Canada, an Agency of Industry Canada.
- 1.88** “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;

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- “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.
- 1.89** “MJ” shall mean megajoule, or one million joules.
- 1.90** “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.
- 1.91** “Nomination” shall mean, with respect to a Receipt Point or a Delivery Point, a request for Flow made on behalf of a Customer.
- 1.92** “Notice” shall have the meaning attributed to it in the applicable Service Agreement.
- 1.93** “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.
- 1.94** “Open Season Bid Form” shall have the meaning attributed to it in subparagraph 2.2(a) of Appendix “A” of the Tariff.
- 1.95** “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.
- 1.96** “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.
- 1.97** “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.

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- 1.98** “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.
- 1.99** “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.
- 1.100** “Primary Term” shall mean for the purposes of any Service provided under any Schedule of Service under:
- (i) Rate Schedule FT-R, the term calculated 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.
- 1.101** “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.
- 1.102** “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.

1.103 "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.

1.104 "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.

1.105 "Rate Schedule" shall mean any of the schedules identified as a "Rate Schedule" included in the Tariff.

1.106 "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.

1.107 "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.

1.108 "Receipt Demand Charge" shall have the meaning attributed to it in subparagraph 4.2.2 (i) of Rate Schedule LRS.

1.109 "Receipt Point" shall mean the point at which gas may be received from Customer by Company under a Service Agreement or Schedule of Service.

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- 1.110** “STFT Bid Price” shall have the meaning attributed to it in article 3.0 of Rate Schedule STFT.
- 1.111** “STFT Capacity” shall have the meaning attributed to it in paragraph 5.1 of Appendix “A” of the Tariff.
- 1.112** “STFT Capacity Open Season” shall have the meaning attributed to it in paragraph 5.1 of Appendix “A” of the Tariff.
- 1.113** “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.
- 1.114** “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.
- 1.115** “Service” shall have the meaning attributed to it in article 2.0 of the applicable Rate Schedule.
- 1.116** “Service Agreement” shall mean an agreement between Company and Customer respecting Service to be provided under any Rate Schedule.
- 1.117** “Service Commencement Date” shall mean the service commencement date requested by Customer on Customer bid.
- 1.118** “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.
- 1.119** “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.
- 1.120** “Storage Facility” shall mean any commercial facility where gas is stored, that is connected to the Facilities and is available to all Customers.

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- 1.121** “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.
- 1.122** “Surcharge” shall mean the ATCO Pipelines Franchise Fees and any other Surcharge set forth in the Table of Rates, Tolls and Charges which has been fixed by Company or the Board for Service under a Rate Schedule.
- 1.123** “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.
- 1.124** “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.
- 1.125** “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.
- 1.126** “Tier” shall mean the Tier 1, Tier 2 or Tier 3 CO₂ Rate as set forth in the Table of Rates, Tolls and Charges.
- 1.127** “TJ” shall mean terajoule, or one trillion joules.
- 1.128** “Thousand Cubic Metres” or “10³m³” shall mean one thousand (1000) Cubic Metres of Gas.
- 1.129** “Website” shall mean Company’s internet site operated by TransCanada PipeLines Limited for Company.
- 1.130** “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. 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. 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;

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- (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.