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May 29, 2015

**Filed Electronically**  
**Original by Courier**

Ms. Sheri Young  
Secretary of the Board  
**National Energy Board**  
517 – 10<sup>th</sup> Avenue S.W.  
Calgary, AB T2R 0A7

**Re: Westcoast Energy Inc., carrying on business as  
Spectra Energy Transmission (Westcoast)  
Amendments to Westcoast's Pipeline Tariff**

Dear Ms. Young:

Enclosed for filing with the National Energy Board pursuant to section 60 of the *National Energy Board Act* are amendments to Articles 1, 10 and 12 of the General Terms and Conditions – Service (GTC), the Tariff Supplement for Post Intra-Day 2 Nominations and the Tariff Supplement for Enhanced T-South Service.

These amendments are intended to remove or update obsolete information or references for purposes of aligning the Tariff with current standards, policies, and practices. The enclosed GTC and Tariff Supplement amendments have been reviewed by Westcoast's Toll and Tariff Task Force.

These amendments are to be effective June 1, 2015. Attached are clean and black-lined copies of the above noted amendments.

Yours truly,

*Original signed by*  
*Michelle McDonald for*

Rachel Kolber

Enclosure

cc: All Shippers on the Westcoast System  
Westcoast Toll and Tariff Task Force Participants

**FILING INSTRUCTIONS**

<b>PIPELINE TARIFF UPDATE June 1, 2015</b>		
<b>Behind Tab</b>	<b>Remove</b>	<b>Insert</b>
General Terms and Conditions – Services	General Terms and Conditions – Service – Service Agreements Index	General Terms and Conditions – Service – Service Agreements Index
	Article 1 – Definitions and Interpretation Pages 1.1 to 1.25	Article 1 – Definitions and Interpretation Pages 1.1 to 1.25
	Article 10 – Statements, Payments, Audits and Security for Payment Pages 10.1 to 10.4	Article 10 – Statements, Payments, Audits and Security for Payment Pages 10.1 to 10.4
	Article 12 – Gas and Hydrocarbon Liquids Quality Pages 12.1 to 12.5	Article 12 – Gas and Hydrocarbon Liquids Quality Pages 12.1 to 12.5
Tariff Supplement for Post Intra-Day 2 Nominations	Pages 1 to 4	Pages 1 to 4
Tariff Supplement for Enhanced T - South Service	Pages 1 to 3	Pages 1 to 3

Westcoast Energy Inc.  
**GENERAL TERMS AND CONDITIONS - SERVICE**

**SERVICE AGREEMENTS  
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**ARTICLE 1  
DEFINITIONS AND INTERPRETATION**

1.01 Definitions. Except where the context otherwise requires, the following terms when used in these General Terms and Conditions, the Toll Schedules and in a Service Agreement shall have the following meanings:

"acid gas" means a gaseous substance composed of carbon dioxide gas and sulphur gas.

"Acid Gas Constraint Volume" means in respect of acid gas contained in raw gas delivered into the Pipeline System at one or more Receipt Points by or for the account of a Shipper for processing at a Processing Plant on any day on which a curtailment or interruption of Treatment Service is in effect, the maximum volume of acid gas contained in raw gas which the shipper may deliver to Westcoast on any such day as specified in a notice given to each such Shipper pursuant to Section 27.05, Section 28.06 or Section 29.06

"acid gas percentage" means that proportion (expressed as a percentage by volume) of raw gas which is comprised of acid gas.

"Acid Gas Receipt Volume" means in respect of acid gas contained in raw gas produced from a Production Source and delivered into the Pipeline System at a Receipt Point by or for the account of a Shipper on any day, the actual volume of acid gas contained in the Raw Gas Receipt Volume so delivered at the Receipt Point on any such day.

"Acid Gas Tolerance" means in respect of acid gas contained in raw gas delivered into the Pipeline System at one or more Receipt Points by or for the account of a Shipper on any day for processing at a Processing Plant, the Acid Gas Tolerance determined by Westcoast any such day in accordance with Section 25.04.

"actively transport" means for the purposes of the definitions of "Non-Supply Shipper" and "Inventory Transfer Shipper" and as at the time at which the determination is made by Westcoast, either (i) the Shipper has had residue gas transported for its account in Zone 3 or Zone 4 to or from Compressor Station No. 2 during the period of six months immediately preceding the time at which such determination is made by Westcoast or (ii) the Shipper has demonstrated to the satisfaction of Westcoast that it will in the immediate future have residue gas transported for its account in Zone 3 or Zone 4 to or from Compressor Station No. 2.

"Aggregate Acid Gas Receipt Volume" means in respect of acid gas contained in raw gas delivered into the Pipeline System at one or more Receipt Points by or for the account of a Shipper on any day for processing at a Processing Plant, the aggregate of the Acid Gas Receipt Volumes so delivered for processing at the Processing Plant on any such day.

"Aggregate Raw Gas Receipt Volume" means in respect of raw gas delivered into the Pipeline System at one or more Receipt Points by or for the account of a Shipper on any day for processing at a Processing Plant, the aggregate of the Raw Gas Receipt Volumes so delivered for processing at the Processing Plant on any such day.

"Aggregate Receipt Volume" means in respect of a Receipt Point the aggregate of all Raw Gas Receipt Volumes of all Shippers on any day.

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"Aggregate Sulphur Gas Receipt Volume" means in respect of sulphur gas contained in raw gas delivered into the Pipeline System at one or more Receipt Points by or for the account of a Shipper on any day for processing at a Processing Plant, the aggregate of the Sulphur Gas Receipt Volumes so delivered for processing at the Processing Plant on any such day.

"Aitken Creek Area" means the Aitken Creek Processing Plant and the Aitken Creek RGT Pipeline

"Aitken Creek Area Shipper" means a Shipper which has entered into a Service Agreement providing for Raw Gas Transmission Service and Treatment Service in the Aitken Creek Area.

"Aitken Creek Pipeline" means the 12 inch and 16 inch residue gas transmission pipelines owned by Westcoast and extending from the Aitken Creek Processing Plant and the Storage Reservoir to the Fort Nelson Mainline.

"Aitken Creek Processing Plant" means the facilities owned by Westcoast for the processing of raw gas located in Block A of District Lot 3964, Peace River District, in British Columbia.

"Aitken Creek RGT Pipeline" means the raw gas transmission pipeline owned by Westcoast and designated as the Aitken Creek Connector Pipeline through which raw gas is delivered to the Aitken Creek Processing Plant.

"Alberta Mainline" means the residue gas pipeline owned by Westcoast and extending from the NOVA/Gordondale Interconnection to Compressor Station No. 1, and includes any residue gas laterals owned by Westcoast and connected to that pipeline.

"Alliance" means Alliance Pipeline Limited Partnership.

"Alliance/Gordondale Interconnection" means the point where the Pipeline System connects with the pipeline facilities of Alliance in the NE ¼ of Section 2, Township 79, Range 12, W6M in Alberta.

"Arco Delivery Point" means the point in the Export Delivery Area where the Pipeline System interconnects with the pipeline facilities of Arco Products Company.

"Area" means the Fort Nelson Area, the Fort St. John Area, the Aitken Creek Area, the Grizzly Valley Area, the Dawson Area or the Sikanni Area.

"Authorized Overrun Service" or "AOS" means the daily service entitlement available, on the terms and conditions set out in Section 2.11, to a Shipper as an attribute of each Firm Transportation Service - Northern and Firm Transportation Service - Southern specified in a Service Agreement between the Shipper and Westcoast.

"Authorized Receipt Volume" means:

- (a) in respect of residue gas produced at a Processing Plant, other than the Dawson Processing Plant and the Fort Nelson North Processing Plant, and delivered into Zone 3 of the Pipeline System from the outlet of the Processing Plant, the volumes of

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residue gas authorized by Westcoast for delivery for the account of the Shipper into Zone 3 from the outlet of that Processing Plant on any day pursuant to Article 4; and

- (b) in respect of residue gas produced by an Upstream Supplier and delivered into the Pipeline System at a Receipt Point in Zone 3 or Zone 4, the volume of residue gas authorized by Westcoast for delivery by or for the account of the Shipper at that Receipt Point on any day pursuant to Article 4.

"Authorized Volume" means the volume of residue gas authorized by Westcoast for delivery to or for the account of a Shipper at a Delivery Point on any day pursuant to Article 4.

"Average Daily Scheduled Quantity" means in respect of a Non-Supply Shipper for each month the arithmetic average of the daily quantity of residue gas transported for the account of that Non-Supply Shipper to or from Compressor Station No. 2, whichever is the greater, during the 30 day period ending on the 20<sup>th</sup> day of the immediately preceding month.

"Balancing Tolerance Range" means:

- (a) in respect of each Shipper specified in Section 6.01 other than the Straddle Plant Operator for each day, the balancing tolerance range determined by Westcoast for each such Shipper for each such day in accordance with Section 6.02;
- (b) in respect of the Straddle Plant Operator for each day, a balancing tolerance range which has (i) an upper limit equal to 25,000 gigajoules and (ii) a lower limit equal to minus 25,000 gigajoules; and
- (c) in respect of each Non-Supply Shipper for each month, the balancing tolerance range determined by Westcoast for each such Non-Supply Shipper for each such month in accordance with Section 6.23.

"Bid Recipient" means an independent third party designated by Westcoast in accordance with Section 9.17 or Section 24.10.

"Boundary Lake Pipeline" means the residue gas pipeline owned by Westcoast and extending from the NOVA/Boundary Lake Interconnection to Compressor Station No. 1, and includes any residue gas laterals owned by Westcoast and connected to that pipeline.

"Bundled Field Service" means Treatment Service, Liquids Recovery Service and Liquid Products Stabilization and Fractionation Service provided as Standard Service or Negotiated Service at the McMahon Processing Plant pursuant to a Service Agreement in which a single toll is prescribed for those three services.

"Business Day" means any day other than a Saturday, Sunday or any day on which major banks are closed for business in Vancouver, British Columbia, or Calgary, Alberta.

"Calculated Production Value" means the daily average quantity of residue gas determined for each Shipper for each day in accordance with Section 6.02.

"Canadian Gas Price Reporter" means the publication entitled "Canadian Gas Price Reporter" published monthly in Canada by Canadian Enerdata Ltd.

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"carbon dioxide gas" means a gaseous substance composed of carbon dioxide.

"carbon dioxide limit" means the maximum volume of carbon dioxide gas permitted for purposes of Treatment Service, as specified in a Firm Service Agreement.

"Cascade Delivery Point" means the point in the Export Delivery Area where the Pipeline System connects with the pipeline facilities of Cascade Natural Gas Corporation.

"Central Clock Time" or "CCT" means Central Standard Time or Central Daylight Saving Time, whichever is in effect on any day.

"CGPR Price" means the weighted average price in dollars per gigajoule specified as the average "Daily Spot Gas Price at Station 2, BC" for any day or, in the case of a Saturday or Sunday, for the weekend, as reported in the Canadian Gas Price Reporter.

"Commodity Toll" means, in respect of any Interruptible Service or any Firm Service, the commodity charges for that service prescribed in the Toll Schedules.

"Compressor Station No. 1" means Westcoast's compressor station no. 1 located near Taylor, British Columbia.

"Compressor Station No. 2" means Westcoast's compressor station no. 2 located near Chetwynd, British Columbia.

"Condensate" means pentanes and heavier liquid hydrocarbons.

"Constraint Level" means

- (a) in respect of a Processing Plant, the maximum volume of raw gas, acid gas, and sulphur gas, respectively, which Westcoast determines pursuant to Section 25.03 can be processed at that Processing Plant on any day; and
- (b) in respect of the Receipt Points within a Zone 3 Corridor and each Receipt Point in Zone 4, the maximum volume of residue gas which Westcoast determines pursuant to Section 25.08 can be delivered into the Pipeline System at the Receipt Points within such Zone 3 Corridor or at such Receipt Point in Zone 4 on any day.

"Contract Demand" means

- (a) in respect of Firm Raw Gas Transmission Service to be provided by Westcoast pursuant to a Service Agreement, the maximum volume of raw gas specified in that Service Agreement that Westcoast is obligated to accept on any day at a Receipt Point from a Shipper, without curtailment or interruption;
- (b) in respect of Firm Treatment Service to be provided by Westcoast pursuant to a Service Agreement, the maximum volume of residue gas specified in that Service Agreement that Westcoast is obligated to deliver on any day at the outlet of a Processing Plant, without curtailment or interruption;



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- (c) in respect of Firm Liquids Recovery Service and Liquid Products Stabilization and Fractionation Service to be provided by Westcoast pursuant to a Service Agreement, the maximum quantity of Liquid Products specified in that Service Agreement that Westcoast is obligated to deliver on any day at the Liquid Products Delivery Points or into storage without curtailment or interruption;
- (d) in respect of Firm Bundled Field Service to be provided by Westcoast pursuant to a Service Agreement, the maximum volume of residue gas and the maximum volume of Liquids Products specified in that Service Agreement that Westcoast is obligated to deliver on any day at the outlet of the McMahon Processing Plant and at the Liquid Products Delivery Points or into storage, respectively, without curtailment or interruption;
- (e) in respect of Firm Fuel Gas Service to be provided by Westcoast pursuant to a Service Agreement, the maximum quantity of residue gas specified in that Service Agreement that Westcoast is obligated to deliver on any day at a Delivery Point on the Fuel Gas Pipelines without curtailment or interruption;
- (f) in respect of Transportation Service - Northern Long Haul, Transportation Service - Northern Short Haul, Temporary Firm Service Long Haul, Temporary Firm Service Short Haul and Short Term Firm Service in Zone 3 to be provided by Westcoast pursuant to a Firm Service Agreement, the maximum volume of residue gas specified in that Firm Service Agreement that Westcoast is obligated (i) to deliver on any day at a Delivery Point in Zone 3, or (ii) to transmit through Zone 3 for the account of the Shipper on any day, without curtailment or interruption; and
- (g) in respect of Transportation Service-Southern and Short Term Firm Service in Zone 4 to be provided by Westcoast pursuant to a Firm Service Agreement, the maximum volume of residue gas specified in that Firm Service Agreement that Westcoast is obligated to deliver on any day at a Delivery Point in Zone 4, without curtailment or interruption.

"Contract Demand Credits" means any credits provided to a Shipper by Westcoast pursuant to Article 8.

"Contracted Residue Gas" means residue gas physically processed at the McMahon Processing Plant and residue gas physically delivered to Compressor Station No. 1 through the Alberta Mainline and the Boundary Lake Pipeline, other than gas delivered into the Alberta Mainline at the Receipt Points designated as Parkland, West Doe Creek and the NOVA/Gordondale Interconnection, which has been directed by the Shipper thereof to the Straddle Plant Operator at the Straddle Plant Delivery Point pursuant to Section 16.02(c).

"Corresponding Firm Transportation Service" means a Firm Transportation Service - Northern or Firm Transportation Service – Southern specified in a Firm Service Agreement in respect of which a Shipper is entitled to AOS in accordance with Section 2.11.

"cubic meter" or "m<sup>3</sup>" means, when used in reference to gas, the volume of gas which occupies one cubic meter when such gas is at a temperature of 15°C and at an absolute pressure of 101.325 kilopascals and, when used in reference to Liquid Products, the amount

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of liquid which occupies one cubic meter when such liquid is at a temperature of 15°C and at an absolute pressure which is the higher of 101.325 kilopascals or the natural vapour pressure of the liquid.

"Cumulative Supply Imbalance" means in respect of each Shipper for each day, the net supply imbalance determined by Westcoast for each such Shipper for each such day by aggregating the supply imbalances recorded in each of the Upstream Balancing Accounts and the Supply Account, if any, maintained for each such Shipper in accordance with Sections 6.05 and 6.21, as reported by Westcoast to each such Shipper in accordance with Section 6.07.

"Customer Interface Agreement" means an agreement between a Shipper and Westcoast providing for electronic data communications between the Shipper and Westcoast.

"Daily Authorized Entitlement" means, in respect of any Liquid Product for any day, the quantity of that Liquid Product which a Shipper is entitled to receive on that day pursuant to Section 22.07.

"Daily Demand Toll" means for each month:

- (a) in respect of Firm Fuel Gas Service, an amount equal to the Daily Equivalent of the Demand Toll for each such service; and
- (b) in respect of Firm Transportation Service - Northern, Firm Transportation Service – Southern, Temporary Firm Service and Short Term Firm Service, an amount equal to the average, weighted by the Contract Demand, of (i) the Daily Equivalent of the Demand Tolls for such Transportation Service and Temporary Firm Service and (ii) the Demand Tolls for Short Term Firm Service payable by a Shipper for such services provided between the same two points in Zone 3 or Zone 4, respectively.

"Daily Equivalent" means in respect of a monthly Demand Toll, an amount determined by multiplying the monthly Demand Toll by 12 and by dividing the product so obtained by the number of days in the year.

"Dawson Area" means the Dawson Processing Plant and the Dawson RGT Pipeline.

"Dawson Liquids" means liquid hydrocarbons consisting of stabilized Condensate and an unfractionated mixture of propane and heavier liquid hydrocarbons recovered by Westcoast at the Dawson Processing Plant.

"Dawson Processing Plant" means the facilities owned by Westcoast for the processing of raw gas located in the North ½ of Section 26, Township 78, Range 17, W6M, Peace River District in British Columbia.

"Dawson RGT Pipeline" means the raw gas transmission pipeline owned by Westcoast through which raw gas is delivered to the Dawson Processing Plant.

"day" means a period of 24 consecutive hours beginning at 0900 hours Central Clock Time.

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"Delivery Point" means the point specified in a Service Agreement where Westcoast delivers gas to or for the account of a Shipper and includes (i) the Straddle Plant Delivery Point, (ii) in the case of a diversion in Zone 4 made pursuant to Section 7.01, an alternate Delivery Point in the Huntingdon Delivery Area, an Upstream Delivery Point or a Downstream Delivery Point and (iii) in the case of a diversion in Zone 3 made pursuant to Section 7.06 or Section 7.07, an Equivalent Delivery Point or an alternate Delivery Point.

"Demand Toll" means for each month:

- (a) in respect of any Firm RGT Service, Firm Treatment Service, Firm Liquids Recovery Service and Firm Bundled Field Service which is a Standard Service or a Negotiated Service, the demand charges for each such service specified in the applicable Service Agreement;
- (b) in respect of any Firm Fuel Gas Service which is a Negotiated Service, the demand charges for each such service specified in the applicable Service Agreement;
- (c) in respect of any Firm Transportation Service – Northern, Temporary Firm Service and Firm Transportation Service - Southern, the applicable monthly demand charges for each such service specified in the Toll Schedules; and
- (d) in respect of any STF Service, the daily demand charges for each such service specified in the applicable Service Agreement.

"Discount Rate" means for the purposes of Article 9, Westcoast's interim or final AFUDC rate in effect in any month in respect of the tolls charged for service in Zones 3 and 4.

"DST" means Pacific Daylight Saving Time.

"Downstream Delivery Point" means in respect of any Firm Service Agreement, a Delivery Point in Zone 4 which is downstream of the Delivery Point in Zone 4, outside the Huntingdon Delivery Area, which is specified in the Firm Service Agreement.

"Downstream Diversion" means in respect of any Firm Transportation Service - Southern, the diversion of that service to a Downstream Delivery Point pursuant to Section 7.01(c).

"EFM Equipment" means electronic flow measurement equipment which comprises part of the gas measuring equipment at a Receipt Point and which is connected to telecommunications facilities which permit the remote reading by Westcoast of the volume, flow and compositional data with respect to the gas delivered into the Pipeline System at the Receipt Point in accordance with Westcoast's Measurement Policies.

"Elapsed Prorata Volume" means in respect of gas delivered by Westcoast at a Delivery Point or delivered to Westcoast at a Receipt Point during any part of a day pursuant to one or more authorizations for a service given in accordance with Article 4, the sum of the volumes of gas determined in respect of each of those authorizations as follows:

- (a) in the case of an authorization which comes into effect at the beginning of the day pursuant to Sections 4.09 and 4.10, a volume of gas equal to that determined by (i) dividing the Authorized Volume or the Authorized Receipt Volume by 24 and

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(ii) multiplying the quotient so obtained by the number of hours during which the authorization was or would have been in effect; and

- (b) in of the case of an authorization which comes into effect during the day pursuant to Sections 4.09 and 4.11, a volume of gas equal to that determined by (i) subtracting from the then current Authorized Volume or Authorized Receipt Volume the sum of the volumes determined in accordance with this definition for each of the prior authorizations for the service, if any, in effect during the day and (ii) multiplying the difference so obtained by a fraction, the numerator of which is the number of hours during which the then current authorization was or would have been in effect and the denominator of which is the number of hours remaining in the day following the time at which the then current authorization came into effect.

“Enco Delivery Point” means the point in the Export Delivery Area where the Pipeline System connects with the pipeline facilities of Sumas Cogeneration Company L.P.

“Equivalent Delivery Points” means those Delivery Points in Zone 3 which Westcoast has determined are hydraulically similar and toll neutral, as specified in Section 7.06.

“Equivalent Point Diversion” means in respect of any Firm Service provided in Zone 3, the diversion of that service to an Equivalent Receipt Point or an Equivalent Delivery Point pursuant to Section 7.06.

“Equivalent Receipt Points” means those Receipt Points in Zone 3 which Westcoast has determined are hydraulically similar and toll neutral, as specified in Section 7.06.

“Estimated Yearly Heat Content Value” means the estimated total heating value of all residue gas delivered into Zone 3 of the Pipeline System from the outlet of a Processing Plant, other than the Dawson Processing Plant and the Fort Nelson North Processing Plant, and of all residue gas delivered into the Pipeline System at a Receipt Point in Zone 3 or Zone 4, as determined by Westcoast and posted on its public bulletin board in accordance with Section 4.02.

“Evening Nomination Cycle” means the Nomination Cycle for any day in respect of which a Shipper is required to give a nomination to Westcoast on the immediately preceding day by the time specified for that Nomination Cycle in Section 4.10.

“Excess Acid Gas Receipts” means in respect of acid gas contained in the raw gas produced from one or more Production Sources and delivered into the Pipeline System at one or more Receipt Points by or for the account of a Shipper on any day for processing at a Processing Plant, the volume of acid gas equal to that by which the Aggregate Acid Gas Receipt Volume exceeds the sum of the Acid Gas Constraint Volume and the applicable Acid Gas Tolerance for that Shipper for that Processing Plant on any such day.

“Excess Raw Gas Receipts” means in respect of raw gas produced from one or more Production Sources and delivered into the Pipeline System at one or more Receipt Points by or for the account of a Shipper on any day for processing at a Processing Plant, the volume of raw gas equal to that by which the Aggregate Raw Gas Receipt Volume exceeds the sum of the Raw Gas Constraint Volume and the applicable Raw Gas Tolerance for that Shipper for that Processing Plant on any such day.

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"Excess Residue Gas Receipts" means in respect of residue gas delivered into the Pipeline System at a Receipt Point in Zone 3 or Zone 4 by or for the account of a Shipper on any day, the volume of residue gas equal to that by which the Receipt Volume exceeds the sum of the Authorized Receipt Volumes and the applicable Residue Gas Tolerance for that Shipper in respect of that Receipt Point on any such day.

"Excess Sulphur Gas Receipts" means in respect of sulphur gas contained in raw gas produced from one or more Production Sources and delivered into the Pipeline System at one or more Receipt Points by or for the account of a Shipper on any day for processing at a Processing Plant, the volume of sulphur gas equal to that by which the Aggregate Sulphur Gas Receipt Volume exceeds the sum of the Sulphur Gas Constraint Volume and the applicable Sulphur Gas Tolerance for that Shipper for that Processing Plant on any such day.

"Existing Facilities" means those facilities included in Zone 1, Zone 1A and Zone 2 of the Pipeline System which were in service on January 1, 1997 and includes any additions or modifications to those facilities made after January 1, 1997 which are required for the safe, efficient or reliable operation of those facilities at the capacity levels existing at January 1, 1997.

"Export Delivery Area" means all those points on the international boundary between Canada and the United States of America where the Pipeline System connects with pipeline facilities located in the United States of America and shall include, without limitation, the Arco Delivery Point, the Cascade Delivery Point, the Enco Delivery Point and the Northwest Delivery Point.

"Field Services" means RGT Service, Treatment Service, Liquids Recovery Service, LPSF Service, Bundled Field Service and Fuel Gas Service, and "Field Service" means any one of those services.

"Final Estimated Volume" means in respect of raw gas and residue gas delivered into the Pipeline System on any day at a Receipt Point by or for the account of a Shipper, that volume of residue gas determined by Westcoast in accordance with Section 6.04.

"Firm Contracted Capacity Percentage" means in respect of each of the months of April to October, inclusive, and for each Zone 3 Corridor and for Zone 4, respectively, the percentage obtained by dividing the aggregate Contract Demand for Firm Service contracted for each such month in each such Zone 3 Corridor and in Zone 4, respectively, by the daily capacity available to provide Firm Service in each such Zone 3 Corridor and in Zone 4, respectively, during the months of November to March, inclusive.

"Firm Service" means the obligation of Westcoast to provide, at a Shipper's request, any RGT Service, Treatment Service, Liquids Recovery Service, LPSF Service, Bundled Field Service, Fuel Gas Service, Transportation Service - Northern, Transportation Service - Southern, Temporary Firm Service or STF Service up to the applicable Contract Demand specified in the Service Agreement, without curtailment or interruption.

"Firm Service Agreement" means a Service Agreement under which Westcoast is obligated to provide Firm Service.

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"Fort Nelson Area" means the Fort Nelson Processing Plant, the Fort Nelson North Processing Plant and the Fort Nelson RGT System.

"Fort Nelson Area Shipper" means a Shipper which has entered into a Service Agreement providing for Raw Gas Transmission Service and Treatment Service in the Fort Nelson Area.

"Fort Nelson Liquids" means liquid hydrocarbons consisting primarily of Condensate recovered from time to time by Westcoast from the commingled raw gas stream at facilities located in the Fort Nelson RGT System.

"Fort Nelson Mainline" means the residue gas transmission pipelines owned by Westcoast and extending from the outlet of the Fort Nelson Processing Plant to Compressor Station No. 2, and includes any residue gas laterals owned by Westcoast and connected to those pipelines.

"Fort Nelson North Processing Plant" means the facilities owned by Westcoast for the processing of raw gas located in District Lot 4173, Peace River District in British Columbia.

"Fort Nelson Processing Plant" means the facilities owned by Westcoast for the processing of raw gas located at Fort Nelson, British Columbia.

"Fort Nelson RGT System" means the raw gas transmission pipeline system owned by Westcoast through which raw gas is delivered to the Fort Nelson Processing Plant and the Fort Nelson North Processing Plant.

"Fort St. John Area" means the McMahon Processing Plant and the Fort St. John RGT System.

"Fort St. John Mainline" means the residue gas pipelines owned by Westcoast and extending from the outlet of the McMahon Processing Plant to Compressor Station No. 2, and includes any residue gas laterals owned by Westcoast and connected to those pipelines.

"Fort St. John RGT System" and "Fort St. John Raw Gas Transmission System" mean the raw gas transmission pipeline system owned by Westcoast through which raw gas is delivered to the McMahon Processing Plant and, for the purposes of the Toll Schedule for Raw Gas Transmission Service, includes the Altken Creek RGT Pipeline and the Dawson RGT Pipeline.

"Fuel Gas Pipelines" means the residue gas pipeline facilities extending from the residue gas outlet of the Pine River Processing Plant to the West Sukunka and Brazion areas of British Columbia.

"Fuel Gas Service" means the transmission of residue gas through the Fuel Gas Pipelines.

"gas" means raw gas or residue gas as the context requires.

"General Terms and Conditions" means these General Terms and Conditions - Service, as filed with or otherwise approved by the National Energy Board and in effect from time to time.

"gigajoule" or "GJ" means 1 000 000 000 joules.

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"Grizzly Valley Area" means the Pine River Processing Plant and the Grizzly Valley RGT System.

"Grizzly Valley RGT System" means the raw gas transmission pipeline system owned by Westcoast through which raw gas is delivered to the Pine River Processing Plant.

"Huntingdon Delivery Area" means the area comprised of the Export Delivery Area and the Lower Mainland Delivery Area.

"Huntingdon Delivery Area Diversion" means in respect of any Firm Transportation Service – Southern with a Delivery Point within the Huntingdon Delivery Area, the diversion of that service to another Delivery Point within the Huntingdon Delivery Area pursuant to Section 7.01(a).

"Hydrocarbon Liquids" means raw liquid hydrocarbons which are delivered in a liquid phase into the Pipeline System with raw gas at a Receipt Point.

"Import Backhaul Service" means Interruptible Service under which a volume of gas delivered on any day through the pipeline facilities of Northwest Pipeline Corporation to the Northwest Delivery Point is delivered to a Shipper by displacement at one or more of the Delivery Points within the Inland Delivery Area, the PNG Delivery Point and Compressor Station No. 2.

"In Path Diversion" means in respect of any Firm Transportation Service – Northern, Long Haul, the diversion of that service to an alternate Receipt Point and/or an alternate Delivery Point in Zone 3 within the route of the currently contracted service pursuant to Section 7.07.

"Incremental Facilities" means any additions or modifications made after January 1, 1997 to the facilities included in Zone 1, Zone 1A and Zone 2 of the Pipeline System, other than those which constitute Existing Facilities.

"Inland Delivery Area" means the FortisBC Energy Inc. - Inland Service Area (km - post 58.9 to 747.9).

"Interruptible Service" means the obligation of Westcoast to provide, at a Shipper's request, any of Raw Gas Transmission Service, Treatment Service, Liquids Recovery Service, Liquid Products Stabilization and Fractionation Service, Bundled Field Service, Fuel Gas Service, Transportation Service-Northern Long Haul, Transportation Service-Northern Short Haul or Transportation Service-Southern up to the applicable volume of gas specified in the Service Agreement, subject to curtailment or interruption.

"Interruptible Service Agreement" means a Service Agreement under which Westcoast is obligated to provide Interruptible Service.

"Intra-Day Nomination Cycles" means the Intra-Day 1 Nomination Cycle and the Intra-Day 2 Nomination Cycle and "Intra-Day Nomination Cycle" means any one of those Nomination Cycles.

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"Intra-Day 1 Nomination Cycle" means the Nomination Cycle for any day in respect of which a Shipper is required to give a nomination to Westcoast during the day by the time specified for that Nomination Cycle in Section 4.11.

"Intra-Day 2 Nomination Cycle" means the Nomination Cycle for any day in respect of which a Shipper is required to give a nomination to Westcoast during the day by the time specified for that Nomination Cycle in Section 4.11.

"Inventory Transfer Account" means an account established and maintained by Westcoast for an Inventory Transfer Shipper in accordance with Section 6.21.

"Inventory Transfer Shipper" means a Shipper which has entered into a Service Agreement providing for Interruptible Transportation Service in Zone 3 or Zone 4, but which does not actively transport residue gas to or from Compressor Station No. 2.

"joule" means the amount of work done when the point of application of a force of one newton is displaced a distance of one meter in the direction of the force.

"Liquid Products" means propane, butane and Condensate extracted by Westcoast from raw gas or from Raw Liquids at the McMahon Processing Plant, and "Liquid Product" means any one of them.

"Liquid Products Delivery Points" means those locations designated by Westcoast from time to time at which Liquid Products are delivered by Westcoast to a Shipper.

"Liquids Recovery Service" means the extraction of liquid hydrocarbons from raw gas at the McMahon Processing Plant.

"litre" means the amount of liquid which occupies 0.001 cubic meter, when such liquid is at a temperature of 15°C and at an absolute pressure which is the higher of 101.325 kilopascals or the natural vapour pressure of the liquid.

"Low Intervention Trade Transactions" has the meaning given to that term in MC Bulletin G-14.

"Lower Mainland Delivery Area" means the FortisBC Energy Inc. - Lower Mainland Service Area (km - post 835.9 to 917.6).

"LPG" means liquefied petroleum gas consisting of propane or butane or any mixture thereof.

"LPSF Service" and "Liquid Products Stabilization and Fractionation Service" mean the stabilization and fractionation of liquid hydrocarbons to produce Liquid Products at the McMahon Processing Plant.

"MC Bulletin G-14" means Bulletin G-14 issued by Measurement Canada pursuant to the Electricity and Gas Inspection Act (Canada), as it may be amended from time to time.

"McMahon Processing Plant" means the facilities owned by Westcoast for the processing of raw gas located at Taylor, British Columbia and, for the purposes of the Toll Schedule for Treatment Service, includes the Aitken Creek Processing Plant and the Dawson Processing Plant.



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"megajoule" or "MJ" means 1 000 000 joules.

"Metered Delivery Volume" means in respect of the Straddle Plant Delivery Point for any day, the total volume of residue gas determined by Westcoast at the end of each such day to have been delivered by Westcoast to the Straddle Plant Operator at the Straddle Plant Delivery Point on each such day.

"millilitre" or "mL" means the amount of liquid which occupies 0.001 litre.

"Minimum STF Service Toll" means in respect of any Short Term Firm Service, the minimum Demand Toll expressed in dollars per  $10^3 \text{ m}^3$  per day, specified by Westcoast for any such service pursuant to Section 24.06, which, for the period November through March inclusive and for the period April through October inclusive, shall not be less than the dollar amount of the applicable Commodity Toll for Interruptible Transportation Service provided between the same Receipt Point and Delivery Point.

"month" means the period of time commencing at the beginning of the first day of any month and ending at the beginning of the first day of the next succeeding month.

"Monthly Adjusted Entitlement" means, in respect of any Liquid Product and for any month, the quantity of that Liquid Product that a Shipper was entitled to receive in that month pursuant to Section 22.12.

"Monthly Liquid Product Measurement Adjustment" means, in respect of any Liquid Product, the amount by which the total quantity of Liquid Product actually taken by a Shipper in any month exceeds or is less than the Monthly Adjusted Entitlement for such month.

"Natural Gas Liquids" means ethane, propane, butane and Condensate extracted and recovered from residue gas in the Straddle Plant.

"Negotiated" means when used with reference to any Field Service, including Fuel Gas Service, such a service which is provided by Westcoast as a Negotiated Service.

"Negotiated Service" means any Firm Field Service and any Interruptible Field Service, including Fuel Gas Service, provided by Westcoast on Existing Facilities and Incremental Facilities pursuant to a Service Agreement in respect of which the Shipper and Westcoast may negotiate certain of the terms and conditions of service in accordance with Section 2.02(c).

"Nomination Cycles" means the Timely Nomination Cycle, the Evening Nomination Cycle, the Intra-Day 1 Nomination Cycle and the Intra-Day 2 Nomination Cycle, and "Nomination Cycle" means any one of the those Nomination Cycles.

"Non-Supply Account" means an account established and maintained by Westcoast for a Non-Supply Shipper in accordance with Section 6.21.

"Non-Supply Account Imbalance" means in respect of each Non-Supply Shipper for each day, the imbalance determined for each such day as recorded by Westcoast in the

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Non-Supply Account maintained for each such Non-Supply Shipper in accordance with Section 6.21, as reported by Westcoast in accordance with Section 6.24.

"Non-Supply Shipper" means a Shipper, other than a Supply Shipper, which either (i) has entered into a Service Agreement providing for Firm Transportation Service in Zone 3 or Zone 4 or (ii) actively transports residue gas to or from Compressor Station No. 2 pursuant to an Interruptible Service Agreement.

"Northwest Delivery Point" means the point in the Export Delivery Area where the Pipeline System connects with the pipeline facilities of Northwest Pipeline Corporation.

"NOVA" means NOVA Gas Transmission Ltd.

"NOVA/Boundary Lake Interconnection" means the point where the Pipeline System connects with the pipeline facilities of NOVA in the SE 1/4 of Section 16, Township 85, Range 13, W6M in Alberta.

"NOVA/Gordondale Interconnection" means the point where the Pipeline System connects with the pipeline facilities of NOVA in the NE 1/4 of Section 2, Township 79, Range 12, W6M in Alberta.

"NOVA/Komie East Delivery Point" means the point where the Pipeline System connects with the pipeline facilities of NOVA within the lands described as P&NG Grid System unit d-48-l/94-P-4, Peace River District in British Columbia.

"NOVA/Tremblay Delivery Point" means the point where the Pipeline System connects with the pipeline facilities of NOVA in the SE 1/4 of Section 27, Township 78, Range 17, W6M, Peace River District in British Columbia.

"Out of Path Diversion" means in respect of any Firm Transportation Service – Northern, Long Haul, the diversion of that service to an alternate Receipt Point and/or an alternate Delivery Point in Zone 3 outside the route of the currently contracted service pursuant to Section 7.07.

"Permanent In Path Relocation" means in respect of any Firm Transportation Service – Northern, the permanent relocation of the Receipt Point and/or Delivery Point for such service to another location in Zone 3 within the route of the currently contracted service, and includes the permanent relocation of the Receipt Point to an Equivalent Receipt Point and/or the Delivery Point to an Equivalent Delivery Point.

"Permanent Out of Path Relocation" means in respect of any Firm Transportation Service – Northern, the permanent relocation of the Receipt Point and/or Delivery Point for such service to another location in Zone 3 outside the route of the currently contracted service.

"Pine River Mainline" means the residue gas pipeline extending from the outlet of the Pine River Processing Plant to Compressor Station No. 2, and includes any residue gas laterals owned by Westcoast and connected to that pipeline, but does not include the Fuel Gas Pipelines.

"Pine River Processing Plant" means the facilities owned by Westcoast for the processing of raw gas located at Pine River, British Columbia.

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"Pipeline System" means the raw gas transmission, processing and residue gas transmission facilities owned by Westcoast within British Columbia, Alberta, the Yukon and the Northwest Territories.

"PNG Delivery Point" means the point where the Pipeline System connects with the pipeline facilities of Pacific Northern Gas Ltd.

"Predicted Volume" means in respect of raw gas and residue gas delivered into the Pipeline System on any day at a Receipt Point by or for the account of a Shipper, that volume of residue gas determined by Westcoast in accordance with Section 6.03.

"Processing Plants" means the McMahon Processing Plant, the Pine River Processing Plant, the Fort Nelson Processing Plant, the Fort Nelson North Processing Plant, the Sikanni Processing Plant, the Dawson Processing Plant and the Aitken Creek Processing Plant, and "Processing Plant" means any one of them.

"Production Source" means in respect of any gas well, the production source grouping for that gas well as approved by Westcoast pursuant to Article 26.

"PST" means Pacific Standard Time.

"raw gas" means natural gas produced from wells.

"Raw Gas Constraint Volume" means in respect of raw gas produced from one or more Production Sources and delivered into the Pipeline System at one or more Receipt Points by or for the account of a Shipper for processing at a Processing Plant on any day on which a curtailment or interruption of Treatment Service is in effect, the maximum volume of raw gas which the Shipper may deliver to Westcoast on any such day, as specified in a notice given to each such Shipper by Westcoast pursuant to Section 27.05, Section 28.06, or Section 29.06.

"Raw Gas Receipt Volume" means in respect of raw gas produced from a Production Source and delivered into the Pipeline System at a Receipt Point by or for the account of a Shipper on any day, the actual volume of raw gas so delivered at the Receipt Point on any such day.

"Raw Gas Tolerance" means in respect of raw gas delivered into the Pipeline System at one or more Receipt Points by or for the account of a Shipper on any day for processing at a Processing Plant, the Raw Gas Tolerance determined for any such day in accordance with Section 25.04 by Westcoast.

"Raw Liquids" means the stream of propane, butane and Condensate delivered to Westcoast at the Raw Liquids Receipt Point for fractionation.

"Raw Liquids Receipt Point" means the inlet to the depropanizer feedtank at the McMahon Processing Plant.

"Receipt Point" means the point specified in a Service Agreement where gas is delivered to Westcoast by or for the account of a Shipper and includes (i) the Straddle Plant Receipt Point

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and (ii) in the case of a diversion in Zone 3 made pursuant to Section 7.06 or Section 7.07, an Equivalent Receipt Point or an alternate Receipt Point.

"Receipt Point Operator" means, in respect of each Receipt Point, other than the Straddle Plant Receipt Point, at which raw gas or residue gas is delivered into the Pipeline System by or for the account of a Shipper:

- (a) in the case where such Shipper is the owner of the pipeline or other facilities which connect with the Pipeline System at such Receipt Point, such Shipper or the person appointed as the Receipt Point Operator for such Receipt Point by such Shipper pursuant to Section 5.03; and
- (b) in the case where such Shipper is not the owner of the pipeline or other facilities which connect with the Pipeline System at such Receipt Point, the owner of those pipeline or other facilities or the person appointed as the Receipt Point Operator for such Receipt Point by the owner of those facilities pursuant to Section 5.03,

and in respect of the Straddle Plant Receipt Point, the Straddle Plant Operator.

"Receipt Volume" means:

- (a) in respect of a Receipt Point at which a Shipper delivers residue gas into the Pipeline System, the volumetric equivalent as determined by Westcoast of the quantity of residue gas in gigajoules delivered by or for the account of the Shipper to Westcoast at that Receipt Point on any day; and
- (b) in respect of raw gas delivered into the Pipeline System at a Receipt Point for processing at a Processing Plant, the volume of residue gas measured at the outlet of the Processing Plant determined by Westcoast as having been derived from the volume of raw gas delivered by or for the account of a Shipper to Westcoast at the Receipt Point on any day.

"Receiving Party" means the operator of the pipeline or other facilities into which residue gas is delivered from the Pipeline System for the account of a Shipper at a Delivery Point at which the Pipeline System connects with the facilities of the operator, and includes the Straddle Plant Operator.

"Receiving Shipper" means a Shipper to which gas is transferred by an originating Shipper pursuant to Section 7.04 or Section 7.05.

"Relocation" means a Permanent In Path Relocation, a Permanent Out of Path Relocation, a Temporary In Path Relocation or a Temporary Out of Path Relocation.

"Relocation Fee" means in respect of a Permanent Out of Path Relocation of any Firm Transportation Service – Northern, an amount equal to the product obtained by multiplying the Contract Demand for such service by the applicable monthly Demand Toll for a three year service term specified in the Toll Schedule for Transportation Service – Northern, Long Haul and Short Haul.

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"residue gas" means the residue remaining after raw gas has been subjected to any or all of the following permissible processes:

- (a) the removal of any of its constituent parts other than methane, and the removal of methane to such extent as is necessary in removing other constituents; and
- (b) the compression, regulation, cooling, cleaning or any other chemical or physical process other than the addition of diluents, such as air or nitrogen, to such extent as may be required in its production, raw gas transmission, residue gas transportation, storage, removal from storage and delivery.

"Residue Gas Constraint Volume" means in respect of residue gas produced at a Processing Plant, other than the Dawson Processing Plant, for the account of a Shipper on any day on which a curtailment or interruption of Treatment Service is in effect, the maximum volume of residue gas which may be produced at the Processing Plant for the account of the Shipper on any such day, as specified in a notice given to each such Shipper by Westcoast pursuant to Section 28.06 or Section 29.06.

"Residue Gas Tolerance" means in respect of residue gas delivered into the Pipeline System at a Receipt Point within the Zone 3 Corridor or at a Receipt Point in Zone 4 on any day, the applicable Residue Gas Tolerance as determined by Westcoast in accordance with Section 25.09.

"Restricted Lateral" means any lateral pipeline owned by Westcoast which is connected to the Fort Nelson Mainline, the Fort St. John Mainline, the Alberta Mainline or the Boundary Lake Pipeline and which has a capacity which is less than the total capacity of the Receipt Points or Delivery Points located on the lateral pipeline.

"RGT Flow Capability" means in respect of each Fort Nelson Area Shipper, Fort St. John Area Shipper, Grizzly Valley Area Shipper, Sikanni Area Shipper and Aitken Creek Area Shipper for each day in each month at each Receipt Point, (i) the arithmetic average of each daily volume of raw gas production for the five most recent days which daily production is delivered by each such Shipper to Westcoast at each such Receipt Point in the Fort Nelson Area, Fort St. John Area, Grizzly Valley Area, Sikanni Area or the Aitken Creek Area, as determined by Westcoast each day based upon the final estimated daily allocations of raw gas made to each such Shipper which are available at the time Westcoast makes such determination or (ii) such other daily aggregate volume of raw gas, for which any such Shipper has available supply at each Receipt Point in the Fort Nelson Area, Fort St. John Area, Grizzly Valley Area, Sikanni Area or the Aitken Creek Area on any day in any such month.

"RGT Service" and "Raw Gas Transmission Service" mean the transmission of raw gas in Zone 1.

"RGT Systems" means the Fort Nelson RGT System, the Fort St. John RGT System and the Grizzly Valley RGT System, and "RGT System" means any one of those systems.

"Service Agreement" means a Firm Service Agreement or an Interruptible Service Agreement.

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"Service Entitlement Identifier" means the identification code prescribed by Westcoast in respect of each Firm Service and Interruptible Service specified in a Service Agreement;

"Shipper" means any person who enters into a Service Agreement with Westcoast.

"Shipper Specific OFO" means an order issued by Westcoast to a Shipper pursuant to Sections 6.10 and 6.11.

"Sikanni Area" means the Sikanni Processing Plant.

"Sikanni Processing Plant" means the facilities owned by Westcoast for the processing of raw gas located in the Sikanni area of British Columbia.

"Standard" means when used with reference to any Field Service, other than Fuel Gas Service, such a service which is provided by Westcoast as a Standard Service.

"Standard Service" means any Firm Field Service and any Interruptible Field Service, other than Fuel Gas Service, specified in a Service Agreement designated as being applicable to Standard Services, and which is provided by Westcoast:

- (a) solely on Existing Facilities, in respect of which the Shipper and Westcoast may negotiate renewal rights in accordance with Section 2.02(a); and
- (b) in whole or in part on Incremental Facilities, in respect of which the Shipper and Westcoast may negotiate the term of the Service Agreement and renewal rights in accordance with Section 2.02(b).

"Station 2 Gas Price" means in respect of any day:

- (a) the CGPR Price for the day; or
- (b) if no CGPR price is reported for the day, the CGPR price for the immediately preceding day for which such price is reported.

"STF Service" or "Short Term Firm Service" means the firm transmission of residue gas in Zone 3 or Zone 4 pursuant to a Service Agreement made with a Shipper in accordance with Article 24.

"Storage Entitlement" means, in respect of any Shipper entitled to Liquid Products Stabilization and Fractionation Service for any Liquid Product, the proportion of available storage capacity for that Liquid Product at the McMahon Processing Plant to which that Shipper is entitled, such proportion to be determined monthly by Westcoast based upon (i) that Shipper's Authorized Daily Entitlements for the 30 days preceding the date of that determination and (ii) the forecast of that Shipper's Daily Authorized Entitlements, as provided to that Shipper by Westcoast pursuant to Section 22.05, for the month next following the date of that determination.

"Storage Reservoir" means the underground gas storage reservoir and appurtenant facilities, including piping systems, operated by Aitken Creek Gas Storage ULC in the Aitken Creek

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area of British Columbia and connected to the Pipeline System at the meter station owned and operated by Westcoast and located at the upstream end of the Aitken Creek Pipeline.

"Straddle Plant" means the Younger natural gas liquids extraction facility located at Taylor, British Columbia.

"Straddle Plant Delivery Point" means the point at the outlet of Westcoast's Meter Station No. 66 at which the Pipeline System interconnects with the facilities of the Straddle Plant.

"Straddle Plant Operator" means AltaGas Ltd. or such other person as may be appointed from time to time by the owners of the Straddle Plant as the operator of the Straddle Plant.

"Straddle Plant Receipt Point" means the point at the inlet of Westcoast's Meter Station No. 166 at which the facilities of the Straddle Plant connect with the Pipeline System and at which residue gas is delivered into the Pipeline System by the Straddle Plant Operator.

"Straddle Plant Shrinkage Factor" means in respect of each month commencing with the month of August 1998, that percentage factor prescribed by Westcoast for each such month and to be used for the purpose of determining a Shipper's monthly bill and any Contract Demand Credits for service in Zone 3 to the Straddle Plant Delivery Point.

"sulphur gas" means a gaseous substance composed of one or more of the following:

- (a) hydrogen sulphide; and
- (b) any other gas of which sulphur is a component.

"Sulphur Gas Constraint Volume" means in respect of sulphur gas contained in raw gas delivered into the Pipeline System at one or more Receipt Points by or for the account of a Shipper for processing at a Processing Plant on any day on which a curtailment or interruption of Treatment Service is in effect, the maximum volume of sulphur gas contained in raw gas which the Shipper may deliver to Westcoast on any such day, as specified in a notice given to each such Shipper pursuant to Section 27.05, Section 28.06 or Section 29.06.

"sulphur gas limit" means the maximum volume of sulphur gas permitted for purposes of Treatment Service, as specified in a Firm Service Agreement.

"Sulphur Gas Receipt Volume" means in respect of sulphur gas contained in raw gas produced from a Production Source and delivered into the Pipeline System at a Receipt Point by or for the account of a Shipper on any day, the actual volume of sulphur gas contained in the Raw Gas Receipt Volume so delivered at the Receipt Point on any such day.

"Sulphur Gas Tolerance" means in respect of sulphur gas contained in raw gas delivered into the Pipeline System at one or more Receipt Points on any day for processing at a Processing Plant, the Sulphur Gas Tolerance determined by Westcoast for any such day in accordance with Section 25.04.

"Supply Account" means an account established and maintained by Westcoast for a Supply Shipper in accordance with Section 6.21.

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"Supply Shipper" means a Shipper which has one or more Upstream Balancing Accounts established and maintained for the Shipper in accordance with Section 6.05 and which has entered into a Service Agreement providing for Transportation Service in Zone 3 or Zone 4, either to or from Compressor Station No. 2.

"Swing Costs" means all costs reasonably incurred by Westcoast in connection with any arrangement under which:

- (a) Westcoast acquires gas to supplement its linepack gas;
- (b) the operator of the Storage Reservoir increases or decreases its gas receipts from the Pipeline System at Westcoast's request; or
- (c) a Shipper or a Receipt Point Operator increases or decreases its deliveries of gas into the Pipeline System at Westcoast's request.

"System Gas" means the volumes of gas required by Westcoast for fuel consumed in operations, line losses and unaccounted for gas.

"System Wide OFO" means an order issued by Westcoast to all Shippers pursuant to Sections 6.10 and 6.12.

"Temporary Firm Service" means the firm transportation of residue gas in Zone 3 pursuant to a Firm Service Agreement made with a Shipper pursuant to Section 2.08.

"Temporary In Path Relocation" means in respect of any Firm Transportation Service – Northern, the temporary relocation of the Receipt Point and/or Delivery Point for such service to another location in Zone 3 within the route of the currently contracted service.

"Temporary Out of Path Relocation" means in respect of any Firm Transportation Service – Northern, the temporary relocation of the Receipt Point and/or Delivery Point for such service to another location in Zone 3 outside the route of the currently contracted service.

"10<sup>3</sup>m<sup>3</sup>" means 1 000 cubic meters of gas.

"Term Extension" means in respect of a Permanent Out of Path Relocation of any Firm Transportation Service – Northern, the extension of the term of any such service for one or more whole years pursuant to an award made by Westcoast in accordance with Section 9.13(a).

"thermal equivalent" means in respect of any volume of residue gas, the energy content of that volume of gas determined on the basis of its total heating value.

"Timely Nomination Cycle" means the Nomination Cycle for any day in respect of which a Shipper is required to give a nomination to Westcoast on the immediately preceding day by the time specified for that Nomination Cycle in Section 4.10.

"Toll Schedules" and "Westcoast's Toll Schedules for Service" mean Westcoast's Toll Schedules for Raw Gas Transmission Service, Treatment Service, Liquids Recovery Service,



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LPSF Service, Bundled Field Service, Fuel Gas Service, Transportation Service - Northern and Temporary Firm Service, Transportation Service - Southern and Short Term Firm Service, as filed with or otherwise approved by the National Energy Board and in effect from time to time.

"total heating value" means the number of joules produced by the combustion at a constant pressure of one cubic meter of gas, the gas to be at a temperature of 15°C and at an absolute pressure of 101.325 kilopascals, and to be free of all water vapour, with air at the same temperature and pressure as the gas and with the products of the combustion cooled to the initial temperature of the gas and air, and when the water formed by the combustion is condensed to the liquid state.

"Transmission Reliability Percentage" means in respect of each Firm Transportation Service - Northern, Firm Transportation Service – Southern, Temporary Firm Service and Short Term Firm Service provided pursuant to a Service Agreement:

- (a) for each day in the months of November to March, inclusive, 100 percent; and
- (b) for each day in the months of April to October, inclusive, and for each Zone 3 Corridor and for Zone 4, respectively, the percentage specified in the second column of the following table determined for each such month and for each such Zone 3 Corridor and for Zone 4, respectively, based upon the applicable Firm Contracted Capacity Percentage specified in the first column of the following table:

Firm Contracted Capacity Percentage	Transmission Reliability Percentage
100%	90%
99%	91%
98%	92%
97%	93%
96%	94%
95%	95%
94%	96%
93%	97%
92%	98%
91%	99%
90% or less	100%

"Transportation Services" means Transportation Service - Northern and Transportation Service - Southern, and "Transportation Service" means either one of those services.

"Transportation Service - Northern" means the transmission of residue gas in Zone 3, other than Temporary Firm Service and Short Term Firm Service.

"Transportation Service - Southern" means the transmission of residue gas in Zone 4, other than Short Term Firm Service.

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“Transportation System Gas Ratio” means in respect of gas transmitted through each of Zone 3 and Zone 4, the quantity of that gas, expressed as a percentage, which a Shipper is required to deliver to Westcoast as the allowance for System Gas for Zone 3 and Zone 4.

“Treatment Flow Capability” means in respect of each Fort Nelson Area Shipper, Fort St. John Area Shipper, Grizzly Valley Area Shipper, Sikanni Area Shipper and each Aitken Creek Area Shipper for each day in each month, (i) the arithmetic average of the five highest daily volumes of residue gas, acid gas and sulphur gas, respectively, produced from raw gas delivered by each such Shipper to Westcoast at Receipt Points in the Fort Nelson Area, Fort St. John Area, Grizzly Valley Area, Sikanni Area or the Aitken Creek Area, as determined by Westcoast prior to the first day of each such month based upon the actual daily allocations of residue gas, acid gas and sulphur gas made to each such Shipper during the most recent month for which actual allocations are available at the time Westcoast makes such determinations or (ii) such other daily aggregate volume of residue gas, acid gas and sulphur gas, respectively, for which any such Shipper has available supply at Receipt Points in the Fort Nelson Area, Fort St. John Area, Grizzly Valley Area, Sikanni Area or the Aitken Creek Area on any day in any such month.

“Treatment Service” means the production of residue gas by means of the processing of raw gas at any of the Processing Plants to remove carbon dioxide gas, sulphur gas and other impurities and, in the case of the Dawson Processing Plant, includes the recovery of liquid hydrocarbons at that Processing Plant.

“Uncontracted Residue Gas” means residue gas physically processed at the McMahon Processing Plant and residue gas physically delivered to Compressor Station No. 1 through the Alberta Mainline and the Boundary Lake Pipeline which has not been directed by the Shipper thereof to the Straddle Plant Operator at the Straddle Plant Delivery Point pursuant to Section 16.02(c).

“Upstream Balancing Account” means a balancing account established and maintained for a Shipper at the outlet of a Processing Plant or at a Receipt Point in Zone 3 or Zone 4 in accordance with Section 6.05.

“Upstream Delivery Point” means in respect of any Firm Service Agreement, a Delivery Point in Zone 4 outside the Huntingdon Delivery Area, other than Compressor Station No. 2, which is upstream of the Delivery Point in Zone 4 specified in the Firm Service Agreement and downstream of the Receipt Point in Zone 4 specified in the Firm Service Agreement.

“Upstream Diversion” means in respect of any Firm Transportation Service - Southern, the diversion of that Firm Service to an Upstream Delivery Point pursuant to Section 7.01(b).

“Upstream Supplier” means in respect of residue gas delivered into the Pipeline System at a Receipt Point by or for the account of a Shipper, the supplier of such residue gas to the Shipper.

“Upstream Suspense Account” means a suspense account established and maintained for a Shipper at the outlet of a Processing Plant or at a Receipt Point in Zone 3 or Zone 4 in accordance with Section 6.05.

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“Weighted Average Residue to Acid Gas Ratio” means in respect of acid gas contained in raw gas delivered into the Pipeline System at one or more Receipt Points by or for the account of a Shipper on any day for processing at a Processing Plant, the ratio, the numerator of which is the sum of the Shipper’s Receipt Volumes of residue gas allocated at the outlet of the Processing Plant and the denominator of which is the Shipper’s Aggregate Acid Gas Receipt Volume for acid gas contained in the raw gas delivered for processing at the Processing Plant on any such day.

“Weighted Average Residue to Raw Gas Ratio” means in respect of raw gas delivered into the Pipeline System at one or more Receipt Points by or for the account of a Shipper on any day for processing at a Processing Plant, the ratio, the numerator of which is the sum of the Shipper’s Receipt Volumes of residue gas allocated at the outlet of the Processing Plant on any such day and the denominator of which is the Shipper’s Aggregate Raw Gas Receipt Volume for raw gas delivered for processing at the Processing Plant on any such day.

“Weighted Average Residue to Sulphur Gas Ratio” means in respect of sulphur gas contained in raw gas delivered into the Pipeline System at one or more Receipt Points by or for the account of a Shipper on any day for processing at a Processing Plant, the ratio, the numerator of which is the sum of the Shipper’s Receipt Volumes of residue gas allocated at the outlet of the Processing Plant and the denominator of which is the Shipper’s Aggregate Sulphur Gas Receipt Volume for sulphur gas contained in the raw gas delivered for processing at the Processing Plant on any such day.

“Westcoast” means Westcoast Energy Inc., carrying on business as Spectra Energy Transmission.

“Westcoast’s Measurement Policies” means the Raw Gas Transmission Measurement Policy and the Residue Pipeline System Measurement Policy published by Westcoast in its Shipper Handbook, as amended from time to time.

“Westcoast’s Production Source Grouping Policy” means the Production Source Grouping Policy published by Westcoast in its Shipper Handbook, as amended from time to time.

“Zones” means Zone 1, Zone 1A, Zone 2, Zone 3 and Zone 4 and “Zone” means any one of those Zones.

“Zone 1” means the raw gas transmission pipelines included in the Fort Nelson RGT System, the Fort St. John RGT System and the Grizzly Valley RGT System, the Dawson RGT Pipeline and the Aitken Creek RGT Pipeline.

“Zone 1A” means the Fuel Gas Pipelines.

“Zone 2” means the Processing Plants.

“Zone 3” means the Fort Nelson Mainline, the Fort St. John Mainline, the Pine River Mainline, the Alberta Mainline and the Boundary Lake Pipeline.

“Zone 3 Corridor” means, for the purpose of determining Transmission Reliability Percentages, each of the following sections of the residue gas transmission pipelines in Zone 3:

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- (a) the Fort Nelson Mainline;
- (b) the Fort St. John Mainline;
- (c) the Boundary Lake Pipeline;
- (d) the Alberta Mainline in respect of gas to be delivered to the NOVA/Gordondale Interconnection;
- (e) the Alberta Mainline in respect of gas to be delivered to Compressor Station No. 1; and
- (f) the Pine River Mainline.

“Zone 4” means the residue gas transmission pipelines owned by Westcoast and extending from Compressor Station No. 2 to the Export Delivery Area.

1.02 Interpretation. In Service Agreements and these General Terms and Conditions:

- (a) words importing the singular include the plural and vice versa, and words importing the masculine gender include the feminine gender and vice versa;
- (b) the insertion of headings and the provision of an index are for convenience of reference only and do not affect the construction or interpretation of Service Agreements and these General Terms and Conditions;
- (c) any reference to a corporate entity includes and is also a reference to any corporate entity that is a successor to such entity;
- (d) any word, phrase or expression which is not defined in a Service Agreement or in these General Terms and Conditions and that has a generally accepted meaning in the custom and usage of the natural gas industry in western Canada shall have that meaning in a Service Agreement and these General Terms and Conditions; and
- (e) any reference in a Service Agreement and these General Terms and Conditions to the delivery of residue gas by a Shipper into the Pipeline System at a Receipt Point includes the delivery of such gas by displacement.

1.03 Governing Laws. Service Agreements and these General Terms and Conditions and all matters arising therein and therefrom, shall be governed by and construed in accordance with the laws of the Province of British Columbia and the laws of Canada applicable therein, and shall be treated in all respects as contracts made, entered into and to be wholly performed within the Province of British Columbia by parties domiciled and resident therein.

1.04 Service Through Alternate Facilities. If a Service Agreement provides for RGT Service through the Fort St. John RGT System to the McMahon Processing Plant, Treatment Service or Bundled Field Service at the McMahon Processing Plant or Transportation Service - Northern from a Receipt Point in Zone 3 at the outlet of the McMahon Processing Plant, Westcoast may, notwithstanding the provisions of the Service Agreement, provide such

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service or services to the Shipper through alternate facilities and, in those cases where Westcoast provides such service or services through alternate facilities, the Shipper shall not be entitled by means of a nomination given in accordance with Article 4, to direct Westcoast to deliver the gas, in respect of which such service or services are provided through alternate facilities, to the Straddle Plant Operator at the Straddle Plant Delivery Point.

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**ARTICLE 10  
STATEMENTS, PAYMENTS, AUDITS AND SECURITY FOR PAYMENT**

- 10.01 Statements, Deliveries at Receipt Points. On or before the 15th day of each month, each Shipper shall deliver to Westcoast, or shall cause the Receipt Point Operator for the Receipt Point at which gas is delivered into the Pipeline System for the account of the Shipper pursuant to a Service Agreement to deliver to Westcoast, a statement for the immediately preceding month setting out:
- (a) the actual volume of raw gas and of Hydrocarbon Liquids produced from each Production Source and delivered into the Pipeline System at the Receipt Point for the account of the Shipper on each day in the immediately preceding month; and
  - (b) the actual quantity of residue gas in gigajoules supplied by each Upstream Supplier and delivered into the Pipeline System at the Receipt Point for the account of the Shipper on each day in the immediately preceding month.
- 10.02 Statements, Deliveries at Delivery Points. On or before the 15th day of each month, Westcoast shall deliver to the Shipper a statement for the immediately preceding month setting out the volumes of residue gas delivered by Westcoast to or for the account of the Shipper at a Delivery Point pursuant to a Service Agreement on each day in such immediately preceding month.
- 10.03 Statements, Residue Gas Equivalents. On or before the 15th day of each month, Westcoast shall deliver to each Shipper a statement for the second month immediately preceding the month in which the statement is delivered setting out the residue gas equivalent of the volume of raw gas produced from a Production Source and delivered into the Pipeline System under a Service Agreement on each day in such preceding month at each Receipt Point in respect of which the Shipper is required to deliver a statement to Westcoast in accordance with Section 10.01.
- 10.04 Invoices. On or before the 20th day of each month, Westcoast shall deliver to each Shipper an invoice specifying the amount payable by the Shipper pursuant to a Service Agreement, which amount shall include:
- (a) the amount of the tolls, including the taxes on fuel gas consumed in operations, payable by the Shipper for the service provided during the immediately preceding month, determined in accordance with the Toll Schedules;
  - (b) the amount of the toll adjustments and differentials, including differentials in the taxes on fuel gas consumed in operations, payable by the Shipper in respect of upstream and downstream diversions made during the immediately preceding month, determined in accordance with Sections 7.02 and 7.03;
  - (c) the amount of any toll differential or tolls payable by the Shipper in respect of inventory transfers made during the immediately preceding month, determined in accordance with Section 6.20 and the Toll Schedules;

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- (d) the amount of any charges payable by the Shipper following the termination of a Service Agreement, determined in accordance with Section 6.16 or Section 6.27;
- (e) the amount of any Swing Costs payable by the Shipper, determined in accordance with Section 6.15;
- (f) the amount of any credits to which the Shipper is entitled, determined pursuant to Article 8;
- (g) the amount of any overdelivery charges payable by the Shipper, determined in accordance with Sections 23.11 to 23.13;
- (h) the amount of any credit to which the Shipper is entitled in respect of overdelivery charges, determined in accordance with Section 23.14; and
- (i) the amount of any overproduction charges payable by the Shipper, determined in accordance with Sections 25.05 and 25.10.

Where actual volumes of raw gas or Hydrocarbon Liquids or actual quantities of residue gas are not available, the amounts payable by a Shipper may be determined by Westcoast based upon the best estimates of such volumes or quantities as are available to Westcoast, and shall be adjusted in the invoice delivered for a subsequent month, when actual volumes or quantities become available.

10.05 Payments. All payments to Westcoast under a Service Agreement shall be made in Canadian funds to Westcoast at its head office in Vancouver, British Columbia, or at such other place in Canada as it shall designate, on or before the later of (i) the 25th day of the month, and (ii) the fifth Business Day following receipt by a Shipper of an invoice referred to in Section 10.04. If a Shipper fails to make each such payment, or any portion thereof, to Westcoast when due, interest thereon shall accrue at the rate of interest which is equal to the rate of interest declared from time to time by the chartered bank in Canada used by Westcoast as the rate of interest charged by such bank to its most credit worthy commercial borrowers for loans in Canadian dollars payable on demand and commonly referred to as its "prime rate", plus:

- (a) 2% from the day when such payment was due for the first 30 days that such payment remains unpaid and 5% thereafter until the same is paid where the Shipper has not during the immediately preceding six month period failed to make any payment when due under the Service Agreement; or
- (b) 5% from the day when such payment was due until the same is paid where the Shipper has during the immediately preceding six month period failed to make any payment when due under the Service Agreement.

If the Shipper fails to pay the full amount of any invoice when payment is due, Westcoast may, upon giving the Shipper two Business Days prior written notice, suspend any and all service being or to be provided to the Shipper pursuant to the Service Agreement. If, at any time during such period of suspension, the Shipper pays the full amount payable to Westcoast, Westcoast will within two Business Days recommence the provision of such suspended service. If the failure by the Shipper to pay continues for a period of four

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Business Days from the day on which service was suspended, Westcoast may, in addition to any other remedy that may be available to it, upon giving two Business Days prior written notice to the Shipper, terminate the Service Agreement. Notwithstanding either of the suspension of service or termination of the Service Agreement pursuant to this Section, the Shipper shall continue to be liable to Westcoast for the payment of all tolls, charges and other amounts accruing, and for the performance of all obligations arising, under the Service Agreement for the remainder of its term which payments of all tolls, charges and other amounts accruing for what would have been the remainder of the term shall become due and payable in full immediately upon termination of the Service Agreement.

- 10.06 Errors in Statements and Invoices. If any error is discovered in a statement or invoice delivered in accordance with this Article, such error for allocations shall be adjusted according to the then current plant allocation rerun schedule posted on Westcoast's electronic bulletin board and for other errors it shall be adjusted within 60 days from the date of discovery of such errors, provided, however, that there will be no adjustments made for any error discovered more than 13 months after receipt of the applicable statement or invoice or for any error which the Shipper and Westcoast agree is not material.
- 10.07 Audits. Each of a Shipper and Westcoast shall have the right at reasonable times to examine the books, records and charts of the other party to the extent necessary to verify the accuracy of any statement, invoice, charge or computation made under or pursuant to any of the provisions of the Toll Schedules and these General Terms and Conditions.
- 10.08 Security for Payment. In order to secure the prompt and orderly payment of the amounts to be paid by a Shipper to Westcoast pursuant to a Service Agreement, Westcoast may, at any time and from time to time prior to or during the term of the Service Agreement, require the Shipper to provide, and at all times maintain, an irrevocable letter of credit in favour of Westcoast, in a form and substance satisfactory to Westcoast and issued by a financial institution acceptable to Westcoast, in an amount equal to the maximum amount payable by the Shipper under the Service Agreement for 70 days of service. Where Westcoast requires a Shipper to provide a letter of credit and the Shipper is able to provide a guarantee or other security in a form and substance acceptable to Westcoast, Westcoast will accept such guarantee or other security in lieu of a letter of credit. Westcoast may withhold the provision of new service under a Service Agreement until Westcoast has received security for payment in accordance with this section.
- 10.09 Failure to Provide Security for Payment. If a Shipper fails to provide security for payment in accordance with Section 10.08 within four Business Days of Westcoast's request therefor, Westcoast may, upon giving the Shipper two Business Days prior written notice, immediately suspend any and all service being or to be provided to the Shipper pursuant to the Service Agreement. If, at any time during such period of suspension, the Shipper provides Westcoast with the security for payment required in accordance with Section 10.08, Westcoast will within two Business Days commence or recommence the provision of such suspended service. If the failure by the Shipper to provide security for payment continues for a period of two Business Days from the day on which such service was suspended, Westcoast may, in addition to any other remedy that may be available to it, upon giving two Business Days prior written notice to the Shipper, terminate the Service Agreement. Notwithstanding either of the suspension of service or termination of the Service Agreement pursuant to this Section, the Shipper shall continue to be liable to Westcoast for the payment of all tolls, charges and other amounts accruing, and for the performance of all obligations arising, under the Service



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Agreement for the remainder of its term which payments of all tolls, charges and other amounts accruing for what would have been the remainder of the term shall become due and payable in full immediately upon termination of the Service Agreement.

- 10.10 Term of a Letter of Credit. Where Westcoast requires a Shipper to provide and maintain a letter of credit pursuant to Section 10.08, such letter of credit, or any replacement thereof, must have a term which ends no earlier than two months after the last month in the term of the Service Agreement between the Shipper and Westcoast.
- 10.11 Draw on a Letter of Credit. Westcoast may in any month draw on a letter of credit provided by a Shipper in accordance with Section 10.08, in an amount necessary to satisfy the amount due under an invoice when the Shipper has not paid such amount within the time and in the manner provided for in Section 10.05.
- 10.12 Survival. Notwithstanding the termination of a Service Agreement, the provisions of Sections 6.16 and 6.27, Sections 10.01 to 10.07, Section 10.09 and Section 10.11 shall survive the termination of the Service Agreement, and the Shipper and Westcoast shall, as soon as reasonably possible, settle all outstanding obligations and payments which have accrued under the Service Agreement up to and including the day upon which the Service Agreement terminated.

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**ARTICLE 12  
GAS AND HYDROCARBON LIQUIDS QUALITY**

- 12.01 Obligation of Westcoast. Westcoast shall not be obligated to take delivery from or for the account of a Shipper at a Receipt Point of any raw gas, residue gas or Hydrocarbon Liquids which do not comply with the applicable quality specifications set out in this Article.
- 12.02 Raw Gas, McMahon Processing Plant and the Aitken Creek Processing Plant. Raw gas delivered to Westcoast at a Receipt Point for processing at the McMahon Processing Plant or the Aitken Creek Processing Plant shall:
- (a) be free of sand, gum, dust, oils and other impurities or objectionable substances which may, in the judgement of Westcoast, adversely affect the delivery to or subsequent handling thereof by Westcoast;
  - (b) not contain water vapour in excess of 65 milligrams per cubic meter, as determined by dewpoint apparatus approved by the Bureau of Mines of the United States, but in no case need the raw gas be dehydrated to a water vapour dewpoint of less than minus 12°C at the delivery pressure;
  - (c) be free of water in liquid form;
  - (d) have a temperature not exceeding 54°C;
  - (e) be as free of oxygen as the Shipper, by making every reasonable effort (which the Shipper undertakes to do), is able to make it, but in any event not contain more than one percent by volume of oxygen; and
  - (f) after removal of hydrogen sulphide and carbon dioxide, have a total heating value of not less than 36.00 megajoules per cubic meter.
- 12.03 Raw Gas, Fort Nelson Area and the Pine River Processing Plant. Raw gas delivered to Westcoast at a Receipt Point for processing at the Fort Nelson Processing Plant, the Fort Nelson North Processing Plant or the Pine River Processing Plant shall:
- (a) be free of sand, gum, dust, oils and other impurities or objectionable substances which may, in the judgement of Westcoast, adversely affect the delivery to or subsequent handling thereof by Westcoast;
  - (b) not have a water vapour dewpoint in excess of minus 10°C, as determined by dewpoint apparatus approved by the Bureau of Mines of the United States;
  - (c) be free of water in liquid form;
  - (d) not contain hydrocarbons in liquid form and not have a hydrocarbon dewpoint in excess of minus 9°C at a pressure of 5 516 kilopascals gauge, except where otherwise specified in a Service Agreement;

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- (e) have a temperature not exceeding 54°C or, in the case of raw gas delivered to Westcoast at Receipt Point No. 8786 (Louise, c-74-J), have a temperature not exceeding 15.6°C;
- (f) be as free of oxygen as the Shipper, by making every reasonable effort (which the Shipper undertakes to do), is able to make it, but in any event not contain more than one percent by volume of oxygen;
- (g) in the case of raw gas delivered to Westcoast at Receipt Point No. 8786 (Louise, c-74-J), not contain more than 100 parts per million of gaseous hydrogen sulphide; and
- (h) after removal of hydrogen sulphide and carbon dioxide, have a total heating value of not less than 36.00 megajoules per cubic meter.

12.04 Raw Gas, Sikanni Processing Plant. Raw gas delivered to Westcoast at a Receipt Point for processing at the Sikanni Processing Plant shall:

- (a) be free of sand, gum, dust, oils and other impurities or objectionable substances which may, in the judgement of Westcoast, adversely affect the delivery to or subsequent handling thereof by Westcoast;
- (b) on a steady state two phase flow basis, not contain more water than would result in the removal of more than 15 litres of water per 10<sup>3</sup>m<sup>3</sup> of raw gas at the plant inlet, averaged over a 24 hour period;
- (c) contain less than 250 parts per million of gaseous hydrogen sulphide and less than 7,000 parts per million of total acid gas;
- (d) be as free of oxygen as the Shipper, by making every reasonable effort (which the Shipper undertakes to do), is able to make it, but in any event not contain more than one percent by volume of oxygen; and
- (e) after removal of hydrogen sulphide and carbon dioxide, have a total heating value of not less than 36.00 megajoules per cubic meter.

12.05 Raw Gas, Dawson Processing Plant. Raw gas delivered to Westcoast at a Receipt Point for processing at the Dawson Processing Plant shall:

- (a) be free of sand, gum, dust, oils and other impurities or objectionable substances which may, in the judgment of Westcoast, adversely affect the delivery to or the subsequent handling thereof by Westcoast;
- (b) not contain water vapour in excess of 65 milligrams per cubic meter, as determined by dewpoint apparatus approved by the Bureau of Mines of the United States;
- (c) be free of water in liquid form;
- (d) have a temperature not exceeding 49°C;

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- (e) not contain more than 2000 parts per million of gaseous hydrogen sulphide;
- (f) not contain more than 2.0 percent by volume of carbon dioxide;
- (g) not contain Hydrocarbon Liquids in excess of 0.1010623 m<sup>3</sup> per 10<sup>3</sup>m<sup>3</sup> (18.0 bbls/MMcf), as measured at the inlet of the Dawson Processing Plant;
- (h) be as free of oxygen as the Shipper, by making every reasonable effort (which the Shipper undertakes to do), is able to make it, but in any event not contain more than one percent by volume of oxygen; and
- (i) after removal of hydrogen sulphide and carbon dioxide, have a total heating value of not less than 36.00 megajoules per cubic meter.

12.06 Hydrocarbon Liquids. Hydrocarbon Liquids delivered into the Pipeline System at a Receipt Point with raw gas which is to be processed at the McMahon Processing Plant, the Fort Nelson Processing Plant, the Dawson Processing Plant or the Aitken Creek Processing Plant shall:

- (a) be free of sand, gum, dust and other impurities or objectionable substances which may, in the judgment of Westcoast, adversely affect the delivery to or the subsequent transportation and handling thereof by Westcoast; and
- (b) not contain any free water or emulsified water, unless the Receipt Point is deemed by Westcoast to be a low liquid volume site, in which case shall not contain more than 0.5% water content by volume.

12.07 Residue Gas at Receipt Points. Residue gas delivered to Westcoast by or for the account of a Shipper at a Receipt Point shall:

- (a) not contain sand, dust, gums, oils and other impurities or other objectionable substances in such quantities as may be injurious to pipelines or may interfere with the transmission or commercial utilization of the gas;
- (b) not contain more than six milligrams per cubic meter of hydrogen sulphide;
- (c) not contain water in the liquid phase and not contain more than 65 milligrams per cubic meter of water vapour;
- (d) be free of hydrocarbons in liquid form and not have a hydrocarbon dewpoint in excess of minus 9°C at the delivery pressure;
- (e) not contain more than 23 milligrams per cubic meter of total sulphur;
- (f) not contain more than two percent by volume of carbon dioxide;
- (g) be as free of oxygen as Shipper can keep it through the exercise of all reasonable precautions and shall not in any event contain more than 0.4 percent by volume of oxygen;

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- (h) have a temperature not exceeding 54°C; and
- (i) have a total heating value of not less than 36.00 megajoules per cubic meter.

12.08 Residue Gas at Delivery Points, Zones 1A, 3 and 4. Residue gas delivered by Westcoast to or for the account of a Shipper at a Delivery Point in Zones 1A, 3 and 4 at which the Pipeline System interconnects with the pipeline facilities of a Receiving Party shall:

- (a) not contain sand, dust, gums, oils and other impurities or other objectionable substances in such quantities as may be injurious to pipelines or may interfere with the transmission or commercial utilization of the gas;
- (b) not contain more than six milligrams per cubic meter of hydrogen sulphide;
- (c) be free of water and hydrocarbons in liquid form and not contain more than 65 milligrams per cubic meter of water vapour;
- (d) not contain more than 115 milligrams per cubic meter of total sulphur;
- (e) not contain more than two percent by volume of carbon dioxide;
- (f) be as free of oxygen as Westcoast can keep it through the exercise of all reasonable precautions, and shall not in any event contain more than 0.2 percent by volume of oxygen;
- (g) have a temperature not exceeding 54°C; and
- (h) have a total heating value of not less than 36.00 megajoules per cubic meter.

12.09 Residue Gas at Certain NOVA Delivery Points. Residue gas delivered by Westcoast to or for the account of a Shipper at the NOVA/Tremblay Delivery Point and the NOVA/Komie East Delivery Point shall:

- (a) not contain sand, dust, gums, oils and other impurities or other objectionable substances which could be harmful to the interconnecting pipeline;
- (b) not have a hydrocarbon dewpoint in excess of minus 10°C at the operating pressure at the Delivery Point;
- (c) not contain more than 23 milligrams per cubic meter of hydrogen sulphide;
- (d) not contain more than 115 milligrams per cubic meter of total sulphur;
- (e) not contain more than two percent by volume of carbon dioxide;
- (f) not contain more than 65 milligrams per cubic meter of water vapour;
- (g) not have a water dewpoint in excess of minus 10°C at operating pressures greater than 8 275 kilopascals gauge;

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- (h) be as free of oxygen as practicable, and shall not in any event contain more than 0.4 percent by volume of oxygen;
- (i) have a temperature not exceeding 49°C; and
- (j) have a total heating value of not less than 36.00 megajoules per cubic meter.

12.10 Refusal of Delivery by Shipper. If residue gas delivered by Westcoast to or for the account of a Shipper at a Delivery Point fails to conform with the applicable specifications set forth in this Article, Shipper may, without prejudice to any other right it has, refuse to take delivery of such residue gas in which case:

- (a) Shipper shall give notice of such refusal to Westcoast setting forth the reasons therefor; and
- (b) Shipper shall accept deliveries of gas when the failure to conform has been remedied by Westcoast and notice to that effect has been given by Westcoast to Shipper.

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carrying on business as  
Spectra Energy Transmission**

**TARIFF SUPPLEMENT**

**POST INTRA-DAY 2 NOMINATIONS**

**DEFINITIONS**

1. In this Tariff Supplement:

- (a) "Aitken Creek Delivery Point" means the point where the Aitken Creek Pipeline connects with the facilities of the Storage Reservoir at Westcoast's Meter Station No. 36;
- (b) "Kingsvale Delivery Point" means the point where the Pipeline System connects with the pipeline facilities of FortisBC Energy Inc. at Westcoast's Meter Station No. 31, near Kingsvale, British Columbia;
- (c) "Qualified Delivery Point" means:
  - (i) each of the Delivery Points located within the Huntingdon Delivery Area;
  - (ii) the Kingsvale Delivery Point;
  - (iii) the Nova/Gordondale Interconnection; and
  - (iv) the Aitken Creek Delivery Point; and
- (d) "Qualified Receiving Party" means the Receiving Party for a Qualified Delivery Point;

All other terms used in this Tariff Supplement have the same meaning as set forth in the General Terms and Conditions.

**MODIFICATION OF GENERAL TERMS AND CONDITIONS**

2. This Tariff Supplement modifies the General Terms and Conditions, and the General Terms and Conditions shall be subject to and read together with this Tariff Supplement.

**EFFECTIVE PERIOD**

3. This Tariff Supplement shall be effective for the period commencing at the beginning of the day on September 1, 2009.
4. This Tariff Supplement supercedes and replaces in its entirety, effective at the beginning of the period specified in Section 3, the Tariff Supplement entitled "Post Intra-Day 2 Nomination Changes (Late Day Nomination Pilot)" which has an effective date of August 1, 2008.

**PURPOSE**

5. The purpose of this Tariff Supplement is to permit a Qualified Receiving Party to make a request, after the time at which authorizations for service are given in the Intra-Day 2 Nomination Cycle, to

change the Authorized Volume of gas to be delivered to the Qualified Receiving Party for the account of a Shipper at a Qualified Delivery Point, for the purpose of more accurately matching the Authorized Volume to the physical deliveries of gas being made to the Qualified Receiving Party for the account of the Shipper at the Qualified Delivery Point.

#### **REQUEST FOR CHANGE IN AUTHORIZED VOLUME**

6. If a Qualified Receiving Party wishes to change the Authorized Volume of gas to be delivered to the Qualified Receiving Party for the account of a Shipper at a Qualified Delivery Point, the Qualified Receiving Party may, at any time during the day following the authorization of service in the Intra-Day 2 Nomination Cycle, make a request for an increase or decrease in the Authorized Volume of gas to Westcoast Gas Control.

#### **APPROVAL OF CHANGE IN AUTHORIZED VOLUME**

7. Westcoast Gas Control will assess each request made by a Qualified Receiving Party for a change in the Authorized Volume of gas to be delivered to a Qualified Delivery Point for the account of a Shipper on a first come, first served basis. Subject to the satisfaction of the conditions set out in Section 8 and subject to an assessment by Westcoast Gas Control of the available capacity and operating conditions on the Pipeline System and the elapsed flows of gas which have occurred up to the time at which a request for a change in the Authorized Volume is made by a Qualified Receiving Party, Westcoast Gas Control may approve the change in the Authorized Volume requested by the Qualified Receiving Party. Any approval given by Westcoast Gas Control for a change in the Authorized Volume is subject to confirmation and adjustment by Westcoast Gas Scheduling in accordance with Sections 10, 11 and 12.
8. Westcoast Gas Control will not approve a request made by a Qualified Receiving Party for a change in the Authorized Volume of gas to be delivered to the Qualified Receiving Party for the account of a Shipper at a Qualified Delivery Point unless the following conditions are satisfied with respect to the request:
  - (a) in the case of an increase in the Authorized Volume requested by a Qualified Receiving Party, such increase is to be offset in its entirety and on the same day by either (i) a decrease in the Authorized Volume of gas to be delivered by Westcoast for the account of a Shipper to the Qualified Receiving Party at another Qualified Delivery Point, or (ii) an increase in the Authorized Receipt Volume of gas to be delivered to Westcoast for the account of a Shipper by the Qualified Receiving Party at another Qualified Delivery Point;
  - (b) in the case of a decrease in the Authorized Volume requested by a Qualified Receiving Party, such decrease is to be offset in its entirety and on the same day by either (i) an increase in the Authorized Volume of gas to be delivered by Westcoast for the account of a Shipper to the Qualified Receiving Party at another Qualified Delivery Point, or (ii) a decrease in the Authorized Receipt Volume of gas to be delivered to Westcoast for the account of a Shipper by the Qualified Receiving Party at another Qualified Delivery Point;
  - (c) Westcoast Gas Control has received confirmation from the Qualified Receiving Party for each of the Qualified Delivery Points at which a change in the Authorized Volume or the Authorized Receipt Volume of gas is to be made, that it will take delivery of gas from, or deliver gas to, Westcoast, as the case may be, in conformity with the Authorized Volume or Authorized Receipt Volume as so changed; and
  - (d) Westcoast Gas Control has determined that approval of the change in the Authorized Volume requested by the Qualified Receiving Party will not adversely affect any service



previously authorized for any other Shipper pursuant to Section 4.09 of the General Terms and Conditions.

#### **CONFIRMATION AND ADJUSTMENT OF THE AUTHORIZED VOLUME**

9. In addition to making a request to Westcoast Gas Control in accordance with Section 6, the Qualified Receiving Party shall also post a nomination to Westcoast's Late Day Nomination Maintenance screen specifying:
- (a) the Service Entitlement Identifier for the relevant service and the Authorized Volume in respect of which the request was submitted by the Qualified Receiving Party in accordance with Section 6; and
  - (b) the Service Entitlement Identifier for the relevant service and the Authorized Volume or Authorized Receipt Volume for the changed deliveries or receipts at any other Qualified Delivery Point which result from the request made in accordance with Section 6.

The provisions of Sections 20.02 and 20.03 of the General Terms and Conditions shall apply to a nomination given by a Qualifying Receiving Party pursuant to this Section 9 as if it were a nomination given by a Shipper pursuant to Section 4.05 of the General Terms and Conditions.

10. Notwithstanding any approval previously given by Westcoast Gas Control in accordance with Section 7, Westcoast Gas Scheduling may reject the nomination posted by the Qualified Receiving Party for a change in the Authorized Volume if:
- (a) all required confirmations by Qualified Receiving Parties have not been received by Westcoast in accordance with Section 8(c); or
  - (b) the change requested in the Authorized Volume would adversely affect the service previously authorized for another Shipper pursuant to Section 4.09 of the General Terms and Conditions.
11. Notwithstanding any approval previously given by Westcoast Gas Control, Westcoast Gas Scheduling may reject the nomination posted by the Qualified Receiving Party for a change in the Authorized Volume and require the Qualified Receiving Party to post an adjusted nomination to Westcoast's Late Day Nomination Maintenance screen if:
- (a) the Authorized Volume previously approved by Westcoast Gas Control exceeds the relevant service contracted by the Shipper;
  - (b) the Authorized Volume previously approved by Westcoast Gas Control is not offset in its entirety and on the same day by a change in the Authorized Volume or Authorized Receipt Volume to be delivered to, or received by, Westcoast at another Qualifying Delivery Point; or
  - (c) the Authorized Volume so requested is less than the Elapsed Prorata Volume.

If the Qualified Receiving Party fails to post an adjusted nomination required by Westcoast Gas Scheduling in accordance with this Section 11, the Qualified Receiving Party shall be deemed conclusively for all purposes of this Tariff Supplement to have withdrawn the nomination previously posted in accordance with Section 9.

12. If Westcoast Gas Scheduling confirms the change in the Authorized Volume initially approved by Westcoast Gas Control pursuant to Section 7, either with or without any adjustment made in

accordance with Section 11, Westcoast will adjust the volume of gas delivered to the Qualified Receiving Party for the account of the Shipper to reflect any change in the requirement for System Gas resulting from the change in the Authorized Volume confirmed by Westcoast Gas Scheduling.

**WESTCOAST ENERGY INC.  
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**TARIFF SUPPLEMENT**

**ENHANCED T-SOUTH SERVICE**

**DEFINITIONS**

1. In this Tariff Supplement:

- (a) "Enhanced T-South Service" means Transportation Service – Southern provided pursuant to Service Agreement under which gas is to be delivered to the Huntingdon Delivery Area and, subject to the fulfillment of the conditions specified in the Service Agreement, to the Kingsgate Export Point;
- (b) "East Kootenay Exchange" means the point where the FortisBC Facilities connect with the Foothills System near Yahk, British Columbia;
- (c) "Foothills" means Foothills Pipe Lines (South BC) Ltd. and its successors and assigns;
- (d) "Foothills Fuel Gas" means gas consumed by Foothills as fuel in the operation of the Foothills System;
- (e) "Foothills System" means the gas transmission pipeline facilities owned and operated by Foothills and extending between the East Kootenay Exchange and the Kingsgate Export Point;
- (f) "FortisBC" means FortisBC Energy Inc. and its successors and assigns;
- (g) "Fortis Fuel Gas" means gas consumed by FortisBC as fuel in the operation of the FortisBC Facilities;
- (h) "FortisBC Facilities" means the gas transmission pipeline facilities, including the Southern Crossing Pipeline, owned and operated by FortisBC and extending between the Kingsvale Delivery Point and the East Kootenay Exchange;
- (i) "Fortis Transportation Service Agreement" means the Firm Transportation Service Agreement dated March 12, 2010 between FortisBC and Westcoast under which FortisBC has agreed to provide Westcoast with firm gas transportation service through the FortisBC Facilities and the Foothills System from the Kingsvale Delivery Point to the Kingsgate Export Point;
- (j) "Kingsgate Export Point" means the point on the international boundary between Canada and the United States of America near Kingsgate, British Columbia, where the Foothills System connects with the pipeline facilities owned and operated by Gas Transmission Northwest Corporation;
- (k) "Kingsvale Delivery Point" means the point where the Pipeline System connects with the FortisBC Facilities at Westcoast's Meter Station No. 31 near Kingsvale, British Columbia;
- (l) "Shipper" means a person who has entered into a Service Agreement with Westcoast providing for Enhanced T-South Service; and

- (m) "T-South Toll Schedule" means Westcoast's Toll Schedule for Transportation Service - Southern.

All other terms used in this Tariff Supplement have the same meaning as set forth in the General Terms and Conditions.

## **MODIFICATION OF THE GENERAL TERMS AND CONDITIONS AND THE T-SOUTH TOLL SCHEDULE**

2. This Tariff Supplement modifies the General Terms and Conditions and the T-South Toll Schedule in respect of Enhanced T-South Service provided pursuant to a Service Agreement and the General Terms and Conditions and the T-South Toll Schedule shall be subject to and read together with this Tariff Supplement.

## **APPLICATION**

3. This Tariff Supplement applies to all Enhanced T-South Service provided by Westcoast to a Shipper pursuant to a Service Agreement during the period commencing at the beginning of the day on May 1, 2010.

## **RENEWAL RIGHTS**

4. A Firm Service Agreement providing for Enhanced T-South Service for an initial term of not less than two years may be renewed by the Shipper in accordance with Section 2.06 of the General Terms and Conditions, but such renewal shall only be for Firm Transportation Service – Southern to a Delivery Point in the Huntingdon Delivery Area for that part of the term of the renewal after the end of the day commencing on October 31, 2016.

## **LIMITATION ON AOS AND INTERRUPTIBLE SERVICE**

5. Notwithstanding any provision of the General Terms and Conditions, the T-South Toll Schedule or any Service Agreement providing for Enhanced T-South Service, Authorized Overrun Service and Interruptible Service on any day to the Kingsgate Export Point shall be limited to a volume of gas for all Shippers not exceeding the Contract Quantity specified in the Fortis Transportation Service Agreement less the volume of gas authorized by Westcoast for each such day for Firm Service to the Kingsgate Export Point.

## **DIVERSIONS**

6. Section 7.01(c) respecting diversions to a Downstream Delivery Point shall not apply to a Service Agreement providing for Enhanced T-South Service.

## **SYSTEM GAS**

7. Notwithstanding any provision of the General Terms and Conditions and the T-South Toll Schedule, the term "System Gas" has the following meaning with respect to gas to be delivered to the Kingsgate Export Point pursuant to Service Agreement providing for Enhanced T-South Service:

"System Gas" means the volumes of gas required by Westcoast for fuel consumed in operations, line losses and unaccounted for gas in Zone 4 of the Pipeline System, for Fortis Fuel Gas and for Foothills Fuel Gas.

The Transportation System Gas Ratio in respect of gas to be delivered for the account of a Shipper to the Kingsgate Export Point shall include an allowance for both Fortis Fuel Gas and Foothills Fuel Gas.

#### **CONTRACT DEMAND CREDITS**

8. For the purpose of determining Contract Demand Credits in respect of Enhanced T-South Service in accordance with Section 8.03 of the General Terms and Conditions, the Daily Demand Toll for any firm Enhanced T-South Service shall be the Daily Equivalent of the applicable Demand Toll for Firm Transportation Service – Southern to the Inland Delivery Area, as specified in Appendix A to the T-South Toll Schedule.

#### **TOLLS**

9. In addition to the Demand Tolls and Commodity Tolls, including the amount of tax on fuel gas consumed in operation of the Pipeline System, specified in the T-South Toll Schedule, a Shipper shall also pay to Westcoast in respect of Firm Service, Authorized Overrun Service and Interruptible Service provided by Westcoast on each day in a month to the Kingsgate Export Point an additional amount equal to the sum of:
  - (a) the amount of tax on Fortis Fuel Gas payable by FortisBC under the *Motor Fuel Tax Act* (British Columbia) and the *Carbon Tax Act* (British Columbia) which is allocated to the Shipper by Westcoast for each day in the month; and
  - (b) the amount of tax on Foothills Fuel Gas payable by Foothills under the *Motor Fuel Tax Act* (British Columbia) and the *Carbon Tax Act* (British Columbia) which is allocated to the Shipper by Westcoast for each day in the month.

#### **MONTHLY BILL – AOS AND INTERRUPTIBLE TRANSPORTATION**

10. For the purposes of determining the Commodity Tolls payable by a Shipper for AOS and Interruptible Transportation Service – Southern in accordance with Section 5 of the T-South Toll Schedule, Firm Transportation Service – Southern provided to a Shipper pursuant to a Firm Service Agreement providing for Enhanced T-South Service shall be deemed to be Firm Transportation Service – Southern to a Delivery Point within the Huntingdon Delivery Area.

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**SERVICE AGREEMENTS  
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**ARTICLE 1  
DEFINITIONS AND INTERPRETATION**

1.01 Definitions. Except where the context otherwise requires, the following terms when used in these General Terms and Conditions, the Toll Schedules and in a Service Agreement shall have the following meanings:

"acid gas" means a gaseous substance composed of carbon dioxide gas and sulphur gas.

"Acid Gas Constraint Volume" means in respect of acid gas contained in raw gas delivered into the Pipeline System at one or more Receipt Points by or for the account of a Shipper for processing at a Processing Plant on any day on which a curtailment or interruption of Treatment Service is in effect, the maximum volume of acid gas contained in raw gas which the shipper may deliver to Westcoast on any such day as specified in a notice given to each such Shipper pursuant to Section 27.05, Section 28.06 or Section 29.06

"acid gas percentage" means that proportion (expressed as a percentage by volume) of raw gas which is comprised of acid gas.

"Acid Gas Receipt Volume" means in respect of acid gas contained in raw gas produced from a Production Source and delivered into the Pipeline System at a Receipt Point by or for the account of a Shipper on any day, the actual volume of acid gas contained in the Raw Gas Receipt Volume so delivered at the Receipt Point on any such day.

"Acid Gas Tolerance" means in respect of acid gas contained in raw gas delivered into the Pipeline System at one or more Receipt Points by or for the account of a Shipper on any day for processing at a Processing Plant, the Acid Gas Tolerance determined by Westcoast any such day in accordance with Section 25.04.

"actively transport" means for the purposes of the definitions of "Non-Supply Shipper" and "Inventory Transfer Shipper" and as at the time at which the determination is made by Westcoast, either (i) the Shipper has had residue gas transported for its account in Zone 3 or Zone 4 to or from Compressor Station No. 2 during the period of six months immediately preceding the time at which such determination is made by Westcoast or (ii) the Shipper has demonstrated to the satisfaction of Westcoast that it will in the immediate future have residue gas transported for its account in Zone 3 or Zone 4 to or from Compressor Station No. 2.

"Aggregate Acid Gas Receipt Volume" means in respect of acid gas contained in raw gas delivered into the Pipeline System at one or more Receipt Points by or for the account of a Shipper on any day for processing at a Processing Plant, the aggregate of the Acid Gas Receipt Volumes so delivered for processing at the Processing Plant on any such day.

"Aggregate Raw Gas Receipt Volume" means in respect of raw gas delivered into the Pipeline System at one or more Receipt Points by or for the account of a Shipper on any day for processing at a Processing Plant, the aggregate of the Raw Gas Receipt Volumes so delivered for processing at the Processing Plant on any such day.

"Aggregate Receipt Volume" means in respect of a Receipt Point the aggregate of all Raw Gas Receipt Volumes of all Shippers on any day.



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"Aggregate Sulphur Gas Receipt Volume" means in respect of sulphur gas contained in raw gas delivered into the Pipeline System at one or more Receipt Points by or for the account of a Shipper on any day for processing at a Processing Plant, the aggregate of the Sulphur Gas Receipt Volumes so delivered for processing at the Processing Plant on any such day.

"Aitken Creek Area" means the Aitken Creek Processing Plant and the Aitken Creek RGT Pipeline

"Aitken Creek Area Shipper" means a Shipper which has entered into a Service Agreement providing for Raw Gas Transmission Service and Treatment Service in the Aitken Creek Area.

"Aitken Creek Pipeline" means the 12 inch and 16 inch residue gas transmission pipelines owned by Westcoast and extending from the Aitken Creek Processing Plant and the Storage Reservoir to the Fort Nelson Mainline.

"Aitken Creek Processing Plant" means the facilities owned by Westcoast for the processing of raw gas located in Block A of District Lot 3964, Peace River District, in British Columbia.

"Aitken Creek RGT Pipeline" means the raw gas transmission pipeline owned by Westcoast and designated as the Aitken Creek Connector Pipeline through which raw gas is delivered to the Aitken Creek Processing Plant.

"Alberta Mainline" means the residue gas pipeline owned by Westcoast and extending from the NOVA/Gordondale Interconnection to Compressor Station No. 1, and includes any residue gas laterals owned by Westcoast and connected to that pipeline.

"Alliance" means Alliance Pipeline Limited Partnership.

"Alliance/Gordondale Interconnection" means the point where the Pipeline System connects with the pipeline facilities of Alliance in the NE ¼ of Section 2, Township 79, Range 12, W6M in Alberta.

"Arco Delivery Point" means the point in the Export Delivery Area where the Pipeline System interconnects with the pipeline facilities of Arco Products Company.

"Area" means the Fort Nelson Area, the Fort St. John Area, the Aitken Creek Area, the Grizzly Valley Area, the Dawson Area or the Sikanni Area.

"Authorized Overrun Service" or "AOS" means the daily service entitlement available, on the terms and conditions set out in Section 2.11, to a Shipper as an attribute of each Firm Transportation Service - Northern and Firm Transportation Service - Southern specified in a Service Agreement between the Shipper and Westcoast.

"Authorized Receipt Volume" means:

- (a) in respect of residue gas produced at a Processing Plant, other than the Dawson Processing Plant and the Fort Nelson North Processing Plant, and delivered into Zone 3 of the Pipeline System from the outlet of the Processing Plant, the volumes of

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residue gas authorized by Westcoast for delivery for the account of the Shipper into Zone 3 from the outlet of that Processing Plant on any day pursuant to Article 4; and

- (b) in respect of residue gas produced by an Upstream Supplier and delivered into the Pipeline System at a Receipt Point in Zone 3 or Zone 4, the volume of residue gas authorized by Westcoast for delivery by or for the account of the Shipper at that Receipt Point on any day pursuant to Article 4.

"Authorized Volume" means the volume of residue gas authorized by Westcoast for delivery to or for the account of a Shipper at a Delivery Point on any day pursuant to Article 4.

"Average Daily Scheduled Quantity" means in respect of a Non-Supply Shipper for each month the arithmetic average of the daily quantity of residue gas transported for the account of that Non-Supply Shipper to or from Compressor Station No. 2, whichever is the greater, during the 30 day period ending on the 20<sup>th</sup> day of the immediately preceding month.

"Balancing Tolerance Range" means:

- (a) in respect of each Shipper specified in Section 6.01 other than the Straddle Plant Operator for each day, the balancing tolerance range determined by Westcoast for each such Shipper for each such day in accordance with Section 6.02;
- (b) in respect of the Straddle Plant Operator for each day, a balancing tolerance range which has (i) an upper limit equal to 25,000 gigajoules and (ii) a lower limit equal to minus 25,000 gigajoules; and
- (c) in respect of each Non-Supply Shipper for each month, the balancing tolerance range determined by Westcoast for each such Non-Supply Shipper for each such month in accordance with Section 6.23.

"Bid Recipient" means an independent third party designated by Westcoast in accordance with Section 9.17 or Section 24.10.

"Boundary Lake Pipeline" means the residue gas pipeline owned by Westcoast and extending from the NOVA/Boundary Lake Interconnection to Compressor Station No. 1, and includes any residue gas laterals owned by Westcoast and connected to that pipeline.

"Bundled Field Service" means Treatment Service, Liquids Recovery Service and Liquid Products Stabilization and Fractionation Service provided as Standard Service or Negotiated Service at the McMahon Processing Plant pursuant to a Service Agreement in which a single toll is prescribed for those three services.

"Business Day" means any day other than a Saturday, Sunday or any day on which major banks are closed for business in Vancouver, British Columbia, or Calgary, Alberta.

"Calculated Production Value" means the daily average quantity of residue gas determined for each Shipper for each day in accordance with Section 6.02.

"Canadian Gas Price Reporter" means the publication entitled "Canadian Gas Price Reporter" published monthly in Canada by Canadian Enerdata Ltd.

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"carbon dioxide gas" means a gaseous substance composed of carbon dioxide.

"carbon dioxide limit" means the maximum volume of carbon dioxide gas permitted for purposes of Treatment Service, as specified in a Firm Service Agreement.

"Cascade Delivery Point" means the point in the Export Delivery Area where the Pipeline System connects with the pipeline facilities of Cascade Natural Gas Corporation.

"Central Clock Time" or "CCT" means Central Standard Time or Central Daylight Saving Time, whichever is in effect on any day.

"CGPR Price" means the weighted average price in dollars per gigajoule specified as the average "Daily Spot Gas Price at Station 2, BC" for any day or, in the case of a Saturday or Sunday, for the weekend, as reported in the Canadian Gas Price Reporter.

"Commodity Toll" means, in respect of any Interruptible Service or any Firm Service, the commodity charges for that service prescribed in the Toll Schedules.

"Compressor Station No. 1" means Westcoast's compressor station no. 1 located near Taylor, British Columbia.

"Compressor Station No. 2" means Westcoast's compressor station no. 2 located near Chetwynd, British Columbia.

"Condensate" means pentanes and heavier liquid hydrocarbons.

"Constraint Level" means

- (a) in respect of a Processing Plant, the maximum volume of raw gas, acid gas, and sulphur gas, respectively, which Westcoast determines pursuant to Section 25.03 can be processed at that Processing Plant on any day; and
- (b) in respect of the Receipt Points within a Zone 3 Corridor and each Receipt Point in Zone 4, the maximum volume of residue gas which Westcoast determines pursuant to Section 25.08 can be delivered into the Pipeline System at the Receipt Points within such Zone 3 Corridor or at such Receipt Point in Zone 4 on any day.

"Contract Demand" means

- (a) in respect of Firm Raw Gas Transmission Service to be provided by Westcoast pursuant to a Service Agreement, the maximum volume of raw gas specified in that Service Agreement that Westcoast is obligated to accept on any day at a Receipt Point from a Shipper, without curtailment or interruption;
- (b) in respect of Firm Treatment Service to be provided by Westcoast pursuant to a Service Agreement, the maximum volume of residue gas specified in that Service Agreement that Westcoast is obligated to deliver on any day at the outlet of a Processing Plant, without curtailment or interruption;

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- (c) in respect of Firm Liquids Recovery Service and Liquid Products Stabilization and Fractionation Service to be provided by Westcoast pursuant to a Service Agreement, the maximum quantity of Liquid Products specified in that Service Agreement that Westcoast is obligated to deliver on any day at the Liquid Products Delivery Points or into storage without curtailment or interruption;
- (d) in respect of Firm Bundled Field Service to be provided by Westcoast pursuant to a Service Agreement, the maximum volume of residue gas and the maximum volume of Liquids Products specified in that Service Agreement that Westcoast is obligated to deliver on any day at the outlet of the McMahon Processing Plant and at the Liquid Products Delivery Points or into storage, respectively, without curtailment or interruption;
- (e) in respect of Firm Fuel Gas Service to be provided by Westcoast pursuant to a Service Agreement, the maximum quantity of residue gas specified in that Service Agreement that Westcoast is obligated to deliver on any day at a Delivery Point on the Fuel Gas Pipelines without curtailment or interruption;
- (f) in respect of Transportation Service - Northern Long Haul, Transportation Service - Northern Short Haul, Temporary Firm Service Long Haul, Temporary Firm Service Short Haul and Short Term Firm Service in Zone 3 to be provided by Westcoast pursuant to a Firm Service Agreement, the maximum volume of residue gas specified in that Firm Service Agreement that Westcoast is obligated (i) to deliver on any day at a Delivery Point in Zone 3, or (ii) to transmit through Zone 3 for the account of the Shipper on any day, without curtailment or interruption; and
- (g) in respect of Transportation Service-Southern and Short Term Firm Service in Zone 4 to be provided by Westcoast pursuant to a Firm Service Agreement, the maximum volume of residue gas specified in that Firm Service Agreement that Westcoast is obligated to deliver on any day at a Delivery Point in Zone 4, without curtailment or interruption.

"Contract Demand Credits" means any credits provided to a Shipper by Westcoast pursuant to Article 8.

"Contracted Residue Gas" means residue gas physically processed at the McMahon Processing Plant and residue gas physically delivered to Compressor Station No. 1 through the Alberta Mainline and the Boundary Lake Pipeline, other than gas delivered into the Alberta Mainline at the Receipt Points designated as Parkland, West Doe Creek and the NOVA/Gordondale Interconnection, which has been directed by the Shipper thereof to the Straddle Plant Operator at the Straddle Plant Delivery Point pursuant to Section 16.02(c).

"Corresponding Firm Transportation Service" means a Firm Transportation Service - Northern or Firm Transportation Service – Southern specified in a Firm Service Agreement in respect of which a Shipper is entitled to AOS in accordance with Section 2.11.

"cubic meter" or "m<sup>3</sup>" means, when used in reference to gas, the volume of gas which occupies one cubic meter when such gas is at a temperature of 15°C and at an absolute pressure of 101.325 kilopascals and, when used in reference to Liquid Products, the amount

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of liquid which occupies one cubic meter when such liquid is at a temperature of 15°C and at an absolute pressure which is the higher of 101.325 kilopascals or the natural vapour pressure of the liquid.

"Cumulative Supply Imbalance" means in respect of each Shipper for each day, the net supply imbalance determined by Westcoast for each such Shipper for each such day by aggregating the supply imbalances recorded in each of the Upstream Balancing Accounts and the Supply Account, if any, maintained for each such Shipper in accordance with Sections 6.05 and 6.21, as reported by Westcoast to each such Shipper in accordance with Section 6.07.

"Customer Interface Agreement" means an agreement between a Shipper and Westcoast providing for electronic data communications between the Shipper and Westcoast.

"Daily Authorized Entitlement" means, in respect of any Liquid Product for any day, the quantity of that Liquid Product which a Shipper is entitled to receive on that day pursuant to Section 22.07.

"Daily Demand Toll" means for each month:

- (a) in respect of Firm Fuel Gas Service, an amount equal to the Daily Equivalent of the Demand Toll for each such service; and
- (b) in respect of Firm Transportation Service - Northern, Firm Transportation Service – Southern, Temporary Firm Service and Short Term Firm Service, an amount equal to the average, weighted by the Contract Demand, of (i) the Daily Equivalent of the Demand Tolls for such Transportation Service and Temporary Firm Service and (ii) the Demand Tolls for Short Term Firm Service payable by a Shipper for such services provided between the same two points in Zone 3 or Zone 4, respectively.

"Daily Equivalent" means in respect of a monthly Demand Toll, an amount determined by multiplying the monthly Demand Toll by 12 and by dividing the product so obtained by the number of days in the year.

"Dawson Area" means the Dawson Processing Plant and the Dawson RGT Pipeline.

"Dawson Liquids" means liquid hydrocarbons consisting of stabilized Condensate and an unfractionated mixture of propane and heavier liquid hydrocarbons recovered by Westcoast at the Dawson Processing Plant.

"Dawson Processing Plant" means the facilities owned by Westcoast for the processing of raw gas located in the North ½ of Section 26, Township 78, Range 17, W6M, Peace River District in British Columbia.

"Dawson RGT Pipeline" means the raw gas transmission pipeline owned by Westcoast through which raw gas is delivered to the Dawson Processing Plant.

"day" means a period of 24 consecutive hours beginning at 0900 hours Central ~~Standard~~ Time~~Clock Time~~.

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"Delivery Point" means the point specified in a Service Agreement where Westcoast delivers gas to or for the account of a Shipper and includes (i) the Straddle Plant Delivery Point, (ii) in the case of a diversion in Zone 4 made pursuant to Section 7.01, an alternate Delivery Point in the Huntingdon Delivery Area, an Upstream Delivery Point or a Downstream Delivery Point and (iii) in the case of a diversion in Zone 3 made pursuant to Section 7.06 or Section 7.07, an Equivalent Delivery Point or an alternate Delivery Point.

"Demand Toll" means for each month:

- (a) in respect of any Firm RGT Service, Firm Treatment Service, Firm Liquids Recovery Service and Firm Bundled Field Service which is a Standard Service or a Negotiated Service, the demand charges for each such service specified in the applicable Service Agreement;
- (b) in respect of any Firm Fuel Gas Service which is a Negotiated Service, the demand charges for each such service specified in the applicable Service Agreement;
- (c) in respect of any Firm Transportation Service – Northern, Temporary Firm Service and Firm Transportation Service - Southern, the applicable monthly demand charges for each such service specified in the Toll Schedules; and
- (d) in respect of any STF Service, the daily demand charges for each such service specified in the applicable Service Agreement.

"Discount Rate" means for the purposes of Article 9, Westcoast's interim or final AFUDC rate in effect in any month in respect of the tolls charged for service in Zones 3 and 4.

"DST" means Pacific Daylight Saving Time.

"Downstream Delivery Point" means in respect of any Firm Service Agreement, a Delivery Point in Zone 4 which is downstream of the Delivery Point in Zone 4, outside the Huntingdon Delivery Area, which is specified in the Firm Service Agreement.

"Downstream Diversion" means in respect of any Firm Transportation Service - Southern, the diversion of that service to a Downstream Delivery Point pursuant to Section 7.01(c).

"EFM Equipment" means electronic flow measurement equipment which comprises part of the gas measuring equipment at a Receipt Point and which is connected to telecommunications facilities which permit the remote reading by Westcoast of the volume, flow and compositional data with respect to the gas delivered into the Pipeline System at the Receipt Point in accordance with Westcoast's Measurement Policies.

"Elapsed Prorata Volume" means in respect of gas delivered by Westcoast at a Delivery Point or delivered to Westcoast at a Receipt Point during any part of a day pursuant to one or more authorizations for a service given in accordance with Article 4, the sum of the volumes of gas determined in respect of each of those authorizations as follows:

- (a) in the case of an authorization which comes into effect at the beginning of the day pursuant to Sections 4.09 and 4.10, a volume of gas equal to that determined by (i) dividing the Authorized Volume or the Authorized Receipt Volume by 24 and

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(ii) multiplying the quotient so obtained by the number of hours during which the authorization was or would have been in effect; and

- (b) in of the case of an authorization which comes into effect during the day pursuant to Sections 4.09 and 4.11, a volume of gas equal to that determined by (i) subtracting from the then current Authorized Volume or Authorized Receipt Volume the sum of the volumes determined in accordance with this definition for each of the prior authorizations for the service, if any, in effect during the day and (ii) multiplying the difference so obtained by a fraction, the numerator of which is the number of hours during which the then current authorization was or would have been in effect and the denominator of which is the number of hours remaining in the day following the time at which the then current authorization came into effect.

“Enco Delivery Point” means the point in the Export Delivery Area where the Pipeline System connects with the pipeline facilities of Sumas Cogeneration Company L.P.

“Equivalent Delivery Points” means those Delivery Points in Zone 3 which Westcoast has determined are hydraulically similar and toll neutral, as specified in Section 7.06.

“Equivalent Point Diversion” means in respect of any Firm Service provided in Zone 3, the diversion of that service to an Equivalent Receipt Point or an Equivalent Delivery Point pursuant to Section 7.06.

“Equivalent Receipt Points” means those Receipt Points in Zone 3 which Westcoast has determined are hydraulically similar and toll neutral, as specified in Section 7.06.

“Estimated Yearly Heat Content Value” means the estimated total heating value of all residue gas delivered into Zone 3 of the Pipeline System from the outlet of a Processing Plant, other than the Dawson Processing Plant and the Fort Nelson North Processing Plant, and of all residue gas delivered into the Pipeline System at a Receipt Point in Zone 3 or Zone 4, as determined by Westcoast and posted on its public bulletin board in accordance with Section 4.02.

“Evening Nomination Cycle” means the Nomination Cycle for any day in respect of which a Shipper is required to give a nomination to Westcoast on the immediately preceding day by the time specified for that Nomination Cycle in Section 4.10.

“Excess Acid Gas Receipts” means in respect of acid gas contained in the raw gas produced from one or more Production Sources and delivered into the Pipeline System at one or more Receipt Points by or for the account of a Shipper on any day for processing at a Processing Plant, the volume of acid gas equal to that by which the Aggregate Acid Gas Receipt Volume exceeds the sum of the Acid Gas Constraint Volume and the applicable Acid Gas Tolerance for that Shipper for that Processing Plant on any such day.

“Excess Raw Gas Receipts” means in respect of raw gas produced from one or more Production Sources and delivered into the Pipeline System at one or more Receipt Points by or for the account of a Shipper on any day for processing at a Processing Plant, the volume of raw gas equal to that by which the Aggregate Raw Gas Receipt Volume exceeds the sum of the Raw Gas Constraint Volume and the applicable Raw Gas Tolerance for that Shipper for that Processing Plant on any such day.

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"Excess Residue Gas Receipts" means in respect of residue gas delivered into the Pipeline System at a Receipt Point in Zone 3 or Zone 4 by or for the account of a Shipper on any day, the volume of residue gas equal to that by which the Receipt Volume exceeds the sum of the Authorized Receipt Volumes and the applicable Residue Gas Tolerance for that Shipper in respect of that Receipt Point on any such day.

"Excess Sulphur Gas Receipts" means in respect of sulphur gas contained in raw gas produced from one or more Production Sources and delivered into the Pipeline System at one or more Receipt Points by or for the account of a Shipper on any day for processing at a Processing Plant, the volume of sulphur gas equal to that by which the Aggregate Sulphur Gas Receipt Volume exceeds the sum of the Sulphur Gas Constraint Volume and the applicable Sulphur Gas Tolerance for that Shipper for that Processing Plant on any such day.

"Existing Facilities" means those facilities included in Zone 1, Zone 1A and Zone 2 of the Pipeline System which were in service on January 1, 1997 and includes any additions or modifications to those facilities made after January 1, 1997 which are required for the safe, efficient or reliable operation of those facilities at the capacity levels existing at January 1, 1997.

"Export Delivery Area" means all those points on the international boundary between Canada and the United States of America where the Pipeline System connects with pipeline facilities located in the United States of America and shall include, without limitation, the Arco Delivery Point, the Cascade Delivery Point, the Enco Delivery Point and the Northwest Delivery Point.

"Field Services" means RGT Service, Treatment Service, Liquids Recovery Service, LPSF Service, Bundled Field Service and Fuel Gas Service, and "Field Service" means any one of those services.

"Final Estimated Volume" means in respect of raw gas and residue gas delivered into the Pipeline System on any day at a Receipt Point by or for the account of a Shipper, that volume of residue gas determined by Westcoast in accordance with Section 6.04.

"Firm Contracted Capacity Percentage" means in respect of each of the months of April to October, inclusive, and for each Zone 3 Corridor and for Zone 4, respectively, the percentage obtained by dividing the aggregate Contract Demand for Firm Service contracted for each such month in each such Zone 3 Corridor and in Zone 4, respectively, by the daily capacity available to provide Firm Service in each such Zone 3 Corridor and in Zone 4, respectively, during the months of November to March, inclusive.

"Firm Service" means the obligation of Westcoast to provide, at a Shipper's request, any RGT Service, Treatment Service, Liquids Recovery Service, LPSF Service, Bundled Field Service, Fuel Gas Service, Transportation Service - Northern, Transportation Service - Southern, Temporary Firm Service or STF Service up to the applicable Contract Demand specified in the Service Agreement, without curtailment or interruption.

"Firm Service Agreement" means a Service Agreement under which Westcoast is obligated to provide Firm Service.



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"Fort Nelson Area" means the Fort Nelson Processing Plant, the Fort Nelson North Processing Plant and the Fort Nelson RGT System.

"Fort Nelson Area Shipper" means a Shipper which has entered into a Service Agreement providing for Raw Gas Transmission Service and Treatment Service in the Fort Nelson Area.

"Fort Nelson Liquids" means liquid hydrocarbons consisting primarily of Condensate recovered from time to time by Westcoast from the commingled raw gas stream at facilities located in the Fort Nelson RGT System.

"Fort Nelson Mainline" means the residue gas transmission pipelines owned by Westcoast and extending from the outlet of the Fort Nelson Processing Plant to Compressor Station No. 2, and includes any residue gas laterals owned by Westcoast and connected to those pipelines.

"Fort Nelson North Processing Plant" means the facilities owned by Westcoast for the processing of raw gas located in District Lot 4173, Peace River District in British Columbia.

"Fort Nelson Processing Plant" means the facilities owned by Westcoast for the processing of raw gas located at Fort Nelson, British Columbia.

"Fort Nelson RGT System" means the raw gas transmission pipeline system owned by Westcoast through which raw gas is delivered to the Fort Nelson Processing Plant and the Fort Nelson North Processing Plant.

"Fort St. John Area" means the McMahon Processing Plant and the Fort St. John RGT System.

"Fort St. John Mainline" means the residue gas pipelines owned by Westcoast and extending from the outlet of the McMahon Processing Plant to Compressor Station No. 2, and includes any residue gas laterals owned by Westcoast and connected to those pipelines.

"Fort St. John RGT System" and "Fort St. John Raw Gas Transmission System" mean the raw gas transmission pipeline system owned by Westcoast through which raw gas is delivered to the McMahon Processing Plant and, for the purposes of the Toll Schedule for Raw Gas Transmission Service, includes the Altken Creek RGT Pipeline and the Dawson RGT Pipeline.

"Fuel Gas Pipelines" means the residue gas pipeline facilities extending from the residue gas outlet of the Pine River Processing Plant to the West Sukunka and Brazion areas of British Columbia.

"Fuel Gas Service" means the transmission of residue gas through the Fuel Gas Pipelines.

"gas" means raw gas or residue gas as the context requires.

"General Terms and Conditions" means these General Terms and Conditions - Service, as filed with or otherwise approved by the National Energy Board and in effect from time to time.

"gigajoule" or "GJ" means 1 000 000 000 joules.

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"Grizzly Valley Area" means the Pine River Processing Plant and the Grizzly Valley RGT System.

"Grizzly Valley RGT System" means the raw gas transmission pipeline system owned by Westcoast through which raw gas is delivered to the Pine River Processing Plant.

"Huntingdon Delivery Area" means the area comprised of the Export Delivery Area and the Lower Mainland Delivery Area.

"Huntingdon Delivery Area Diversion" means in respect of any Firm Transportation Service – Southern with a Delivery Point within the Huntingdon Delivery Area, the diversion of that service to another Delivery Point within the Huntingdon Delivery Area pursuant to Section 7.01(a).

"Hydrocarbon Liquids" means raw liquid hydrocarbons which are delivered in a liquid phase into the Pipeline System with raw gas at a Receipt Point.

"Import Backhaul Service" means Interruptible Service under which a volume of gas delivered on any day through the pipeline facilities of Northwest Pipeline Corporation to the Northwest Delivery Point is delivered to a Shipper by displacement at one or more of the Delivery Points within the Inland Delivery Area, the PNG Delivery Point and Compressor Station No. 2.

"In Path Diversion" means in respect of any Firm Transportation Service – Northern, Long Haul, the diversion of that service to an alternate Receipt Point and/or an alternate Delivery Point in Zone 3 within the route of the currently contracted service pursuant to Section 7.07.

"Incremental Facilities" means any additions or modifications made after January 1, 1997 to the facilities included in Zone 1, Zone 1A and Zone 2 of the Pipeline System, other than those which constitute Existing Facilities.

"Inland Delivery Area" means the ~~Terasen Gas Inc.~~ FortisBC Energy Inc. - Inland Service Area (km - post 58.9 to 747.9).

"Interruptible Service" means the obligation of Westcoast to provide, at a Shipper's request, any of Raw Gas Transmission Service, Treatment Service, Liquids Recovery Service, Liquid Products Stabilization and Fractionation Service, Bundled Field Service, Fuel Gas Service, Transportation Service-Northern Long Haul, Transportation Service-Northern Short Haul or Transportation Service-Southern up to the applicable volume of gas specified in the Service Agreement, subject to curtailment or interruption.

"Interruptible Service Agreement" means a Service Agreement under which Westcoast is obligated to provide Interruptible Service.

"Intra-Day Nomination Cycles" means the Intra-Day 1 Nomination Cycle and the Intra-Day 2 Nomination Cycle and "Intra-Day Nomination Cycle" means any one of those Nomination Cycles.

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"Intra-Day 1 Nomination Cycle" means the Nomination Cycle for any day in respect of which a Shipper is required to give a nomination to Westcoast during the day by the time specified for that Nomination Cycle in Section 4.11.

"Intra-Day 2 Nomination Cycle" means the Nomination Cycle for any day in respect of which a Shipper is required to give a nomination to Westcoast during the day by the time specified for that Nomination Cycle in Section 4.11.

"Inventory Transfer Account" means an account established and maintained by Westcoast for an Inventory Transfer Shipper in accordance with Section 6.21.

"Inventory Transfer Shipper" means a Shipper which has entered into a Service Agreement providing for Interruptible Transportation Service in Zone 3 or Zone 4, but which does not actively transport residue gas to or from Compressor Station No. 2.

"joule" means the amount of work done when the point of application of a force of one newton is displaced a distance of one meter in the direction of the force.

"Liquid Products" means propane, butane and Condensate extracted by Westcoast from raw gas or from Raw Liquids at the McMahon Processing Plant, and "Liquid Product" means any one of them.

"Liquid Products Delivery Points" means those locations designated by Westcoast from time to time at which Liquid Products are delivered by Westcoast to a Shipper.

"Liquids Recovery Service" means the extraction of liquid hydrocarbons from raw gas at the McMahon Processing Plant.

"litre" means the amount of liquid which occupies 0.001 cubic meter, when such liquid is at a temperature of 15°C and at an absolute pressure which is the higher of 101.325 kilopascals or the natural vapour pressure of the liquid.

"Low Intervention Trade Transactions" has the meaning given to that term in MC Bulletin G-14.

"Lower Mainland Delivery Area" means the ~~Terasen Gas Inc.~~ FortisBC Energy Inc. - Lower Mainland Service Area (km - post 835.9 to 917.6).

"LPG" means liquefied petroleum gas consisting of propane or butane or any mixture thereof.

"LPSF Service" and "Liquid Products Stabilization and Fractionation Service" mean the stabilization and fractionation of liquid hydrocarbons to produce Liquid Products at the McMahon Processing Plant.

"MC Bulletin G-14" means Bulletin G-14 issued by Measurement Canada pursuant to the Electricity and Gas Inspection Act (Canada), as it may be amended from time to time.

"McMahon Processing Plant" means the facilities owned by Westcoast for the processing of raw gas located at Taylor, British Columbia and, for the purposes of the Toll Schedule for Treatment Service, includes the Aitken Creek Processing Plant and the Dawson Processing Plant.

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"megajoule" or "MJ" means 1 000 000 joules.

"Metered Delivery Volume" means in respect of the Straddle Plant Delivery Point for any day, the total volume of residue gas determined by Westcoast at the end of each such day to have been delivered by Westcoast to the Straddle Plant Operator at the Straddle Plant Delivery Point on each such day.

"millilitre" or "mL" means the amount of liquid which occupies 0.001 litre.

"Minimum STF Service Toll" means in respect of any Short Term Firm Service, the minimum Demand Toll expressed in dollars per  $10^3 \text{ m}^3$  per day, specified by Westcoast for any such service pursuant to Section 24.06, which, for the period November through March inclusive and for the period April through October inclusive, shall not be less than the dollar amount of the applicable Commodity Toll for Interruptible Transportation Service provided between the same Receipt Point and Delivery Point.

"month" means the period of time commencing at the beginning of the first day of any month and ending at the beginning of the first day of the next succeeding month.

"Monthly Adjusted Entitlement" means, in respect of any Liquid Product and for any month, the quantity of that Liquid Product that a Shipper was entitled to receive in that month pursuant to Section 22.12.

"Monthly Liquid Product Measurement Adjustment" means, in respect of any Liquid Product, the amount by which the total quantity of Liquid Product actually taken by a Shipper in any month exceeds or is less than the Monthly Adjusted Entitlement for such month.

"Natural Gas Liquids" means ethane, propane, butane and Condensate extracted and recovered from residue gas in the Straddle Plant.

"Negotiated" means when used with reference to any Field Service, including Fuel Gas Service, such a service which is provided by Westcoast as a Negotiated Service.

"Negotiated Service" means any Firm Field Service and any Interruptible Field Service, including Fuel Gas Service, provided by Westcoast on Existing Facilities and Incremental Facilities pursuant to a Service Agreement in respect of which the Shipper and Westcoast may negotiate certain of the terms and conditions of service in accordance with Section 2.02(c).

"Nomination Cycles" means the Timely Nomination Cycle, the Evening Nomination Cycle, the Intra-Day 1 Nomination Cycle and the Intra-Day 2 Nomination Cycle, and "Nomination Cycle" means any one of the those Nomination Cycles.

"Non-Supply Account" means an account established and maintained by Westcoast for a Non-Supply Shipper in accordance with Section 6.21.

"Non-Supply Account Imbalance" means in respect of each Non-Supply Shipper for each day, the imbalance determined for each such day as recorded by Westcoast in the

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Non-Supply Account maintained for each such Non-Supply Shipper in accordance with Section 6.21, as reported by Westcoast in accordance with Section 6.24.

"Non-Supply Shipper" means a Shipper, other than a Supply Shipper, which either (i) has entered into a Service Agreement providing for Firm Transportation Service in Zone 3 or Zone 4 or (ii) actively transports residue gas to or from Compressor Station No. 2 pursuant to an Interruptible Service Agreement.

"Northwest Delivery Point" means the point in the Export Delivery Area where the Pipeline System connects with the pipeline facilities of Northwest Pipeline Corporation.

"NOVA" means NOVA Gas Transmission Ltd.

"NOVA/Boundary Lake Interconnection" means the point where the Pipeline System connects with the pipeline facilities of NOVA in the SE 1/4 of Section 16, Township 85, Range 13, W6M in Alberta.

"NOVA/Gordondale Interconnection" means the point where the Pipeline System connects with the pipeline facilities of NOVA in the NE 1/4 of Section 2, Township 79, Range 12, W6M in Alberta.

"NOVA/Komie East Delivery Point" means the point where the Pipeline System connects with the pipeline facilities of NOVA within the lands described as P&NG Grid System unit d-48-l/94-P-4, Peace River District in British Columbia.

"NOVA/Tremblay Delivery Point" means the point where the Pipeline System connects with the pipeline facilities of NOVA in the SE 1/4 of Section 27, Township 78, Range 17, W6M, Peace River District in British Columbia.

"Out of Path Diversion" means in respect of any Firm Transportation Service – Northern, Long Haul, the diversion of that service to an alternate Receipt Point and/or an alternate Delivery Point in Zone 3 outside the route of the currently contracted service pursuant to Section 7.07.

"Permanent In Path Relocation" means in respect of any Firm Transportation Service – Northern, the permanent relocation of the Receipt Point and/or Delivery Point for such service to another location in Zone 3 within the route of the currently contracted service, and includes the permanent relocation of the Receipt Point to an Equivalent Receipt Point and/or the Delivery Point to an Equivalent Delivery Point.

"Permanent Out of Path Relocation" means in respect of any Firm Transportation Service – Northern, the permanent relocation of the Receipt Point and/or Delivery Point for such service to another location in Zone 3 outside the route of the currently contracted service.

"Pine River Mainline" means the residue gas pipeline extending from the outlet of the Pine River Processing Plant to Compressor Station No. 2, and includes any residue gas laterals owned by Westcoast and connected to that pipeline, but does not include the Fuel Gas Pipelines.

"Pine River Processing Plant" means the facilities owned by Westcoast for the processing of raw gas located at Pine River, British Columbia.

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"Pipeline System" means the raw gas transmission, processing and residue gas transmission facilities owned by Westcoast within British Columbia, Alberta, the Yukon and the Northwest Territories.

"PNG Delivery Point" means the point where the Pipeline System connects with the pipeline facilities of Pacific Northern Gas Ltd.

"Predicted Volume" means in respect of raw gas and residue gas delivered into the Pipeline System on any day at a Receipt Point by or for the account of a Shipper, that volume of residue gas determined by Westcoast in accordance with Section 6.03.

"Processing Plants" means the McMahon Processing Plant, the Pine River Processing Plant, the Fort Nelson Processing Plant, the Fort Nelson North Processing Plant, the Sikanni Processing Plant, the Dawson Processing Plant and the Aitken Creek Processing Plant, and "Processing Plant" means any one of them.

"Production Source" means in respect of any gas well, the production source grouping for that gas well as approved by Westcoast pursuant to Article 26.

"PST" means Pacific Standard Time.

"raw gas" means natural gas produced from wells.

"Raw Gas Constraint Volume" means in respect of raw gas produced from one or more Production Sources and delivered into the Pipeline System at one or more Receipt Points by or for the account of a Shipper for processing at a Processing Plant on any day on which a curtailment or interruption of Treatment Service is in effect, the maximum volume of raw gas which the Shipper may deliver to Westcoast on any such day, as specified in a notice given to each such Shipper by Westcoast pursuant to Section 27.05, Section 28.06, or Section ~~29.09~~29.06.

"Raw Gas Receipt Volume" means in respect of raw gas produced from a Production Source and delivered into the Pipeline System at a Receipt Point by or for the account of a Shipper on any day, the actual volume of raw gas so delivered at the Receipt Point on any such day.

"Raw Gas Tolerance" means in respect of raw gas delivered into the Pipeline System at one or more Receipt Points by or for the account of a Shipper on any day for processing at a Processing Plant, the Raw Gas Tolerance determined for any such day in accordance with Section 25.04 by Westcoast.

"Raw Liquids" means the stream of propane, butane and Condensate delivered to Westcoast at the Raw Liquids Receipt Point for fractionation.

"Raw Liquids Receipt Point" means the inlet to the depropanizer feedtank at the McMahon Processing Plant.

"Receipt Point" means the point specified in a Service Agreement where gas is delivered to Westcoast by or for the account of a Shipper and includes (i) the Straddle Plant Receipt Point

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and (ii) in the case of a diversion in Zone 3 made pursuant to Section 7.06 or Section 7.07, an Equivalent Receipt Point or an alternate Receipt Point.

"Receipt Point Operator" means, in respect of each Receipt Point, other than the Straddle Plant Receipt Point, at which raw gas or residue gas is delivered into the Pipeline System by or for the account of a Shipper:

- (a) in the case where such Shipper is the owner of the pipeline or other facilities which connect with the Pipeline System at such Receipt Point, such Shipper or the person appointed as the Receipt Point Operator for such Receipt Point by such Shipper pursuant to Section 5.03; and
- (b) in the case where such Shipper is not the owner of the pipeline or other facilities which connect with the Pipeline System at such Receipt Point, the owner of those pipeline or other facilities or the person appointed as the Receipt Point Operator for such Receipt Point by the owner of those facilities pursuant to Section 5.03,

and in respect of the Straddle Plant Receipt Point, the Straddle Plant Operator.

"Receipt Volume" means:

- (a) in respect of a Receipt Point at which a Shipper delivers residue gas into the Pipeline System, the volumetric equivalent as determined by Westcoast of the quantity of residue gas in gigajoules delivered by or for the account of the Shipper to Westcoast at that Receipt Point on any day; and
- (b) in respect of raw gas delivered into the Pipeline System at a Receipt Point for processing at a Processing Plant, the volume of residue gas measured at the outlet of the Processing Plant determined by Westcoast as having been derived from the volume of raw gas delivered by or for the account of a Shipper to Westcoast at the Receipt Point on any day.

"Receiving Party" means the operator of the pipeline or other facilities into which residue gas is delivered from the Pipeline System for the account of a Shipper at a Delivery Point at which the Pipeline System connects with the facilities of the operator, and includes the Straddle Plant Operator.

"Receiving Shipper" means a Shipper to which gas is transferred by an originating Shipper pursuant to Section 7.04 or Section 7.05.

"Relocation" means a Permanent In Path Relocation, a Permanent Out of Path Relocation, a Temporary In Path Relocation or a Temporary Out of Path Relocation.

"Relocation Fee" means in respect of a Permanent Out of Path Relocation of any Firm Transportation Service – Northern, an amount equal to the product obtained by multiplying the Contract Demand for such service by the applicable monthly Demand Toll for a three year service term specified in the Toll Schedule for Transportation Service – Northern, Long Haul and Short Haul.

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"residue gas" means the residue remaining after raw gas has been subjected to any or all of the following permissible processes:

- (a) the removal of any of its constituent parts other than methane, and the removal of methane to such extent as is necessary in removing other constituents; and
- (b) the compression, regulation, cooling, cleaning or any other chemical or physical process other than the addition of diluents, such as air or nitrogen, to such extent as may be required in its production, raw gas transmission, residue gas transportation, storage, removal from storage and delivery.

"Residue Gas Constraint Volume" means in respect of residue gas produced at a Processing Plant, other than the Dawson Processing Plant, for the account of a Shipper on any day on which a curtailment or interruption of Treatment Service is in effect, the maximum volume of residue gas which may be produced at the Processing Plant for the account of the Shipper on any such day, as specified in a notice given to each such Shipper by Westcoast pursuant to Section 28.06 or Section ~~29.09~~29.06.

"Residue Gas Tolerance" means in respect of residue gas delivered into the Pipeline System at a Receipt Point within the Zone 3 Corridor or at a Receipt Point in Zone 4 on any day, the applicable Residue Gas Tolerance as determined by Westcoast in accordance with Section 25.09.

"Restricted Lateral" means any lateral pipeline owned by Westcoast which is connected to the Fort Nelson Mainline, the Fort St. John Mainline, the Alberta Mainline or the Boundary Lake Pipeline and which has a capacity which is less than the total capacity of the Receipt Points or Delivery Points located on the lateral pipeline.

"RGT Flow Capability" means in respect of each Fort Nelson Area Shipper, Fort St. John Area Shipper, Grizzly Valley Area Shipper, Sikanni Area Shipper and Aitken Creek Area Shipper for each day in each month at each Receipt Point, (i) the arithmetic average of each daily volume of raw gas production for the five most recent days which daily production is delivered by each such Shipper to Westcoast at each such Receipt Point in the Fort Nelson Area, Fort St. John Area, Grizzly Valley Area, Sikanni Area or the Aitken Creek Area, as determined by Westcoast each day based upon the final estimated daily allocations of raw gas made to each such Shipper which are available at the time Westcoast makes such determination or (ii) such other daily aggregate volume of raw gas, for which any such Shipper has available supply at each Receipt Point in the Fort Nelson Area, Fort St. John Area, Grizzly Valley Area, Sikanni Area or the Aitken Creek Area on any day in any such month.

"RGT Service" and "Raw Gas Transmission Service" mean the transmission of raw gas in Zone 1.

"RGT Systems" means the Fort Nelson RGT System, the Fort St. John RGT System and the Grizzly Valley RGT System, and "RGT System" means any one of those systems.

"Service Agreement" means a Firm Service Agreement or an Interruptible Service Agreement.



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"Service Entitlement Identifier" means the identification code prescribed by Westcoast in respect of each Firm Service and Interruptible Service specified in a Service Agreement;

"Shipper" means any person who enters into a Service Agreement with Westcoast.

"Shipper Specific OFO" means an order issued by Westcoast to a Shipper pursuant to Sections 6.10 and 6.11.

"Sikanni Area" means the Sikanni Processing Plant.

"Sikanni Processing Plant" means the facilities owned by Westcoast for the processing of raw gas located in the Sikanni area of British Columbia.

"Standard" means when used with reference to any Field Service, other than Fuel Gas Service, such a service which is provided by Westcoast as a Standard Service.

"Standard Service" means any Firm Field Service and any Interruptible Field Service, other than Fuel Gas Service, specified in a Service Agreement designated as being applicable to Standard Services, and which is provided by Westcoast:

- (a) solely on Existing Facilities, in respect of which the Shipper and Westcoast may negotiate renewal rights in accordance with Section 2.02(a); and
- (b) in whole or in part on Incremental Facilities, in respect of which the Shipper and Westcoast may negotiate the term of the Service Agreement and renewal rights in accordance with Section 2.02(b).

"Station 2 Gas Price" means in respect of any day:

- (a) the CGPR Price for the day; or
- (b) if no CGPR price is reported for the day, the CGPR price for the immediately preceding day for which such price is reported.

"STF Service" or "Short Term Firm Service" means the firm transmission of residue gas in Zone 3 or Zone 4 pursuant to a Service Agreement made with a Shipper in accordance with Article 24.

"Storage Entitlement" means, in respect of any Shipper entitled to Liquid Products Stabilization and Fractionation Service for any Liquid Product, the proportion of available storage capacity for that Liquid Product at the McMahon Processing Plant to which that Shipper is entitled, such proportion to be determined monthly by Westcoast based upon (i) that Shipper's Authorized Daily Entitlements for the 30 days preceding the date of that determination and (ii) the forecast of that Shipper's Daily Authorized Entitlements, as provided to that Shipper by Westcoast pursuant to Section 22.05, for the month next following the date of that determination.

"Storage Reservoir" means the underground gas storage reservoir and appurtenant facilities, including piping systems, operated by Aitken Creek Gas Storage ULC in the Aitken Creek

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area of British Columbia and connected to the Pipeline System at the meter station owned and operated by Westcoast and located at the upstream end of the Aitken Creek Pipeline.

"Straddle Plant" means the Younger natural gas liquids extraction facility located at Taylor, British Columbia, ~~and owned by Taylor Gas Liquids Limited Partnership and Provident Energy Trust.~~

"Straddle Plant Delivery Point" means the point at the outlet of Westcoast's Meter Station No. 66 at which the Pipeline System interconnects with the facilities of the Straddle Plant.

"Straddle Plant Operator" means ~~Taylor Gas Liquids Limited Partnership~~ AltaGas Ltd. or such other person as may be appointed from time to time by the owners of the Straddle Plant as the operator of the Straddle Plant.

"Straddle Plant Receipt Point" means the point at the inlet of Westcoast's Meter Station No. 166 at which the facilities of the Straddle Plant connect with the Pipeline System and at which residue gas is delivered into the Pipeline System by the Straddle Plant Operator.

"Straddle Plant Shrinkage Factor" means in respect of each month commencing with the month of August 1998, that percentage factor prescribed by Westcoast for each such month and to be used for the purpose of determining a Shipper's monthly bill and any Contract Demand Credits for service in Zone 3 to the Straddle Plant Delivery Point.

"sulphur gas" means a gaseous substance composed of one or more of the following:

- (a) hydrogen sulphide; and
- (b) any other gas of which sulphur is a component.

"Sulphur Gas Constraint Volume" means in respect of sulphur gas contained in raw gas delivered into the Pipeline System at one or more Receipt Points by or for the account of a Shipper for processing at a Processing Plant on any day on which a curtailment or interruption of Treatment Service is in effect, the maximum volume of sulphur gas contained in raw gas which the Shipper may deliver to Westcoast on any such day, as specified in a notice given to each such Shipper pursuant to Section 27.05, Section 28.06 or Section 29.06.

"sulphur gas limit" means the maximum volume of sulphur gas permitted for purposes of Treatment Service, as specified in a Firm Service Agreement.

"Sulphur Gas Receipt Volume" means in respect of sulphur gas contained in raw gas produced from a Production Source and delivered into the Pipeline System at a Receipt Point by or for the account of a Shipper on any day, the actual volume of sulphur gas contained in the Raw Gas Receipt Volume so delivered at the Receipt Point on any such day.

"Sulphur Gas Tolerance" means in respect of sulphur gas contained in raw gas delivered into the Pipeline System at one or more Receipt Points on any day for processing at a Processing Plant, the Sulphur Gas Tolerance determined by Westcoast for any such day in accordance with Section 25.04.

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"Supply Account" means an account established and maintained by Westcoast for a Supply Shipper in accordance with Section 6.21.

"Supply Shipper" means a Shipper which has one or more Upstream Balancing Accounts established and maintained for the Shipper in accordance with Section 6.05 and which has entered into a Service Agreement providing for Transportation Service in Zone 3 or Zone 4, either to or from Compressor Station No. 2.

"Swing Costs" means all costs reasonably incurred by Westcoast in connection with any arrangement under which:

- (a) Westcoast acquires gas to supplement its linepack gas;
- (b) the operator of the Storage Reservoir increases or decreases its gas receipts from the Pipeline System at Westcoast's request; or
- (c) a Shipper or a Receipt Point Operator increases or decreases its deliveries of gas into the Pipeline System at Westcoast's request.

"System Gas" means the volumes of gas required by Westcoast for fuel consumed in operations, line losses and unaccounted for gas.

"System Wide OFO" means an order issued by Westcoast to all Shippers pursuant to Sections 6.10 and 6.12.

"Temporary Firm Service" means the firm transportation of residue gas in Zone 3 pursuant to a Firm Service Agreement made with a Shipper pursuant to Section 2.08.

"Temporary In Path Relocation" means in respect of any Firm Transportation Service – Northern, the temporary relocation of the Receipt Point and/or Delivery Point for such service to another location in Zone 3 within the route of the currently contracted service.

"Temporary Out of Path Relocation" means in respect of any Firm Transportation Service – Northern, the temporary relocation of the Receipt Point and/or Delivery Point for such service to another location in Zone 3 outside the route of the currently contracted service.

"10<sup>3</sup>m<sup>3</sup>" means 1 000 cubic meters of gas.

"Term Extension" means in respect of a Permanent Out of Path Relocation of any Firm Transportation Service – Northern, the extension of the term of any such service for one or more whole years pursuant to an award made by Westcoast in accordance with Section 9.13(a).

"thermal equivalent" means in respect of any volume of residue gas, the energy content of that volume of gas determined on the basis of its total heating value.

"Timely Nomination Cycle" means the Nomination Cycle for any day in respect of which a Shipper is required to give a nomination to Westcoast on the immediately preceding day by the time specified for that Nomination Cycle in Section 4.10.

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"Toll Schedules" and "Westcoast's Toll Schedules for Service" mean Westcoast's Toll Schedules for Raw Gas Transmission Service, Treatment Service, Liquids Recovery Service, LPSF Service, Bundled Field Service, Fuel Gas Service, Transportation Service - Northern and Temporary Firm Service, Transportation Service - Southern and Short Term Firm Service, as filed with or otherwise approved by the National Energy Board and in effect from time to time.

"total heating value" means the number of joules produced by the combustion at a constant pressure of one cubic meter of gas, the gas to be at a temperature of 15°C and at an absolute pressure of 101.325 kilopascals, and to be free of all water vapour, with air at the same temperature and pressure as the gas and with the products of the combustion cooled to the initial temperature of the gas and air, and when the water formed by the combustion is condensed to the liquid state.

"Transmission Reliability Percentage" means in respect of each Firm Transportation Service - Northern, Firm Transportation Service - Southern, Temporary Firm Service and Short Term Firm Service provided pursuant to a Service Agreement:

- (a) for each day in the months of November to March, inclusive, 100 percent; and
- (b) for each day in the months of April to October, inclusive, and for each Zone 3 Corridor and for Zone 4, respectively, the percentage specified in the second column of the following table determined for each such month and for each such Zone 3 Corridor and for Zone 4, respectively, based upon the applicable Firm Contracted Capacity Percentage specified in the first column of the following table:

Firm Contracted Capacity Percentage	Transmission Reliability Percentage
100%	90%
99%	91%
98%	92%
97%	93%
96%	94%
95%	95%
94%	96%
93%	97%
92%	98%
91%	99%
90% or less	100%

"Transportation Services" means Transportation Service - Northern and Transportation Service - Southern, and "Transportation Service" means either one of those services.

"Transportation Service - Northern" means the transmission of residue gas in Zone 3, other than Temporary Firm Service and Short Term Firm Service.

"Transportation Service - Southern" means the transmission of residue gas in Zone 4, other than Short Term Firm Service.

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“Transportation System Gas Ratio” means in respect of gas transmitted through each of Zone 3 and Zone 4, the quantity of that gas, expressed as a percentage, which a Shipper is required to deliver to Westcoast as the allowance for System Gas for Zone 3 and Zone 4.

“Treatment Flow Capability” means in respect of each Fort Nelson Area Shipper, Fort St. John Area Shipper, Grizzly Valley Area Shipper, Sikanni Area Shipper and each Aitken Creek Area Shipper for each day in each month, (i) the arithmetic average of the five highest daily volumes of residue gas, acid gas and sulphur gas, respectively, produced from raw gas delivered by each such Shipper to Westcoast at Receipt Points in the Fort Nelson Area, Fort St. John Area, Grizzly Valley Area, Sikanni Area or the Aitken Creek Area, as determined by Westcoast prior to the first day of each such month based upon the actual daily allocations of residue gas, acid gas and sulphur gas made to each such Shipper during the most recent month for which actual allocations are available at the time Westcoast makes such determinations or (ii) such other daily aggregate volume of residue gas, acid gas and sulphur gas, respectively, for which any such Shipper has available supply at Receipt Points in the Fort Nelson Area, Fort St. John Area, Grizzly Valley Area, Sikanni Area or the Aitken Creek Area on any day in any such month.

“Treatment Service” means the production of residue gas by means of the processing of raw gas at any of the Processing Plants to remove carbon dioxide gas, sulphur gas and other impurities and, in the case of the Dawson Processing Plant, includes the recovery of liquid hydrocarbons at that Processing Plant.

“Uncontracted Residue Gas” means residue gas physically processed at the McMahon Processing Plant and residue gas physically delivered to Compressor Station No. 1 through the Alberta Mainline and the Boundary Lake Pipeline which has not been directed by the Shipper thereof to the Straddle Plant Operator at the Straddle Plant Delivery Point pursuant to Section 16.02(c).

“Upstream Balancing Account” means a balancing account established and maintained for a Shipper at the outlet of a Processing Plant or at a Receipt Point in Zone 3 or Zone 4 in accordance with Section 6.05.

“Upstream Delivery Point” means in respect of any Firm Service Agreement, a Delivery Point in Zone 4 outside the Huntingdon Delivery Area, other than Compressor Station No. 2, which is upstream of the Delivery Point in Zone 4 specified in the Firm Service Agreement and downstream of the Receipt Point in Zone 4 specified in the Firm Service Agreement.

“Upstream Diversion” means in respect of any Firm Transportation Service - Southern, the diversion of that Firm Service to an Upstream Delivery Point pursuant to Section 7.01(b).

“Upstream Supplier” means in respect of residue gas delivered into the Pipeline System at a Receipt Point by or for the account of a Shipper, the supplier of such residue gas to the Shipper.

“Upstream Suspense Account” means a suspense account established and maintained for a Shipper at the outlet of a Processing Plant or at a Receipt Point in Zone 3 or Zone 4 in accordance with Section 6.05.

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“Weighted Average Residue to Acid Gas Ratio” means in respect of acid gas contained in raw gas delivered into the Pipeline System at one or more Receipt Points by or for the account of a Shipper on any day for processing at a Processing Plant, the ratio, the numerator of which is the sum of the Shipper’s Receipt Volumes of residue gas allocated at the outlet of the Processing Plant and the denominator of which is the Shipper’s Aggregate Acid Gas Receipt Volume for acid gas contained in the raw gas delivered for processing at the Processing Plant on any such day.

“Weighted Average Residue to Raw Gas Ratio” means in respect of raw gas delivered into the Pipeline System at one or more Receipt Points by or for the account of a Shipper on any day for processing at a Processing Plant, the ratio, the numerator of which is the sum of the Shipper’s Receipt Volumes of residue gas allocated at the outlet of the Processing Plant on any such day and the denominator of which is the Shipper’s Aggregate Raw Gas Receipt Volume for raw gas delivered for processing at the Processing Plant on any such day.

“Weighted Average Residue to Sulphur Gas Ratio” means in respect of sulphur gas contained in raw gas delivered into the Pipeline System at one or more Receipt Points by or for the account of a Shipper on any day for processing at a Processing Plant, the ratio, the numerator of which is the sum of the Shipper’s Receipt Volumes of residue gas allocated at the outlet of the Processing Plant and the denominator of which is the Shipper’s Aggregate Sulphur Gas Receipt Volume for sulphur gas contained in the raw gas delivered for processing at the Processing Plant on any such day.

“Westcoast” means Westcoast Energy Inc., carrying on business as Spectra Energy Transmission.

“Westcoast’s Measurement Policies” means the Raw Gas Transmission Measurement Policy and the Residue Pipeline System Measurement Policy published by Westcoast in its Shipper Handbook, as amended from time to time.

“Westcoast’s Production Source Grouping Policy” means the Production Source Grouping Policy published by Westcoast in its Shipper Handbook, as amended from time to time.

“Zones” means Zone 1, Zone 1A, Zone 2, Zone 3 and Zone 4 and “Zone” means any one of those Zones.

“Zone 1” means the raw gas transmission pipelines included in the Fort Nelson RGT System, the Fort St. John RGT System and the Grizzly Valley RGT System, the Dawson RGT Pipeline and the Aitken Creek RGT Pipeline.

“Zone 1A” means the Fuel Gas Pipelines.

“Zone 2” means the Processing Plants.

“Zone 3” means the Fort Nelson Mainline, the Fort St. John Mainline, the Pine River Mainline, the Alberta Mainline and the Boundary Lake Pipeline.

“Zone 3 Corridor” means, for the purpose of determining Transmission Reliability Percentages, each of the following sections of the residue gas transmission pipelines in Zone 3:

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- (a) the Fort Nelson Mainline;
- (b) the Fort St. John Mainline;
- (c) the Boundary Lake Pipeline;
- (d) the Alberta Mainline in respect of gas to be delivered to the NOVA/Gordondale Interconnection;
- (e) the Alberta Mainline in respect of gas to be delivered to Compressor Station No. 1; and
- (f) the Pine River Mainline.

"Zone 4" means the residue gas transmission pipelines owned by Westcoast and extending from Compressor Station No. 2 to the Export Delivery Area.

1.02 Interpretation. In Service Agreements and these General Terms and Conditions:

- (a) words importing the singular include the plural and vice versa, and words importing the masculine gender include the feminine gender and vice versa;
- (b) the insertion of headings and the provision of an index are for convenience of reference only and do not affect the construction or interpretation of Service Agreements and these General Terms and Conditions;
- (c) any reference to a corporate entity includes and is also a reference to any corporate entity that is a successor to such entity;
- (d) any word, phrase or expression which is not defined in a Service Agreement or in these General Terms and Conditions and that has a generally accepted meaning in the custom and usage of the natural gas industry in western Canada shall have that meaning in a Service Agreement and these General Terms and Conditions; and
- (e) any reference in a Service Agreement and these General Terms and Conditions to the delivery of residue gas by a Shipper into the Pipeline System at a Receipt Point includes the delivery of such gas by displacement.

1.03 Governing Laws. Service Agreements and these General Terms and Conditions and all matters arising therein and therefrom, shall be governed by and construed in accordance with the laws of the Province of British Columbia and the laws of Canada applicable therein, and shall be treated in all respects as contracts made, entered into and to be wholly performed within the Province of British Columbia by parties domiciled and resident therein.

1.04 Service Through Alternate Facilities. If a Service Agreement provides for RGT Service through the Fort St. John RGT System to the McMahon Processing Plant, Treatment Service or Bundled Field Service at the McMahon Processing Plant or Transportation Service - Northern from a Receipt Point in Zone 3 at the outlet of the McMahon Processing Plant, Westcoast may, notwithstanding the provisions of the Service Agreement, provide such

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service or services to the Shipper through alternate facilities and, in those cases where Westcoast provides such service or services through alternate facilities, the Shipper shall not be entitled by means of a nomination given in accordance with Article 4, to direct Westcoast to deliver the gas, in respect of which such service or services are provided through alternate facilities, to the Straddle Plant Operator at the Straddle Plant Delivery Point.



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**ARTICLE 10  
STATEMENTS, PAYMENTS, AUDITS AND SECURITY FOR PAYMENT**

- 10.01 Statements, Deliveries at Receipt Points. On or before the 15th day of each month, each Shipper shall deliver to Westcoast, or shall cause the Receipt Point Operator for the Receipt Point at which gas is delivered into the Pipeline System for the account of the Shipper pursuant to a Service Agreement to deliver to Westcoast, a statement for the immediately preceding month setting out:
- (a) the actual volume of raw gas and of Hydrocarbon Liquids produced from each Production Source and delivered into the Pipeline System at the Receipt Point for the account of the Shipper on each day in the immediately preceding month; and
  - (b) the actual quantity of residue gas in gigajoules supplied by each Upstream Supplier and delivered into the Pipeline System at the Receipt Point for the account of the Shipper on each day in the immediately preceding month.
- 10.02 Statements, Deliveries at Delivery Points. On or before the 15th day of each month, Westcoast shall deliver to the Shipper a statement for the immediately preceding month setting out the volumes of residue gas delivered by Westcoast to or for the account of the Shipper at a Delivery Point pursuant to a Service Agreement on each day in such immediately preceding month.
- 10.03 Statements, Residue Gas Equivalents. On or before the 15th day of each month, Westcoast shall deliver to each Shipper a statement for the second month immediately preceding the month in which the statement is delivered setting out the residue gas equivalent of the volume of raw gas produced from a Production Source and delivered into the Pipeline System under a Service Agreement on each day in such preceding month at each Receipt Point in respect of which the Shipper is required to deliver a statement to Westcoast in accordance with Section 10.01.
- 10.04 Invoices. On or before the 20th day of each month, Westcoast shall deliver to each Shipper an invoice specifying the amount payable by the Shipper pursuant to a Service Agreement, which amount shall include:
- (a) the amount of the tolls, including the taxes on fuel gas consumed in operations, payable by the Shipper for the service provided during the immediately preceding month, determined in accordance with the Toll Schedules;
  - (b) the amount of the toll adjustments and differentials, including differentials in the taxes on fuel gas consumed in operations, payable by the Shipper in respect of upstream and downstream diversions made during the immediately preceding month, determined in accordance with Sections 7.02 and 7.03;
  - (c) the amount of any toll differential or tolls payable by the Shipper in respect of inventory transfers made during the immediately preceding month, determined in accordance with Section 6.20 and the Toll Schedules;

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- (d) the amount of any charges payable by the Shipper following the termination of a Service Agreement, determined in accordance with Section 6.16 or Section 6.27;
- (e) the amount of any Swing Costs payable by the Shipper, determined in accordance with Section 6.15;
- (f) the amount of any credits to which the Shipper is entitled, determined pursuant to Article 8;
- (g) the amount of any overdelivery charges payable by the Shipper, determined in accordance with Sections 23.11 to 23.13;
- (h) the amount of any credit to which the Shipper is entitled in respect of overdelivery charges, determined in accordance with Section 23.14; and
- (i) the amount of any overproduction charges payable by the Shipper, determined in accordance with Sections 25.05 and 25.10.

Where actual volumes of raw gas or Hydrocarbon Liquids or actual quantities of residue gas are not available, the amounts payable by a Shipper may be determined by Westcoast based upon the best estimates of such volumes or quantities as are available to Westcoast, and shall be adjusted in the invoice delivered for a subsequent month, when actual volumes or quantities become available.

10.05 Payments. All payments to Westcoast under a Service Agreement shall be made in Canadian funds to Westcoast at its head office in Vancouver, British Columbia, or at such other place in Canada as it shall designate, on or before the later of (i) the 25th day of the month, and (ii) the fifth Business Day following receipt by a Shipper of an invoice referred to in Section 10.04. If a Shipper fails to make each such payment, or any portion thereof, to Westcoast when due, interest thereon shall accrue at the rate of interest which is equal to the rate of interest declared from time to time by the chartered bank in Canada used by Westcoast as the rate of interest charged by such bank to its most credit worthy commercial borrowers for loans in Canadian dollars payable on demand and commonly referred to as its "prime rate", plus:

- (a) 2% from the day when such payment was due for the first 30 days that such payment remains unpaid and 5% thereafter until the same is paid where the Shipper has not during the immediately preceding six month period failed to make any payment when due under the Service Agreement; or
- (b) 5% from the day when such payment was due until the same is paid where the Shipper has during the immediately preceding six month period failed to make any payment when due under the Service Agreement.

If the Shipper fails to pay the full amount of any invoice when payment is due, Westcoast may, upon giving the Shipper two Business Days prior written notice, suspend any and all service being or to be provided to the Shipper pursuant to the Service Agreement. If, at any time during such period of suspension, the Shipper pays the full amount payable to Westcoast, Westcoast will within two Business Days recommence the provision of such suspended service. If the failure by the Shipper to pay continues for a period of four

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Business Days from the day on which service was suspended, Westcoast may, in addition to any other remedy that may be available to it, upon giving two Business Days prior written notice to the Shipper, terminate the Service Agreement. Notwithstanding either of the suspension of service or termination of the Service Agreement pursuant to this Section, the Shipper shall continue to be liable to Westcoast for the payment of all tolls, charges and other amounts accruing, and for the performance of all obligations arising, under the Service Agreement for the remainder of its term which payments of all tolls, charges and other amounts accruing for what would have been the remainder of the term shall become due and payable in full immediately upon termination of the Service Agreement.

- 10.06 Errors in Statements and Invoices. If any error is discovered in a statement or invoice delivered in accordance with this Article, such error for allocations shall be adjusted according to the then current plant allocation rerun schedule posted on Westcoast's electronic bulletin board and for other errors it shall be adjusted within 60 days from the date of discovery of such errors, provided, however, that there will be no adjustments made for any error discovered more than 13 months after receipt of the applicable statement or invoice or for any error which the Shipper and Westcoast agree is not material.
- 10.07 Audits. Each of a Shipper and Westcoast shall have the right at reasonable times to examine the books, records and charts of the other party to the extent necessary to verify the accuracy of any statement, invoice, charge or computation made under or pursuant to any of the provisions of the Toll Schedules and these General Terms and Conditions.
- 10.08 Security for Payment. In order to secure the prompt and orderly payment of the amounts to be paid by a Shipper to Westcoast pursuant to a Service Agreement, Westcoast may, at any time and from time to time prior to or during the term of the Service Agreement, require the Shipper to provide, and at all times maintain, an irrevocable letter of credit in favour of Westcoast, in a form and substance satisfactory to Westcoast and issued by a financial institution acceptable to Westcoast, in an amount equal to the maximum amount payable by the Shipper under the Service Agreement for 70 days of service. Where Westcoast requires a Shipper to provide a letter of credit and the Shipper is able to provide a guarantee or other security in a form and substance acceptable to Westcoast, Westcoast will accept such guarantee or other security in lieu of a letter of credit. Westcoast may withhold the provision of new service under a Service Agreement until Westcoast has received security for payment in accordance with this section.
- 10.09 Failure to Provide Security for Payment. If a Shipper fails to provide security for payment in accordance with Section 10.08 within four Business Days of Westcoast's request therefor, Westcoast may, upon giving the Shipper two Business Days prior written notice, immediately suspend any and all service being or to be provided to the Shipper pursuant to the Service Agreement. If, at any time during such period of suspension, the Shipper provides Westcoast with the security for payment required in accordance with Section 10.08, Westcoast will within two Business Days commence or recommence the provision of such suspended service. If the failure by the Shipper to provide security for payment continues for a period of two Business Days from the day on which such service was suspended, Westcoast may, in addition to any other remedy that may be available to it, upon giving two Business Days prior written notice to the Shipper, terminate the Service Agreement. Notwithstanding either of the suspension of service or termination of the Service Agreement pursuant to this Section, the Shipper shall continue to be liable to Westcoast for the payment of all tolls, charges and other amounts accruing, and for the performance of all obligations arising, under the Service

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Agreement for the remainder of its term which payments of all tolls, charges and other amounts accruing for what would have been the remainder of the term shall become due and payable in full immediately upon termination of the Service Agreement.

- 10.10 Term of a Letter of Credit. Where Westcoast requires a Shipper to provide and maintain a letter of credit pursuant to Section 10.08, such letter of credit, or any replacement thereof, must have a term which ends no earlier than two months after the last month in the term of the Service Agreement between the Shipper and Westcoast.
- 10.11 Draw on a Letter of Credit. Westcoast may in any month draw on a letter of credit provided by a Shipper in accordance with Section 10.08, in an amount necessary to satisfy the amount due under an invoice when the Shipper has not paid such amount within the time and in the manner provided for in Section 10.05.
- 10.12 Survival. Notwithstanding the termination of a Service Agreement, the provisions of Sections 6.16 and 6.27, Sections 10.01 to 10.07, Section 10.09 and Section 10.11 shall survive the termination of the Service Agreement, and the Shipper and Westcoast shall, as soon as reasonably possible, settle all outstanding obligations and payments which have accrued under the Service Agreement up to and including the day upon which the Service Agreement terminated.

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**ARTICLE 12  
GAS AND HYDROCARBON LIQUIDS QUALITY**

- 12.01 Obligation of Westcoast. Westcoast shall not be obligated to take delivery from or for the account of a Shipper at a Receipt Point of any raw gas, residue gas or Hydrocarbon Liquids which do not comply with the applicable quality specifications set out in this Article.
- 12.02 Raw Gas, McMahon Processing Plant and the Aitken Creek Processing Plant. Raw gas delivered to Westcoast at a Receipt Point for processing at the McMahon Processing Plant or the Aitken Creek Processing Plant shall:
- (a) be free of sand, gum, dust, oils and other impurities or objectionable substances which may, in the judgement of Westcoast, adversely affect the delivery to or subsequent handling thereof by Westcoast;
  - (b) not contain water vapour in excess of 65 milligrams per cubic meter, as determined by dewpoint apparatus approved by the Bureau of Mines of the United States, but in no case need the raw gas be dehydrated to a water vapour dewpoint of less than minus 12°C at the delivery pressure;
  - (c) be free of water in liquid form;
  - (d) have a temperature not exceeding 54°C;
  - (e) be as free of oxygen as the Shipper, by making every reasonable effort (which the Shipper undertakes to do), is able to make it, but in any event not contain more than one percent by volume of oxygen; and
  - (f) after removal of hydrogen sulphide and carbon dioxide, have a total heating value of not less than 36.00 megajoules per cubic meter.
- 12.03 Raw Gas, Fort Nelson Area and the Pine River Processing Plant. Raw gas delivered to Westcoast at a Receipt Point for processing at the Fort Nelson Processing Plant, the Fort Nelson North Processing Plant or the Pine River Processing Plant shall:
- (a) be free of sand, gum, dust, oils and other impurities or objectionable substances which may, in the judgement of Westcoast, adversely affect the delivery to or subsequent handling thereof by Westcoast;
  - (b) not have a water vapour dewpoint in excess of minus 10°C, as determined by dewpoint apparatus approved by the Bureau of Mines of the United States;
  - (c) be free of water in liquid form;
  - (d) not contain hydrocarbons in liquid form and not have a hydrocarbon dewpoint in excess of minus 9°C at a pressure of 5 516 kilopascals gauge, except where otherwise specified in a Service Agreement;

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- (e) have a temperature not exceeding 54°C or, in the case of raw gas delivered to Westcoast at Receipt Point No. 8786 (Louise, c-74-J), have a temperature not exceeding 15.6°C;
- (f) be as free of oxygen as the Shipper, by making every reasonable effort (which the Shipper undertakes to do), is able to make it, but in any event not contain more than one percent by volume of oxygen;
- (g) in the case of raw gas delivered to Westcoast at Receipt Point No. 8786 (Louise, c-74-J), not contain more than 100 parts per million of gaseous hydrogen sulphide; and
- (h) after removal of hydrogen sulphide and carbon dioxide, have a total heating value of not less than 36.00 megajoules per cubic meter.

12.04 Raw Gas, Sikanni Processing Plant. Raw gas delivered to Westcoast at a Receipt Point for processing at the Sikanni Processing Plant shall:

- (a) be free of sand, gum, dust, oils and other impurities or objectionable substances which may, in the judgement of Westcoast, adversely affect the delivery to or subsequent handling thereof by Westcoast;
- (b) on a steady state two phase flow basis, not contain more water than would result in the removal of more than 15 litres of water per 10<sup>3</sup>m<sup>3</sup> of raw gas at the plant inlet, averaged over a 24 hour period;
- (c) contain less than 250 parts per million of gaseous hydrogen sulphide and less than 7,000 parts per million of total acid gas;
- (d) be as free of oxygen as the Shipper, by making every reasonable effort (which the Shipper undertakes to do), is able to make it, but in any event not contain more than one percent by volume of oxygen; and
- (e) after removal of hydrogen sulphide and carbon dioxide, have a total heating value of not less than 36.00 megajoules per cubic meter.

12.05 Raw Gas, Dawson Processing Plant. Raw gas delivered to Westcoast at a Receipt Point for processing at the Dawson Processing Plant shall:

- (a) be free of sand, gum, dust, oils and other impurities or objectionable substances which may, in the judgment of Westcoast, adversely affect the delivery to or the subsequent handling thereof by Westcoast;
- (b) not contain water vapour in excess of 65 milligrams per cubic meter, as determined by dewpoint apparatus approved by the Bureau of Mines of the United States;
- (c) be free of water in liquid form;
- (d) have a temperature not exceeding 49°C;

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- (e) not contain more than 2000 parts per million of gaseous hydrogen sulphide;
- (f) not contain more than 2.0 percent by volume of carbon dioxide;
- (g) not contain Hydrocarbon Liquids in excess of 0.1010623 m<sup>3</sup> per 10<sup>3</sup>m<sup>3</sup> (18.0 bbls/MMcf), as measured at the inlet of the Dawson Processing Plant;
- (h) be as free of oxygen as the Shipper, by making every reasonable effort (which the Shipper undertakes to do), is able to make it, but in any event not contain more than one percent by volume of oxygen; and
- (i) after removal of hydrogen sulphide and carbon dioxide, have a total heating value of not less than 36.00 megajoules per cubic meter.

12.06 Hydrocarbon Liquids. Hydrocarbon Liquids delivered into the Pipeline System at a Receipt Point with raw gas which is to be processed at the McMahon Processing Plant, the Fort Nelson Processing Plant, the Dawson Processing Plant or the Aitken Creek Processing Plant shall:

- (a) be free of sand, gum, dust and other impurities or objectionable substances which may, in the judgment of Westcoast, adversely affect the delivery to or the subsequent transportation and handling thereof by Westcoast; and
- (b) not contain any free water or emulsified water, unless the Receipt Point is deemed by Westcoast to be a low liquid volume site, in which case shall not and in no event contain more than 0.5% water content by volume.

12.07 Residue Gas at Receipt Points. Residue gas delivered to Westcoast by or for the account of a Shipper at a Receipt Point shall:

- (a) not contain sand, dust, gums, oils and other impurities or other objectionable substances in such quantities as may be injurious to pipelines or may interfere with the transmission or commercial utilization of the gas;
- (b) not contain more than six milligrams per cubic meter of hydrogen sulphide;
- (c) not contain water in the liquid phase and not contain more than 65 milligrams per cubic meter of water vapour;
- (d) be free of hydrocarbons in liquid form and not have a hydrocarbon dewpoint in excess of minus 9°C at the delivery pressure;
- (e) not contain more than 23 milligrams per cubic meter of total sulphur;
- (f) not contain more than two percent by volume of carbon dioxide;
- (g) be as free of oxygen as Shipper can keep it through the exercise of all reasonable precautions and shall not in any event contain more than 0.4 percent by volume of oxygen;

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- (h) have a temperature not exceeding 54°C; and
- (i) have a total heating value of not less than 36.00 megajoules per cubic meter.

12.08 Residue Gas at Delivery Points, Zones 1A, 3 and 4. Residue gas delivered by Westcoast to or for the account of a Shipper at a Delivery Point in Zones 1A, 3 and 4 at which the Pipeline System interconnects with the pipeline facilities of a Receiving Party shall:

- (a) not contain sand, dust, gums, oils and other impurities or other objectionable substances in such quantities as may be injurious to pipelines or may interfere with the transmission or commercial utilization of the gas;
- (b) not contain more than six milligrams per cubic meter of hydrogen sulphide;
- (c) be free of water and hydrocarbons in liquid form and not contain more than 65 milligrams per cubic meter of water vapour;
- (d) not contain more than 115 milligrams per cubic meter of total sulphur;
- (e) not contain more than two percent by volume of carbon dioxide;
- (f) be as free of oxygen as Westcoast can keep it through the exercise of all reasonable precautions, and shall not in any event contain more than 0.2 percent by volume of oxygen;
- (g) have a temperature not exceeding 54°C; and
- (h) have a total heating value of not less than 36.00 megajoules per cubic meter.

12.09 Residue Gas at Certain NOVA Delivery Points. Residue gas delivered by Westcoast to or for the account of a Shipper at the NOVA/Tremblay Delivery Point and the NOVA/Komie East Delivery Point shall:

- (a) not contain sand, dust, gums, oils and other impurities or other objectionable substances which could be harmful to the interconnecting pipeline;
- (b) not have a hydrocarbon dewpoint in excess of minus 10°C at the operating pressure at the Delivery Point;
- (c) not contain more than 23 milligrams per cubic meter of hydrogen sulphide;
- (d) not contain more than 115 milligrams per cubic meter of total sulphur;
- (e) not contain more than two percent by volume of carbon dioxide;
- (f) not contain more than 65 milligrams per cubic meter of water vapour;
- (g) not have a water dewpoint in excess of minus 10°C at operating pressures greater than 8 275 kilopascals gauge;



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**GENERAL TERMS AND CONDITIONS - SERVICE**

- (h) be as free of oxygen as practicable, and shall not in any event contain more than 0.4 percent by volume of oxygen;
- (i) have a temperature not exceeding 49°C; and
- (j) have a total heating value of not less than 36.00 megajoules per cubic meter.

12.10 Refusal of Delivery by Shipper. If residue gas delivered by Westcoast to or for the account of a Shipper at a Delivery Point fails to conform with the applicable specifications set forth in this Article, Shipper may, without prejudice to any other right it has, refuse to take delivery of such residue gas in which case:

- (a) Shipper shall give notice of such refusal to Westcoast setting forth the reasons therefor; and
- (b) Shipper shall accept deliveries of gas when the failure to conform has been remedied by Westcoast and notice to that effect has been given by Westcoast to Shipper.

**WESTCOAST ENERGY INC.  
carrying on business as  
Spectra Energy Transmission**

**TARIFF SUPPLEMENT**

**POST INTRA-DAY 2 NOMINATIONS**

**DEFINITIONS**

1. In this Tariff Supplement:

- (a) "Aitken Creek Delivery Point" means the point where the Aitken Creek Pipeline connects with the facilities of the Storage Reservoir at Westcoast's Meter Station No. 36;
- (b) "Kingsvale Delivery Point" means the point where the Pipeline System connects with the pipeline facilities of ~~Terasen Gas Inc.~~ FortisBC Energy Inc. at Westcoast's Meter Station No. 31, near Kingsvale, British Columbia;
- (c) "Qualified Delivery Point" means:
  - (i) each of the Delivery Points located within the Huntingdon Delivery Area;
  - (ii) the Kingsvale Delivery Point;
  - (iii) the Nova/Gordondale Interconnection; and
  - (iv) the Aitken Creek Delivery Point; and
- (d) "Qualified Receiving Party" means the Receiving Party for a Qualified Delivery Point;

All other terms used in this Tariff Supplement have the same meaning as set forth in the General Terms and Conditions.

**MODIFICATION OF GENERAL TERMS AND CONDITIONS**

- 2. This Tariff Supplement modifies the General Terms and Conditions, and the General Terms and Conditions shall be subject to and read together with this Tariff Supplement.

**EFFECTIVE PERIOD**

- 3. This Tariff Supplement shall be effective for the period commencing at the beginning of the day on September 1, 2009.
- 4. This Tariff Supplement supercedes and replaces in its entirety, effective at the beginning of the period specified in Section 3, the Tariff Supplement entitled "Post Intra-Day 2 Nomination Changes (Late Day Nomination Pilot)" which has an effective date of August 1, 2008.

**PURPOSE**

- 5. The purpose of this Tariff Supplement is to permit a Qualified Receiving Party to make a request, after the time at which authorizations for service are given in the Intra-Day 2 Nomination Cycle, to

Effective Date: ~~October 1, 2014~~ June 1, 2015

change the Authorized Volume of gas to be delivered to the Qualified Receiving Party for the account of a Shipper at a Qualified Delivery Point, for the purpose of more accurately matching the Authorized Volume to the physical deliveries of gas being made to the Qualified Receiving Party for the account of the Shipper at the Qualified Delivery Point.

#### **REQUEST FOR CHANGE IN AUTHORIZED VOLUME**

6. If a Qualified Receiving Party wishes to change the Authorized Volume of gas to be delivered to the Qualified Receiving Party for the account of a Shipper at a Qualified Delivery Point, the Qualified Receiving Party may, at any time during the day following the authorization of service in the Intra-Day 2 Nomination Cycle, make a request for an increase or decrease in the Authorized Volume of gas to Westcoast Gas Control.

#### **APPROVAL OF CHANGE IN AUTHORIZED VOLUME**

7. Westcoast Gas Control will assess each request made by a Qualified Receiving Party for a change in the Authorized Volume of gas to be delivered to a Qualified Delivery Point for the account of a Shipper on a first come, first served basis. Subject to the satisfaction of the conditions set out in Section 8 and subject to an assessment by Westcoast Gas Control of the available capacity and operating conditions on the Pipeline System and the elapsed flows of gas which have occurred up to the time at which a request for a change in the Authorized Volume is made by a Qualified Receiving Party, Westcoast Gas Control may approve the change in the Authorized Volume requested by the Qualified Receiving Party. Any approval given by Westcoast Gas Control for a change in the Authorized Volume is subject to confirmation and adjustment by Westcoast Gas Scheduling in accordance with Sections 10, 11 and 12.
8. Westcoast Gas Control will not approve a request made by a Qualified Receiving Party for a change in the Authorized Volume of gas to be delivered to the Qualified Receiving Party for the account of a Shipper at a Qualified Delivery Point unless the following conditions are satisfied with respect to the request:
  - (a) in the case of an increase in the Authorized Volume requested by a Qualified Receiving Party, such increase is to be offset in its entirety and on the same day by either (i) a decrease in the Authorized Volume of gas to be delivered by Westcoast for the account of a Shipper to the Qualified Receiving Party at another Qualified Delivery Point, or (ii) an increase in the Authorized Receipt Volume of gas to be delivered to Westcoast for the account of a Shipper by the Qualified Receiving Party at another Qualified Delivery Point;
  - (b) in the case of a decrease in the Authorized Volume requested by a Qualified Receiving Party, such decrease is to be offset in its entirety and on the same day by either (i) an increase in the Authorized Volume of gas to be delivered by Westcoast for the account of a Shipper to the Qualified Receiving Party at another Qualified Delivery Point, or (ii) a decrease in the Authorized Receipt Volume of gas to be delivered to Westcoast for the account of a Shipper by the Qualified Receiving Party at another Qualified Delivery Point;
  - (c) Westcoast Gas Control has received confirmation from the Qualified Receiving Party for each of the Qualified Delivery Points at which a change in the Authorized Volume or the Authorized Receipt Volume of gas is to be made, that it will take delivery of gas from, or deliver gas to, Westcoast, as the case may be, in conformity with the Authorized Volume or Authorized Receipt Volume as so changed; and
  - (d) Westcoast Gas Control has determined that approval of the change in the Authorized Volume requested by the Qualified Receiving Party will not adversely affect any service

previously authorized for any other Shipper pursuant to Section 4.09 of the General Terms and Conditions.

#### **CONFIRMATION AND ADJUSTMENT OF THE AUTHORIZED VOLUME**

9. In addition to making a request to Westcoast Gas Control in accordance with Section 6, the Qualified Receiving Party shall also post a nomination to Westcoast's Late Day Nomination Maintenance screen specifying:
- (a) the Service Entitlement Identifier for the relevant service and the Authorized Volume in respect of which the request was submitted by the Qualified Receiving Party in accordance with Section 6; and
  - (b) the Service Entitlement Identifier for the relevant service and the Authorized Volume or Authorized Receipt Volume for the changed deliveries or receipts at any other Qualified Delivery Point which result from the request made in accordance with Section 6.

The provisions of Sections 20.02 and 20.03 of the General Terms and Conditions shall apply to a nomination given by a Qualifying Receiving Party pursuant to this Section 9 as if it were a nomination given by a Shipper pursuant to Section 4.05 of the General Terms and Conditions.

10. Notwithstanding any approval previously given by Westcoast Gas Control in accordance with Section 7, Westcoast Gas Scheduling may reject the nomination posted by the Qualified Receiving Party for a change in the Authorized Volume if:
- (a) all required confirmations by Qualified Receiving Parties have not been received by Westcoast in accordance with Section 8(c); or
  - (b) the change requested in the Authorized Volume would adversely affect the service previously authorized for another Shipper pursuant to Section 4.09 of the General Terms and Conditions.
11. Notwithstanding any approval previously given by Westcoast Gas Control, Westcoast Gas Scheduling may reject the nomination posted by the Qualified Receiving Party for a change in the Authorized Volume and require the Qualified Receiving Party to post an adjusted nomination to Westcoast's Late Day Nomination Maintenance screen if:
- (a) the Authorized Volume previously approved by Westcoast Gas Control exceeds the relevant service contracted by the Shipper;
  - (b) the Authorized Volume previously approved by Westcoast Gas Control is not offset in its entirety and on the same day by a change in the Authorized Volume or Authorized Receipt Volume to be delivered to, or received by, Westcoast at another Qualifying Delivery Point; or
  - (c) the Authorized Volume so requested is less than the Elapsed Prorata Volume.

If the Qualified Receiving Party fails to post an adjusted nomination required by Westcoast Gas Scheduling in accordance with this Section 11, the Qualified Receiving Party shall be deemed conclusively for all purposes of this Tariff Supplement to have withdrawn the nomination previously posted in accordance with Section 9.

12. If Westcoast Gas Scheduling confirms the change in the Authorized Volume initially approved by Westcoast Gas Control pursuant to Section 7, either with or without any adjustment made in

accordance with Section 11, Westcoast will adjust the volume of gas delivered to the Qualified Receiving Party for the account of the Shipper to reflect any change in the requirement for System Gas resulting from the change in the Authorized Volume confirmed by Westcoast Gas Scheduling.

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**TARIFF SUPPLEMENT**

**ENHANCED T-SOUTH SERVICE**

**DEFINITIONS**

1. In this Tariff Supplement:

- (a) "Enhanced T-South Service" means Transportation Service – Southern provided pursuant to Service Agreement under which gas is to be delivered to the Huntingdon Delivery Area and, subject to the fulfillment of the conditions specified in the Service Agreement, to the Kingsgate Export Point;
- (b) "East Kootenay Exchange" means the point where the ~~Terasen Gas~~FortisBC Facilities connect with the Foothills System near Yahk, British Columbia;
- (c) "Foothills" means Foothills Pipe Lines (South BC) Ltd. and its successors and assigns;
- (d) "Foothills Fuel Gas" means gas consumed by Foothills as fuel in the operation of the Foothills System;
- (e) "Foothills System" means the gas transmission pipeline facilities owned and operated by Foothills and extending between the East Kootenay Exchange and the Kingsgate Export Point;
- ~~(f)~~ "FortisBC" means FortisBC Energy Inc. and its successors and assigns;
- ~~(g)~~ "Fortis Fuel Gas" means gas consumed by FortisBC as fuel in the operation of the FortisBC Facilities;
- ~~(h)~~ "FortisBC Facilities" means the gas transmission pipeline facilities, including the Southern Crossing Pipeline, owned and operated by FortisBC and extending between the Kingsvale Delivery Point and the East Kootenay Exchange;
- ~~(i)~~ "Fortis Transportation Service Agreement" means the Firm Transportation Service Agreement dated March 12, 2010 between FortisBC and Westcoast under which FortisBC has agreed to provide Westcoast with firm gas transportation service through the FortisBC Facilities and the Foothills System from the Kingsvale Delivery Point to the Kingsgate Export Point;
- ~~(f)(j)~~ "Kingsgate Export Point" means the point on the international boundary between Canada and the United States of America near Kingsgate, British Columbia, where the Foothills System connects with the pipeline facilities owned and operated by Gas Transmission Northwest Corporation;
- ~~(g)(k)~~ "Kingsvale Delivery Point" means the point where the Pipeline System connects with the ~~Terasen Gas~~FortisBC Facilities at Westcoast's Meter Station No. 31 near Kingsvale, British Columbia;

- ~~(h)(l)~~ "Shipper" means a person who has entered into a Service Agreement with Westcoast providing for Enhanced T-South Service; and
- ~~(i)~~ "~~Terasen Gas~~" means ~~Terasen Gas Inc. and its successors and assigns;~~
- ~~(j)~~ "~~Terasen Fuel Gas~~" means ~~gas consumed by Terasen Gas as fuel in the operation of the Terasen Gas Facilities;~~
- ~~(k)~~ "~~Terasen Gas Facilities~~" means ~~the gas transmission pipeline facilities, including the Southern Crossing Pipeline, owned and operated by Terasen Gas and extending between the Kingsvale Delivery Point and the East Kootenay Exchange;~~
- ~~(l)~~ "~~Terasen Transportation Service Agreement~~" means ~~the Firm Transportation Service Agreement dated March 12, 2010 between Terasen Gas and Westcoast under which Terasen Gas has agreed to provide Westcoast with firm gas transportation service through the Terasen Gas Facilities and the Foothills System from the Kingsvale Delivery Point to the Kingsgate Export Point; and~~
- (m) "T-South Toll Schedule" means Westcoast's Toll Schedule for Transportation Service - Southern.

All other terms used in this Tariff Supplement have the same meaning as set forth in the General Terms and Conditions.

## **MODIFICATION OF THE GENERAL TERMS AND CONDITIONS AND THE T-SOUTH TOLL SCHEDULE**

2. This Tariff Supplement modifies the General Terms and Conditions and the T-South Toll Schedule in respect of Enhanced T-South Service provided pursuant to a Service Agreement and the General Terms and Conditions and the T-South Toll Schedule shall be subject to and read together with this Tariff Supplement.

## **APPLICATION**

3. This Tariff Supplement applies to all Enhanced T-South Service provided by Westcoast to a Shipper pursuant to a Service Agreement during the period commencing at the beginning of the day on May 1, 2010.

## **RENEWAL RIGHTS**

4. A Firm Service Agreement providing for Enhanced T-South Service for an initial term of not less than two years may be renewed by the Shipper in accordance with Section 2.06 of the General Terms and Conditions, but such renewal shall only be for Firm Transportation Service – Southern to a Delivery Point in the Huntingdon Delivery Area for that part of the term of the renewal after the end of the day commencing on October 31, 2016.

## **LIMITATION ON AOS AND INTERRUPTIBLE SERVICE**

5. Notwithstanding any provision of the General Terms and Conditions, the T-South Toll Schedule or any Service Agreement providing for Enhanced T-South Service, Authorized Overrun Service and Interruptible Service on any day to the Kingsgate Export Point shall be limited to a volume of gas for all Shippers not exceeding the Contract Quantity specified in the FortisTerasen Transportation Service Agreement less the volume of gas authorized by Westcoast for each such day for Firm Service to the Kingsgate Export Point.

## DIVERSIONS

6. Section 7.01(c) respecting diversions to a Downstream Delivery Point shall not apply to a Service Agreement providing for Enhanced T-South Service.

## SYSTEM GAS

7. Notwithstanding any provision of the General Terms and Conditions and the T-South Toll Schedule, the term "System Gas" has the following meaning with respect to gas to be delivered to the Kingsgate Export Point pursuant to Service Agreement providing for Enhanced T-South Service:

"System Gas" means the volumes of gas required by Westcoast for fuel consumed in operations, line losses and unaccounted for gas in Zone 4 of the Pipeline System, for ~~FortisTerasen~~ Fuel Gas and for Foothills Fuel Gas.

The Transportation System Gas Ratio in respect of gas to be delivered for the account of a Shipper to the Kingsgate Export Point shall include an allowance for both ~~FortisTerasen~~ Fuel Gas and Foothills Fuel Gas.

## CONTRACT DEMAND CREDITS

8. For the purpose of determining Contract Demand Credits in respect of Enhanced T-South Service in accordance with Section 8.03 of the General Terms and Conditions, the Daily Demand Toll for any firm Enhanced T-South Service shall be the Daily Equivalent of the applicable Demand Toll for Firm Transportation Service – Southern to the Inland Delivery Area, as specified in Appendix A to the T-South Toll Schedule.

## TOLLS

9. In addition to the Demand Tolls and Commodity Tolls, including the amount of tax on fuel gas consumed in operation of the Pipeline System, specified in the T-South Toll Schedule, a Shipper shall also pay to Westcoast in respect of Firm Service, Authorized Overrun Service and Interruptible Service provided by Westcoast on each day in a month to the Kingsgate Export Point an additional amount equal to the sum of:
  - (a) the amount of tax on ~~FortisTerasen~~ Fuel Gas payable by ~~FortisBC Terasen Gas~~ under the *Motor Fuel Tax Act* (British Columbia) and the *Carbon Tax Act* (British Columbia) which is allocated to the Shipper by Westcoast for each day in the month; and
  - (b) the amount of tax on Foothills Fuel Gas payable by Foothills under the *Motor Fuel Tax Act* (British Columbia) and the *Carbon Tax Act* (British Columbia) which is allocated to the Shipper by Westcoast for each day in the month.

## MONTHLY BILL – AOS AND INTERRUPTIBLE TRANSPORTATION

10. For the purposes of determining the Commodity Tolls payable by a Shipper for AOS and Interruptible Transportation Service – Southern in accordance with Section 5 of the T-South Toll Schedule, Firm Transportation Service – Southern provided to a Shipper pursuant to a Firm Service Agreement providing for Enhanced T-South Service shall be deemed to be Firm Transportation Service – Southern to a Delivery Point within the Huntingdon Delivery Area.