

# **Attachment 4 to Appendix “A”**

## TransCanada's 2017 Dawn Long Term Fixed Price Service Open Season



**October 13, 2016 to November 10, 2016**

### Overview

TransCanada PipeLines Limited (TransCanada) is pleased to announce a binding open season ("Open Season") for Dawn Long Term Fixed Price Service ("LTFP" or the "Service"). This new Service will be for the receipt of gas at the Empress receipt point and delivery to the Dawn (Union SWDA) market. Capitalized terms not defined within the Open Season have the meaning ascribed to them under the TransCanada Mainline Transportation Tariff.

The Western Canadian Sedimentary Basin continues to see production levels at rates that exceed current demands in Western Canada. As a result, producers are increasingly looking for access to markets beyond the NIT market hub. TransCanada has existing capacity available to one of North America's largest trading hubs at Dawn. TransCanada is proposing to provide producers and others a service that will enable them to diversify their portfolio with access to the Dawn Hub at competitive rates.

The Service will have a fixed toll which will be dependent on the LTFP contract quantity contracted for. The applicable tolls and associated volumes can be viewed in Table 1. Contract daily tolls will be in the range of \$0.75 CDN/GJ to \$0.82 CDN/GJ depending on a shippers' LTFP contract quantity. These tolls are inclusive of the Abandonment Surcharge and the Delivery Pressure Charge.

The term of the Service is 10 years. However, LTFP shippers will have the right to reduce the Service term on each anniversary date after the 5<sup>th</sup> anniversary provided that 2 years' prior written notice has been given to TransCanada. Should a shipper elect to reduce the Service term to less than 10 years, an increased toll will apply during the last 2 years of the reduced Service term.

The Service is priced lower than current FT Tolls and does not include flexibility provisions of Mainline FT service such as Diversions and Alternate Receipt Points; however, deliveries along the Great Lakes Gas Transmission (GLGT) Pipeline System to Deward, Farwell, Chippewa, Rattle Run and Belle River Mills will be permitted subject to available capacity and scheduling by GLGT pursuant to its tariff. The targeted in-service date is November 1, 2017. Shippers have the opportunity to set LTFP contract start dates as late as November 1, 2019.

Provision of the Service is conditional on, among other things, total subscription of no less than 1.5 PJ/d and TransCanada receiving any required approvals on terms and conditions satisfactory to TransCanada. TransCanada intends to file an application with the National Energy Board (NEB) for approval of the Service as soon as reasonably possible, following a successful Open Season.

## TransCanada's 2017 Dawn Long Term Fixed Price Service Open Season



Figure 1 – TransCanada System



### Terms of Service

Key terms of the service are:

- The contract term is 10 years with shipper early termination rights on each anniversary date after the 5<sup>th</sup> anniversary provided that 2 years prior notice has been given to TransCanada and subject to the payment of an increased toll in the final two years of the reduced Service term. The applicable tolls in the final 2 years of a reduced service term are shown in Table 2.
- A contract start date between November 1, 2017 and November 1, 2019, as requested by service applicant in the bid form. Contracts must start on the first day of a month.
- Requests for this Service are from the Empress receipt point to the Union SWDA delivery point only.
- Service applicant bids are binding.
- Mainline FT Diversions and Alternate Receipt Points will not apply.
- Service will have equal priority with Firm Service.
- Secondary deliveries to select Delivery Points along the GLGT Pipeline System will be facilitated on a reasonable efforts basis by TransCanada, subject to capacity availability and scheduling by GLGT pursuant to its tariff. Those points are: Deward, Farwell, Chippewa, Rattle Run and Belle River Mills.
- The Service is not renewable. However, shipper will have the right to convert all or a portion of its Service to FT with a minimum of 2 years notice prior to the shipper's Service end date.
- Changes in laws or regulations that increase the cost of providing this service will be recovered from shippers using the Service, subject to NEB approval.

## TransCanada's 2017 Dawn Long Term Fixed Price Service Open Season



### Transportation Tolls:

**Table 1:** The toll will be dependent on the quantity a shipper contracts for.

Contract Quantity (GJ/d)	Toll for 10-year Term (CDN\$/GJ/d)
1 – 74,999	0.82
75,000 – 149,999	0.80
150,000 – 249,999	0.77
250,000 +	0.75

Note: Tolls inclusive of Abandonment Surcharge and Delivery Pressure Charge, but exclusive of any applicable Goods and Services Tax (GST) and/or Harmonized Sales Tax (HST).

Shipper will have the right to reduce the term of the Service on each anniversary date after the 5<sup>th</sup> anniversary provided that 2 years prior notice has been given to TransCanada. Should a shipper make such an election, an increased toll will apply during the last 2 years of the reduced Service term. The increased tolls are described in Table 2 below.

**Table 2:** Early termination tolls for last two years after early termination notice.

Reduced Service Term - Years		5	6	7	8	9
Toll that applies in (CDN\$/GJ/d)		Years 4 & 5	Years 5 & 6	Years 6 & 7	Years 7 & 8	Years 8 & 9
Contract Quantity (GJ/d)	1–74,999	1.15	1.13	1.09	1.03	0.94
	75,000–149,999	1.11	1.09	1.06	0.99	0.91
	150,000–249,999	1.05	1.04	1.00	0.95	0.87
	250,000 +	0.98	0.97	0.94	0.89	0.83

***As an example, should a shipper subscribe for 50,000 GJ/d of Service, and during the term of the service elect to reduce the term of the Service to 6 years, early termination notice must be provided on or before the expiry of year 4 of the Service. During the early termination notice period, the toll for the Service will increase from the 0.82 \$/GJ that was paid during the first 4 years of the Service term to \$1.13 for years 5 and 6 of the reduced Service term.***

## TransCanada's 2017 Dawn Long Term Fixed Price Service Open Season



### How to Bid:

- Service applicants can bid for required capacity at the corresponding toll in Table 1.
- Service applicant can submit multiple bids.
- Each bid is binding. No bid deposit is required.
- Service applicants must submit a binding bid using [TransCanada's 2017 Dawn LTFP Bid Form](#) to TransCanada's Mainline Contracting Department via email [mainline\\_contracting@transcanada.com](mailto:mainline_contracting@transcanada.com) or by fax at 1.403.920.2343. All bids must be received by 1pm EST (11 am Calgary time), November 10, 2016.

**This Open Season and the provision of service hereunder, are subject to the following terms and conditions, which may be waived by TransCanada in its sole discretion:**

TransCanada Board of Directors, NEB and Governmental Approvals of the Service	TransCanada will require internal and external approvals that it determines necessary to provide the Service, on terms and conditions substantially the same as described in this Open Season and acceptable to TransCanada in its sole discretion.
Transportation by Other (TBO) Capacity	TransCanada obtaining, prior to the commencement of the Service, transportation service on other pipeline systems that it determines necessary ("TBO Capacity") on terms and conditions acceptable to TransCanada in its sole discretion.
Conditional Bidding	<p>Bids may be conditioned on service applicant obtaining upstream NGTL Firm Service Transportation – Delivery (FTD) capacity. Service applicant must indicate satisfaction or waiver of this condition within 3 Banking Days of notification of allocation of LTFP capacity.</p> <p>Bids may also be conditioned on service applicant obtaining approval from its Board of Directors. Service applicant must indicate satisfaction or waiver of this condition by December 1, 2016.</p>
Applicable Toll	The applicable toll corresponding to the contract quantity for each bid is shown in Table 1.
Minimum Acceptable Quantity	Bidders may specify a minimum acceptable quantity in the event that TransCanada needs to prorate the available capacity.
Capacity Allocation	TransCanada will allocate capacity based on a minimum aggregate contract quantity threshold of 1.5 PJ/d being achieved. Should TransCanada receive acceptable bids with aggregate quantity in excess of the 1.5 PJ/d contract quantity threshold, TransCanada will have the right to apportion bids pro rata down to the available

## TransCanada's 2017 Dawn Long Term Fixed Price Service Open Season



	capacity. In the case where a contract proration occurs resulting in a different volume tier (see table 1), the toll will remain unchanged from the original contract quantity bid.
Notification to Service Applicants	TransCanada will notify all service applicants of the allocation of capacity within fifteen (15) Banking Days of the close of the Open Season subject to conditions outlined above.
Service Commencement Dates	Commencement of the Service is subject to a number of factors that may delay the commencement of Service, including, without limitation: <ol style="list-style-type: none"> <li>1) delays in obtaining any required TBO capacity; and</li> <li>2) delays in TransCanada receiving any required approvals.</li> </ol>
Financial Assurances	TransCanada requires acceptable financial assurances. Please refer to TransCanada Pipelines Limited Transportation Tariff, General Terms and Conditions, Section XXIII Financial Assurances.
GST or HST Procedures	TransCanada is required to charge the GST or HST, whichever is applicable, on transportation of gas that is consumed in Canada. Shippers may zero-rate GST or HST on contracts intended to serve an export market by making a Declaration on the nomination line in NrG Highway. Shippers may also provide a Declaration for any Unutilized Demand Charges (UDC). For more information, please see <a href="#">GST/HST Procedures</a> .

### Questions:

For inquiries regarding this Open Season please direct questions to your Mainline Customer Account Manager.

<b>Calgary</b>	
Gordon Betts	403.920.6834
Michael Mazier	403.920.2651
<b>Toronto</b>	
Amelia Cheung	416.869.2115
Lisa DeAbreu	416.869.2171

**This Open Season closes at 1 pm Eastern Standard Time on November 10, 2016.**

**Paper bid form can be found at the following links:**

**[Paper Bid Form](#)**

**Please fax completed bids to 403-920-2343**



## Frequently Asked Questions.

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1.     **Question.**     **Will assignments of the Dawn LTFP Contract be permitted?**

Answer.     While a shipper may permanently assign the full contract quantity of the Dawn LTFP Contract subject to TransCanada's consent, permanent assignment of a portion of the contract quantity will not be permitted under normal circumstances. However, temporary partial or full assignments will be permitted in accordance with TransCanada's current temporary assignment practices for FT service.
  
2.     **Question.**     **Is TransCanada intending to address the concern that Aggregators have regarding credit exposure to third parties that they are contracting LTFP Service on behalf of?**

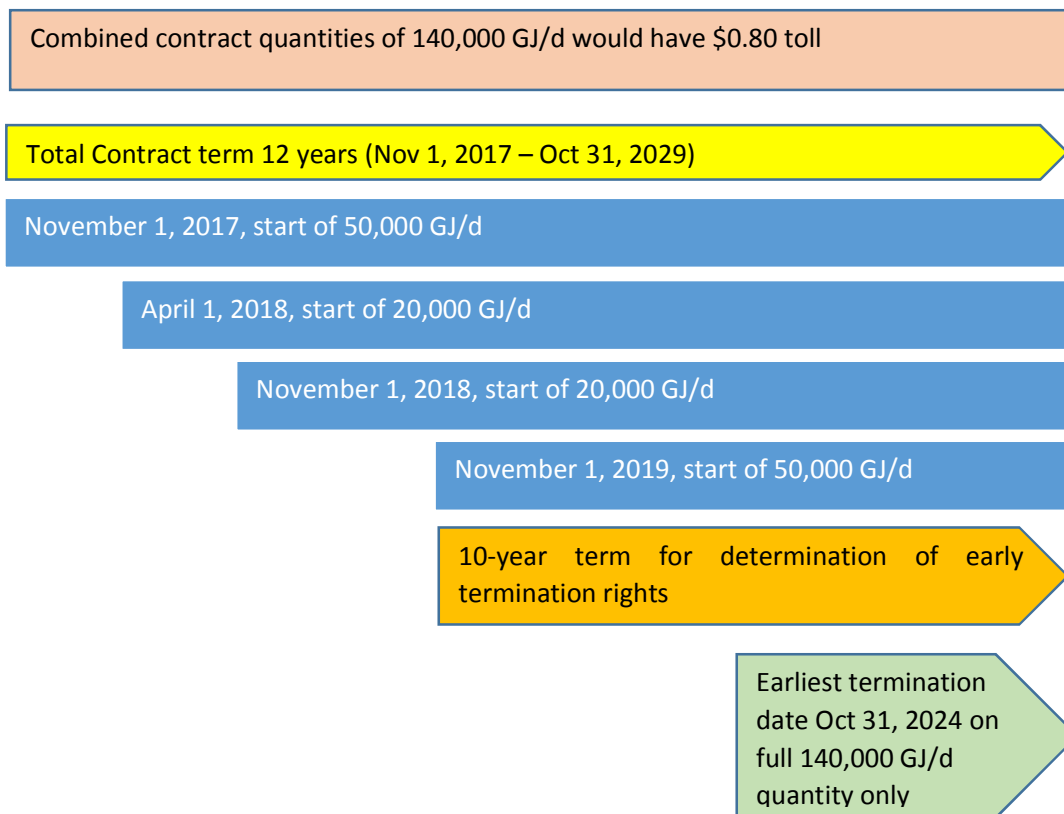
Answer.     TransCanada has created an alternative contract for Aggregators which stipulates that where a third party for which the shipper sought service for a particular tranche(s) experiences a bankruptcy event, the shipper may reduce the contract demand of the Dawn LTFP Contract by the amount held in respect of the third party's tranche(s), upon a minimum four (4) months' notice. In this eventuality, the applicable Toll for the remaining contract demand held by shipper will be adjusted, if required, to reflect the toll applicable to that contract quantity, as detailed in the Dawn LTFP Open Season.
  
3.     **Question.**     **If a service applicant submits multiple bids with varying start dates, will the aggregate volume be used to determine the applicable toll?**

Answer.     No. If a service applicant submits multiple bids, the applicable toll will be based on the contract quantity specified in each separate bid.

However, a shipper may submit a single bid that specifies multiple contract quantities with different commencement dates, as provided in the attached alternative bid form. If this bid is accepted by TransCanada, a single Dawn LTFP Contract will be issued that permits the specified quantities to commence at the specified dates. The applicable toll for all quantities will be based on the total contract quantity. The end date for all contract quantities will be 10 years following the last specified commencement date. Early termination will not be permitted prior to the fifth anniversary of the commencement date of the last specified quantity. As with the single start date/10-year bid service, shipper's written notice of termination must be received two years prior to the desired termination date.



Example:



- 4. Question.** With respect to the continuation of pricing discretion for short term and interruptible services, are shippers required to support pricing discretion?

**Answer.** Shippers are required to not oppose the continuation of pricing discretion for short term and interruptible services from the time the Dawn LTFP Contract is executed until the initial end date of all Dawn LTFP Contracts entered into under the Open Season.
- 5. Question.** If a shipper delivers to a secondary delivery point on the Great Lakes Gas Transmission System would the fuel quantity be calculated on the basis of delivery to the secondary delivery point or on the basis of delivering to Dawn?

**Answer.** The fuel quantity will be calculated on the basis of the distance between Empress and the secondary delivery point, and not on the basis of the full path to Dawn.





**6. Question. Can shippers terminate a portion of their contract quantity early?**

Answer. No. Shippers are only permitted to reduce the term of the Dawn LTFP Contract for the entire contract quantity.

**7. Question. Can service applicants condition their bids on obtaining FT-R Service on NGTL?**

Answer. No. Bids can only be conditioned on the service applicant receiving FT-D Service at Empress on NGTL, which condition must be satisfied or waived in accordance with the provisions of the Dawn LTFP Open Season.

**TransCanada PipeLines Limited**

**2017 DAWN LONG TERM FIXED PRICE ("DAWN LTFP") SERVICE BID FORM**

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System Segment: EMPRESS TO UNION SWDA

Receipt Point: EMPRESS

Delivery Point: UNION SWDA

Date of Commencement: \_\_\_\_\_

Dawn LTFP Service End Date shall be ten (10) years following the Date of Commencement unless early termination rights are exercised, in which case the Dawn LTFP Service End Date shall be amended by TransCanada PipeLines Limited ("TransCanada").

Maximum Capacity: \_\_\_\_\_ GJ/Day Minimum Capacity: \_\_\_\_\_ GJ/Day

Allocated Capacity: \_\_\_\_\_ GJ/Day (to be completed by TransCanada)

Service Applicant: \_\_\_\_\_

Contact: \_\_\_\_\_

Address: \_\_\_\_\_

Telephone: \_\_\_\_\_ Email: \_\_\_\_\_

Is this Dawn LTFP Bid Form conditional upon Service Applicant obtaining upstream FT-D capacity on NOVA Gas Transmission Ltd.? Yes \_\_\_\_\_ No \_\_\_\_\_ (please check one)

If yes, Service Applicant must indicate satisfaction or waiver of this condition within three (3) Banking Days of Service Applicant receiving notice from TransCanada of Allocated Capacity pursuant to this Dawn LTFP Bid Form and the terms of the Dawn LTFP Open Season.

Is this Dawn LTFP Bid Form conditional upon Service Applicant obtaining approval from its Board of Directors or equivalent approval? Yes \_\_\_\_\_ No \_\_\_\_\_ (please check one)

If yes, specify the nature of the approval required. Service Applicant must indicate satisfaction or waiver of this condition by December 1, 2016.

This Dawn LTFP Bid Form is binding and irrevocable on the Service Applicant and cannot be withdrawn or amended by Service Applicant after the close of the Dawn LTFP Open Season.

If this Dawn LTFP Bid Form is accepted by TransCanada and capacity is allocated to the Service Applicant pursuant to the capacity allocation provisions of the Dawn LTFP Open Season, TransCanada and the Service Applicant agree as follows:

**TransCanada PipeLines Limited**

**2017 DAWN LONG TERM FIXED PRICE ("DAWN LTFP") SERVICE BID FORM**

- i. No earlier than December 1, 2016, TransCanada shall notify Service Applicant of Allocated Capacity pursuant to the notification provisions of the Dawn LTFP Open Season and provide Service Applicant a service contract on terms and conditions substantially the same as described in the Dawn LTFP Open Season ("Dawn LTFP Contract").
- ii. Within five (5) Banking Days of Service Applicant receiving the Dawn LTFP Contract, Service Applicant shall execute and return to TransCanada for execution the Dawn LTFP Contract.
- iii. The Dawn LTFP Contract will be subject to the General Terms and Conditions, the Dawn LTFP Toll Schedule and List of Tolls of TransCanada's Canadian Mainline Transportation Tariff, all of which are subject to NEB approval.
- iv. Service Applicant acknowledges the Dawn LTFP Service is conditional upon the terms and conditions outlined in the Dawn LTFP Open Season, including receipt of all approvals that TransCanada determines necessary to provide the Dawn LTFP Service on terms and conditions acceptable to TransCanada in its sole discretion.
- v. During the period commencing with the execution of the Dawn LTFP Contract and concluding on the expiry of Service Applicant's Dawn LTFP Contract, Service Applicant shall support TransCanada in any regulatory proceeding required to implement or continue the Dawn LTFP Service, as determined by TransCanada in its sole reasonable discretion. Following expiry of the Service Applicant's Dawn LTFP Contract, Service Applicant shall not oppose, whether directly or indirectly, the Dawn LTFP Service until the expiry of all Dawn LTFP Contracts entered into under this Dawn LTFP Open Season.
- vi. During the period commencing with the execution of the Dawn LTFP Contract and concluding on the latest initial end date of all Dawn LTFP Contracts entered into under this Dawn LTFP Open Season, Service Applicant shall not oppose, whether directly or indirectly, the continuation of pricing discretion for short term and interruptible services on the Mainline.
- vii. Upon execution of the Dawn LTFP Contract, the terms and conditions therein shall supersede this Dawn LTFP Bid Form.

Service Applicant:

TransCanada PipeLines Limited

Signed: \_\_\_\_\_

Signed: \_\_\_\_\_

Name: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

Date: \_\_\_\_\_

Signed: \_\_\_\_\_

Signed: \_\_\_\_\_

Name: \_\_\_\_\_

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Title: \_\_\_\_\_

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Date: \_\_\_\_\_

Date: \_\_\_\_\_

**TransCanada PipeLines Limited**

**2017 DAWN LONG TERM FIXED PRICE ("DAWN LTFP") SERVICE BID FORM**

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Receipt Point: EMPRESS

Delivery Point: UNION SWDA

Date of Commencement: \_\_\_\_\_

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Maximum Capacity: \_\_\_\_\_ GJ/Day Minimum Capacity: \_\_\_\_\_ GJ/Day

Allocated Capacity: \_\_\_\_\_ GJ/Day (to be completed by TransCanada)

Service Applicant: \_\_\_\_\_

Contact: \_\_\_\_\_

Address: \_\_\_\_\_

Telephone: \_\_\_\_\_ Email: \_\_\_\_\_

Is this Dawn LTFP Bid Form conditional upon Service Applicant obtaining upstream FT-D capacity on NOVA Gas Transmission Ltd.? Yes \_\_\_\_\_ No \_\_\_\_\_ (please check one)

If yes, Service Applicant must indicate satisfaction or waiver of this condition within three (3) Banking Days of Service Applicant receiving notice from TransCanada of Allocated Capacity pursuant to this Dawn LTFP Bid Form and the terms of the Dawn LTFP Open Season.

Is this Dawn LTFP Bid Form conditional upon Service Applicant obtaining approval from its Board of Directors or equivalent approval? Yes \_\_\_\_\_ No \_\_\_\_\_ (please check one)

If yes, specify the nature of the approval required. Service Applicant must indicate satisfaction or waiver of this condition by December 1, 2016 and nature of the approval required.

This Dawn LTFP Bid Form is binding and irrevocable on the Service Applicant and cannot be withdrawn or amended by Service Applicant after the close of the Dawn LTFP Open Season.

If this Dawn LTFP Bid Form is accepted by TransCanada and capacity is allocated to the Service Applicant pursuant to the capacity allocation provisions of the Dawn LTFP Open Season, TransCanada and the Service Applicant agree as follows:

**TransCanada PipeLines Limited**

**2017 DAWN LONG TERM FIXED PRICE ("DAWN LTFP") SERVICE BID FORM**

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- ii. Within five (5) Banking Days of Service Applicant receiving the Dawn LTFP Contract, Service Applicant shall execute and return to TransCanada for execution the Dawn LTFP Contract.
- iii. The Dawn LTFP Contract will be subject to the General Terms and Conditions, the Dawn LTFP Toll Schedule and List of Tolls of TransCanada's Canadian Mainline Transportation Tariff, all of which are subject to NEB approval.
- iv. Service Applicant acknowledges the Dawn LTFP Service is conditional upon the terms and conditions outlined in the Dawn LTFP Open Season, including receipt of all approvals that TransCanada determines necessary to provide the Dawn LTFP Service on terms and conditions acceptable to TransCanada in its sole discretion.
- v. During the period commencing with the execution of the Dawn LTFP Contract and concluding on the expiry of Service Applicant's Dawn LTFP Contract, Service Applicant shall support TransCanada in any regulatory proceeding required to implement or continue the Dawn LTFP Service, as determined by TransCanada in its reasonable discretion. Following expiry of the Service Applicant's Dawn LTFP Contract, Service Applicant shall not oppose, whether directly or indirectly, the Dawn LTFP Service until the expiry of all Dawn LTFP Contracts entered into under this Dawn LTFP Open Season.
- vi. During the period commencing with the execution of the Dawn LTFP Contract and concluding on the latest initial end date of all Dawn LTFP Contracts entered into under this Dawn LTFP Open Season, Service Applicant shall not oppose, whether directly or indirectly, the continuation of pricing discretion for short term and interruptible services on the Mainline.
- vii. Upon execution of the Dawn LTFP Contract, the terms and conditions therein shall supersede this Dawn LTFP Bid Form.

Service Applicant:

TransCanada PipeLines Limited

Signed: \_\_\_\_\_

Signed: \_\_\_\_\_

Name: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

Date: \_\_\_\_\_

Signed: \_\_\_\_\_

Signed: \_\_\_\_\_

Name: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

Date: \_\_\_\_\_

**TransCanada PipeLines Limited**

**2017 DAWN LONG TERM FIXED PRICE ("DAWN LTFP") SERVICE BID FORM**  
**[For Multiple Dates of Commencement (Tranches)]**

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System Segment: EMPRESS TO UNION SWDA

Receipt Point: EMPRESS

Delivery Point: UNION SWDA

Tranche 1:

Date of Commencement: \_\_\_\_\_

Maximum Capacity: \_\_\_\_\_ GJ/Day    Minimum Capacity: \_\_\_\_\_ GJ/Day

Allocated Capacity: \_\_\_\_\_ GJ/Day (to be completed by TransCanada)

Tranche 2:

Date of Commencement: \_\_\_\_\_

Maximum Capacity: \_\_\_\_\_ GJ/Day    Minimum Capacity: \_\_\_\_\_ GJ/Day

Allocated Capacity: \_\_\_\_\_ GJ/Day (to be completed by TransCanada)

Tranche 3:

Date of Commencement: \_\_\_\_\_

Maximum Capacity: \_\_\_\_\_ GJ/Day    Minimum Capacity: \_\_\_\_\_ GJ/Day

Allocated Capacity: \_\_\_\_\_ GJ/Day (to be completed by TransCanada)

To request Additional Tranches, Service Applicant shall attach a supplemental schedule to this Dawn LTFP Bid Form specifying the Tranche number, Date of Commencement, Maximum Capacity and Minimum Capacity, and Allocated Capacity (to be completed by TransCanada), for each Tranche.

Dawn LTFP Service End Date shall be ten (10) years following the Date of Commencement of the last Tranche unless early termination rights are exercised, in which case the Dawn LTFP Service End Date shall be amended by TransCanada PipeLines Limited ("TransCanada").

Service Applicant: \_\_\_\_\_

Contact: \_\_\_\_\_

Address: \_\_\_\_\_

Telephone: \_\_\_\_\_ Email: \_\_\_\_\_

**TransCanada PipeLines Limited**

**2017 DAWN LONG TERM FIXED PRICE ("DAWN LTFP") SERVICE BID FORM  
[For Multiple Dates of Commencement (Tranches)]**

Is this Dawn LTFP Bid Form conditional upon Service Applicant obtaining upstream FT-D capacity on NOVA Gas Transmission Ltd.? Yes \_\_\_\_\_ No \_\_\_\_\_ (please check one)

If yes, Service Applicant must indicate satisfaction or waiver of this condition within three (3) Banking Days of Service Applicant receiving notice from TransCanada of Allocated Capacity pursuant to this Dawn LTFP Bid Form and the terms of the Dawn LTFP Open Season.

Is this Dawn LTFP Bid Form conditional upon Service Applicant obtaining approval from its Board of Directors or equivalent approval? Yes \_\_\_\_\_ No \_\_\_\_\_ (please check one)

If yes, specify the nature of the approval required. Service Applicant must indicate satisfaction or waiver of this condition by December 1, 2016.

This Dawn LTFP Bid Form is binding and irrevocable on the Service Applicant and cannot be withdrawn or amended by Service Applicant after the close of the Dawn LTFP Open Season.

If this Dawn LTFP Bid Form is accepted by TransCanada and capacity is allocated to the Service Applicant pursuant to the capacity allocation provisions of the Dawn LTFP Open Season, TransCanada and the Service Applicant agree as follows:

- i. No earlier than December 1, 2016, TransCanada shall notify Service Applicant of Allocated Capacity pursuant to the notification provisions of the Dawn LTFP Open Season and provide Service Applicant a service contract on terms and conditions substantially the same as described in the Dawn LTFP Open Season ("Dawn LTFP Contract").
- ii. Within five (5) Banking Days of Service Applicant receiving the Dawn LTFP Contract, Service Applicant shall execute and return to TransCanada for execution the Dawn LTFP Contract.
- iii. The Dawn LTFP Contract will be subject to the General Terms and Conditions, the Dawn LTFP Toll Schedule and List of Tolls of TransCanada's Canadian Mainline Transportation Tariff, all of which are subject to NEB approval.
- iv. Service Applicant acknowledges the Dawn LTFP Service is conditional upon the terms and conditions outlined in the Dawn LTFP Open Season, including receipt of all approvals that TransCanada determines necessary to provide the Dawn LTFP Service on terms and conditions acceptable to TransCanada in its sole discretion.
- v. During the period commencing with the execution of the Dawn LTFP Contract and concluding on the expiry of Service Applicant's Dawn LTFP Contract, Service Applicant shall support TransCanada in any regulatory proceeding required to implement or continue the Dawn LTFP Service, as determined by TransCanada in its ~~sole discretion~~ reasonable discretion. Following expiry of the Service Applicant's Dawn LTFP Contract, Service Applicant shall not oppose, whether directly or indirectly, the Dawn LTFP Service until the expiry of all Dawn LTFP Contracts entered into under this Dawn LTFP Open Season.
- vi. During the period commencing with the execution of the Dawn LTFP Contract and concluding on the latest initial end date of all Dawn LTFP Contracts entered into under this Dawn LTFP Open Season, Service Applicant shall not oppose, whether directly or indirectly, the continuation of pricing discretion for short term and interruptible services on the Mainline.

**TransCanada PipeLines Limited**

**2017 DAWN LONG TERM FIXED PRICE ("DAWN LTFP") SERVICE BID FORM  
[For Multiple Dates of Commencement (Tranches)]**

vii. Upon execution of the Dawn LTFP Contract, the terms and conditions therein shall supersede this Dawn LTFP Bid Form.

Service Applicant:

TransCanada PipeLines Limited

Signed: \_\_\_\_\_

Signed: \_\_\_\_\_

Name: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

Date: \_\_\_\_\_

Signed: \_\_\_\_\_

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Name: \_\_\_\_\_

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Date: \_\_\_\_\_

Date: \_\_\_\_\_



**TransCanada PipeLines Limited**

**2017 DAWN LONG TERM FIXED PRICE ("DAWN LTFP") SERVICE BID FORM**  
**[For Multiple Dates of Commencement (Tranches)]**

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System Segment: EMPRESS TO UNION SWDA

Receipt Point: EMPRESS

Delivery Point: UNION SWDA

Tranche 1:

Date of Commencement: \_\_\_\_\_

Maximum Capacity: \_\_\_\_\_ GJ/Day    Minimum Capacity: \_\_\_\_\_ GJ/Day

Allocated Capacity: \_\_\_\_\_ GJ/Day (to be completed by TransCanada)

Tranche 2:

Date of Commencement: \_\_\_\_\_

Maximum Capacity: \_\_\_\_\_ GJ/Day    Minimum Capacity: \_\_\_\_\_ GJ/Day

Allocated Capacity: \_\_\_\_\_ GJ/Day (to be completed by TransCanada)

Tranche 3:

Date of Commencement: \_\_\_\_\_

Maximum Capacity: \_\_\_\_\_ GJ/Day    Minimum Capacity: \_\_\_\_\_ GJ/Day

Allocated Capacity: \_\_\_\_\_ GJ/Day (to be completed by TransCanada)

To request Additional Tranches, Service Applicant shall attach a supplemental schedule to this Dawn LTFP Bid Form specifying the Tranche number, Date of Commencement, Maximum Capacity and Minimum Capacity, and Allocated Capacity (to be completed by TransCanada), for each Tranche.

Dawn LTFP Service End Date shall be ten (10) years following the Date of Commencement of the last Tranche unless early termination rights are exercised, in which case the Dawn LTFP Service End Date shall be amended by TransCanada PipeLines Limited ("TransCanada").

Service Applicant: \_\_\_\_\_

Contact: \_\_\_\_\_

Address: \_\_\_\_\_

Telephone: \_\_\_\_\_ Email: \_\_\_\_\_

**TransCanada PipeLines Limited**

**2017 DAWN LONG TERM FIXED PRICE ("DAWN LTFP") SERVICE BID FORM  
[For Multiple Dates of Commencement (Tranches)]**

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Is this Dawn LTFP Bid Form conditional upon Service Applicant obtaining upstream FT-D capacity on NOVA Gas Transmission Ltd.? Yes \_\_\_\_\_ No \_\_\_\_\_ (please check one)

If yes, Service Applicant must indicate satisfaction or waiver of this condition within three (3) Banking Days of Service Applicant receiving notice from TransCanada of Allocated Capacity pursuant to this Dawn LTFP Bid Form and the terms of the Dawn LTFP Open Season.

Is this Dawn LTFP Bid Form conditional upon Service Applicant obtaining approval from its Board of Directors or equivalent approval? Yes \_\_\_\_\_ No \_\_\_\_\_ (please check one)

If yes, specify the nature of the approval required. Service Applicant must indicate satisfaction or waiver of this condition by December 1, 2016.

This Dawn LTFP Bid Form is binding and irrevocable on the Service Applicant and cannot be withdrawn or amended by Service Applicant after the close of the Dawn LTFP Open Season.

If this Dawn LTFP Bid Form is accepted by TransCanada and capacity is allocated to the Service Applicant pursuant to the capacity allocation provisions of the Dawn LTFP Open Season, TransCanada and the Service Applicant agree as follows:

- i. No earlier than December 1, 2016, TransCanada shall notify Service Applicant of Allocated Capacity pursuant to the notification provisions of the Dawn LTFP Open Season and provide Service Applicant a service contract on terms and conditions substantially the same as described in the Dawn LTFP Open Season ("Dawn LTFP Contract").
- ii. Within five (5) Banking Days of Service Applicant receiving the Dawn LTFP Contract, Service Applicant shall execute and return to TransCanada for execution the Dawn LTFP Contract.
- iii. The Dawn LTFP Contract will be subject to the General Terms and Conditions, the Dawn LTFP Toll Schedule and List of Tolls of TransCanada's Canadian Mainline Transportation Tariff, all of which are subject to NEB approval.
- iv. Service Applicant acknowledges the Dawn LTFP Service is conditional upon the terms and conditions outlined in the Dawn LTFP Open Season, including receipt of all approvals that TransCanada determines necessary to provide the Dawn LTFP Service on terms and conditions acceptable to TransCanada in its sole discretion.
- v. During the period commencing with the execution of the Dawn LTFP Contract and concluding on the expiry of Service Applicant's Dawn LTFP Contract, Service Applicant shall support TransCanada in any regulatory proceeding required to implement or continue the Dawn LTFP Service, as determined by TransCanada in its reasonable discretion. Following expiry of the Service Applicant's Dawn LTFP Contract, Service Applicant shall not oppose, whether directly or indirectly, the Dawn LTFP Service until the expiry of all Dawn LTFP Contracts entered into under this Dawn LTFP Open Season.
- vi. During the period commencing with the execution of the Dawn LTFP Contract and concluding on the latest initial end date of all Dawn LTFP Contracts entered into under this Dawn LTFP Open Season, Service Applicant shall not oppose, whether directly or indirectly, the continuation of pricing discretion for short term and interruptible services on the Mainline.

**TransCanada PipeLines Limited**

**2017 DAWN LONG TERM FIXED PRICE ("DAWN LTFP") SERVICE BID FORM  
[For Multiple Dates of Commencement (Tranches)]**

---

- vii. Upon execution of the Dawn LTFP Contract, the terms and conditions therein shall supersede this Dawn LTFP Bid Form.

Service Applicant:

TransCanada PipeLines Limited

Signed: \_\_\_\_\_

Signed: \_\_\_\_\_

Name: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

Date: \_\_\_\_\_

Signed: \_\_\_\_\_

Signed: \_\_\_\_\_

Name: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

Date: \_\_\_\_\_

**TransCanada PipeLines Limited**

**2017 DAWN LONG TERM FIXED PRICE ("DAWN LTFP") SERVICE BID FORM**  
**[For Aggregated]**

---

System Segment: EMPRESS TO UNION SWDA

Receipt Point: EMPRESS

Delivery Point: UNION SWDA

**Tranche 1:**

Is this Tranche held by Service Applicant on behalf of a Third Party? Yes\_\_\_\_ No: \_\_\_\_  
(please check one)

If Yes, Legal name of the Third Party: \_\_\_\_\_

Date of Commencement: \_\_\_\_\_

Maximum Capacity: \_\_\_\_ GJ/Day Minimum Capacity: \_\_\_\_ GJ/Day

Allocated Capacity: \_\_\_\_ GJ/Day (to be completed by TransCanada)

**Tranche 2:**

Is this Tranche held by Service Applicant on behalf of a Third Party? Yes\_\_\_\_ No: \_\_\_\_  
(please check one)

If Yes, Legal name of the Third Party: \_\_\_\_\_

Date of Commencement: \_\_\_\_\_

Maximum Capacity: \_\_\_\_ GJ/Day Minimum Capacity: \_\_\_\_ GJ/Day

Allocated Capacity: \_\_\_\_ GJ/Day (to be completed by TransCanada)

**Tranche 3:**

Is this Tranche held by Service Applicant on behalf of a Third Party? Yes\_\_\_\_ No: \_\_\_\_  
(please check one)

If Yes, Legal name of the Third Party: \_\_\_\_\_

Date of Commencement: \_\_\_\_\_

Maximum Capacity: \_\_\_\_ GJ/Day Minimum Capacity: \_\_\_\_ GJ/Day

Allocated Capacity: \_\_\_\_ GJ/Day (to be completed by TransCanada)

To request Additional Tranches, Service Applicant shall attach a supplemental schedule to this Dawn LTFP Bid Form specifying the Tranche number, whether the Tranche is held on behalf of a Third Party and if so, the Legal name of the Third Party, Date of Commencement, Maximum Capacity and Minimum Capacity, and Allocated Capacity (to be completed by TransCanada), for each Tranche.

Dawn LTFP Service End Date shall be ten (10) years following the Date of Commencement of the last Tranche unless early termination rights are exercised, in which case the Dawn LTFP Service End Date shall be amended by TransCanada PipeLines Limited ("TransCanada").

**TransCanada PipeLines Limited**

**2017 DAWN LONG TERM FIXED PRICE ("DAWN LTFP") SERVICE BID FORM**  
**[For Aggregated]**

Service Applicant: \_\_\_\_\_

Contact: \_\_\_\_\_

Address: \_\_\_\_\_

Telephone: \_\_\_\_\_ Email: \_\_\_\_\_

Is this Dawn LTFP Bid Form conditional upon Service Applicant obtaining upstream FT-D capacity on NOVA Gas Transmission Ltd.? Yes \_\_\_\_\_ No \_\_\_\_\_ (please check one)

If yes, Service Applicant must indicate satisfaction or waiver of this condition within three (3) Banking Days of Service Applicant receiving notice from TransCanada of Allocated Capacity pursuant to this Dawn LTFP Bid Form and the terms of the Dawn LTFP Open Season.

Is this Dawn LTFP Bid Form conditional upon any Third Party obtaining upstream FT-D capacity on NOVA Gas Transmission Ltd.? Yes \_\_\_\_\_ No \_\_\_\_\_ (please check one)

If yes, specify the Third Party and applicable Tranche(s). Service Applicant must indicate satisfaction or waiver of this condition within three (3) Banking Days of Service Applicant receiving notice from TransCanada of Allocated Capacity pursuant to this Dawn LTFP Bid Form and the terms of the Dawn LTFP Open Season.

Is this Dawn LTFP Bid Form conditional upon Service Applicant obtaining approval from its Board of Directors or equivalent approval? Yes \_\_\_\_\_ No \_\_\_\_\_ (please check one)

If yes, specify the nature of the approval required. Service Applicant must indicate satisfaction or waiver of this condition by December 1, 2016.

Is this Dawn LTFP Bid Form conditional upon any Third Party obtaining approval from its Board of Directors or equivalent approval? Yes \_\_\_\_\_ No \_\_\_\_\_ (please check one)

If yes, specify the Third Party, applicable Tranche(s) and nature of the approval required. Service Applicant must indicate satisfaction or waiver of this condition by December 1, 2016.

Except as provided herein, this Dawn LTFP Bid Form is binding and irrevocable on the Service Applicant and cannot be withdrawn or amended by Service Applicant after the close of the Dawn LTFP Open Season. If Service Applicant provides written notification to TransCanada no later than December 1, 2016 that a Third Party has not received approval from its Board of Directors or equivalent approval as specified in this Dawn LTFP Bid Form, the Service Applicant may revise this Dawn LTFP Bid Form no later than December 1, 2016 to remove or reduce the Tranche(s) associated with that Third Party. For clarity, the applicable toll will be based on the total remaining Tranches.

Prior to acceptance of this Dawn LTFP Bid Form, and if requested by TransCanada, Service Applicant shall provide, or cause to be provided, upon two (2) Banking Days notice, information

**TransCanada PipeLines Limited**

**2017 DAWN LONG TERM FIXED PRICE ("DAWN LTFP") SERVICE BID FORM**  
**[For Aggregated]**

that TransCanada determines is necessary to demonstrate to TransCanada's satisfaction the credit worthiness of each Third Party for which Service Applicant intends to hold a Tranche of Dawn LTFP Service. In the event TransCanada notifies a Service Applicant that it has not provided satisfactory demonstration in relation to a Third Party, this Dawn LTFP Bid Form will be deemed to have been amended to remove the Tranche(s) associated with such Third Party unless Service Applicant provides written notification to TransCanada within two (2) Banking Days that it elects to retain these Tranche(s) for itself or on behalf of another Third Party acceptable to TransCanada. For clarity, the applicable toll will be based on the total remaining Tranches.

If this Dawn LTFP Bid Form is accepted by TransCanada and capacity is allocated to the Service Applicant pursuant to the capacity allocation provisions of the Dawn LTFP Open Season, TransCanada and the Service Applicant agree as follows:

- i. No earlier than December 1, 2016, TransCanada shall notify Service Applicant of Allocated Capacity pursuant to the notification provisions of the Dawn LTFP Open Season and provide Service Applicant a service contract on terms and conditions substantially the same as described in the Dawn LTFP Open Season ("Dawn LTFP Contract").
- ii. Within five (5) Banking Days of Service Applicant receiving the Dawn LTFP Contract, Service Applicant shall execute and return to TransCanada for execution the Dawn LTFP Contract.
- iii. The Dawn LTFP Contract will be subject to the General Terms and Conditions, the Dawn LTFP Toll Schedule and List of Tolls of TransCanada's Canadian Mainline Transportation Tariff, all of which are subject to NEB approval.
- iv. Service Applicant acknowledges the Dawn LTFP Service is conditional upon the terms and conditions outlined in the Dawn LTFP Open Season, including receipt of all approvals that TransCanada determines necessary to provide the Dawn LTFP Service on terms and conditions acceptable to TransCanada in its sole discretion.
- v. During the period commencing with the execution of the Dawn LTFP Contract and concluding on the expiry of Service Applicant's Dawn LTFP Contract, Service Applicant shall support TransCanada in any regulatory proceeding required to implement or continue the Dawn LTFP Service, as determined by TransCanada in its ~~sole~~ reasonable discretion. Following expiry of the Service Applicant's Dawn LTFP Contract, Service Applicant shall not oppose, whether directly or indirectly, the Dawn LTFP Service until the expiry of all Dawn LTFP Contracts entered into under this Dawn LTFP Open Season.
- vi. During the period commencing with the execution of the Dawn LTFP Contract and concluding on the latest initial end date of all Dawn LTFP Contracts entered into under this Dawn LTFP Open Season, Service Applicant shall not oppose, whether directly or indirectly, the continuation of pricing discretion for short term and interruptible services on the Mainline.
- vii. If a Third Party for which Service Applicant sought service for a particular Tranche experiences a Bankruptcy Event (as defined in the Dawn LTFP Contract), the Service Applicant (as Shipper) will have the ability to reduce the contract demand of the Dawn LTFP Contract by the amount held in respect of the Third Party's Tranche or Tranches, upon a minimum four (4) months' notice. In this eventuality, the applicable Toll for the remaining contract demand held by Service Applicant (as Shipper) will be adjusted, if

**TransCanada PipeLines Limited**

**2017 DAWN LONG TERM FIXED PRICE ("DAWN LTFP") SERVICE BID FORM**  
**[For Aggregated]**

---

required, to reflect the toll applicable to that contract quantity, as detailed in the Dawn LTFP Open Season.

viii. Upon execution of the Dawn LTFP Contract, the terms and conditions therein shall supersede this Dawn LTFP Bid Form.

Service Applicant:

TransCanada Pipelines Limited

Signed: \_\_\_\_\_

Signed: \_\_\_\_\_

Name: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

Date: \_\_\_\_\_

Signed: \_\_\_\_\_

Signed: \_\_\_\_\_

Name: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

Date: \_\_\_\_\_

**TransCanada PipeLines Limited**

**2017 DAWN LONG TERM FIXED PRICE ("DAWN LTFP") SERVICE BID FORM**  
**[For Aggregated]**

---

System Segment: EMPRESS TO UNION SWDA

Receipt Point: EMPRESS

Delivery Point: UNION SWDA

**Tranche 1:**

Is this Tranche held by Service Applicant on behalf of a Third Party? Yes\_\_\_\_ No: \_\_\_\_  
(please check one)

If Yes, Legal name of the Third Party: \_\_\_\_\_

Date of Commencement: \_\_\_\_\_

Maximum Capacity: \_\_\_\_ GJ/Day Minimum Capacity: \_\_\_\_ GJ/Day

Allocated Capacity: \_\_\_\_ GJ/Day (to be completed by TransCanada)

**Tranche 2:**

Is this Tranche held by Service Applicant on behalf of a Third Party? Yes\_\_\_\_ No: \_\_\_\_  
(please check one)

If Yes, Legal name of the Third Party: \_\_\_\_\_

Date of Commencement: \_\_\_\_\_

Maximum Capacity: \_\_\_\_ GJ/Day Minimum Capacity: \_\_\_\_ GJ/Day

Allocated Capacity: \_\_\_\_ GJ/Day (to be completed by TransCanada)

**Tranche 3:**

Is this Tranche held by Service Applicant on behalf of a Third Party? Yes\_\_\_\_ No: \_\_\_\_  
(please check one)

If Yes, Legal name of the Third Party: \_\_\_\_\_

Date of Commencement: \_\_\_\_\_

Maximum Capacity: \_\_\_\_ GJ/Day Minimum Capacity: \_\_\_\_ GJ/Day

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Dawn LTFP Service End Date shall be ten (10) years following the Date of Commencement of the last Tranche unless early termination rights are exercised, in which case the Dawn LTFP Service End Date shall be amended by TransCanada PipeLines Limited ("TransCanada").



**TransCanada PipeLines Limited**

**2017 DAWN LONG TERM FIXED PRICE ("DAWN LTFP") SERVICE BID FORM**  
**[For Aggregated]**

---

Service Applicant: \_\_\_\_\_

Contact: \_\_\_\_\_

Address: \_\_\_\_\_  
\_\_\_\_\_

Telephone: \_\_\_\_\_ Email: \_\_\_\_\_

Is this Dawn LTFP Bid Form conditional upon Service Applicant obtaining upstream FT-D capacity on NOVA Gas Transmission Ltd.? Yes\_\_\_\_\_ No\_\_\_\_\_ (please check one)

If yes, Service Applicant must indicate satisfaction or waiver of this condition within three (3) Banking Days of Service Applicant receiving notice from TransCanada of Allocated Capacity pursuant to this Dawn LTFP Bid Form and the terms of the Dawn LTFP Open Season.

Is this Dawn LTFP Bid Form conditional upon any Third Party obtaining upstream FT-D capacity on NOVA Gas Transmission Ltd.? Yes\_\_\_\_\_ No\_\_\_\_\_ (please check one)

If yes, specify the Third Party and applicable Tranche(s). Service Applicant must indicate satisfaction or waiver of this condition within three (3) Banking Days of Service Applicant receiving notice from TransCanada of Allocated Capacity pursuant to this Dawn LTFP Bid Form and the terms of the Dawn LTFP Open Season.

Is this Dawn LTFP Bid Form conditional upon Service Applicant obtaining approval from its Board of Directors or equivalent approval? Yes\_\_\_\_\_ No\_\_\_\_\_ (please check one)

If yes, specify the nature of the approval required. Service Applicant must indicate satisfaction or waiver of this condition by December 1, 2016.

Is this Dawn LTFP Bid Form conditional upon any Third Party obtaining approval from its Board of Directors or equivalent approval? Yes\_\_\_\_\_ No\_\_\_\_\_ (please check one)

If yes, specify the Third Party, applicable Tranche(s) and nature of the approval required. Service Applicant must indicate satisfaction or waiver of this condition by December 1, 2016.

Except as provided herein, this Dawn LTFP Bid Form is binding and irrevocable on the Service Applicant and cannot be withdrawn or amended by Service Applicant after the close of the Dawn LTFP Open Season. If Service Applicant provides written notification to TransCanada no later than December 1, 2016 that a Third Party has not received approval from its Board of Directors or equivalent approval as specified in this Dawn LTFP Bid Form, the Service Applicant may revise this Dawn LTFP Bid Form no later than December 1, 2016 to remove or reduce the Tranche(s) associated with that Third Party. For clarity, the applicable toll will be based on the total remaining Tranches.

**TransCanada PipeLines Limited**

**2017 DAWN LONG TERM FIXED PRICE ("DAWN LTFP") SERVICE BID FORM**  
**[For Aggregated]**

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Prior to acceptance of this Dawn LTFP Bid Form, and if requested by TransCanada, Service Applicant shall provide, or cause to be provided, upon two (2) Banking Days notice, information that TransCanada determines is necessary to demonstrate to TransCanada's satisfaction the credit worthiness of each Third Party for which Service Applicant intends to hold a Tranche of Dawn LTFP Service. In the event TransCanada notifies a Service Applicant that it has not provided satisfactory demonstration in relation to a Third Party, this Dawn LTFP Bid Form will be deemed to have been amended to remove the Tranche(s) associated with such Third Party unless Service Applicant provides written notification to TransCanada within two (2) Banking Days that it elects to retain these Tranche(s) for itself or on behalf of another Third Party acceptable to TransCanada. For clarity, the applicable toll will be based on the total remaining Tranches.

If this Dawn LTFP Bid Form is accepted by TransCanada and capacity is allocated to the Service Applicant pursuant to the capacity allocation provisions of the Dawn LTFP Open Season, TransCanada and the Service Applicant agree as follows:

- i. No earlier than December 1, 2016, TransCanada shall notify Service Applicant of Allocated Capacity pursuant to the notification provisions of the Dawn LTFP Open Season and provide Service Applicant a service contract on terms and conditions substantially the same as described in the Dawn LTFP Open Season ("Dawn LTFP Contract").
- ii. Within five (5) Banking Days of Service Applicant receiving the Dawn LTFP Contract, Service Applicant shall execute and return to TransCanada for execution the Dawn LTFP Contract.
- iii. The Dawn LTFP Contract will be subject to the General Terms and Conditions, the Dawn LTFP Toll Schedule and List of Tolls of TransCanada's Canadian Mainline Transportation Tariff, all of which are subject to NEB approval.
- iv. Service Applicant acknowledges the Dawn LTFP Service is conditional upon the terms and conditions outlined in the Dawn LTFP Open Season, including receipt of all approvals that TransCanada determines necessary to provide the Dawn LTFP Service on terms and conditions acceptable to TransCanada in its sole discretion.
- v. During the period commencing with the execution of the Dawn LTFP Contract and concluding on the expiry of Service Applicant's Dawn LTFP Contract, Service Applicant shall support TransCanada in any regulatory proceeding required to implement or continue the Dawn LTFP Service, as determined by TransCanada in its reasonable discretion. Following expiry of the Service Applicant's Dawn LTFP Contract, Service Applicant shall not oppose, whether directly or indirectly, the Dawn LTFP Service until the expiry of all Dawn LTFP Contracts entered into under this Dawn LTFP Open Season.
- vi. During the period commencing with the execution of the Dawn LTFP Contract and concluding on the latest initial end date of all Dawn LTFP Contracts entered into under this Dawn LTFP Open Season, Service Applicant shall not oppose, whether directly or indirectly, the continuation of pricing discretion for short term and interruptible services on the Mainline.
- vii. If a Third Party for which Service Applicant sought service for a particular Tranche experiences a Bankruptcy Event (as defined in the Dawn LTFP Contract), the Service Applicant (as Shipper) will have the ability to reduce the contract demand of the Dawn LTFP Contract by the amount held in respect of the Third Party's Tranche or Tranches,

**TransCanada PipeLines Limited**

**2017 DAWN LONG TERM FIXED PRICE ("DAWN LTFP") SERVICE BID FORM**  
**[For Aggregated]**

---

upon a minimum four (4) months' notice. In this eventuality, the applicable Toll for the remaining contract demand held by Service Applicant (as Shipper) will be adjusted, if required, to reflect the toll applicable to that contract quantity, as detailed in the Dawn LTFP Open Season.

- viii. Upon execution of the Dawn LTFP Contract, the terms and conditions therein shall supersede this Dawn LTFP Bid Form.

Service Applicant:

TransCanada PipeLines Limited

Signed: \_\_\_\_\_

Signed: \_\_\_\_\_

Name: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

Date: \_\_\_\_\_

Signed: \_\_\_\_\_

Signed: \_\_\_\_\_

Name: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

Date: \_\_\_\_\_

**Transportation Tariff**

**TransCanada PipeLines Limited**

DAWN LTFP TOLL SCHEDULE

**DAWN LONG TERM FIXED PRICE TRANSPORTATION SERVICE**

**DAWN LTFP TOLL SCHEDULE**

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Effective Date: [•]

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## Transportation Tariff

## TransCanada PipeLines Limited

### DAWN LTFP TOLL SCHEDULE

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#### 1. DEFINITIONS

1.1 Capitalized terms utilized herein, but not otherwise defined, shall have the meanings attributed to such terms in the General Terms and Conditions. For the purpose of this Toll Schedule, the following terms shall be defined:

- (a) "Conversion Option" shall have the meaning attributed to it in Section 10.1;
- (b) "Conversion Provisions" shall have the meaning attributed to it in Subsection 10.1(c);
- (c) "Dawn LTFP Contract" shall have the meaning attributed to it in Subsection 2.1(a);
- (d) "Dawn LTFP End Date" shall mean the date Shipper's Dawn LTFP Contract ends, as set out in Section 3.1 of Shipper's Dawn LTFP Contract;
- (e) "Dawn LTFP Service" shall mean transportation service provided pursuant to this Toll Schedule;
- (f) "Default" shall have the meaning attributed to it in Section 3.1;
- (g) "Default Quantity" shall have the meaning attributed to it in Section 3.1;
- (h) "Early Conversion and Term-up Notice" shall have the meaning attributed to it in Section 10.3;
- (i) "Expansion Facilities" shall have the meaning attributed to it in Section 10.3;
- (j) "FT Contract" shall mean a Firm Transportation Service Contract;
- (k) "FT Service" shall mean firm transportation service provided pursuant to the FT Toll Schedule;
- (l) "General Terms and Conditions" means the General Terms and Conditions of TransCanada's Canadian Mainline Gas Transportation Tariff;
- (m) "List of Tolls" means the List of Tolls of TransCanada's Canadian Mainline Gas Transportation Tariff; and
- (n) "Secondary Delivery" shall have the meaning attributed to it in Section 1 of the General Terms and Conditions.

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## **Transportation Tariff**

## **TransCanada PipeLines Limited**

### **DAWN LTFP TOLL SCHEDULE**

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#### **2. AVAILABILITY**

2.1 Any Shipper shall be eligible to receive service pursuant to this Toll Schedule provided that Shipper:

- (a) has entered into a Dawn Long Term Fixed Price Transportation Service Contract ("Dawn LTFP Contract") with TransCanada through a Dawn LTFP open season process, held by TransCanada in its sole discretion; and
- (b) has provided TransCanada with financial assurances as required by TransCanada pursuant to Section XXIII of the General Terms and Conditions.

#### **3. APPLICABILITY AND CHARACTER OF SERVICE**

3.1 On each day during the term of the Dawn LTFP Contract, Shipper shall be entitled to request service hereunder. Nominations for service shall be made pursuant to Section XXII of the General Terms and Conditions. Service hereunder shall not be subject to curtailment or interruption except as provided in Section XI, XIV, and XV of the General Terms and Conditions; PROVIDED HOWEVER, that if Shipper fails to provide on an ongoing and timely basis to TransCanada satisfactory evidence of its right to remove from the province of production all or any part of the quantities of gas to be transported by TransCanada under the Dawn LTFP Contract, Shipper shall be in default hereunder (the "Default") to the extent of the daily quantity not authorized for removal from the province of production as aforesaid (the "Default Quantity"), and TransCanada shall be entitled to immediately suspend service for a quantity up to, and including, the Default Quantity until such time as Shipper remedies the Default. TransCanada shall terminate any such suspension and resume service as to that part of the Default Quantity in respect of which the Default has been remedied.

3.2 Dawn LTFP Service is only available for long haul transportation service with a receipt point at Empress and a delivery point at the Union SWDA.

#### **4. MONTHLY BILL**

4.1 The monthly bill payable to TransCanada for service hereunder shall include the demand charge for Dawn LTFP Service in effect during the billing month for transportation service and shall be calculated by applying, as follows, the applicable tolls as approved by the NEB (as set forth in the List of Tolls):

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## Transportation Tariff

## TransCanada PipeLines Limited

### DAWN LTFP TOLL SCHEDULE

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(a) **Demand Charge**

For each month, the demand charge for transportation service shall be equal to the applicable Monthly Demand Toll for Dawn LTFP Service multiplied by Shipper's Contract Demand. If Shipper's Contract Demand changes during a month, then a weighted average daily Contract Demand shall be determined for such month and shall be used to calculate the demand charge for such month. The Monthly Demand Toll for Dawn LTFP Service is inclusive of any applicable Delivery Pressure Monthly Demand Toll and the Monthly Abandonment Surcharge which shall be equal to the Monthly Abandonment Surcharge from Empress to Emerson 2. The said demand charge is payable by Shipper notwithstanding any failure by Shipper during such month, for any reason whatsoever including force majeure or a default by Shipper under Section 3.1 hereof, to deliver Shipper's Authorized Quantity to TransCanada at the receipt point.

(b) **Fuel**

For each month, a Shipper shall provide, on a daily basis, a quantity of fuel in accordance with Subsection IV (1)(a) of the General Terms and Conditions.

## 5. MINIMUM BILL

- 5.1 The minimum monthly bill for service hereunder shall be the demand charge determined in Subsection 4.1 (a), after giving effect to any adjustment pursuant to Section 6 hereof.

## 6. DEMAND CHARGE ADJUSTMENTS

- 6.1 If during any day, TransCanada fails to deliver the quantity of gas requested by Shipper up to the Contract Demand, for any reason related solely to TransCanada's operations, including an event of force majeure occurring on any of the pipeline systems of TransCanada and Other Pipelines, then the monthly demand charge shall be reduced by an amount equal to the applicable Daily Demand Toll multiplied by the difference between the quantity of gas which TransCanada actually delivered to Shipper on such day, and the quantity of gas which such Shipper in good faith nominated hereunder on such day. If TransCanada refuses to accept deliveries of Shipper's gas or curtails receipts from or deliveries to Shipper pursuant to Paragraph 8 (Energy Imbalance Recovery) of Section XXII of the General Terms and Conditions, then there shall be no corresponding reduction in the monthly demand charge to Shipper.

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## Transportation Tariff

## TransCanada PipeLines Limited

### DAWN LTFP TOLL SCHEDULE

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#### 7. SECONDARY DELIVERY POINTS

- 7.1 (a) TransCanada will post on its website the eligible Secondary Delivery point(s), which may be updated from time to time.
- (b) Subject to the provisions herein, Shipper shall have the right to nominate to Secondary Delivery points posted pursuant to Subsection 7.1(a).
- (c) The aggregate of all nominations for delivery hereunder shall not exceed the Contract Demand under Shipper's Dawn LTFP Contract.
- (d) For the purpose of Section XVI of the General Terms and Conditions, service to Secondary Delivery points shall be equivalent to service under an STS Contract.
- 7.2 Any nomination by Shipper to a Secondary Delivery point under Shipper's Dawn LTFP Contract must be received by TransCanada's Gas Control Department in Calgary by the times posted on TransCanada's website.
- 7.3 TransCanada shall have the right to not accept a nomination made pursuant to Section 7.2 hereof or to accept only a portion of the quantities so nominated if the Secondary Delivery nominated would negatively impact TransCanada's ability to provide those transportation services which, pursuant to Section XV of the General Terms and Conditions, have a priority of service which is higher than that of the Secondary Delivery nominated by Shipper or if such Secondary Delivery would otherwise be immediately curtailed pursuant to Paragraph (c) of Section XV of the General Terms and Conditions. TransCanada shall have the right to curtail Secondary Delivery in accordance with Section XV of the General Terms and Conditions.

#### 8. ASSIGNMENT

- 8.1 Any company which shall succeed by purchase, merger or consolidation to the properties, substantially or in entirety, of Shipper or of TransCanada, as the case may be, shall be entitled to the rights and shall be subject to the obligations of its predecessor in title under any Dawn LTFP Contract into which this Toll Schedule is incorporated and any related contracts. Further, either Shipper or TransCanada may, without relieving itself of its obligations under any Dawn LTFP Contract into which this Toll Schedule is incorporated (unless consented to by the other party which consent shall not be unreasonably withheld), assign any of its rights and obligations thereunder to another party; provided it shall be reasonable, amongst other things, for TransCanada to withhold



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October 31, 2016

## Transportation Tariff

## TransCanada PipeLines Limited

### DAWN LTFP TOLL SCHEDULE

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consent unless the full Contract Demand is assigned to a single third party. Nothing herein shall in any way prevent either party to such Dawn LTFP Contract from pledging or mortgaging its rights thereunder as security for its indebtedness. Such Dawn LTFP Contract shall be binding upon and shall inure to the benefit of the respective successors and assignees of the parties thereto.

8.2 Assignments at a discount negotiated between assignors and assignees are permitted, provided that the approved toll continues to be paid to TransCanada.

8.3 Save as herein provided, assignment of a Dawn LTFP Contract into which this Toll Schedule is incorporated is expressly prohibited and is void.

### 9. TERM REDUCTION RIGHTS

9.1 Subject to subsection 9.2, Shipper may make a one-time election to reduce the term of the Dawn LTFP Contract by sixty (60), forty-eight (48), thirty-six (36), twenty-four (24) or twelve (12) months, in which case the Dawn LTFP End Date will be amended accordingly.

9.2 Shipper's election to reduce the term of the Dawn LTFP Contract must be provided by written notice to TransCanada a minimum of twenty-four (24) months prior to such amended Dawn LTFP End Date.

9.3 The applicable Monthly Demand Toll for the twenty-four (24) months prior to such amended Dawn LTFP End Date will be as stated in the Dawn LTFP Contract for the applicable term reduction.

### 10. CONVERSION RIGHTS

10.1 Subject to Sections 10.3 and 10.4, Shipper shall have the option of converting the Dawn LTFP Contract to an FT Contract (the "Conversion Option") provided that:

- (a) the conversion shall be effective the first day after the Dawn LTFP End Date for a period of either: i) one or more annual periods ending on the same calendar date as the Dawn LTFP End Date or ii) if Shipper requests a service termination date of October 31, one or more annual periods of twelve (12) consecutive full months plus the number of consecutive days necessary to the requested October 31;
- (b) the requested FT Service Contract Demand shall be at a level no greater than the Contract Demand set out in the Dawn LTFP Contract;

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## Transportation Tariff

## TransCanada PipeLines Limited

### DAWN LTFP TOLL SCHEDULE

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- (c) TransCanada receives written notice from Shipper of Shipper's election to exercise the Conversion Option which sets out the term and Contract Demand of such conversion (the "Conversion Provisions") no less than twenty-four (24) consecutive months before the Dawn LTFP End Date;
- (d) Shipper supplies TransCanada at the time of such notice with evidence satisfactory to TransCanada that Shipper will meet the availability provisions of the FT Toll Schedule in respect of the Conversion Provisions prior to the commencement of FT Service; and
- (e) TransCanada may accept late notice of Shipper's election to exercise the Conversion Option if TransCanada, in its sole discretion, determines that TransCanada will have the required capacity available after providing capacity for all of TransCanada's obligations pursuant to prior outstanding requests from Shipper and/or others, that such conversion will not adversely impact TransCanada's system operations and that all of the costs for providing this service will be covered by TransCanada's tolls.

10.2 All conversions shall be stated in GJ.

10.3 If at any time TransCanada determines, acting reasonably, that:

- (a) new or additional pipeline facilities are required to increase the Combined Capacity or capabilities of the system ("Expansion Facilities"); and
- (b) the estimated cost of such Expansion Facilities will exceed \$20 million;

TransCanada will provide an early conversion and term-up notice ("Early Conversion and Term-up Notice") to Shipper entitled to the Conversion Option if TransCanada determines Shipper's Dawn LTFP Contract may impact the design of the Expansion Facilities.

10.4 Upon receipt of the Early Conversion and Term-up Notice, Shipper may elect, within sixty (60) days of receipt of the Early Conversion and Term-up Notice, to exercise its Conversion Option for all or a portion of the Contract Demand set out in the Dawn LTFP Contract subject to the FT Contract having a termination date no earlier than five (5) years after the expected New Service Start Date (as defined in subsection 1.1 of TAPs) of the Expansion Facilities. If Shipper does not elect to exercise its Conversion Option for the required term set out in the Early Conversion and Term-up Notice within such sixty (60) day period, then Shipper shall no longer be entitled to a Conversion Option and Shipper's Dawn LTFP Contract shall expire on the Dawn LTFP End Date.

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### DAWN LTFP TOLL SCHEDULE

#### 11. MISCELLANEOUS PROVISIONS

- 11.1 The General Terms and Conditions and the List of Tolls, as amended from time to time, are applicable to this Toll Schedule and are hereby made a part hereof. If there is any conflict between the provisions of this Toll Schedule and the General Terms and Conditions, the provisions of this Toll Schedule shall prevail.
- 11.2 This Toll Schedule, the List of Tolls and the General Terms and Conditions are subject to the provisions of the National Energy Board Act or any other legislation passed in amendment thereof or substitution therefor.
- 11.3 This Toll Schedule together with the provisions of the General Terms and Conditions supercedes and replaces all previous Toll Schedules applicable to the Dawn LTFP Contract.

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## GENERAL TERMS AND CONDITIONS

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### GENERAL TERMS and CONDITIONS

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#### I DEFINITIONS

Except where the context expressly states another meaning, the following terms, when used in these General Terms and Conditions, in any Contract and in any Toll Schedule into which these General Terms and Conditions are incorporated, shall be construed to have the following meanings:

- "Abandonment Charge" shall mean the charge payable by Shipper to TransCanada pursuant to the FT, FT-SN, FT-NR, MFP, Dawn LTFP, IT, STS, STS-L, STFT, ST-SN, EMB and SSS Contracts.
- "Alternate Receipt" shall mean the receipt of quantities of gas at a receipt point not specified in Shipper's FT, FT-SN, FT-NR, or MFP Contract.
- "Banking Day" shall mean any day that the Royal Bank of Canada, Main Branch, Calgary, Canada or other financial institutions agreed to by TransCanada for payment pursuant to Section XI herein, conducts business.
- "CCT" shall mean Central Clock Time, representing the time in effect in the Central Time Zone of Canada at the time a transaction occurs, regardless of whether that time may be Standard Time or Daylight Savings Time as those terms are commonly known and understood.
- "Contract" shall mean a transportation service contract or a contract pursuant to the SNB Toll Schedule and shall also mean an Order of the NEB pursuant to Section 71(2) of the National Energy Board Act, as amended from time to time requiring TransCanada to provide transportation service.
- "Contract Demand" shall mean:
  - (i) with respect to transportation service contracts entered into prior to November 1, 1998, the contract demand, maximum daily quantity, annual contract quantity or maximum quantity as stated in a transportation service contract, converted to GJ by multiplying such contract demand, maximum daily quantity, annual contract quantity or maximum quantity by GHV-97 for the relevant delivery point as more particularly set out in the HV-97 Schedule attached to these General Terms and Conditions subject to variance pursuant to a Shipper election to restate its contract demand within the range from 99%

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of GHV-97 to 101% of GHV-97, which was received by TransCanada on or before February 13, 1998; and,

(ii) with respect to transportation service contracts entered into on or after November 1, 1998, that quantity of gas expressed in GJ specified in Shipper's transportation service contract as Shipper's daily or seasonal entitlement, as the case may be, to transportation capacity.

- "Contract Year" shall mean a period of 12 consecutive months beginning on a first day of November.
- "Cubic Metre" or "m<sup>3</sup>" shall mean the volume of gas which occupies one cubic metre when such gas is at a temperature of fifteen degrees (15°) Celsius, and at a pressure of 101.325 kilopascals absolute.
- "Cumulative Storage Balance" for a Shipper's STS or STS-L Contract on any Day shall be equal to: **A + B + C + D – E**

Where:

"A" = the cumulative Daily Injection Quantity on such Day;

"B" = the cumulative Daily STFT Quantity on such Day;

"C" = the cumulative Daily IT Quantity on such Day;

"D" = the cumulative Daily Diversion Quantity on such Day; and

"E" = the cumulative Daily Withdrawal Quantity on such Day;

all as defined in subsection 3.1(e) of the STS Toll Schedule for STS Contracts or 3.1(b) of the STS-L Toll Schedule for STS-L Contracts.

- "Daily Abandonment Surcharge" shall mean the daily surcharge, as approved by the NEB and as set forth in the List of Tolls referred to in Section III hereof, determined by multiplying the applicable Monthly Abandonment Surcharge by twelve (12) and dividing the result by the number of days in the Year.

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- “Daily Contract Injection Quantity” shall, for the purposes of the STS-L Contracts, mean the quantity of gas specified in the STS-L Contract for delivery from the Market Point to the Storage Injection Point(s).
- “Daily Contract Withdrawal Quantity” shall, for the purposes of the STS-L Contracts, mean 75% of the Daily Contract Injection Quantity, for delivery from the Storage Withdrawal Point to the Market Point.
- “Daily Demand Toll” shall mean the toll determined by multiplying the Monthly Demand Toll for the applicable transportation service, as approved by the NEB (as set forth in the List of Tolls referred to in Section III hereof), by twelve (12) and dividing the result by the number of days in the Year.
- “Daily Diversion Quantity” shall have the meaning ascribed in subsection 3.1(e)(i) of the STS Toll Schedule.
- “Daily Excess Withdrawal Quantity” shall be as defined in subsection 3.1(e) of the STS Toll Schedule for STS Contracts and subsection 3.1(b) of the STS-L Toll Schedule for STS-L Contracts.
- “Daily Injection Quantity” shall be as defined in subsection 2.2(a) of the STS Toll Schedule for STS Contracts or STS-L Toll Schedule for STS-L Contracts.
- “Daily IT Quantity” shall be as defined in subsection 3.1(e) of the STS Toll Schedule for STS Contracts and in subsection 3.1(b) of the STS-L Toll Schedule for STS-L Contracts.
- “Daily Operational Injection Quantity” shall, for the purposes of STS-L Contracts, mean the least of the aggregate of the Contract Demand(s) of the Linked FT Contract(s) and the Daily Contract Injection Quantity from the Market Point to the Storage Injection Point(s).
- “Daily STFT Quantity” shall be as defined in subsection 3.1 (e) of the STS Toll Schedule for STS Contracts and in subsection 3.1(b) of the STS-L Toll Schedule for STS-L Contracts.
- “Daily Withdrawal Quantity” shall be as defined in subsection 2.2(b) of the STS Toll Schedule for STS Contracts and subsection 2.2(b) STS-L Toll Schedule for STS-L Contracts.

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- "Day" shall mean a period of 24 consecutive hours, beginning and ending at 09:00 hours Central Clock Time, or at such other time as may be mutually agreed upon by Shipper and TransCanada. The reference date for any day shall be the calendar date upon which the 24 hour period shall commence.
- "Delivery Areas" shall mean the delivery areas set out in Section XX of the General Terms and Conditions.
- "Delivery Pressure Daily Demand Toll" shall mean the toll determined by multiplying the Delivery Pressure Monthly Demand Toll, as approved by the NEB (as set forth in the List of Tolls referred to in Section III hereof), by twelve (12) and dividing the result by the number of days in the Year.
- "Diversion" shall mean the delivery of quantities of gas at a delivery point and/or delivery area not specified in Shipper's FT, FT-SN, FT-NR, or MFP Contract.
- "EDI" means Electronic Data Interchange being the direct computer-to-computer transfer of information using ANSI ASC X12 protocol and a specific definition assigned by TransCanada under standards agreed to by a consensus of the natural gas industry (through standard-setting committees).
- "EDI format" shall mean a file format compliant with the ANSI ASC X12 protocol used for EDI and according to the specific definition assigned by TransCanada under standards agreed to by a consensus of the natural gas industry (through standard-setting committees).
- "Financial Assurance" shall have the meaning attributed to it in subsection XXIII(1) hereof.
- "Fuel Quantity" shall mean the quantity of gas expressed in gigajoules which is to be used by TransCanada as fuel for transporting Shipper's Authorized Quantity.
- "GJ" shall mean gigajoule being 1,000,000,000 joules and include the plural as the context requires.
- "GHV-97" shall mean the gross heating value for each delivery point as set out in the HV-97 Schedule attached to these general terms and conditions as adjusted in accordance with any Shipper election given to TransCanada prior to February 13, 1998.



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- "GHV" shall mean gross heating value.
- "Gas" shall mean: (i) any hydrocarbons or mixture of hydrocarbons that, at a temperature of 15° C and a pressure of 101.325 kPa, is in a gaseous state, or (ii) any substance designated as a gas product by regulations made under section 130 of the National Energy Board Act.
- "Gross Heating Value" shall mean the total joules expressed in megajoules per cubic metre (MJ/m<sup>3</sup>) produced by the complete combustion at constant pressure of one (1) cubic metre of gas with air, with the gas free of water vapour and the temperature of the gas, air and products of combustion to be at standard temperature and all water formed by combustion reaction to be condensed to the liquid state.
- "Joule" (J) shall mean the work done when the point of application of a force of one (1) newton is displaced a distance of one (1) metre in the direction of the force.
- "Linked FT Contract" or "Linked MFP Contract" shall mean the FT or MFP Contract(s) identified in Exhibit "B" of Shipper's STS-L Contract and such FT or MFP Contract shall satisfy the following:
  - i. the delivery point shall be the same as the Market Point specified in Exhibit "A" of Shippers STS-L Contract;
  - ii. is not identified in any other STS Contract or any Exhibit "B" of any other STS-L Contract;
  - iii. has a minimum Linked Term of 1 month, and shall commence on the first day of a month and shall end on the last day of a month;
  - iv. has a receipt point that is Empress or in the province of Saskatchewan.
- "Linked Term" shall have the meaning ascribed in Exhibit "B" of the STS-L Toll Schedule
- "Market Point" shall have the meaning ascribed in Exhibit "A" of the STS Contract or STS-L Contract as the case may be.
- "Month" shall mean the period beginning on the first day of the calendar month and ending at the beginning of the first day of the next succeeding calendar month.

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- “Monthly Abandonment Surcharge” shall mean the monthly surcharge, as approved by the NEB and set forth in the List of Tolls referred to in Section III hereof, for service from a particular receipt point to a particular delivery point.
- “Monthly Demand Toll” shall mean the toll for transportation service as approved by the NEB and set forth in the List of Tolls referred to in Section III hereof.
- “Natural Gas Interchangeability Indices” shall have the meaning ascribed in section 5(iv). •
- “NEB” shall mean the National Energy Board or any regulatory or government authority hereafter having a similar jurisdiction in substitution therefor.
- “Other Pipelines” shall mean the natural gas pipelines of Great Lakes Gas Transmission Limited Partnership, Union Gas Limited, Enbridge Gas Distribution Inc. and Trans Quebec & Maritimes Pipeline Inc.
- “Secondary Delivery” shall mean the delivery of quantities of gas at a delivery point on the Great Lakes Gas Transmission Limited Partnership pipeline system pursuant to Dawn LTFP Service.
- “Shipper” shall mean a customer of transportation service.
- “Shipper's Authorized Quantity” shall be as defined in subsection 1 of Section XXII.
- “Shipper’s Maximum Hourly Flow Rate” shall mean, on any Day, the maximum hourly rate of flow of Gas Shipper may receive at a delivery point or area and which shall be equal to the sum of:
  - a) 5% of the aggregate daily Contract Demand for all of Shipper’s service pursuant to, FT, FT-NR, STFT, STS, STS-L, MFP, Dawn LTFP and EMB Contracts which specify delivery of gas to such delivery point or area (excluding deliveries pursuant to STS, STS-L and EMB Contracts that are on a best efforts basis) minus all Diversions and Secondary Deliveries under such Contracts on such Day; and
  - b) 5% of the aggregate Shipper’s Authorized Quantity for deliveries to such delivery point or area under all of Shipper’s IT and SSS Contracts, STS Overrun, Diversions or Secondary Deliveries on such Day and deliveries which are on a best effort basis pursuant to STS, STS-L and EMB Contracts.

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### GENERAL TERMS and CONDITIONS

- "Short Notice Service" shall mean service pursuant to a FT-SN Toll Schedule, SNB Toll Schedule or ST-SN Toll Schedule.
- "Storage Injection Point" shall have the meaning ascribed in Exhibit "A" of the STS Contract or the STS-L Contract as the case may be.
- "Storage Withdrawal Point" shall have the meaning ascribed in Exhibit "A" of the STS Contract or the STS-L Contract as the case may be.
- "Subsidiary" shall mean a company in which 50% or more of the issued share capital (having full voting rights under all circumstances) is owned or controlled directly or indirectly by another company, by one or more subsidiaries of such other company, or by such other company and one or more of its subsidiaries.
- "TAPs" shall be as defined in sub-section 1.1 of the Transportation Access Procedure.
- "Title Transfer" shall mean the transfer of title to gas between two (2) Shippers at a Title Transfer Point.
- "Title Transfer Point" shall be those points and areas where the quantity of gas allocated to each Shipper is established each day and is not subject to reallocation.
- "TransCanada" shall mean "TransCanada PipeLines Limited" and its successors.
- "Transportation Service Contract" shall mean "Firm Transportation Service Contract", "FT Contract", "Firm Transportation Short Notice Contract", "FT-SN Contract", "Non Renewable Firm Transportation Contract", "FT-NR Contract", "Dawn Long Term Fixed Price Transportation Service Contract", "Dawn LTFP Contract", "Interruptible Service Transportation Contract", "IT Contract", "Storage Transportation Service Contract", "STS Contract", "STS-L Contract", "Short Term Firm Transportation Service Contract", "STFT Contract", "Short Term Short Notice Service Contract", "ST-SN Contract", "Multi-Year Fixed Price Service Contract", "MFP Contract", "Enhanced Market Balancing Service Contract", "EMB Contract", "Summer Storage Service Contract", "SSS Contract",

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### GENERAL TERMS and CONDITIONS

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- "Union Dawn Receipt Point Daily Demand Toll" shall mean the toll determined by multiplying the Union Dawn Receipt Point Monthly Demand Toll by twelve (12) and dividing the result by the number of days in the Year.
- "Union Dawn Receipt Point Surcharge" shall mean a charge payable by Shipper for service from the Union Dawn Receipt Point determined as follows:
  - (a) for service under FT, FT-NR, FT-SN, MFP and EMB Transportation Service Contracts, by multiplying the Union Dawn Receipt Point Monthly Demand Toll by Shipper's Contract Demand; provided however that if Shipper's Contract Demand changes during a month, then a weighted average daily Contract Demand shall be determined for such month and shall be used to calculate the demand charge for such month; and
  - (b) for service under all other Transportation Service Contracts, by multiplying the Union Dawn Receipt Point Daily Demand Toll by Shipper's Authorized Quantity.
- "Wobbe Index" shall mean a measure of the thermal input through a fixed orifice, calculated by dividing the natural gas Gross Heating Value in mega joules per cubic meter by the square root of the natural gas specific gravity with respect to air, based on a gross or higher heating value (HHV) at standard conditions 14.73 psi/60° F, 101.325Kpa/15° C real, dry basis.
- "Year" shall mean a period of 365 consecutive days commencing January 1<sup>st</sup> of any year; PROVIDED HOWEVER, that any such year which contains a date of February 29 shall consist of 366 consecutive days.

## II APPLICABILITY AND CHARACTER OF SERVICE

1. (a) Subject to the provisions of the applicable Toll Schedule and these General Terms and Conditions, on each day for which service is requested by Shipper, and authorized by TransCanada pursuant to Section XXII hereof, Shipper shall deliver and TransCanada shall receive, at the receipt point set out in Shipper's Contract (the "receipt point"), the Shipper's Authorized Quantity and TransCanada shall transport for Shipper and Shipper shall receive, at the delivery point set out in Shipper's Contract (the "delivery point"), a quantity of gas equal thereto; PROVIDED HOWEVER, that under no circumstances shall TransCanada be obligated to deliver to Shipper in any one day, at the delivery point, a quantity of gas in excess of the Contract Demand.

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- (b) If on any day Shipper fails to accept all or any portion of the gas delivered at the delivery point by TransCanada pursuant to the applicable Toll Schedule, TransCanada shall have the right to curtail further receipts of gas from Shipper at the receipt point in a quantity equal to that which Shipper failed to accept from TransCanada. If on any day Shipper requests service hereunder but fails, for whatever reason, to deliver gas to TransCanada at the receipt point, then TransCanada shall have the right to curtail further deliveries of gas to Shipper at the delivery point in a quantity equal to that which Shipper failed to deliver to TransCanada.
- 2. Shipper's Authorized Quantity shall, where applicable, be delivered on such day by Shipper to TransCanada at the receipt point or taken on such day by Shipper from TransCanada at the delivery point or area, as the case may be, at hourly rates of flow as nearly constant as possible; PROVIDED HOWEVER, that Shipper may not, without TransCanada's consent, take delivery of such gas at the delivery point or area at an hourly rate of flow in excess of the Shipper's Maximum Hourly Flow Rate.
- 3. Departures from scheduled daily deliveries due to the inability of TransCanada or Shipper to maintain precise control shall be kept to the minimum permitted by operating conditions.
- 4. From the time gas is delivered into the possession of TransCanada at the receipt point TransCanada shall have the unqualified right to commingle such gas with other gas in TransCanada's pipeline system.

### III TOLLS

- 1. The tolls applicable to service provided under any Contract into which these General Terms and Conditions are incorporated shall be determined:
  - (i) in the case of all transportation services, except Storage Transportation Service ("STS") and Storage Transportation Service-Linked ("STS-L"), within Canada where the receipt and delivery points are located in different provinces, on the basis of the tolls approved by the NEB in which the delivery point is located for gas which is delivered for consumption in Canada under a Contract in which the principal delivery point(s) specified therein do not include any export delivery points for gas destined for export to the United States; or

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- (ii) as fixed and approved by the NEB, on the basis of the receipt and delivery points for delivery of gas destined for export to the United States; or
  - (iii) in the case of STS and STS-L contracts and contracts providing receipt and delivery points within one province of Canada, as fixed and approved by the NEB, on the basis of the receipt point and delivery points set out therein; or
  - (iv) in the case of service pursuant to the SNB Toll Schedule, ~~or the MFP Toll Schedule~~ or the Dawn LTFP Toll Schedule using a methodology approved by the NEB.
2. The tolls applicable to services provided pursuant to the Toll Schedules of TransCanada's Transportation Tariff are set out in the List of Tolls of TransCanada's Transportation Tariff as same may be amended from time to time upon approval of the NEB.

## IV SHIPPER PROVISION OF FUEL REQUIREMENTS

### 1. Daily Operations

- (a) For each and every day in respect of which Shipper's Authorized Quantity is accepted by TransCanada for transportation, Shipper shall, in addition to Shipper's Authorized Quantity, nominate, pursuant to the provisions of Section 2 hereof, and make available to TransCanada at any receipt point specified in the contract and/or Alternate Receipt point for FT, FT-NR, FT-SN or MFP Contracts the Fuel Quantity ("Qf"), which quantity shall be determined as follows:

$$Qf = Qd \times FR\% / 100 + \sum (Qd_i \times fr_i\% / 100) + \sum (Qd_{Dawn} \times fr_{Dawn}\% / 100)$$

Where:

"FR%" is the applicable monthly fuel ratio respecting transportation service from the nominated receipt point to the nominated delivery point;

"fr<sub>i</sub>%" is the applicable monthly fuel ratio for delivery pressure in excess of a gauge pressure of 4000 kilopascals at delivery point "i", both as set out in TransCanada's notice to Shipper delivered pursuant to Section 2 hereof;

"fr<sub>Dawn</sub>%" is the applicable monthly fuel ratio respecting transportation service from the nominated Union Dawn Receipt Point to the nominated delivery point;

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"Qd" is the Shipper's Authorized Quantity;

"Qd<sub>i</sub>" is the quantity to be delivered at delivery point "i", for which point a toll for delivery pressure services has been approved by the NEB (as set forth in the List of Tolls referred to in Section III hereof);

"Qd<sub>Dawn</sub>" is the quantity to be transported by Shipper from the Union Dawn Receipt Point, for which a toll has been approved by the NEB (as set forth in the List of Tolls referred to in Section III hereof);

" $\Sigma (Qd_i \times fr_i\% / 100)$ " represents the sum of the fuel quantities required for delivery pressure in excess of a gauge pressure of 4000 kilopascals at all points applicable to Shipper's Authorized Quantity; and

" $\Sigma (Qd_{Dawn} \times fr_{Dawn} \% / 100)$ " is the sum of the fuel quantities required for the Union Dawn Receipt Point applicable to Shipper's Authorized Quantity.

- (b) TransCanada shall not be required to accept or deliver gas on any day if the appropriate Fuel Quantity has not been nominated by Shipper, or if TransCanada is unable to confirm that a quantity of gas equal to Shipper's Authorized Quantity plus the appropriate Fuel Quantity will, in fact, be made available on such day.

## 2. Nominations and Authorizations

Concurrent with nominating for transportation service for a given day, pursuant to Section XXII hereof, Shipper shall also nominate the Fuel Quantity to be made available to TransCanada on such day (the "fuel tender"). In the event TransCanada is not prepared to authorize Shipper's nomination or if TransCanada determines that Shipper's fuel tender is incorrect, TransCanada shall, by 14:00 hours CCT of the day immediately preceding the day for which service has been requested, advise Shipper to revise its fuel tender, and Shipper shall nominate such revised fuel tender by 15:00 hours CCT on such day. All fuel tenders shall be stated to the nearest one (1) GJ.

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Shipper's fuel tender shall be determined by Shipper pursuant to the formula set out in subsection 1(a) hereof. On or before the twenty-fifth day of each month, TransCanada shall provide Shipper with written notice of the monthly fuel ratio to be applied during the next succeeding month. In the absence of any notice as aforesaid Shipper shall determine the fuel tender on the basis of the fuel ratio used in the immediately preceding month.

#### V QUALITY

1. The gas to be delivered hereunder shall be natural gas; provided however, that helium, natural gasoline, butane, propane and any other hydrocarbons except methane may be removed prior to delivery. TransCanada may subject, or permit the subjection of the natural gas to compression, cooling, cleaning and other processes.
2. **Heating Value:** The minimum gross heating value of the gas to be received and delivered by TransCanada shall be 36.00 MJ/m<sup>3</sup>. The maximum Gross Heating Value of the gas to be received and delivered by TransCanada shall be 41.34 MJ/m<sup>3</sup>. TransCanada shall have the right to refuse to accept Shipper's gas if the Gross Heating Value of such gas remains below 36.00 MJ/m<sup>3</sup> or above 41.34 MJ/m<sup>3</sup>.

In the event that the Gross Heating Value of the gas to be delivered by TransCanada is below 36.00 MJ/m<sup>3</sup> or above 41.34 MJ/m<sup>3</sup> the Shipper shall have the option to refuse to accept such gas so long as the Gross Heating Value remains below 36.00 MJ/m<sup>3</sup> or above 41.34 MJ/m<sup>3</sup>.

3. **Freedom from Objectionable Matter:** The gas to be received by TransCanada from Shipper and to be delivered by TransCanada hereunder:
  - (a) Shall be commercially free (at prevailing pressure and temperature in TransCanada's pipeline) from sand, dust, gums, oils, hydrocarbons liquefiable at temperatures in excess of minus ten degrees (-10°) Celsius at five thousand five hundred (5500) kPa absolute, impurities, other objectionable substances which may become separated from the gas, and other solids or liquids which will render it unmerchantable or cause injury to or interference with proper operations of the lines, regulators, meters or other appliances through which it flows; and shall not contain any substance not contained in the gas at the time the same was produced other than traces of those materials and chemicals necessary for the transportation and delivery of the gas and which do not cause it to fail to meet any of the quality specifications herein set forth.



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- (b) Shall contain no more than twenty-three (23) milligrams of hydrogen sulphide per cubic metre nor more than one hundred and fifteen (115) milligrams of total sulphur per cubic metre of gas as determined by standard methods of testing.
  - (c) Shall not contain more than two per cent (2%) by volume of carbon dioxide.
  - (d) Shall have been dehydrated, if necessary, for removal of water present therein in a vapour state, and in no event contain more than sixty-five (65) milligrams of water vapour per cubic metre of gas.
  - (e) Shall not exceed a temperature of fifty degrees (50°) Celsius.
  - (f) Shall be as free of oxygen as practicable and shall not in any event contain more than four tenths of one percent (0.4%) by volume of oxygen.
  - (g) Shall not have a total inert gas content in excess of 4% when used as a diluent to meet Natural Gas Interchangeability Indices.
  - (h) Shall be free of any microbiological organisms, active bacteria or bacterial agents, including but not limited to sulphate reducing bacteria, iron oxidizing bacteria, and/or acid producing bacteria.
4. **Failure to Conform to Specifications Re Objectionable Matter:** If the gas being received by TransCanada from Shipper or transported by TransCanada to Shipper fails at any time to conform to any of the specifications set forth in subsection 3 of this Section, then the party receiving such gas (the "First Party") shall notify the party delivering such gas (the "Second Party") of such deficiency and thereupon the First Party may at the First Party's option refuse to accept delivery pending correction by the Second Party. Upon the Second Party's failure promptly to remedy any deficiency in quality as specified in subsection 3 of this Section, the First Party may accept delivery of such gas and may make changes necessary to bring such gas into conformity with such specifications, and the Second Party shall reimburse the First Party for any reasonable expense incurred by the First Party in effecting such changes.
5. **Natural Gas Interchangeability Indices:** The natural gas received by TransCanada shall conform to the following specifications (the "Natural Gas Interchangeability Indices");
- i) Weaver Incomplete Combustion Index less than or equal to 0.05;
  - ii) AGA Yellow Tipping Index greater than or equal to 0.86;
  - iii) The minimum Wobbe Index of the gas shall be 47.23 MJ/m<sup>3</sup> ;

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- iv) The maximum Wobbe Index of the gas shall be 51.16 MJ/m<sup>3</sup>; and
- v) Shall not contain greater than 1.5 mole percent (%) Butanes Plus.

The Natural Gas Interchangeability Indices are based on the following historical supply gas composition:

<b>Compound</b>	<b>Mole %</b>
Methane	95.6734
Ethane	1.6241
Propane	0.1410
I-Butane	0.0180
N-Butane	0.0173
I-Pentane	0.0034
N-Pentane	0.0034
N-Hexane	0.0014
N-Heptane	0.0007
N-Octane	0.0002
Nitrogen	1.8419
Carbon Dioxide	0.6411
Helium	0.0339

- 6. Refined Biogas received at the following Receipt Point(s) shall also comply with the BNQ Standard gas quality requirements.
  - i. Lachenaie Receipt Point
    - Refined Biogas shall mean gas obtained from the purification of Biogas that meets the technical specifications required by TransCanada.
    - Biogas shall mean gas produced through the fermentation of organic material in the absence of oxygen.
    - BNQ Standard shall mean Bureau of normalisation du Quebec – BNQ 3672 – 100 Biomethane – Quality Specifications for Injection into Natural Gas Distribution and Transmissions Systems, as may be amended from time to time.

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#### VI MEASUREMENTS

1. **Unit of Volume and Unit of Quantity:** The unit of volume for the purpose of reporting shall be one thousand (1000) cubic metres ( $10^3 \text{ m}^3$ ) of gas and the unit of quantity shall be GJ.
2. **Determination of Volume and Gross Heating Value:** The volume and the gross heating value of the gas received by TransCanada from Shipper and delivered to Shipper shall be determined as follows:
  - (a) The gas volumes shall be computed in accordance with the methodology prescribed in the Electricity and Gas Inspection Act (Canada) (R.S.C. 1985, c.E-4) as amended from time to time including all regulations and specifications promulgated pursuant to such Act (collectively, the "Electricity and Gas Inspection Act").
  - (b) For the purpose of measurement of gas received into and delivered from the TransCanada system, the parties agree that the average absolute atmospheric (barometric) pressure at such points shall be assumed to be constant during the term thereof, regardless of variations in actual barometric pressure from time to time, and shall be calculated based on the elevation of the measurement point. The formula used to calculate the atmospheric pressure shall be in accordance with the methodology prescribed in the Electricity and Gas Inspection Act (Canada) (R.S.C. 1985, c.E-4) amended from time to time including all regulations and specifications promulgated pursuant to such Act.
  - (c) The determination of the gross heating value of the gas received or delivered shall be performed in a manner approved under the Electricity and Gas Inspection Act or, if such specification is not set out in such Act, in accordance with industry accepted standards, and, in any event, in such manner as to ensure that the gross heating values so determined are representative of the gas received or delivered at the receipt or delivery point.
  - (d) The determination of the relative density of the gas received or delivered shall be performed in a manner approved under the Electricity and Gas Inspection Act or, if such specification is not set out in such Act, in accordance with industry accepted standards, and, in any event, in such manner as to ensure that the relative densities so determined are representative of the gas received or delivered at the receipt or delivery point.

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#### VII DELIVERY POINT

1. For the purpose of Section VIII hereunder, unless otherwise specified in the Contract, the delivery point or points for all gas to be delivered by TransCanada to Shipper pursuant to any Contract into which these General Terms and Conditions are incorporated shall be on the outlet side of TransCanada's measuring stations located at or near the point or points of connection with the facilities of Shipper or Shipper's agent in receiving the gas, as specified in the Contract.
2. If the total quantity of gas delivered at any delivery point is less than 3750 GJ during any contract year, then Shipper shall pay TransCanada at the end of such contract year, in addition to any amounts otherwise payable, an amount equal to:

$$\frac{(\text{3750 GJ minus "X"}) \text{ times "Y"}}{3750 \text{ GJ}}$$

Where "X" is the total quantity (expressed in GJ) actually delivered by TransCanada to all Shippers at such delivery point during such contract year; and

Where "Y" is 18% of TransCanada's actual original costs of installation of the delivery facilities at such delivery point.

#### VIII POSSESSION OF GAS

TransCanada shall be deemed to be in control and possession of, and responsible for, all gas transported under the Contract from the time that such gas is received by it at the receipt point until such gas is delivered at the delivery point.

#### IX MEASURING EQUIPMENT

1. All meters and measuring equipment for the determination of gross heating value and/or relative density shall be approved pursuant to, and installed and maintained in accordance with, the Electricity and Gas Inspection Act.

Notwithstanding the foregoing, all installation of equipment applying to or affecting deliveries of gas shall be made in such manner as to permit an accurate determination of the quantity of gas delivered and ready verification of the accuracy of measurement. Care shall be exercised by both parties in the installation, maintenance and operation of pressure regulating equipment so as to

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prevent any inaccuracy in the determination of the volume or quantity of gas delivered under the Contract.

- (a) **Measuring Station:** In accordance with the above, TransCanada will install, maintain and operate, or will cause to be installed, maintained and operated, at or near each delivery point, a measuring station equipped with a meter or meters and other necessary equipment for accurate measurement of the gas delivered under the Contract.

- 2. **Calibration and Test of Measuring Equipment:** The accuracy of measuring equipment shall be verified by TransCanada at reasonable intervals, and if requested, in the presence of representatives of Shipper, but TransCanada shall not be required to verify the accuracy of such equipment more frequently than once in any thirty (30) day period. In the event either party shall notify the other that it desires a special test of any measuring equipment the parties shall co-operate to secure a prompt verification of the accuracy of such equipment. The expense of any such special test, if called for by Shipper, shall be borne by Shipper if the measuring equipment is found to be in error by not more than the limits set out as follows:

- (a) 2% for measuring equipment utilized to determine volume,
- (b) 1% for any instrument utilized to determine relative density,
- (c) 0.5% for any instrument utilized to determine gross heating value.

If upon test, any measuring equipment is found to be in error by not more than the limits specified above, the previous readings of such equipment shall be considered accurate in computing deliveries or receipts of gas but such equipment shall be adjusted at once to register accurately.

If, for the period since the last preceding test, it is determined that:

- (a) any measuring equipment, except for those instruments specified in (b) and (c) below, shall be found to be inaccurate by an amount exceeding 2% at a recording corresponding to the average hourly rate of flow for such period, and/or
- (b) any instrument utilized to determine the relative density shall be found to be inaccurate by an amount exceeding 1%, and/or
- (c) any instrument utilized to determine the gross heating value shall be found to be inaccurate by an amount exceeding 0.5%, then the previous readings of measurement equipment and/or instruments utilized to determine the relative density or gross heating

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value, as the case may be, shall be corrected to zero error for any period which is known definitely but in any case where the period is not known or agreed upon such correction shall be for a period extending over 50% of the time elapsed since the date of the last test.

Notwithstanding the foregoing, when TransCanada and Shipper mutually agree that a measurement instrument inaccuracy occurred at a definite point in time, a quantity correction shall be made even though said inaccuracy is less than the limits specified in (a), (b) and (c) above.

3. **Correction of Metering Errors:** Failure of Meters: In the event a meter is out of service, or registering inaccurately, the volume or quantity of gas delivered shall be determined by the most equitable method. Such methods shall include but not be limited to:
  - (a) mathematical calculations and comparisons including prevailing ratio with a parallel meter,
  - (b) the use of Shipper's check measuring equipment, and
  - (c) comparison to deliveries under similar conditions when the meter was registering accurately.
4. **Preservation of Metering Records:** TransCanada and Shipper shall each preserve for a period of at least six (6) years all test data, charts and other similar records. Microfilms of the original documents shall be considered true records.
5. **Check Measuring Equipment:** Shipper may install, maintain and operate at its own expense, such check measuring equipment as desired, provided that such equipment shall be so installed as not to interfere with the operation of TransCanada's measuring equipment. Any pressure or volume control regulators installed by Shipper shall be operated so as not to interfere with TransCanada's measuring facilities.
6. **Rights of Parties:** The measuring equipment so installed by either party together with any building erected by it for such equipment, shall be and remain its property. However, TransCanada and Shipper shall have the right to have representatives present at the time of any installing, reading, cleaning, changing, repairing, inspecting, testing, calibrating or adjusting done in connection with the other's measuring equipment used in measuring or checking the measurement of the delivery of gas under the Contract. The records from such measuring

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equipment shall remain the property of their owner, but upon request each will submit to the other its records and charts, together with calculations therefrom, for inspection and verification, subject to return within ten days after receipt thereof.

#### **X BILLING**

1. **Monthly Billing Date:** For all contracts in effect prior to the effective date of the NEB's Decision in the RH-2-95 proceeding, TransCanada shall render bills on or before the tenth (10th) day of each month for all transportation services provided by TransCanada within Canada ("Domestic Service") and on or before the fifteenth (15th) day of each month for all transportation services provided by TransCanada to any Export Delivery Point ("Export Service"). For gas taken by Shipper in excess of the total daily quantity authorized by TransCanada, TransCanada shall also render bills for charges made pursuant to Section XXII on or before the tenth (10th) day of each month, in respect of Domestic Service, and on or before the fifteenth (15th) day of each month, in respect of Export Service.

For all Export Service Contracts coming into effect after the effective date of the NEB's Decision in the RH-2-95 proceeding, including the renewal of any Export Service Contracts which existed prior to such date, the billing date shall be the tenth (10th) day of each month.

2. **Information:** Shipper hereby undertakes to provide TransCanada with all the information and material required by TransCanada to calculate and verify the quantity of gas actually received by TransCanada from Shipper, and the quality specifications and components thereof.

If such information is not received by TransCanada in sufficient time prior to TransCanada rendering bills to Shipper pursuant to this Section X, such bills shall be calculated based on TransCanada's best estimate of the quantity and quality of gas actually received by TransCanada from Shipper. Any overcharges or undercharges resulting from any differences between the above estimates and the actual amounts shall be adjusted in the subsequent bill without any interest thereon.

#### **XI PAYMENTS**

1. **Monthly Payment Date:** For all contracts in effect prior to the effective date of the NEB's Decision in the RH-2-95 proceeding, Shipper shall pay to TransCanada, at its address designated in the Contract, or shall pay to the Royal Bank of Canada, Main Branch, Calgary, Alberta, or at

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other institutions if agreed to by TransCanada for deposit to the account of TransCanada so that TransCanada shall receive payment from Shipper on or before the twentieth (20th) day of each month for Domestic Service, and by the twenty-fifth (25th) day of each month for Export Service (the "Payment Date") provided by TransCanada to Shipper pursuant to the applicable toll schedules and for any charges made pursuant to Section XXII herein during the preceding month and billed by TransCanada in a statement for such month according to the nominated and/or measured deliveries, computations, prices and tolls provided in the Contract. If the Payment Date is not a Banking Day, then payment must be received by TransCanada on Shipper's account or before the first (1st) Banking Day immediately prior to the Payment Date.

For all Export Service Contracts coming into effect after the effective date of the NEB's Decision in the RH-2-95 proceeding, including the renewal of any Export Service Contracts which existed prior to such date, the payment date shall be the twentieth (20th) day of each month; provided however, if the Payment Date is not a Banking Day, then payment must be received by TransCanada on Shipper's account on or before the first (1st) Banking Day immediately prior to the Payment Date.

2. **Remedies for Non-Payment: Notwithstanding Section XVII**, if Shipper fails to pay the full amount of any bill when payment is due, TransCanada may upon four (4) Banking Days written notice immediately suspend any or all service being or to be provided to Shipper provided however that such suspension shall not relieve Shipper from any obligation to pay any rate, toll, charge or other amount payable to TransCanada. If at any time during such suspension Shipper pays the full amount payable to TransCanada, TransCanada shall within two (2) Banking Days recommence such suspended service.

**Notwithstanding Section XVII** following suspension, TransCanada may, in addition to any other remedy that may be available to it, upon four (4) Banking Days written notice to Shipper immediately:

- (a) terminate any or all service being or to be provided to Shipper; and
- (b) declare any and all amounts payable now or in the future by Shipper to TransCanada for any and all service to be immediately due and payable as liquidated damages and not as a penalty.



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

If Shipper fails to pay all of the amount of any bill as herein provided when such amount is due, interest on the unpaid portion of the bill accrues daily at a rate of interest equal to the prime rate of interest of the Royal Bank of Canada as it may vary from time to time, plus one percent (1%) and the principle and accrued interest to date shall be payable and due immediately upon demand.

3. **Adjustment of Underpayment, Overpayment or Error in Billing:** If it shall be found that at any time or times Shipper has been overcharged or undercharged in any form whatsoever under the provisions of the Contract and Shipper shall have actually paid the bills containing such overcharge or undercharge, then within thirty (30) days after the final determination thereof, TransCanada shall refund by cash or credit to an invoice the amount of any such overcharge, provided however the Abandonment Charge shall be refunded only by a credit on an invoice in any subsequent month that an Abandonment Charge would be payable. Any refund shall include interest which is equal to the prime rate of interest of the Royal Bank of Canada as it may vary from time to time from the time such overcharge was paid to the date of refund, plus one percent (1%) in addition thereto. If such refund is made by a credit on an invoice from TransCanada to Shipper, then the date of the refund shall be the date upon which the invoice reflecting such credit was rendered to Shipper by TransCanada. Shipper shall pay the amount of any such undercharge, but without interest. Adjustments to the amount billed in any statement rendered by TransCanada shall be made within the following time frames:

- (a) Measurement data corrections shall be processed within six (6) months of the production month with a three (3) month rebuttal period.
- (b) The time limitation for disputes of allocations shall be six (6) months from the date of the initial month-end allocation with a three (3) month rebuttal period.
- (c) Prior period adjustment time limits shall be six (6) months from the date of the initial transportation invoice with a three (3) month rebuttal period, excluding government-required rate changes.

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These time limits shall not apply in the case of deliberate omission or misrepresentation or mutual mistake of fact. Parties' other statutory or contract rights shall not be otherwise diminished by these time limits.

4. **Time of Payment Extended if Bill Delayed:** If presentation of a bill to Shipper is delayed after the tenth (10th) or the fifteenth (15th) day of the month, as applicable for domestic or export service respectively, then the time of payment shall be extended accordingly unless Shipper is responsible for such delay.

## XII DELIVERY PRESSURE

Subject to the provisions set out in subsections a) and b) below, TransCanada shall deliver gas to Shipper at TransCanada's line pressure at the delivery point or points designated in the Contract, but the minimum pressure at each delivery point shall be not less than a gauge pressure of 4000 kilopascals or such lesser pressure that is agreed to by the parties; provided, however, that:

- (a) the parties shall not be required in any Contract into which these General Terms and Conditions are incorporated, to agree to delivery pressures less than the minimum contractual pressure theretofore applicable at existing delivery point; and
- (b) if the deliveries to Shipper at a delivery point or an agreed upon grouping of delivery points, exceeds the Shipper's Maximum Hourly Flow Rate without the prior consent of TransCanada, and the delivery pressure to Shipper falls below the delivery pressure agreed to in the Contract, despite reasonable preventative measures undertaken by TransCanada, then TransCanada shall, for the period of such excess deliveries, be relieved of its contractual obligation to such Shipper to deliver gas at such delivery point or area affected by the excess deliveries at the delivery pressure stipulated in the Contract.

If the receipt point or points under Shipper's Contract include that point on TransCanada's system which is immediately east of the Alberta/Saskatchewan border ("Empress"), then Shipper agrees to cause NOVA Gas Transmission Ltd. (hereinafter called "NGTL") to design and construct sufficient facilities to allow Shipper's Authorized Quantity to be delivered to TransCanada at Empress at a gauge pressure of 4137 kPa or any greater pressure which may from time to time be specified by TransCanada for all gas to

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be delivered into TransCanada's system at Empress and to cause NGTL to deliver Shipper's Authorized Quantity to TransCanada at NGTL's line pressure provided that said pressure shall not be less than a gauge pressure of 3792 kPa.

For any receipt point downstream of Empress, Shipper shall do or cause others to do all that is required to allow Shipper's Authorized Quantity to be delivered to TransCanada at a pressure no less than that prevailing in TransCanada's pipeline at such receipt point at the time of delivery and no greater than the maximum allowable operating pressure of TransCanada's pipeline at such point.

### **XIII WARRANTY OF TITLE TO GAS**

Shipper warrants that it owns or controls, has the right to:

1. deliver or have delivered, the gas that is delivered to TransCanada under the Contract;
2. transfer the gas pursuant to Section XXIV of these General Terms and Conditions.

Shipper shall indemnify and hold harmless TransCanada against all claims, actions or damages arising from any adverse claims by third parties claiming an ownership or an interest in the gas delivered for transport to TransCanada under the Contract or transferred pursuant to Section XXIV of these General Terms and Conditions.

### **XIV FORCE MAJEURE**

In the event of either Shipper or TransCanada being rendered unable, wholly or in part, by force majeure to perform or comply with any obligation or condition hereof or any obligation or condition in any Contract into which these General Terms and Conditions are incorporated, such party shall give notice and full particulars of such force majeure in writing or by telegraph to the other party as soon as possible thereafter, and the obligations of the party giving such notice, other than obligations to make payments of money then due, so far as they are affected by such force majeure, shall be suspended during the continuance of any inability so caused but for no longer period, and such cause shall as far as possible be remedied with all reasonable dispatch. The term "force majeure" as used herein shall mean acts of God, strikes, lockouts or other industrial disturbances, acts of the public enemy, wars, blockades, insurrections, riots, epidemics, landslides, lightning, earthquakes, fires, storms, floods, washouts, arrests and restraints of governments and people, civil disturbances, explosions, breakage or accident to machinery or lines of pipe, the necessity for making repairs to or alterations of machinery or lines of pipe, freezing of wells or lines of pipe, temporary failure of TransCanada's gas supply, inability to obtain

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materials, supplies, permits or labour, any laws, orders, rules, regulations, acts or restraints of any governmental body or authority, civil or military, any act or omission (including failure to deliver gas) of a supplier of gas to, or a transporter of gas to or for, TransCanada which is excused by any event or occurrence of the character herein defined as constituting force majeure, any act or omission by parties not controlled by the party having the difficulty and any other similar causes not within the control of the party claiming suspension and which by the exercise of due diligence such party is unable to prevent or overcome.

The settlement of strikes, lockouts or other labour disputes shall be entirely within the discretion of the party having the difficulty. Under no circumstances will lack of finances be construed to constitute force majeure.

In the event of an occurrence of a force majeure, TransCanada shall curtail delivery of gas to Shipper in accordance with Section XV hereof.

### **XV IMPAIRED DELIVERIES**

On each day TransCanada shall determine in respect of all Contracts:

- (i) the total quantities which all Shippers have requested to be delivered on that day, and
- (ii) its available system capacity, including the maximum transportation on TransCanada's behalf under agreements that it has with Other Pipelines.

If due to any cause whatsoever TransCanada is unable on any day to deliver the quantities of gas Shippers would have received if such disability did not exist, then TransCanada shall order curtailment by all Shippers affected thereby in the following manner to the extent necessary to remove the effect of the disability.

If TransCanada estimates that, notwithstanding its then inability to deliver, it nevertheless will be able to meet its total minimum obligations to deliver under all Contracts TransCanada shall order daily curtailment in the following order of priority:

- (a) First under interruptible service provided pursuant to the IT Toll Schedule and under summer storage service provided pursuant to the SSS Toll Schedule.

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The toll for STS Overrun is the Daily Demand Toll for STS service. STS Overrun will have a higher priority than i) IT when STS Overrun is tolled at an equal or higher price than IT; and ii) SSS when STS Overrun is tolled at an equal or higher price than SSS.

STS Overrun will have a lower priority than i) IT when the STS Overrun Toll is at a lower price than IT; and ii) SSS when the STS Overrun Toll is at a lower price than SSS.

(b) Second under any gas storage program of TransCanada.

(c) Third under:

Alternate Receipts made pursuant to FT, FT-SN, FT-NR, or MFP Contracts or Diversions made pursuant to FT, FT-SN, FT-NR, or MFP Contracts, or Secondary Deliveries made pursuant to Dawn LTFP Contracts, which:

- A. cause the actual flow of gas on a lateral or extension to exceed the capability of the lateral or extension, and/or
- B. cause the actual flow of gas through a metering facility to exceed the capability of the metering facility, and/or
- C. cause the actual flow of gas on any segment of TransCanada's integrated pipeline system (including those notional segments comprised of TransCanada's maximum transportation entitlements under transportation agreements that it has with Other Pipelines) to exceed the capability of the affected segment by an amount greater than that which would have occurred had the gas which is the subject of an Alternate Receipt and/or a Diversion or a Secondary Delivery, been received at the receipt point and delivered at the delivery point(s) or delivery area specified in the FT, FT-SN, FT-NR, ~~or MFP~~ or Dawn LTFP Contract. Solely for the purpose of making the aforesaid determination, TransCanada may, for certain quantities, treat the point of interconnection between TransCanada's system and the system of Union Gas Limited at Parkway as a delivery point specified in those FT, FT-SN, FT-NR or

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MFP Contracts which have delivery points on the segment of TransCanada's integrated system from Kirkwall to Niagara Falls.

(d) Fourth, quantities to be delivered on a best efforts basis under EMB Contracts during the period of April 1 of a year to October 31 of the same year and quantities to be delivered on a best efforts basis under STS and STS-L Contracts.

(e) Fifth proportionately under:

(i) FT, FT-SN, FT-NR, STFT, ST-SN, SNB, STS, STS-L, MFP, Dawn LTFP, and EMB Contracts (other than, quantities to be delivered on a best efforts basis under EMB Contracts during the period of April 1 of a year to October 31 of the same year and quantities to be delivered on a best efforts basis under STS and STS-L Contracts) in amounts proportional to the Operating Demand Quantities minus the quantities to be delivered pursuant to an Alternate Receipt~~₹~~ or a Diversion or a Secondary Delivery of such Contracts.

(ii) Alternate Receipts made pursuant to FT, FT-SN, FT-NR or MFP Contracts and/or Diversions made pursuant to FT, FT-SN, FT-NR, and MFP Contracts or Secondary Deliveries made pursuant to Dawn LTFP Contracts, not already curtailed pursuant to subsection₹ (c) above in amounts to be delivered pursuant to such Alternate Receipt and/or Diversion or Secondary Delivery.

(For the purpose of this subsection, the Operating Demand Quantity shall be:

(A) under FT Contracts, the Contract Demand;

(B) under FT-SN Contracts, the Contract Demand;

(C) under FT-NR Contracts, the Contract Demand;

(D) under MFP Contracts, the Contract Demand;

(E) under Dawn LTFP Contracts, the Contract Demand;

~~(E)~~ under EMB Contracts, the Contract Demand;

~~(F)~~ under STS Contracts, the Daily Injection Quantity or the Daily Withdrawal Quantity, as the case may be;

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(GH) under STS-L Contracts, the Daily Contract Injection Quantity and the Daily Contract Withdrawal Quantity;

(HI) under STFT Contracts, the Maximum Daily Quantity;

(IJ) under ST-SN Contracts, the Maximum Daily Quantity; and

(JK) under SNB Contracts, the Contract Quantity.

### XVI DETERMINATION OF DAILY DELIVERIES

1. A Shipper taking delivery of gas under contracts and/or toll schedules for more than one class of service in one delivery area or one Export Delivery Point shall be deemed on any day to have taken delivery of Shipper's Authorized Quantity under the applicable contract and/or toll schedule in accordance with such agreement as may exist between TransCanada and the downstream operator(s). Absent such agreement, shipper shall be deemed to have taken delivery of Shipper's Authorized Quantities sequentially as follows:

(a) FT and MFP Contracts

(b) FT-SN Contract

(c) FT-NR Contract

(d) Dawn LTFP Contract

(e) STFT and ST-SN Contracts

(f) EMB Contract

(g) STS and STS-L Contracts

(h) IT Contract, Delivery Quantity

(i) SSS Contract, Delivery Quantity

### XVII DEFAULT AND TERMINATION

Subject to the provisions of Section XI, Section XIV, Section XV and Section XXIII of these General Terms and Conditions, if either TransCanada or Shipper shall fail to perform any of the covenants or obligations imposed upon it under any Contract into which these General Terms and Conditions are

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incorporated, then in such event the other party may, at its option, terminate such Contract by proceeding as follows: the party not in default shall cause a written notice to be served on the party in default stating specifically the default under the Contract and declaring it to be the intention of the party giving the notice to terminate such Contract; thereupon the party in default shall have ten (10) days after the service of the aforesaid notice in which to remedy or remove the cause or causes stated in the default notice and if within the said ten (10) day period the party in default does so remove and remedy said cause or causes and fully indemnifies the party not in default for any and all consequences of such default, then such default notice shall be withdrawn and the Contract shall continue in full force and effect.

In the event that the party in default does not so remedy and remove the cause or causes or does not indemnify the party giving the default notice for any and all consequences of such default within the said period of ten (10) days, then, at the option of the party giving such default notice, the Contract shall terminate. Any termination of the Contract pursuant to the provisions of this Section shall be without prejudice to the right of TransCanada to collect any amounts then due to it for gas delivered or service provided prior to the date of termination, and shall be without prejudice to the right of Shipper to receive any gas which it has not received but the transportation of which has been paid prior to the date of termination, and without waiver of any other remedy to which the party not in default may be entitled for breaches of the Contract.

This Section shall not apply to any default and terminations pursuant to Section XI and Section XXIII.

### **XVIII NON-WAIVER AND FUTURE DEFAULT**

No waiver by TransCanada or Shipper of any one or more defaults by the other in the performance of any provisions of the Contract shall operate or be construed as a waiver of any continuing or future default or defaults, whether of a like or different character.

### **XIX DELIVERY AREAS**

Deliveries of gas within a delivery area shall be subject to sufficient capacity and facilities within such delivery area.

### **XX DELIVERY AREA BOUNDARIES**

TransCanada's delivery areas for purposes of determining the Contract Demand applicable to the points of delivery of TransCanada's pipeline system are as follows:



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#### Saskatchewan Southern Delivery Area or SSDA

extends from a point on TransCanada's main pipeline at the Alberta- Saskatchewan border near Empress, Alberta to a point on TransCanada's main pipeline at the Saskatchewan-Manitoba border.

#### Manitoba Delivery Area or MDA

extends from a point on TransCanada's main pipeline at the Saskatchewan-Manitoba border to a point on TransCanada's pipeline at the Manitoba-Ontario border to a point on TransCanada's pipeline at the International Border near Emerson, Manitoba.

#### Western Delivery Area or WDA

extends from a point on TransCanada's pipeline at the Manitoba- Ontario border to a point on TransCanada's pipeline 24.99 kilometres east of TransCanada's Station 80 near Geraldton, Ontario.

#### Northern Delivery Area or NDA

extends from a point on TransCanada's pipeline 24.99 kilometres east of TransCanada's Station 80 near Geraldton, Ontario to a point on TransCanada's pipeline 23.09 kilometres south and east respectively of TransCanada's Station 116 near North Bay, Ontario.

#### Sault Ste. Marie Delivery Area or SSMDA

any point on TransCanada's Sault Ste. Marie pipeline.

#### North Central Delivery Area or NCDA

extends from a point on TransCanada's pipeline 23.09 kilometres south of TransCanada's Station 116 near North Bay Ontario, to a point on TransCanada's pipeline 0.50 kilometres south of TransCanada's Station 127 near Barrie Ontario, provided that points of delivery to the Enbridge Gas Distribution Inc. Gas within this area are deemed for the purposes of this Tariff to be in the Central Delivery Area.

#### Central Delivery Area or CDA

extends from a point on TransCanada's pipeline 0.50 kilometres south of TransCanada's Station 127 near Barrie Ontario to a point on TransCanada's pipeline at the International Border near Niagara Falls, Ontario and to a point on TransCanada's pipeline 24.99 kilometres east of TransCanada's Station 134 near Bowmanville, Ontario.

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### GENERAL TERMS and CONDITIONS

Southwestern Delivery Area or SWDA  
any point on TransCanada's St. Clair to Dawn pipeline.

Eastern Delivery Area or EDA  
extends from a point on TransCanada's pipeline 24.99 kilometres east of TransCanada's Station 134 near Bowmanville, Ontario and from a point on TransCanada's North Bay Shortcut 23.09 kilometres east of TransCanada's Station 116 near North Bay, Ontario to a point on TransCanada's pipeline at the International Border near Philipsburg, Québec and to a point on the pipeline system of Trans Québec & Maritimes Pipeline Inc. near Québec City, Québec.

### **XXI INCORPORATION IN TOLL SCHEDULES AND CONTRACTS**

1. These General Terms and Conditions are incorporated in and are a part of all of TransCanada's Toll Schedules, Contracts and transportation service contracts.
2. These General Terms and Conditions are subject to the provisions of the National Energy Board Act or any other legislation passed in amendment thereto or substitution therefor.

### **XXII NOMINATIONS AND UNAUTHORIZED QUANTITIES**

#### **1. Nominations**

For service required on any day under each of Shipper's transportation contracts (for the purposes of this Section XXII the "said Contract"), Shipper shall provide TransCanada with a nomination of the quantity of gas, expressed in GJ, it desires TransCanada to deliver at the delivery point ("Shipper's nomination") or Title Transfer pursuant to Section XXIV of these General Terms and Conditions. Unless otherwise provided under the applicable Toll Schedule or as outlined under this section in the Schedule of Nomination Times below, such nominations are to be provided in writing or EDI format, or by other electronic means, so as to be received by TransCanada's Gas Control Department in Calgary on or before 12:00 hours CCT on the day immediately preceding the day for which service is requested. Subject to the provisions of the applicable toll schedules and Sections XIV and XV of these General Terms and Conditions, TransCanada shall determine whether or not all or any portion of Shipper's nomination will be accepted.

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In the event TransCanada determines that it will not accept such nomination, TransCanada shall advise Shipper, (on or before 14:00 hours CCT on the day immediately preceding the day for which service is requested), of the reduced quantity of gas, (if any) (the "quantity available") that TransCanada is prepared to deliver under the said Contract. Forthwith after receiving such advice from TransCanada but no later than 1 hour after receiving such notice on such day, Shipper shall provide a revised nomination to TransCanada which shall be no greater than the quantity available. If such revised nomination is not provided within the time allowed as required above or such revised nomination is greater than the quantity available, then the revised nomination shall be deemed to be the quantity available. If the revised nomination (delivered within the time allowed as required above) is less than the quantity available, then such lesser amount shall be the revised nomination. That portion of a Shipper's nomination or revised nomination, which TransCanada shall accept for delivery shall be known as "Shipper's Authorized Quantity" which authorized quantity shall be limited, for firm services, to Shipper's Contract Demand and, for other services, to such quantity permitted by the provisions of the Contract.

### Schedule of Nomination Times (CCT)

Gas Day Time	Class of Service *	Effective 0900 Hours Next Gas Day
12:00	All Services	Faxed, website & EDI (website & EDI commencing on October 1, 1997)

\*\* Effective October 1, 1997 nominations for service must be received by TransCanada through its website or EDI at the time specified pursuant to Section XXII of the General Terms and Conditions. TransCanada shall not accept nominations by fax unless TransCanada's website and EDI systems are inoperative, except in the case of FT-SN and SNB Service. Nominations for FT-SN and SNB Service shall be submitted to TransCanada via fax or by other electronic means as determined from time to time by TransCanada.

## 2. Definitions in Section XXII

In this Section XXII, the following terms shall be construed to have the following meanings:

- (a) "Total Allocated Quantity":

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### GENERAL TERMS and CONDITIONS

- (i) for any receipt point, means the total quantity of gas which TransCanada determines has been received during any time period under all transportation service contracts with a Shipper; and
  - (ii) for any delivery point or delivery area, means the total quantity of gas which TransCanada determines has been delivered during any time period under all transportation service contracts with a Shipper.
- (b) "Total Authorized Quantity" or "TAQ" for any day:
- (i) for any receipt point, means the sum of the Shipper's Authorized Quantities under all transportation service contracts at that receipt point.
  - (ii) for any delivery point or delivery area, means the sum of the Shipper's Authorized Quantities under all transportation service contracts at a delivery point or for that delivery area.
- (c) "Daily Variance" for a Shipper at any receipt or delivery point or delivery area means the absolute difference between the Total Authorized Quantity and the Total Allocated Quantity.
- (d) "FT Daily Demand Charge" or "FTD" means the Daily Demand Toll for FT service from Empress to KPUC EDA, as set out in the List of Tolls.
- (e) "Average Authorized Quantity" or "AAQ" for a Shipper at any receipt or delivery point or delivery area means the average Total Authorized Quantity during the preceding 30 days.
- (f) "Cumulative Variance" is the absolute value accumulation of the daily differences between the Total Authorized Quantity and the Total Allocated Quantity for a Shipper at any delivery point, delivery area or receipt point.

### 3. Emergency Operating Conditions

(a) EOC Definition

"Emergency Operating Conditions" ("EOC") means that TransCanada determines, in the exercise of its reasonable judgement, that its ability to fulfill its obligations under firm contracts is at risk due, in whole or in part, to Shipper variances during periods of extreme weather changes, and/or

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supply, market, pipeline interruptions, and TransCanada issues an EOC notice pursuant to subsection 3(b).

(b) EOC Notices

If TransCanada determines an EOC exists, TransCanada shall issue notice to all Shippers via High Priority Bulletin on its website setting out the following information related to the EOC:

- i) EOC effective time, and
- ii) anticipated duration of the EOC, and
- iii) delivery points and delivery areas where EOC is in effect

In addition to such notice, TransCanada will use reasonable efforts to contact by phone those Shippers directly impacted by the EOC.

(c) EOC Effective Times

If TransCanada issues notice of EOC prior to 13:00 Central Clock Time (CCT), then the EOC takes effect on that day. If TransCanada issues notice of EOC after 13:00 CCT, then the EOC takes effect on the next day. The EOC will remain in effect until the operational condition has been remedied.

#### 4. Daily Balancing Fee

On each day Shipper shall pay a "Daily Balancing Fee" equal to:

(Tier 1 Quantity times Tier 1 Fee); plus

(Tier 2 Quantity times Tier 2 Fee); plus

(Tier 3 Quantity times Tier 3 Fee); plus

(Tier 4 Quantity times Tier 4 Fee).

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Where:

(a) Tier 1, 2, 3, 4 Fees and Quantities are set out in the following Table:

	Tier 1	Tier 2	Tier 3	Tier 4
Minimum Quantity	Greater of: 2% of TAQ, or 2% of AAQ or 75 GJ	Greater of: 4% if TAQ, or 4% of AAQ, or 150 GJ	Greater of: 8% of TAQ, or 8% of AAQ, or 302 GJ	Greater of: 10% of TAQ, or 10% of AAQ, or 377 GJ
Maximum Quantity	Greater of: 4% of TAQ, or 4% of AAQ, or 150 GJ	Greater of: 8% of TAQ, or 8% of AAQ, or 302 GJ	Greater of: 10% of TAQ, or 10% of AAQ, or 377 GJ	∞ (Infinity)
Standard Fee	0.2 times FTD	0.5 times FTD	0.75 times FTDC	1.0 times FTD
EOC Draft Fee	1.0 times Index	1.25 times Index	1.50 times Index	2.0 times Index
EOC Pack Fee	0	0	0	0

- (a) Quantity for each Tier equals that portion of the Daily Variance which is greater than the Minimum Quantity and less than the Maximum Quantity.
- (b) The applicable Fee for each Tier equals:
  - (i) Standard Fee for days and locations where EOC are not in effect,
  - (ii) EOC Draft Fee for days and locations where EOC are in effect and where Shipper's Total Authorized Quantity is less than Shipper's Total Allocated Quantity, and
  - (iii) EOC Pack Fee for days and locations where EOC are in effect and where Shipper's Total Authorized Quantity is greater than Shipper's Total Allocated Quantity.
- (c) No Daily Balancing Fee is payable on the portion of a Daily Variance which is less than 75 GJ.
- (d) The Daily Balancing Fee is added to the bill for the month in which the day is included.

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- (e) "Index" means the highest price of gas on the day among all receipt and delivery points on the TransCanada pipeline system as published by Platts Gas Daily or such other recognized industry publication.

#### 5. Cumulative Balancing Fee

On each day Shipper shall pay a "Cumulative Balancing Fee" equal to:

(Tier 1 Quantity times Tier 1 Fee); plus

(Tier 2 Quantity times Tier 2 Fee).

Where:

- (a) Tier 1, 2 Fees and Quantities are set out in the following Table:

	<b>Tier 1</b>	<b>Tier 2</b>
Minimum Quantity	Greater of: 4% of TAQ, or 4% of AAG, or 150 GJ	Greater of: 6% of TAQ, or 6% of AAQ, or 225 GJ
Maximum Quantity	Greater of: 6% of TAQ, or 6% of AAQ, or 225 GJ	∞ (Infinity)
Standard Fee	0.15 times FTD	0.25 times FTD
EOC Draft Fee	0.15 times FTD	0.25 times FTD
EOC Pack Fee	0	0

- (b) Quantity for each Tier equals that portion of the Cumulative Variance which is greater than the Minimum Quantity and less than the Maximum Quantity.
- (c) The applicable Fee for each Tier equals:
- (i) Standard Fee for days and locations where EOC are not in effect,

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- (ii) EOC Draft Fee for days and locations where EOC are in effect and where Shipper's accumulated Total Authorized Quantity is less than Shipper's accumulated Total Allocated Quantity, and
- (iii) EOC Pack Fee for days and locations where EOC are in effect and where Shipper's accumulated Total Authorized Quantity is greater than Shipper's accumulated Total Allocated Quantity.
- (d) No Cumulative Balancing Fee is payable on the portion of an Absolute Cumulative Variance which is less than 150 GJ.
- (e) The Cumulative Balancing Fee is added to the bill for the month in which the day is included.
- (f) A Cumulative Balancing Fee is in addition to Daily Balancing Fees payable under subsection 4 of Section XXII, and an additional Cumulative Balancing Fee is payable on each day where there is an Absolute Cumulative Variance.

### 6. Payback Provisions

- (a) Shippers may reduce Cumulative Variances through nomination of "Payback Quantities" which shall be nominated and authorized in accordance with these General Terms and Conditions.

TransCanada is not obligated to provide additional transportation capacity to deliver Payback Quantities.

- (b) If, on any day, a Shipper nominates a Payback Quantity under subsection (d), and TransCanada is unable to deliver or receive a quantity ("Minimum Payback Quantity") equal to the lesser of:
  - (i) Shipper's nominated Payback Quantities, or
  - (ii) the greater of:
    - (a) two percent of the Total Authorized Quantity,
    - (b) two percent of the Average Authorized Quantity, and
    - (c) 75 GJ



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then Shipper is relieved from the Cumulative Balancing Fee by a quantity ("Payback Relief Quantity") equal to the difference between:

- (iii) the Minimum Payback Quantity, and
- (iv) The level of Payback Quantities which TransCanada was able to deliver or receive.

The relief from Cumulative Balancing Fees shall apply for each day until TransCanada delivers or receives the Payback Relief Quantity. No Payback Relief will be granted as a result of TransCanada not authorizing a transportation service.

- (c) If TransCanada determines, in its sole discretion, that its ability to meet firm obligations is at risk due to Shipper variances, and after curtailment of all discretionary transportation services that are hindering TransCanada's ability to meet its firm obligations, TransCanada may, without further notice, adjust Shipper's nominations for any day in order to reduce Shipper's Cumulative Variance to zero.

#### 7. **Obligation to Balance Accounts**

Payments of balancing fees under this Section XXII do not give Shipper the right to receive or deliver unauthorized quantities, or incur Cumulative or Daily Variances, nor shall payment of the balancing fees be a substitute for other remedies available to TransCanada.

#### 8. **Energy Imbalance Recovery**

- (a) Cumulative energy imbalances that result from energy in transit, accumulated fuel imbalances and imbalances held under other applicable accounts, shall be recovered in the following manner:
  - (i) on the 20th Day of each month, TransCanada shall advise Shipper in writing of all cumulative energy imbalances attributed to Shipper arising up to the end of the 19<sup>th</sup> Day of such month and carried forward or arising from previous months, provided however that such cumulative energy imbalances for export delivery points referred to in subsection 8(b) shall be the amount by which the cumulative energy imbalance at such points exceed 50 GJ;

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### GENERAL TERMS and CONDITIONS

- (ii) the cumulative energy imbalance reported to Shipper shall be aggregated at each applicable location from all of Shipper's Contracts, nomination groups and other applicable accounts;
- (iii) on or before the 3<sup>rd</sup> last Day of each month, Shipper may reduce the cumulative energy imbalances reported by TransCanada.
- (iv) The cumulative energy imbalance after giving effect to applicable offsetting transactions (the "Net Imbalance"), shall be determined on:
  - (A) the end of the 3<sup>rd</sup> last Day of such month if the cumulative energy imbalance is less than the cumulative energy imbalance on the 19<sup>th</sup> Day of such month; or
  - (B) the 19<sup>th</sup> Day of such month if the cumulative energy imbalance on the 3<sup>rd</sup> last Day of such month is greater than the energy balance on the 19<sup>th</sup> Day of such month.

The Net Imbalance shall be scheduled and recovered in equal amounts on each Day over the first 15 Days, or a lesser number of Days as mutually agreed to by Shipper and TransCanada, of next month (the "Recovery Period"). The amount of the Net Imbalance to be recovered each Day of the Recovery Period (the "Daily Imbalance Recovery") will be determined by TransCanada and verbally communicated to Shipper on the 2<sup>nd</sup> last Day of each month. Shipper shall nominate the Daily Imbalance Recovery on each Day of the Recovery Period as an "Imbalance Payback" under the Shipper account (nomination group) with the largest energy imbalance as determined by TransCanada based on the most recent monthly statements available.

- (vi) in nominating the Daily Imbalance Recovery, Shipper will ensure that all nominations remain in balance. Any nomination received from Shipper which does not include the required Daily Imbalance Recovery will, at TransCanada's sole discretion, be either rejected or forced to balance by TransCanada. TransCanada is authorized to curtail Shipper's gas supply and market, as necessary, to balance the nomination after accounting for the Daily Imbalance Recovery;
- (vii) where applicable, deliveries of the Daily Imbalance Recovery shall be the first deliveries made under the nomination on each Day of the Recovery Period; and

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## TransCanada PipeLines Limited

### GENERAL TERMS and CONDITIONS

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- (viii) any imbalance shall be deemed to have occurred and shall be held at the primary receipt point specified in the transportation service agreement.
- (b) Cumulative energy imbalances at export delivery points that result from rounding when converting between energy units used for daily scheduling purposes shall be subject to the following:
  - (i) Each Day Shipper shall be entitled to an energy imbalance of up to 5 GJ provided however, Shipper's cumulative energy imbalance at any time shall not exceed 50 GJ;
  - (ii) Shipper may reduce its cumulative energy imbalance on any Day by up to 10 GJ provided however, such reduction shall not result in the cumulative energy imbalance moving from a positive imbalance to a negative imbalance, or from a negative imbalance to a positive imbalance.

### XXIII FINANCIAL ASSURANCES

1. **Financial Assurance for Performance of Obligations:** TransCanada may request that Shipper (or any assignee) at any time from time to time prior to and during service, provide TransCanada with an irrevocable letter of credit or other assurance acceptable to TransCanada, in form and substance satisfactory to TransCanada and in an amount determined in accordance with subsection XXIII(3) hereof (the "Financial Assurance").
2. **Failure to Provide Financial Assurance:** TransCanada may withhold the provision of new service until TransCanada has received a requested Financial Assurance.

**Notwithstanding Section XVII**, if Shipper fails to provide a requested Financial Assurance to TransCanada within four (4) Banking Days of TransCanada's request, TransCanada may upon four (4) Banking Days written notice immediately suspend any or all service being or to be provided to Shipper provided however that any such suspension shall not relieve Shipper from any obligation to pay any rate, toll, charge or other amount payable to TransCanada. If at any time during such suspension Shipper provides such Financial Assurance to TransCanada, TransCanada shall within two (2) Banking Days recommence such suspended service.

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## TransCanada PipeLines Limited

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**Notwithstanding Section XVII**, if Shipper fails to provide such Financial Assurance during such suspension, TransCanada may, in addition to any other remedy that may be available to it, upon four (4) Banking Days written notice to shipper immediately:

- a) Terminate any or all service being or to be provided to Shipper; and
- b) Declare any and all amounts payable now or in the future by Shipper to TransCanada for any and all service to be immediately due and payable as liquidated damages and not as a penalty.

Any notice provided by TransCanada to Shipper to withhold, suspend or terminate service pursuant to **sub-Section XXIII(2) hereof** shall be filed concurrently with the NEB.

3. **Amount of Financial Assurance:** The maximum amount of Financial Assurance TransCanada may request from a Shipper (or assignee) shall be as determined by TransCanada an amount equal to:

- a) for the provision of all gas transportation and related services, other than such services referred to in **sub-Section XXIII(3)(b)**, the aggregate of all rates, tolls, charges or other amounts payable to TransCanada for a period of seventy (70) days. Provided however, the amount of the 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 Shipper; and
- b) for the provision of any gas transportation and related services where TransCanada determines it must construct facilities and Shipper has executed the Financial Assurances Agreement defined in Section 5.4(c)(ii) of the Transportation Access Procedure, the aggregate of all rates, tolls, charges or other amounts payable to TransCanada 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.

Nothing in this Section XXIII shall limit Shipper's right to request the NEB to issue an order, under sub-section 71(2) of the National Energy Board Act, requiring TransCanada to receive, transport

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## TransCanada PipeLines Limited

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### GENERAL TERMS and CONDITIONS

and deliver gas offered by Shipper for transmission, or to grant such other relief as Shipper may request under the circumstances, notwithstanding Shipper's default under this Section XXIII.

#### XXIV TITLE TRANSFERS

Shippers may request and TransCanada shall authorize Title Transfers subject to the following:

- a. TransCanada receives a nomination satisfactory to TransCanada from each Shipper that is a party to a Title Transfer;
- b. If TransCanada determines at any time that any title transfer account of a Shipper is out of balance, TransCanada may, without notice to the title transfer account holder, curtail transfers up to such amounts as TransCanada deems necessary to bring all affected title transfer accounts into balance. In so doing, TransCanada shall have no liability whatsoever to Shipper or any third party claiming through Shipper for any claims, actions or damages of any nature arising out of or in any way related to such curtailment

#### XXV LIABILITY AND LIMITATION OF LIABILITY

TransCanada's and Shipper's liability to each other is limited to direct damages only. In no event, other than in the case of gross negligence or wilful default, shall either TransCanada or Shipper be liable for loss of profits, consequential, incidental, punitive, or indirect damages, in tort, contract or otherwise.

## Transportation Tariff

## TransCanada PipeLines Limited

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GENERAL TERMS and CONDITIONS

### HV-97 SCHEDULE

## Transportation Tariff

## TransCanada PipeLines Limited

### GENERAL TERMS and CONDITIONS

<b>Area</b>	<b>Heating Value</b>
	MJ/m3
CHIPPAWA	37.77
CORNWALL	37.69
EMERSON 1	37.68
EMERSON 2	37.68
EMPRESS	37.73
IROQUOIS-EXP.	37.68
NAPIERVILLE	37.68
NIAGARA FALLS	37.75
PARKWAY ENBRIDGE	37.69
PARKWAY UNION	37.68
PHILIPSBURG	37.68
ST-LAZARE	37.69
SABREVOIS	37.69
SPRUCE	37.68
ST. CLAIR	37.72
NCDA, UNION GAS LIMITED	37.69
CDA, ENBRIDGE GAS DISTRIBUTION INC.	37.69
CDA, UNION GAS LIMITED	37.68
EDA, UNION GAS LIMITED	37.68
EDA, GAZ METROPOLITAIN & CO. L.P.	37.69
EDA, KINGSTON PUBLIC UTILITIES COMM	37.68
EDA, ENBRIDGE GAS DISTRIBUTION INC.	37.69
MDA, CENTRA GAS MANITOBA INC	37.68
MDA, CENTRA TRANSMISSION HOLDINGS	37.68
MDA, GLADSTONE AUSTIN	37.68
NDA, UNION GAS LIMITED	37.68
NDA, GAZ METROPOLITAIN & CO. L.P.	37.68
NDA, TRANSCANADA POWER, L.P.	37.68
SSDA, CENTRA GAS MANITOBA INC	37.67
SSDA, TRANSGAS LTD.	37.66
SSMDA UNION GAS LIMITED.	37.71
SWDA, ENBRIDGE GAS DISTRIBUTION INC	37.68
SWDA, UNION GAS LIMITED	37.71
WDA, UNION GAS LIMITED	37.68
WDA, TRANSCANADA POWER, L.P.	37.67

**Transportation Tariff**

**TransCanada PipeLines Limited**

DAWN LTFP CONTRACT

**DAWN LONG TERM FIXED PRICE TRANSPORTATION SERVICE CONTRACT**  
**("Dawn LTFP Contract")**

THIS DAWN LTFP CONTRACT, made as of the \_\_\_\_ day of \_\_\_\_\_, 20\_\_.

BETWEEN:

TRANSCANADA PIPELINES LIMITED  
a Canadian corporation  
("TransCanada")

OF THE FIRST PART

and

\_\_\_\_\_  
\_\_\_\_\_

\_\_\_\_\_  
("Shipper")

OF THE SECOND PART

WITNESSES THAT:

WHEREAS TransCanada owns and operates a natural gas pipeline system extending from a point near the Alberta/Saskatchewan border where TransCanada's facilities interconnect with the facilities of NOVA Gas Transmission Ltd. easterly to the Province of Quebec with branch lines extending to various points on the Canada/United States of America International Border; and

WHEREAS Shipper has satisfied in full, or TransCanada has waived the condition precedent set out in Section 2.1 (b) of TransCanada's Dawn Long Term Fixed Price Toll Schedule referred to in Section 8.1 hereof (the "Dawn LTFP Toll Schedule"); and

WHEREAS Shipper has requested and TransCanada has agreed to transport quantities of gas, that are delivered by Shipper or Shipper's agent to TransCanada at the Receipt Point referred to in Section 5.1 hereof (the "Receipt Point"), to the Delivery Point referred to in Section 5.2 hereof (the "Delivery Point") pursuant to the terms and conditions of this Dawn LTFP Contract; and

WHEREAS the quantities of gas delivered hereunder by Shipper or Shipper's agent to TransCanada are to be removed from the province of production of such gas by Shipper and/or Shipper's



## Transportation Tariff

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DAWN LTFP CONTRACT

suppliers and/or its (their) designated agent(s) pursuant to valid and subsisting permits and/or such other authorizations in respect thereof.

NOW THEREFORE THIS DAWN LTFP CONTRACT WITNESSES THAT, in consideration of the covenants and agreement herein contained, the parties hereto covenant and agree as follows:

### ARTICLE I – CONDITIONS PRECEDENT

1.1 TransCanada's obligations under this Dawn LTFP Contract and the commencement of transportation service hereunder are subject to the fulfillment of the following conditions precedent, which are for the sole benefit of TransCanada and may be waived by TransCanada at any time:

- (a) TransCanada Board of Directors approval of the transportation service offered hereunder;
- (b) receipt of all regulatory or governmental approvals TransCanada determines are necessary to implement the transportation service offered hereunder on terms and conditions acceptable to TransCanada in its sole discretion;
- (c) TransCanada obtaining transportation service on other pipeline systems that it determines necessary to provide the transportation service offered hereunder on terms and conditions acceptable to TransCanada in its sole discretion; and
- (d) TransCanada determines in its sole discretion that the aggregate contract demand for the transportation service offered hereunder is acceptable.

1.2 ~~TransCanada shall provide notice to~~ Within sixty (60) days following the Shipper's receipt of the National Energy Board's ("NEB") decision regarding the application for approval of the transportation service offered hereunder, TransCanada shall provide notice to the Shipper that: a) the condition precedents in Section 1.1 have been satisfied or waived. ~~If; or b) the condition precedents in Section 1.1 cannot be satisfied or waived, TransCanada shall provide notice to the Shipper that~~ and the Dawn LTFP Contract is terminated.

### ARTICLE II - COMMENCEMENT OF SERVICE

2.1 Subject to Sections 1.1 and 1.2, the date of commencement of transportation service hereunder shall be the first day of \_\_\_\_\_, 20\_\_ or on a later date specified by TransCanada in a notice (the "Date of Commencement").

## Transportation Tariff

## TransCanada PipeLines Limited

DAWN LTFP CONTRACT

### ARTICLE III- TERM OF CONTRACT

3.1 Subject to Section 9.1 of the Dawn LTFP Toll Schedule, this Dawn LTFP Contract shall end on the last day of the month that is 120 consecutive months following the Date of Commencement (the "Dawn LTFP End Date").

3.2 If Shipper elects to reduce the term of this Dawn LTFP Contract pursuant to Section 9.1 of the Dawn LTFP Toll Schedule, TransCanada shall provide notice confirming the amended Dawn LTFP End Date.

### ARTICLE IV - GAS TO BE TRANSPORTED

4.1 Subject to the provisions of this Dawn LTFP Contract, the Dawn LTFP Toll Schedule, the List of Tolls, and the General Terms and Conditions referred to in Section 8.1 hereof, TransCanada shall provide transportation service hereunder for Shipper in respect of a quantity of gas which, in any one day from the Date of Commencement until the Dawn LTFP End Date, shall not exceed \_\_\_\_\_ GJ (the "Contract Demand").

### ARTICLE V - DELIVERY POINT AND RECEIPT POINT

5.1 The Receipt Point hereunder is the point of interconnection between the pipeline facilities of TransCanada and NOVA Gas Transmission Ltd. which is located at Empress.

5.2 The Delivery Point hereunder is the point of interconnection between the pipeline facilities of TransCanada and Union Gas Limited which is located at Union SWDA.

### ARTICLE VI - TOLLS

6.1 Shipper shall pay for all transportation service hereunder from the Date of Commencement in accordance with TransCanada's Dawn LTFP Toll Schedule, List of Tolls, and General Terms and Conditions set out in TransCanada's Transportation Tariff as the same may be amended or approved from time to time by the ~~National Energy Board (the "NEB")~~ NEB.

6.2 Subject to Section 6.3, Shipper shall pay the following "Monthly Demand Toll" (CDN\$/GJ/month): \_\_\_\_\_. The Monthly Demand Toll is inclusive of any applicable Delivery Pressure Monthly Demand Toll and the Monthly Abandonment Surcharge which shall be equal to the Monthly Abandonment Surcharge from Empress to Emerson 2.

## Transportation Tariff

## TransCanada PipeLines Limited

DAWN LTFP CONTRACT

6.3 If Shipper elects to reduce the term of this Dawn LTFP Contract pursuant to Section 9.1 of the Dawn LTFP Toll Schedule, the Monthly Demand Toll specified in Section 6.2 will cease to apply for the last 24 months prior to such amended Dawn LTFP End Date and the following Monthly Demand Toll (CDN\$/GJ/month) shall apply:

- a) for a contract term reduced by 60 months: \_\_\_\_\_; or
- b) for a contract term reduced by 48 months: \_\_\_\_\_; or
- c) for a contract term reduced by 36 months: \_\_\_\_\_; or
- d) for a contract term reduced by 24 months: \_\_\_\_\_; or
- e) for a contract term reduced by 12 months: \_\_\_\_\_.

~~6.4 Subject to NEB approval, the Monthly Demand Toll may be increased~~ 6.4 Shipper shall also pay any surcharge authorized by the NEB to account for changes in laws, rules or regulations, including changes that increase TransCanada's costs of providing the service offered hereunder. Nothing in this Dawn LTFP Contract shall be construed as preventing Shipper from opposing or otherwise challenging before the NEB the imposition of such surcharge on the basis that such surcharge does not account for changes in laws, rules or regulations, including changes that increase TransCanada's costs of providing the service offered hereunder.

### ARTICLE VII - NOTICES

7.1 Any notice, request, demand, statement or bill (for the purpose of this paragraph, collectively referred to as "Notice") to or upon the respective parties hereto shall be in writing and shall be directed as follows:

#### IN THE CASE OF TRANSCANADA: TransCanada PipeLines Limited

(i) mailing address: P.O. Box 1000  
Station M  
Calgary, Alberta  
T2P 4K5

(ii) delivery address: TransCanada Tower  
450 – 1<sup>st</sup> Street S.W.  
Calgary, Alberta  
T2P 5H1

Attention: Director, Commercial Services  
Telecopy: \_\_\_\_\_

## Transportation Tariff

## TransCanada PipeLines Limited

DAWN LTFP CONTRACT

(iii) nominations:	Attention:	Manager, Nominations & Allocations
	Telecopy:	_____
(iv) bills:	Attention:	Manager, Contracts, Billing & Credit
	Telecopy:	_____
(v) other matters:	Attention:	Director, Commercial Services
	Telecopy:	_____

### IN THE CASE OF SHIPPER:

(i) mailing address: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

(ii) delivery address: \_\_\_\_\_  
\_\_\_\_\_

(iii) nominations: Attention: \_\_\_\_\_  
Telecopy: \_\_\_\_\_

(iv) bills: Attention: \_\_\_\_\_  
Telecopy: \_\_\_\_\_  
E-mail address: \_\_\_\_\_

(v) other matters: Attention: \_\_\_\_\_  
Telecopy: \_\_\_\_\_

Notice may be given by telecopier or other telecommunication device 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) days after mailing, Saturdays, Sundays and statutory holidays excepted. In the event regular mail service, courier service, telecopier or other telecommunication service shall be interrupted by a cause beyond the control of the parties hereto, then the party sending the Notice shall utilize any service that has not been so interrupted to deliver such Notice. Each party shall provide Notice to the other of any change of address for the purposes hereof. Any Notice may also be given by telephone followed immediately by personal delivery, courier, prepaid mail, telecopier or other telecommunication, and any Notice so given shall be deemed to be given as of the date and time of the telephone notice.

### ARTICLE VIII - MISCELLANEOUS PROVISIONS

8.1 The Dawn LTFP Toll Schedule, the List of Tolls, and the General Terms and Conditions set out in TransCanada's Transportation Tariff as amended or approved from time to time by the NEB are all by reference made a part of this Dawn LTFP Contract and operations hereunder shall, in addition to the

## Transportation Tariff

## TransCanada PipeLines Limited

DAWN LTFP CONTRACT

terms and conditions of this Dawn LTFP Contract, be subject to the provisions thereof. TransCanada shall notify Shipper at any time that TransCanada files with the NEB revisions to the Dawn LTFP Toll Schedule, the List of Tolls, and/or the General Terms and Conditions (the "Revisions") and shall provide Shipper with a copy of the Revisions. Nothing in this Dawn LTFP Contract shall be construed as preventing Shipper from opposing or otherwise challenging any Revisions on the basis that such Revisions are inconsistent with the terms and conditions of the service hereunder.

8.2 The headings used throughout this Dawn LTFP Contract, the Dawn LTFP Toll Schedule, the List of Tolls, and the General Terms and Conditions are inserted for convenience of reference only and are not to be considered or taken into account in construing the terms or provisions thereof nor to be deemed in any way to qualify, modify or explain the effect of any such provisions or terms.

8.3 This Dawn LTFP Contract shall be construed and applied, and be subject to the laws of the Province of Alberta, and, when applicable, the laws of Canada, and shall be subject to the rules, regulations and orders of any regulatory or legislative authority having jurisdiction.

8.4 During the period commencing with the execution of this Dawn LTFP Contract and concluding on the Dawn LTFP End Date, Shipper shall support TransCanada in any regulatory proceeding required to implement or continue the transportation service offered hereunder, as determined by TransCanada in its ~~sole discretion~~ reasonable discretion. After the Dawn LTFP End Date, Shipper shall not oppose, whether directly or indirectly, the service offered pursuant to the Dawn LTFP Toll Schedule until the expiry of all Dawn LTFP Contracts entered into under the 2017 Dawn LTFP Open Season. Shipper's obligations not to oppose under this Section 8.4 will survive expiry of this Dawn LTFP Contract or termination of this Dawn LTFP Contract pursuant to Section 9.1 of the Dawn LTFP Toll Schedule. For clarity, Shipper's obligations not to oppose under this Section 8.4 will not survive the termination of this Dawn LTFP Contract pursuant to Section 1.2.

8.5 During the period commencing with the execution of this Dawn LTFP Contract and concluding on the latest initial end date of all Dawn LTFP Contracts entered into under the 2017 Dawn LTFP Open Season, Shipper shall not oppose, whether directly or indirectly, the continuation of pricing discretion for Interruptible Transportation Service and Short Term Firm Transportation Service as initially approved in the NEB's RH-003-2011 Decision and continued in the RH-001-2014 Decision. Shipper's obligations under this Section 8.5 will survive expiry of this Dawn LTFP Contract or termination of this Dawn LTFP Contract pursuant to Section 9.1 of the Dawn LTFP Toll Schedule. For clarity, Shipper's obligations under this Section 8.5 will not survive the termination of this Dawn LTFP Contract pursuant to Section 1.2.

## Transportation Tariff

## TransCanada PipeLines Limited

DAWN LTFP CONTRACT

### ARTICLE IX - DELIVERY PRESSURE

9.1 TransCanada shall increase the line pressure of the gas it delivers to Shipper at the Delivery Point to a pressure of not less than 4 850 kPa (g).

IN WITNESS WHEREOF, the parties hereto have executed this Dawn LTFP Contract as of the date first above written.

[Shipper]

TransCanada PipeLines Limited

Signed: \_\_\_\_\_

Signed: \_\_\_\_\_

Name: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

Date: \_\_\_\_\_

Signed: \_\_\_\_\_

Signed: \_\_\_\_\_

Name: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

Date: \_\_\_\_\_

**Transportation Tariff**

**TransCanada PipeLines Limited**

DAWN LTFP CONTRACT

**DAWN LONG TERM FIXED PRICE TRANSPORTATION SERVICE CONTRACT**  
**("Dawn LTFP Contract")**

THIS DAWN LTFP CONTRACT, made as of the \_\_\_\_ day of \_\_\_\_\_, 20\_\_.

BETWEEN:

TRANSCANADA PIPELINES LIMITED  
a Canadian corporation  
("TransCanada")

OF THE FIRST PART

and

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

("Shipper")

OF THE SECOND PART

WITNESSES THAT:

WHEREAS TransCanada owns and operates a natural gas pipeline system extending from a point near the Alberta/Saskatchewan border where TransCanada's facilities interconnect with the facilities of NOVA Gas Transmission Ltd. easterly to the Province of Quebec with branch lines extending to various points on the Canada/United States of America International Border; and

WHEREAS Shipper has satisfied in full, or TransCanada has waived the condition precedent set out in Section 2.1 (b) of TransCanada's Dawn Long Term Fixed Price Toll Schedule referred to in Section 8.1 hereof (the "Dawn LTFP Toll Schedule"); and

WHEREAS Shipper has requested and TransCanada has agreed to transport quantities of gas, that are delivered by Shipper or Shipper's agent to TransCanada at the Receipt Point referred to in Section 5.1 hereof (the "Receipt Point"), to the Delivery Point referred to in Section 5.2 hereof (the "Delivery Point") pursuant to the terms and conditions of this Dawn LTFP Contract; and

WHEREAS the quantities of gas delivered hereunder by Shipper or Shipper's agent to TransCanada are to be removed from the province of production of such gas by Shipper and/or Shipper's

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suppliers and/or its (their) designated agent(s) pursuant to valid and subsisting permits and/or such other authorizations in respect thereof.

NOW THEREFORE THIS DAWN LTFP CONTRACT WITNESSES THAT, in consideration of the covenants and agreement herein contained, the parties hereto covenant and agree as follows:

### ARTICLE I – CONDITIONS PRECEDENT

1.1 TransCanada's obligations under this Dawn LTFP Contract and the commencement of transportation service hereunder are subject to the fulfillment of the following conditions precedent, which are for the sole benefit of TransCanada and may be waived by TransCanada at any time:

- (a) TransCanada Board of Directors approval of the transportation service offered hereunder;
- (b) receipt of all regulatory or governmental approvals TransCanada determines are necessary to implement the transportation service offered hereunder on terms and conditions acceptable to TransCanada in its sole discretion;
- (c) TransCanada obtaining transportation service on other pipeline systems that it determines necessary to provide the transportation service offered hereunder on terms and conditions acceptable to TransCanada in its sole discretion; and
- (d) TransCanada determines in its sole discretion that the aggregate contract demand for the transportation service offered hereunder is acceptable.

1.2 Within sixty (60) days following the receipt of the National Energy Board's ("NEB") decision regarding the application for approval of the transportation service offered hereunder, TransCanada shall provide notice to the Shipper that: a) the condition precedents in Section 1.1 have been satisfied or waived; or b) the condition precedents in Section 1.1 cannot be satisfied or waived and the Dawn LTFP Contract is terminated.

### ARTICLE II - COMMENCEMENT OF SERVICE

2.1 Subject to Sections 1.1 and 1.2, the date of commencement of transportation service hereunder shall be the first day of \_\_\_\_\_, 20\_\_ or on a later date specified by TransCanada in a notice (the "Date of Commencement").



## Transportation Tariff

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### ARTICLE III- TERM OF CONTRACT

3.1 Subject to Section 9.1 of the Dawn LTFP Toll Schedule, this Dawn LTFP Contract shall end on the last day of the month that is 120 consecutive months following the Date of Commencement (the "Dawn LTFP End Date").

3.2 If Shipper elects to reduce the term of this Dawn LTFP Contract pursuant to Section 9.1 of the Dawn LTFP Toll Schedule, TransCanada shall provide notice confirming the amended Dawn LTFP End Date.

### ARTICLE IV - GAS TO BE TRANSPORTED

4.1 Subject to the provisions of this Dawn LTFP Contract, the Dawn LTFP Toll Schedule, the List of Tolls, and the General Terms and Conditions referred to in Section 8.1 hereof, TransCanada shall provide transportation service hereunder for Shipper in respect of a quantity of gas which, in any one day from the Date of Commencement until the Dawn LTFP End Date, shall not exceed \_\_\_\_\_ GJ (the "Contract Demand").

### ARTICLE V - DELIVERY POINT AND RECEIPT POINT

5.1 The Receipt Point hereunder is the point of interconnection between the pipeline facilities of TransCanada and NOVA Gas Transmission Ltd. which is located at Empress.

5.2 The Delivery Point hereunder is the point of interconnection between the pipeline facilities of TransCanada and Union Gas Limited which is located at Union SWDA.

### ARTICLE VI - TOLLS

6.1 Shipper shall pay for all transportation service hereunder from the Date of Commencement in accordance with TransCanada's Dawn LTFP Toll Schedule, List of Tolls, and General Terms and Conditions set out in TransCanada's Transportation Tariff as the same may be amended or approved from time to time by the NEB.

6.2 Subject to Section 6.3, Shipper shall pay the following "Monthly Demand Toll" (CDN\$/GJ/month): \_\_\_\_\_. The Monthly Demand Toll is inclusive of any applicable Delivery Pressure Monthly Demand Toll and the Monthly Abandonment Surcharge which shall be equal to the Monthly Abandonment Surcharge from Empress to Emerson 2.

## Transportation Tariff

## TransCanada PipeLines Limited

DAWN LTFP CONTRACT

6.3 If Shipper elects to reduce the term of this Dawn LTFP Contract pursuant to Section 9.1 of the Dawn LTFP Toll Schedule, the Monthly Demand Toll specified in Section 6.2 will cease to apply for the last 24 months prior to such amended Dawn LTFP End Date and the following Monthly Demand Toll (CDN\$/GJ/month) shall apply:

- a) for a contract term reduced by 60 months: \_\_\_\_\_; or
- b) for a contract term reduced by 48 months: \_\_\_\_\_; or
- c) for a contract term reduced by 36 months: \_\_\_\_\_; or
- d) for a contract term reduced by 24 months: \_\_\_\_\_; or
- e) for a contract term reduced by 12 months: \_\_\_\_\_.

6.4 Shipper shall also pay any surcharge authorized by the NEB to account for changes in laws, rules or regulations, including changes that increase TransCanada's costs of providing the service offered hereunder. Nothing in this Dawn LTFP Contract shall be construed as preventing Shipper from opposing or otherwise challenging before the NEB the imposition of such surcharge on the basis that such surcharge does not account for changes in laws, rules or regulations, including changes that increase TransCanada's costs of providing the service offered hereunder.

### ARTICLE VII - NOTICES

7.1 Any notice, request, demand, statement or bill (for the purpose of this paragraph, collectively referred to as "Notice") to or upon the respective parties hereto shall be in writing and shall be directed as follows:

#### IN THE CASE OF TRANSCANADA: TransCanada PipeLines Limited

- (i) mailing address: P.O. Box 1000  
Station M  
Calgary, Alberta  
T2P 4K5
- (ii) delivery address: TransCanada Tower  
450 – 1<sup>st</sup> Street S.W.  
Calgary, Alberta  
T2P 5H1  
  
Attention: Director, Commercial Services  
Telecopy: \_\_\_\_\_
- (iii) nominations: Attention: Manager, Nominations & Allocations  
Telecopy: \_\_\_\_\_
- (iv) bills: Attention: Manager, Contracts, Billing & Credit  
Telecopy: \_\_\_\_\_

## Transportation Tariff

## TransCanada PipeLines Limited

DAWN LTFP CONTRACT

(v) other matters:

Attention:

Director, Commercial Services

Telecopy:

\_\_\_\_\_

### IN THE CASE OF SHIPPER:

(i) mailing address:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

(ii) delivery address:

\_\_\_\_\_  
\_\_\_\_\_

(iii) nominations:

Attention:

Telecopy:

\_\_\_\_\_  
\_\_\_\_\_

(iv) bills:

Attention:

Telecopy:

E-mail address:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

(v) other matters:

Attention:

Telecopy:

\_\_\_\_\_  
\_\_\_\_\_

Notice may be given by telecopier or other telecommunication device 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) days after mailing, Saturdays, Sundays and statutory holidays excepted. In the event regular mail service, courier service, telecopier or other telecommunication service shall be interrupted by a cause beyond the control of the parties hereto, then the party sending the Notice shall utilize any service that has not been so interrupted to deliver such Notice. Each party shall provide Notice to the other of any change of address for the purposes hereof. Any Notice may also be given by telephone followed immediately by personal delivery, courier, prepaid mail, telecopier or other telecommunication, and any Notice so given shall be deemed to be given as of the date and time of the telephone notice.

### ARTICLE VIII - MISCELLANEOUS PROVISIONS

8.1 The Dawn LTFP Toll Schedule, the List of Tolls, and the General Terms and Conditions set out in TransCanada's Transportation Tariff as amended or approved from time to time by the NEB are all by reference made a part of this Dawn LTFP Contract and operations hereunder shall, in addition to the terms and conditions of this Dawn LTFP Contract, be subject to the provisions thereof. TransCanada shall notify Shipper at any time that TransCanada files with the NEB revisions to the Dawn LTFP Toll Schedule, the List of Tolls, and/or the General Terms and Conditions (the "Revisions") and shall provide Shipper with a copy of the Revisions. Nothing in this Dawn LTFP Contract shall be construed as

## Transportation Tariff

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DAWN LTFP CONTRACT

preventing Shipper from opposing or otherwise challenging any Revisions on the basis that such Revisions are inconsistent with the terms and conditions of the service hereunder.

8.2 The headings used throughout this Dawn LTFP Contract, the Dawn LTFP Toll Schedule, the List of Tolls, and the General Terms and Conditions are inserted for convenience of reference only and are not to be considered or taken into account in construing the terms or provisions thereof nor to be deemed in any way to qualify, modify or explain the effect of any such provisions or terms.

8.3 This Dawn LTFP Contract shall be construed and applied, and be subject to the laws of the Province of Alberta, and, when applicable, the laws of Canada, and shall be subject to the rules, regulations and orders of any regulatory or legislative authority having jurisdiction.

8.4 During the period commencing with the execution of this Dawn LTFP Contract and concluding on the Dawn LTFP End Date, Shipper shall support TransCanada in any regulatory proceeding required to implement or continue the transportation service offered hereunder, as determined by TransCanada in its reasonable discretion. After the Dawn LTFP End Date, Shipper shall not oppose, whether directly or indirectly, the service offered pursuant to the Dawn LTFP Toll Schedule until the expiry of all Dawn LTFP Contracts entered into under the 2017 Dawn LTFP Open Season. Shipper's obligations not to oppose under this Section 8.4 will survive expiry of this Dawn LTFP Contract or termination of this Dawn LTFP Contract pursuant to Section 9.1 of the Dawn LTFP Toll Schedule. For clarity, Shipper's obligations not to oppose under this Section 8.4 will not survive the termination of this Dawn LTFP Contract pursuant to Section 1.2.

8.5 During the period commencing with the execution of this Dawn LTFP Contract and concluding on the latest initial end date of all Dawn LTFP Contracts entered into under the 2017 Dawn LTFP Open Season, Shipper shall not oppose, whether directly or indirectly, the continuation of pricing discretion for Interruptible Transportation Service and Short Term Firm Transportation Service as initially approved in the NEB's RH-003-2011 Decision and continued in the RH-001-2014 Decision. Shipper's obligations under this Section 8.5 will survive expiry of this Dawn LTFP Contract or termination of this Dawn LTFP Contract pursuant to Section 9.1 of the Dawn LTFP Toll Schedule. For clarity, Shipper's obligations under this Section 8.5 will not survive the termination of this Dawn LTFP Contract pursuant to Section 1.2,

### ARTICLE IX - DELIVERY PRESSURE

9.1 TransCanada shall increase the line pressure of the gas it delivers to Shipper at the Delivery Point to a pressure of not less than 4 850 kPa (g).

**Transportation Tariff**

**TransCanada PipeLines Limited**

DAWN LTFP CONTRACT

IN WITNESS WHEREOF, the parties hereto have executed this Dawn LTFP Contract as of the date first above written.

[Shipper]

TransCanada PipeLines Limited

Signed: \_\_\_\_\_

Signed: \_\_\_\_\_

Name: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

Date: \_\_\_\_\_

Signed: \_\_\_\_\_

Signed: \_\_\_\_\_

Name: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

Date: \_\_\_\_\_

**Transportation Tariff**

**TransCanada PipeLines Limited**

DAWN LTFP CONTRACT

**DAWN LONG TERM FIXED PRICE TRANSPORTATION SERVICE CONTRACT**

**("Dawn LTFP Contract")**

**- Multi-Tranche -**

THIS DAWN LTFP CONTRACT, made as of the \_\_\_\_ day of \_\_\_\_\_, 20\_\_.

BETWEEN:

TRANSCANADA PIPELINES LIMITED  
a Canadian corporation  
("TransCanada")

OF THE FIRST PART

and

\_\_\_\_\_  
\_\_\_\_\_

\_\_\_\_\_  
("Shipper")

OF THE SECOND PART

WITNESSES THAT:

WHEREAS TransCanada owns and operates a natural gas pipeline system extending from a point near the Alberta/Saskatchewan border where TransCanada's facilities interconnect with the facilities of NOVA Gas Transmission Ltd. easterly to the Province of Quebec with branch lines extending to various points on the Canada/United States of America International Border; and

WHEREAS Shipper has satisfied in full, or TransCanada has waived the condition precedent set out in Section 2.1 (b) of TransCanada's Dawn Long Term Fixed Price Toll Schedule referred to in Section 8.1 hereof (the "Dawn LTFP Toll Schedule"); and

WHEREAS Shipper has requested and TransCanada has agreed to transport quantities of gas, that are delivered by Shipper or Shipper's agent to TransCanada at the Receipt Point referred to in Section 5.1 hereof (the "Receipt Point"), to the Delivery Point referred to in Section 5.2 hereof (the "Delivery Point") pursuant to the terms and conditions of this Dawn LTFP Contract; and

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DAWN LTFP CONTRACT

WHEREAS the quantities of gas delivered hereunder by Shipper or Shipper's agent to TransCanada are to be removed from the province of production of such gas by Shipper and/or Shipper's suppliers and/or its (their) designated agent(s) pursuant to valid and subsisting permits and/or such other authorizations in respect thereof.

NOW THEREFORE THIS DAWN LTFP CONTRACT WITNESSES THAT, in consideration of the covenants and agreement herein contained, the parties hereto covenant and agree as follows:

### ARTICLE I – CONDITIONS PRECEDENT

1.1 TransCanada's obligations under this Dawn LTFP Contract and the commencement of transportation service hereunder are subject to the fulfillment of the following conditions precedent, which are for the sole benefit of TransCanada and may be waived by TransCanada at any time:

- (a) TransCanada Board of Directors approval of the transportation service offered hereunder;
- (b) receipt of all regulatory or governmental approvals TransCanada determines are necessary to implement the transportation service offered hereunder on terms and conditions acceptable to TransCanada in its sole discretion;
- (c) TransCanada obtaining transportation service on other pipeline systems that it determines necessary to provide the transportation service offered hereunder on terms and conditions acceptable to TransCanada in its sole discretion; and
- (d) TransCanada determines in its sole discretion that the aggregate contract demand for the transportation service offered hereunder is acceptable.

1.2 ~~TransCanada shall provide notice to~~ Within sixty (60) days following the Shipper's receipt of the National Energy Board's ("NEB") decision regarding the application for approval of the transportation service offered hereunder, TransCanada shall provide notice to the Shipper that: a) the condition precedents in Section 1.1 have been satisfied or waived. ~~If, or b) the condition precedents in Section 1.1 cannot be satisfied or waived, TransCanada shall provide notice to the Shipper that~~ and the Dawn LTFP Contract is terminated.

## Transportation Tariff

## TransCanada PipeLines Limited

DAWN LTFP CONTRACT

### ARTICLE II - COMMENCEMENT OF SERVICE

2.1 Subject to Sections 1.1 and 1.2, the date of commencement of transportation service hereunder shall be:

- for Tranche 1: the first day of \_\_\_\_\_, 20\_\_ or on a later date specified by TransCanada in a Notice (the "Tranche 1 Date of Commencement").
- for Tranche 2: the first day of \_\_\_\_\_, 20\_\_ or on a later date specified by TransCanada in a Notice (the "Tranche 2 Date of Commencement").
- for Tranche 3: the first day of \_\_\_\_\_, 20\_\_ or on a later date specified by TransCanada in a Notice (the "Tranche 3 Date of Commencement").
- [Add additional Tranches as required]

"Tranche" shall mean any one of the above Tranches. "Date of Commencement" shall mean the date specified above with respect to a specific Tranche.

### ARTICLE III- TERM OF DAWN LTFP CONTRACT

3.1 Subject to Section 9.1 of the Dawn LTFP Toll Schedule, this Dawn LTFP Contract and all Tranches hereunder shall end on the last day of the month that is 120 consecutive months following the Tranche [Insert Latest Tranche Number] Date of Commencement (the "Dawn LTFP End Date").

3.2 If Shipper elects to reduce the term of this Dawn LTFP Contract pursuant to Section 9.1 of the Dawn LTFP Toll Schedule, TransCanada shall provide notice confirming the amended Dawn LTFP End Date.

### ARTICLE IV - GAS TO BE TRANSPORTED

4.1 Subject to the provisions of this Dawn LTFP Contract, the Dawn LTFP Toll Schedule, the List of Tolls, and the General Terms and Conditions referred to in Section 8.1 hereof, TransCanada shall provide transportation service hereunder for Shipper in respect of a quantity of gas which, in any one day from the Date of Commencement for each Tranche of Tranche 1, Tranche 2, and Tranche 3, [add additional Tranches as required], until the Dawn LTFP End Date, shall not exceed:



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DAWN LTFP CONTRACT

- for Tranche 1: \_\_\_\_\_ GJ (the "Tranche 1 Contract Demand").
- for Tranche 2: \_\_\_\_\_ GJ (the "Tranche 2 Contract Demand").
- for Tranche 3: \_\_\_\_\_ GJ (the "Tranche 3 Contract Demand").
- [Add additional Tranches as required]

The sum of each Tranche in effect at any point in time pursuant to this Dawn LTFP Contract shall be the "Contract Demand".

### ARTICLE V - DELIVERY POINT AND RECEIPT POINT

5.1 The Receipt Point hereunder is the point of interconnection between the pipeline facilities of TransCanada and NOVA Gas Transmission Ltd. which is located at Empress.

5.2 The Delivery Point hereunder is the point of interconnection between the pipeline facilities of TransCanada and Union Gas Limited which is located at Union SWDA.

### ARTICLE VI - TOLLS

6.1 Shipper shall pay for all transportation service hereunder from the Date of Commencement of each Tranche in accordance with TransCanada's Dawn LTFP Toll Schedule, List of Tolls, and General Terms and Conditions set out in TransCanada's Transportation Tariff as the same may be amended or approved from time to time by the ~~National Energy Board (the "NEB")~~ NEB.

6.2 Subject to Section 6.3, Shipper shall pay the following "Monthly Demand Toll" (CDN\$/GJ/month): \_\_\_\_\_. The Monthly Demand Toll is inclusive of any applicable Delivery Pressure Monthly Demand Toll and the Monthly Abandonment Surcharge which shall be equal to the Monthly Abandonment Surcharge from Empress to Emerson 2.

6.3 If Shipper elects to reduce the term of this Dawn LTFP Contract pursuant to Section 9.1 of the Dawn LTFP Toll Schedule, the Monthly Demand Toll specified in Section 6.2 will cease to apply for the last 24 months prior to such amended Dawn LTFP End Date and the following Monthly Demand Toll (CDN\$/GJ/month) shall apply:

- a) for a contract term reduced by 60 months: \_\_\_\_\_; or
- b) for a contract term reduced by 48 months: \_\_\_\_\_; or
- c) for a contract term reduced by 36 months: \_\_\_\_\_; or
- d) for a contract term reduced by 24 months: \_\_\_\_\_; or
- e) for a contract term reduced by 12 months: \_\_\_\_\_.

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~~6.4 Subject to NEB approval, the Monthly Demand Toll may be increased~~ 6.4 Shipper shall also pay any surcharge authorized by the NEB to account for changes in laws, rules or regulations, including changes that increase TransCanada's costs of providing the service offered hereunder. Nothing in this Dawn LTFP Contract shall be construed as preventing Shipper from opposing or otherwise challenging before the NEB the imposition of such surcharge on the basis that such surcharge does not account for changes in laws, rules or regulations, including changes that increase TransCanada's costs of providing the service offered hereunder.

### ARTICLE VII - NOTICES

7.1 Any notice, request, demand, statement or bill (for the purpose of this paragraph, collectively referred to as "Notice") to or upon the respective parties hereto shall be in writing and shall be directed as follows:

#### IN THE CASE OF TRANSCANADA: TransCanada PipeLines Limited

- |                        |   |
|------------------------|---|
| (i) mailing address:   | P.O. Box 1000<br>Station M<br>Calgary, Alberta<br>T2P 4K5                             |
| (ii) delivery address: | TransCanada Tower<br>450 – 1 <sup>st</sup> Street S.W.<br>Calgary, Alberta<br>T2P 5H1 |
|                        | Attention: Director, Commercial Services<br>Telecopy: _____                           |
| (iii) nominations:     | Attention: Manager, Nominations & Allocations<br>Telecopy: _____                      |
| (iv) bills:            | Attention: Manager, Contracts, Billing & Credit<br>Telecopy: _____                    |
| (v) other matters:     | Attention: Director, Commercial Services<br>Telecopy: _____                           |

#### IN THE CASE OF SHIPPER:

- |                        |                         |
|------------------------|-------------------------|
| (i) mailing address:   | _____<br>_____<br>_____ |
| (ii) delivery address: | _____<br>_____          |

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(iii) nominations:	Attention: _____
	Telecopy: _____
(iv) bills:	Attention: _____
	Telecopy: _____
	E-mail address: _____
(v) other matters:	Attention: _____
	Telecopy: _____

Notice may be given by telecopier or other telecommunication device 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) days after mailing, Saturdays, Sundays and statutory holidays excepted. In the event regular mail service, courier service, telecopier or other telecommunication service shall be interrupted by a cause beyond the control of the parties hereto, then the party sending the Notice shall utilize any service that has not been so interrupted to deliver such Notice. Each party shall provide Notice to the other of any change of address for the purposes hereof. Any Notice may also be given by telephone followed immediately by personal delivery, courier, prepaid mail, telecopier or other telecommunication, and any Notice so given shall be deemed to be given as of the date and time of the telephone notice.

### ARTICLE VIII - MISCELLANEOUS PROVISIONS

8.1 The Dawn LTFP Toll Schedule, the List of Tolls, and the General Terms and Conditions set out in TransCanada's Transportation Tariff as amended or approved from time to time by the NEB are all by reference made a part of this Dawn LTFP Contract and operations hereunder shall, in addition to the terms and conditions of this Dawn LTFP Contract, be subject to the provisions thereof. TransCanada shall notify Shipper at any time that TransCanada files with the NEB revisions to the Dawn LTFP Toll Schedule, the List of Tolls, and/or the General Terms and Conditions (the "Revisions") and shall provide Shipper with a copy of the Revisions. Nothing in this Dawn LTFP Contract shall be construed as preventing Shipper from opposing or otherwise challenging any Revisions on the basis that such Revisions are inconsistent with the terms and conditions of the service hereunder.

8.2 The headings used throughout this Dawn LTFP Contract, the Dawn LTFP Toll Schedule, the List of Tolls, and the General Terms and Conditions are inserted for convenience of reference only and are not to be considered or taken into account in construing the terms or provisions thereof nor to be deemed in any way to qualify, modify or explain the effect of any such provisions or terms.

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## TransCanada PipeLines Limited

DAWN LTFP CONTRACT

8.3 This Dawn LTFP Contract shall be construed and applied, and be subject to the laws of the Province of Alberta, and, when applicable, the laws of Canada, and shall be subject to the rules, regulations and orders of any regulatory or legislative authority having jurisdiction.

8.4 During the period commencing with the execution of this Dawn LTFP Contract and concluding on the Dawn LTFP End Date, Shipper shall support TransCanada in any regulatory proceeding required to implement or continue the transportation service offered hereunder, as determined by TransCanada in its ~~sole discretion~~ reasonable discretion. After the Dawn LTFP End Date, Shipper shall not oppose, whether directly or indirectly, the service offered pursuant to the Dawn LTFP Toll Schedule until the expiry of all Dawn LTFP Contracts entered into under the 2017 Dawn LTFP Open Season. Shipper's obligations not to oppose under this Section 8.4 will survive expiry of this Dawn LTFP Contract or termination of this Dawn LTFP Contract pursuant to Section 9.1 of the Dawn LTFP Toll Schedule. For clarity, Shipper's obligations not to oppose under this Section 8.4 will not survive the termination of this Dawn LTFP Contract pursuant to Section 1.2.

8.5 During the period commencing with the execution of this Dawn LTFP Contract and concluding on the latest initial end date of all Dawn LTFP Contracts entered into under the 2017 Dawn LTFP Open Season, Shipper shall not oppose, whether directly or indirectly, the continuation of pricing discretion for Interruptible Transportation Service and Short Term Firm Transportation Service as initially approved in the NEB's RH-003-2011 Decision and continued in the RH-001-2014 Decision. Shipper's obligations under this Section 8.5 will survive expiry of this Dawn LTFP Contract or termination of this Dawn LTFP Contract pursuant to Section 9.1 of the Dawn LTFP Toll Schedule. For clarity, Shipper's obligations under this Section 8.5 will not survive the termination of this Dawn LTFP Contract pursuant to Section 1.2.

### ARTICLE IX - DELIVERY PRESSURE

9.1 TransCanada shall increase the line pressure of the gas it delivers to Shipper at the Delivery Point to a pressure of not less than 4 850 kPa (g).

**Transportation Tariff**

**TransCanada PipeLines Limited**

DAWN LTFP CONTRACT

IN WITNESS WHEREOF, the parties hereto have executed this Dawn LTFP Contract as of the date first above written.

[Shipper]

TransCanada PipeLines Limited

Signed: \_\_\_\_\_

Signed: \_\_\_\_\_

Name: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

Date: \_\_\_\_\_

Signed: \_\_\_\_\_

Signed: \_\_\_\_\_

Name: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

Date: \_\_\_\_\_

**Transportation Tariff**

**TransCanada PipeLines Limited**

DAWN LTFP CONTRACT

**DAWN LONG TERM FIXED PRICE TRANSPORTATION SERVICE CONTRACT**

**("Dawn LTFP Contract")**

**- Multi-Tranche -**

THIS DAWN LTFP CONTRACT, made as of the \_\_\_\_ day of \_\_\_\_\_, 20\_\_.

BETWEEN:

TRANSCANADA PIPELINES LIMITED  
a Canadian corporation  
("TransCanada")

OF THE FIRST PART

and

\_\_\_\_\_  
\_\_\_\_\_

\_\_\_\_\_  
("Shipper")

OF THE SECOND PART

WITNESSES THAT:

WHEREAS TransCanada owns and operates a natural gas pipeline system extending from a point near the Alberta/Saskatchewan border where TransCanada's facilities interconnect with the facilities of NOVA Gas Transmission Ltd. easterly to the Province of Quebec with branch lines extending to various points on the Canada/United States of America International Border; and

WHEREAS Shipper has satisfied in full, or TransCanada has waived the condition precedent set out in Section 2.1 (b) of TransCanada's Dawn Long Term Fixed Price Toll Schedule referred to in Section 8.1 hereof (the "Dawn LTFP Toll Schedule"); and

WHEREAS Shipper has requested and TransCanada has agreed to transport quantities of gas, that are delivered by Shipper or Shipper's agent to TransCanada at the Receipt Point referred to in Section 5.1 hereof (the "Receipt Point"), to the Delivery Point referred to in Section 5.2 hereof (the "Delivery Point") pursuant to the terms and conditions of this Dawn LTFP Contract; and

## Transportation Tariff

## TransCanada PipeLines Limited

DAWN LTFP CONTRACT

WHEREAS the quantities of gas delivered hereunder by Shipper or Shipper's agent to TransCanada are to be removed from the province of production of such gas by Shipper and/or Shipper's suppliers and/or its (their) designated agent(s) pursuant to valid and subsisting permits and/or such other authorizations in respect thereof.

NOW THEREFORE THIS DAWN LTFP CONTRACT WITNESSES THAT, in consideration of the covenants and agreement herein contained, the parties hereto covenant and agree as follows:

### ARTICLE I – CONDITIONS PRECEDENT

1.1 TransCanada's obligations under this Dawn LTFP Contract and the commencement of transportation service hereunder are subject to the fulfillment of the following conditions precedent, which are for the sole benefit of TransCanada and may be waived by TransCanada at any time:

- (a) TransCanada Board of Directors approval of the transportation service offered hereunder;
- (b) receipt of all regulatory or governmental approvals TransCanada determines are necessary to implement the transportation service offered hereunder on terms and conditions acceptable to TransCanada in its sole discretion;
- (c) TransCanada obtaining transportation service on other pipeline systems that it determines necessary to provide the transportation service offered hereunder on terms and conditions acceptable to TransCanada in its sole discretion; and
- (d) TransCanada determines in its sole discretion that the aggregate contract demand for the transportation service offered hereunder is acceptable.

1.2 Within sixty (60) days following the receipt of the National Energy Board's ("NEB") decision regarding the application for approval of the transportation service offered hereunder, TransCanada shall provide notice to the Shipper that: a) the condition precedents in Section 1.1 have been satisfied or waived; or b) the condition precedents in Section 1.1 cannot be satisfied or waived and the Dawn LTFP Contract is terminated.

## Transportation Tariff

## TransCanada PipeLines Limited

DAWN LTFP CONTRACT

### ARTICLE II - COMMENCEMENT OF SERVICE

2.1 Subject to Sections 1.1 and 1.2, the date of commencement of transportation service hereunder shall be:

- for Tranche 1: the first day of \_\_\_\_\_, 20\_\_ or on a later date specified by TransCanada in a Notice (the "Tranche 1 Date of Commencement").
- for Tranche 2: the first day of \_\_\_\_\_, 20\_\_ or on a later date specified by TransCanada in a Notice (the "Tranche 2 Date of Commencement").
- for Tranche 3: the first day of \_\_\_\_\_, 20\_\_ or on a later date specified by TransCanada in a Notice (the "Tranche 3 Date of Commencement").
- [Add additional Tranches as required]

"Tranche" shall mean any one of the above Tranches. "Date of Commencement" shall mean the date specified above with respect to a specific Tranche.

### ARTICLE III- TERM OF DAWN LTFP CONTRACT

3.1 Subject to Section 9.1 of the Dawn LTFP Toll Schedule, this Dawn LTFP Contract and all Tranches hereunder shall end on the last day of the month that is 120 consecutive months following the Tranche [Insert Latest Tranche Number] Date of Commencement (the "Dawn LTFP End Date").

3.2 If Shipper elects to reduce the term of this Dawn LTFP Contract pursuant to Section 9.1 of the Dawn LTFP Toll Schedule, TransCanada shall provide notice confirming the amended Dawn LTFP End Date.

### ARTICLE IV - GAS TO BE TRANSPORTED

4.1 Subject to the provisions of this Dawn LTFP Contract, the Dawn LTFP Toll Schedule, the List of Tolls, and the General Terms and Conditions referred to in Section 8.1 hereof, TransCanada shall provide transportation service hereunder for Shipper in respect of a quantity of gas which, in any one day from the Date of Commencement for each Tranche of Tranche 1, Tranche 2, and Tranche 3, [add additional Tranches as required], until the Dawn LTFP End Date, shall not exceed:



## Transportation Tariff

## TransCanada PipeLines Limited

DAWN LTFP CONTRACT

- for Tranche 1: \_\_\_\_\_ GJ (the "Tranche 1 Contract Demand").
- for Tranche 2: \_\_\_\_\_ GJ (the "Tranche 2 Contract Demand").
- for Tranche 3: \_\_\_\_\_ GJ (the "Tranche 3 Contract Demand").
- [Add additional Tranches as required]

The sum of each Tranche in effect at any point in time pursuant to this Dawn LTFP Contract shall be the "Contract Demand".

### ARTICLE V - DELIVERY POINT AND RECEIPT POINT

5.1 The Receipt Point hereunder is the point of interconnection between the pipeline facilities of TransCanada and NOVA Gas Transmission Ltd. which is located at Empress.

5.2 The Delivery Point hereunder is the point of interconnection between the pipeline facilities of TransCanada and Union Gas Limited which is located at Union SWDA.

### ARTICLE VI - TOLLS

6.1 Shipper shall pay for all transportation service hereunder from the Date of Commencement of each Tranche in accordance with TransCanada's Dawn LTFP Toll Schedule, List of Tolls, and General Terms and Conditions set out in TransCanada's Transportation Tariff as the same may be amended or approved from time to time by the NEB.

6.2 Subject to Section 6.3, Shipper shall pay the following "Monthly Demand Toll" (CDN\$/GJ/month): \_\_\_\_\_. The Monthly Demand Toll is inclusive of any applicable Delivery Pressure Monthly Demand Toll and the Monthly Abandonment Surcharge which shall be equal to the Monthly Abandonment Surcharge from Empress to Emerson 2.

6.3 If Shipper elects to reduce the term of this Dawn LTFP Contract pursuant to Section 9.1 of the Dawn LTFP Toll Schedule, the Monthly Demand Toll specified in Section 6.2 will cease to apply for the last 24 months prior to such amended Dawn LTFP End Date and the following Monthly Demand Toll (CDN\$/GJ/month) shall apply:

- a) for a contract term reduced by 60 months: \_\_\_\_\_; or
- b) for a contract term reduced by 48 months: \_\_\_\_\_; or
- c) for a contract term reduced by 36 months: \_\_\_\_\_; or
- d) for a contract term reduced by 24 months: \_\_\_\_\_; or
- e) for a contract term reduced by 12 months: \_\_\_\_\_.

## Transportation Tariff

## TransCanada PipeLines Limited

DAWN LTFP CONTRACT

6.4 Shipper shall also pay any surcharge authorized by the NEB to account for changes in laws, rules or regulations, including changes that increase TransCanada's costs of providing the service offered hereunder. Nothing in this Dawn LTFP Contract shall be construed as preventing Shipper from opposing or otherwise challenging before the NEB the imposition of such surcharge on the basis that such surcharge does not account for changes in laws, rules or regulations, including changes that increase TransCanada's costs of providing the service offered hereunder.

### ARTICLE VII - NOTICES

7.1 Any notice, request, demand, statement or bill (for the purpose of this paragraph, collectively referred to as "Notice") to or upon the respective parties hereto shall be in writing and shall be directed as follows:

#### IN THE CASE OF TRANSCANADA: TransCanada PipeLines Limited

- |                        |   |
|------------------------|---|
| (i) mailing address:   | P.O. Box 1000<br>Station M<br>Calgary, Alberta<br>T2P 4K5                             |
| (ii) delivery address: | TransCanada Tower<br>450 – 1 <sup>st</sup> Street S.W.<br>Calgary, Alberta<br>T2P 5H1 |
|                        | Attention: Director, Commercial Services<br>Telecopy: _____                           |
| (iii) nominations:     | Attention: Manager, Nominations & Allocations<br>Telecopy: _____                      |
| (iv) bills:            | Attention: Manager, Contracts, Billing & Credit<br>Telecopy: _____                    |
| (v) other matters:     | Attention: Director, Commercial Services<br>Telecopy: _____                           |

#### IN THE CASE OF SHIPPER:

- |                        |                         |
|------------------------|-------------------------|
| (i) mailing address:   | _____<br>_____<br>_____ |
| (ii) delivery address: | _____<br>_____          |
| (iii) nominations:     | Attention: _____        |

Effective Date: [•]

Sheet No. 5

## Transportation Tariff

## TransCanada PipeLines Limited

DAWN LTFP CONTRACT

	Telecopy:	_____
(iv) bills:	Attention:	_____
	Telecopy:	_____
	E-mail address:	_____
(v) other matters:	Attention:	_____
	Telecopy:	_____

Notice may be given by telecopier or other telecommunication device 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) days after mailing, Saturdays, Sundays and statutory holidays excepted. In the event regular mail service, courier service, telecopier or other telecommunication service shall be interrupted by a cause beyond the control of the parties hereto, then the party sending the Notice shall utilize any service that has not been so interrupted to deliver such Notice. Each party shall provide Notice to the other of any change of address for the purposes hereof. Any Notice may also be given by telephone followed immediately by personal delivery, courier, prepaid mail, telecopier or other telecommunication, and any Notice so given shall be deemed to be given as of the date and time of the telephone notice.

### ARTICLE VIII - MISCELLANEOUS PROVISIONS

8.1 The Dawn LTFP Toll Schedule, the List of Tolls, and the General Terms and Conditions set out in TransCanada's Transportation Tariff as amended or approved from time to time by the NEB are all by reference made a part of this Dawn LTFP Contract and operations hereunder shall, in addition to the terms and conditions of this Dawn LTFP Contract, be subject to the provisions thereof. TransCanada shall notify Shipper at any time that TransCanada files with the NEB revisions to the Dawn LTFP Toll Schedule, the List of Tolls, and/or the General Terms and Conditions (the "Revisions") and shall provide Shipper with a copy of the Revisions. Nothing in this Dawn LTFP Contract shall be construed as preventing Shipper from opposing or otherwise challenging any Revisions on the basis that such Revisions are inconsistent with the terms and conditions of the service hereunder.

8.2 The headings used throughout this Dawn LTFP Contract, the Dawn LTFP Toll Schedule, the List of Tolls, and the General Terms and Conditions are inserted for convenience of reference only and are not to be considered or taken into account in construing the terms or provisions thereof nor to be deemed in any way to qualify, modify or explain the effect of any such provisions or terms.

## Transportation Tariff

## TransCanada PipeLines Limited

DAWN LTFP CONTRACT

8.3 This Dawn LTFP Contract shall be construed and applied, and be subject to the laws of the Province of Alberta, and, when applicable, the laws of Canada, and shall be subject to the rules, regulations and orders of any regulatory or legislative authority having jurisdiction.

8.4 During the period commencing with the execution of this Dawn LTFP Contract and concluding on the Dawn LTFP End Date, Shipper shall support TransCanada in any regulatory proceeding required to implement or continue the transportation service offered hereunder, as determined by TransCanada in its reasonable discretion. After the Dawn LTFP End Date, Shipper shall not oppose, whether directly or indirectly, the service offered pursuant to the Dawn LTFP Toll Schedule until the expiry of all Dawn LTFP Contracts entered into under the 2017 Dawn LTFP Open Season. Shipper's obligations not to oppose under this Section 8.4 will survive expiry of this Dawn LTFP Contract or termination of this Dawn LTFP Contract pursuant to Section 9.1 of the Dawn LTFP Toll Schedule. For clarity, Shipper's obligations not to oppose under this Section 8.4 will not survive the termination of this Dawn LTFP Contract pursuant to Section 1.2.

8.5 During the period commencing with the execution of this Dawn LTFP Contract and concluding on the latest initial end date of all Dawn LTFP Contracts entered into under the 2017 Dawn LTFP Open Season, Shipper shall not oppose, whether directly or indirectly, the continuation of pricing discretion for Interruptible Transportation Service and Short Term Firm Transportation Service as initially approved in the NEB's RH-003-2011 Decision and continued in the RH-001-2014 Decision. Shipper's obligations under this Section 8.5 will survive expiry of this Dawn LTFP Contract or termination of this Dawn LTFP Contract pursuant to Section 9.1 of the Dawn LTFP Toll Schedule. For clarity, Shipper's obligations under this Section 8.5 will not survive the termination of this Dawn LTFP Contract pursuant to Section 1.2,

### ARTICLE IX - DELIVERY PRESSURE

9.1 TransCanada shall increase the line pressure of the gas it delivers to Shipper at the Delivery Point to a pressure of not less than 4 850 kPa (g).

**Transportation Tariff**

**TransCanada PipeLines Limited**

DAWN LTFP CONTRACT

IN WITNESS WHEREOF, the parties hereto have executed this Dawn LTFP Contract as of the date first above written.

[Shipper]

TransCanada PipeLines Limited

Signed: \_\_\_\_\_

Signed: \_\_\_\_\_

Name: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

Date: \_\_\_\_\_

Signed: \_\_\_\_\_

Signed: \_\_\_\_\_

Name: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

Date: \_\_\_\_\_

**DAWN LONG TERM FIXED PRICE TRANSPORTATION SERVICE CONTRACT**

**("Dawn LTFP Contract")**

**- Aggregated -**

THIS DAWN LTFP CONTRACT, made as of the \_\_\_\_ day of \_\_\_\_\_, 20\_\_.

BETWEEN:

TRANSCANADA PIPELINES LIMITED  
a Canadian corporation  
("TransCanada")

OF THE FIRST PART

and

\_\_\_\_\_  
\_\_\_\_\_

\_\_\_\_\_  
("Shipper")

OF THE SECOND PART

WITNESSES THAT:

WHEREAS TransCanada owns and operates a natural gas pipeline system extending from a point near the Alberta/Saskatchewan border where TransCanada's facilities interconnect with the facilities of NOVA Gas Transmission Ltd. easterly to the Province of Quebec with branch lines extending to various points on the Canada/United States of America International Border; and

WHEREAS Shipper has satisfied in full, or TransCanada has waived the condition precedent set out in Section 2.1 (b) of TransCanada's Dawn Long Term Fixed Price Toll Schedule referred to in Section 8.1 hereof (the "Dawn LTFP Toll Schedule"); and

WHEREAS Shipper has requested and TransCanada has agreed to transport quantities of gas, that are delivered by Shipper or Shipper's agent to TransCanada at the Receipt Point referred to in Section 5.1 hereof (the "Receipt Point"), to the Delivery Point referred to in Section 5.2 hereof (the "Delivery Point") pursuant to the terms and conditions of this Dawn LTFP Contract; and

## Transportation Tariff

## TransCanada PipeLines Limited

DAWN LTFP CONTRACT

WHEREAS the quantities of gas delivered hereunder by Shipper or Shipper's agent to TransCanada are to be removed from the province of production of such gas by Shipper and/or Shipper's suppliers and/or its (their) designated agent(s) pursuant to valid and subsisting permits and/or such other authorizations in respect thereof; and

WHEREAS specified quantities of gas delivered hereunder are ~~for the benefit of Shipper's agents~~ associated with suppliers that will be delivering gas to Shipper, which agents ~~suppliers~~ are listed in Schedule A hereto (such ~~agents~~ suppliers collectively referred to as "Third Parties"), along with the share of the Contract Demand attributable to each such Third Party.

NOW THEREFORE THIS DAWN LTFP CONTRACT WITNESSES THAT, in consideration of the covenants and agreement herein contained, the parties hereto covenant and agree as follows:

### ARTICLE I – CONDITIONS PRECEDENT

1.1 TransCanada's obligations under this Dawn LTFP Contract and the commencement of transportation service hereunder are subject to the fulfillment of the following conditions precedent, which are for the sole benefit of TransCanada and may be waived by TransCanada at any time:

- (a) TransCanada Board of Directors approval of the transportation service offered hereunder;
- (b) receipt of all regulatory or governmental approvals TransCanada determines are necessary to implement the transportation service offered hereunder on terms and conditions acceptable to TransCanada in its sole discretion;
- (c) TransCanada obtaining transportation service on other pipeline systems that it determines necessary to provide the transportation service offered hereunder on terms and conditions acceptable to TransCanada in its sole discretion; and
- (d) TransCanada determines in its sole discretion that the aggregate contract demand for the transportation service offered hereunder is acceptable.

1.2 ~~TransCanada shall provide notice to~~ Within sixty (60) days following the Shipper's receipt of the National Energy Board's ("NEB") decision regarding the application for approval of the transportation service offered hereunder, TransCanada shall provide notice to the Shipper that: a) the condition precedents in Section 1.1 have been satisfied or waived. ~~If, or b) the condition precedents in Section 1.1 cannot be satisfied or waived, TransCanada shall provide notice to the Shipper that and the Dawn LTFP Contract is terminated.~~

## Transportation Tariff

## TransCanada PipeLines Limited

DAWN LTFP CONTRACT

### ARTICLE II - COMMENCEMENT OF SERVICE

2.1 Subject to Sections 1.1 and 1.2, the date of commencement of transportation service hereunder shall be:

- for Tranche 1: the first day of \_\_\_\_\_, 20\_\_ or on a later date specified by TransCanada in a Notice (the "Tranche 1 Date of Commencement").
- for Tranche 2: the first day of \_\_\_\_\_, 20\_\_ or on a later date specified by TransCanada in a Notice (the "Tranche 2 Date of Commencement").
- for Tranche 3: the first day of \_\_\_\_\_, 20\_\_ or on a later date specified by TransCanada in a Notice (the "Tranche 3 Date of Commencement").
- [Add additional Tranches as required]

"Tranche" shall mean any one of the above Tranches. "Date of Commencement" shall mean the date specified above with respect to a specific Tranche.

### ARTICLE III- TERM OF DAWN LTFP CONTRACT

3.1 Subject to Section 9.1 of the Dawn LTFP Toll Schedule, this Dawn LTFP Contract and all Tranches hereunder shall end on the last day of the month that is 120 consecutive months following the Tranche [Insert Latest Tranche Number] Date of Commencement (the "Dawn LTFP End Date").

3.2 If Shipper elects to reduce the term of this Dawn LTFP Contract pursuant to Section 9.1 of the Dawn LTFP Toll Schedule, TransCanada shall provide notice confirming the amended Dawn LTFP End Date.

### ARTICLE IV - GAS TO BE TRANSPORTED

4.1 Subject to the provisions of this Dawn LTFP Contract, the Dawn LTFP Toll Schedule, the List of Tolls, and the General Terms and Conditions referred to in Section 8.1 hereof, TransCanada shall provide transportation service hereunder for Shipper in respect of a quantity of gas which, in any one day from the Date of Commencement for each Tranche of Tranche 1, Tranche 2, and Tranche 3, [add additional Tranches as required], until the Dawn LTFP End Date, shall not exceed:



## Transportation Tariff

## TransCanada PipeLines Limited

DAWN LTFP CONTRACT

- for Tranche 1: \_\_\_\_\_ GJ (the "Tranche 1 Contract Demand").
- for Tranche 2: \_\_\_\_\_ GJ (the "Tranche 2 Contract Demand").
- for Tranche 3: \_\_\_\_\_ GJ (the "Tranche 3 Contract Demand").
- [Add additional Tranches as required]

The sum of all Tranches in effect at any point in time pursuant to this Dawn LTFP Contract shall be the "Contract Demand".

4.2 Shipper confirms that each Tranche, and its related share of the Contract Demand, is attributable to either Shipper or a specific Third Party, as listed in Schedule A hereto. Shipper shall promptly update Schedule A with any changes to the Third Parties that underpin specific Tranches of this Dawn LTFP Contract. Shipper shall obtain TransCanada's prior written consent, not to be unreasonably withheld, for any permanent assignments from a Third Party to another entity of the underlying contract between Shipper and such Third Party, and the obligations thereunder, that underpin specific Tranches of this Dawn LTFP Contract, and that Shipper shall provide TransCanada ~~with, or cause to be provided to~~ TransCanada, information demonstrating to TransCanada's satisfaction the credit worthiness of any new Third Party not previously identified in Schedule A. For greater clarity, "Third Parties" shall only include those parties listed on Schedule A hereto that have been consented to by TransCanada.

### ARTICLE V - DELIVERY POINT AND RECEIPT POINT

5.1 The Receipt Point hereunder is the point of interconnection between the pipeline facilities of TransCanada and NOVA Gas Transmission Ltd. which is located at Empress.

5.2 The Delivery Point hereunder is the point of interconnection between the pipeline facilities of TransCanada and Union Gas Limited which is located at Union SWDA.

### ARTICLE VI - TOLLS

6.1 Shipper shall pay for all transportation service hereunder from the Date of Commencement of each Tranche in accordance with TransCanada's Dawn LTFP Toll Schedule, List of Tolls, and General Terms and Conditions set out in TransCanada's Transportation Tariff as the same may be amended or approved from time to time by the ~~National Energy Board (the "NEB")~~ NEB.

## Transportation Tariff

## TransCanada PipeLines Limited

DAWN LTFP CONTRACT

6.2 Subject to Sections 6.3 and 6.4, Shipper shall pay the "Monthly Demand Toll", inclusive of any applicable Delivery Pressure Monthly Demand Toll and the Monthly Abandonment Surcharge which shall be equal to the Monthly Abandonment Surcharge from Empress to Emerson 2, corresponding to the associated Contract Demand pursuant to the table below:

<b>Contract Demand (GJ/Day)</b>	<b>Monthly Demand Toll (CDN\$/GJ/month)</b>
1 to 74,499	24.94167
75,000 to 149,999	24.33333
150,000 to 249,999	23.42083
250,000 or more	22.81250

6.3 If Shipper elects to reduce the term of this Dawn LTFP Contract pursuant to Section 9.1 of the Dawn LTFP Toll Schedule, the Monthly Demand Toll specified in Section 6.2 will cease to apply for the last 24 months prior to such amended Dawn LTFP End Date and the following Monthly Demand Toll corresponding to the associated Contract Demand pursuant to the table below shall apply:

<b>For a contract term reduced by:</b>		<b>60 months</b>	<b>48 months</b>	<b>36 months</b>	<b>24 months</b>	<b>12 months</b>
<b>Monthly Demand Toll that applies in last 24 months (CDN\$/GJ/month) for Contract Demand of (GJ/d):</b>	1 to 74,499	34.97917	34.37083	33.15417	31.32917	28.59167
	75,000 to 149,999	33.76250	33.15417	32.24167	30.11250	27.67917
	150,000 to 249,999	31.93750	31.63333	30.41667	28.89583	26.46250
	250,000 or more	29.80833	29.50417	28.59167	27.07083	25.24583

6.4 If there is a Bankruptcy Event in respect of a Third Party, then the following terms shall apply:

- (a) Shipper shall give written notice to TransCanada of the Bankruptcy Event and the identity of the Third Party and share of the Contract Demand to which it relates, together with evidence satisfactory to TransCanada of the occurrence of the Bankruptcy Event;
- (b) Shipper shall, in good faith, use ~~best~~reasonable commercial efforts to replace such Third Party with another ~~credit worthy~~entity whose creditworthiness is satisfactory to TransCanada for the affected share of the Contract Demand;
- (c) Subject to Subsection 6.4(d), if Shipper requires a reduction to the Contract Demand due to

## Transportation Tariff

## TransCanada PipeLines Limited

DAWN LTFP CONTRACT

the Bankruptcy Event, it shall provide TransCanada with four (4) months written notice specifying the new Contract Demand amount. After such time, the Contract Demand shall be as requested and the Monthly Demand Toll shall be as set out in Section 6.2 or Section 6.3, as applicable;

- (d) Shipper agrees that it may only reduce the Contract Demand pursuant to this Section 6.4 by the share of the Contract Demand attributed under Schedule A to the Third Party that is subject to the Bankruptcy Event; and
- (e) "Bankruptcy Event" means (i) any proceeding or filing instituted or made by a Third Party seeking relief on its behalf as debtor, or to adjudicate it as bankrupt or insolvent; or (ii) any notice of intention is filed or any proceeding or filing is instituted or made against a Third Party in any jurisdiction seeking to have an order for relief entered against it as debtor or to adjudicate it as bankrupt or insolvent.

~~6.5 Subject to NEB approval, the Monthly Demand Toll may be increased~~ 6.5 Shipper shall also pay any surcharge authorized by the NEB to account for changes in laws, rules or regulations, including changes that increase TransCanada's costs of providing the service offered hereunder. Nothing in this Dawn LTFP Contract shall be construed as preventing Shipper from opposing or otherwise challenging before the NEB the imposition of such surcharge on the basis that such surcharge does not account for changes in laws, rules or regulations, including changes that increase TransCanada's costs of providing the service offered hereunder.

### ARTICLE VII - NOTICES

7.1 Any notice, request, demand, statement or bill (for the purpose of this paragraph, collectively referred to as "Notice") to or upon the respective parties hereto shall be in writing and shall be directed as follows:

#### IN THE CASE OF TRANSCANADA: TransCanada PipeLines Limited

(i) mailing address: P.O. Box 1000  
Station M  
Calgary, Alberta  
T2P 4K5

(ii) delivery address: TransCanada Tower  
450 – 1<sup>st</sup> Street S.W.  
Calgary, Alberta  
T2P 5H1

Attention: Director, Commercial Services

## Transportation Tariff

## TransCanada PipeLines Limited

DAWN LTFP CONTRACT

Telecopy: \_\_\_\_\_

(iii) nominations:

Attention: Manager, Nominations & Allocations

Telecopy: \_\_\_\_\_

(iv) bills:

Attention: Manager, Contracts, Billing & Credit

Telecopy: \_\_\_\_\_

(v) other matters:

Attention: Director, Commercial Services

Telecopy: \_\_\_\_\_

### IN THE CASE OF SHIPPER:

(i) mailing address:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

(ii) delivery address:

\_\_\_\_\_  
\_\_\_\_\_

(iii) nominations:

Attention: \_\_\_\_\_

Telecopy: \_\_\_\_\_

(iv) bills:

Attention: \_\_\_\_\_

Telecopy: \_\_\_\_\_

E-mail address: \_\_\_\_\_

(v) other matters:

Attention: \_\_\_\_\_

Telecopy: \_\_\_\_\_

Notice may be given by telecopier or other telecommunication device 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) days after mailing, Saturdays, Sundays and statutory holidays excepted. In the event regular mail service, courier service, telecopier or other telecommunication service shall be interrupted by a cause beyond the control of the parties hereto, then the party sending the Notice shall utilize any service that has not been so interrupted to deliver such Notice. Each party shall provide Notice to the other of any change of address for the purposes hereof. Any Notice may also be given by telephone followed immediately by personal delivery, courier, prepaid mail, telecopier or other telecommunication, and any Notice so given shall be deemed to be given as of the date and time of the telephone notice.

### ARTICLE VIII - MISCELLANEOUS PROVISIONS

## Transportation Tariff

## TransCanada PipeLines Limited

DAWN LTFP CONTRACT

8.1 The Dawn LTFP Toll Schedule, the List of Tolls, and the General Terms and Conditions set out in TransCanada's Transportation Tariff as amended or approved from time to time by the NEB are all by reference made a part of this Dawn LTFP Contract and operations hereunder shall, in addition to the terms and conditions of this Dawn LTFP Contract, be subject to the provisions thereof. TransCanada shall notify Shipper at any time that TransCanada files with the NEB revisions to the Dawn LTFP Toll Schedule, the List of Tolls, and/or the General Terms and Conditions (the "Revisions") and shall provide Shipper with a copy of the Revisions. Nothing in this Dawn LTFP Contract shall be construed as preventing Shipper from opposing or otherwise challenging any Revisions on the basis that such Revisions are inconsistent with the terms and conditions of the service hereunder.

8.2 The headings used throughout this Dawn LTFP Contract, the Dawn LTFP Toll Schedule, the List of Tolls, and the General Terms and Conditions are inserted for convenience of reference only and are not to be considered or taken into account in construing the terms or provisions thereof nor to be deemed in any way to qualify, modify or explain the effect of any such provisions or terms.

8.3 This Dawn LTFP Contract shall be construed and applied, and be subject to the laws of the Province of Alberta, and, when applicable, the laws of Canada, and shall be subject to the rules, regulations and orders of any regulatory or legislative authority having jurisdiction.

8.4 During the period commencing with the execution of this Dawn LTFP Contract and concluding on the Dawn LTFP End Date, Shipper shall support TransCanada in any regulatory proceeding required to implement or continue the transportation service offered hereunder, as determined by TransCanada in its ~~sole discretion~~ reasonable discretion. After the Dawn LTFP End Date, Shipper shall not oppose, whether directly or indirectly, the service offered pursuant to the Dawn LTFP Toll Schedule until the expiry of all Dawn LTFP Contracts entered into under the 2017 Dawn LTFP Open Season. Shipper's obligations not to oppose under this Section 8.4 will survive expiry of this Dawn LTFP Contract or termination of this Dawn LTFP Contract pursuant to Section 9.1 of the Dawn LTFP Toll Schedule. For clarity, Shipper's obligations not to oppose under this Section 8.4 will not survive the termination of this Dawn LTFP Contract pursuant to Section 1.2.

8.5 During the period commencing with the execution of this Dawn LTFP Contract and concluding on the latest initial end date of all Dawn LTFP Contracts entered into under the 2017 Dawn LTFP Open Season, Shipper shall not oppose, whether directly or indirectly, the continuation of pricing discretion for Interruptible Transportation Service and Short Term Firm Transportation Service as initially approved in the NEB's RH-003-2011 Decision and continued in the RH-001-2014 Decision. Shipper's obligations under this Section 8.5 will survive expiry of this Dawn LTFP Contract or termination of this Dawn LTFP Contract pursuant to Section 9.1 of the Dawn LTFP Toll Schedule. For clarity, Shipper's

## Transportation Tariff

TransCanada PipeLines Limited

DAWN LTFP CONTRACT

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### ARTICLE IX - DELIVERY PRESSURE

9.1 TransCanada shall increase the line pressure of the gas it delivers to Shipper at the Delivery Point to a pressure of not less than 4 850 kPa (g).

IN WITNESS WHEREOF, the parties hereto have executed this Dawn LTFP Contract as of the date first above written.

[Shipper]

TransCanada PipeLines Limited

Signed: \_\_\_\_\_

Signed: \_\_\_\_\_

Name: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

Date: \_\_\_\_\_

Signed: \_\_\_\_\_

Signed: \_\_\_\_\_

Name: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

Date: \_\_\_\_\_

## Transportation Tariff

TransCanada PipeLines Limited

DAWN LTFP CONTRACT

### SCHEDULE A

Tranche	Third Party	Share of Contract Demand
Tranche 1		
Tranche 2		
Tranche 3		

**DAWN LONG TERM FIXED PRICE TRANSPORTATION SERVICE CONTRACT**

**("Dawn LTFP Contract")**

**- Aggregated -**

THIS DAWN LTFP CONTRACT, made as of the \_\_\_\_ day of \_\_\_\_\_, 20\_\_.

BETWEEN:

TRANSCANADA PIPELINES LIMITED  
a Canadian corporation  
("TransCanada")

OF THE FIRST PART

and

\_\_\_\_\_  
\_\_\_\_\_

\_\_\_\_\_  
("Shipper")

OF THE SECOND PART

WITNESSES THAT:

WHEREAS TransCanada owns and operates a natural gas pipeline system extending from a point near the Alberta/Saskatchewan border where TransCanada's facilities interconnect with the facilities of NOVA Gas Transmission Ltd. easterly to the Province of Quebec with branch lines extending to various points on the Canada/United States of America International Border; and

WHEREAS Shipper has satisfied in full, or TransCanada has waived the condition precedent set out in Section 2.1 (b) of TransCanada's Dawn Long Term Fixed Price Toll Schedule referred to in Section 8.1 hereof (the "Dawn LTFP Toll Schedule"); and

WHEREAS Shipper has requested and TransCanada has agreed to transport quantities of gas, that are delivered by Shipper or Shipper's agent to TransCanada at the Receipt Point referred to in Section 5.1 hereof (the "Receipt Point"), to the Delivery Point referred to in Section 5.2 hereof (the "Delivery Point") pursuant to the terms and conditions of this Dawn LTFP Contract; and



## Transportation Tariff

## TransCanada PipeLines Limited

DAWN LTFP CONTRACT

WHEREAS the quantities of gas delivered hereunder by Shipper or Shipper's agent to TransCanada are to be removed from the province of production of such gas by Shipper and/or Shipper's suppliers and/or its (their) designated agent(s) pursuant to valid and subsisting permits and/or such other authorizations in respect thereof; and

WHEREAS specified quantities of gas delivered hereunder are associated with suppliers that will be delivering gas to Shipper, which suppliers are listed in Schedule A hereto (such suppliers collectively referred to as "Third Parties"), along with the share of the Contract Demand attributable to each such Third Party.

NOW THEREFORE THIS DAWN LTFP CONTRACT WITNESSES THAT, in consideration of the covenants and agreement herein contained, the parties hereto covenant and agree as follows:

### ARTICLE I – CONDITIONS PRECEDENT

1.1 TransCanada's obligations under this Dawn LTFP Contract and the commencement of transportation service hereunder are subject to the fulfillment of the following conditions precedent, which are for the sole benefit of TransCanada and may be waived by TransCanada at any time:

- (a) TransCanada Board of Directors approval of the transportation service offered hereunder;
- (b) receipt of all regulatory or governmental approvals TransCanada determines are necessary to implement the transportation service offered hereunder on terms and conditions acceptable to TransCanada in its sole discretion;
- (c) TransCanada obtaining transportation service on other pipeline systems that it determines necessary to provide the transportation service offered hereunder on terms and conditions acceptable to TransCanada in its sole discretion; and
- (d) TransCanada determines in its sole discretion that the aggregate contract demand for the transportation service offered hereunder is acceptable.

1.2 Within sixty (60) days following the receipt of the National Energy Board's ("NEB") decision regarding the application for approval of the transportation service offered hereunder, TransCanada shall provide notice to the Shipper that: a) the condition precedents in Section 1.1 have been satisfied or waived; or b) the condition precedents in Section 1.1 cannot be satisfied or waived and the Dawn LTFP Contract is terminated.

## Transportation Tariff

## TransCanada PipeLines Limited

DAWN LTFP CONTRACT

### ARTICLE II - COMMENCEMENT OF SERVICE

2.1 Subject to Sections 1.1 and 1.2, the date of commencement of transportation service hereunder shall be:

- for Tranche 1: the first day of \_\_\_\_\_, 20\_\_ or on a later date specified by TransCanada in a Notice (the "Tranche 1 Date of Commencement").
- for Tranche 2: the first day of \_\_\_\_\_, 20\_\_ or on a later date specified by TransCanada in a Notice (the "Tranche 2 Date of Commencement").
- for Tranche 3: the first day of \_\_\_\_\_, 20\_\_ or on a later date specified by TransCanada in a Notice (the "Tranche 3 Date of Commencement").
- [Add additional Tranches as required]

"Tranche" shall mean any one of the above Tranches. "Date of Commencement" shall mean the date specified above with respect to a specific Tranche.

### ARTICLE III- TERM OF DAWN LTFP CONTRACT

3.1 Subject to Section 9.1 of the Dawn LTFP Toll Schedule, this Dawn LTFP Contract and all Tranches hereunder shall end on the last day of the month that is 120 consecutive months following the Tranche [Insert Latest Tranche Number] Date of Commencement (the "Dawn LTFP End Date").

3.2 If Shipper elects to reduce the term of this Dawn LTFP Contract pursuant to Section 9.1 of the Dawn LTFP Toll Schedule, TransCanada shall provide notice confirming the amended Dawn LTFP End Date.

### ARTICLE IV - GAS TO BE TRANSPORTED

4.1 Subject to the provisions of this Dawn LTFP Contract, the Dawn LTFP Toll Schedule, the List of Tolls, and the General Terms and Conditions referred to in Section 8.1 hereof, TransCanada shall provide transportation service hereunder for Shipper in respect of a quantity of gas which, in any one day from the Date of Commencement for each Tranche of Tranche 1, Tranche 2, and Tranche 3, [add additional Tranches as required], until the Dawn LTFP End Date, shall not exceed:

## Transportation Tariff

## TransCanada PipeLines Limited

DAWN LTFP CONTRACT

- for Tranche 1: \_\_\_\_\_ GJ (the "Tranche 1 Contract Demand").
- for Tranche 2: \_\_\_\_\_ GJ (the "Tranche 2 Contract Demand").
- for Tranche 3: \_\_\_\_\_ GJ (the "Tranche 3 Contract Demand").
- [Add additional Tranches as required]

The sum of all Tranches in effect at any point in time pursuant to this Dawn LTFP Contract shall be the "Contract Demand".

4.2 Shipper confirms that each Tranche, and its related share of the Contract Demand, is attributable to either Shipper or a specific Third Party, as listed in Schedule A hereto. Shipper shall promptly update Schedule A with any changes to the Third Parties that underpin specific Tranches of this Dawn LTFP Contract. Shipper shall obtain TransCanada's prior written consent, not to be unreasonably withheld, for any permanent assignments from a Third Party to another entity of the underlying contract between Shipper and such Third Party, and the obligations thereunder, that underpin specific Tranches of this Dawn LTFP Contract, and that Shipper shall provide TransCanada, or cause to be provided to TransCanada, information demonstrating to TransCanada's satisfaction the credit worthiness of any new Third Party not previously identified in Schedule A. For greater clarity, "Third Parties" shall only include those parties listed on Schedule A hereto that have been consented to by TransCanada.

### ARTICLE V - DELIVERY POINT AND RECEIPT POINT

5.1 The Receipt Point hereunder is the point of interconnection between the pipeline facilities of TransCanada and NOVA Gas Transmission Ltd. which is located at Empress.

5.2 The Delivery Point hereunder is the point of interconnection between the pipeline facilities of TransCanada and Union Gas Limited which is located at Union SWDA.

### ARTICLE VI - TOLLS

6.1 Shipper shall pay for all transportation service hereunder from the Date of Commencement of each Tranche in accordance with TransCanada's Dawn LTFP Toll Schedule, List of Tolls, and General Terms and Conditions set out in TransCanada's Transportation Tariff as the same may be amended or approved from time to time by the NEB.

## Transportation Tariff

## TransCanada PipeLines Limited

DAWN LTFP CONTRACT

6.2 Subject to Sections 6.3 and 6.4, Shipper shall pay the “Monthly Demand Toll”, inclusive of any applicable Delivery Pressure Monthly Demand Toll and the Monthly Abandonment Surcharge which shall be equal to the Monthly Abandonment Surcharge from Empress to Emerson 2, corresponding to the associated Contract Demand pursuant to the table below:

<b>Contract Demand (GJ/Day)</b>	<b>Monthly Demand Toll (CDN\$/GJ/month)</b>
1 to 74,499	24.94167
75,000 to 149,999	24.33333
150,000 to 249,999	23.42083
250,000 or more	22.81250

6.3 If Shipper elects to reduce the term of this Dawn LTFP Contract pursuant to Section 9.1 of the Dawn LTFP Toll Schedule, the Monthly Demand Toll specified in Section 6.2 will cease to apply for the last 24 months prior to such amended Dawn LTFP End Date and the following Monthly Demand Toll corresponding to the associated Contract Demand pursuant to the table below shall apply:

<b>For a contract term reduced by:</b>		<b>60 months</b>	<b>48 months</b>	<b>36 months</b>	<b>24 months</b>	<b>12 months</b>
<b>Monthly Demand Toll that applies in last 24 months (CDN\$/GJ/month) for Contract Demand of (GJ/d):</b>	1 to 74,499	34.97917	34.37083	33.15417	31.32917	28.59167
	75,000 to 149,999	33.76250	33.15417	32.24167	30.11250	27.67917
	150,000 to 249,999	31.93750	31.63333	30.41667	28.89583	26.46250
	250,000 or more	29.80833	29.50417	28.59167	27.07083	25.24583

6.4 If there is a Bankruptcy Event in respect of a Third Party, then the following terms shall apply:

- (a) Shipper shall give written notice to TransCanada of the Bankruptcy Event and the identity of the Third Party and share of the Contract Demand to which it relates, together with evidence satisfactory to TransCanada of the occurrence of the Bankruptcy Event;
- (b) Shipper shall, in good faith, use reasonable commercial efforts to replace such Third Party with another entity whose creditworthiness is satisfactory to TransCanada for the affected share of the Contract Demand;
- (c) Subject to Subsection 6.4(d), if Shipper requires a reduction to the Contract Demand due to

## Transportation Tariff

## TransCanada PipeLines Limited

DAWN LTFP CONTRACT

the Bankruptcy Event, it shall provide TransCanada with four (4) months written notice specifying the new Contract Demand amount. After such time, the Contract Demand shall be as requested and the Monthly Demand Toll shall be as set out in Section 6.2 or Section 6.3, as applicable;

- (d) Shipper agrees that it may only reduce the Contract Demand pursuant to this Section 6.4 by the share of the Contract Demand attributed under Schedule A to the Third Party that is subject to the Bankruptcy Event; and
- (e) "Bankruptcy Event" means (i) any proceeding or filing instituted or made by a Third Party seeking relief on its behalf as debtor, or to adjudicate it as bankrupt or insolvent; or (ii) any notice of intention is filed or any proceeding or filing is instituted or made against a Third Party in any jurisdiction seeking to have an order for relief entered against it as debtor or to adjudicate it as bankrupt or insolvent.

6.5 Shipper shall also pay any surcharge authorized by the NEB to account for changes in laws, rules or regulations, including changes that increase TransCanada's costs of providing the service offered hereunder. Nothing in this Dawn LTFP Contract shall be construed as preventing Shipper from opposing or otherwise challenging before the NEB the imposition of such surcharge on the basis that such surcharge does not account for changes in laws, rules or regulations, including changes that increase TransCanada's costs of providing the service offered hereunder.

### ARTICLE VII - NOTICES

7.1 Any notice, request, demand, statement or bill (for the purpose of this paragraph, collectively referred to as "Notice") to or upon the respective parties hereto shall be in writing and shall be directed as follows:

#### IN THE CASE OF TRANSCANADA: TransCanada PipeLines Limited

(i) mailing address: P.O. Box 1000  
Station M  
Calgary, Alberta  
T2P 4K5

(ii) delivery address: TransCanada Tower  
450 – 1<sup>st</sup> Street S.W.  
Calgary, Alberta  
T2P 5H1

Attention: Director, Commercial Services  
Telecopy: \_\_\_\_\_

## Transportation Tariff

## TransCanada PipeLines Limited

DAWN LTFP CONTRACT

(iii) nominations:	Attention:	Manager, Nominations & Allocations
	Telecopy:	_____
(iv) bills:	Attention:	Manager, Contracts, Billing & Credit
	Telecopy:	_____
(v) other matters:	Attention:	Director, Commercial Services
	Telecopy:	_____

### IN THE CASE OF SHIPPER:

(i) mailing address:	_____
	_____
	_____
(ii) delivery address:	_____
	_____

(iii) nominations:	Attention:	_____
	Telecopy:	_____
(iv) bills:	Attention:	_____
	Telecopy:	_____
	E-mail address:	_____
(v) other matters:	Attention:	_____
	Telecopy:	_____

Notice may be given by telecopier or other telecommunication device 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) days after mailing, Saturdays, Sundays and statutory holidays excepted. In the event regular mail service, courier service, telecopier or other telecommunication service shall be interrupted by a cause beyond the control of the parties hereto, then the party sending the Notice shall utilize any service that has not been so interrupted to deliver such Notice. Each party shall provide Notice to the other of any change of address for the purposes hereof. Any Notice may also be given by telephone followed immediately by personal delivery, courier, prepaid mail, telecopier or other telecommunication, and any Notice so given shall be deemed to be given as of the date and time of the telephone notice.

### ARTICLE VIII - MISCELLANEOUS PROVISIONS

8.1 The Dawn LTFP Toll Schedule, the List of Tolls, and the General Terms and Conditions set out in TransCanada's Transportation Tariff as amended or approved from time to time by the NEB are all by reference made a part of this Dawn LTFP Contract and operations hereunder shall, in addition to the

## Transportation Tariff

## TransCanada PipeLines Limited

DAWN LTFP CONTRACT

terms and conditions of this Dawn LTFP Contract, be subject to the provisions thereof. TransCanada shall notify Shipper at any time that TransCanada files with the NEB revisions to the Dawn LTFP Toll Schedule, the List of Tolls, and/or the General Terms and Conditions (the "Revisions") and shall provide Shipper with a copy of the Revisions. Nothing in this Dawn LTFP Contract shall be construed as preventing Shipper from opposing or otherwise challenging any Revisions on the basis that such Revisions are inconsistent with the terms and conditions of the service hereunder.

8.2 The headings used throughout this Dawn LTFP Contract, the Dawn LTFP Toll Schedule, the List of Tolls, and the General Terms and Conditions are inserted for convenience of reference only and are not to be considered or taken into account in construing the terms or provisions thereof nor to be deemed in any way to qualify, modify or explain the effect of any such provisions or terms.

8.3 This Dawn LTFP Contract shall be construed and applied, and be subject to the laws of the Province of Alberta, and, when applicable, the laws of Canada, and shall be subject to the rules, regulations and orders of any regulatory or legislative authority having jurisdiction.

8.4 During the period commencing with the execution of this Dawn LTFP Contract and concluding on the Dawn LTFP End Date, Shipper shall support TransCanada in any regulatory proceeding required to implement or continue the transportation service offered hereunder, as determined by TransCanada in its reasonable discretion. After the Dawn LTFP End Date, Shipper shall not oppose, whether directly or indirectly, the service offered pursuant to the Dawn LTFP Toll Schedule until the expiry of all Dawn LTFP Contracts entered into under the 2017 Dawn LTFP Open Season. Shipper's obligations not to oppose under this Section 8.4 will survive expiry of this Dawn LTFP Contract or termination of this Dawn LTFP Contract pursuant to Section 9.1 of the Dawn LTFP Toll Schedule. For clarity, Shipper's obligations not to oppose under this Section 8.4 will not survive the termination of this Dawn LTFP Contract pursuant to Section 1.2.

8.5 During the period commencing with the execution of this Dawn LTFP Contract and concluding on the latest initial end date of all Dawn LTFP Contracts entered into under the 2017 Dawn LTFP Open Season, Shipper shall not oppose, whether directly or indirectly, the continuation of pricing discretion for Interruptible Transportation Service and Short Term Firm Transportation Service as initially approved in the NEB's RH-003-2011 Decision and continued in the RH-001-2014 Decision. Shipper's obligations under this Section 8.5 will survive expiry of this Dawn LTFP Contract or termination of this Dawn LTFP Contract pursuant to Section 9.1 of the Dawn LTFP Toll Schedule. For clarity, Shipper's obligations under this Section 8.5 will not survive the termination of this Dawn LTFP Contract pursuant to Section 1.2,

## Transportation Tariff

## TransCanada PipeLines Limited

DAWN LTFP CONTRACT

### ARTICLE IX - DELIVERY PRESSURE

9.1 TransCanada shall increase the line pressure of the gas it delivers to Shipper at the Delivery Point to a pressure of not less than 4 850 kPa (g).

IN WITNESS WHEREOF, the parties hereto have executed this Dawn LTFP Contract as of the date first above written.

[Shipper]

TransCanada PipeLines Limited

Signed: \_\_\_\_\_

Signed: \_\_\_\_\_

Name: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

Date: \_\_\_\_\_

Signed: \_\_\_\_\_

Signed: \_\_\_\_\_

Name: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

Date: \_\_\_\_\_



## Transportation Tariff

TransCanada PipeLines Limited

DAWN LTFP CONTRACT

### SCHEDULE A

Tranche	Third Party	Share of Contract Demand
Tranche 1		
Tranche 2		
Tranche 3		



**October 26, 2016**



# Agenda



- **Context Leading up to the Open Season**
- **Dawn LTFP - Key Terms of Service**
- **NGTL FT-D Open Season**
- **Why Contract for Dawn LTFP?**
- **Conclusion/Questions**

## Background



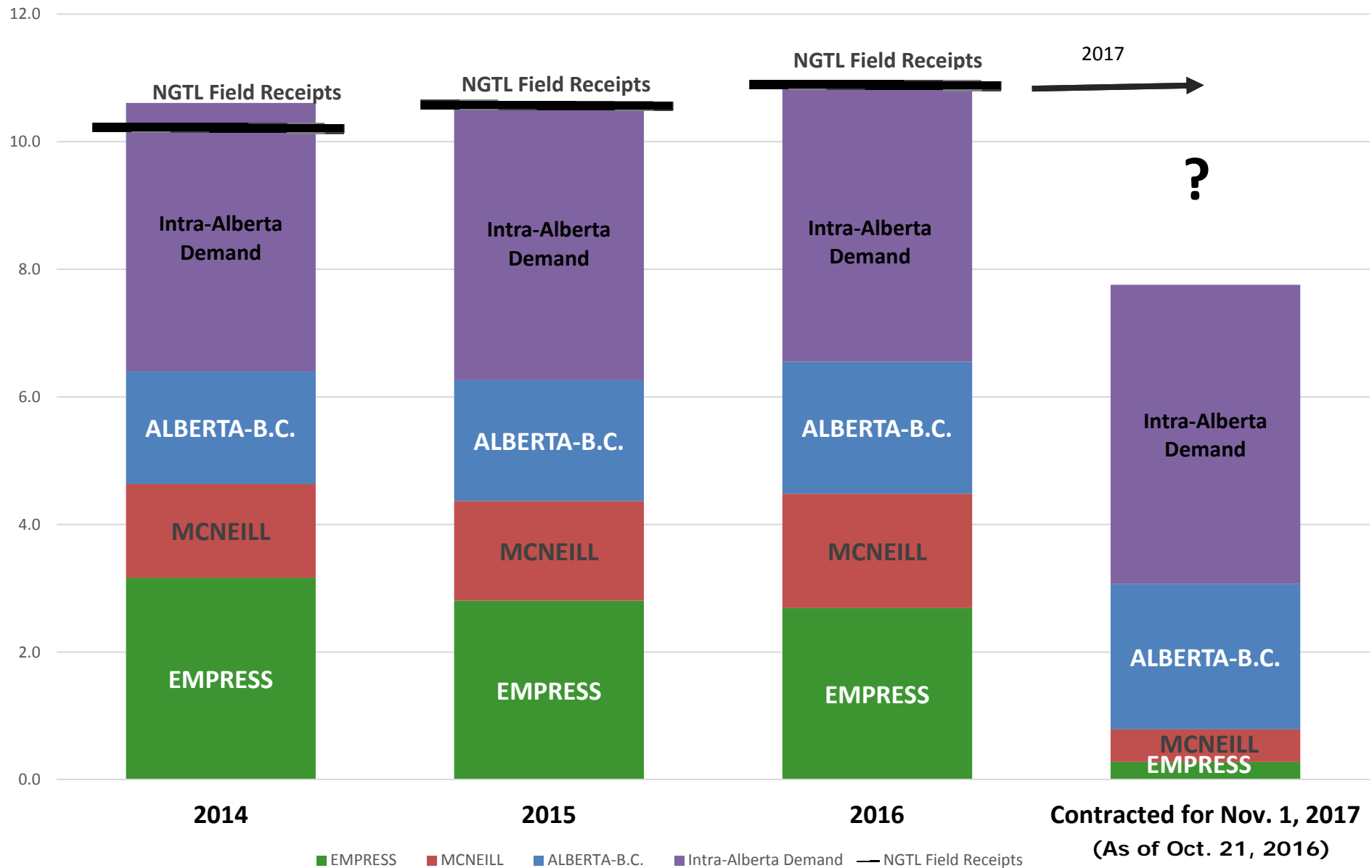
**Discussion on this concept began early in 2016 in response to:**

- 1) Continued Strong WCSB production
  - Montney and Marcellus have similar production costs
- 2) Empress receipt contract conversions
  - Eastern markets shifting to access supply at Dawn instead of Empress
- 3) Pipeline development projects to transport U.S. supply to Dawn

**Need for a market-based service to facilitate producer access to eastern markets**

- Provide quicker, more certain access to Dawn

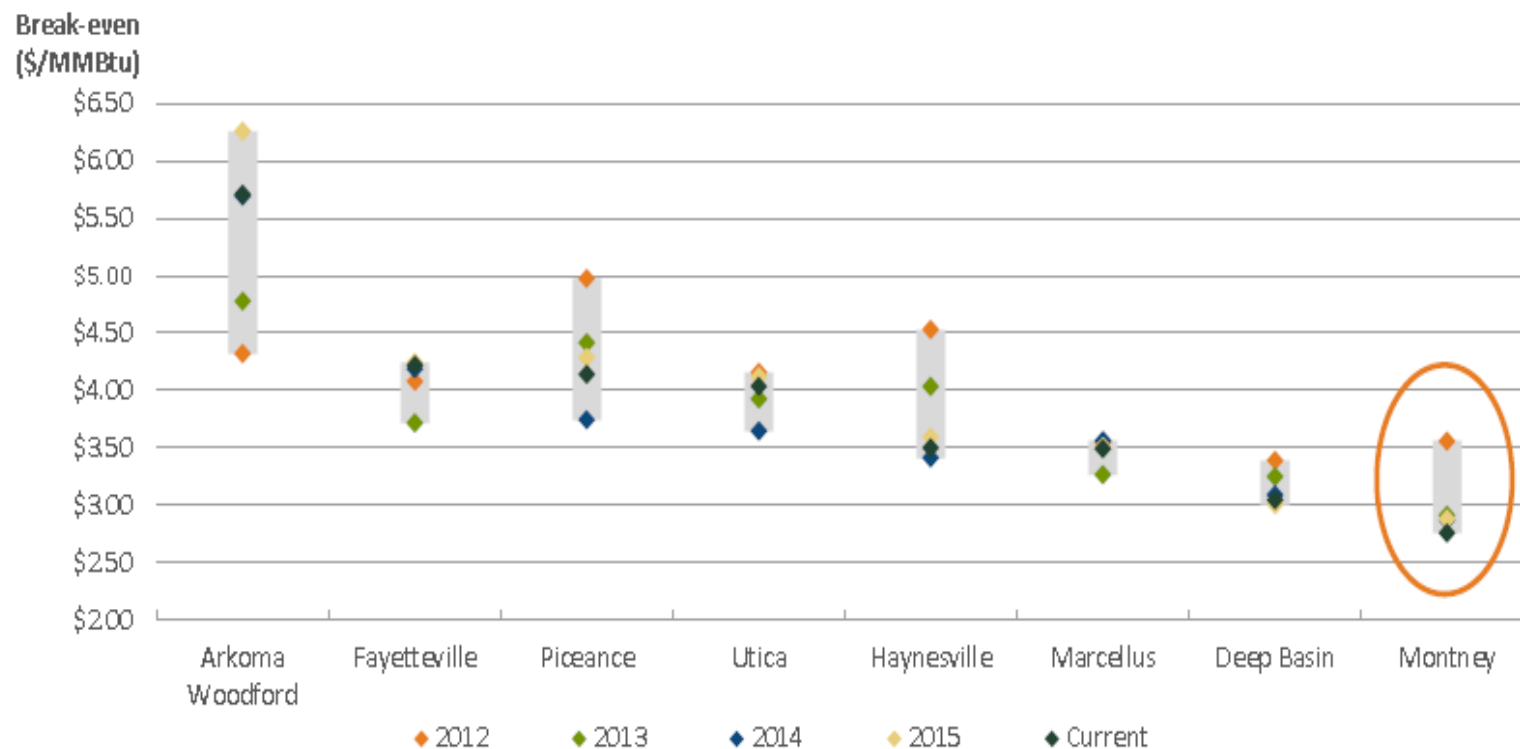
# NGTL Supply and Demand Outlook (Bcf/d)



# Development Costs of Different Supply Plays

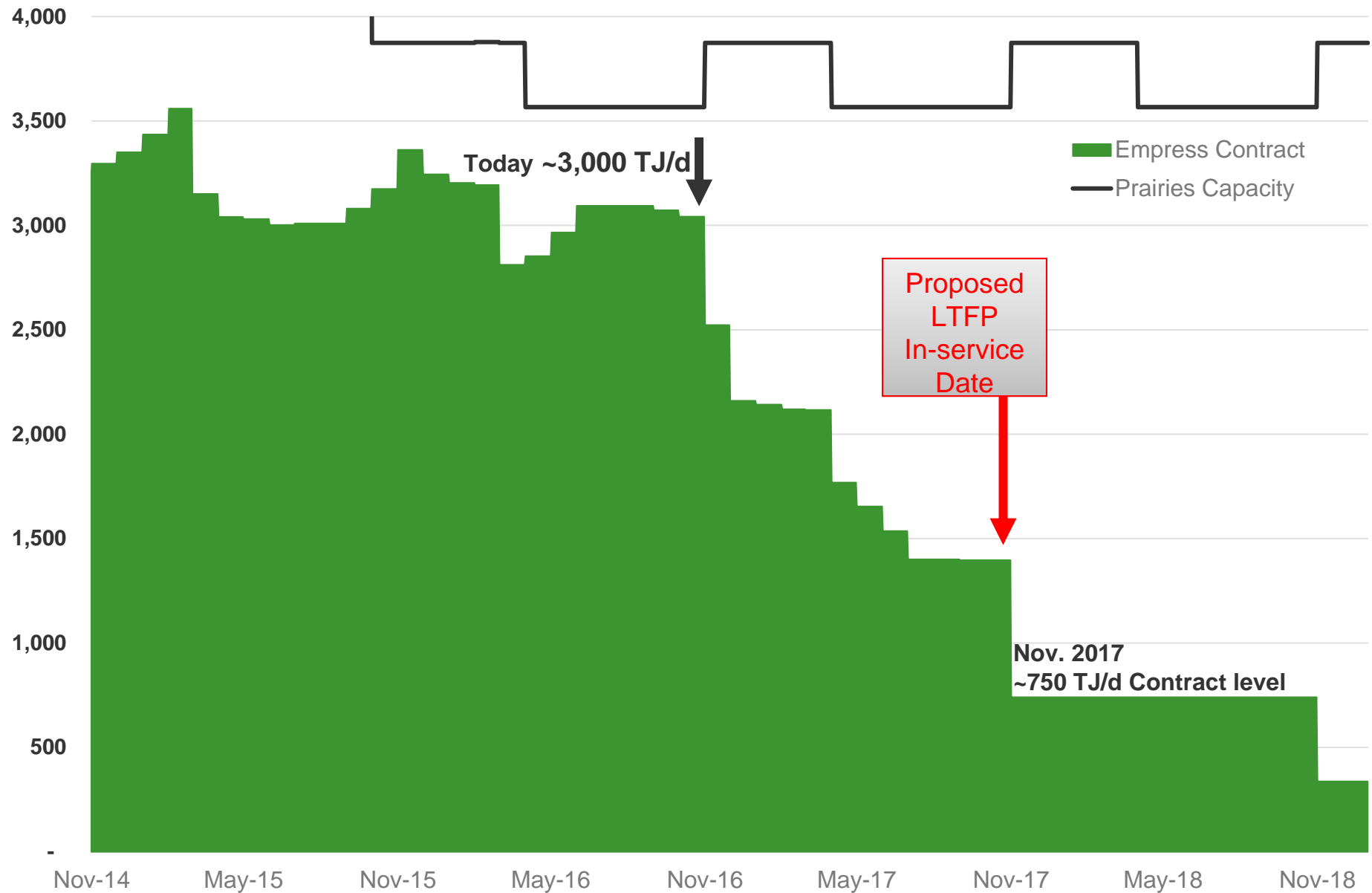
## NORTH AMERICAN NATURAL GAS FUNDAMENTALS

### Montney - Highly Competitive Break-even Cost

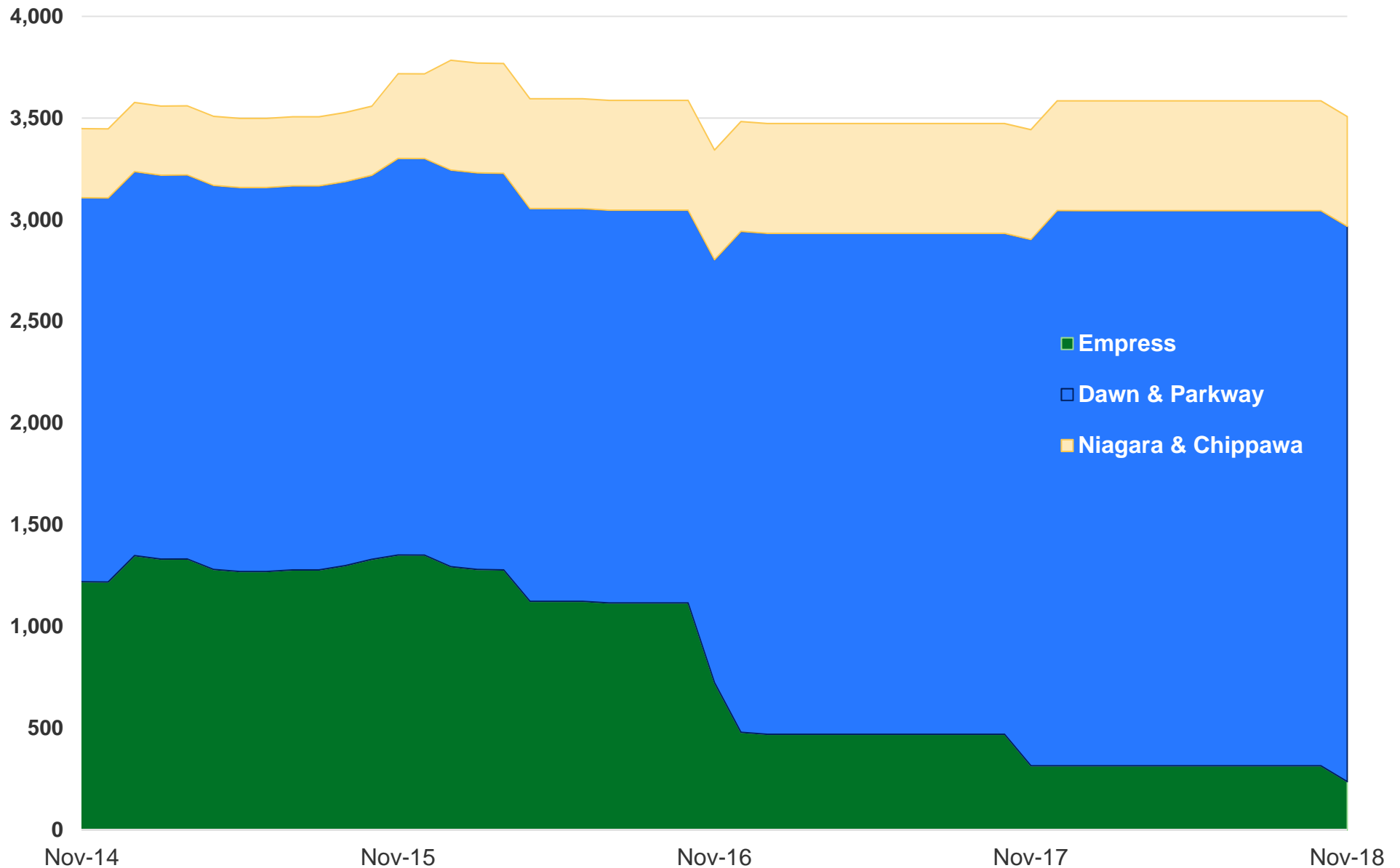


Source: RS Energy Group, Inc. – "Hardcore Canada" May 2016

## Mainline Empress Receipt Contracts Outlook (TJ/d)

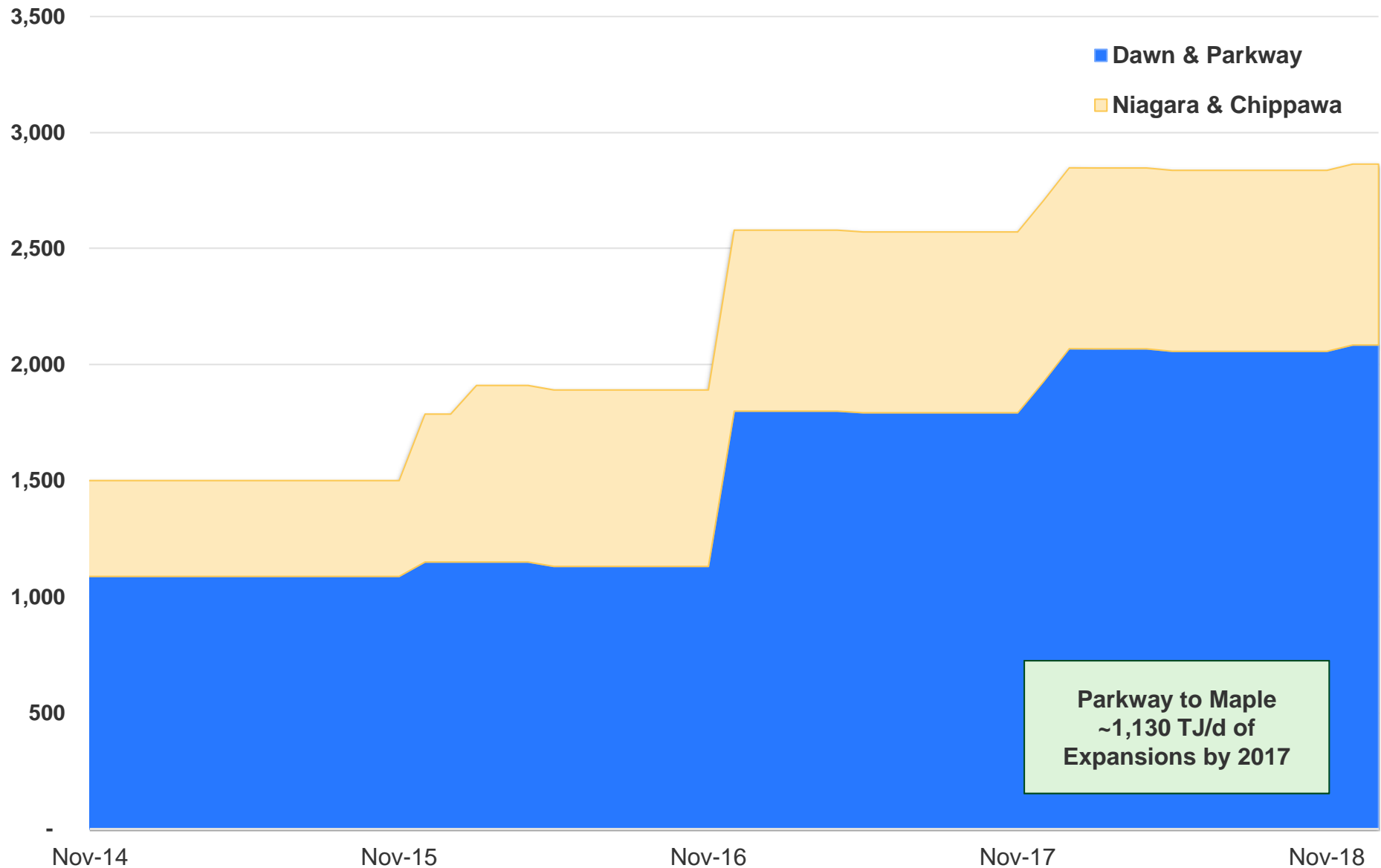


## Mainline Eastern Canadian Domestic Market Share by Receipt Point (TJ/d)





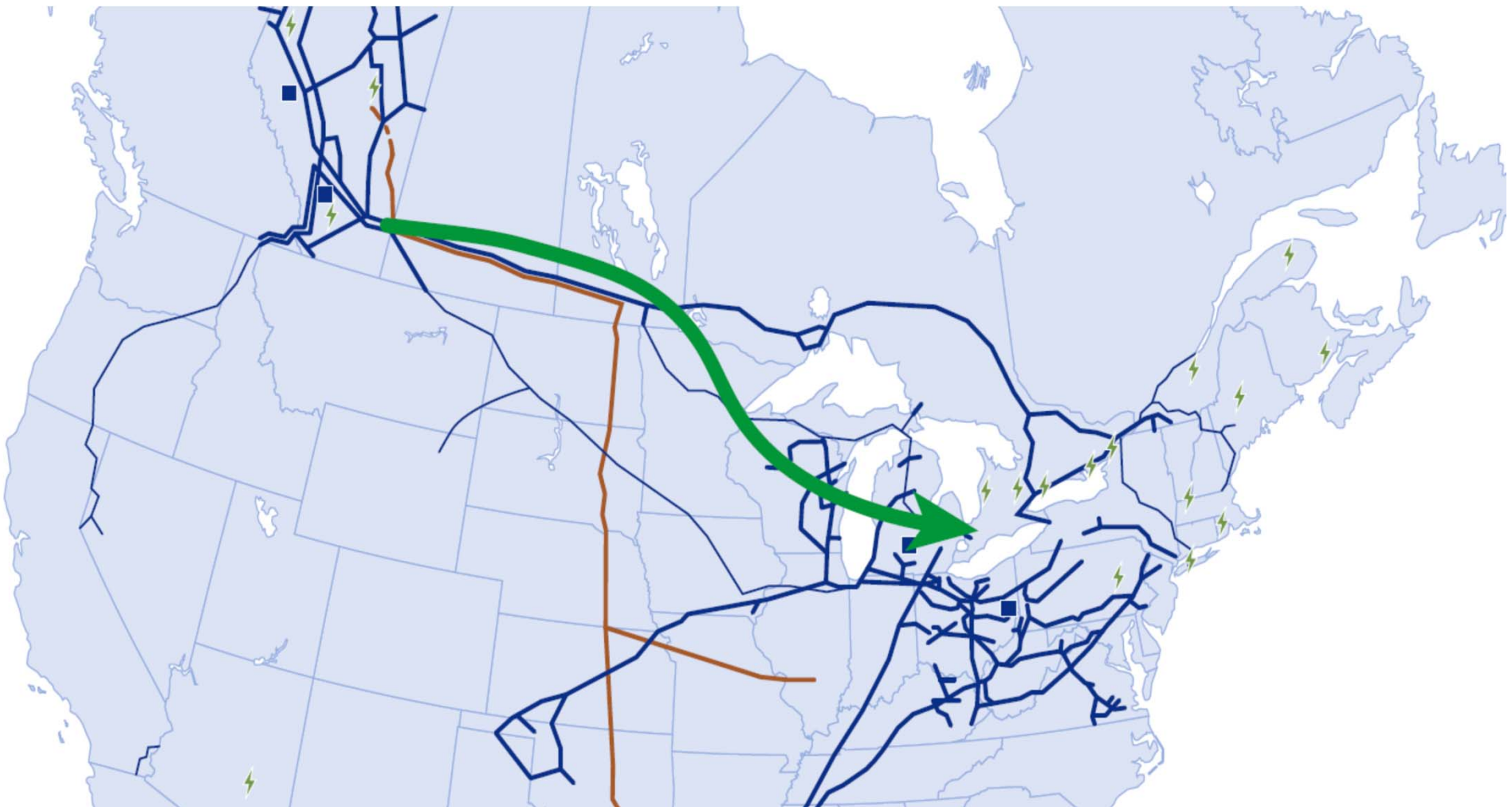
## Mainline Eastern Receipt Contracts (TJ/D)



## 2017 Dawn LTFP Service Open Season



- Currently open – Closing on Nov. 10<sup>th</sup> 2016
- Open Season Threshold is 1.5 PJ/d



## Dawn LTFP - Tolls



- Tolls decrease with increased bid quantity:

Contract Quantity (GJ/d)	Toll for 10-year Term (CDN\$/GJ/d)
1 – 74,999	0.82
75,000 – 149,999	0.80
150,000 – 249,999	0.77
250,000 +	0.75

- Tolls include abandonment surcharge and delivery pressure surcharge.

## Dawn LTFP - Key Terms of Service



### **10 year contract term with early termination rights**

- On two years notice, can shorten to 5 - 9 years
- Early termination results in higher toll for the final two years

**Shipper chooses start date(s) between Nov 1, 2017 to Nov 1, 2019**

**Empress to Union SWDA only**

### **Secondary deliveries to select Delivery Points along the GLGT System**

- On a reasonable efforts basis, subject to capacity availability and GLGT scheduling
- Deward, Farwell, Chippewa, Rattle Run and Belle River Mills

**Cumulative subscription threshold = 1.5 PJ/d**

## Dawn LTFP - Early Termination Option



**Option to terminate early on two years notice, with increased toll for final two years**

- Toll applicable in the final two years depends on contract quantity and shortened term

Reduced Service Term - Years		5	6	7	8	9
Toll that applies in (CDN\$/GJ/d)		Years 4 & 5	Years 5 & 6	Years 6 & 7	Years 7 & 8	Years 8 & 9
Contract Quantity (GJ/d)	1–74,999	1.15	1.13	1.09	1.03	0.94
	75,000–149,999	1.11	1.09	1.06	0.99	0.91
	150,000–249,999	1.05	1.04	1.00	0.95	0.87
	250,000 +	0.98	0.97	0.94	0.89	0.83

**Example: A shipper subscribes for 50,000 GJ/d, then elects to reduce the term of the Service to 6 years by providing notice before the end of year 4.**

- In this case the shipper will pay \$0.82 /GJ in years 1 through 4 and \$1.13 in years 5 and 6 of the truncated Service term.

## Dawn LTFP Open Season - Conditions



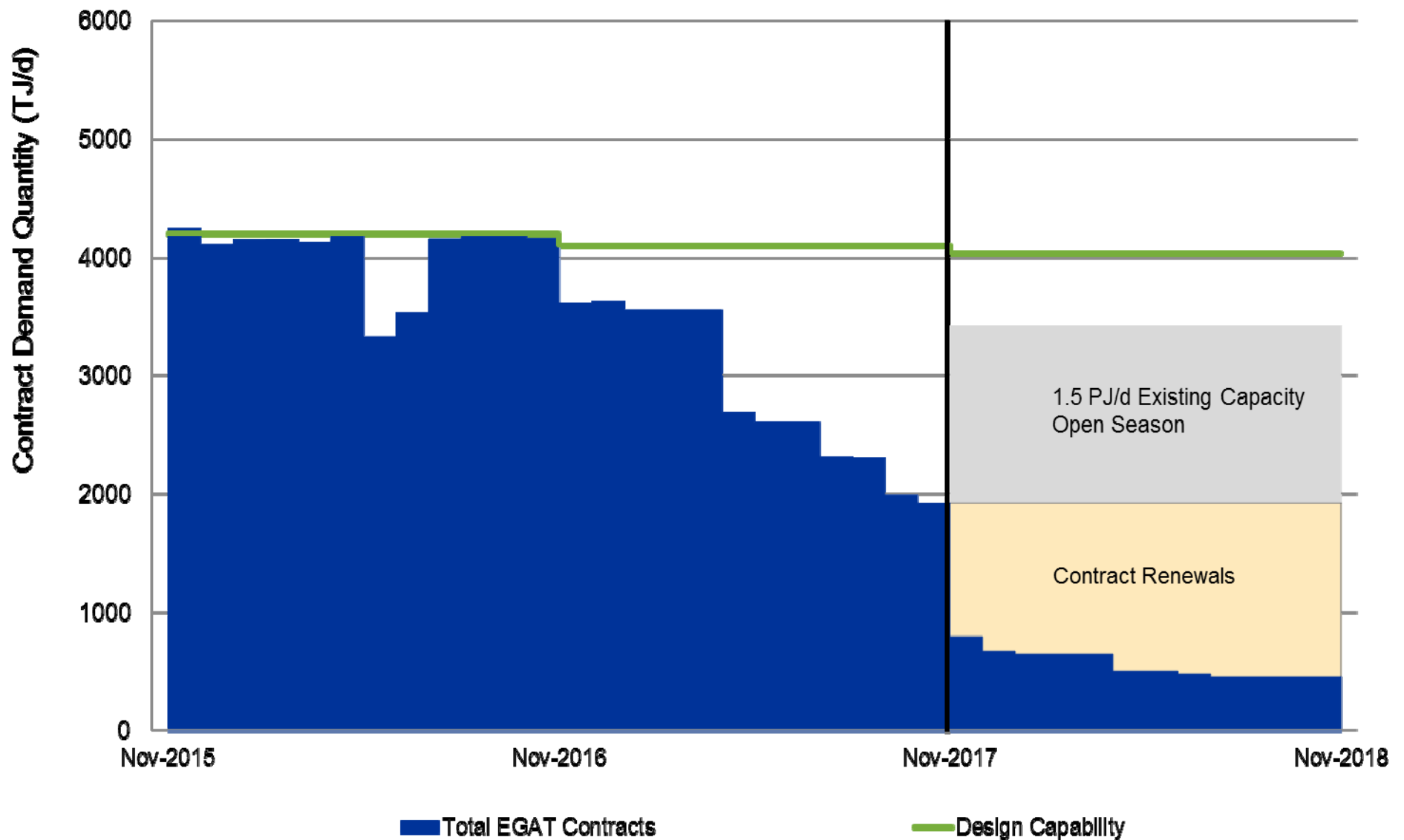
- **Bids are binding with conditions to clear**
- **Acceptable Shipper conditions:**
  - Acquisition of upstream NGTL FT-D capacity
  - Minimum Quantity in the event of allocated quantity less than requested
- **TransCanada conditions include:**
  - Board of directors approval
  - Receipt of all regulatory and governmental approvals deemed necessary by TransCanada to implement the LTFP service, on terms and conditions acceptable to TransCanada, which may include:
    - NEB approval of Dawn LTFP service, including approval of the applicable abandonment surcharge based solely on Mainline facilities and excluding transportation using TBO arrangements
    - Matters associated with the Flow Split Agreement
    - NEB approval of the Dawn Extension Transfer or equivalent
- **Support from bidders for the service and pricing discretion through the term**
- **Acquisition of required TBO capacity on acceptable terms**

## NGTL Empress Existing Capacity Open Season



- **NGTL System will hold an Existing Capacity Open Season at Empress Border**
- **Open Season will open on Oct 27, 2016 and will close Nov 10, 2016**
- **Open Season Details**
  - Capacity: 1.5 PJ/d
  - Service: Standard Firm Transport - Delivery (Group 1) at Empress Border
  - Contract Start: Nov 1, 2017 to Nov 1, 2019
  - Term: Minimum 1 year
- **Bids are binding, however shippers may submit bids conditional on being awarded capacity as part of the Dawn LTFP Open Season and the Dawn LTFP Service proceeding.**

## EGAT Firm Contracts and Capability





## Why contract for Dawn LTFP?



**Eastern Markets adjusting to buy at Dawn (Market Hub)**

**WCSB Supply needs to move to Dawn to retain the market Share**

**WCSB** has competitive development costs; and lots of gas to export

With Dawn LTFP, Western Canadian Producers can:

- Compete to serve Eastern markets they will otherwise lose
- Maintain markets using existing pipe
- Serve Eastern markets as soon as November 1, 2017
- Diversify production sales

**Eastern Markets** can benefit from Dawn LTFP to

- Maintain access to economical WCSB supply
- Use existing assets without permitting and construction risks

## Frequently Asked Questions



### **Will assignments of the Dawn LTFP Contract be permitted?**

Shipper may permanently assign the full contract quantity of the Dawn LTFP Contract subject to TransCanada's consent, however permanent assignment of a portion of the contract will not be permitted under normal circumstances. Temporary partial or full assignments will be allowed.

### **Is TransCanada intending to address the concern that Aggregators have regarding credit exposure to 3<sup>rd</sup> parties that they are contracting LTFP service on behalf of?**

TransCanada is actively working on a solution to this issue that results in TransCanada assuming the same amount of credit exposure risk to the 3<sup>rd</sup> party companies that the Aggregators are working on behalf of, as would have been the case if the 3<sup>rd</sup> parties had contracted with TransCanada independently. TransCanada is currently working on the details of the solution and will communicate them once they have been landed.

### **Can a shipper terminate a portion of their contract quantity early?**

Shippers are only permitted to reduce the term of the Dawn LTFP Contract for the entire contract quantity.

## FAQ's continued



### If a service applicant submits multiple bids with varying start dates, will the aggregate volume be used to determine the applicable toll?

Yes, provided the shipper specifies multiple contract quantities with different start dates on the alternate bid form. If bid is accepted a single LTFP Contract will specify quantities and commencement dates.

Combined contract quantities of 140,000 GJ/d would have \$0.80 toll

Total Contract term 12-years (Nov 1, 2017 – Oct 31, 2029)

November 1, 2017 start of 50,000 GJ/d

April 1, 2018 start of 20,000 GJ/d

November 1, 2018 start of 20,000 GJ/d

November 1, 2019 start of 50,000 GJ/d

10-year term for determination of early termination rights  
Total Contract term 12- years

Earliest Termination  
date Oct 31, 2024 on full  
140,000 GJ/d quantity only  
Total Contract term  
12- years

## FAQ's continued



**If a shipper delivers to a secondary delivery point on the Great Lakes System would the fuel quantity be calculated on the basis of delivery to the secondary point or to Dawn?**

The fuel quantity will be calculated on the basis of the distance between Empress and the secondary delivery point, and not on the basis of the full path to Dawn.

**Are shippers required to support pricing discretion only on the Empress to Dawn path?**

Support for pricing discretion for short term and interruptible service on all system paths is required. The form of support would likely involve shipper filing a letter of support with the NEB in all applicable proceedings.

**Can service applicants condition their bids on obtaining FT-R Service on NGTL?**

No. Bids can only be conditioned on the service applicant receiving FT-D Service at Empress on NGTL, which condition must be satisfied or waived in accordance to the provisions of the 2017 Dawn LTFP Open Season.

## Comments? Questions?



**TransCanada launches open season on new  
mainline tolling option - Reuters**

**TransCanada cuts Pipeline Tolls in Bid to Boost Canadian  
Gas - Bloomberg News**

**TransCanada aims to launch discount toll  
system by 2017- The Globe and Mail**

**TransCanada's proposals could make gas from  
Alberta and B.C. competitive with U.S. supplies  
- Financial Post**