

Spectra Energy Transmission
BC Pipeline and Field Services Divisions
Fifth Avenue Place, East Tower
Suite 2600, 425 - 1st Street S.W.
Calgary, Alberta T2P 3L8

Darren Christie
Director, Regulatory Affairs
403-699-1751 Direct
403-699-1585 Fax
DACHristie@spectraenergy.com



November 30, 2016

Filed Electronically
Original by Courier

Ms. Sheri Young
Secretary of the Board
National Energy Board
517 – 10th Avenue SW
Calgary, AB T2R 0A8

Dear Ms. Young:

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

Enclosed for filing with the National Energy Board pursuant to section 60 of the *National Energy Board Act* are amendments to the Toll Schedules for Transportation Service – Northern and Transportation Service Southern; the General Terms and Conditions – Service (GTC); and the Tariff Supplements for Post Intra-Day 2 Nominations, Grizzly Valley Constraint Process and 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 amendments to the Toll Schedules, GTC and Tariff Supplements have been reviewed by Westcoast's Toll and Tariff Task Force.

These amendments are to be effective December 1, 2016. Attached are clean and black-lined copies of the above noted amendments.

Any questions with respect to this filing should be directed to Tracy Holden, Manager, Tariff and Regulatory Initiatives at (403) 699-1818 or via email at tholden@spectraenergy.com.

Yours truly,

Original signed by

Darren Christie

Enclosure

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

FILING INSTRUCTIONS

PIPELINE TARIFF UPDATE December 1, 2016		
Behind Tab	Remove	Insert
	Index	Index
Toll Schedules	Toll Schedules – Service - Index	Toll Schedules – Service - Index
	Transportation Service - Northern Pages 7.1 to 7.5	Transportation Service - Northern Pages 7.1 to 7.5
	Transportation Service - Southern Pages 8.1 to 8.4	Transportation Service - Southern Pages 8.1 to 8.4
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 1.24
	Article 2 – Application, Negotiated Service Agreements, Term and Renewal of Services, Temporary Firm Service, Treatment Service and Operation of the Pipeline System Pages 2.1 to 2.3	Article 2 – Application, Negotiated Service Agreements, Term and Renewal of Services, Temporary Firm Service, Treatment Service and Operation of the Pipeline System Pages 2.1 to 2.3
	Article 3 – Priorities, Curtailments and Conditions of Service in Zone 1A, Zone 3 and Zone 4 Pages 3.1 to 3.6	Article 3 – Priorities, Curtailments and Conditions of Service in Zone 1A, Zone 3 and Zone 4 Pages 3.1 to 3.6
	Article 5 – Receipt Point Operators Pages 5.1 to 5.5	Article 5 – Receipt Point Operators Pages 5.1 to 5.5

	<p>Article 8 – Contract Demand Credits Pages 8.1 to 8.3</p>	<p>Article 8 – Contract Demand Credits Pages 8.1 to 8.3</p>
	<p>Article 9 – Capacity Allocation and Relocations Pages 9.1 to 9.8</p>	<p>Article 9 – Capacity Allocation and Relocations Pages 9.1 to 9.8</p>
	<p>Article 10 – Statements, Payments, Audits and Security for Payment Pages 10.1 to 10.4</p>	<p>Article 10 – Statements, Payments, Audits and Security for Payment Pages 10.1 to 10.4</p>
	<p>Article 11 – Receipt and Delivery Pressure, and Pressure Control and Overpressure Protection Equipment Pages 11.1 to 11.3</p>	<p>Article 11 – Receipt and Delivery Pressure, and Pressure Control and Overpressure Protection Equipment Pages 11.1 to 11.3</p>
	<p>Article 13 – Measurement of Gas and Liquid Hydrocarbons Pages 13.1 to 13.2</p>	<p>Article 13 – Measurement of Gas and Liquid Hydrocarbons Pages 13.1 to 13.2</p>
	<p>Article 17 – Liabilities and Indemnities Pages 17.1 to 17.2</p>	<p>Article 17 – Liabilities and Indemnities Pages 17.1 to 17.2</p>
	<p>Article 18 – Representations and Warranties Pages 18.1 to 18.2</p>	<p>Article 18 – Representations and Warranties Pages 18.1 to 18.2</p>
	<p>Article 19 – Force Majeure Page 19.1</p>	<p>Article 19 – Force Majeure Page 19.1</p>
	<p>Article 21 – Miscellaneous Page 21.1</p>	<p>Article 21 – Miscellaneous Page 21.1</p>
	<p>Article 27 – Dawson Area Pages 27.1 to 27.2</p>	<p>Article 27 – Dawson Area Pages 27.1 to 27.2</p>
	<p>Article 28 – Fort Nelson Area Pages 28.1 to 28.4</p>	<p>Article 28 – Fort Nelson Area Pages 28.1 to 28.4</p>

	<p>Article 29 – Fort St. John Area, Aitken Creek Area, Grizzly Valley Area and Sikanni Area</p> <p>Pages 28.1 to 28.4</p>	<p>Article 29 – Fort St. John Area, Aitken Creek Area, Grizzly Valley Area and Sikanni Area</p> <p>Pages 28.1 to 28.4</p>
	<p>Schedule A – Negotiated Services</p> <p>Page A.1</p>	<p>Schedule A – Negotiated Services</p> <p>Page A.1</p>
	<p>Schedule B – Contract Demand Credits for Raw Gas Transmission and Treatment Services</p> <p>Pages B.1 to B.7</p>	<p>Schedule B – Contract Demand Credits for Raw Gas Transmission and Treatment Services</p> <p>Pages B.1 to B.7</p>
<p>Tariff Supplement for Post Intra-Day 2 Nominations</p>	<p>Pages 1 to 4</p>	<p>Pages 1 to 4</p>
<p>Tariff Supplement for Grizzly Valley Constraint Process</p>	<p>Pages 1 to 2</p>	<p>Pages 1 to 2</p>
<p>Tariff Supplement for Enhanced T - South Service</p>	<p>Pages 1 to 3</p>	<p>Pages 1 to 3</p>



PIPELINE TARIFF
OF
WESTCOAST ENERGY INC.,
carrying on business as
Spectra Energy Transmission

INDEX

	<u>TAB</u>
TOLL SCHEDULES	1
GENERAL TERMS AND CONDITIONS	2
TARIFF SUPPLEMENT FOR PILOT FOR POST INTRA-DAY 32 NOMINATIONS.....	3
TARIFF SUPPLEMENT FOR GRIZZLY VALLEY CONSTRAINT PROCESS.....	4
TARIFF SUPPLEMENT FOR CONTRACT DEMAND CREDITS FOR FIRM TREATMENT SERVICE AT THE PINE RIVER PROCESSING PLANT	5
TARIFF SUPPLEMENT FOR GRIZZLY VALLEY OVERDELIVERY CONTROL PROCESS	6
TARIFF SUPPLEMENT FOR ENHANCED T-SOUTH SERVICE	7
TARIFF SUPPLEMENT FOR T-NORTH ARRANGEMENTS FOR NGTL NIT RECEIPT SERVICE.....	8

Communications concerning this Tariff
should be addressed to:

Director, Regulatory Affairs

Spectra Energy Transmission
Fifth Avenue Place, East Tower
Suite 2600, 425 – 1st Street S.W.
Calgary, Alberta
T2P 3L8

Westcoast Energy Inc.
TOLL SCHEDULES - SERVICE

INDEX

<u>TITLE</u>	<u>PAGES</u>	<u>EFFECTIVE DATE</u>
Raw Gas Transmission Service	1.1	Jul 01, 2008
Appendix A - Toll Ranges, Standard and Negotiated Services	1.2 to 1.3	May 01, 2014
	1.4	Nov 01, 2016
	1.5	Nov 01, 2016
2016	1.6	Nov - Dec _01,
	1.7	Nov 01, 2016
2016	1.8	Nov - Dec _01,
Treatment Service	2.1	Jul 01, 2013
Appendix A - Toll Ranges, Standard and Negotiated Services	2.2	May 01, 2014
	2.3 to 2.4	Jul 01, 2013
	2.5	May 01, 2014
	2.6	Nov 01, 2016
	2.7	Nov 01, 2016
2016	2.8	Feb - Dec _01,
	2.9	Nov 01, 2016
2015 2016	2.10	Nov - Dec _01,
Liquids Recovery Service	3.1 to 3.2	May 01, 2014
Appendix A - Toll Ranges, Standard and Negotiated Services	3.3	Nov 01, 2016
Liquid Products Stabilization and Fractionation Service	4.1	Jul 01, 2008
Appendix A - Toll Ranges, Standard and Negotiated Services	4.2	Nov 01, 2016
Bundled Field Service	5.1 to 5.2	Jul 01, 2008
Appendix A - Toll Ranges, Standard and Negotiated Services	5.3	Nov - Dec _01,
2016		
Fuel Gas Service	6.1 to 6.2	Jul 01, 2008
Appendix A - Toll Ranges, Standard and Negotiated Services	6.3	Feb - Dec _01,
2016		
Transportation Service – Northern, Long Haul and Short Haul, and	7.1 to 7.5	Feb - Dec _01,
2014 2016		
Temporary Firm Service		

Westcoast Energy Inc.
TOLL SCHEDULES - SERVICE

Appendix A	7.6 to 7.7	Jan 01, 2017
Transportation Service – Southern 2014 <u>2016</u>	8.1 to 8. 43	Apr – Dec 01,
Appendix A	8. 4 <u>5</u> to 8. 65	Jan 01, 2017
Short Term Firm Service	9.1	Jul 01, 2008

Westcoast Energy Inc.

TOLL SCHEDULES - SERVICE

**TRANSPORTATION SERVICE - NORTHERN
LONG HAUL AND SHORT HAUL, AND
TEMPORARY FIRM SERVICE**

DEFINITIONS

1. In this Toll Schedule, the following terms shall have the following meanings:
- (a) “Downstream Pipelines” means the gas pipeline systems owned or operated by NOVA Gas Transmission Ltd. and by Alliance Pipeline Limited Partnership;
 - (b) “Long Haul” means all Transmission Service - Northern and Temporary Firm Service provided in Zone 3 of the Pipeline System other than Short Haul;
 - (c) “Northern Communities” means the cities of Fort St. John and Dawson Creek and the towns of Fort Nelson, Prophet River, Pink Mountain, Taylor, Baldonnel, Cecil Lake, Hudson’s Hope, Chetwynd, Goodlow, Rolla, Pouce Coupe and Tumbler Ridge;
 - (d) “Relocated Service” means Firm Transportation Service – Northern in respect of which a Permanent In Path Relocation has been awarded pursuant to Section 9.19 of the General Terms and Conditions;
 - (e) “Service Term” means in respect of each Firm Transportation Service – Northern specified in a Firm Service Agreement, the term of each such Firm Transportation Service – Northern as determined in accordance with Section 3; and
 - (f) “Short Haul” means Transportation Service - Northern and Temporary Firm Service provided in Zone 3 of the Pipeline System:
 - (i) to deliver gas at a Delivery Point in Zone 3 to a gas distribution utility providing gas distribution services in one or more of the Northern Communities, irrespective of the distance of haul in Zone 3; and
 - (ii) in any other case, for a distance of less than 75 kilometres to a Delivery Point in Zone 3 other than a Delivery Point at which the Pipeline System connects with a Downstream Pipeline.

All other terms used in this Toll Schedule shall have the same meaning as set forth in the General Terms and Conditions.

APPLICATION

2. This Toll Schedule applies to all Firm Transportation Service - Northern, Temporary Firm Service, AOS and Interruptible Transportation Service - Northern provided by Westcoast on facilities in Zone 3 under the provisions of a Firm Service Agreement or an Interruptible Service Agreement into which the General Terms and Conditions and this Toll Schedule are incorporated by reference.

Westcoast Energy Inc.

TOLL SCHEDULES - SERVICE

3. For all purposes of this Toll Schedule, the Demand Toll applicable to any Firm Transportation Service - Northern provided pursuant to a Firm Service Agreement shall be determined based upon the Service Term, and the Service Term for each such service shall be determined as follows:
- (a) in the case of each Firm Transportation Service – Northern provided for in a Firm Service Agreement entered into by a Shipper with Westcoast prior to November 1, 2005, the number of whole years remaining in the term of each such service as of November 1, 2005;
 - (b) in the case of each Firm Transportation Service – Northern provided for in a Firm Service Agreement entered into by a Shipper with Westcoast after November 1, 2005, the number of whole years in the term of each such service specified in the Firm Service Agreement;
 - (c) in the case of each Firm Transportation Service – Northern which is renewed by a Shipper after November 1, 2005 in accordance with Section 2.06 of the General Terms and Conditions, the number of whole years in the renewal term of each such service, with effect from the first day of the renewal term; and
 - (d) in the case of each Firm Transportation Service – Northern provided for in a Firm Service Agreement which is extended by the Shipper and Westcoast after December 31, 2005, the number of whole years remaining in the term of each such service, including the period of the extension, with effect from the first day of the month immediately following the execution by the Shipper of an amendment to the Firm Service Agreement providing for such extension.
4. For the purpose of determining the monthly bill payable by a Shipper pursuant to Sections 5, 6 and 7 for any month:
- (a) in the case of Firm Transportation Service - Northern and Temporary Firm Service with a Delivery Point at the Straddle Plant Delivery Point, the Contract Demand shall be deemed to be a volume of gas equal to the product obtained by multiplying the Contract Demand specified in the applicable Service Agreement by the Straddle Plant Shrinkage Factor and the service provided in any month shall be deemed to be provided in respect of a volume of gas equal to the product obtained by multiplying the volume of gas for which service was actually provided by the Straddle Plant Shrinkage Factor; and
 - (b) in the case of AOS and Interruptible Transportation Service - Northern with a Delivery Point at the Straddle Plant Delivery Point, the service provided in any month shall be deemed to be provided in respect of a volume of gas equal to the product obtained by multiplying the volume of gas for which service was actually provided by the Straddle Plant Shrinkage Factor.

Westcoast Energy Inc.

TOLL SCHEDULES - SERVICE**MONTHLY BILL - FIRM TRANSPORTATION SERVICE - NORTHERN**

5. The amount payable by a Shipper to Westcoast in respect of Firm Transportation Service - Northern provided in any month pursuant to a Firm Service Agreement shall be an amount equal to the sum of:
- (a) the product obtained by multiplying the Contract Demand for Firm Transportation Service - Northern, Long Haul and Short Haul, specified in the Firm Service Agreement by the applicable Demand Toll specified in Appendix A for Firm Transportation Service - Northern; and
 - (b) the amount of tax on fuel gas consumed in operations payable under the Motor Fuel Tax Act (British Columbia) and the Carbon Tax Act (British Columbia) which is allocated to Shipper by Westcoast for the month;

~~less the amount of any Contract Demand Credits to which the Shipper is entitled for the month pursuant to the General Terms and Conditions.~~

MONTHLY BILL – TEMPORARY FIRM SERVICE

6. The amount payable by a Shipper to Westcoast in respect of Temporary Firm Service provided in any month pursuant to a Firm Service Agreement shall be an amount equal to the sum of:
- (a) the product obtained by multiplying the Contract Demand for Temporary Firm Service, Long Haul and Short Haul, specified in the Firm Service Agreement by the applicable Demand Toll specified in Appendix A for Temporary Firm Service; and
 - (b) the amount of tax on fuel gas consumed in operations payable under the Motor Fuel Tax Act (British Columbia) and the Carbon Tax Act (British Columbia) which is allocated to Shipper by Westcoast for the month.

MONTHLY BILL - AOS AND INTERRUPTIBLE TRANSPORTATION SERVICE - NORTHERN

7. The amount payable by a Shipper to Westcoast in respect of AOS and Interruptible Transportation Service - Northern provided on each day in any month shall be an amount equal to the sum of:
- (a) the product obtained by multiplying the applicable Commodity Toll specified in Appendix A for AOS and Interruptible Transportation Service - Northern by a Receipt Volume, determined at the point from which the residue gas is sourced, which is thermally equivalent to the volume of residue gas (i) delivered to or for the account of Shipper at the Delivery Point in Zone 3, or (ii) transmitted to a point in Zone 3 or through Zone 3 for the account of Shipper on each such day in the month; and
 - (b) the amount of tax on fuel gas consumed in operations payable under the Motor Fuel Tax Act (British Columbia) and the Carbon Tax Act (British Columbia) which is allocated to Shipper by Westcoast for each day in the month,

Westcoast Energy Inc.

TOLL SCHEDULES - SERVICE

less the amount of any revenue credit or volume credit applicable to the AOS and Interruptible Transportation Service - Northern provided to Shipper on each such day, as determined in accordance with Section 9 in a manner which minimizes the amount payable by Shipper in respect of such AOS and Interruptible Transportation Service - Northern.

UNDERUTILIZED DEMAND CHARGE CREDITS

8. For the purposes of determining any revenue credits and volume credits to be provided to a Shipper in accordance with Section 9, all Relocated Service shall be deemed to be Firm Transportation Service – Northern, Long Haul and all AOS attributed to such Relocated Service shall be deemed to be AOS, Long Haul.

9. If:

(a) a Shipper has entered into one or more Firm Service Agreements for the provision of Firm Transportation Service - Northern and one or more Interruptible Service Agreements for the provision of Interruptible Transportation Service - Northern; and

(b) on any day in a month the Shipper underutilizes that Firm Transportation Service - Northern and incurs tolls for AOS or Interruptible Transportation Service - Northern,

then Westcoast will provide the Shipper with a revenue credit or a volume credit to reduce the amount of the Commodity Tolls otherwise payable by the Shipper for such AOS and Interruptible Transportation Service - Northern utilized by the Shipper on such day, which credit shall be:

(c) in the case where the Shipper underutilizes Firm Transportation Service - Northern, Short Haul and incurs tolls for such AOS and Interruptible Transportation Service - Northern, Long Haul, a revenue credit (without duplication of any other credit provided for in this Section) equal to the product obtained by multiplying the applicable Commodity Toll for AOS and Interruptible Transportation Service - Northern, Short Haul by the lesser of (i) the volume of such unutilized Firm Transportation Service - Northern, Short Haul for the day, and (ii) the volume of such AOS and Interruptible Transportation Service - Northern, Long Haul in respect of which such Commodity Tolls are otherwise payable by the Shipper for the day;

(d) in the case where the Shipper underutilizes Firm Transportation Service – Northern, Short Haul and incurs tolls for such AOS and Interruptible Transportation Service – Northern, Short Haul, a volume credit (without duplication of any other credit provided for in this Section) equal to the lesser of (i) the volume of such unutilized Firm Transportation Service - Northern, Short Haul for the day, and (ii) the volume of such AOS and Interruptible Transportation Service – Northern, Short Haul in respect of which such Commodity Tolls are otherwise payable by the Shipper for the day;

Westcoast Energy Inc.

TOLL SCHEDULES - SERVICE

- (e) in the case where the Shipper underutilizes Firm Transportation Service – Northern, Long Haul and incurs tolls for such AOS and Interruptible Transportation Service – Northern, Long Haul, a volume credit (without duplication of any other credit provided for in this Section) equal to the lesser of (i) the volume of such unutilized Firm Transportation Service – Northern, Long Haul for the day, and (ii) the volume of such AOS and Interruptible Transportation Service – Northern, Long Haul in respect of which such Commodity Tolls are otherwise payable by the Shipper for the day; and
- (f) in the case where the Shipper underutilizes Firm Transportation Service – Northern, Long Haul and incurs tolls for such AOS and Interruptible Transportation Service – Northern, Short Haul, a volume credit (without duplication of any other credit provided for in this Section) equal to the lesser of (i) the volume of such unutilized firm Transportation Service – Northern, Long Haul for the day, and (ii) the volume of such AOS and Interruptible Transportation Service – Northern, Short Haul in respect of which such Commodity Tolls are otherwise payable by the Shipper for the day.

CONTRACT DEMAND CREDITS

10. Westcoast will as soon as practicable following the end of each month, provide each Shipper which has entered into a Service Agreement for the provision of Firm Transportation Service – Northern or Temporary Firm Service, in each such month with Contract Demand Credits in respect of such Firm Transportation Service – Northern or Temporary Firm Service in an amount for each day in each such month equal to that determined in accordance with the General Terms and Conditions, provided that the amount of such Contract Demand Credits provided to each such Shipper for each such day shall not exceed the amount of the Demand Tolls applicable to the unutilized portion of such Firm Transportation Service – Northern or Temporary Firm Service after giving effect to all the underutilized demand charge credits provided to the Shipper in respect of such Firm Transportation Service – Northern or Temporary Firm Service for each such day.

Westcoast Energy Inc.
TOLL SCHEDULES - SERVICE

TRANSPORTATION SERVICE - SOUTHERN

DEFINITIONS

1. In this Toll Schedule, the following term shall have the following meaning:
 - (a) "Enhanced T-South Service" means Transportation Service – Southern provided pursuant to a 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) "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 Pipe Lines (South BC) Ltd. pipeline facilities connect with the pipeline facilities of Gas Transmission Northwest Corporation; and
 - (c) "Service Term" means in respect of each Firm Transportation Service – Southern specified in a Firm Service Agreement, the term of each such Firm Transportation Service – Southern as determined in accordance with Section 3.

All other terms used in this Toll Schedule shall have the same meaning as set forth in the General Terms and Conditions.

APPLICATION

2. This Toll Schedule applies to all Firm Transportation Service - Southern, AOS and Interruptible Transportation Service - Southern, including Import Backhaul Service, provided by Westcoast on facilities in Zone 4 under the provisions of a Firm Service Agreement or an Interruptible Service Agreement into which the General Terms and Conditions and this Toll Schedule are incorporated by reference.
3. For all purposes of this Toll Schedule, the Demand Toll applicable to any Firm Transportation Service - Southern provided pursuant to a Firm Service Agreement shall be determined based upon the Service Term, and the Service Term for each such service shall be determined as follows:
 - (a) in the case of each Firm Transportation Service – Southern provided for in a Firm Service Agreement entered into by a Shipper with Westcoast prior to November 1, 2005, the number of whole years remaining in the term of each such service as of November 1, 2005;
 - (b) in the case of each Firm Transportation Service – Southern provided for in a Firm Service Agreement entered into by a Shipper with Westcoast after November 1, 2005, the number of whole years in the term of each such service specified in the Firm Service Agreement;
 - (c) in the case of each such Firm Transportation Service – Southern which is renewed by a Shipper after November 1, 2005 in accordance with Section 2.06 of the

Westcoast Energy Inc.

TOLL SCHEDULES - SERVICE

General Terms and Conditions, the number of whole years in the renewal term of each such service, with effect from the first day of the renewal term; and

- (d) in the case of each Firm Transportation Service – Southern provided for in a Firm Service Agreement which is extended by the Shipper and Westcoast after December 31, 2005, the number of whole years remaining in the term of each such service, including the period of the extension, with effect from the first day of the month immediately following the execution by the Shipper of an amendment to the Firm Service Agreement providing for such extension.

MONTHLY BILL - FIRM TRANSPORTATION SERVICE - SOUTHERN

4. The amount payable by a Shipper to Westcoast in respect of Firm Transportation Service - Southern provided in any month pursuant to a Firm Service Agreement shall be an amount equal to:
- (a) the product obtained by multiplying the Contract Demand for Firm Transportation Service - Southern specified in the Firm Service Agreement by the applicable Demand Toll specified in Appendix A for Firm Transportation Service – Southern; and
- (b) the amount of tax on fuel gas consumed in operations payable under the Motor Fuel Tax Act (British Columbia) and the Carbon Tax Act (British Columbia) which is allocated to Shipper by Westcoast for the month;

~~less the amount of any Contract Demand Credits to which the Shipper is entitled for the month pursuant to the General Terms and Conditions.~~

MONTHLY BILL - AOS, INTERRUPTIBLE TRANSPORTATION SERVICE - SOUTHERN AND IMPORT BACKHAUL SERVICE

5. If on any day Shipper has unutilized Firm Transportation Service - Southern at a Delivery Point in Zone 4 and would incur on such day tolls for AOS and Interruptible Transportation Service, other than Import Backhaul Service, at that Delivery Point or at any other Delivery Point in Zone 4, then, notwithstanding the provisions of the General Terms and Conditions and for the sole purpose of determining the amount of the Commodity Tolls payable by Shipper in accordance with this Toll Schedule for AOS and Interruptible Transportation Service - Southern, the following rules shall apply:
- (a) firstly, in the case where Shipper would otherwise incur tolls on such day for AOS and Interruptible Transportation Service – Southern at a Delivery Point where Shipper has unutilized Firm Transportation Service – Southern, Shipper shall be deemed to have utilized Firm Transportation Service at such Delivery Point on such day in respect of a volume of gas not exceeding the volume of unutilized Firm Transportation Service at such Delivery Point;
- (b) secondly, in the case where a Delivery Point at which Shipper has unutilized Firm Transportation Service – Southern is within the Huntingdon Delivery Area and Shipper has any remaining volume of unutilized Firm Transportation Service at such Delivery Point after applying the rule set out in paragraph (a) above, then Shipper shall be deemed to have made a diversion on such day pursuant to Section 7.01(a)

Westcoast Energy Inc.
TOLL SCHEDULES - SERVICE

of the General Terms and Conditions of a volume of gas not exceeding the amount of the remaining volume of unutilized Firm Transportation Service, from that Delivery Point to any other Delivery Point within the Huntingdon Delivery Area at which Shipper would otherwise incur tolls for AOS and Interruptible Transportation Service - Southern;

- (c) thirdly, if Shipper has any remaining volume of unutilized Firm Transportation Service – Southern at any Delivery Point after applying the rules set out in paragraphs (a) and (b) above, then Shipper shall be deemed to have made a diversion on such day pursuant to Section 7.01(c) of the General Terms and Conditions of a volume of gas not exceeding the amount of such remaining volume of unutilized Firm Transportation Service from such Delivery Point to the nearest Downstream Delivery Point at which Shipper would otherwise incur tolls for AOS and Interruptible Transportation Service - Southern; and
 - (d) fourthly, if Shipper has any remaining volume of unutilized Firm Transportation Service – Southern at any Delivery Point after applying the rules set out in paragraphs (a), (b) and (c) above, then Shipper shall be deemed to have made a diversion on such day pursuant to Section 7.01(b) of the General Terms and Conditions of a volume of gas not exceeding the amount of such remaining volume of unutilized Firm Transportation Service, from such Delivery Point to the nearest Upstream Delivery Point at which Shipper would otherwise incur tolls for AOS and Interruptible Transportation Service – Southern.
6. The amount payable by a Shipper to Westcoast in respect of AOS, Interruptible Transportation Service - Southern, and Import Backhaul Service provided on each day in a month shall be an amount equal to the sum of:
- (a) the product obtained by multiplying the applicable Commodity Toll specified in Appendix A for AOS, Interruptible Transportation Service - Southern and Import Backhaul Service, respectively, by the Receipt Volume for such AOS or Interruptible Transportation Service - Southern (as determined after applying the rules set out in Section 5) or for such Import Backhaul Service, respectively, at the point from which the residue gas is sourced, which is thermally equivalent to the volume of residue gas (i) delivered to or for the account of Shipper at the Delivery Point, or (ii) transmitted through Zone 4 for the account of Shipper on each such day during the month;
 - (b) the product obtained by multiplying the difference between the Commodity Tolls specified in Section 7.03 of the General Terms and Conditions by the volume of gas deemed to be diverted to a Downstream Delivery Point in accordance with Section 54(c) on each such day during the month; and
 - (c) the amount of tax on fuel gas consumed in operations payable under the Motor Fuel Tax Act (British Columbia) and the Carbon Tax Act (British Columbia) which is allocated to Shipper by Westcoast for each day in the month.

Westcoast Energy Inc.
TOLL SCHEDULES - SERVICE

CONTRACT DEMAND CREDITS

7. Westcoast will as soon as practicable following the end of each month, provide each Shipper which has entered into a Service Agreement for the provision of Firm Transportation Service – Southern in each such month with Contract Demand Credits in respect of such Firm Transportation Service – Southern in an amount for each day in each such month equal to that determined in accordance with the General Terms and Conditions, provided that the amount of such Contract Demand Credits provided to each such Shipper for each such day shall not exceed the amount of the Demand Tolls applicable to the unutilized portion of such Firm Transportation Service – Southern remaining after determining the Commodity Tolls payable in accordance with Section 5.

Westcoast Energy Inc.
GENERAL TERMS AND CONDITIONS - SERVICE

**SERVICE AGREEMENTS
INDEX**

<u>ARTICLE</u>	<u>TITLE</u>	<u>PAGES</u>	<u>EFFECTIVE DATE</u>
1	Definitions and Interpretation 2016	1.1 to 1.2 45	Apr-Dec 01,
2	Application, Negotiated Service Agreements, 2014 2016 Term and Renewal of Services and Operation of the Pipeline System	2.1 to 2.3	Oct-Dec 01,
3	Priorities, Curtailments and Conditions of Service 2016	3.1 to 3.6	Apr-Dec 01,
4	Shipper Notifications, Nominations, Authorization of Service and Deliveries of Gas	4.1 to 4.6	Apr 01, 2016
5	Receipt Point Operators 2014 2016	5.1 to 5.5	Oct-Dec 01,
6	Upstream Transmission Balancing, Swing Costs, Inventory Transfers and Station 2 Gas Accounts	6.1 to 6.13	Oct 01, 2014
7	Zone 4 and Zone 3 Diversions, Huntingdon Delivery Area, and Delivery and Receipt Transfers	7.1 to 7.4	Feb 01, 2016
8	Contract Demand Credits 2014 2016	8.1 to 8.3	Oct-Dec 01,
9	Capacity Allocation and Relocations 2011 2016	9.1 to 9. 38	Jul-Dec 01,
		9.4	Aug 17, 2013
		9.5 to 9.6	Nov 01, 2013
		9.7	Dec 01, 2013
		9.8	Aug 17, 2013
10	Statements, Payments, Audits and 2015 2016 Security for Payment	10.1 to 10.4	Jun-Dec 01,
11	Receipt and Delivery Pressure 2014 2016	11.1 to 11. 43	Jun-Dec 01,
12	Gas and Hydrocarbon Liquids Quality	12.1 to 12.5	Jun 01, 2015
13	Measurement of Gas and Liquid Hydrocarbons 2013 2016	13.1 to 13.2	Dec 01,

Westcoast Energy Inc.

GENERAL TERMS AND CONDITIONS - SERVICE

14	Measuring and Sampling Equipment	14.1 to 14.5	Dec 01, 2013
15	Sampling, Testing and Analysis	15.1 to 15.3	Dec 01, 2013
16	Possession and Control of Gas and Entitlements to Sulphur, Liquid Products, Fort Nelson Liquids, Dawson Liquids and Natural Gas Liquids	16.1 to 16.3	Jan 01, 2012
<u>17</u>	<u>Liabilities and Indemnities</u>	<u>17.1 to 17.2</u>	<u>Dec 01, 2016</u>
<u>18</u>	<u>Representations and Warranties</u>	<u>18.1 to 18.2</u>	<u>Dec 01, 2016</u>

Westcoast Energy Inc.
GENERAL TERMS AND CONDITIONS - SERVICE

<u>ARTICLE</u>	<u>TITLE</u>	<u>PAGES</u>	<u>EFFECTIVE DATE</u>
17	Liabilities and Indemnities	17.1 to 17.2	Jan 01, 2012
18	Representations and Warranties	18.1 to 18.2	Oct 01, 2012
19	Force Majeure 1989 <u>2016</u>	19.1	Nov-Dec 01,
20	Notices	20.1 to 20.2	Oct 01, 2014
21	Miscellaneous 1991 <u>2016</u>	21.1	Nov-Dec 01,
22	Liquid Products Stabilization and Fractionation Service	22.1 to 22.6	Oct 01, 2014
23	Reserved for Future Use <u>Winter Firm Service</u>	23.1 to 23.3	Nov 01, 2016
24	Short Term Firm Service	24.1 to 24.3	Oct 01, 2014
25	Overproduction Charges	25.1 to 25.3	Oct 01, 2014
26	Production Sources	26.1	Oct 01, 2014
27	Dawson Area 2014 <u>2016</u>	27.1 to 27.2	Oct-Dec 01,
28	Fort Nelson Area 2015 <u>2016</u>	28.1 to 28.4	May-Dec 01,
29	Fort St. John Area, Aitken Creek Area, 2015 <u>2016</u> Grizzly Valley Area and Sikanni Area	29.1 to 29.4	May-Dec 01,
<u>SCHEDULE</u>			
SCHEDULE A	Negotiated Services 1998 <u>2016</u>	A.1	Sep-Dec 01,
SCHEDULE B	Contract Demand Credits for Raw Gas 2015 <u>2016</u> Transmission and Treatment Services	B.1 to B. 42 <u>8</u> <u>B.9 to B.42</u>	Feb-Dec 01, <u>Feb 01, 2015</u>

Westcoast Energy Inc.

GENERAL TERMS AND CONDITIONS - SERVICE**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 on 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.~~

Westcoast Energy Inc.

GENERAL TERMS AND CONDITIONS - SERVICE

"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

Westcoast Energy Inc.

GENERAL TERMS AND CONDITIONS - SERVICE

Zone 3 of the Pipeline System from the outlet of the Processing Plant, the volumes of 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 20th 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.

Westcoast Energy Inc.

GENERAL TERMS AND CONDITIONS - SERVICE

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

"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;

Westcoast Energy Inc.

GENERAL TERMS AND CONDITIONS - SERVICE

- (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;
- (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(ed).

Westcoast Energy Inc.

GENERAL TERMS AND CONDITIONS - SERVICE

"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^3 " 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 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.

Westcoast Energy Inc.

GENERAL TERMS AND CONDITIONS - SERVICE

"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.

"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).

Westcoast Energy Inc.

GENERAL TERMS AND CONDITIONS - SERVICE

"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 (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~~ 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.~~ Puget Sound Energy, Inc.

"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.

Westcoast Energy Inc.

GENERAL TERMS AND CONDITIONS - SERVICE

"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.

"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.

Westcoast Energy Inc.

GENERAL TERMS AND CONDITIONS - SERVICE

"Firm" means, with reference to Field Services and Transportation Services, such service which Westcoast is obligated to provide without curtailment or interruption pursuant to a Firm Service Agreement.

"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.

"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.

Westcoast Energy Inc.

GENERAL TERMS AND CONDITIONS - SERVICE

"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~~ means 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.

"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.

Westcoast Energy Inc.

GENERAL TERMS AND CONDITIONS - SERVICE

~~“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” means, with reference to Field Services and Transportation Services, such service which Westcoast is obligated to provide subject to curtailment or interruption pursuant to an Interruptible Service Agreement.~~

"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 the Intra-Day 3 Nomination Cycle and "Intra-Day Nomination Cycle" means any one of those Nomination Cycles.

"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.

"Intra-Day 3 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.

Westcoast Energy Inc.

GENERAL TERMS AND CONDITIONS - SERVICE

"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.

"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 10³m³ 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.

Westcoast Energy Inc.

GENERAL TERMS AND CONDITIONS - SERVICE

"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~~(eb)~~.

"Nomination Cycles" means the Timely Nomination Cycle, the Evening Nomination Cycle, the Intra-Day 1 Nomination Cycle, the Intra-Day 2 Nomination Cycle and the Intra-Day 3 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 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.

Westcoast Energy Inc.

GENERAL TERMS AND CONDITIONS - SERVICE

"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-48-1/94-P-4, Peace River District in British Columbia.

"NOVA/Sunset Delivery Point" means the point where the Pipeline System connects with the pipeline facilities of NOVA in the SW 1/4 of Section 2, Township 79, Range 19, W6M, 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.

"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.

Westcoast Energy Inc.

GENERAL TERMS AND CONDITIONS - SERVICE

"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 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.

Westcoast Energy Inc.

GENERAL TERMS AND CONDITIONS - SERVICE

"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.

"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.

Westcoast Energy Inc.

GENERAL TERMS AND CONDITIONS - SERVICE

"Residue Gas Tolerance" means in respect of residue gas delivered into the Pipeline System at a Receipt Point within ~~the Zone~~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.

~~"Reversible WF Service" means WF Service which has been designated as Reversible WF Service pursuant to Section 23.10 to provide for firm transmission of residue gas in Zone 4 between Compressor Station No. 2 and the Huntingdon Delivery Area all days of the year.~~

"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.

"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.

Westcoast Energy Inc.

GENERAL TERMS AND CONDITIONS - SERVICE

"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 in respect of which the Shipper and Westcoast may negotiate renewal rights in accordance with Section 2.02(a).~~

~~(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 ~~preceeding~~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 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.

Westcoast Energy Inc.

GENERAL TERMS AND CONDITIONS - SERVICE

"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.

"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

Westcoast Energy Inc.

GENERAL TERMS AND CONDITIONS - SERVICE

- (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.

"10³m³" 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, 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.

Westcoast Energy Inc.

GENERAL TERMS AND CONDITIONS - SERVICE

“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.

“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

Westcoast Energy Inc.

GENERAL TERMS AND CONDITIONS - SERVICE

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(ed).

“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.

“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.

Westcoast Energy Inc.

GENERAL TERMS AND CONDITIONS - SERVICE

“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.

~~“WF Service” or “Winter Firm Service” means Firm Transportation Service — Southern from a Receipt Point at Compressor Station No. 2 to a Delivery Point within the Huntingdon Delivery Area and provided only between November 1st and March 31st of each year or, when designated as Revertible WF Service, provided all days of the year pursuant to a Firm Service Agreement made with a Shipper in accordance with Article 23.~~

~~“Year Round Service” means Firm Transportation Service — Southern provided all days of the year, other than Revertible WF Service.~~

“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:

- (a) the Fort Nelson Mainline;
- (b) the Fort St. John Mainline;
- (c) the Boundary Lake Pipeline;

Westcoast Energy Inc.

GENERAL TERMS AND CONDITIONS - SERVICE

- (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 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.

Westcoast Energy Inc.

GENERAL TERMS AND CONDITIONS - SERVICE

**ARTICLE 2
APPLICATION, NEGOTIATED SERVICE AGREEMENTS,
TERM AND RENEWAL OF SERVICES, TEMPORARY FIRM SERVICE, TREATMENT SERVICE
AND OPERATION OF THE PIPELINE SYSTEM**

- 2.01 Application. These General Terms and Conditions apply to all Field Services, Transportation Services, Temporary Firm Service and Short Term Firm Service provided by Westcoast to a Shipper pursuant to a Service Agreement, except and to the extent the General Terms and Conditions are, by a Service Agreement applicable to Negotiated Services, amended, varied or made inapplicable to such Negotiated Services with respect to the matters specified in Schedule A.
- 2.02 Negotiable Service Terms. For Standard Services and Negotiated Services, a Shipper and Westcoast may, in addition to the volumes of gas, Receipt Points, Delivery Points, acid gas percentages, carbon dioxide limits, sulphur gas limits and tolls, negotiate and include in a Service Agreement negotiated terms and conditions respecting:
- (a) in the case of any Standard Services, renewal rights; and
 - (b) in the case of any Negotiated Services, the term of the services, renewal rights and the matters specified in Schedule A.
- 2.03 Initial Term, Standard Services. The initial term of each Standard Firm RGT Service shall be one or more whole years not exceeding five years, and the initial term of each Standard Firm Treatment Service, Standard Firm Liquids Recovery Service and Standard Firm LPSF Service shall be two or more whole years not exceeding five years.
- 2.04 Renewal of Standard and Negotiated Services. A Shipper may not extend the term of any Standard Service or Negotiated Service except and to the extent provided in the Service Agreement applicable to any such Standard or Negotiated Service.
- 2.05 Minimum Term, Transportation Services. The term of each Firm Transportation Service specified in a Service Agreement, and of any renewal thereof, shall not be less than one year unless such Firm Service is made available temporarily to the Shipper pursuant to Section 2.08.
- 2.06 Renewal of Transportation Services. Subject to Section 2.07, a Shipper shall have the right to renew the term of each Firm Transportation Service specified in a Service Agreement, other than a Firm Transportation Service made available temporarily in accordance with Section 2.08, provided that:
- (a) the initial term of such Firm Transportation Service and the term of any prior renewal thereof was not less than two years; and
 - (b) the Shipper gives notice to Westcoast of its election to renew the term of any such Firm Transportation Service not less than 13 months prior to the expiry of the term of such Firm Transportation Service.

Westcoast Energy Inc.

GENERAL TERMS AND CONDITIONS - SERVICE

Nothing in this Section 2.06 precludes a Shipper and Westcoast from agreeing to extend the term of a Firm Transportation Service specified in a Service Agreement at any time prior to the time prescribed in this Section for giving notice to renew the term of any such Firm Transportation Service.

2.07 Evidence of Supply or Market. A Shipper's right to extend the term of any Firm Service in accordance with Section 2.06, ~~Section 23.08~~ or of any Standard Service in accordance with any renewal rights included in a Service Agreement pursuant to Section 2.02(a), is conditional upon the Shipper delivering to Westcoast, at the time it gives notice in accordance with Section 2.06, ~~Section 23.08~~ or the applicable provisions of the Service Agreement, evidence satisfactory to Westcoast that the Shipper has either of a firm supply of, or a firm market for the gas in respect of which the Firm Service is to be provided for the term of the extension and, in the case where such service is provided from a Receipt Point or to a Delivery Point at the Storage Reservoir, that the Shipper has sufficient firm storage capacity available at the Storage Reservoir for the term of the extension.

2.08 Temporary Firm Service. If a Firm Service Agreement provides for a delayed commencement date for any Firm Transportation Service - Northern or for a future increase in the volume of Firm Transportation Service - Northern to be provided, the capacity reserved by Westcoast for such Firm Service Agreement may be made available temporarily to other Shippers as Temporary Firm Service. The following provisions apply in respect of all Temporary Firm Service specified in a Firm Service Agreement:

- (a) Temporary Firm Service shall not be renewed or extended pursuant to Section 2.06;
- (b) the provisions of Section 7.05 relating to Receipt Transfers apply to Temporary Firm Service;
- ~~(c) the provisions of Section 7.06 relating to Equivalent Point Diversions apply to Temporary Firm Service;~~
- (ed) the provisions of Section 7.07 relating to In Path Diversions and Out of Path Diversions apply to Temporary Firm Service, Long Haul; and
- (de) the provisions of Article 9 relating to Relocations in Zone 3 do not apply to Temporary Firm Service.

2.09 Treatment Service. The obligation of Westcoast to provide Firm Treatment Service to a Shipper on any day pursuant to a Service Agreement shall be limited to the removal from the Shipper's raw gas of:

- (a) a volume of carbon dioxide gas which does not exceed the carbon dioxide limit specified in the Service Agreement; and
- (b) a volume of sulphur gas which does not exceed the sulphur gas limit specified in the Service Agreement.

Westcoast Energy Inc.

GENERAL TERMS AND CONDITIONS - SERVICE

- 2.10 Treatment and Related Services. Notwithstanding any other provision of these General Terms and Conditions, it is a condition precedent to the availability of Treatment Service which is a Standard Service at the McMahon Processing Plant that the Shipper has contracted for an appropriate level of Liquids Recovery Service and LPSF Service at that Processing Plant, and it is a condition precedent to the availability of LPSF Service which is a Standard Service at the McMahon Processing Plant that the Shipper has contracted for an appropriate level of Treatment Service and Liquids Recovery Service at that Processing Plant.
- 2.11 Authorized Overrun Service. Each Shipper which has entered into a Firm Service Agreement providing for Firm Transportation Service - Northern or Firm Transportation Service - Southern shall be entitled to Authorized Overrun Service in respect of each such Firm Transportation Service on the following terms and conditions:
- (a) the maximum daily volume of AOS available to a Shipper on any day in respect of any Firm Transportation Service shall not exceed ten percent of the Contract Demand in effect on any such day for the Corresponding Firm Transportation Service;
 - (b) such AOS shall only be available between the Receipt Point and the Delivery Point specified in the applicable Firm Service Agreement for the Corresponding Firm Transportation Service; and
 - (c) notwithstanding Section 21.02, AOS shall not be assignable by a Shipper except in conjunction with the Corresponding Firm Transportation Service.
- 2.12 Operation of the Pipeline System. Westcoast shall retain full and exclusive right to operate the Pipeline System in a manner which, in Westcoast's sole discretion, is consistent with operating conditions and obligations as they may exist from time to time.

Westcoast Energy Inc.

GENERAL TERMS AND CONDITIONS - SERVICE

**ARTICLE 3
PRIORITIES, CURTAILMENTS AND CONDITIONS OF SERVICE
IN ZONE 1A, ZONE 3 AND ZONE 4**

3.01 Application. The provisions of this Article apply to Fuel Gas Service provided by Westcoast in Zone 1A, to Transportation Service - Northern, Temporary Firm Service and Short Term Firm Service provided by Westcoast in Zone 3 and to Transportation Service – Southern, Short Term Firm Service and Import Backhaul Service provided by Westcoast in Zone 4.

3.02 Priorities, Zone 1A. Westcoast will authorize Firm Service and Interruptible Service in Zone 1A for each day in the Timely Nomination Cycle and, notwithstanding any earlier authorization given for Interruptible Service in a prior Nomination Cycle for any such day, will authorize Firm Service and Interruptible Service in Zone 1A for any such day in the Evening Nomination Cycle, the Intra-Day 1 Nomination Cycle and in the Intra-Day 2 Nomination Cycle in the following priority and sequence:

- (a) first priority shall be given to Firm Service, provided that if Westcoast determines that the capacity available on any such day in Zone 1A or any part thereof will not be sufficient to permit Westcoast to authorize all the Firm Service nominated by Shippers for the day, Westcoast will allocate the available capacity between the affected Shippers pro rata on the basis of Contract Demand; and
- (b) second priority shall be given to Interruptible Service provided that if Westcoast determines that the capacity available in Zone 1A or any part thereof will not be sufficient to permit Westcoast to authorize all of the Interruptible Service nominated by Shippers for the day, Westcoast will allocate the available capacity between the affected Shippers pro rata on the basis of the volumes of Interruptible Service nominated by those Shippers for the day.

Subject to the availability of capacity, having regard to the Firm Service and Interruptible Service authorized in the prior Nomination Cycles for each day, Westcoast will authorize additional Firm Service and Interruptible Service in Zone 1A, in the Intra-Day 3 Nomination Cycle in the same priority and sequence as set out in Subsections 3.02(a) and (b).

3.03 Priorities, Zone 3. Westcoast will authorize Firm Service, Equivalent Point Diversions, In Path Diversions, Out of Path Diversions, AOS and Interruptible Service in Zone 3 for each day in the Timely Nomination Cycle and, notwithstanding any earlier authorization given for Out of Path Diversions, AOS and Interruptible Service in a prior Nomination Cycle for any such day, will authorize Firm Service, Equivalent Point Diversions, In Path Diversions, Out of Path Diversions, AOS and Interruptible Service in Zone 3 for any such day in the Evening Nomination Cycle, the Intra-Day 1 Nomination Cycle and the Intra-Day 2 Nomination Cycle in the following priority and sequence:

- (a) first priority shall be given to Firm Service, Equivalent Point Diversions and In Path Diversions, other than In Path Diversions to an alternate Receipt Point or an alternate Delivery Point on a Restricted Lateral, provided that if Westcoast determines that the capacity available in Zone 3 or any part thereof will not be sufficient to permit Westcoast to authorize all of the Firm Service, Equivalent Point Diversions and such

Westcoast Energy Inc.

GENERAL TERMS AND CONDITIONS - SERVICE

In Path Diversions nominated by Shippers for the day, Westcoast will allocate the available capacity between the affected Shippers pro rata on the basis of Contract Demand;

- (b) second priority shall be given to In Path Diversions to an alternate Receipt Point or an alternate Delivery Point on a Restricted Lateral, provided that if Westcoast determines that the capacity available to deliver gas on any day at any such alternate Receipt Point or any such alternate Delivery Point will not be sufficient to permit Westcoast to authorize all of such In Path Diversions nominated by Shippers for the day, Westcoast will allocate the available capacity between the affected Shippers pro rata on the basis of the volumes of such In Path Diversions nominated by those Shippers for delivery at such alternate Receipt Point or alternate Delivery Point;
- (c) third priority shall be given to Out of Path Diversions, provided that if Westcoast determines that the capacity available to deliver gas on any day at an alternate Receipt Point or an alternate Delivery Point will not be sufficient to permit Westcoast to authorize all of such Out of Path Diversions nominated by Shippers for the day, Westcoast will allocate the available capacity between the affected Shippers pro rata on the basis of the volumes of such Out of Path Diversions nominated by those Shippers for delivery at such alternate Receipt Point or such alternate Delivery Point;
- (d) fourth priority shall be given to AOS, provided that if Westcoast determines that the capacity available on any such day in Zone 3 or any part thereof will not be sufficient to permit Westcoast to authorize all of the AOS nominated by Shippers for the day, Westcoast will allocate the available capacity between the affected Shippers pro rata on the basis of the volumes of AOS nominated by those Shippers for the day; and
- (e) fifth priority shall be given to Interruptible Service, provided that if Westcoast determines that the capacity available on any such day in Zone 3 or any part thereof will not be sufficient to permit Westcoast to authorize all of the Interruptible Service nominated by Shippers for the day, Westcoast will allocate the available capacity between the affected Shippers pro rata on the basis of the volumes of Interruptible Service nominated by those Shippers for the day.

Subject to the availability of capacity, having regard to the service and diversions authorized in the prior Nomination Cycles for each day, Westcoast will authorize additional Firm Service, Equivalent Point Diversions, In Path Diversions, Out of Path Diversions, AOS and Interruptible Service in Zone 3 in the Intra-Day 3 Nomination Cycle in the same priority and sequence as set out in Subsections 3.03 (a) to (e).

- 3.04 Priorities, Zone 4. Westcoast will authorize Firm Service, Huntingdon Delivery Area Diversions, Upstream Diversions, AOS, Downstream Diversions and Interruptible Service in Zone 4 for each day in the Timely Nomination Cycle and, notwithstanding any earlier authorization given for AOS, Downstream Diversions and Interruptible Service in a prior Nomination Cycle for any such day, will authorize Firm Service, Huntingdon Delivery Area Diversions, Upstream Diversions, AOS, Downstream Diversions and Interruptible Service in Zone 4 for any such day in the Evening Nomination Cycle, the Intra-Day 1 Nomination Cycle and the Intra-Day 2 Nomination Cycle in the following priority and sequence:

Westcoast Energy Inc.

GENERAL TERMS AND CONDITIONS - SERVICE

- (a) first priority shall be given to Firm Service, provided that if Westcoast determines that the capacity available in Zone 4 or any part thereof will not be sufficient to permit Westcoast to authorize all of the Firm Service nominated by Shippers for the day, Westcoast will allocate the available capacity between the affected Shippers pro rata on the basis of Contract Demand;
- (b) second priority shall be given to Huntingdon Delivery Area Diversions and Upstream Diversions, provided that if Westcoast determines that the capacity available to deliver gas at an alternate Delivery Point in the Huntingdon Delivery Area or an Upstream Delivery Point will not be sufficient to permit Westcoast to authorize all of such Huntingdon Delivery Area Diversions and Upstream Diversions nominated by Shippers for the day, Westcoast will allocate the available capacity between the affected Shippers pro rata on the basis of the volumes of gas nominated by those Shippers for delivery at such alternate Delivery Point in the Huntingdon Delivery Area or Upstream Delivery Point;
- (c) third priority shall be given to AOS, provided that if Westcoast determines that the capacity available on any such day in Zone 4 or any part thereof will not be sufficient to permit Westcoast to authorize all of the AOS nominated by Shippers for the day, Westcoast will allocate the available capacity between the affected Shippers pro rata on the basis of the volumes of AOS nominated by those Shippers for the day;
- (d) fourth priority shall be given to Downstream Diversions, provided that if Westcoast determines that the capacity available in Zone 4 or any part thereof is not sufficient to permit Westcoast to authorize all of the Downstream Diversions nominated by Shippers for the day, Westcoast will allocate the available capacity between the affected Shippers pro rata on the basis of the volumes of such Downstream Diversions nominated by those Shippers for the day; and
- (e) fifth priority shall be given to Interruptible Service, provided that if Westcoast determines that the capacity available on any such day in Zone 4 or any part thereof will not be sufficient to permit Westcoast to authorize all of the Interruptible Service nominated by Shippers for the day, Westcoast will allocate the available capacity between the affected Shippers pro rata on the basis of the volumes of Interruptible Service nominated by those Shippers for the day.

Subject to the availability of capacity in Zone 4 having regard to the service and diversions authorized in the prior Nomination Cycles for each day, Westcoast will authorize additional Firm Service, Huntingdon Delivery Area Diversions, Upstream Diversions, AOS, Downstream Diversions and Interruptible Service in Zone 4 in the Intra-Day 3 Nomination Cycle in the same priority and sequence set out in Subsections 3.04(a) to (e).

Westcoast Energy Inc.

GENERAL TERMS AND CONDITIONS - SERVICE

3.05 Curtailments. If at any time after Westcoast has authorized Firm Service, including diversions, AOS and Interruptible Service in Zones 1A, 3 and 4 for any day in any Nomination Cycle pursuant to Sections 4.09, Westcoast determines that the capacity available in Zone 1A, Zone 3 or Zone 4 of the Pipeline System or any part thereof is not sufficient to permit Westcoast to provide all of the service and diversions so authorized for that day, Westcoast will curtail or interrupt the service and diversions authorized for the affected Shippers in the following priority and sequence:

- (a) Westcoast will first curtail or interrupt the Interruptible Service which has been authorized for that day in accordance with Section 4.09, pro rata on the basis of the volumes of such service so authorized;
- (b) Westcoast will, if required, then curtail or interrupt the Downstream Diversions which have been authorized for that day in accordance with Section 4.09, pro rata on the basis of the volumes of the Downstream Diversions so authorized;
- (c) Westcoast will, if required, then curtail or interrupt AOS in Zone 3 and Zone 4, pro rata on the basis of the volumes of such service so authorized;
- (d) Westcoast will, if required and if there is a constraint (i) in Zone 4 at an alternate Delivery Point in the Huntingdon Delivery Area or an Upstream Delivery Point to which gas has been diverted in accordance with Subsection 7.01(a) or 7.01(b) or (ii) in Zone 3 at an alternate Receipt Point or an alternate Delivery Point to which gas has been diverted pursuant to an Out of Path Diversion made in accordance with Section 7.07, then curtail or interrupt diversions to that alternate Delivery Point in the Huntingdon Delivery Area, Upstream Delivery Point, alternate Receipt Point in Zone 3 or alternate Delivery Point in Zone 3 which are authorized for the day in accordance with Section 4.09, in each case pro rata on the basis of the volumes of gas so authorized to be diverted to that alternate Delivery Point in the Huntingdon Delivery Area, Upstream Delivery Point, alternate Receipt Point in Zone 3 or alternate Delivery Point in Zone 3;
- (e) Westcoast will, if required and if there is a constraint at an alternate Receipt Point or an alternate Delivery Point on a Restricted Lateral to which gas has been diverted pursuant to an In Path Diversion made in accordance with Section 7.07, then curtail or interrupt the In Path Diversions to any such Receipt Point or Delivery Point which are authorized for the day in accordance with Section 4.09, pro rata on the basis of the volumes of gas authorized to be diverted to any such alternate Receipt Point or alternate Delivery Point; and
- (f) Westcoast will, if required, then curtail or interrupt Firm Service, Equivalent Point Diversions and In Path Diversions, other than In Path Diversions to an alternate Receipt Point or an alternate Delivery Point on a Restricted Lateral, authorized for the day in accordance with Section 4.09, pro rata on the basis of Contract Demand.

Westcoast will give notice of any intended curtailment or interruption of service pursuant to this Section to all Shippers by means of its public bulletin board, as promptly as reasonably possible following its determination that a curtailment or interruption of service is necessary.

Westcoast Energy Inc.

GENERAL TERMS AND CONDITIONS - SERVICE

3.06 Import Backhaul Service. The obligation of Westcoast to authorize and to provide Import Backhaul Service in Zone 4 on any day under an Interruptible Service Agreement shall be conditional upon:

- (a) operating constraints on the Pipeline System; and
- (b) the authorization and continued authorization of the delivery by Westcoast on any such day to the Northwest Delivery Point of a volume of gas at least thermally equivalent to that in respect of which Shippers have given nominations for Import Backhaul Service for such day.

3.07 Conditions of Service. Westcoast shall not be obligated to provide any service to a Shipper in Zone 1A, Zone 3 or Zone 4 of the Pipeline System under a Firm Service Agreement or an Interruptible Service Agreement on any day unless that service has been authorized by Westcoast in accordance with Article 4, and Westcoast shall not be obligated to authorize, or to maintain the authorization for, the delivery of gas to or for the account of a Shipper in Zone 1A, Zone 3 or Zone 4 on any day pursuant to a Service Agreement unless:

- (a) the Shipper has given a nomination to Westcoast for the delivery of such gas in accordance with Section 4.05;
- (b) in the case of gas to be delivered to or for the account of the Shipper under a Firm Service Agreement, there is adequate Contract Demand under that Firm Service Agreement for the transmission of the volume of gas nominated by the Shipper and the required allowance for System Gas through each Zone between the Receipt Point and the Delivery Point;
- (c) in the case of gas to be delivered to or for the account of the Shipper pursuant to the AOS entitlement under a Firm Service Agreement, there is adequate capacity available in Zone 3 or Zone 4, up to the maximum daily volume for the AOS specified in Section 2.11(a), for the transmission of the volume of gas nominated for AOS by the Shipper and the required allowance for System Gas through each such Zone between the Receipt Point and the Delivery Point;
- (d) in the case of gas to be delivered to or for the account of the Shipper under an Interruptible Service Agreement, there is adequate capacity available on the Pipeline System, up to the maximum volume specified in the Interruptible Service Agreement, for the transmission of the volume of gas nominated by the Shipper and the required allowance for System Gas through each such Zone between the Receipt Point and the Delivery Point;
- (e) in the case of gas to be delivered pursuant to a Service Agreement to a Delivery Point at which the Pipeline System connects with the pipeline facilities of a Receiving Party, the receipt by Westcoast of confirmation from the Receiving Party that it will take delivery of the gas to be delivered to or for the account of the Shipper at the Delivery Point, and the reconfirmation thereof by the Receiving Party in any subsequent Nomination Cycle;

Westcoast Energy Inc.

GENERAL TERMS AND CONDITIONS - SERVICE

- (f) in the case of gas to be delivered pursuant to a Service Agreement at any other Delivery Point in Zone 3 or Zone 4, the authorization by Westcoast of the delivery of that gas pursuant to another Service Agreement to a point at which the Pipeline System connects with the pipeline facilities of a Receiving Party; and
- (g) the confirmation by Westcoast and the reconfirmation by Westcoast in any subsequent ~~N~~omination ~~C~~ycle, to its satisfaction, that the Shipper will be capable of fulfilling its obligations under Sections 4.14 and 4.15.

Westcoast Energy Inc.

GENERAL TERMS AND CONDITIONS - SERVICE**ARTICLE 5
RECEIPT POINT OPERATORS**

- 5.01 Application. The provisions of this Article apply to each Shipper for whose account raw gas or residue gas are delivered into the Pipeline System at a Receipt Point, and each such Shipper shall cause the Receipt Point Operator for each such Receipt Point to carry out the duties, functions and responsibilities prescribed in Section 5.04.
- 5.02 Receipt Point Operators. Each Shipper which delivers raw gas or residue gas into the Pipeline System at a Receipt Point at which such Shipper is not the owner of the pipeline facilities which connect with the Pipeline System at the Receipt Point shall be deemed conclusively for all purposes of these General Terms and Conditions to have appointed the Receipt Point Operator for such Receipt Point as its agent for the purpose of carrying out and performing the duties, functions and responsibilities of a Receipt Point Operator which are described in this Article.
- 5.03 Appointment of Receipt Point Operators. For Receipt Points other than the Straddle Plant Receipt Point, the owner of the pipeline facilities which connect with the Pipeline System at the Receipt Point may appoint another person, acceptable to Westcoast, as the Receipt Point Operator for such Receipt Point, such appointment to be effective:
- (a) in the case of an existing Receipt Point, on the first day of the month immediately following the day on which notice is given to Westcoast in accordance with this Section; and
 - (b) in the case of a new Receipt Point, on the first day on which gas is delivered to Westcoast at the Receipt Point.

The owner of the connecting pipeline facilities shall, at least five Business Days prior to the day on which such appointment is to be effective, give notice of such appointment to Westcoast and specify in the notice the name and address of such person and the day on which such appointment is to be effective. Each Shipper which delivers raw gas or residue gas into the Pipeline System at such Receipt Point shall, effective as of the day on which the appointment of such person becomes effective, be deemed conclusively for all purposes of these General Terms and Conditions to have appointed such person as its agent for the purpose of carrying out and performing the duties, functions and responsibilities of a Receipt Point Operator which are described in this Article.

- 5.04 Duties, Functions and Responsibilities. The Receipt Point Operator for each Receipt Point shall carry out the following duties, functions and responsibilities (which duties, functions and responsibilities shall, in the case of each Shipper which is deemed to have appointed the Receipt Point Operator as its agent pursuant to Section 5.02 or Section 5.03, be carried out by the Receipt Point Operator as agent for and on behalf of such Shipper):
- (a) the delivery to Westcoast at a Receipt Point in Zone 1 or Zone 2 of the Pipeline System, in accordance with the applicable pressure and quality specifications prescribed in Articles 11 and 12, of the volumes of raw gas which each such Shipper requires to be delivered to Westcoast pursuant to Section 27.02, Section 28.03 or Section 29.03.

Westcoast Energy Inc.

GENERAL TERMS AND CONDITIONS - SERVICE

- (b) the delivery from the outlet of a Processing Plant and at a Receipt Point in Zone 3 or Zone 4 of the Pipeline System, in accordance with the applicable pressure and quality specifications prescribed in Articles 11 and 12, of the Authorized Receipt Volume authorized by Westcoast for delivery into Zone 3 or Zone 4 of the Pipeline System by or for the account of each such Shipper from the outlet of any such Processing Plant or at any such Receipt Point;
- (c) the reporting to Westcoast, in the time and manner prescribed in Sections 6.03 and 6.04, of the estimated volume of raw gas or the estimated quantity of residue gas delivered into the Pipeline System on each day for the account of each such Shipper;
- (d) the delivery to Westcoast of a statement of the actual volumes of raw gas and Hydrocarbon Liquids or the actual quantity of residue gas in gigajoules delivered into the Pipeline System on each day in the previous month for the account of each such Shipper, in the time and manner prescribed in Section 10.01;
- (e) the installation, maintenance and operation at such Receipt Point at which raw gas is delivered into the Pipeline System of the pressure control and overpressure protection equipment required to be installed, maintained and operated at such Receipt Point pursuant to Section 11.11, and the calibration of that equipment in accordance with the requirements of Section 11.11;
- (f) the installation, maintenance and operation at and upstream of such Receipt Point at which raw gas is delivered into the Pipeline System, of the equipment required to be installed, maintained and operated at and upstream of such a Receipt Point pursuant to and in accordance with Article 14;
- (g) ensuring that the sampling, testing and analysis of raw gas produced from gas wells upstream of such Receipt Point at which raw gas is delivered into the Pipeline System and the sampling, testing and analysis of raw gas and Hydrocarbon Liquids at such Receipt Point are carried out pursuant to and in accordance with Article 15;
- (h) the installation, maintenance and operation at such Receipt Point of the gas and Hydrocarbon Liquids metering, measuring, monitoring and sampling equipment which the Shipper or the Receipt Point Operator and Westcoast have agreed, pursuant to Section 14.04, are to be installed, maintained and operated by the Shipper or the Receipt Point Operator; and
- (i) the submission of a request to Westcoast to review a Production Source in accordance with Article 26.

5.05 Reliance on Receipt Point Operators. For all purposes of a Service Agreement and these General Terms and Conditions:

- (a) Westcoast shall be entitled to rely and act upon all notifications, communications and information given, made or provided by a Receipt Point Operator on behalf of and in respect of a Shipper in connection with the matters specified in Section 5.04 as if such notifications, communications and information had been given, made or provided directly by the Shipper to Westcoast; and

Westcoast Energy Inc.

GENERAL TERMS AND CONDITIONS - SERVICE

- (b) all allocations of raw gas and Hydrocarbon Liquids and of residue gas delivered into the Pipeline System at a Receipt Point which are made by a Receipt Point Operator to or in respect of a Shipper, and all deliveries of raw gas and Hydrocarbon Liquids and of residue gas made by a Receipt Point Operator at a Receipt Point for or on behalf of a Shipper shall be binding upon the Shipper as if those allocations and deliveries had been made or provided directly by the Shipper for whose account or on whose behalf they were made or provided by the Receipt Point Operator.

5.06 Non-Performance, Quality and Pressure. If the Receipt Point Operator for any Receipt Point at which raw gas, Hydrocarbon Liquids or residue gas is or are delivered into the Pipeline System fails to:

- (a) deliver raw gas, Hydrocarbon Liquids or residue gas into the Pipeline System at the Receipt Point which meets the applicable quality specifications set out in Article 12 or as specified in a Service Agreement; or
- (b) comply with the applicable receipt pressures at the Receipt Point prescribed in accordance with Article 11 or as specified in a Service Agreement,

Westcoast may, without prejudice to any other right it has, (i) in the case of raw gas, reduce or direct the Receipt Point Operator, with corresponding notice to the Shippers upstream of the Receipt Point, to reduce the volume of raw gas being delivered into the Pipeline System at the Receipt Point (ii) in the case of residue gas, reduce the volume of residue gas authorized for delivery into the Pipeline System at the Receipt Point or (iii) in the case of both raw gas and residue gas, physically shut-in all deliveries of raw gas and Hydrocarbon Liquids or of residue gas into the Pipeline System at the Receipt Point and, in the case where the Receipt Point Operator fails to deliver raw gas, Hydrocarbon Liquids or residue gas into the Pipeline System at the Receipt Point which meets the applicable quality specifications set out in Article 12, Westcoast shall have the right to recover from the Shippers at the Receipt Point the amount of any credits that Westcoast is required to provide pursuant to Article 8 and which are directly attributable to such failure by the Receipt Point Operator. Westcoast shall give notice to the Receipt Point Operator, and to the Shippers upstream of the Receipt Point, of any direction to reduce, reduction or shut-in of deliveries of raw gas and Hydrocarbon Liquids or of residue gas at the Receipt Point in accordance with this Section, and shall accept deliveries of raw gas and Hydrocarbon Liquids or of residue gas again at the Receipt Point at such time as the failure of the Receipt Point Operator has been corrected and notice of the correction has been given by the Receipt Point Operator to Westcoast.

5.07 Non-Performance, EFM Equipment. If the Receipt Point Operator for a Receipt Point in any of the RGT Systems fails to install, maintain and operate any EFM Equipment required to be installed, maintained and operated pursuant to Section 14.02, or if any such EFM Equipment suffers chronic failures, Westcoast may, without prejudice to any other right it has, reduce or direct the Receipt Point Operator, with corresponding notice to the Shippers upstream of the Receipt Point, to reduce the volume of raw gas being delivered into the Pipeline System at the Receipt Point to a volume not less than (i) in the case of a Receipt Point in the Fort St. John RGT System 56.7 10³m³ per day and (ii) in the case of a Receipt Point in any other RGT System 141.6 10³m³ per day, provided that in the case of the chronic failure of any such EFM Equipment Westcoast will not reduce or direct the reduction of the volume of raw gas

Westcoast Energy Inc.

GENERAL TERMS AND CONDITIONS - SERVICE

being delivered into the Pipeline System at the Receipt Point without first giving the Receipt Point Operator, and the Shippers upstream of the Receipt Point five Business Days notice within which to correct such failure.

5.08 Audit by Westcoast. Westcoast shall in respect of each Receipt Point at which a Shipper delivers raw gas into the Pipeline System, have the right at any time and from time to time to undertake an audit of:

- (a) the actual allocations made of the raw gas and Hydrocarbon Liquids delivered into the Pipeline System at any such Receipt Point for the account of two or more Shippers;
- (b) all readings made of raw gas measurements in the measurement equipment required to be installed upstream of any such Receipt Point pursuant to Section 14.03; and
- (c) all readings made of raw gas and Hydrocarbon Liquids measurements in the measuring equipment required to be installed at any such Receipt Point pursuant to Section 14.02.

An audit conducted in accordance with this Section shall be restricted to the last 24 months of available data, and Westcoast will, within 60 days of the completion of any audit, provide the Receipt Point Operator with a report setting out the results of the audit. Westcoast will initiate any corrections (other than corrections which the Shipper and Westcoast agree are not material) to the amount of raw gas, Hydrocarbon Liquids, acid gas, sulphur gas, elemental sulphur, residue gas, Liquid Products, Fort Nelson Liquids and Dawson Liquids allocated to the Shipper and to the statements and invoices previously provided to the Shipper in accordance with these General Terms and Conditions within 60 days of the completion of any audit undertaken by Westcoast in accordance with this Section. If a Receipt Point Operator for a Receipt Point fails to cooperate with Westcoast with respect to an audit undertaken by Westcoast pursuant to this Section, Westcoast may, without prejudice to any other right it has, refuse to accept the delivery of raw gas and Hydrocarbon Liquids from those Production Sources upstream of the Receipt Point in respect of which there has been a failure to cooperate, provided that Westcoast will not refuse to accept deliveries from such Production Sources without first giving the Receipt Point Operator and Shippers upstream of the Receipt Point, 30 days notice within which to cooperate with such audit.

5.09 Non-Performance, Pressure Control and Overpressure Protection Equipment. If the Receipt Point Operator for a Receipt Point in any of the RGT Systems at which raw gas is delivered into the Pipeline System fails to install the pressure control and overpressure protection equipment required to be installed pursuant to Sections 5.04(e) and 11.11, or fails to maintain, operate and calibrate such equipment in accordance with the requirements of Sections 5.04(e) and 11.11, Westcoast may, without prejudice to any other right it has, physically shut-in all deliveries of raw gas and Hydrocarbon Liquids into the Pipeline System at the Receipt Point. Westcoast shall give notice to the Receipt Point Operator of any shut-in of deliveries of raw gas and Hydrocarbon Liquids in accordance with this Section, and shall accept deliveries of raw gas and Hydrocarbon Liquids at the Receipt Point at such time as Westcoast is satisfied that the failure of the Receipt Point Operator has been corrected and notice of the correction has been given by the Receipt Point Operator to Westcoast.

Westcoast Energy Inc.

GENERAL TERMS AND CONDITIONS - SERVICE

- 5.10 Inspection by Westcoast. Westcoast shall, in respect of each Receipt Point in an RGT System at which a Shipper delivers raw gas into the Pipeline System, have the right at any time and from time to time to undertake an inspection of the pressure control and overpressure protection equipment installed or caused to be installed by a Shipper or by a Receipt Point Operator pursuant to Sections 5.04(e) and 11.11 for the purposes of confirming that such equipment, and the maintenance, operation and calibration thereof, complies with the requirements of Section 11.11.
- 5.11 Liabilities. If Westcoast reduces or directs a reduction of the volume of raw gas being delivered into the Pipeline System at a Receipt Point pursuant to Section 5.06 or Section 5.07, reduces the volume of residue gas authorized for delivery into the Pipeline System at a Receipt Point pursuant to Section 5.06 or physically shuts in all deliveries of raw gas and Hydrocarbon Liquids or of residue gas at a Receipt Point in accordance with Section 5.06 or Section 5.09 or refuses to accept the delivery of raw gas or Hydrocarbon Liquids from Production Sources upstream of a Receipt Point in accordance with Section 5.08, Westcoast shall not have any liability whatsoever to a Shipper arising out of any such action by Westcoast and, without restricting the generality of the foregoing, shall not be liable to give the Shipper any credits pursuant to Article 8 by reason of any such action.
- 5.12 Non-Performance, Hydrocarbon Liquids Measurement. Notwithstanding any other provision of these General Terms and Conditions, a Shipper shall not be entitled to any allocation or delivery of Liquid Products or Fort Nelson Liquids recovered from Hydrocarbon Liquids delivered into the Pipeline System with raw gas at a Receipt Point if the Shipper, or the Receipt Point Operator for the Receipt Point at which the Hydrocarbon Liquids are delivered into the Pipeline System, fails to install, maintain and operate Hydrocarbon Liquids separating, metering, measuring and sampling equipment in accordance with the requirements of Section 14.02 or if any such equipment suffers chronic failures.

Westcoast Energy Inc.

GENERAL TERMS AND CONDITIONS - SERVICE**ARTICLE 8
CONTRACT DEMAND CREDITS**

- 8.01 Fuel Gas Service. Subject to Section 8.04, if Westcoast is unable to provide a Shipper with all of the Firm Fuel Gas Service nominated by the Shipper for any day in a month, the Shipper will be entitled to a credit for that day in respect of each such service equal to the product obtained by multiplying the applicable Daily Demand Toll by the amount, if any, by which the sum of (i) the volume of residue gas which the Shipper nominated in good faith in the Timely and Evening Nomination Cycles up to the Contract Demand and (ii) the additional volume of residue gas which the Shipper nominated in good faith in the Intra-Day 1 Nomination Cycle, up to a volume equal to that determined by multiplying the difference between the Contract Demand and the volume of residue gas so nominated in the prior Nomination Cycles by two-thirds, exceeds the actual volume of residue gas for which Westcoast authorized such service on any such day, but a Shipper will not be entitled to any such credits if the inability of Westcoast to authorize such service resulted from the performance of planned maintenance by Westcoast.
- 8.02 Firm Service, Zone 3. Subject to Sections 8.04 and 8.06, if Westcoast is unable to provide a Shipper with any Firm Transportation Service – Northern, Temporary Firm Service or Short Term Firm Service in Zone 3 ~~held~~nominated by the Shipper for any day in a month, the Shipper will be entitled to a credit determined for any such day in accordance with the following provisions:
- (a) if no notice respecting a restriction in service was in effect prior to the time specified in Section 4.11 for giving of nominations in the Intra-Day 1 Nomination Cycle for any such day, the Shipper will be entitled to a credit in respect of that day equal to the product obtained by multiplying the applicable Daily Demand Toll by the amount, if any, by which the sum of (i) the volume of residue gas nominated in good faith by the Shipper in the Timely and Evening Nomination Cycles, up to a volume equal to that determined by multiplying the Contract Demand by the applicable Transmission Reliability Percentage, and (ii) the additional volume of residue gas nominated in good faith by the Shipper in the Intra-Day 1 Nomination Cycle, up to a volume equal to that determined by multiplying the difference between the Contract Demand and the volume of residue gas so nominated in the prior Nomination Cycles by two-thirds and by the applicable Transmission Reliability Percentage, exceeds the actual volume of residue gas for which Westcoast authorized such service on that day; and
 - (b) if Westcoast gave a notice that such service was restricted to a volume less than the Contract Demand and such notice was in effect at the time specified in Section 4.11 for the giving of nominations in the Intra-Day 1 Nomination Cycle for any such day, the Shipper will be entitled to a credit in respect of that day equal to the product obtained by multiplying the applicable Daily Demand Toll by the amount, if any, by which (i) the average of the daily volumes of such Firm Transportation Service – Northern, Temporary Firm Service and Short Term Firm Service authorized by Westcoast for the Shipper, up to a volume equal to that determined by multiplying the Contract Demand by the applicable Transmission Reliability Percentage, for the immediately preceding three days on which there was no such restriction on such service, exceeds (ii) the greater of the actual volume of residue gas for which Westcoast authorized such service on that day and the Contract Demand available for such service on such day

Westcoast Energy Inc.

GENERAL TERMS AND CONDITIONS - SERVICE

as specified in the notice relating to the restriction given by Westcoast to all shippers in accordance with Section 20.05 of the General Terms and Conditions.

8.03 Firm Service, Zone 4. Subject to Section 8.04, if Westcoast is unable to provide a Shipper with any Firm Transportation Service - Southern or Short Term Firm Service in Zone 4 ~~nominated~~ held by the Shipper for any day in a month, the Shipper will be entitled to a credit determined for any such day in accordance with the following provisions:

- (a) if no notice respecting a restriction in service was in effect at the applicable time specified in Section 4.11 for the giving of nominations in the Intra-Day 1 Nomination Cycle for any such day, the Shipper will be entitled to a credit in respect of that day equal to the product obtained by multiplying the applicable Daily Demand Toll by the amount, if any, by which the sum of (i) the volume of residue gas nominated in good faith by the Shipper in the Timely and Evening Nomination Cycles, up to a volume equal to that determined by multiplying the Contract Demand by the applicable Transmission Reliability Percentage, and (ii) the additional volume of residue gas nominated in good faith by the Shipper in the Intra-Day 1 Nomination Cycle, up to a volume equal to that determined by multiplying the difference between the Contract Demand and the volume of residue gas so nominated in the prior Nomination Cycles by two-thirds and by the applicable Transmission Reliability Percentage, exceeds the actual volume of residue gas for which Westcoast authorized such service on that day; and
- (b) if Westcoast gave a notice that such service was restricted to a volume less than the Contract Demand and such notice was in effect at the time specified in Section 4.11 for the giving of nominations in the Intra-Day 1 Nomination Cycle for any such day, the Shipper will be entitled to a credit in respect of that day equal to the product obtained by multiplying the applicable Daily Demand Toll by the amount, if any, by which (i) the average of the daily volumes of such Firm Transportation Service - Southern and Short Term Firm Service authorized by Westcoast for the Shipper, up to a volume equal to that determined by multiplying the Contract Demand by the applicable Transmission Reliability Percentage, for the immediately preceding three days on which there was no such restriction on such service, exceeds (ii) the greater of the actual volume of residue gas for which Westcoast authorized such service on that day and the Contract Demand available for such service on such day as specified in the notice relating to the restriction given by Westcoast to all shippers in accordance with Section 20.05 of the General Terms and Conditions.

8.04 Exceptions. A Shipper shall not be entitled to any credits under Sections 8.01, 8.02 and 8.03, if or to the extent that the inability of Westcoast to provide any Firm Service to the Shipper resulted from:

- (a) the failure of the Shipper to nominate the full Contract Demand available for such service as specified in the notice relating to the restriction given by Westcoast;
- (b) the failure of the Receiving Party to confirm that it will take delivery of the gas to be delivered by Westcoast to or for the account of the Shipper or to take delivery of the volume of gas authorized by Westcoast at the Delivery Point at the applicable pressure prescribed in these General Terms and Conditions;

Westcoast Energy Inc.

GENERAL TERMS AND CONDITIONS - SERVICE

(~~cb~~) the inability of Westcoast to confirm to its satisfaction pursuant to Section 3.07(g) that the Shipper, or the Receipt Point Operator on its behalf, will be capable of fulfilling its obligations under Sections 4.14, 4.15(a) and 4.15(b) or the failure by the Shipper or the Receipt Point Operator on its behalf, to deliver gas to Westcoast at the Receipt Point in accordance with these General Terms and Conditions; or

(~~de~~) the inability of Westcoast to authorize or provide service in any other Zone of the Pipeline System by reason of an event or circumstance occurring in that other Zone.

8.05 Firm Service, Zones 1 and 2. A Shipper which has entered into a Service Agreement providing for Firm Service in Zone 1 and Zone 2, will only be entitled to such credits as are determined in accordance with Schedule B.

8.06 Service to the Straddle Plant Delivery Point. For the purposes of determining the amount of any Contract Demand Credits in accordance with Section 8.02 in respect of Firm Transportation Service ~~— Northern~~, Temporary Firm Service or Short Term Firm Service with a Delivery Point at the Straddle Plant Delivery Point, the volume differential to be used in the calculation of those credits shall be a volume of gas equal to the product obtained by multiplying the applicable volume differential specified in Section 8.02 by the Straddle Plant Shrinkage Factor.

Westcoast Energy Inc.

GENERAL TERMS AND CONDITIONS - SERVICE**ARTICLE 9
CAPACITY ALLOCATION AND RELOCATIONS**

- 9.01 Application. The provisions of this Article apply to the allocation of all capacity which becomes available in Zones 3 and 4 for any reason, including the failure of a Shipper to exercise renewal rights in respect of any Firm Transportation Service in accordance with Section 2.06, and to ~~Permanent In Path Relocations and Temporary In Path~~ Relocations, but does not apply to the allocation of any capacity ~~which is available for WF Service~~, which becomes available through the construction of new facilities or which is required for Short Term Firm Service.
- 9.02 Allocation Priorities. Available capacity in Zones 3 and 4 which is posted by Westcoast on its public bulletin board in any month in accordance with Section 9.04 and Permanent In Path Relocations and Temporary In Path Relocations will be awarded by Westcoast in accordance with the provisions of this Article in the following priority and sequence:
- (a) first priority shall be given to new Firm Transportation Service, which shall be awarded by Westcoast in accordance with Sections 9.08 and 9.09;
 - (b) second priority shall be given to Temporary Firm Service, which shall be awarded by Westcoast in accordance with Sections 9.08 and 9.09.
 - (c) third priority shall be given to Permanent In Path Relocations, which shall be awarded by Westcoast in accordance with Section 9.11;
 - (d) fourth priority shall be given to Temporary In Path Relocations, which shall be awarded by Westcoast in accordance with Section 9.12;
 - (e) fifth priority shall be given to Permanent Out of Path Relocations, for which the consideration is a Term Extension, which shall be awarded by Westcoast in accordance with Section 9.13;
 - (f) sixth priority shall be given to Permanent Out of Path Relocations for which the consideration is a Relocation Fee, which shall be awarded by Westcoast in accordance with Section 9.13; and
 - (g) seventh priority shall be given to Temporary Out of Path Relocations, which shall be awarded by Westcoast in accordance with Section 9.14.
- 9.03 Limitations on Relocations. Notwithstanding the provisions of Sections 9.04 to 9.07, Sections 9.11 to 9.14 and Section 9.16:
- (a) no bid shall be submitted in respect of a Relocation pursuant to Section 9.05 and no Relocation shall be awarded by Westcoast in accordance with this Article if the effect of any such Relocation would be (i) to convert any Transportation Service – Northern, Long Haul to Transportation Service – Northern, Short Haul or vice versa or (ii) to effect a Relocation of any Temporary Firm Service;

Westcoast Energy Inc.

GENERAL TERMS AND CONDITIONS - SERVICE

- (b) no bid shall be submitted for any Permanent In Path Relocation or Permanent Out of Path Relocation, and no such Relocation shall be awarded by Westcoast pursuant to Section 9.11 or Section 9.13, unless, at the time such bid is submitted, the Firm Transportation Service – Northern to be relocated is renewable in accordance with Section 2.06;
- (c) no bid shall be submitted for any Permanent Out of Path Relocation for which the consideration is a Term Extension, and no such Relocation shall be awarded by Westcoast pursuant to Section 9.13, unless the Term Extension specified in such bid is one or more whole years;
- (d) no bid shall be submitted in respect of a Permanent Out of Path Relocation for which the consideration is a Relocation Fee, and no such Relocation shall be awarded by Westcoast in accordance with Section 9.13, unless, at the time such bid is submitted, the remaining term of the Firm Transportation Service – Northern is not less than three years;
- (e) all bids submitted in respect of any Relocations shall be subject to meter station capacity and other capacity constraints on the Pipeline System; and
- (f) all Temporary In Path Relocations and all Temporary Out of Path Relocations awarded by Westcoast in accordance with this Article shall be effective only for the month immediately following the day on which the Relocation was awarded by Westcoast.

9.04 Notification by Westcoast. On or before the 15th day of each month, Westcoast will post on its public bulletin board all capacity available in Zones 3 and 4 on and after the first day of the next succeeding month, together with the parameters which define the scope of the available capacity including:

- (a) the Contract Demand;
- (b) the sections of the Pipeline System within Zones 3 and 4 on which the capacity is available; and
- (c) the commencement and termination dates of the term during which such capacity is available,

and will also post the electronic mail address to which bids are to be submitted in accordance with Section 9.05.

9.05 Bids. Bids for available capacity in Zones 3 and 4 and bids for ~~Permanent In-Path Relocations and Temporary In-Path~~ Relocations shall be submitted to Westcoast at the electronic mail address posted by Westcoast in accordance with Section 9.04, prior to 1600 hours CCT on the fifth Business Day following the day upon which Westcoast posted the available capacity in accordance with Section 9.04. Each bid shall be unconditional and shall specify the parameters required to define the bid and, in the case of a bid for Firm Transportation Service or Temporary Firm Service, shall include:

Westcoast Energy Inc.

GENERAL TERMS AND CONDITIONS - SERVICE

- (a) the Contract Demand which the bidder desires to secure;
- (b) the minimum Contract Demand which the bidder is prepared to accept;
- (c) the term for which the bidder requires the Firm Transportation Service or Temporary Firm Service and the commencement date of that term if it is different from that specified by Westcoast; and
- (d) the Receipt Point and the Delivery Point for the service,

~~in the case of a bid for Firm Transportation Service involving a conversion of WF Service to Year-Round Service in accordance with Section 23.07, shall include:~~

- ~~(e) the Contract and Line number for the existing WF Service;~~
- ~~(f) the minimum Contract Demand which the bidder is prepared to accept for conversion; and~~
- ~~(g) any Term Extension proposed by the Shipper,~~

and, in the case of a Relocation, shall include:

- ~~(e)~~ (e) the Contract and Line number for the existing Firm Transportation Service – Northern;
- ~~(f)~~ (f) the existing Receipt Point and Delivery Point for such service;
- ~~(g)~~ (g) the requested Receipt Point and/or Delivery Point;
- ~~(h)~~ (h) in the case of a Permanent Out of Path Relocation of Firm Transportation Service – Northern for which the consideration is a Term Extension, the Term Extension proposed by the Shipper; and
- ~~(i)~~ (i) in the case of a Permanent Out of Path Relocation of Firm Transportation Service – Northern for which the consideration is a Relocation Fee, the Relocation Fee payable in respect of such Relocation.

9.06 Additional Bid Provisions. The following provisions shall apply to bids made in accordance with Section 9.05 in respect of capacity for Firm Transportation Service, Temporary Firm Service and Relocations:

- (a) For the purposes of the evaluation by Westcoast in accordance with Section 9.08 of bids in respect of capacity for Firm Transportation Service and Temporary Firm Service, all such bids will be deemed to have been submitted at the currently applicable Demand Toll for such service.
- (b) A bidder may submit multiple bids in respect of capacity for Firm Transportation Service or Temporary Firm Service having the same Receipt Point and Delivery Point provided that each such bid is unconditional and is not made as an alternative to any other bid submitted by such bidder.

Westcoast Energy Inc.

GENERAL TERMS AND CONDITIONS - SERVICE

- (c) Except for the name of the bidder, all bids submitted to Westcoast shall be open to public examination.

9.07 Withdrawal and Amendment of Bids. The following provisions shall apply to the withdrawal of bids for capacity for Firm Transportation Service, Temporary Firm Service and Permanent Out of Path Relocations:

- (a) A bidder may withdraw any bid for capacity for Firm Transportation Service, Temporary Firm Service or for a Permanent Out of Path Relocation which has been posted to the public bulletin board at any time prior to the time specified in Section 9.05. Thereafter, a bid shall be irrevocable.
- (b) Where a bidder withdraws a bid in respect of capacity for Firm Transportation Service, Temporary Firm Service or a Permanent Out of Path Relocation, the bidder shall not be entitled to submit a new bid for the same capacity having a lower economic value ~~that~~ than the prior bid which was withdrawn.

9.08 Award of Firm Service. Westcoast will evaluate each bid in respect of capacity for Firm Transportation Service and for Temporary Firm Service submitted in compliance with Sections 9.05 and 9.06 on the basis of its unit economic value. The unit economic value of each such bid for Firm Transportation Service shall be the net present value of the currently applicable Demand Toll for Firm Transportation Service having the term specified in the bid, discounted at the Discount Rate. The unit economic value of each such bid for Temporary Firm Service shall be the currently applicable Demand Toll for that service. Following evaluation of the bids, Westcoast will, subject to the limitations set out in Section 9.20, first award Firm Transportation Service and then award Temporary Firm Service, in each case on the basis of the economic value of the bids received for each such service by allocating it to the bid having the highest economic value and to other bids in descending order of economic value until all the available capacity has been allocated or until all valid bids have been accepted by Westcoast. If the economic values of two or more bids are equal, Westcoast will determine the priority of those bids by applying one or more of the following criteria:

- (a) the bid with the earliest commencement date will be given the highest priority; and
- (b) the bid with the longest term will be given the highest priority.

Westcoast will notify each successful bidder of the Firm Transportation Service and Temporary Firm Service awarded to it.

9.09 Allocation Between Equal Bids for Firm Service. If, following the application of the criteria in Section 9.08, Westcoast determines that two or more bids in respect of capacity for Firm Transportation Service or Temporary Firm Service remain equal, Westcoast will allocate the available capacity for Firm Transportation Service or Temporary Firm Service in accordance with the following procedures:

- (a) Westcoast will offer the available capacity to the affected bidders pro rata on the basis of the Contract Demands specified in their bids.

Westcoast Energy Inc.

GENERAL TERMS AND CONDITIONS - SERVICE

~~(b)~~ Affected bidders which accept or are deemed to have accepted the capacity for Firm Transportation Service or Temporary Firm Service offered by Westcoast will be offered a pro rata share in any capacity for such service not accepted by another bidder, until they have been allocated the entire Contract Demand specified in their respective bids.

Westcoast Energy Inc.

GENERAL TERMS AND CONDITIONS - SERVICE

(e)(b) Any remaining capacity which has not been awarded in accordance with Subsection (b) will be allocated by way of lottery to those affected bidders which rejected the allocation of Firm Transportation Service or Temporary Firm Service made in accordance with Subsection (a). Firm Transportation Service or Temporary Firm Service up to the Contract Demand specified in the bids submitted in accordance with Sections 9.05 and 9.06 will be offered sequentially to those bidders in the order in which they are selected by lottery.

- 9.10 Acceptance of Firm Service by Bidder. If Westcoast awards or offers Firm Transportation Service or Temporary Firm Service to a bidder pursuant to this Article and if that Firm Transportation Service or Temporary Firm Service is for a Contract Demand which is less than the minimum Contract Demand specified in the bid submitted in accordance with Sections 9.05 and 9.06, the bidder shall notify Westcoast of its acceptance of that Firm Transportation Service or Temporary Firm Service within the time specified by Westcoast in its notice of the award or offer, failing which the bidder shall be deemed conclusively to have declined the award or offer. If the Firm Transportation Service or Temporary Firm Service awarded or offered to a bidder by Westcoast is equal to or exceeds the minimum Contract Demand specified in the bid submitted, the bidder shall be deemed conclusively to have accepted the award or offer.
- 9.11 Award of Permanent In Path Relocations. Subject to meter station capacity and other capacity constraints, Westcoast will award all Permanent In Path Relocations requested by Shippers by means of a bid submitted in compliance with Sections 9.03, 9.05 and 9.06. If there is a meter station capacity restriction or other capacity constraint, Westcoast will award the available capacity to the Shippers which submitted valid bids pro rata on the basis of the Contract Demand for the service in respect of which the bid was submitted.
- 9.12 Award of Temporary In Path Relocations. Subject to meter station capacity and other capacity constraints, Westcoast will award all Temporary In Path Relocations requested by Shippers by means of a bid submitted in compliance with Sections 9.03, 9.05 and 9.06. If there is a meter station capacity restriction or other capacity constraint, Westcoast will award the available capacity to the Shippers which submitted valid bids pro rata on the basis of the Contract Demand for the service in respect of which the bid was submitted.
- 9.13 Award of Permanent Out of Path Relocations. Subject to meter station capacity and other capacity constraints, Westcoast will award Permanent Out of Path Relocations requested by Shippers by means of a bid submitted in compliance with Sections 9.03, 9.05 and 9.06 on the following basis:
- (a) Westcoast will first award Permanent Out of Path Relocations for which the consideration is a Term Extension, with the highest priority being given to the longest Term Extension and, where there are capacity limitations, pro rata on the basis of the Contract Demand for such service to be relocated in respect of bids having the same Term Extension; and
 - (b) Westcoast will then award Permanent Out of Path Relocations for which the consideration is a Relocation Fee and, where there are capacity limitations, pro rata on the basis of the Contract Demand for such service to be relocated.

Westcoast Energy Inc.

GENERAL TERMS AND CONDITIONS - SERVICE

- 9.14 Award of Temporary Out of Path Relocations. Subject to meter station capacity and other capacity constraints, Westcoast will award Temporary Out of Path Relocations of Firm Transportation Service – Northern requested by Shippers by means of a bid submitted in compliance with Sections 9.03, 9.05 and 9.06 pro rata on the basis on the Contract Demand for the Firm Transportation Service – Northern in respect of which bids were submitted.
- 9.15 Service Agreements. A bidder which accepts or which is deemed to have accepted Firm Transportation Service or Temporary Firm Service in accordance with Section 9.10 shall be bound to take up and pay for that Firm Transportation Service or Temporary Firm Service and, if so required by Westcoast, to provide security for payment in accordance with Section 10.08. Westcoast will forward to each such bidder a Service Agreement providing for the Firm Transportation Service or Temporary Firm Service so accepted for the term specified in the bid submitted in accordance with Section 9.05. The bidder shall be obligated to execute and return the Service Agreement, without modification or amendment, together with the security required by Westcoast in accordance with Section 10.08, within five Business Days of its receipt thereof, but in any event no later than two Business Days prior to the commencement of the Firm Transportation Service or Temporary Firm Service. If Westcoast provides the Firm Transportation Service or Temporary Firm Service to the bidder prior to receipt of the executed Service Agreement and security for payment required by Westcoast in accordance with Section 10.08, then:
- (a) the bidder shall be deemed conclusively, without further act or formality, to have entered into a Service Agreement with Westcoast for the Firm Transportation Service or Temporary Firm Service which the bidder accepted or is deemed to have accepted; and
 - (b) if the bidder fails to provide the security for payment required by Westcoast within three days of the commencement of the Firm Transportation Service or Temporary Firm Service, Westcoast may, notwithstanding any other provision of these General Terms and Conditions, suspend the authorization and delivery of gas to the Shipper until the required security for payment has been provided or terminate the Service Agreement immediately without notice to the Shipper. Notwithstanding the termination of the Service Agreement, the bidder shall be liable to Westcoast for any Firm Transportation Service or Temporary Firm Service provided to the bidder prior to the termination of the Service Agreement.
- 9.16 Service Agreement Amendments for Relocations. A Shipper which has been awarded a Relocation in accordance with Section 9.11, 9.12, 9.13 or 9.14 shall be required to enter into an amendment to the applicable Service Agreement and, if so required by Westcoast in the case of a Permanent Out of Path Relocation or a Temporary Out of Path Relocation, to provide security or additional security for payment in accordance with Section 10.08. Westcoast will forward to each such Shipper an amendment to its Service Agreement providing for the awarded Relocation. The Shipper shall execute the amendment, without any modification, and shall return the amendment together with the security or additional security required by Westcoast in accordance with Section 10.08 and, in the case of a Permanent Out of Path Relocation awarded pursuant to Section 9.4413(b), with payment of the Relocation Fee for such Relocation within two days of its receipt thereof, but in any event no later than two Business Days prior to the day on which the Relocation is to become effective. If the Shipper fails to return the executed amendment to its Service Agreement, the security or additional security required by Westcoast and, where applicable, payment of the

Westcoast Energy Inc.

GENERAL TERMS AND CONDITIONS - SERVICE

Relocation Fee within the time specified in this Section, the Relocation awarded to the Shipper by Westcoast shall be deemed conclusively to be void and of no further effect.

- 9.17 Designation of Bid Recipient. If Westcoast determines that it would be desirable to do so, Westcoast may designate a Bid Recipient as Westcoast's agent to receive all bids to be submitted in any month in accordance with Section 9.05. Where Westcoast designates a Bid Recipient to receive bids for any month in accordance with this Section, Westcoast will specify the name and electronic mail address of the Bid Recipient in the notification posted in accordance with Section 9.04, and all bids for capacity shall be submitted to the Bid Recipient prior to the time specified in Section 9.05.
- 9.18 Exception, Zone 4 Capacity. Notwithstanding the provisions of Sections 9.03, 9.04, 9.05 and 9.06 requiring the submission of a bid in connection with a posting of available capacity by Westcoast, and notwithstanding the provisions of Section 9.08 and 9.09 respecting the evaluation of bids for available capacity and the awarding of capacity to the bids received, Westcoast may at any time receive a request from a prospective Shipper for Firm Transportation Service in Zone 4 from a Receipt Point at Compressor Station No. 2 to a Delivery Point within the Huntingdon Delivery Area or the Inland Delivery Area or for Enhanced T-South Service (as defined in the Tariff Supplement, Enhanced T-South Service) and may, subject to the limitations set out in Section 9.20, make an award of such Firm Transportation Service or Enhanced T-South Service to a prospective Shipper provided that, after any such award of service is made by Westcoast, the available capacity in Zone 4 between Compressor Station No. 2 and the Huntingdon Delivery Area is not less than 4 249.2 10³m³. A request for such Firm Transportation Service in Zone 4 or for such Enhanced T-South Service submitted to Westcoast in accordance with this Section 9.18 shall specify:
- (a) the Contract Demand which the prospective Shipper requires;
 - (b) the minimum Contract Demand which the prospective Shipper is prepared to accept;
 - (c) the commencement date of the term for which the prospective Shipper requires such service, which commencement date shall be the first day of a month occurring within 60 days of the date on which the request is submitted to Westcoast; and
 - (d) the term for which the prospective Shipper requires such service, which term shall be a period of one year, a period of 17 to 19 months, a period of two years or a period in excess of two years,

and shall be submitted to Westcoast by E-mail at WEIcapacity@spectraenergy.com. Westcoast will award such Firm Transportation Service in Zone 4 and Enhanced T-South Service in accordance with this Section 9.18 on a first come, first served basis, based on the date and time at which each request for service is received by Westcoast. The provisions of Sections 9.10 and 9.15 respecting the acceptance of Firm Transportation Service awarded, Service Agreements and security for payment apply to any such Firm Transportation Service in Zone 4 and Enhanced T-South Service awarded by Westcoast in accordance with this Section 9.18.

Westcoast Energy Inc.

GENERAL TERMS AND CONDITIONS - SERVICE

- 9.19 Exception, Permanent In Path Relocations. Notwithstanding the limitation in Section 9.03(a)(i), a Shipper may submit a bid in accordance with Section 9.05 for a Permanent In Path Relocation of Firm Transportation Service – Northern which has the effect of converting that service from Transportation Service – Northern, Long Haul to Transportation Service – Northern, Short Haul, and Westcoast may award such a Permanent In Path Relocation to the Shipper in accordance with Section 9.11, if the Shipper agrees in the amendment to the applicable Service Agreement referred to in Section 9.16 to continue to pay to Westcoast in respect of the Firm Transportation Service – Northern as so relocated and the AOS attributed to such relocated Firm Transportation Service – Northern, the Demand Tolls for Firm Transportation Service – Northern, Long Haul and the Commodity Tolls for AOS, Long Haul, respectively, which are in effect from time to time in accordance with the Toll Schedule for Transportation Service – Northern, Long Haul and Short Haul, and Temporary Firm Service.
- 9.20 Limitations on Certain Service Awards. Awards made by Westcoast after August 12, 2013 pursuant to Section 9.06 and 9.18 of:
- (a) Firm Transportation Service in Zone 4 from a Receipt Point at Compressor Station No.2 to a Delivery Point within the Huntingdon Delivery Area having a term of 17 to 19 months shall not exceed an aggregate Contract Demand of $8\,101.8\ 10^3\text{m}^3$;
 - (b) Firm Transportation Service in Zone 4 from a Receipt Point at Compressor Station No.2 to a Delivery Point within the Inland Delivery Area having a term of 17 to 19 months shall not exceed an aggregate Contract Demand of $283.3\ 10^3\text{m}^3$; and
 - (c) Enhanced T South Service having a term of 17 to 19 months shall not exceed an aggregate Contract Demand of $396.6\ 10^3\text{m}^3$.

Westcoast Energy Inc.

GENERAL TERMS AND CONDITIONS - SERVICE

**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;

Westcoast Energy Inc.

GENERAL TERMS AND CONDITIONS - SERVICE

- (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~~
- (gi) 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~~ Calgary, Alberta, 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 annual rate of interest which is equal to the annual 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 (in each case compounded monthly) 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

Westcoast Energy Inc.

GENERAL TERMS AND CONDITIONS - SERVICE

Business Days from the day on which service was suspended, Westcoast may, in addition to any other remedy that may be available to it, at its option and without liability therefore, terminate the Service Agreement immediately upon delivering notice therefore to Shipper at any time following the expiration of such four day period, and ~~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. 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 Westcoast's estimates shall be binding on the Shipper. In such event, the adjustments contemplated in Sections 10.04, 10.06 and 10.07 shall not apply to the amounts payable by the Shipper.

- 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 or surety bond in favour of Westcoast, in a form and substance satisfactory to Westcoast and issued by a financial or other 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 or surety bond 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 or surety bond. Westcoast may withhold the provision of new service under a Service Agreement until Westcoast has received security for payment in accordance with this section.

In any case where a letter of credit or surety bond has been issued to Westcoast as security, in connection with which the issuer of the letter of credit or surety bond (i) advises Westcoast that it will not renew such letter of credit or surety bond upon the expiration thereof, or (ii) fails to give Westcoast any notice of renewal required under the terms of such letter of credit or surety bond, Westcoast shall be entitled (in addition to exercise of any other remedies available to it) to forthwith call upon such letter of credit or surety bond in full, and force

Westcoast Energy Inc.

GENERAL TERMS AND CONDITIONS - SERVICE

payment thereof and hold the proceeds thereof as continuing security for the performance of Shipper's obligations under the Service Agreement or forthwith apply the proceeds to the last of Shipper's obligations to Westcoast under such Service Agreement.

- 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, at its option and without liability therefore, terminate the Service Agreement immediately upon delivering a notice thereof to the Shipper at any time following the expiration of such two day period, and ~~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. 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 Westcoast's estimates shall be binding on the Shipper. In such event, the adjustments contemplated in Sections 10.04, 10.06 and 10.07 shall not apply to the amounts payable by the Shipper.
- 10.10 Term of a Letter of Credit or Surety Bond. Where Westcoast requires a Shipper to provide and maintain a letter of credit or surety bond pursuant to Section 10.08, such letter of credit or surety bond, 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, or have provision for automatic renewal if such letter of credit or surety bond has a lesser term.
- 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. In any case where a Service Agreement has been terminated under Sections 10.05 or 10.09 above, Westcoast may draw on the letter of credit provided by the Shipper for the full amount due to Westcoast by the Shipper.
- 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.

Westcoast Energy Inc.

GENERAL TERMS AND CONDITIONS - SERVICE

**ARTICLE 11
RECEIPT AND DELIVERY PRESSURE, AND
PRESSURE CONTROL AND OVERPRESSURE PROTECTION EQUIPMENT**

- 11.01 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 or residue gas which is delivered to Westcoast at the Receipt Point at pressures which do not comply with the receipt pressures prescribed in accordance with this Article.
- 11.02 McMahon Processing Plant and Aitken Creek Processing Plant. Except as provided in Section 11.03, all raw gas delivered by a Shipper to Westcoast at a Receipt Point for processing at the McMahon Processing Plant and the Aitken Creek Processing Plant shall be delivered at the Receipt Point at those pressures specified by Westcoast up to 5 520 kilopascals gauge, but in no event at a pressure greater than 6 067 kilopascals gauge.
- 11.03 Certain Receipt Points, Fort St. John RGT System. All raw gas delivered by a Shipper to Westcoast at a Receipt Point located on:
- (a) the eight inch East Osborne pipeline shall be delivered at those pressures specified by Westcoast up to 5 865 kilopascals gauge;
 - (b) the eight inch Peace River Pipeline shall be delivered at those pressures specified by Westcoast up to 9 928 kilopascals gauge;
 - (c) the 12 inch Peace River Pipeline shall be delivered at those pressures specified by Westcoast up to 9 928 kilopascals gauge;
 - (d) the 20 inch South Peace Pipeline and the 20 inch South Peace Connector and Connector Loop Pipelines shall be delivered at those pressures specified by Westcoast up to 9928 kilopascals gauge; and
 - (e) the 16 inch Willowbrook Pipeline shall be delivered at those pressures specified by Westcoast up to 9928 kilopascals gauge.
- 11.04 Fort Nelson Area and Pine River Processing Plant. All raw gas delivered by a Shipper 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 be delivered at the Receipt Point at those pressures specified by Westcoast up to 8 067 kilopascals gauge, except for raw gas delivered at a Receipt Point located on:
- (a) the Beaver River, Pointed Mountain and Maxhamish pipelines, which shall be delivered at those pressures specified by Westcoast up to 9 308 kilopascals gauge;
 - (b) the Bullmoose, Murray River and Red Willow pipelines, which shall be delivered at those pressures specified by Westcoast up to 8 618 kilopascals gauge;
 - (c) the Grizzly Extension, Weejay Lateral, North Maxhamish Loop and South Maxhamish Loop pipelines, which shall be delivered at those pressures specified by Westcoast up to 9 928 kilopascals gauge; and

Westcoast Energy Inc.

GENERAL TERMS AND CONDITIONS - SERVICE

- (d) the Adsett pipeline, which shall be delivered at those pressures specified by Westcoast up to 9 653 kilopascals gauge.
- 11.05 Sikanni Processing Plant. All raw gas delivered by a Shipper to Westcoast at the Receipt Point at the inlet of the Sikanni Processing Plant shall be delivered at the Receipt Point at those pressures specified by Westcoast up to 8 500 kilopascals gauge.
- 11.06 Dawson Processing Plant. All raw gas delivered by a Shipper to Westcoast at a Receipt Point for processing at the Dawson Processing Plant shall be delivered at the Receipt Point at those pressures specified by Westcoast up to 9 928 kilopascals gauge.
- 11.07 Residue Gas Receipt Points. All residue gas delivered by a Shipper to Westcoast at a Receipt Point shall be delivered at those pressures specified by Westcoast up to:
- (a) 6 453 kilopascals gauge with respect to deliveries into the Fort Nelson Mainline, the Fort St. John Mainline and Zone 4, other than the pipelines specified in Subsections (c) and (d);
 - (b) 6 895 kilopascals gauge with respect to deliveries into the Pine River Mainline;
 - (c) 8 067 kilopascals gauge with respect to deliveries into the ten inch pipeline extending from the outlet of the Sikanni Processing Plant and into any lateral pipelines connected to that ten inch pipeline;
 - (d) 8 067 kilopascals gauge with respect to deliveries into the Aitken Creek Pipeline other than deliveries made at the interconnection with the Storage Reservoir;
 - (e) 5 516 kilopascals gauge with respect to deliveries into the Alberta Mainline; and
 - (f) 6 895 kilopascals gauge with respect to deliveries into the Boundary Lake Pipeline.
- 11.08 Delivery Points, Zones 1A, 3 and 4. Westcoast shall deliver residue gas to a Shipper at a Delivery Point in Zones 1A, 3 and 4, including the Alliance/Gordondale Interconnection, at the pressure existing in the Pipeline System from time to time at the Delivery Point, which pressure shall never be less than 3 450 kilopascals gauge at Delivery Points on the 26 inch, 30 inch and 36 inch mainlines, the Boundary Lake Pipeline and the Fuel Gas Pipelines, except in circumstances where Westcoast is required to regulate the pressure to permit the metering of the gas delivered, and which pressure shall, in the case of residue gas delivered at the NOVA/Gordondale Interconnection, be no greater than 8 274 kilopascals gauge.
- 11.09 Certain NOVA Delivery Points. All residue gas delivered by Westcoast to or for the account of a Shipper at the NOVA/Sunset Delivery Point, NOVA/Tremblay Delivery Point and the NOVA/Komie East Delivery Point shall be delivered at the pressure required by the Receiving Party, which pressure shall be no greater than 9 928 kilopascals gauge.

Westcoast Energy Inc.

GENERAL TERMS AND CONDITIONS - SERVICE

- 11.10 Storage Reservoir. All gas delivered by Westcoast to a Shipper at the interconnection of the Pipeline System and the Storage Reservoir for injection into the Storage Reservoir shall be delivered at a pressure not less than 3 450 kilopascals gauge and all gas withdrawn from the Storage Reservoir and delivered by a Shipper to Westcoast at the interconnection of the Pipeline System and the Storage Reservoir shall be delivered at those pressures specified by Westcoast:
- (a) up to 6 516 kilopascals gauge on those days when the total volumes of gas delivered to Westcoast from the Storage Reservoir are less than $3\ 680\ 10^3\text{m}^3$; and
 - (b) up to 8 067 kilopascals gauge on those days when the total volumes of gas delivered to Westcoast from the Storage Reservoir are equal to or in excess of $3\ 680\ 10^3\text{m}^3$.
- 11.11 Pressure Control and Overpressure Protection Equipment. Each Shipper which delivers raw gas to Westcoast at a Receipt Point in the Fort St. John RGT System, the Fort Nelson RGT System and the Grizzly Valley RGT System shall at its own expense:
- (a) install, maintain and operate, or cause to be installed, maintained and operated, at each such Receipt Point pressure control and overpressure protection equipment which meets the requirements of applicable legislation, the Canadian Standards Association standard Z662 for oil and gas pipeline systems and Westcoast's Measurement Policies; and
 - (b) calibrate, or cause to be calibrated, the overpressure protection equipment to ensure that raw gas is not delivered to Westcoast at each such Receipt Point at a pressure which exceeds the maximum pressure specified for each such Receipt Point in Section 11.02, 11.03, 11.04, 11.05 or 11.06.

Westcoast Energy Inc.

GENERAL TERMS AND CONDITIONS - SERVICE**ARTICLE 13
MEASUREMENT OF GAS AND LIQUID HYDROCARBONS**

13.01 Applicable Standards. All determinations of the volume and energy content of gas made in accordance with these General Terms and Conditions shall be made in accordance with the requirements of:

(a) the Electricity and Gas Inspection Act (Canada); and

(b) Westcoast's Measurement Policies,

and all determinations of the volume and energy content of Hydrocarbon Liquids, Raw Liquids, Fort Nelson Liquids and Dawson Liquids made in accordance with these General Terms and Conditions shall be made in accordance with the requirements of the American Petroleum Institute Manual of Petroleum Measurement Standards and Westcoast's Measurement Policies.

13.02 Unit of Volume. The unit of volume for:

(a) all raw gas and residue gas delivered by a Shipper to Westcoast or by Westcoast to a Shipper; and

(b) all Hydrocarbon Liquids and Raw Liquids delivered by a Shipper to Westcoast and all Fort Nelson Liquids and Dawson Liquids delivered by Westcoast to a Shipper

shall be one cubic meter at base conditions of an absolute pressure of 101.325 kilopascals and a temperature of 15°C.

13.03 Unit of Energy. The unit of energy for:

(a) all raw gas and residue gas delivered by a Shipper to Westcoast or by Westcoast to a Shipper; and

(b) all Hydrocarbon Liquids and Raw Liquids delivered by a Shipper to Westcoast and all Fort Nelson Liquids and Dawson Liquids delivered by Westcoast to a Shipper

shall be the gigajoule.

13.04 Resolution of Measurements. All volumes of gas shall be determined and reported to the nearest tenth of a thousand cubic meters, all volumes of Hydrocarbon Liquids, Raw Liquids, Fort Nelson Liquids and Dawson Liquids shall be determined and reported to the nearest tenth of a cubic meter and all energy equivalents shall be determined and reported to the nearest gigajoule.

13.05 Atmospheric Pressure. The atmospheric pressure shall be calculated from the actual elevation of any point in accordance with the formulas prescribed pursuant to the Electricity

Westcoast Energy Inc.

GENERAL TERMS AND CONDITIONS - SERVICE

and Gas Inspection Act (Canada), and the atmospheric pressure, as so determined, shall be applied, irrespective of any changes arising from local weather conditions.

- 13.06 Flowing Temperature of Gas. The flowing temperature of any gas shall be measured and recorded in accordance with the requirements prescribed pursuant to the Electricity and Gas Inspection Act (Canada), and the arithmetic average of such flowing temperatures shall be used to calculate actual volumes of gas for any period of time.
- 13.07 Flowing Temperature of Liquid Hydrocarbons. Except for those cases where a separate temperature measurement of Hydrocarbon Liquids is required pursuant to Westcoast's Measurement Policies, the flowing temperature of Hydrocarbon Liquids delivered to Westcoast with raw gas at a Receipt Point shall be the same as the flowing temperature of the raw gas so delivered at the Receipt Point. The flowing temperature of any Hydrocarbon Liquids, Raw Liquids, Fort Nelson Liquids and Dawson Liquids for which a separate temperature measurement is required in accordance with Westcoast's Measurement Policies shall be measured and recorded in accordance with the requirements prescribed pursuant to the American Petroleum Institute Manual of Petroleum Measurement Standards and Westcoast's Measurement Policies, and the arithmetic average of such flowing temperatures shall be used to calculate actual volumes of Hydrocarbon Liquids, Raw Liquids, Fort Nelson Liquids or Dawson Liquids for any period of time.
- 13.08 Correction Factors and Deviations from the Ideal Gas Law. Metered volumes of gas at flowing conditions shall be corrected to base conditions and for deviations from the Ideal Gas Law by applying temperature, pressure and compressibility factors in accordance with the applicable provisions of Westcoast's Measurement Policies. A quantitative analysis of the gas shall be made in accordance with Westcoast's Measurement Policies to determine the compressibility factor of any gas.
- 13.09 Correction Factors for Liquid Hydrocarbons. Metered volumes of Hydrocarbon Liquids, Raw Liquids, Fort Nelson Liquids and Dawson Liquids at flowing conditions shall be corrected to base conditions by applying a temperature correction factor in accordance with the applicable provisions of the American Petroleum Institute Manual of Petroleum Measurement Standards and Westcoast's Measurement Policies.

Westcoast Energy Inc.

GENERAL TERMS AND CONDITIONS - SERVICE

**ARTICLE 17
LIABILITIES AND INDEMNITIES**

- 17.01 Property and Equipment. Each party assumes full responsibility and liability for the maintenance and operation of its respective properties and equipment and shall indemnify and save harmless the other party from all liability and expense on account of any and all damages, claims or actions, including injury to and death of persons, arising from any act or accident in connection with the installation, presence, maintenance and operation of the property and equipment of the indemnifying party, or in connection with the presence of gas, Hydrocarbon Liquids, Raw Liquids, Liquid Products, Fort Nelson Liquids or Dawson Liquids which are or are deemed to be in the possession and control of the indemnifying party.
- 17.02 Import Backhaul Service. A Shipper which has entered into an Interruptible Service Agreement providing for Import Backhaul Service shall indemnify and hold Westcoast harmless from and against all actions, proceedings, claims, demands, costs and expenses, including all legal costs and expenses, incurred by Westcoast which arise from or are attributable directly or indirectly to the delivery of gas to the Shipper under the Interruptible Service Agreement providing for Import Backhaul Service.
- 17.03 Curtailment of Services. If Westcoast is required for any reason to curtail or interrupt service or otherwise fails to provide service, a Shipper's sole and exclusive remedy against Westcoast will be the recovery of Contract Demand Credits pursuant to and in accordance with Article 8.
- 17.04 Contracted Residue Gas and Natural Gas Liquids. Westcoast shall have no liability of any kind whatsoever to a Shipper in respect of:
- (a) Contracted Residue Gas which has been delivered for the account of the Shipper to the Straddle Plant Operator at the Straddle Plant Delivery Point and which is or is deemed to be in the possession and control of the Straddle Plant Operator;
 - (b) Natural Gas Liquids extracted and recovered from Contracted Residue Gas at the Straddle Plant by the Straddle Plant Operator, and the allocation of any such Natural Gas Liquids between two or more Shippers;
 - (c) any Contracted Residue Gas and Natural Gas Liquids used as fuel or otherwise consumed or lost in the operations of the Straddle Plant, and the allocation of any such Contracted Residue Gas and Natural Gas Liquids between two or more Shippers; and
 - (d) any difference between the quantity of residue gas reported in a statement delivered to Westcoast pursuant to Section 10.01 as having been delivered into the Pipeline System at the Straddle Plant Receipt Point on any day and the actual quantity of residue gas delivered into the Pipeline System at that Receipt Point on any such day.
- 17.05 Damages. In no event will either Westcoast or a Shipper be liable to the other for any indirect, special or consequential loss, damage, cost or expense whatsoever including, without limitation, any loss of profits or revenues, the cost of capital, any loss or damage arising out of a failure to purchase, sell or deliver gas, the cancellation of permits or

Westcoast Energy Inc.

GENERAL TERMS AND CONDITIONS - SERVICE

certificates, and the termination of contracts, whether based on breach of contract, negligence or other tort liability, strict liability or otherwise.

Westcoast Energy Inc.

GENERAL TERMS AND CONDITIONS - SERVICE**ARTICLE 18
REPRESENTATIONS AND WARRANTIES**

18.01 Shipper represents and warrants to Westcoast that:

- (a) it has full right, power and authority to enter into a Service Agreement and that all gas, Liquid Products, ~~and~~ Raw Liquids, Hydrocarbon Liquids, Fort Nelson Liquids and Dawson Liquids to be delivered thereunder shall be free from all liens and adverse claims;
- (b) as of the day on which service is first provided by Westcoast under a Service Agreement, Shipper shall have obtained all necessary authorizations, permits, licences, certificates and agreements necessary for the receipt and delivery of gas under such Service Agreement and for the delivery of Raw Liquids, Hydrocarbon Liquids and/or the receipt of Liquid Products, Fort Nelson Liquids or Dawson Liquids if applicable ~~if Shipper is entitled to Liquid Products Stabilization and Fractionation Service~~ thereunder; and
- (c) as of the day on which a Service Agreement or any amendment thereto, other than an amendment providing solely for a Temporary In Path Relocation or a Temporary Out of Path Relocation, is entered into by Westcoast and Shipper, either:
 - (i) in respect of each firm service provided or to be provided by Westcoast thereunder Shipper owns, controls or has contracted on a firm basis for gas supplies or proven reserves from which it is or will be capable of delivering at the Receipt Points specified in such Service Agreement for such service, a volume of gas which is not less than the Contract Demand specified for such service on each day during the period in which Westcoast has agreed to provide such service; or
 - (ii) each firm service provided or to be provided by Westcoast thereunder is required by Shipper to enable it to satisfy, in whole or in part, its firm gas sales obligations during the period in which Westcoast has agreed to provide such service.

Shipper acknowledges and agrees that Westcoast has agreed to provide the services described in a Service Agreement in reliance upon the truth and accuracy of the representations and warranties of Shipper set forth in this section 18.01. Westcoast may at its option and in addition to any other remedy at law it may have, cease to provide such services to Shipper upon 7 days' written notice to Shipper should any of such representations and warranties prove to be false or inaccurate in any material respect. If Westcoast ceases at any time to provide such services to Shipper in accordance with this section 18.01, Shipper shall nonetheless remain liable for and shall pay to Westcoast the tolls prescribed in Westcoast's Toll Schedules for Service for such services up to the time Westcoast ceases to provide such services.

18.02 Shipper shall at all times have the obligation to make settlements for all royalties and overriding royalties and payments to mineral and royalty owners now or hereafter due with respect to the gas and its constituent parts, as may appear from records or otherwise to be

Westcoast Energy Inc.

GENERAL TERMS AND CONDITIONS - SERVICE

binding upon Shipper and in accordance with the terms thereof and of the respective leases and other documents, and to make settlements with all other persons having any ownership or interest in the gas, and Shipper agrees to indemnify Westcoast and save it harmless from all suits, actions, debts, accounts, damages, costs, losses and expenses arising from or out of adverse claims of any and all persons to the gas and its constituent parts or to royalties, taxes, licences fees or charges thereon which are applicable thereto or which may be levied and assessed upon the same thereof.

Westcoast Energy Inc.

GENERAL TERMS AND CONDITIONS - SERVICE**ARTICLE 19
FORCE MAJEURE**

- 19.01 As used in these General Terms and Conditions, the term "force majeure" means any event or occurrence not within the control of the party claiming force majeure and which by the exercise of due diligence such party is unable to prevent or overcome, including, without limiting the generality of the foregoing, any act of God, strikes, lockouts, or other industrial disturbances, acts of the Queen's enemies, sabotage, vandalism, terrorism, wars, blockades, insurrections, riots, epidemics, landslides, lightning, earthquakes, floods, tornados, storms, fires, washouts, arrests, restraints of rulers and peoples, civil disturbances, explosions, breakages, or accidents to machinery or pipelines, hydrate obstructions of pipelines or appurtenances thereto, temporary failure of gas supply, freezing of wells, or delivery facilities, well blowouts, cratering, inability to obtain materials or equipment, inability to obtain or interruption or curtailment of the provision of, a supply of electricity, water fuel or other utilities or services, or of any materials machinery or equipment, inability to obtain, or revocation or adverse amendment of any permits, orders, licences, certificates or other authorizations, order, directive or restraint issued or imposed by any governmental authority, regulatory body or court having jurisdiction.
- 19.02 If either party fails to perform any obligation imposed pursuant to a Service Agreement and such failure is caused or materially contributed to by any occurrence of force majeure, such failure shall be deemed not to be a breach of the obligation of such party, but such party shall use reasonable diligence to put itself in a position to carry out its obligation. Provided, however, that the settlement of strikes or lockouts shall be entirely within the discretion of each party and that the foregoing requirement that any force majeure shall be remedied with the exercise of due diligence shall not require settlement of strikes or lockouts by acceding to the demands of opposing persons when such course is inadvisable in the discretion of the appropriate party.
- 19.03 Notwithstanding section 19.02, force majeure shall not:
- (a) relieve Shipper from its obligation to make monthly payments to Westcoast under a Service Agreement or relieve Westcoast from its obligation to provide a Contract Demand credit in accordance with Article 8 of these General Terms and Conditions; or
 - (b) relieve any party from any other obligation unless such party shall give notice or such cause in writing to the other party with reasonable promptness and like notice shall be given upon termination of such cause, nor shall such cause continue to relieve such party from such other obligation after the expiration of a reasonable period of time within which, by the use of due diligence, such party could have performed its obligations.

Westcoast Energy Inc.

GENERAL TERMS AND CONDITIONS - SERVICE**ARTICLE 21
MISCELLANEOUS**

- 21.01 No waiver by either party of any default by the other in the performance of any of the provisions of a Service Agreement shall operate or be construed as a waiver of any other or future default or defaults, whether of a like or of a different character.
- 21.02 A Service Agreement may not be assigned in whole or in part by Shipper without the prior written consent of Westcoast, which consent shall not be unreasonably withheld.
- 21.04 Nothing herein contained shall prevent any of the parties from pledging or mortgaging its rights under a Service Agreement as security for its indebtedness.
- 21.03 A Service Agreement shall enure to the benefit of and be binding upon the parties thereto and their respective successors and permitted assigns.
- 21.05 A Service Agreement together with these General Terms and Conditions and Westcoast's Toll Schedules for Service incorporated therein by reference, constitutes the entire agreement between the parties and supersedes all previous agreements, understandings, negotiations and representations between the parties.
- 21.06 No amendment or variation of a Service Agreement shall be effective or binding upon the parties thereto unless such amendment or variation is set forth in writing and duly executed by the parties thereto.
- 21.07 A Service Agreement and the rights and obligations of the parties thereunder are subject to all present and future laws, rules, regulations and orders of any legislative body, governmental agency or duly constituted authority now or hereafter having jurisdiction over the parties.
- ~~21.08 From and after April 15, 1991 any references in a Service Agreement to the terms "delivery point" and "redelivery point" shall be deemed to be references to the terms "Receipt Point" and "Delivery Point", respectively, as such terms are defined in section 1.01 of these General Terms and Conditions.~~
- ~~21.09 From and after November 1, 1991 any Service Agreement which provides for "Transportation Storage Service" under Westcoast's Toll Schedules for Service in effect prior to November 1, 1991 shall, without further act or formality, be deemed to be amended by converting such Transportation Storage Service to Transportation Service - Northern with a Receipt Point at the interconnection of the Pipeline System and the Storage Reservoir and a Delivery Point at the Delivery Point specified in such Service Agreement in respect of such Transportation Storage Service.~~

Westcoast Energy Inc.

GENERAL TERMS AND CONDITIONS - SERVICE

**ARTICLE 27
DAWSON AREA**

- 27.01 Application. The provisions of this Article apply to Raw Gas Transmission Service and Treatment Service provided by Westcoast to a Shipper in the Dawson Area pursuant to a Service Agreement.
- 27.02 Deliveries of Raw Gas by Shipper. Subject to Section 27.05, a Shipper may on each day deliver to Westcoast at the Receipt Point specified in a Service Agreement for processing at the Dawson Processing Plant:
- (a) a volume of raw gas not exceeding the aggregate Contract Demand for Firm RGT Service specified in the Service Agreement for each such day; and
 - (b) subject to the availability of capacity therefor, a volume of raw gas not exceeding the maximum daily volume for Interruptible RGT Service specified in the Service Agreement for each such day.
- 27.03 Daily Delivery Estimates. Each Shipper shall provide Westcoast with an estimate of the total volume of raw gas to be delivered by it to Westcoast on each day at the Receipt Point specified in a Service Agreement for processing at the Dawson Processing Plant in accordance with the following requirements:
- (a) Shipper shall give an initial estimate of such total volume of raw gas to Westcoast on the preceding day prior to 1500 CCT; and
 - (b) if, either prior to the day or during the day, there is any change in the initial estimate given in accordance with Subsection 27.03(a) or a prior revised estimate given in accordance with this Subsection 27.03(b), the Shipper shall promptly give a revised estimate of such total volume of raw gas to Westcoast.
- 27.04 Deliveries of Gas by Westcoast. Subject to Section 27.05, Westcoast will on each day deliver to or for the account of a Shipper at the Delivery Point specified in a Service Agreement a volume of residue gas equal to the lesser of:
- (a) the volume of residue gas which the Receiving Party confirms to Westcoast that it will take delivery of at the Delivery Point on each such day for the account of the Shipper; and
 - (b) the volume of residue gas produced at the Dawson Processing Plant on each such day for the account of the Shipper.
- 27.05 Curtailments. If at any time on any day Westcoast determines that the capacity available on the Dawson RGT Pipeline and at the Dawson Processing Plant is not sufficient to provide all of the RGT Service and Treatment Service required by Shippers on any such day, Westcoast will curtail or interrupt the service being provided to Shippers on the Dawson RGT Pipeline and at the Dawson Processing Plant in the following priority and sequence:

Westcoast Energy Inc.

GENERAL TERMS AND CONDITIONS - SERVICE

- (a) Westcoast will first curtail or interrupt Interruptible Service pro rata on the basis of the volume of such service being provided by Westcoast to each Shipper; and
- (b) Westcoast will, if required, then curtail or interrupt Firm Service pro rata on the basis of Contract Demand.

Westcoast will give notice of any curtailment or interruption of service made pursuant to this Section 27.05 to each Shipper in accordance with Section 20.05 and by means of its public bulletin board, as promptly as reasonably possible following its determination that a curtailment or interruption of service is necessary. A notice of any curtailment or interruption of service given to each such Shipper in accordance with this Section 27.05 shall specify the Raw Gas Constraint Volume, the Acid Gas Constraint Volume and/or the Sulphur Gas Constraint Volume which each Shipper may deliver to Westcoast at the Receipt Point for processing at the Dawson Processing Plant during the period such curtailment or interruption of service remains in effect.

- 27.06 Purchase of Return Fuel Gas. Westcoast may purchase residue gas to be delivered to it at the NOVA/Tremblay Delivery Point for consumption by Westcoast as fuel in the operation of the Dawson Processing Plant.

Westcoast Energy Inc.

GENERAL TERMS AND CONDITIONS - SERVICE

**ARTICLE 28
FORT NELSON AREA**

- 28.01 Application. The provisions of this Article apply to Raw Gas Transmission Service and Treatment Service provided by Westcoast to a Shipper in the Fort Nelson Area pursuant to a Service Agreement.
- 28.02 Monthly Notification to Shippers. Westcoast will, at least five days prior to the first day in each month, notify each Shipper of:
- (a) its Treatment Flow Capability for each day in each such month; and
 - (b) the conversion factors applicable to each Production Source from which each such Shipper produces raw gas which is delivered to Westcoast at a Receipt Point in the Fort Nelson Area.
- Westcoast will, prior to the start of each gas day, notify each Shipper of its RGT Flow Capability for each receipt point for each such day.
- 28.03 Deliveries of Raw Gas by Shipper. Subject to Sections 28.05 and 28.06, a Shipper may on each day deliver to Westcoast at the Receipt Point specified in a Service Agreement for processing at the Fort Nelson Processing Plant and the Fort Nelson North Processing Plant, respectively:
- (a) a volume of raw gas not exceeding the aggregate Contract Demand for Firm RGT Service specified in the Service Agreement for each such Processing Plant for each such day; and
 - (b) subject to the availability of capacity therefor, a volume of raw gas not exceeding the maximum daily volume for Interruptible RGT Service specified in the Service Agreement for each such Processing Plant for each such day.
- 28.04 Deliveries of Gas by Westcoast. Subject to Sections 28.05, 28.06, and 28.07 Westcoast will on each day:
- (a) in the case of raw gas processed at the Fort Nelson Processing Plant, deliver to or for the account of a Shipper at the outlet of that Processing Plant the volume of residue gas produced at that Processing Plant on each such day for the account of the Shipper; and
 - (b) in the case of raw gas processed for the account of a Shipper at the Fort Nelson North Processing Plant, deliver to or for the account of the Shipper at the NOVA/Komie East Delivery Point, a volume of residue gas equal to the lesser of (i) the volume of residue gas which the Receiving Party confirms to Westcoast that it will take delivery of at that Delivery Point on each such day for the account of the Shipper and (ii) the volume of residue gas produced at the Fort Nelson North Processing Plant on each such day for the account of the Shipper.

Westcoast Energy Inc.

GENERAL TERMS AND CONDITIONS - SERVICE

28.05 Restriction of Interruptible Treatment Service. If at any time on any day Westcoast determines that the capacity available to provide Interruptible Treatment Service at the Fort Nelson Processing Plant, the Fort Nelson North Processing Plant or both of those Processing Plants is not sufficient to provide Interruptible Treatment Service in respect of the volumes of raw gas being delivered by Shippers to Westcoast at Receipt Points in the Fort Nelson Area, Westcoast may restrict the volumes of raw gas being delivered by each Shipper at such Receipt Points for Interruptible Treatment Service at one or both of those Processing Plants. Westcoast will give notice of any restriction on Interruptible Treatment Service implemented by it pursuant to this Section 28.05 to each Shipper in accordance with Section 20.05 and by means of its public bulletin board as promptly as reasonably possible following its determination that a restriction on Interruptible Treatment Service is required. A notice of any restriction on Interruptible Treatment Service given to each Shipper in accordance with this Section 28.05 shall specify the percentage reduction to be made by each such Shipper in the aggregate volume of raw gas being delivered to Westcoast at such Receipt Points for Interruptible Treatment Service.

28.06 Treatment Curtailments. If at any time on any day Westcoast determines that the capacity at the Fort Nelson Processing Plant, the Fort Nelson North Processing Plant or both of those Processing Plants is not sufficient to provide all of the Treatment Service required by Shippers at one or both of those Processing Plants on any such day, Westcoast will curtail or interrupt the Treatment Service being provided to Shippers at those Processing Plants, by allocating the available Treatment Service capacity at those Processing Plants to Shippers in the following priority and sequence:

- (a) first priority shall be given to Firm Treatment Service contracted at each of the Processing Plants, with the available capacity at each such Processing Plant being allocated to each Shipper based upon the lesser of (i) each such Shipper's share of the capacity available to provide Firm Treatment Service at each such Processing Plant determined pro rata on the basis of Contract Demand and ii) each such Shipper's Treatment Flow Capability;
- (b) second priority shall be given to the maximization of Firm Treatment Service provided at each of the Processing Plants, by allocating the remaining available capacity at each of those Processing Plants to those Shippers which can physically deliver additional raw gas to each such Processing Plant, pro rata on the basis of Treatment Flow Capability, subject to the limitation that the aggregate Firm Treatment Service provided to each such Shipper shall not exceed its aggregate Contract Demand; and
- (c) third priority shall be given to Interruptible Treatment Service at each of those Processing Plants, by allocating the remaining available capacity at each of those Processing Plants to those Shippers which can physically deliver additional raw gas to each such Processing Plant, pro rata on the basis of Treatment Flow Capability.

Westcoast will give notice of any curtailment or interruption of Treatment Service made pursuant to this Section 28.06 to each Shipper in accordance with Section 20.05 and by means of its public bulletin board, as promptly as reasonably possible following its determination that a curtailment or interruption of Treatment Service is necessary. A notice of any curtailment or interruption of Treatment Service given to each such Shipper in accordance with this Section 28.06 shall specify the Residue Gas Constraint Volume, the Raw Gas Constraint Volume, the Acid Gas Constraint Volume and/or the Sulphur Gas

Westcoast Energy Inc.

GENERAL TERMS AND CONDITIONS - SERVICE

Constraint Volume applicable to the Treatment Service being provided to each such Shipper during the period such curtailment or interruption of Treatment Service remains in effect.

28.07 RGT Curtailments. If at any time on any day Westcoast determines that the capacity at any Receipt Point or any group of Receipt Points in the Ft. Nelson Area is not sufficient to provide all of the RGT Service required by Shippers at that Receipt Point or group of Receipt Points on any such day, Westcoast will curtail or interrupt the RGT Service being provided to Shippers at such Receipt Point or group of Receipt Points, by allocating the available RGT Service capacity to Shippers in the following priority and sequence:

- (a) first priority shall be given to Firm RGT Service contracted at that Receipt Point or group of Receipt Points, with the available capacity being allocated to each Shipper based upon the lesser of (i) each such Shipper's share of the capacity available to provide Firm RGT Service at that Receipt Point or group of Receipt Points determined pro rata on the basis of Contract Demand and ii) each such Shipper's RGT Flow Capability;
- (b) second priority shall be given to the maximization of Firm RGT Service provided at that Receipt Point or group of Receipt Points, by allocating the remaining available capacity to those Shippers which can physically deliver additional raw gas to that Receipt Point or group of Receipt Points, pro rata on the basis of RGT Flow Capability, subject to the limitation that the aggregate Firm RGT Service provided to each such Shipper shall not exceed its aggregate Contract Demand; and
- (c) third priority shall be given to Interruptible RGT Service at that Receipt Point or group of Receipt Points, by allocating the remaining available capacity to those Shippers which can physically deliver additional raw gas to that Receipt Point or Group of Receipt Points, pro rata on the basis of RGT Flow Capability.

Westcoast will give notice of any curtailment or interruption of RGT Service made pursuant to this Section 28.07 to each Shipper and each Receipt Point Operator in accordance with Section 20.05, as promptly as reasonably possible following its determination that a curtailment or interruption of RGT Service is necessary. A notice of any curtailment or interruption of RGT Service given to each such Shipper and each Receipt Point Operator in accordance with this Section 28.07 shall specify the volume that each Shipper is permitted to deliver to each Receipt Point during the period such curtailment or interruption of RGT Service remains in effect

Westcoast will endeavor to work with Shippers and Receipt Point Operators to ensure compliance with permitted delivery volumes in a timely manner, however, if a Receipt Point Operator fails to reduce deliveries at a Receipt Point to the volumes permitted in accordance with this Section 28.07, Westcoast may, without prejudice to any other right it has, physically shut in all deliveries of raw gas and Hydrocarbon Liquids into the Pipeline System at the Receipt Point. Westcoast shall give notice to the Receipt Point Operator, and to the Shippers upstream of the Receipt Point of any shut in of deliveries of raw gas and Hydrocarbon Liquids in accordance with this Section.

Westcoast shall have no liability whatsoever to a Shipper or the Receipt point Operator for a Receipt Point arising out of any action by Westcoast to physically shut in all deliveries of raw gas and Hydrocarbon Liquids at such Receipt Point in accordance with this Section.

Westcoast Energy Inc.

GENERAL TERMS AND CONDITIONS - SERVICE

28.07 Purchase of Return Fuel Gas. Westcoast may purchase residue gas to be delivered to it at the NOVA/Komie East Delivery Point for consumption by Westcoast as fuel in the operation of the Fort Nelson North Processing Plant.

Westcoast Energy Inc.

GENERAL TERMS AND CONDITIONS - SERVICE

**ARTICLE 29
FORT ST. JOHN AREA, AITKEN CREEK AREA,
GRIZZLY VALLEY AREA AND SIKANNI AREA**

29.01 Application. The provisions of this Article apply to Raw Gas Transmission Service and Treatment Service provided by Westcoast to a Shipper in the Fort St. John Area, the Aitken Creek Area, the Grizzly Valley Area and the Sikanni Area, respectively.

29.02 Notifications to Shippers. Westcoast will, at least five days prior to the first day in each month, notify each Shipper which has entered into a Service Agreement for service in the Fort St. John Area, the Aitken Creek Area, the Grizzly Valley Area and the Sikanni Area, respectively, of:

- (a) its Treatment Flow Capability for each such Area for each day in each such month; and
- (b) the conversion factors applicable to each Production Source from which each such Shipper produces raw gas which is delivered to Westcoast at a Receipt Point in each such Area.

Westcoast will, prior to the start of each gas day, notify each Shipper which has entered into a Service Agreement for service in the Fort St. John Area, the Aitken Creek Area, the Grizzly Valley Area and the Sikanni Area, respectively, of its RGT Flow Capability for each Receipt Point for each such day.

29.03 Deliveries of Raw Gas by Shipper. Subject to Sections 29.05, 29.06 and 29.07, a Shipper may on each day deliver to Westcoast at the Receipt Point specified in a Service Agreement for processing at the McMahon Processing Plant, the Aitken Creek Processing Plant, the Pine River Processing Plant and the Sikanni Processing Plant, respectively:

- (a) in the case of each of the Fort St. John Area, the Aitken Creek Area and the Grizzly Valley Area, a volume of raw gas not exceeding the aggregate Contract Demand for Firm RGT Service specified in the Service Agreement for each such Area for each such day and, in the case of the Sikanni Area, the raw gas equivalent, determined based upon the applicable conversion factors, of the aggregate Contract Demand for Firm Treatment Service specified in the Service Agreement for each such day; and
- (b) subject to the availability of capacity therefor, a volume of raw gas, in the case of each of the Fort St. John Area, the Aitken Creek Area and the Grizzly Valley Area, not exceeding the maximum daily volume for Interruptible RGT Service specified in the Service Agreement for each such Area for each such day and in the case of the Sikanni Area, the raw gas equivalent, determined based on the applicable conversion factors, of the maximum daily volume for Interruptible Treatment Service specified in the Service Agreement for that Area for each such day.

29.04 Deliveries of Gas by Westcoast. Subject to Sections 29.05, 29.06 and 29.07, Westcoast will on each day deliver to or for the account of a Shipper at the outlet of the McMahon Processing Plant, the Aitken Creek Processing Plant, the Pine River Processing Plant and the Sikanni Processing Plant, respectively, the volume of residue gas produced at each such Processing Plant on each such day for the account of the Shipper.

Westcoast Energy Inc.

GENERAL TERMS AND CONDITIONS - SERVICE

29.05 Restriction of Interruptible Treatment Service. If at any time on any day Westcoast determines that the capacity available to provide Interruptible Treatment Service at the McMahon Processing Plant, the Aitken Creek Processing Plant, the Pine River Processing Plant or the Sikanni Processing Plant is not sufficient to provide Interruptible Treatment Service in respect of the volumes of raw gas being delivered by Shippers to Westcoast at Receipt Points in the Fort St. John Area, the Aitken Creek Area, the Grizzly Valley Area or the Sikanni Area Westcoast may restrict the volumes of raw gas being delivered by each Shipper at such Receipt Points for Interruptible Treatment Service at the McMahon Processing Plant, the Aitken Creek Processing Plant, the Pine River Processing Plant or the Sikanni Processing Plant. Westcoast will give notice of any restriction on Interruptible Treatment Service implemented by it pursuant to this Section 29.05 to each Shipper in accordance with Section 20.05 and by means of its public bulletin board as promptly as reasonably possible following its determination that a restriction on Interruptible Treatment Service is required. A notice of any restriction on Interruptible Treatment Service given to each Shipper in accordance with this Section 29.05 shall specify the percentage reduction to be made by each such Shipper in the aggregate volume of raw gas being delivered to Westcoast at such Receipt Points for Interruptible Treatment Service.

29.06 Treatment Curtailments. If at any time on any day Westcoast determines that the capacity at the McMahon Processing Plant, the Aitken Creek Processing Plant, the Pine River Processing Plant or the Sikanni Processing Plant is not sufficient to provide all of the Treatment Service required by Shippers at any of those Processing Plants on any such day, Westcoast will curtail or interrupt the Treatment Service being provided to Shippers at that Processing Plant, by allocating the available Treatment Service capacity at that Processing Plant to Shippers in the following priority and sequence:

- (a) first priority shall be given to Firm Treatment Service contracted at that Processing Plant, with the available capacity at that Processing Plant being allocated to each Shipper based upon the lesser of (i) each such Shipper's share of the capacity available to provide Firm Treatment Service at that Processing Plant determined pro rata on the basis of Contract Demand and ii) each such Shipper's Treatment Flow Capability;
- (b) second priority shall be given to the maximization of Firm Treatment Service provided at that Processing Plant, by allocating the remaining available capacity at that Processing Plant to those Shippers which can physically deliver additional raw gas to that Processing Plant, pro rata on the basis of Treatment Flow Capability, subject to the limitation that the aggregate Firm Treatment Service provided to each such Shipper shall not exceed its aggregate Contract Demand; and
- (c) third priority shall be given to Interruptible Treatment Service at that Processing Plant, by allocating the remaining available capacity at that Processing Plants to those Shippers which can physically deliver additional raw gas to that Processing Plant, pro rata on the basis of Treatment Flow Capability.

Westcoast will give notice of any curtailment or interruption of Treatment Service made pursuant to this Section 29.06 to each Shipper in accordance with Section 20.05 and by means of its public bulletin board, as promptly as reasonably possible following its determination that a curtailment or interruption of Treatment Service is necessary. A notice

Westcoast Energy Inc.

GENERAL TERMS AND CONDITIONS - SERVICE

of any curtailment or interruption of Treatment Service given to each such Shipper in accordance with this Section 29.06 shall specify the Residue Gas Constraint Volume, the Raw Gas Constraint Volume, the Acid Gas Constraint Volume and/or the Sulphur Gas Constraint Volume applicable to the Treatment Service being provided to each such Shipper during the period such curtailment or interruption of Treatment Service remains in effect.

29.07 RGT Curtailments. If at any time on any day Westcoast determines that the capacity at any Receipt Point or any group of Receipt Points in the Fort St. John Area, the Aitken Creek Area, the Grizzly Valley Area or the Sikanni Area is not sufficient to provide all of the RGT Service required by Shippers at that Receipt Point or group of Receipt Points on any such day, Westcoast will curtail or interrupt the RGT Service being provided to Shippers at such Receipt Point or group of Receipt Points, by allocating the available RGT Service capacity to Shippers in the following priority and sequence:

- (a) first priority shall be given to Firm RGT Service contracted at that Receipt Point or group of Receipt Points, with the available capacity being allocated to each Shipper based upon the lesser of (i) each such Shipper's share of the capacity available to provide Firm RGT Service at that Receipt Point or group of Receipt Points determined pro rata on the basis of Contract Demand and ii) each such Shipper's RGT Flow Capability;
- (b) second priority shall be given to the maximization of Firm RGT Service provided at that Receipt Point or group of Receipt Points, by allocating the remaining available capacity to those Shippers which can physically deliver additional raw gas to that Receipt Point or group of Receipt Points, pro rata on the basis of RGT Flow Capability, subject to the limitation that the aggregate Firm RGT Service provided to each such Shipper shall not exceed its aggregate Contract Demand; and
- (c) third priority shall be given to Interruptible RGT Service at that Receipt Point or group of Receipt Points, by allocating the remaining available capacity to those Shippers which can physically deliver additional raw gas to that Receipt Point or Group of Receipt Points, pro rata on the basis of RGT Flow Capability.

Westcoast will give notice of any curtailment or interruption of RGT Service made pursuant to this Section 29.07 to each Shipper and each Receipt Point Operator in accordance with Section 20.05, as promptly as reasonably possible following its determination that a curtailment or interruption of RGT Service is necessary. A notice of any curtailment or interruption of RGT Service given to each such Shipper and each Receipt Point Operator in accordance with this Section 29.07 shall specify the volume that each Shipper is permitted to deliver to each Receipt Point during the period such curtailment or interruption of RGT Service remains in effect

Westcoast will endeavor to work with Shippers and Receipt Point Operators to ensure compliance with permitted delivery volumes in a timely manner, however, if a Receipt Point Operator fails to reduce deliveries at a Receipt Point to the volumes permitted in accordance with this Section 29.07, Westcoast may, without prejudice to any other right it has, physically shut in all deliveries of raw gas and Hydrocarbon Liquids into the Pipeline System at the Receipt Point. Westcoast shall give notice to the Receipt Point Operator, and to the Shippers upstream of the Receipt Point of any shut in of deliveries of raw gas and Hydrocarbon Liquids in accordance with this Section.

Westcoast Energy Inc.

GENERAL TERMS AND CONDITIONS - SERVICE

Westcoast shall have no liability whatsoever to a Shipper or the Receipt Point Operator for a Receipt Point arising out of any action by Westcoast to physically shut in all deliveries of raw gas and Hydrocarbon Liquids at such Receipt Point in accordance with this Section.

29.07 Purchase of Fuel Gas. Westcoast may purchase residue gas for consumption by it as fuel in the operation of the Aitken Creek Processing Plant.

Westcoast Energy Inc.
GENERAL TERMS AND CONDITIONS - SERVICE

SCHEDULE A
NEGOTIATED SERVICES

The following provisions of the General Terms and Conditions are negotiable by a prospective Shipper and Westcoast pursuant to Section 2.02(~~be~~) of the General Terms and Conditions in respect of those Field Services which are Negotiated Services:

<u>Sections</u>	<u>Subject Matter</u>
8.01 and 8.05	Contract Demand Credits.
10.08 to 10.10	Letter of Credit.
11.02 to 11.0 6 ⁵	Receipt pressures for raw gas, subject to the limitation that such pressures not exceed the maximum authorized operating pressure.
12.02 to 12.0 5 ⁴	Raw gas quality.
14.01 and 14.02	As to the requirement for, ownership of and responsibility to pay for measuring equipment at a raw gas Receipt Point.
16.06 to 16.1 4 ⁰	Fort Nelson Liquids.
18.01(c)	Representation and warranty respecting gas supply and/or gas sales obligations.
21.02	Assignment of Service Agreement.

Westcoast Energy Inc.

GENERAL TERMS AND CONDITIONS - SERVICE

**SCHEDULE B
CONTRACT DEMAND CREDITS
FOR RAW GAS TRANSMISSION AND TREATMENT SERVICES**

**ARTICLE 1
INTERPRETATION**

1.1 Definitions

In this Schedule B:

“Annual Planned Outage Schedule” means, in respect of each Area, the annual planned outage schedule for Planned Outages in such Area established for such Area pursuant to Section 2.1 or 2.3, and includes any adjustment to such schedule pursuant to Section 2.2.

“Area” means the Fort Nelson Area, the Fort St. John Area, the Grizzly Valley Area, the Sikanni Area or the Dawson Area, or all of them, as the case may be.

“Area Operating Committee” or “AOC” means the committee established by Westcoast for each Area ~~other than the Sikanni Area and the Dawson Area in accordance with Part II of Schedule D to the Toll Settlement and referred to therein as the “Area Operating Committee” or “AOC” and the area operating committee established by Westcoast for the Sikanni Area and the Dawson Area made up of Westcoast and Shipper representatives for the purpose of resolving operating issues and determining reliability targets.~~

“Area Shipper Executive Committee” or “ASEC” means the committee established by Westcoast for each Area ~~other than the Sikanni Area and the Dawson Area in accordance with Part II of Schedule D to the Toll Settlement and referred to therein as the “Area Shipper Executive Committee” or “ASEC” and the area shipper executive committee established by Westcoast for the Sikanni Area and the Dawson Area made up of Westcoast and an officer from each of the four largest Shippers by firm contracted volume in that Area and one officer from a small Shipper/producer to be a representative for the small Shippers in that Area.~~

“Daily Average Inlet Pressure Target” means, in respect of any Processing Plant, the daily average inlet pressure specified in Section 4.2 for such Processing Plant.

“Daily Average Outlet Pressure Target” means, in respect of any Processing Plant, the daily average outlet pressure specified in Section 4.2 for such Processing Plant.

“Daily Average Receipt Point Pressure Target” means, in respect of any Receipt Point in Zone 1, the daily average pressure specified in Section 4.1 for such Receipt Point.

“Dawson Area” means the Dawson Processing Plant and the Dawson RGT Pipeline.

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

Westcoast Energy Inc.

GENERAL TERMS AND CONDITIONS - SERVICE

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

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

“Planned Outage” means, in respect of each Area, any maintenance related capacity restrictions which are planned for Westcoast’s facilities in such Area.

“Plant UPO Target” means, in respect of each Area in any Year, the percentage applicable to the Processing Plant in such Area for such Year determined pursuant to Section 3.1, and includes any adjustment to such percentage pursuant to Section 3.2.

“RGT Area UPO Target” means, in respect of each Area in any Year, the percentage applicable to all of the Zone 1 Receipt Points in such Area for such Year determined pursuant to Section 3.1, and includes any adjustment to such percentage pursuant to Section 3.2.

“Sikanni Area” means the Sikanni Processing Plant.

“Week” means each period of seven consecutive days beginning on a Monday and ending on a Sunday

“Weekly Planned Outage Schedule” means in respect of all Areas, the weekly planned outage schedule for Planned Outages in all such Areas prepared and issued by Westcoast pursuant to Section 2.4.

“Year” means a calendar year.

1.2 Section References

In this Schedule B, except as otherwise expressly provided, all references to designated “Articles”, “Sections” or other subdivisions are to the designated Articles, Sections or other subdivisions of this Schedule B.

**ARTICLE 2
PLANNED OUTAGE SCHEDULES**

2.1 Annual Planned Outage Schedules

Prior to the beginning of each Year, each Area Operating Committee will establish an Annual Planned Outage Schedule for Planned Outages required in respect of the facilities in its Area during such Year. Each Annual Planned Outage Schedule will identify the facilities affected by, and the anticipated start date, duration and impact of, each Planned Outage during the Year. In establishing Annual Planned Outage Schedules each Area Operating Committee will have regard, inter alia, to (i) anticipated contracting levels of the facilities affected by the Planned Outages at the time when the Planned Outages are scheduled to occur, (ii) the time of the Year when the Planned Outages are scheduled to occur, (iii) facility design and

Westcoast Energy Inc.

GENERAL TERMS AND CONDITIONS - SERVICE

configuration factors with respect to the facilities affected by the Planned Outages, (iv) multi-year turnaround planning cycles with respect to the facilities affected by the Planned Outages, and (v) the impact of the Planned Outages on Shippers in the Area.

2.2 Review of Annual Planned Outage Schedules

Westcoast or any Shipper may at any time during a Year, by written notice to the applicable Area Operating Committee, request a review of an Annual Planned Outage Schedule for such Year if one or more of the following events occurs during such Year:

- (a) there is a five percent change in the firm capacity of, or contracting level at, any facility to which such Annual Planned Outage Schedule applies; and
- (b) there is any change in any laws, regulations or ordinances, or the issuance of any orders or directives by any regulatory authority having jurisdiction, which materially affects the operation of any facility to which such Annual Planned Outage Schedule applies.

If an Area Operating Committee receives such a notice from Westcoast or any Shipper, then the Area Operating Committee will determine whether an adjustment should be made to the Annual Planned Outage Schedule, and, if so, the extent and effective date of such adjustment.

2.3 Failure to Agree on Annual Planned Outage Schedules

If an Area Operating Committee cannot agree on:

- (a) an Annual Planned Outage Schedule pursuant to Section 2.1; or
- (b) whether an adjustment to an Annual Planned Outage Schedule should be made pursuant to Section 2.2 or on the extent or effective date of such an adjustment;

then the matter will be referred to and resolved by the applicable Area Shipper Executive Committee. If an Area Shipper Executive Committee is unable to resolve a matter referred to it pursuant to this Section 2.3, then the matter will be resolved pursuant to the dispute resolution process set out in Section 7.1 of the Toll Settlement.

2.4 Weekly Planned Outage Schedules

Westcoast will on each Friday issue a Weekly Planned Outage Schedule for the next succeeding Week which sets out the Planned Outages required in respect of the facilities in each of the Areas during such Week. Each Weekly Planned Outage Schedule will identify the facilities in each Area affected by a Planned Outage, and the anticipated start date, duration and impact of each Planned Outage scheduled to occur during the Week. In preparing the Weekly Planned Outage Schedule for each Week in any Year, Westcoast need not conform with the Annual Planned Outage Schedules, provided that the impact of all Planned Outages for each Area in any such Year set out in the Weekly Planned Outage Schedules may not, in aggregate, exceed the impact of all the Planned Outages for each such Area for the Year as set in the Annual Planned Outage Schedule for each such Area.

Westcoast Energy Inc.
GENERAL TERMS AND CONDITIONS - SERVICE

[Empty rectangular box for terms and conditions content]

Westcoast Energy Inc.

GENERAL TERMS AND CONDITIONS - SERVICE

ARTICLE 3
UPO TARGETS

3.1 UPO Targets

Prior to the beginning of each Year, each Area Operating Committee will establish an appropriate RGT Area UPO Target and Plant UPO Target for the said Year for service not available due to unplanned facility outages in respect of the facilities in its Area. In establishing RGT Area UPO Targets and Plant UPO Targets each Area Operating Committee will have regard, inter alia, to (i) anticipated contracting levels of the facilities in the Area during such Year, (ii) facility design and configuration factors with respect to the facilities in the Area, (iii) the time of Year when such facility outages are more likely to occur, (iv) the potential impact of Hydrocarbon Liquids on pipeline system hydraulics in the Area, (v) a statistical approximation of the likelihood of a facility outage occurring determined on the basis of historical and benchmark data, if any, and (vi) an acceptable level of business risk for Westcoast and the Shippers in the Area. All RGT Area UPO Targets and Plant UPO Targets established by an Area Operating Committee pursuant to this Section 3.1 will be subject to review and approval by the applicable Area Shipper Executive Committee.

3.2 Review of UPO Targets

Westcoast or any Shipper may at any time during the Year, by written notice to the applicable Area Operating Committee, request a review of any RGT Area UPO Target or Plant UPO Target in effect during such Year if one or more of the following events occurs during such period:

- (a) there is a five percent change in the firm capacity of, or contracting level at, any facility to which such RGT Area UPO Target or Plant UPO Target applies; and
- (b) there is any change in any laws, regulations or ordinances, or the issuance of any orders or directives by any regulatory authority having jurisdiction, which materially affects the operation of any facility to which such RGT Area UPO Target or Plant UPO Target applies.

If an Area Operating Committee receives such a notice from Westcoast or any Shipper, then the Area Operating Committee will determine whether an adjustment should be made to the RGT Area UPO Target or Plant UPO Target, as the case may be, and, if so, the extent and effective date of such adjustment. Any adjustment to a RGT Area UPO Target or Plant UPO Target approved by an Area Operating Committee pursuant to this Section 3.2 will be subject to review and approval by the applicable Area Shipper Executive Committee.

Westcoast Energy Inc.
GENERAL TERMS AND CONDITIONS - SERVICE

3.3 Failure to Agree on UPO Targets

If an Area Operating Committee cannot agree on:

- (a) a RGT Area UPO Target or Plant UPO Target pursuant to Section 3.1; or
- (b) whether an adjustment to a RGT Area UPO Target or Plant UPO Target should be made pursuant to Section 3.2 or on the extent or effective date of such an adjustment;

then the matter will be referred to and resolved by the applicable Area Shipper Executive Committee. If an Area Shipper Executive Committee is unable to resolve a matter referred to it pursuant to this Section 3.3, then the matter will be resolved pursuant to the dispute resolution process set out in Section 7.1 of the Toll Settlement.

**ARTICLE 4
PRESSURE TARGETS**

4.1 Receipt Point Pressure Targets

The Daily Average Receipt Point Pressure Targets for the Receipt Points in Zone 1 are the following daily average pressures:

	Daily Average Receipt Point Pressure Target
(a) all Receipt Points in the Fort St. John Area, other than Receipt Points on the pipelines specified in (b) and (c) below	5 520 kilopascals gauge
(b) all Receipt Points on the following pipelines:	6 550 kilopascals gauge
(i) the 20 inch Alaska Highway pipeline downstream of Westcoast's Kobes Booster Station	
(ii) the 20 inch West Buick Creek pipeline downstream of Westcoast's Bluehills Booster Station	
(iii) the Monias pipeline downstream of Westcoast's Monias Booster Station	
(iv) the Tommy Lakes pipeline	
(v) the six inch Milligan-Peejay pipeline	

Westcoast Energy Inc.
GENERAL TERMS AND CONDITIONS - SERVICE

- | | | |
|--------|---|-------------------------|
| (vi) | the eight inch Milligan-Peejay pipeline | |
| (vii) | the ten inch Milligan-Peejay loop pipeline | |
| (viii) | the 12 inch Milligan-Peejay pipeline
downstream of Westcoast's Siphon Booster
Station | |
| (ix) | the 16 inch Oak-Rigel pipeline | |
| (x) | the ten inch Dahl pipeline | |
| (xi) | the eight inch North Dahl pipeline | |
| (xii) | the six inch Southeast Dahl pipeline | |
| (xiii) | the ten inch Silver pipeline | |
| (xiv) | the 26 inch B.C. Trunk pipeline between mile
posts 73 and 65 | |
| (c) | all Receipt Points on the 12 inch Laprise pipeline
downstream of the Laprise Booster Station | 7 584 kilopascals gauge |
| (d) | all Receipt Points in the Fort Nelson Area, other than
Receipt Points on the pipelines specified in (e) and (f)
below | 8 000 kilopascals gauge |
| (e) | all Receipt Points on the Beaver River, Pointed
Mountain and Maxhamish pipelines | 9 308 kilopascals gauge |
| (f) | all Receipt Points on the North Maxhamish Loop and
South Maxhamish Loop pipelines | 9 928 kilopascals gauge |
| (g) | all Receipt Points in the Pine River Area, other than
Receipt Points on the pipelines specified in (h) below | 8 000 kilopascals gauge |
| (h) | all Receipt Points on the Bullmoose and Murray River
pipelines | 8 618 kilopascals gauge |
| (i) | all Receipt Points in the Dawson Area | 9 928 kilopascals gauge |

Westcoast Energy Inc.
GENERAL TERMS AND CONDITIONS - SERVICE

4.2 Processing Plant Pressure Targets

The Daily Average Inlet Pressure Targets and the Daily Average Outlet Pressure Targets for the Processing Plants are the following daily average inlet and outlet pressures:

		Daily Average Inlet Pressure Target	Daily Average Outlet Pressure Target
(a)	McMahon Processing Plant	4 485 kilopascals gauge (measured at the suction side of Booster Station No. 1)	6 068 kilopascals gauge (measured at the discharge side of Taurus Unit No. 15)
(b)	Fort Nelson Processing Plant	6 900 kilopascals gauge (measured at the "Plant mixing T")	6 274 kilopascals gauge (measured at the Processing Plant outlet meter)
(c)	Fort Nelson North Processing Plant	8067 kilopascals gauge (measured at the "Plant mixing inlet meter")	9928 kilopascals gauge (measured at the Processing Plant outlet meter)
(d)	Pine River Processing Plant	7 142 kilopascals gauge (measured at the Processing Plant inlet meter upstream of the flow control valve)	6 720 kilopascals gauge (measured at the Processing Plant outlet meter)
(e)	Sikanni Processing Plant	8 500 kilopascals gauge (measured at the Processing Plant inlet meter)	8 067 kilopascals gauge (measured at the Processing Plant outlet meter)
(f)	Dawson Processing Plant	4 135 kilopascals gauge (measured at the Processing Plant inlet meter)	9 928 kilopascals gauge (measured at the Processing Plant outlet meter)

ARTICLE 5
CONTRACT DEMAND CREDITS FOR RGT SERVICE

5.1 Definitions

In this Article 5:

"Adjusted Daily Firm RP Delivered Volume" means, in respect of each of a Shipper's Firm RPs on any day, an amount equal to:

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

TARIFF SUPPLEMENT

POST INTRA-DAY ~~32~~ 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 NOVAeva/Gordondale Interconnection;
 - ~~(iii)~~~~(iv)~~ the NOVA/Sunset Delivery Point; and
 - ~~(iv)~~~~(v)~~ 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

Effective Date: ~~June 1, 2015~~ December 1, 2016

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 ~~32~~ 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 ~~32~~ 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.,
carrying on business as
Spectra Energy Transmission**

**TARIFF SUPPLEMENT
GRIZZLY VALLEY CONSTRAINT PROCESS**

DEFINITIONS

1. In this Tariff Supplement:
 - (a) "Curtailment Notice" means a notice given to Shippers and Receipt Point Operators by Westcoast pursuant to Section 6 requiring the curtailment of deliveries of raw gas into the Pipeline System at Receipt Points on the Grizzly Valley RGT System;
 - (b) "Kwoen Processing Plant" means the raw gas upgrading plant connected to the Grizzly Valley RGT System;
 - (c) "Processing Constraint" means a reduction in the capacity available to provide Treatment Service at the Processing Plants;
 - (d) "Processing Plants" means the Pine River Processing Plant and the Kwoen Processing Plant; and
 - (e) "RGT Constraint" means a reduction in the capacity available to provide Raw Gas Transmission Service on the Grizzly Valley RGT System.

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 OPC TARIFF SUPPLEMENT

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 become effective at the beginning of the day commencing on March 27, 2006.

APPLICATION

4. Except as provided in Section 5, this Tariff Supplement applies to all RGT Service provided by Westcoast on the Grizzly Valley RGT System and to all Treatment Service provided by Westcoast at the Processing Plants.
5. This Tariff Supplement shall not apply to Treatment Service provided at the Processing Plants on any day on which overproduction charges apply to such Treatment Service in accordance with Article 25.

6. This Tariff Supplement shall not apply to RGT Service provided on the Grizzly Valley RGT System on any day which Westcoast is curtailing RGT Service in accordance with Article 29.

CURTAILMENT OF RGT SERVICE AND TREATMENT SERVICE

7. If Westcoast determines in its sole discretion that, by reason of an RGT Constraint or a Processing Constraint, it is necessary to curtail the volumes of raw gas being delivered into the Pipeline System at Receipt Points on the Grizzly Valley RGT System, Westcoast shall give a Curtailment Notice to:

- (a) all Shippers delivering raw gas into the Pipeline System at each such Receipt Point, which notice shall be given by Westcoast by means of its electronic bulletin board; and
- (b) to the Receipt Point Operator for each such Receipt Point, which notice shall be given by Westcoast by means of an electronic data communications system, facsimile copier or telephone.

Section 20.054 of the General Terms and Conditions shall apply to any notice given by Westcoast in accordance with this Section by means of its electronic bulletin board, facsimile copier or an electronic data communications system.

8. If a Receipt Point Operator for a Receipt Point does not comply with a Curtailment Notice within four hours of the giving of such notice by Westcoast pursuant to Section 6, Westcoast may, without prejudice to any other right it has, physically shut-in all deliveries of raw gas and Hydrocarbon Liquids into the Pipeline System at such Receipt Point. Westcoast shall give notice to the Receipt Point Operator of any shut-in of deliveries of raw gas and Hydrocarbon Liquids in accordance with this Section, and may continue the shut-in of such deliveries at the Receipt Point until:

- (a) the RGT Constraint or the Processing Constraint giving rise to the Curtailment Notice has been remedied; or
- (b) the Receipt Point Operator has demonstrated to the satisfaction of Westcoast in its sole discretion that the Receipt Point Operator will comply in all respects with the Curtailment Notice given by Westcoast.

9. If Westcoast shuts-in deliveries of raw gas and Hydrocarbon Liquids at a Receipt Point in the Grizzly Valley RGT System in accordance with Section 7, Westcoast shall not have any liability whatsoever to a Shipper or the Receipt Point Operator for the Receipt Point arising out of such action by Westcoast including, without limitation, any liability to provide a Shipper with credits pursuant to Article 8 of the General Terms and Conditions in respect of RGT Service and Treatment Service applicable to raw gas and Hydrocarbon Liquids sourced from the Receipt Point for the period during which the Receipt Point is shut-in in accordance with Section 7.

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

TARIFF SUPPLEMENT

ENHANCED T-SOUTH SERVICE

DEFINITIONS

1. In this Tariff Supplement:

- (a) "Enhanced T-South Service" means Transportation Service – Southern provided pursuant to a 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

Effective Date: ~~June 1, 2015~~ December 1, 2016

- (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 a 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.



PIPELINE TARIFF
OF
WESTCOAST ENERGY INC.,
carrying on business as
Spectra Energy Transmission

INDEX

	<u>TAB</u>
TOLL SCHEDULES	1
GENERAL TERMS AND CONDITIONS	2
TARIFF SUPPLEMENT FOR PILOT FOR POST INTRA-DAY 3 NOMINATIONS	3
TARIFF SUPPLEMENT FOR GRIZZLY VALLEY CONSTRAINT PROCESS.....	4
TARIFF SUPPLEMENT FOR CONTRACT DEMAND CREDITS FOR FIRM TREATMENT SERVICE AT THE PINE RIVER PROCESSING PLANT	5
TARIFF SUPPLEMENT FOR GRIZZLY VALLEY OVERDELIVERY CONTROL PROCESS	6
TARIFF SUPPLEMENT FOR ENHANCED T-SOUTH SERVICE	7
TARIFF SUPPLEMENT FOR T-NORTH ARRANGEMENTS FOR NGTL NIT RECEIPT SERVICE.....	8

Communications concerning this Tariff
should be addressed to:

Director, Regulatory Affairs

Spectra Energy Transmission
Fifth Avenue Place, East Tower
Suite 2600, 425 – 1st Street S.W.
Calgary, Alberta
T2P 3L8

Westcoast Energy Inc.
TOLL SCHEDULES - SERVICE

INDEX

<u>TITLE</u>	<u>PAGES</u>	<u>EFFECTIVE DATE</u>
Raw Gas Transmission Service	1.1	Jul 01, 2008
Appendix A - Toll Ranges, Standard and Negotiated Services	1.2 to 1.3	May 01, 2014
	1.4	Nov 01, 2016
	1.5	Nov 01, 2016
	1.6	Dec 01, 2016
	1.7	Nov 01, 2016
	1.8	Dec 01, 2016
Treatment Service	2.1	Jul 01, 2013
Appendix A - Toll Ranges, Standard and Negotiated Services	2.2	May 01, 2014
	2.3 to 2.4	Jul 01, 2013
	2.5	May 01, 2014
	2.6	Nov 01, 2016
	2.7	Nov 01, 2016
	2.8	Dec 01, 2016
	2.9	Nov 01, 2016
	2.10	Dec 01, 2016
Liquids Recovery Service	3.1 to 3.2	May 01, 2014
Appendix A - Toll Ranges, Standard and Negotiated Services	3.3	Nov 01, 2016
Liquid Products Stabilization and Fractionation Service	4.1	Jul 01, 2008
Appendix A - Toll Ranges, Standard and Negotiated Services	4.2	Nov 01, 2016
Bundled Field Service	5.1 to 5.2	Jul 01, 2008
Appendix A - Toll Ranges, Standard and Negotiated Services	5.3	Dec 01, 2016
Fuel Gas Service	6.1 to 6.2	Jul 01, 2008
Appendix A - Toll Ranges, Standard and Negotiated Services	6.3	Dec 01, 2016
Transportation Service – Northern, Long Haul and Short Haul, and Temporary Firm Service	7.1 to 7.5	Dec 01, 2016
Appendix A	7.6 to 7.7	Jan 01, 2017
Transportation Service – Southern	8.1 to 8.4	Dec 01, 2016
Appendix A	8.5 to 8.6	Jan 01, 2017
Short Term Firm Service	9.1	Jul 01, 2008

Westcoast Energy Inc.

TOLL SCHEDULES - SERVICE

**TRANSPORTATION SERVICE - NORTHERN
LONG HAUL AND SHORT HAUL, AND
TEMPORARY FIRM SERVICE**

DEFINITIONS

1. In this Toll Schedule, the following terms shall have the following meanings:
 - (a) “Downstream Pipelines” means the gas pipeline systems owned or operated by NOVA Gas Transmission Ltd. and by Alliance Pipeline Limited Partnership;
 - (b) “Long Haul” means all Transmission Service - Northern and Temporary Firm Service provided in Zone 3 of the Pipeline System other than Short Haul;
 - (c) “Northern Communities” means the cities of Fort St. John and Dawson Creek and the towns of Fort Nelson, Prophet River, Pink Mountain, Taylor, Baldonnel, Cecil Lake, Hudson’s Hope, Chetwynd, Goodlow, Rolla, Pouce Coupe and Tumbler Ridge;
 - (d) “Relocated Service” means Firm Transportation Service – Northern in respect of which a Permanent In Path Relocation has been awarded pursuant to Section 9.19 of the General Terms and Conditions;
 - (e) “Service Term” means in respect of each Firm Transportation Service – Northern specified in a Firm Service Agreement, the term of each such Firm Transportation Service – Northern as determined in accordance with Section 3; and
 - (f) “Short Haul” means Transportation Service - Northern and Temporary Firm Service provided in Zone 3 of the Pipeline System:
 - (i) to deliver gas at a Delivery Point in Zone 3 to a gas distribution utility providing gas distribution services in one or more of the Northern Communities, irrespective of the distance of haul in Zone 3; and
 - (ii) in any other case, for a distance of less than 75 kilometres to a Delivery Point in Zone 3 other than a Delivery Point at which the Pipeline System connects with a Downstream Pipeline.

All other terms used in this Toll Schedule shall have the same meaning as set forth in the General Terms and Conditions.

APPLICATION

2. This Toll Schedule applies to all Firm Transportation Service - Northern, Temporary Firm Service, AOS and Interruptible Transportation Service - Northern provided by Westcoast on facilities in Zone 3 under the provisions of a Firm Service Agreement or an Interruptible Service Agreement into which the General Terms and Conditions and this Toll Schedule are incorporated by reference.

Westcoast Energy Inc.

TOLL SCHEDULES - SERVICE

3. For all purposes of this Toll Schedule, the Demand Toll applicable to any Firm Transportation Service - Northern provided pursuant to a Firm Service Agreement shall be determined based upon the Service Term, and the Service Term for each such service shall be determined as follows:
- (a) in the case of each Firm Transportation Service – Northern provided for in a Firm Service Agreement entered into by a Shipper with Westcoast prior to November 1, 2005, the number of whole years remaining in the term of each such service as of November 1, 2005;
 - (b) in the case of each Firm Transportation Service – Northern provided for in a Firm Service Agreement entered into by a Shipper with Westcoast after November 1, 2005, the number of whole years in the term of each such service specified in the Firm Service Agreement;
 - (c) in the case of each Firm Transportation Service – Northern which is renewed by a Shipper after November 1, 2005 in accordance with Section 2.06 of the General Terms and Conditions, the number of whole years in the renewal term of each such service, with effect from the first day of the renewal term; and
 - (d) in the case of each Firm Transportation Service – Northern provided for in a Firm Service Agreement which is extended by the Shipper and Westcoast after December 31, 2005, the number of whole years remaining in the term of each such service, including the period of the extension, with effect from the first day of the month immediately following the execution by the Shipper of an amendment to the Firm Service Agreement providing for such extension.
4. For the purpose of determining the monthly bill payable by a Shipper pursuant to Sections 5, 6 and 7 for any month:
- (a) in the case of Firm Transportation Service - Northern and Temporary Firm Service with a Delivery Point at the Straddle Plant Delivery Point, the Contract Demand shall be deemed to be a volume of gas equal to the product obtained by multiplying the Contract Demand specified in the applicable Service Agreement by the Straddle Plant Shrinkage Factor and the service provided in any month shall be deemed to be provided in respect of a volume of gas equal to the product obtained by multiplying the volume of gas for which service was actually provided by the Straddle Plant Shrinkage Factor; and
 - (b) in the case of AOS and Interruptible Transportation Service - Northern with a Delivery Point at the Straddle Plant Delivery Point, the service provided in any month shall be deemed to be provided in respect of a volume of gas equal to the product obtained by multiplying the volume of gas for which service was actually provided by the Straddle Plant Shrinkage Factor.

Westcoast Energy Inc.

TOLL SCHEDULES - SERVICE**MONTHLY BILL - FIRM TRANSPORTATION SERVICE - NORTHERN**

5. The amount payable by a Shipper to Westcoast in respect of Firm Transportation Service - Northern provided in any month pursuant to a Firm Service Agreement shall be an amount equal to the sum of:
- (a) the product obtained by multiplying the Contract Demand for Firm Transportation Service - Northern, Long Haul and Short Haul, specified in the Firm Service Agreement by the applicable Demand Toll specified in Appendix A for Firm Transportation Service - Northern; and
 - (b) the amount of tax on fuel gas consumed in operations payable under the Motor Fuel Tax Act (British Columbia) and the Carbon Tax Act (British Columbia) which is allocated to Shipper by Westcoast for the month.

MONTHLY BILL – TEMPORARY FIRM SERVICE

6. The amount payable by a Shipper to Westcoast in respect of Temporary Firm Service provided in any month pursuant to a Firm Service Agreement shall be an amount equal to the sum of:
- (a) the product obtained by multiplying the Contract Demand for Temporary Firm Service, Long Haul and Short Haul, specified in the Firm Service Agreement by the applicable Demand Toll specified in Appendix A for Temporary Firm Service; and
 - (b) the amount of tax on fuel gas consumed in operations payable under the Motor Fuel Tax Act (British Columbia) and the Carbon Tax Act (British Columbia) which is allocated to Shipper by Westcoast for the month.

MONTHLY BILL - AOS AND INTERRUPTIBLE TRANSPORTATION SERVICE - NORTHERN

7. The amount payable by a Shipper to Westcoast in respect of AOS and Interruptible Transportation Service - Northern provided on each day in any month shall be an amount equal to the sum of:
- (a) the product obtained by multiplying the applicable Commodity Toll specified in Appendix A for AOS and Interruptible Transportation Service - Northern by a Receipt Volume, determined at the point from which the residue gas is sourced, which is thermally equivalent to the volume of residue gas (i) delivered to or for the account of Shipper at the Delivery Point in Zone 3, or (ii) transmitted to a point in Zone 3 or through Zone 3 for the account of Shipper on each such day in the month; and
 - (b) the amount of tax on fuel gas consumed in operations payable under the Motor Fuel Tax Act (British Columbia) and the Carbon Tax Act (British Columbia) which is allocated to Shipper by Westcoast for each day in the month, less the amount of any revenue credit or volume credit applicable to the AOS and Interruptible Transportation Service - Northern provided to Shipper on each such day, as determined in accordance with Section 9 in a manner which minimizes the amount

Westcoast Energy Inc.
TOLL SCHEDULES - SERVICE

payable by Shipper in respect of such AOS and Interruptible Transportation Service - Northern.

UNDERUTILIZED DEMAND CHARGE CREDITS

8. For the purposes of determining any revenue credits and volume credits to be provided to a Shipper in accordance with Section 9, all Relocated Service shall be deemed to be Firm Transportation Service – Northern, Long Haul and all AOS attributed to such Relocated Service shall be deemed to be AOS, Long Haul.

9. If:

(a) a Shipper has entered into one or more Firm Service Agreements for the provision of Firm Transportation Service - Northern and one or more Interruptible Service Agreements for the provision of Interruptible Transportation Service - Northern; and

(b) on any day in a month the Shipper underutilizes that Firm Transportation Service - Northern and incurs tolls for AOS or Interruptible Transportation Service - Northern,

then Westcoast will provide the Shipper with a revenue credit or a volume credit to reduce the amount of the Commodity Tolls otherwise payable by the Shipper for such AOS and Interruptible Transportation Service - Northern utilized by the Shipper on such day, which credit shall be:

(c) in the case where the Shipper underutilizes Firm Transportation Service - Northern, Short Haul and incurs tolls for such AOS and Interruptible Transportation Service - Northern, Long Haul, a revenue credit (without duplication of any other credit provided for in this Section) equal to the product obtained by multiplying the applicable Commodity Toll for AOS and Interruptible Transportation Service - Northern, Short Haul by the lesser of (i) the volume of such unutilized Firm Transportation Service - Northern, Short Haul for the day, and (ii) the volume of such AOS and Interruptible Transportation Service - Northern, Long Haul in respect of which such Commodity Tolls are otherwise payable by the Shipper for the day;

(d) in the case where the Shipper underutilizes Firm Transportation Service – Northern, Short Haul and incurs tolls for such AOS and Interruptible Transportation Service – Northern, Short Haul, a volume credit (without duplication of any other credit provided for in this Section) equal to the lesser of (i) the volume of such unutilized Firm Transportation Service - Northern, Short Haul for the day, and (ii) the volume of such AOS and Interruptible Transportation Service – Northern, Short Haul in respect of which such Commodity Tolls are otherwise payable by the Shipper for the day;

(e) in the case where the Shipper underutilizes Firm Transportation Service – Northern, Long Haul and incurs tolls for such AOS and Interruptible Transportation Service – Northern, Long Haul, a volume credit (without duplication of any other credit provided for in this Section) equal to the lesser of (i) the volume of such

Westcoast Energy Inc.

TOLL SCHEDULES - SERVICE

unused Firm Transportation Service – Northern, Long Haul for the day, and (ii) the volume of such AOS and Interruptible Transportation Service – Northern, Long Haul in respect of which such Commodity Tolls are otherwise payable by the Shipper for the day; and

- (f) in the case where the Shipper underutilizes Firm Transportation Service – Northern, Long Haul and incurs tolls for such AOS and Interruptible Transportation Service – Northern, Short Haul, a volume credit (without duplication of any other credit provided for in this Section) equal to the lesser of (i) the volume of such unused firm Transportation Service – Northern, Long Haul for the day, and (ii) the volume of such AOS and Interruptible Transportation Service – Northern, Short Haul in respect of which such Commodity Tolls are otherwise payable by the Shipper for the day.

CONTRACT DEMAND CREDITS

10. Westcoast will as soon as practicable following the end of each month, provide each Shipper which has entered into a Service Agreement for the provision of Firm Transportation Service – Northern or Temporary Firm Service, in each such month with Contract Demand Credits in respect of such Firm Transportation Service – Northern or Temporary Firm Service in an amount for each day in each such month equal to that determined in accordance with the General Terms and Conditions, provided that the amount of such Contract Demand Credits provided to each such Shipper for each such day shall not exceed the amount of the Demand Tolls applicable to the unused portion of such Firm Transportation Service – Northern or Temporary Firm Service after giving effect to all the unused demand charge credits provided to the Shipper in respect of such Firm Transportation Service – Northern or Temporary Firm Service for each such day.

Westcoast Energy Inc.
TOLL SCHEDULES - SERVICE

TRANSPORTATION SERVICE - SOUTHERN

DEFINITIONS

1. In this Toll Schedule, the following term shall have the following meaning:
 - (a) "Enhanced T-South Service" means Transportation Service – Southern provided pursuant to a 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) "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 Pipe Lines (South BC) Ltd. pipeline facilities connect with the pipeline facilities of Gas Transmission Northwest Corporation; and
 - (c) "Service Term" means in respect of each Firm Transportation Service – Southern specified in a Firm Service Agreement, the term of each such Firm Transportation Service – Southern as determined in accordance with Section 3.

All other terms used in this Toll Schedule shall have the same meaning as set forth in the General Terms and Conditions.

APPLICATION

2. This Toll Schedule applies to all Firm Transportation Service - Southern, AOS and Interruptible Transportation Service - Southern, including Import Backhaul Service, provided by Westcoast on facilities in Zone 4 under the provisions of a Firm Service Agreement or an Interruptible Service Agreement into which the General Terms and Conditions and this Toll Schedule are incorporated by reference.
3. For all purposes of this Toll Schedule, the Demand Toll applicable to any Firm Transportation Service - Southern provided pursuant to a Firm Service Agreement shall be determined based upon the Service Term, and the Service Term for each such service shall be determined as follows:
 - (a) in the case of each Firm Transportation Service – Southern provided for in a Firm Service Agreement entered into by a Shipper with Westcoast prior to November 1, 2005, the number of whole years remaining in the term of each such service as of November 1, 2005;
 - (b) in the case of each Firm Transportation Service – Southern provided for in a Firm Service Agreement entered into by a Shipper with Westcoast after November 1, 2005, the number of whole years in the term of each such service specified in the Firm Service Agreement;
 - (c) in the case of each such Firm Transportation Service – Southern which is renewed by a Shipper after November 1, 2005 in accordance with Section 2.06 of the

Westcoast Energy Inc.

TOLL SCHEDULES - SERVICE

General Terms and Conditions, the number of whole years in the renewal term of each such service, with effect from the first day of the renewal term; and

- (d) in the case of each Firm Transportation Service – Southern provided for in a Firm Service Agreement which is extended by the Shipper and Westcoast after December 31, 2005, the number of whole years remaining in the term of each such service, including the period of the extension, with effect from the first day of the month immediately following the execution by the Shipper of an amendment to the Firm Service Agreement providing for such extension.

MONTHLY BILL - FIRM TRANSPORTATION SERVICE - SOUTHERN

4. The amount payable by a Shipper to Westcoast in respect of Firm Transportation Service - Southern provided in any month pursuant to a Firm Service Agreement shall be an amount equal to:
- (a) the product obtained by multiplying the Contract Demand for Firm Transportation Service - Southern specified in the Firm Service Agreement by the applicable Demand Toll specified in Appendix A for Firm Transportation Service – Southern; and
 - (b) the amount of tax on fuel gas consumed in operations payable under the Motor Fuel Tax Act (British Columbia) and the Carbon Tax Act (British Columbia) which is allocated to Shipper by Westcoast for the month.

MONTHLY BILL - AOS, INTERRUPTIBLE TRANSPORTATION SERVICE - SOUTHERN AND IMPORT BACKHAUL SERVICE

5. If on any day Shipper has unutilized Firm Transportation Service - Southern at a Delivery Point in Zone 4 and would incur on such day tolls for AOS and Interruptible Transportation Service, other than Import Backhaul Service, at that Delivery Point or at any other Delivery Point in Zone 4, then, notwithstanding the provisions of the General Terms and Conditions and for the sole purpose of determining the amount of the Commodity Tolls payable by Shipper in accordance with this Toll Schedule for AOS and Interruptible Transportation Service - Southern, the following rules shall apply:
- (a) firstly, in the case where Shipper would otherwise incur tolls on such day for AOS and Interruptible Transportation Service – Southern at a Delivery Point where Shipper has unutilized Firm Transportation Service – Southern, Shipper shall be deemed to have utilized Firm Transportation Service at such Delivery Point on such day in respect of a volume of gas not exceeding the volume of unutilized Firm Transportation Service at such Delivery Point;
 - (b) secondly, in the case where a Delivery Point at which Shipper has unutilized Firm Transportation Service – Southern is within the Huntingdon Delivery Area and Shipper has any remaining volume of unutilized Firm Transportation Service at such Delivery Point after applying the rule set out in paragraph (a) above, then Shipper shall be deemed to have made a diversion on such day pursuant to Section 7.01(a) of the General Terms and Conditions of a volume of gas not exceeding the amount of the remaining volume of unutilized Firm Transportation Service, from that Delivery Point to any other Delivery Point within the Huntingdon Delivery Area at which

Westcoast Energy Inc.

TOLL SCHEDULES - SERVICE

Shipper would otherwise incur tolls for AOS and Interruptible Transportation Service - Southern;

- (c) thirdly, if Shipper has any remaining volume of unutilized Firm Transportation Service – Southern at any Delivery Point after applying the rules set out in paragraphs (a) and (b) above, then Shipper shall be deemed to have made a diversion on such day pursuant to Section 7.01(c) of the General Terms and Conditions of a volume of gas not exceeding the amount of such remaining volume of unutilized Firm Transportation Service from such Delivery Point to the nearest Downstream Delivery Point at which Shipper would otherwise incur tolls for AOS and Interruptible Transportation Service - Southern; and
 - (d) fourthly, if Shipper has any remaining volume of unutilized Firm Transportation Service – Southern at any Delivery Point after applying the rules set out in paragraphs (a), (b) and (c) above, then Shipper shall be deemed to have made a diversion on such day pursuant to Section 7.01(b) of the General Terms and Conditions of a volume of gas not exceeding the amount of such remaining volume of unutilized Firm Transportation Service, from such Delivery Point to the nearest Upstream Delivery Point at which Shipper would otherwise incur tolls for AOS and Interruptible Transportation Service – Southern.
6. The amount payable by a Shipper to Westcoast in respect of AOS, Interruptible Transportation Service - Southern, and Import Backhaul Service provided on each day in a month shall be an amount equal to the sum of:
- (a) the product obtained by multiplying the applicable Commodity Toll specified in Appendix A for AOS, Interruptible Transportation Service - Southern and Import Backhaul Service, respectively, by the Receipt Volume for such AOS or Interruptible Transportation Service - Southern (as determined after applying the rules set out in Section 5) or for such Import Backhaul Service, respectively, at the point from which the residue gas is sourced, which is thermally equivalent to the volume of residue gas (i) delivered to or for the account of Shipper at the Delivery Point, or (ii) transmitted through Zone 4 for the account of Shipper on each such day during the month;
 - (b) the product obtained by multiplying the difference between the Commodity Tolls specified in Section 7.03 of the General Terms and Conditions by the volume of gas deemed to be diverted to a Downstream Delivery Point in accordance with Section 5(c) on each such day during the month; and
 - (c) the amount of tax on fuel gas consumed in operations payable under the Motor Fuel Tax Act (British Columbia) and the Carbon Tax Act (British Columbia) which is allocated to Shipper by Westcoast for each day in the month.

CONTRACT DEMAND CREDITS

7. Westcoast will as soon as practicable following the end of each month, provide each Shipper which has entered into a Service Agreement for the provision of Firm Transportation Service – Southern in each such month with Contract Demand Credits in respect of such

Westcoast Energy Inc.
TOLL SCHEDULES - SERVICE

Firm Transportation Service – Southern in an amount for each day in each such month equal to that determined in accordance with the General Terms and Conditions, provided that the amount of such Contract Demand Credits provided to each such Shipper for each such day shall not exceed the amount of the Demand Tolls applicable to the unutilized portion of such Firm Transportation Service – Southern remaining after determining the Commodity Tolls payable in accordance with Section 5.

Westcoast Energy Inc.
GENERAL TERMS AND CONDITIONS - SERVICE

**SERVICE AGREEMENTS
INDEX**

<u>ARTICLE</u>	<u>TITLE</u>	<u>PAGES</u>	<u>EFFECTIVE DATE</u>
1	Definitions and Interpretation	1.1 to 1.24	Dec 01, 2016
2	Application, Negotiated Service Agreements, Term and Renewal of Services and Operation of the Pipeline System	2.1 to 2.3	Dec 01, 2016
3	Priorities, Curtailments and Conditions of Service	3.1 to 3.6	Dec 01, 2016
4	Shipper Notifications, Nominations, Authorization of Service and Deliveries of Gas	4.1 to 4.6	Apr 01, 2016
5	Receipt Point Operators	5.1 to 5.5	Dec 01, 2016
6	Upstream Transmission Balancing, Swing Costs, Inventory Transfers and Station 2 Gas Accounts	6.1 to 6.13	Oct 01, 2014
7	Zone 4 and Zone 3 Diversions, Huntingdon Delivery Area, and Delivery and Receipt Transfers	7.1 to 7.4	Feb 01, 2016
8	Contract Demand Credits	8.1 to 8.3	Dec 01, 2016
9	Capacity Allocation and Relocations	9.1 to 9.8	Dec 01, 2016
10	Statements, Payments, Audits and Security for Payment	10.1 to 10.4	Dec 01, 2016
11	Receipt and Delivery Pressure	11.1 to 11.3	Dec 01, 2016
12	Gas and Hydrocarbon Liquids Quality	12.1 to 12.5	Jun 01, 2015
13	Measurement of Gas and Liquid Hydrocarbons	13.1 to 13.2	Dec 01, 2016
14	Measuring and Sampling Equipment	14.1 to 14.5	Dec 01, 2013
15	Sampling, Testing and Analysis	15.1 to 15.3	Dec 01, 2013
16	Possession and Control of Gas and Entitlements to Sulphur, Liquid Products, Fort Nelson Liquids, Dawson Liquids and Natural Gas Liquids	16.1 to 16.3	Jan 01, 2012
17	Liabilities and Indemnities	17.1 to 17.2	Dec 01, 2016
18	Representations and Warranties	18.1 to 18.2	Dec 01, 2016

Westcoast Energy Inc.
GENERAL TERMS AND CONDITIONS - SERVICE

<u>ARTICLE</u>	<u>TITLE</u>	<u>PAGES</u>	<u>EFFECTIVE DATE</u>
19	Force Majeure	19.1	Dec 01, 2016
20	Notices	20.1 to 20.2	Oct 01, 2014
21	Miscellaneous	21.1	Dec 01, 2016
22	Liquid Products Stabilization and Fractionation Service	22.1 to 22.6	Oct 01, 2014
23	Winter Firm Service	23.1 to 23.3	Nov 01, 2016
24	Short Term Firm Service	24.1 to 24.3	Oct 01, 2014
25	Overproduction Charges	25.1 to 25.3	Oct 01, 2014
26	Production Sources	26.1	Oct 01, 2014
27	Dawson Area	27.1 to 27.2	Dec 01, 2016
28	Fort Nelson Area	28.1 to 28.4	Dec 01, 2016
29	Fort St. John Area, Aitken Creek Area, Grizzly Valley Area and Sikanni Area	29.1 to 29.4	Dec 01, 2016
<u>SCHEDULE</u>			
SCHEDULE A	Negotiated Services	A.1	Dec 01, 2016
SCHEDULE B	Contract Demand Credits for Raw Gas Transmission and Treatment Services	B.1 to B.8 B.9 to B.42	Dec 01, 2016 Feb 01, 2015

Westcoast Energy Inc.

GENERAL TERMS AND CONDITIONS - SERVICE

**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 on 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.

Westcoast Energy Inc.

GENERAL TERMS AND CONDITIONS - SERVICE

"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

Westcoast Energy Inc.

GENERAL TERMS AND CONDITIONS - SERVICE

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 20th 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.

Westcoast Energy Inc.

GENERAL TERMS AND CONDITIONS - SERVICE

"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;

Westcoast Energy Inc.

GENERAL TERMS AND CONDITIONS - SERVICE

- (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(d).

"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 "m³" 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

Westcoast Energy Inc.

GENERAL TERMS AND CONDITIONS - SERVICE

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.

Westcoast Energy Inc.

GENERAL TERMS AND CONDITIONS - SERVICE

"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.

"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

Westcoast Energy Inc.

GENERAL TERMS AND CONDITIONS - SERVICE

(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 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 Puget Sound Energy, Inc.

“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.

Westcoast Energy Inc.

GENERAL TERMS AND CONDITIONS - SERVICE

"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.

"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" means, with reference to Field Services and Transportation Services, such service which Westcoast is obligated to provide without curtailment or interruption pursuant to a Firm Service Agreement.

"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.

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

Westcoast Energy Inc.

GENERAL TERMS AND CONDITIONS - SERVICE

"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" means 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.

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

Westcoast Energy Inc.

GENERAL TERMS AND CONDITIONS - SERVICE

"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.

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

"Interruptible" means, with reference to Field Services and Transportation Services, such service which Westcoast is obligated to provide subject to curtailment or interruption pursuant to an Interruptible Service Agreement.

"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 the Intra-Day 3 Nomination Cycle and "Intra-Day Nomination Cycle" means any one of those Nomination Cycles.

"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.

Westcoast Energy Inc.

GENERAL TERMS AND CONDITIONS - SERVICE

"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.

"Intra-Day 3 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 McMahan 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 McMahan 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).

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

"McMahan 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.

Westcoast Energy Inc.

GENERAL TERMS AND CONDITIONS - SERVICE

"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 10^3m^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 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(b).

"Nomination Cycles" means the Timely Nomination Cycle, the Evening Nomination Cycle, the Intra-Day 1 Nomination Cycle, the Intra-Day 2 Nomination Cycle and the Intra-Day 3 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 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.

Westcoast Energy Inc.

GENERAL TERMS AND CONDITIONS - SERVICE

"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-I/94-P-4, Peace River District in British Columbia.

"NOVA/Sunset Delivery Point" means the point where the Pipeline System connects with the pipeline facilities of NOVA in the SW 1/4 of Section 2, Township 79, Range 19, W6M, 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.

Westcoast Energy Inc.

GENERAL TERMS AND CONDITIONS - SERVICE

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

"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.

Westcoast Energy Inc.

GENERAL TERMS AND CONDITIONS - SERVICE

"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 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.

Westcoast Energy Inc.

GENERAL TERMS AND CONDITIONS - SERVICE

"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.

Westcoast Energy Inc.

GENERAL TERMS AND CONDITIONS - SERVICE

"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, in respect of which the Shipper and Westcoast may negotiate renewal rights in accordance with Section 2.02(a).

"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 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.

Westcoast Energy Inc.

GENERAL TERMS AND CONDITIONS - SERVICE

"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 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.

"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.

Westcoast Energy Inc.

GENERAL TERMS AND CONDITIONS - SERVICE

"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.

"10³m³" 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, 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.

Westcoast Energy Inc.

GENERAL TERMS AND CONDITIONS - SERVICE

"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.

"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

Westcoast Energy Inc.

GENERAL TERMS AND CONDITIONS - SERVICE

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(d).

“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.

“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.

Westcoast Energy Inc.

GENERAL TERMS AND CONDITIONS - SERVICE

“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:

- (a) the Fort Nelson Mainline;
- (b) the Fort St. John Mainline;
- (c) the Boundary Lake Pipeline;

Westcoast Energy Inc.

GENERAL TERMS AND CONDITIONS - SERVICE

- (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 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.

Westcoast Energy Inc.

GENERAL TERMS AND CONDITIONS - SERVICE

**ARTICLE 2
APPLICATION, NEGOTIATED SERVICE AGREEMENTS,
TERM AND RENEWAL OF SERVICES, TEMPORARY FIRM SERVICE, TREATMENT SERVICE
AND OPERATION OF THE PIPELINE SYSTEM**

- 2.01 Application. These General Terms and Conditions apply to all Field Services, Transportation Services, Temporary Firm Service and Short Term Firm Service provided by Westcoast to a Shipper pursuant to a Service Agreement, except and to the extent the General Terms and Conditions are, by a Service Agreement applicable to Negotiated Services, amended, varied or made inapplicable to such Negotiated Services with respect to the matters specified in Schedule A.
- 2.02 Negotiable Service Terms. For Standard Services and Negotiated Services, a Shipper and Westcoast may, in addition to the volumes of gas, Receipt Points, Delivery Points, acid gas percentages, carbon dioxide limits, sulphur gas limits and tolls, negotiate and include in a Service Agreement negotiated terms and conditions respecting:
- (a) in the case of any Standard Services, renewal rights; and
 - (b) in the case of any Negotiated Services, the term of the services, renewal rights and the matters specified in Schedule A.
- 2.03 Initial Term, Standard Services. The initial term of each Standard Firm RGT Service shall be one or more whole years not exceeding five years, and the initial term of each Standard Firm Treatment Service, Standard Firm Liquids Recovery Service and Standard Firm LPSF Service shall be two or more whole years not exceeding five years.
- 2.04 Renewal of Standard and Negotiated Services. A Shipper may not extend the term of any Standard Service or Negotiated Service except and to the extent provided in the Service Agreement applicable to any such Standard or Negotiated Service.
- 2.05 Minimum Term, Transportation Services. The term of each Firm Transportation Service specified in a Service Agreement, and of any renewal thereof, shall not be less than one year unless such Firm Service is made available temporarily to the Shipper pursuant to Section 2.08.
- 2.06 Renewal of Transportation Services. Subject to Section 2.07, a Shipper shall have the right to renew the term of each Firm Transportation Service specified in a Service Agreement, other than a Firm Transportation Service made available temporarily in accordance with Section 2.08, provided that:
- (a) the initial term of such Firm Transportation Service and the term of any prior renewal thereof was not less than two years; and
 - (b) the Shipper gives notice to Westcoast of its election to renew the term of any such Firm Transportation Service not less than 13 months prior to the expiry of the term of such Firm Transportation Service.

Westcoast Energy Inc.

GENERAL TERMS AND CONDITIONS - SERVICE

Nothing in this Section 2.06 precludes a Shipper and Westcoast from agreeing to extend the term of a Firm Transportation Service specified in a Service Agreement at any time prior to the time prescribed in this Section for giving notice to renew the term of any such Firm Transportation Service.

- 2.07 Evidence of Supply or Market. A Shipper's right to extend the term of any Firm Service in accordance with Section 2.06 or of any Standard Service in accordance with any renewal rights included in a Service Agreement pursuant to Section 2.02(a), is conditional upon the Shipper delivering to Westcoast, at the time it gives notice in accordance with Section 2.06 or the applicable provisions of the Service Agreement, evidence satisfactory to Westcoast that the Shipper has either of a firm supply of, or a firm market for the gas in respect of which the Firm Service is to be provided for the term of the extension and, in the case where such service is provided from a Receipt Point or to a Delivery Point at the Storage Reservoir, that the Shipper has sufficient firm storage capacity available at the Storage Reservoir for the term of the extension.
- 2.08 Temporary Firm Service. If a Firm Service Agreement provides for a delayed commencement date for any Firm Transportation Service - Northern or for a future increase in the volume of Firm Transportation Service - Northern to be provided, the capacity reserved by Westcoast for such Firm Service Agreement may be made available temporarily to other Shippers as Temporary Firm Service. The following provisions apply in respect of all Temporary Firm Service specified in a Firm Service Agreement:
- (a) Temporary Firm Service shall not be renewed or extended pursuant to Section 2.06;
 - (b) the provisions of Section 7.05 relating to Receipt Transfers apply to Temporary Firm Service;
 - (c) the provisions of Section 7.06 relating to Equivalent Point Diversions apply to Temporary Firm Service;
 - (d) the provisions of Section 7.07 relating to In Path Diversions and Out of Path Diversions apply to Temporary Firm Service, Long Haul; and
 - (e) the provisions of Article 9 relating to Relocations in Zone 3 do not apply to Temporary Firm Service.
- 2.09 Treatment Service. The obligation of Westcoast to provide Firm Treatment Service to a Shipper on any day pursuant to a Service Agreement shall be limited to the removal from the Shipper's raw gas of:
- (a) a volume of carbon dioxide gas which does not exceed the carbon dioxide limit specified in the Service Agreement; and
 - (b) a volume of sulphur gas which does not exceed the sulphur gas limit specified in the Service Agreement.

Westcoast Energy Inc.

GENERAL TERMS AND CONDITIONS - SERVICE

- 2.10 Treatment and Related Services. Notwithstanding any other provision of these General Terms and Conditions, it is a condition precedent to the availability of Treatment Service which is a Standard Service at the McMahon Processing Plant that the Shipper has contracted for an appropriate level of Liquids Recovery Service and LPSF Service at that Processing Plant, and it is a condition precedent to the availability of LPSF Service which is a Standard Service at the McMahon Processing Plant that the Shipper has contracted for an appropriate level of Treatment Service and Liquids Recovery Service at that Processing Plant.
- 2.11 Authorized Overrun Service. Each Shipper which has entered into a Firm Service Agreement providing for Firm Transportation Service - Northern or Firm Transportation Service - Southern shall be entitled to Authorized Overrun Service in respect of each such Firm Transportation Service on the following terms and conditions:
- (a) the maximum daily volume of AOS available to a Shipper on any day in respect of any Firm Transportation Service shall not exceed ten percent of the Contract Demand in effect on any such day for the Corresponding Firm Transportation Service;
 - (b) such AOS shall only be available between the Receipt Point and the Delivery Point specified in the applicable Firm Service Agreement for the Corresponding Firm Transportation Service; and
 - (c) notwithstanding Section 21.02, AOS shall not be assignable by a Shipper except in conjunction with the Corresponding Firm Transportation Service.
- 2.12 Operation of the Pipeline System. Westcoast shall retain full and exclusive right to operate the Pipeline System in a manner which, in Westcoast's sole discretion, is consistent with operating conditions and obligations as they may exist from time to time.

Westcoast Energy Inc.

GENERAL TERMS AND CONDITIONS - SERVICE

**ARTICLE 3
PRIORITIES, CURTAILMENTS AND CONDITIONS OF SERVICE
IN ZONE 1A, ZONE 3 AND ZONE 4**

3.01 Application. The provisions of this Article apply to Fuel Gas Service provided by Westcoast in Zone 1A, to Transportation Service - Northern, Temporary Firm Service and Short Term Firm Service provided by Westcoast in Zone 3 and to Transportation Service – Southern, Short Term Firm Service and Import Backhaul Service provided by Westcoast in Zone 4.

3.02 Priorities, Zone 1A. Westcoast will authorize Firm Service and Interruptible Service in Zone 1A for each day in the Timely Nomination Cycle and, notwithstanding any earlier authorization given for Interruptible Service in a prior Nomination Cycle for any such day, will authorize Firm Service and Interruptible Service in Zone 1A for any such day in the Evening Nomination Cycle, the Intra-Day 1 Nomination Cycle and in the Intra-Day 2 Nomination Cycle in the following priority and sequence:

- (a) first priority shall be given to Firm Service, provided that if Westcoast determines that the capacity available on any such day in Zone 1A or any part thereof will not be sufficient to permit Westcoast to authorize all the Firm Service nominated by Shippers for the day, Westcoast will allocate the available capacity between the affected Shippers pro rata on the basis of Contract Demand; and
- (b) second priority shall be given to Interruptible Service provided that if Westcoast determines that the capacity available in Zone 1A or any part thereof will not be sufficient to permit Westcoast to authorize all of the Interruptible Service nominated by Shippers for the day, Westcoast will allocate the available capacity between the affected Shippers pro rata on the basis of the volumes of Interruptible Service nominated by those Shippers for the day.

Subject to the availability of capacity, having regard to the Firm Service and Interruptible Service authorized in the prior Nomination Cycles for each day, Westcoast will authorize additional Firm Service and Interruptible Service in Zone 1A, in the Intra-Day 3 Nomination Cycle in the same priority and sequence as set out in Subsections 3.02(a) and (b).

3.03 Priorities, Zone 3. Westcoast will authorize Firm Service, Equivalent Point Diversions, In Path Diversions, Out of Path Diversions, AOS and Interruptible Service in Zone 3 for each day in the Timely Nomination Cycle and, notwithstanding any earlier authorization given for Out of Path Diversions, AOS and Interruptible Service in a prior Nomination Cycle for any such day, will authorize Firm Service, Equivalent Point Diversions, In Path Diversions, Out of Path Diversions, AOS and Interruptible Service in Zone 3 for any such day in the Evening Nomination Cycle, the Intra-Day 1 Nomination Cycle and the Intra-Day 2 Nomination Cycle in the following priority and sequence:

- (a) first priority shall be given to Firm Service, Equivalent Point Diversions and In Path Diversions, other than In Path Diversions to an alternate Receipt Point or an alternate Delivery Point on a Restricted Lateral, provided that if Westcoast determines that the capacity available in Zone 3 or any part thereof will not be sufficient to permit Westcoast to authorize all of the Firm Service, Equivalent Point Diversions and such

Westcoast Energy Inc.

GENERAL TERMS AND CONDITIONS - SERVICE

In Path Diversions nominated by Shippers for the day, Westcoast will allocate the available capacity between the affected Shippers pro rata on the basis of Contract Demand;

- (b) second priority shall be given to In Path Diversions to an alternate Receipt Point or an alternate Delivery Point on a Restricted Lateral, provided that if Westcoast determines that the capacity available to deliver gas on any day at any such alternate Receipt Point or any such alternate Delivery Point will not be sufficient to permit Westcoast to authorize all of such In Path Diversions nominated by Shippers for the day, Westcoast will allocate the available capacity between the affected Shippers pro rata on the basis of the volumes of such In Path Diversions nominated by those Shippers for delivery at such alternate Receipt Point or alternate Delivery Point;
- (c) third priority shall be given to Out of Path Diversions, provided that if Westcoast determines that the capacity available to deliver gas on any day at an alternate Receipt Point or an alternate Delivery Point will not be sufficient to permit Westcoast to authorize all of such Out of Path Diversions nominated by Shippers for the day, Westcoast will allocate the available capacity between the affected Shippers pro rata on the basis of the volumes of such Out of Path Diversions nominated by those Shippers for delivery at such alternate Receipt Point or such alternate Delivery Point;
- (d) fourth priority shall be given to AOS, provided that if Westcoast determines that the capacity available on any such day in Zone 3 or any part thereof will not be sufficient to permit Westcoast to authorize all of the AOS nominated by Shippers for the day, Westcoast will allocate the available capacity between the affected Shippers pro rata on the basis of the volumes of AOS nominated by those Shippers for the day; and
- (e) fifth priority shall be given to Interruptible Service, provided that if Westcoast determines that the capacity available on any such day in Zone 3 or any part thereof will not be sufficient to permit Westcoast to authorize all of the Interruptible Service nominated by Shippers for the day, Westcoast will allocate the available capacity between the affected Shippers pro rata on the basis of the volumes of Interruptible Service nominated by those Shippers for the day.

Subject to the availability of capacity, having regard to the service and diversions authorized in the prior Nomination Cycles for each day, Westcoast will authorize additional Firm Service, Equivalent Point Diversions, In Path Diversions, Out of Path Diversions, AOS and Interruptible Service in Zone 3 in the Intra-Day 3 Nomination Cycle in the same priority and sequence as set out in Subsections 3.03 (a) to (e).

- 3.04 Priorities, Zone 4. Westcoast will authorize Firm Service, Huntingdon Delivery Area Diversions, Upstream Diversions, AOS, Downstream Diversions and Interruptible Service in Zone 4 for each day in the Timely Nomination Cycle and, notwithstanding any earlier authorization given for AOS, Downstream Diversions and Interruptible Service in a prior Nomination Cycle for any such day, will authorize Firm Service, Huntingdon Delivery Area Diversions, Upstream Diversions, AOS, Downstream Diversions and Interruptible Service in Zone 4 for any such day in the Evening Nomination Cycle, the Intra-Day 1 Nomination Cycle and the Intra-Day 2 Nomination Cycle in the following priority and sequence:

Westcoast Energy Inc.

GENERAL TERMS AND CONDITIONS - SERVICE

- (a) first priority shall be given to Firm Service, provided that if Westcoast determines that the capacity available in Zone 4 or any part thereof will not be sufficient to permit Westcoast to authorize all of the Firm Service nominated by Shippers for the day, Westcoast will allocate the available capacity between the affected Shippers pro rata on the basis of Contract Demand;
- (b) second priority shall be given to Huntingdon Delivery Area Diversions and Upstream Diversions, provided that if Westcoast determines that the capacity available to deliver gas at an alternate Delivery Point in the Huntingdon Delivery Area or an Upstream Delivery Point will not be sufficient to permit Westcoast to authorize all of such Huntingdon Delivery Area Diversions and Upstream Diversions nominated by Shippers for the day, Westcoast will allocate the available capacity between the affected Shippers pro rata on the basis of the volumes of gas nominated by those Shippers for delivery at such alternate Delivery Point in the Huntingdon Delivery Area or Upstream Delivery Point;
- (c) third priority shall be given to AOS, provided that if Westcoast determines that the capacity available on any such day in Zone 4 or any part thereof will not be sufficient to permit Westcoast to authorize all of the AOS nominated by Shippers for the day, Westcoast will allocate the available capacity between the affected Shippers pro rata on the basis of the volumes of AOS nominated by those Shippers for the day;
- (d) fourth priority shall be given to Downstream Diversions, provided that if Westcoast determines that the capacity available in Zone 4 or any part thereof is not sufficient to permit Westcoast to authorize all of the Downstream Diversions nominated by Shippers for the day, Westcoast will allocate the available capacity between the affected Shippers pro rata on the basis of the volumes of such Downstream Diversions nominated by those Shippers for the day; and
- (e) fifth priority shall be given to Interruptible Service, provided that if Westcoast determines that the capacity available on any such day in Zone 4 or any part thereof will not be sufficient to permit Westcoast to authorize all of the Interruptible Service nominated by Shippers for the day, Westcoast will allocate the available capacity between the affected Shippers pro rata on the basis of the volumes of Interruptible Service nominated by those Shippers for the day.

Subject to the availability of capacity in Zone 4 having regard to the service and diversions authorized in the prior Nomination Cycles for each day, Westcoast will authorize additional Firm Service, Huntingdon Delivery Area Diversions, Upstream Diversions, AOS, Downstream Diversions and Interruptible Service in Zone 4 in the Intra-Day 3 Nomination Cycle in the same priority and sequence set out in Subsections 3.04(a) to (e).

Westcoast Energy Inc.

GENERAL TERMS AND CONDITIONS - SERVICE

3.05 Curtailments. If at any time after Westcoast has authorized Firm Service, including diversions, AOS and Interruptible Service in Zones 1A, 3 and 4 for any day in any Nomination Cycle pursuant to Sections 4.09, Westcoast determines that the capacity available in Zone 1A, Zone 3 or Zone 4 of the Pipeline System or any part thereof is not sufficient to permit Westcoast to provide all of the service and diversions so authorized for that day, Westcoast will curtail or interrupt the service and diversions authorized for the affected Shippers in the following priority and sequence:

- (a) Westcoast will first curtail or interrupt the Interruptible Service which has been authorized for that day in accordance with Section 4.09, pro rata on the basis of the volumes of such service so authorized;
- (b) Westcoast will, if required, then curtail or interrupt the Downstream Diversions which have been authorized for that day in accordance with Section 4.09, pro rata on the basis of the volumes of the Downstream Diversions so authorized;
- (c) Westcoast will, if required, then curtail or interrupt AOS in Zone 3 and Zone 4, pro rata on the basis of the volumes of such service so authorized;
- (d) Westcoast will, if required and if there is a constraint (i) in Zone 4 at an alternate Delivery Point in the Huntingdon Delivery Area or an Upstream Delivery Point to which gas has been diverted in accordance with Subsection 7.01(a) or 7.01(b) or (ii) in Zone 3 at an alternate Receipt Point or an alternate Delivery Point to which gas has been diverted pursuant to an Out of Path Diversion made in accordance with Section 7.07, then curtail or interrupt diversions to that alternate Delivery Point in the Huntingdon Delivery Area, Upstream Delivery Point, alternate Receipt Point in Zone 3 or alternate Delivery Point in Zone 3 which are authorized for the day in accordance with Section 4.09, in each case pro rata on the basis of the volumes of gas so authorized to be diverted to that alternate Delivery Point in the Huntingdon Delivery Area, Upstream Delivery Point, alternate Receipt Point in Zone 3 or alternate Delivery Point in Zone 3;
- (e) Westcoast will, if required and if there is a constraint at an alternate Receipt Point or an alternate Delivery Point on a Restricted Lateral to which gas has been diverted pursuant to an In Path Diversion made in accordance with Section 7.07, then curtail or interrupt the In Path Diversions to any such Receipt Point or Delivery Point which are authorized for the day in accordance with Section 4.09, pro rata on the basis of the volumes of gas authorized to be diverted to any such alternate Receipt Point or alternate Delivery Point; and
- (f) Westcoast will, if required, then curtail or interrupt Firm Service, Equivalent Point Diversions and In Path Diversions, other than In Path Diversions to an alternate Receipt Point or an alternate Delivery Point on a Restricted Lateral, authorized for the day in accordance with Section 4.09, pro rata on the basis of Contract Demand.

Westcoast will give notice of any intended curtailment or interruption of service pursuant to this Section to all Shippers by means of its public bulletin board, as promptly as reasonably possible following its determination that a curtailment or interruption of service is necessary.

Westcoast Energy Inc.

GENERAL TERMS AND CONDITIONS - SERVICE

3.06 Import Backhaul Service. The obligation of Westcoast to authorize and to provide Import Backhaul Service in Zone 4 on any day under an Interruptible Service Agreement shall be conditional upon:

- (a) operating constraints on the Pipeline System; and
- (b) the authorization and continued authorization of the delivery by Westcoast on any such day to the Northwest Delivery Point of a volume of gas at least thermally equivalent to that in respect of which Shippers have given nominations for Import Backhaul Service for such day.

3.07 Conditions of Service. Westcoast shall not be obligated to provide any service to a Shipper in Zone 1A, Zone 3 or Zone 4 of the Pipeline System under a Firm Service Agreement or an Interruptible Service Agreement on any day unless that service has been authorized by Westcoast in accordance with Article 4, and Westcoast shall not be obligated to authorize, or to maintain the authorization for, the delivery of gas to or for the account of a Shipper in Zone 1A, Zone 3 or Zone 4 on any day pursuant to a Service Agreement unless:

- (a) the Shipper has given a nomination to Westcoast for the delivery of such gas in accordance with Section 4.05;
- (b) in the case of gas to be delivered to or for the account of the Shipper under a Firm Service Agreement, there is adequate Contract Demand under that Firm Service Agreement for the transmission of the volume of gas nominated by the Shipper and the required allowance for System Gas through each Zone between the Receipt Point and the Delivery Point;
- (c) in the case of gas to be delivered to or for the account of the Shipper pursuant to the AOS entitlement under a Firm Service Agreement, there is adequate capacity available in Zone 3 or Zone 4, up to the maximum daily volume for the AOS specified in Section 2.11(a), for the transmission of the volume of gas nominated for AOS by the Shipper and the required allowance for System Gas through each such Zone between the Receipt Point and the Delivery Point;
- (d) in the case of gas to be delivered to or for the account of the Shipper under an Interruptible Service Agreement, there is adequate capacity available on the Pipeline System, up to the maximum volume specified in the Interruptible Service Agreement, for the transmission of the volume of gas nominated by the Shipper and the required allowance for System Gas through each such Zone between the Receipt Point and the Delivery Point;
- (e) in the case of gas to be delivered pursuant to a Service Agreement to a Delivery Point at which the Pipeline System connects with the pipeline facilities of a Receiving Party, the receipt by Westcoast of confirmation from the Receiving Party that it will take delivery of the gas to be delivered to or for the account of the Shipper at the Delivery Point, and the reconfirmation thereof by the Receiving Party in any subsequent Nomination Cycle;

Westcoast Energy Inc.

GENERAL TERMS AND CONDITIONS - SERVICE

- (f) in the case of gas to be delivered pursuant to a Service Agreement at any other Delivery Point in Zone 3 or Zone 4, the authorization by Westcoast of the delivery of that gas pursuant to another Service Agreement to a point at which the Pipeline System connects with the pipeline facilities of a Receiving Party; and
- (g) the confirmation by Westcoast and the reconfirmation by Westcoast in any subsequent Nomination Cycle, to its satisfaction, that the Shipper will be capable of fulfilling its obligations under Sections 4.14 and 4.15.

Westcoast Energy Inc.

GENERAL TERMS AND CONDITIONS - SERVICE**ARTICLE 5
RECEIPT POINT OPERATORS**

- 5.01 Application. The provisions of this Article apply to each Shipper for whose account raw gas or residue gas are delivered into the Pipeline System at a Receipt Point, and each such Shipper shall cause the Receipt Point Operator for each such Receipt Point to carry out the duties, functions and responsibilities prescribed in Section 5.04.
- 5.02 Receipt Point Operators. Each Shipper which delivers raw gas or residue gas into the Pipeline System at a Receipt Point at which such Shipper is not the owner of the pipeline facilities which connect with the Pipeline System at the Receipt Point shall be deemed conclusively for all purposes of these General Terms and Conditions to have appointed the Receipt Point Operator for such Receipt Point as its agent for the purpose of carrying out and performing the duties, functions and responsibilities of a Receipt Point Operator which are described in this Article.
- 5.03 Appointment of Receipt Point Operators. For Receipt Points other than the Straddle Plant Receipt Point, the owner of the pipeline facilities which connect with the Pipeline System at the Receipt Point may appoint another person, acceptable to Westcoast, as the Receipt Point Operator for such Receipt Point, such appointment to be effective:
- (a) in the case of an existing Receipt Point, on the first day of the month immediately following the day on which notice is given to Westcoast in accordance with this Section; and
 - (b) in the case of a new Receipt Point, on the first day on which gas is delivered to Westcoast at the Receipt Point.

The owner of the connecting pipeline facilities shall, at least five Business Days prior to the day on which such appointment is to be effective, give notice of such appointment to Westcoast and specify in the notice the name and address of such person and the day on which such appointment is to be effective. Each Shipper which delivers raw gas or residue gas into the Pipeline System at such Receipt Point shall, effective as of the day on which the appointment of such person becomes effective, be deemed conclusively for all purposes of these General Terms and Conditions to have appointed such person as its agent for the purpose of carrying out and performing the duties, functions and responsibilities of a Receipt Point Operator which are described in this Article.

- 5.04 Duties, Functions and Responsibilities. The Receipt Point Operator for each Receipt Point shall carry out the following duties, functions and responsibilities (which duties, functions and responsibilities shall, in the case of each Shipper which is deemed to have appointed the Receipt Point Operator as its agent pursuant to Section 5.02 or Section 5.03, be carried out by the Receipt Point Operator as agent for and on behalf of such Shipper):
- (a) the delivery to Westcoast at a Receipt Point in Zone 1 or Zone 2 of the Pipeline System, in accordance with the applicable pressure and quality specifications prescribed in Articles 11 and 12, of the volumes of raw gas which each such Shipper requires to be delivered to Westcoast pursuant to Section 27.02, Section 28.03 or Section 29.03.

Westcoast Energy Inc.

GENERAL TERMS AND CONDITIONS - SERVICE

- (b) the delivery from the outlet of a Processing Plant and at a Receipt Point in Zone 3 or Zone 4 of the Pipeline System, in accordance with the applicable pressure and quality specifications prescribed in Articles 11 and 12, of the Authorized Receipt Volume authorized by Westcoast for delivery into Zone 3 or Zone 4 of the Pipeline System by or for the account of each such Shipper from the outlet of any such Processing Plant or at any such Receipt Point;
- (c) the reporting to Westcoast, in the time and manner prescribed in Sections 6.03 and 6.04, of the estimated volume of raw gas or the estimated quantity of residue gas delivered into the Pipeline System on each day for the account of each such Shipper;
- (d) the delivery to Westcoast of a statement of the actual volumes of raw gas and Hydrocarbon Liquids or the actual quantity of residue gas in gigajoules delivered into the Pipeline System on each day in the previous month for the account of each such Shipper, in the time and manner prescribed in Section 10.01;
- (e) the installation, maintenance and operation at such Receipt Point at which raw gas is delivered into the Pipeline System of the pressure control and overpressure protection equipment required to be installed, maintained and operated at such Receipt Point pursuant to Section 11.11, and the calibration of that equipment in accordance with the requirements of Section 11.11;
- (f) the installation, maintenance and operation at and upstream of such Receipt Point at which raw gas is delivered into the Pipeline System, of the equipment required to be installed, maintained and operated at and upstream of such a Receipt Point pursuant to and in accordance with Article 14;
- (g) ensuring that the sampling, testing and analysis of raw gas produced from gas wells upstream of such Receipt Point at which raw gas is delivered into the Pipeline System and the sampling, testing and analysis of raw gas and Hydrocarbon Liquids at such Receipt Point are carried out pursuant to and in accordance with Article 15;
- (h) the installation, maintenance and operation at such Receipt Point of the gas and Hydrocarbon Liquids metering, measuring, monitoring and sampling equipment which the Shipper or the Receipt Point Operator and Westcoast have agreed, pursuant to Section 14.04, are to be installed, maintained and operated by the Shipper or the Receipt Point Operator; and
- (i) the submission of a request to Westcoast to review a Production Source in accordance with Article 26.

5.05 Reliance on Receipt Point Operators. For all purposes of a Service Agreement and these General Terms and Conditions:

- (a) Westcoast shall be entitled to rely and act upon all notifications, communications and information given, made or provided by a Receipt Point Operator on behalf of and in respect of a Shipper in connection with the matters specified in Section 5.04 as if such notifications, communications and information had been given, made or provided directly by the Shipper to Westcoast; and

Westcoast Energy Inc.

GENERAL TERMS AND CONDITIONS - SERVICE

- (b) all allocations of raw gas and Hydrocarbon Liquids and of residue gas delivered into the Pipeline System at a Receipt Point which are made by a Receipt Point Operator to or in respect of a Shipper, and all deliveries of raw gas and Hydrocarbon Liquids and of residue gas made by a Receipt Point Operator at a Receipt Point for or on behalf of a Shipper shall be binding upon the Shipper as if those allocations and deliveries had been made or provided directly by the Shipper for whose account or on whose behalf they were made or provided by the Receipt Point Operator.

5.06 Non-Performance, Quality and Pressure. If the Receipt Point Operator for any Receipt Point at which raw gas, Hydrocarbon Liquids or residue gas is or are delivered into the Pipeline System fails to:

- (a) deliver raw gas, Hydrocarbon Liquids or residue gas into the Pipeline System at the Receipt Point which meets the applicable quality specifications set out in Article 12 or as specified in a Service Agreement; or
- (b) comply with the applicable receipt pressures at the Receipt Point prescribed in accordance with Article 11 or as specified in a Service Agreement,

Westcoast may, without prejudice to any other right it has, (i) in the case of raw gas, reduce or direct the Receipt Point Operator, with corresponding notice to the Shippers upstream of the Receipt Point, to reduce the volume of raw gas being delivered into the Pipeline System at the Receipt Point (ii) in the case of residue gas, reduce the volume of residue gas authorized for delivery into the Pipeline System at the Receipt Point or (iii) in the case of both raw gas and residue gas, physically shut-in all deliveries of raw gas and Hydrocarbon Liquids or of residue gas into the Pipeline System at the Receipt Point and, in the case where the Receipt Point Operator fails to deliver raw gas, Hydrocarbon Liquids or residue gas into the Pipeline System at the Receipt Point which meets the applicable quality specifications set out in Article 12, Westcoast shall have the right to recover from the Shippers at the Receipt Point the amount of any credits that Westcoast is required to provide pursuant to Article 8 and which are directly attributable to such failure by the Receipt Point Operator. Westcoast shall give notice to the Receipt Point Operator, and to the Shippers upstream of the Receipt Point, of any direction to reduce, reduction or shut-in of deliveries of raw gas and Hydrocarbon Liquids or of residue gas at the Receipt Point in accordance with this Section, and shall accept deliveries of raw gas and Hydrocarbon Liquids or of residue gas again at the Receipt Point at such time as the failure of the Receipt Point Operator has been corrected and notice of the correction has been given by the Receipt Point Operator to Westcoast.

5.07 Non-Performance, EFM Equipment. If the Receipt Point Operator for a Receipt Point in any of the RGT Systems fails to install, maintain and operate any EFM Equipment required to be installed, maintained and operated pursuant to Section 14.02, or if any such EFM Equipment suffers chronic failures, Westcoast may, without prejudice to any other right it has, reduce or direct the Receipt Point Operator, with corresponding notice to the Shippers upstream of the Receipt Point, to reduce the volume of raw gas being delivered into the Pipeline System at the Receipt Point to a volume not less than (i) in the case of a Receipt Point in the Fort St. John RGT System $56.7 \times 10^3 \text{m}^3$ per day and (ii) in the case of a Receipt Point in any other RGT System $141.6 \times 10^3 \text{m}^3$ per day, provided that in the case of the chronic failure of any such EFM Equipment Westcoast will not reduce or direct the reduction of the volume of raw gas

Westcoast Energy Inc.

GENERAL TERMS AND CONDITIONS - SERVICE

being delivered into the Pipeline System at the Receipt Point without first giving the Receipt Point Operator, and the Shippers upstream of the Receipt Point five Business Days notice within which to correct such failure.

5.08 Audit by Westcoast. Westcoast shall in respect of each Receipt Point at which a Shipper delivers raw gas into the Pipeline System, have the right at any time and from time to time to undertake an audit of:

- (a) the actual allocations made of the raw gas and Hydrocarbon Liquids delivered into the Pipeline System at any such Receipt Point for the account of two or more Shippers;
- (b) all readings made of raw gas measurements in the measurement equipment required to be installed upstream of any such Receipt Point pursuant to Section 14.03; and
- (c) all readings made of raw gas and Hydrocarbon Liquids measurements in the measuring equipment required to be installed at any such Receipt Point pursuant to Section 14.02.

An audit conducted in accordance with this Section shall be restricted to the last 24 months of available data, and Westcoast will, within 60 days of the completion of any audit, provide the Receipt Point Operator with a report setting out the results of the audit. Westcoast will initiate any corrections (other than corrections which the Shipper and Westcoast agree are not material) to the amount of raw gas, Hydrocarbon Liquids, acid gas, sulphur gas, elemental sulphur, residue gas, Liquid Products, Fort Nelson Liquids and Dawson Liquids allocated to the Shipper and to the statements and invoices previously provided to the Shipper in accordance with these General Terms and Conditions within 60 days of the completion of any audit undertaken by Westcoast in accordance with this Section. If a Receipt Point Operator for a Receipt Point fails to cooperate with Westcoast with respect to an audit undertaken by Westcoast pursuant to this Section, Westcoast may, without prejudice to any other right it has, refuse to accept the delivery of raw gas and Hydrocarbon Liquids from those Production Sources upstream of the Receipt Point in respect of which there has been a failure to cooperate, provided that Westcoast will not refuse to accept deliveries from such Production Sources without first giving the Receipt Point Operator and Shippers upstream of the Receipt Point, 30 days notice within which to cooperate with such audit.

5.09 Non-Performance, Pressure Control and Overpressure Protection Equipment. If the Receipt Point Operator for a Receipt Point in any of the RGT Systems at which raw gas is delivered into the Pipeline System fails to install the pressure control and overpressure protection equipment required to be installed pursuant to Sections 5.04(e) and 11.11, or fails to maintain, operate and calibrate such equipment in accordance with the requirements of Sections 5.04(e) and 11.11, Westcoast may, without prejudice to any other right it has, physically shut-in all deliveries of raw gas and Hydrocarbon Liquids into the Pipeline System at the Receipt Point. Westcoast shall give notice to the Receipt Point Operator of any shut-in of deliveries of raw gas and Hydrocarbon Liquids in accordance with this Section, and shall accept deliveries of raw gas and Hydrocarbon Liquids at the Receipt Point at such time as Westcoast is satisfied that the failure of the Receipt Point Operator has been corrected and notice of the correction has been given by the Receipt Point Operator to Westcoast.

Westcoast Energy Inc.

GENERAL TERMS AND CONDITIONS - SERVICE

- 5.10 Inspection by Westcoast. Westcoast shall, in respect of each Receipt Point in an RGT System at which a Shipper delivers raw gas into the Pipeline System, have the right at any time and from time to time to undertake an inspection of the pressure control and overpressure protection equipment installed or caused to be installed by a Shipper or by a Receipt Point Operator pursuant to Sections 5.04(e) and 11.11 for the purposes of confirming that such equipment, and the maintenance, operation and calibration thereof, complies with the requirements of Section 11.11.
- 5.11 Liabilities. If Westcoast reduces or directs a reduction of the volume of raw gas being delivered into the Pipeline System at a Receipt Point pursuant to Section 5.06 or Section 5.07, reduces the volume of residue gas authorized for delivery into the Pipeline System at a Receipt Point pursuant to Section 5.06 or physically shuts in all deliveries of raw gas and Hydrocarbon Liquids or of residue gas at a Receipt Point in accordance with Section 5.06 or Section 5.09 or refuses to accept the delivery of raw gas or Hydrocarbon Liquids from Production Sources upstream of a Receipt Point in accordance with Section 5.08, Westcoast shall not have any liability whatsoever to a Shipper arising out of any such action by Westcoast and, without restricting the generality of the foregoing, shall not be liable to give the Shipper any credits pursuant to Article 8 by reason of any such action.
- 5.12 Non-Performance, Hydrocarbon Liquids Measurement. Notwithstanding any other provision of these General Terms and Conditions, a Shipper shall not be entitled to any allocation or delivery of Liquid Products or Fort Nelson Liquids recovered from Hydrocarbon Liquids delivered into the Pipeline System with raw gas at a Receipt Point if the Shipper, or the Receipt Point Operator for the Receipt Point at which the Hydrocarbon Liquids are delivered into the Pipeline System, fails to install, maintain and operate Hydrocarbon Liquids separating, metering, measuring and sampling equipment in accordance with the requirements of Section 14.02 or if any such equipment suffers chronic failures.

Westcoast Energy Inc.

GENERAL TERMS AND CONDITIONS - SERVICE**ARTICLE 8
CONTRACT DEMAND CREDITS**

- 8.01 Fuel Gas Service. Subject to Section 8.04, if Westcoast is unable to provide a Shipper with all of the Firm Fuel Gas Service nominated by the Shipper for any day in a month, the Shipper will be entitled to a credit for that day in respect of each such service equal to the product obtained by multiplying the applicable Daily Demand Toll by the amount, if any, by which the sum of (i) the volume of residue gas which the Shipper nominated in good faith in the Timely and Evening Nomination Cycles up to the Contract Demand and (ii) the additional volume of residue gas which the Shipper nominated in good faith in the Intra-Day 1 Nomination Cycle, up to a volume equal to that determined by multiplying the difference between the Contract Demand and the volume of residue gas so nominated in the prior Nomination Cycles by two-thirds, exceeds the actual volume of residue gas for which Westcoast authorized such service on any such day, but a Shipper will not be entitled to any such credits if the inability of Westcoast to authorize such service resulted from the performance of planned maintenance by Westcoast.
- 8.02 Firm Service, Zone 3. Subject to Sections 8.04 and 8.06, if Westcoast is unable to provide a Shipper with any Firm Transportation Service – Northern, Temporary Firm Service or Short Term Firm Service in Zone 3 held by the Shipper for any day in a month, the Shipper will be entitled to a credit determined for any such day in accordance with the following provisions:
- (a) if no notice respecting a restriction in service was in effect prior to the time specified in Section 4.11 for giving of nominations in the Intra-Day 1 Nomination Cycle for any such day, the Shipper will be entitled to a credit in respect of that day equal to the product obtained by multiplying the applicable Daily Demand Toll by the amount, if any, by which the sum of (i) the volume of residue gas nominated in good faith by the Shipper in the Timely and Evening Nomination Cycles, up to a volume equal to that determined by multiplying the Contract Demand by the applicable Transmission Reliability Percentage, and (ii) the additional volume of residue gas nominated in good faith by the Shipper in the Intra-Day 1 Nomination Cycle, up to a volume equal to that determined by multiplying the difference between the Contract Demand and the volume of residue gas so nominated in the prior Nomination Cycles by two-thirds and by the applicable Transmission Reliability Percentage, exceeds the actual volume of residue gas for which Westcoast authorized such service on that day; and
 - (b) if Westcoast gave a notice that such service was restricted to a volume less than the Contract Demand and such notice was in effect at the time specified in Section 4.11 for the giving of nominations in the Intra-Day 1 Nomination Cycle for any such day, the Shipper will be entitled to a credit in respect of that day equal to the product obtained by multiplying the applicable Daily Demand Toll by the amount, if any, by which (i) the average of the daily volumes of such Firm Transportation Service – Northern, Temporary Firm Service and Short Term Firm Service authorized by Westcoast for the Shipper, up to a volume equal to that determined by multiplying the Contract Demand by the applicable Transmission Reliability Percentage, for the immediately preceding three days on which there was no such restriction on such service, exceeds (ii) the greater of the actual volume of residue gas for which Westcoast authorized such service on that day and the Contract Demand available for such service on such day

Westcoast Energy Inc.

GENERAL TERMS AND CONDITIONS - SERVICE

as specified in the notice relating to the restriction given by Westcoast to all shippers in accordance with Section 20.05 of the General Terms and Conditions.

8.03 Firm Service, Zone 4. Subject to Section 8.04, if Westcoast is unable to provide a Shipper with any Firm Transportation Service - Southern or Short Term Firm Service in Zone 4 held by the Shipper for any day in a month, the Shipper will be entitled to a credit determined for any such day in accordance with the following provisions:

- (a) if no notice respecting a restriction in service was in effect at the applicable time specified in Section 4.11 for the giving of nominations in the Intra-Day 1 Nomination Cycle for any such day, the Shipper will be entitled to a credit in respect of that day equal to the product obtained by multiplying the applicable Daily Demand Toll by the amount, if any, by which the sum of (i) the volume of residue gas nominated in good faith by the Shipper in the Timely and Evening Nomination Cycles, up to a volume equal to that determined by multiplying the Contract Demand by the applicable Transmission Reliability Percentage, and (ii) the additional volume of residue gas nominated in good faith by the Shipper in the Intra-Day 1 Nomination Cycle, up to a volume equal to that determined by multiplying the difference between the Contract Demand and the volume of residue gas so nominated in the prior Nomination Cycles by two-thirds and by the applicable Transmission Reliability Percentage, exceeds the actual volume of residue gas for which Westcoast authorized such service on that day; and
- (b) if Westcoast gave a notice that such service was restricted to a volume less than the Contract Demand and such notice was in effect at the time specified in Section 4.11 for the giving of nominations in the Intra-Day 1 Nomination Cycle for any such day, the Shipper will be entitled to a credit in respect of that day equal to the product obtained by multiplying the applicable Daily Demand Toll by the amount, if any, by which (i) the average of the daily volumes of such Firm Transportation Service - Southern and Short Term Firm Service authorized by Westcoast for the Shipper, up to a volume equal to that determined by multiplying the Contract Demand by the applicable Transmission Reliability Percentage, for the immediately preceding three days on which there was no such restriction on such service, exceeds (ii) the greater of the actual volume of residue gas for which Westcoast authorized such service on that day and the Contract Demand available for such service on such day as specified in the notice relating to the restriction given by Westcoast to all shippers in accordance with Section 20.05 of the General Terms and Conditions.

8.04 Exceptions. A Shipper shall not be entitled to any credits under Sections 8.01, 8.02 and 8.03, if or to the extent that the inability of Westcoast to provide any Firm Service to the Shipper resulted from:

- (a) the failure of the Shipper to nominate the full Contract Demand available for such service as specified in the notice relating to the restriction given by Westcoast;
- (b) the failure of the Receiving Party to confirm that it will take delivery of the gas to be delivered by Westcoast to or for the account of the Shipper or to take delivery of the volume of gas authorized by Westcoast at the Delivery Point at the applicable pressure prescribed in these General Terms and Conditions;

Westcoast Energy Inc.

GENERAL TERMS AND CONDITIONS - SERVICE

- (c) the inability of Westcoast to confirm to its satisfaction pursuant to Section 3.07(g) that the Shipper, or the Receipt Point Operator on its behalf, will be capable of fulfilling its obligations under Sections 4.14, 4.15(a) and 4.15(b) or the failure by the Shipper or the Receipt Point Operator on its behalf, to deliver gas to Westcoast at the Receipt Point in accordance with these General Terms and Conditions; or
- (d) the inability of Westcoast to authorize or provide service in any other Zone of the Pipeline System by reason of an event or circumstance occurring in that other Zone.

8.05 Firm Service, Zones 1 and 2. A Shipper which has entered into a Service Agreement providing for Firm Service in Zone 1 and Zone 2, will only be entitled to such credits as are determined in accordance with Schedule B.

8.06 Service to the Straddle Plant Delivery Point. For the purposes of determining the amount of any Contract Demand Credits in accordance with Section 8.02 in respect of Firm Transportation Service – Northern, Temporary Firm Service or Short Term Firm Service with a Delivery Point at the Straddle Plant Delivery Point, the volume differential to be used in the calculation of those credits shall be a volume of gas equal to the product obtained by multiplying the applicable volume differential specified in Section 8.02 by the Straddle Plant Shrinkage Factor.

Westcoast Energy Inc.

GENERAL TERMS AND CONDITIONS - SERVICE

**ARTICLE 9
CAPACITY ALLOCATION AND RELOCATIONS**

- 9.01 Application. The provisions of this Article apply to the allocation of all capacity which becomes available in Zones 3 and 4 for any reason, including the failure of a Shipper to exercise renewal rights in respect of any Firm Transportation Service in accordance with Section 2.06, and to Relocations, but does not apply to the allocation of any capacity which becomes available through the construction of new facilities or which is required for Short Term Firm Service.
- 9.02 Allocation Priorities. Available capacity in Zones 3 and 4 which is posted by Westcoast on its public bulletin board in any month in accordance with Section 9.04 and Permanent In Path Relocations and Temporary In Path Relocations will be awarded by Westcoast in accordance with the provisions of this Article in the following priority and sequence:
- (a) first priority shall be given to new Firm Transportation Service, which shall be awarded by Westcoast in accordance with Sections 9.08 and 9.09;
 - (b) second priority shall be given to Temporary Firm Service, which shall be awarded by Westcoast in accordance with Sections 9.08 and 9.09.
 - (c) third priority shall be given to Permanent In Path Relocations, which shall be awarded by Westcoast in accordance with Section 9.11;
 - (d) fourth priority shall be given to Temporary In Path Relocations, which shall be awarded by Westcoast in accordance with Section 9.12;
 - (e) fifth priority shall be given to Permanent Out of Path Relocations, for which the consideration is a Term Extension, which shall be awarded by Westcoast in accordance with Section 9.13;
 - (f) sixth priority shall be given to Permanent Out of Path Relocations for which the consideration is a Relocation Fee, which shall be awarded by Westcoast in accordance with Section 9.13; and
 - (g) seventh priority shall be given to Temporary Out of Path Relocations, which shall be awarded by Westcoast in accordance with Section 9.14.
- 9.03 Limitations on Relocations. Notwithstanding the provisions of Sections 9.04 to 9.07, Sections 9.11 to 9.14 and Section 9.16:
- (a) no bid shall be submitted in respect of a Relocation pursuant to Section 9.05 and no Relocation shall be awarded by Westcoast in accordance with this Article if the effect of any such Relocation would be (i) to convert any Transportation Service – Northern, Long Haul to Transportation Service – Northern, Short Haul or vice versa or (ii) to effect a Relocation of any Temporary Firm Service;

Westcoast Energy Inc.

GENERAL TERMS AND CONDITIONS - SERVICE

- (b) no bid shall be submitted for any Permanent In Path Relocation or Permanent Out of Path Relocation, and no such Relocation shall be awarded by Westcoast pursuant to Section 9.11 or Section 9.13, unless, at the time such bid is submitted, the Firm Transportation Service – Northern to be relocated is renewable in accordance with Section 2.06;
- (c) no bid shall be submitted for any Permanent Out of Path Relocation for which the consideration is a Term Extension, and no such Relocation shall be awarded by Westcoast pursuant to Section 9.13, unless the Term Extension specified in such bid is one or more whole years;
- (d) no bid shall be submitted in respect of a Permanent Out of Path Relocation for which the consideration is a Relocation Fee, and no such Relocation shall be awarded by Westcoast in accordance with Section 9.13, unless, at the time such bid is submitted, the remaining term of the Firm Transportation Service – Northern is not less than three years;
- (e) all bids submitted in respect of any Relocations shall be subject to meter station capacity and other capacity constraints on the Pipeline System; and
- (f) all Temporary In Path Relocations and all Temporary Out of Path Relocations awarded by Westcoast in accordance with this Article shall be effective only for the month immediately following the day on which the Relocation was awarded by Westcoast.

9.04 Notification by Westcoast. On or before the 15th day of each month, Westcoast will post on its public bulletin board all capacity available in Zones 3 and 4 on and after the first day of the next succeeding month, together with the parameters which define the scope of the available capacity including:

- (a) the Contract Demand;
- (b) the sections of the Pipeline System within Zones 3 and 4 on which the capacity is available; and
- (c) the commencement and termination dates of the term during which such capacity is available,

and will also post the electronic mail address to which bids are to be submitted in accordance with Section 9.05.

9.05 Bids. Bids for available capacity in Zones 3 and 4 and bids for Relocations shall be submitted to Westcoast at the electronic mail address posted by Westcoast in accordance with Section 9.04, prior to 1600 hours CCT on the fifth Business Day following the day upon which Westcoast posted the available capacity in accordance with Section 9.04. Each bid shall be unconditional and shall specify the parameters required to define the bid and, in the case of a bid for Firm Transportation Service or Temporary Firm Service, shall include:

- (a) the Contract Demand which the bidder desires to secure;
- (b) the minimum Contract Demand which the bidder is prepared to accept;

Westcoast Energy Inc.

GENERAL TERMS AND CONDITIONS - SERVICE

- (c) the term for which the bidder requires the Firm Transportation Service or Temporary Firm Service and the commencement date of that term if it is different from that specified by Westcoast; and
- (d) the Receipt Point and the Delivery Point for the service,
and, in the case of a Relocation, shall include:
 - (e) the Contract and Line number for the existing Firm Transportation Service – Northern;
 - (f) the existing Receipt Point and Delivery Point for such service;
 - (g) the requested Receipt Point and/or Delivery Point;
 - (h) in the case of a Permanent Out of Path Relocation of Firm Transportation Service – Northern for which the consideration is a Term Extension, the Term Extension proposed by the Shipper; and
 - (i) in the case of a Permanent Out of Path Relocation of Firm Transportation Service – Northern for which the consideration is a Relocation Fee, the Relocation Fee payable in respect of such Relocation.

9.06 Additional Bid Provisions. The following provisions shall apply to bids made in accordance with Section 9.05 in respect of capacity for Firm Transportation Service, Temporary Firm Service and Relocations:

- (a) For the purposes of the evaluation by Westcoast in accordance with Section 9.08 of bids in respect of capacity for Firm Transportation Service and Temporary Firm Service, all such bids will be deemed to have been submitted at the currently applicable Demand Toll for such service.
- (b) A bidder may submit multiple bids in respect of capacity for Firm Transportation Service or Temporary Firm Service having the same Receipt Point and Delivery Point provided that each such bid is unconditional and is not made as an alternative to any other bid submitted by such bidder.
- (c) Except for the name of the bidder, all bids submitted to Westcoast shall be open to public examination.

Westcoast Energy Inc.

GENERAL TERMS AND CONDITIONS - SERVICE

9.07 Withdrawal and Amendment of Bids. The following provisions shall apply to the withdrawal of bids for capacity for Firm Transportation Service, Temporary Firm Service and Permanent Out of Path Relocations:

- (a) A bidder may withdraw any bid for capacity for Firm Transportation Service, Temporary Firm Service or for a Permanent Out of Path Relocation which has been posted to the public bulletin board at any time prior to the time specified in Section 9.05. Thereafter, a bid shall be irrevocable.
- (b) Where a bidder withdraws a bid in respect of capacity for Firm Transportation Service, Temporary Firm Service or a Permanent Out of Path Relocation, the bidder shall not be entitled to submit a new bid for the same capacity having a lower economic value than the prior bid which was withdrawn.

9.08 Award of Firm Service. Westcoast will evaluate each bid in respect of capacity for Firm Transportation Service and for Temporary Firm Service submitted in compliance with Sections 9.05 and 9.06 on the basis of its unit economic value. The unit economic value of each such bid for Firm Transportation Service shall be the net present value of the currently applicable Demand Toll for Firm Transportation Service having the term specified in the bid, discounted at the Discount Rate. The unit economic value of each such bid for Temporary Firm Service shall be the currently applicable Demand Toll for that service. Following evaluation of the bids, Westcoast will, subject to the limitations set out in Section 9.20, first award Firm Transportation Service and then award Temporary Firm Service, in each case on the basis of the economic value of the bids received for each such service by allocating it to the bid having the highest economic value and to other bids in descending order of economic value until all the available capacity has been allocated or until all valid bids have been accepted by Westcoast. If the economic values of two or more bids are equal, Westcoast will determine the priority of those bids by applying one or more of the following criteria:

- (a) the bid with the earliest commencement date will be given the highest priority; and
- (b) the bid with the longest term will be given the highest priority.

Westcoast will notify each successful bidder of the Firm Transportation Service and Temporary Firm Service awarded to it.

9.09 Allocation Between Equal Bids for Firm Service. If, following the application of the criteria in Section 9.08, Westcoast determines that two or more bids in respect of capacity for Firm Transportation Service or Temporary Firm Service remain equal, Westcoast will allocate the available capacity for Firm Transportation Service or Temporary Firm Service in accordance with the following procedures:

- (a) Westcoast will offer the available capacity to the affected bidders pro rata on the basis of the Contract Demands specified in their bids.
- (b) Affected bidders which accept or are deemed to have accepted the capacity for Firm Transportation Service or Temporary Firm Service offered by Westcoast will be offered a pro rata share in any capacity for such service not accepted by another bidder, until they have been allocated the entire Contract Demand specified in their respective bids.

Westcoast Energy Inc.

GENERAL TERMS AND CONDITIONS - SERVICE

- (c) Any remaining capacity which has not been awarded in accordance with Subsection (b) will be allocated by way of lottery to those affected bidders which rejected the allocation of Firm Transportation Service or Temporary Firm Service made in accordance with Subsection (a). Firm Transportation Service or Temporary Firm Service up to the Contract Demand specified in the bids submitted in accordance with Sections 9.05 and 9.06 will be offered sequentially to those bidders in the order in which they are selected by lottery.
- 9.10 Acceptance of Firm Service by Bidder. If Westcoast awards or offers Firm Transportation Service or Temporary Firm Service to a bidder pursuant to this Article and if that Firm Transportation Service or Temporary Firm Service is for a Contract Demand which is less than the minimum Contract Demand specified in the bid submitted in accordance with Sections 9.05 and 9.06, the bidder shall notify Westcoast of its acceptance of that Firm Transportation Service or Temporary Firm Service within the time specified by Westcoast in its notice of the award or offer, failing which the bidder shall be deemed conclusively to have declined the award or offer. If the Firm Transportation Service or Temporary Firm Service awarded or offered to a bidder by Westcoast is equal to or exceeds the minimum Contract Demand specified in the bid submitted, the bidder shall be deemed conclusively to have accepted the award or offer.
- 9.11 Award of Permanent In Path Relocations. Subject to meter station capacity and other capacity constraints, Westcoast will award all Permanent In Path Relocations requested by Shippers by means of a bid submitted in compliance with Sections 9.03, 9.05 and 9.06. If there is a meter station capacity restriction or other capacity constraint, Westcoast will award the available capacity to the Shippers which submitted valid bids pro rata on the basis of the Contract Demand for the service in respect of which the bid was submitted.
- 9.12 Award of Temporary In Path Relocations. Subject to meter station capacity and other capacity constraints, Westcoast will award all Temporary In Path Relocations requested by Shippers by means of a bid submitted in compliance with Sections 9.03, 9.05 and 9.06. If there is a meter station capacity restriction or other capacity constraint, Westcoast will award the available capacity to the Shippers which submitted valid bids pro rata on the basis of the Contract Demand for the service in respect of which the bid was submitted.
- 9.13 Award of Permanent Out of Path Relocations. Subject to meter station capacity and other capacity constraints, Westcoast will award Permanent Out of Path Relocations requested by Shippers by means of a bid submitted in compliance with Sections 9.03, 9.05 and 9.06 on the following basis:
- (a) Westcoast will first award Permanent Out of Path Relocations for which the consideration is a Term Extension, with the highest priority being given to the longest Term Extension and, where there are capacity limitations, pro rata on the basis of the Contract Demand for such service to be relocated in respect of bids having the same Term Extension; and
 - (b) Westcoast will then award Permanent Out of Path Relocations for which the consideration is a Relocation Fee and, where there are capacity limitations, pro rata on the basis of the Contract Demand for such service to be relocated.

Westcoast Energy Inc.

GENERAL TERMS AND CONDITIONS - SERVICE

- 9.14 Award of Temporary Out of Path Relocations. Subject to meter station capacity and other capacity constraints, Westcoast will award Temporary Out of Path Relocations of Firm Transportation Service – Northern requested by Shippers by means of a bid submitted in compliance with Sections 9.03, 9.05 and 9.06 pro rata on the basis on the Contract Demand for the Firm Transportation Service – Northern in respect of which bids were submitted.
- 9.15 Service Agreements. A bidder which accepts or which is deemed to have accepted Firm Transportation Service or Temporary Firm Service in accordance with Section 9.10 shall be bound to take up and pay for that Firm Transportation Service or Temporary Firm Service and, if so required by Westcoast, to provide security for payment in accordance with Section 10.08. Westcoast will forward to each such bidder a Service Agreement providing for the Firm Transportation Service or Temporary Firm Service so accepted for the term specified in the bid submitted in accordance with Section 9.05. The bidder shall be obligated to execute and return the Service Agreement, without modification or amendment, together with the security required by Westcoast in accordance with Section 10.08, within five Business Days of its receipt thereof, but in any event no later than two Business Days prior to the commencement of the Firm Transportation Service or Temporary Firm Service. If Westcoast provides the Firm Transportation Service or Temporary Firm Service to the bidder prior to receipt of the executed Service Agreement and security for payment required by Westcoast in accordance with Section 10.08, then:
- (a) the bidder shall be deemed conclusively, without further act or formality, to have entered into a Service Agreement with Westcoast for the Firm Transportation Service or Temporary Firm Service which the bidder accepted or is deemed to have accepted; and
 - (b) if the bidder fails to provide the security for payment required by Westcoast within three days of the commencement of the Firm Transportation Service or Temporary Firm Service, Westcoast may, notwithstanding any other provision of these General Terms and Conditions, suspend the authorization and delivery of gas to the Shipper until the required security for payment has been provided or terminate the Service Agreement immediately without notice to the Shipper. Notwithstanding the termination of the Service Agreement, the bidder shall be liable to Westcoast for any Firm Transportation Service or Temporary Firm Service provided to the bidder prior to the termination of the Service Agreement.
- 9.16 Service Agreement Amendments for Relocations. A Shipper which has been awarded a Relocation in accordance with Section 9.11, 9.12, 9.13 or 9.14 shall be required to enter into an amendment to the applicable Service Agreement and, if so required by Westcoast in the case of a Permanent Out of Path Relocation or a Temporary Out of Path Relocation, to provide security or additional security for payment in accordance with Section 10.08. Westcoast will forward to each such Shipper an amendment to its Service Agreement providing for the awarded Relocation. The Shipper shall execute the amendment, without any modification, and shall return the amendment together with the security or additional security required by Westcoast in accordance with Section 10.08 and, in the case of a Permanent Out of Path Relocation awarded pursuant to Section 9.13(b), with payment of the Relocation Fee for such Relocation within two days of its receipt thereof, but in any event no later than two Business Days prior to the day on which the Relocation is to become effective. If the Shipper fails to return the executed amendment to its Service Agreement, the security or additional security required by Westcoast and, where applicable, payment of the

Westcoast Energy Inc.

GENERAL TERMS AND CONDITIONS - SERVICE

Relocation Fee within the time specified in this Section, the Relocation awarded to the Shipper by Westcoast shall be deemed conclusively to be void and of no further effect.

- 9.17 Designation of Bid Recipient. If Westcoast determines that it would be desirable to do so, Westcoast may designate a Bid Recipient as Westcoast's agent to receive all bids to be submitted in any month in accordance with Section 9.05. Where Westcoast designates a Bid Recipient to receive bids for any month in accordance with this Section, Westcoast will specify the name and electronic mail address of the Bid Recipient in the notification posted in accordance with Section 9.04, and all bids for capacity shall be submitted to the Bid Recipient prior to the time specified in Section 9.05.
- 9.18 Exception, Zone 4 Capacity. Notwithstanding the provisions of Sections 9.03, 9.04, 9.05 and 9.06 requiring the submission of a bid in connection with a posting of available capacity by Westcoast, and notwithstanding the provisions of Section 9.08 and 9.09 respecting the evaluation of bids for available capacity and the awarding of capacity to the bids received, Westcoast may at any time receive a request from a prospective Shipper for Firm Transportation Service in Zone 4 from a Receipt Point at Compressor Station No. 2 to a Delivery Point within the Huntingdon Delivery Area or the Inland Delivery Area or for Enhanced T-South Service (as defined in the Tariff Supplement, Enhanced T-South Service) and may, subject to the limitations set out in Section 9.20, make an award of such Firm Transportation Service or Enhanced T-South Service to a prospective Shipper provided that, after any such award of service is made by Westcoast, the available capacity in Zone 4 between Compressor Station No. 2 and the Huntingdon Delivery Area is not less than 4 249.2 10³m³. A request for such Firm Transportation Service in Zone 4 or for such Enhanced T-South Service submitted to Westcoast in accordance with this Section 9.18 shall specify:
- (a) the Contract Demand which the prospective Shipper requires;
 - (b) the minimum Contract Demand which the prospective Shipper is prepared to accept;
 - (c) the commencement date of the term for which the prospective Shipper requires such service, which commencement date shall be the first day of a month occurring within 60 days of the date on which the request is submitted to Westcoast; and
 - (d) the term for which the prospective Shipper requires such service, which term shall be a period of one year, a period of 17 to 19 months, a period of two years or a period in excess of two years,

and shall be submitted to Westcoast by E-mail at WEIcapacity@spectraenergy.com. Westcoast will award such Firm Transportation Service in Zone 4 and Enhanced T-South Service in accordance with this Section 9.18 on a first come, first served basis, based on the date and time at which each request for service is received by Westcoast. The provisions of Sections 9.10 and 9.15 respecting the acceptance of Firm Transportation Service awarded, Service Agreements and security for payment apply to any such Firm Transportation Service in Zone 4 and Enhanced T-South Service awarded by Westcoast in accordance with this Section 9.18.

Westcoast Energy Inc.

GENERAL TERMS AND CONDITIONS - SERVICE

- 9.19 Exception, Permanent In Path Relocations. Notwithstanding the limitation in Section 9.03(a)(i), a Shipper may submit a bid in accordance with Section 9.05 for a Permanent In Path Relocation of Firm Transportation Service – Northern which has the effect of converting that service from Transportation Service – Northern, Long Haul to Transportation Service – Northern, Short Haul, and Westcoast may award such a Permanent In Path Relocation to the Shipper in accordance with Section 9.11, if the Shipper agrees in the amendment to the applicable Service Agreement referred to in Section 9.16 to continue to pay to Westcoast in respect of the Firm Transportation Service – Northern as so relocated and the AOS attributed to such relocated Firm Transportation Service – Northern, the Demand Tolls for Firm Transportation Service – Northern, Long Haul and the Commodity Tolls for AOS, Long Haul, respectively, which are in effect from time to time in accordance with the Toll Schedule for Transportation Service – Northern, Long Haul and Short Haul, and Temporary Firm Service.
- 9.20 Limitations on Certain Service Awards. Awards made by Westcoast after August 12, 2013 pursuant to Section 9.06 and 9.18 of:
- (a) Firm Transportation Service in Zone 4 from a Receipt Point at Compressor Station No.2 to a Delivery Point within the Huntingdon Delivery Area having a term of 17 to 19 months shall not exceed an aggregate Contract Demand of $8\,101.8\ 10^3\text{m}^3$;
 - (b) Firm Transportation Service in Zone 4 from a Receipt Point at Compressor Station No.2 to a Delivery Point within the Inland Delivery Area having a term of 17 to 19 months shall not exceed an aggregate Contract Demand of $283.3\ 10^3\text{m}^3$; and
 - (c) Enhanced T South Service having a term of 17 to 19 months shall not exceed an aggregate Contract Demand of $396.6\ 10^3\text{m}^3$.

Westcoast Energy Inc.

GENERAL TERMS AND CONDITIONS - SERVICE

**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;

Westcoast Energy Inc.

GENERAL TERMS AND CONDITIONS - SERVICE

- (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 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 office in Calgary, Alberta, 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 annual rate of interest which is equal to the annual 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 (in each case compounded monthly) 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 Business Days from the day on which service was suspended, Westcoast may, in addition to any other remedy that may be available to it, at its option and without liability therefore, terminate the Service Agreement immediately upon delivering notice therefore to Shipper at any time following the expiration of such four day period, and 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

Westcoast Energy Inc.

GENERAL TERMS AND CONDITIONS - SERVICE

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. 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 Westcoast's estimates shall be binding on the Shipper. In such event, the adjustments contemplated in Sections 10.04, 10.06 and 10.07 shall not apply to the amounts payable by the Shipper.

- 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 or surety bond in favour of Westcoast, in a form and substance satisfactory to Westcoast and issued by a financial or other 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 or surety bond 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 or surety bond. Westcoast may withhold the provision of new service under a Service Agreement until Westcoast has received security for payment in accordance with this section.

In any case where a letter of credit or surety bond has been issued to Westcoast as security, in connection with which the issuer of the letter of credit or surety bond (i) advises Westcoast that it will not renew such letter of credit or surety bond upon the expiration thereof, or (ii) fails to give Westcoast any notice of renewal required under the terms of such letter of credit or surety bond, Westcoast shall be entitled (in addition to exercise of any other remedies available to it) to forthwith call upon such letter of credit or surety bond in full, and force payment thereof and hold the proceeds thereof as continuing security for the performance of Shipper's obligations under the Service Agreement or forthwith apply the proceeds to the last of Shipper's obligations to Westcoast under such Service Agreement.

- 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

Westcoast Energy Inc.

GENERAL TERMS AND CONDITIONS - SERVICE

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, at its option and without liability therefore, terminate the Service Agreement immediately upon delivering a notice thereof to the Shipper at any time following the expiration of such two day period, and 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. 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 Westcoast's estimates shall be binding on the Shipper. In such event, the adjustments contemplated in Sections 10.04, 10.06 and 10.07 shall not apply to the amounts payable by the Shipper.

- 10.10 Term of a Letter of Credit or Surety Bond. Where Westcoast requires a Shipper to provide and maintain a letter of credit or surety bond pursuant to Section 10.08, such letter of credit or surety bond, 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, or have provision for automatic renewal if such letter of credit or surety bond has a lesser term.
- 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. In any case where a Service Agreement has been terminated under Sections 10.05 or 10.09 above, Westcoast may draw on the letter of credit provided by the Shipper for the full amount due to Westcoast by the Shipper.
- 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.

Westcoast Energy Inc.

GENERAL TERMS AND CONDITIONS - SERVICE

**ARTICLE 11
RECEIPT AND DELIVERY PRESSURE, AND
PRESSURE CONTROL AND OVERPRESSURE PROTECTION EQUIPMENT**

- 11.01 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 or residue gas which is delivered to Westcoast at the Receipt Point at pressures which do not comply with the receipt pressures prescribed in accordance with this Article.
- 11.02 McMahon Processing Plant and Aitken Creek Processing Plant. Except as provided in Section 11.03, all raw gas delivered by a Shipper to Westcoast at a Receipt Point for processing at the McMahon Processing Plant and the Aitken Creek Processing Plant shall be delivered at the Receipt Point at those pressures specified by Westcoast up to 5 520 kilopascals gauge, but in no event at a pressure greater than 6 067 kilopascals gauge.
- 11.03 Certain Receipt Points, Fort St. John RGT System. All raw gas delivered by a Shipper to Westcoast at a Receipt Point located on:
- (a) the eight inch East Osborne pipeline shall be delivered at those pressures specified by Westcoast up to 5 865 kilopascals gauge;
 - (b) the eight inch Peace River Pipeline shall be delivered at those pressures specified by Westcoast up to 9 928 kilopascals gauge;
 - (c) the 12 inch Peace River Pipeline shall be delivered at those pressures specified by Westcoast up to 9 928 kilopascals gauge;
 - (d) the 20 inch South Peace Pipeline and the 20 inch South Peace Connector and Connector Loop Pipelines shall be delivered at those pressures specified by Westcoast up to 9928 kilopascals gauge; and
 - (e) the 16 inch Willowbrook Pipeline shall be delivered at those pressures specified by Westcoast up to 9928 kilopascals gauge.
- 11.04 Fort Nelson Area and Pine River Processing Plant. All raw gas delivered by a Shipper 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 be delivered at the Receipt Point at those pressures specified by Westcoast up to 8 067 kilopascals gauge, except for raw gas delivered at a Receipt Point located on:
- (a) the Beaver River, Pointed Mountain and Maxhamish pipelines, which shall be delivered at those pressures specified by Westcoast up to 9 308 kilopascals gauge;
 - (b) the Bullmoose, Murray River and Red Willow pipelines, which shall be delivered at those pressures specified by Westcoast up to 8 618 kilopascals gauge;
 - (c) the Grizzly Extension, Weejay Lateral, North Maxhamish Loop and South Maxhamish Loop pipelines, which shall be delivered at those pressures specified by Westcoast up to 9 928 kilopascals gauge; and

Westcoast Energy Inc.

GENERAL TERMS AND CONDITIONS - SERVICE

- (d) the Adsett pipeline, which shall be delivered at those pressures specified by Westcoast up to 9 653 kilopascals gauge.
- 11.05 Sikanni Processing Plant. All raw gas delivered by a Shipper to Westcoast at the Receipt Point at the inlet of the Sikanni Processing Plant shall be delivered at the Receipt Point at those pressures specified by Westcoast up to 8 500 kilopascals gauge.
- 11.06 Dawson Processing Plant. All raw gas delivered by a Shipper to Westcoast at a Receipt Point for processing at the Dawson Processing Plant shall be delivered at the Receipt Point at those pressures specified by Westcoast up to 9 928 kilopascals gauge.
- 11.07 Residue Gas Receipt Points. All residue gas delivered by a Shipper to Westcoast at a Receipt Point shall be delivered at those pressures specified by Westcoast up to:
- (a) 6 453 kilopascals gauge with respect to deliveries into the Fort Nelson Mainline, the Fort St. John Mainline and Zone 4, other than the pipelines specified in Subsections (c) and (d);
 - (b) 6 895 kilopascals gauge with respect to deliveries into the Pine River Mainline;
 - (c) 8 067 kilopascals gauge with respect to deliveries into the ten inch pipeline extending from the outlet of the Sikanni Processing Plant and into any lateral pipelines connected to that ten inch pipeline;
 - (d) 8 067 kilopascals gauge with respect to deliveries into the Aitken Creek Pipeline other than deliveries made at the interconnection with the Storage Reservoir;
 - (e) 5 516 kilopascals gauge with respect to deliveries into the Alberta Mainline; and
 - (f) 6 895 kilopascals gauge with respect to deliveries into the Boundary Lake Pipeline.
- 11.08 Delivery Points, Zones 1A, 3 and 4. Westcoast shall deliver residue gas to a Shipper at a Delivery Point in Zones 1A, 3 and 4, including the Alliance/Gordondale Interconnection, at the pressure existing in the Pipeline System from time to time at the Delivery Point, which pressure shall never be less than 3 450 kilopascals gauge at Delivery Points on the 26 inch, 30 inch and 36 inch mainlines, the Boundary Lake Pipeline and the Fuel Gas Pipelines, except in circumstances where Westcoast is required to regulate the pressure to permit the metering of the gas delivered, and which pressure shall, in the case of residue gas delivered at the NOVA/Gordondale Interconnection, be no greater than 8 274 kilopascals gauge.
- 11.09 Certain NOVA Delivery Points. All residue gas delivered by Westcoast to or for the account of a Shipper at the NOVA/Sunset Delivery Point, NOVA/Tremblay Delivery Point and the NOVA/Komie East Delivery Point shall be delivered at the pressure required by the Receiving Party, which pressure shall be no greater than 9 928 kilopascals gauge.

Westcoast Energy Inc.

GENERAL TERMS AND CONDITIONS - SERVICE

- 11.10 Storage Reservoir. All gas delivered by Westcoast to a Shipper at the interconnection of the Pipeline System and the Storage Reservoir for injection into the Storage Reservoir shall be delivered at a pressure not less than 3 450 kilopascals gauge and all gas withdrawn from the Storage Reservoir and delivered by a Shipper to Westcoast at the interconnection of the Pipeline System and the Storage Reservoir shall be delivered at those pressures specified by Westcoast:
- (a) up to 6 516 kilopascals gauge on those days when the total volumes of gas delivered to Westcoast from the Storage Reservoir are less than $3\,680\,10^3\text{m}^3$; and
 - (b) up to 8 067 kilopascals gauge on those days when the total volumes of gas delivered to Westcoast from the Storage Reservoir are equal to or in excess of $3\,680\,10^3\text{m}^3$.
- 11.11 Pressure Control and Overpressure Protection Equipment. Each Shipper which delivers raw gas to Westcoast at a Receipt Point in the Fort St. John RGT System, the Fort Nelson RGT System and the Grizzly Valley RGT System shall at its own expense:
- (a) install, maintain and operate, or cause to be installed, maintained and operated, at each such Receipt Point pressure control and overpressure protection equipment which meets the requirements of applicable legislation, the Canadian Standards Association standard Z662 for oil and gas pipeline systems and Westcoast's Measurement Policies; and
 - (b) calibrate, or cause to be calibrated, the overpressure protection equipment to ensure that raw gas is not delivered to Westcoast at each such Receipt Point at a pressure which exceeds the maximum pressure specified for each such Receipt Point in Section 11.02, 11.03, 11.04, 11.05 or 11.06.

Westcoast Energy Inc.

GENERAL TERMS AND CONDITIONS - SERVICE**ARTICLE 13
MEASUREMENT OF GAS AND LIQUID HYDROCARBONS**

13.01 Applicable Standards. All determinations of the volume and energy content of gas made in accordance with these General Terms and Conditions shall be made in accordance with the requirements of:

- (a) the Electricity and Gas Inspection Act (Canada); and
- (b) Westcoast's Measurement Policies,

and all determinations of the volume and energy content of Hydrocarbon Liquids, Raw Liquids, Fort Nelson Liquids and Dawson Liquids made in accordance with these General Terms and Conditions shall be made in accordance with the requirements of the American Petroleum Institute Manual of Petroleum Measurement Standards and Westcoast's Measurement Policies.

13.02 Unit of Volume. The unit of volume for:

- (a) all raw gas and residue gas delivered by a Shipper to Westcoast or by Westcoast to a Shipper; and
- (b) all Hydrocarbon Liquids and Raw Liquids delivered by a Shipper to Westcoast and all Fort Nelson Liquids and Dawson Liquids delivered by Westcoast to a Shipper

shall be one cubic meter at base conditions of an absolute pressure of 101.325 kilopascals and a temperature of 15°C.

13.03 Unit of Energy. The unit of energy for:

- (a) all raw gas and residue gas delivered by a Shipper to Westcoast or by Westcoast to a Shipper; and
- (b) all Hydrocarbon Liquids and Raw Liquids delivered by a Shipper to Westcoast and all Fort Nelson Liquids and Dawson Liquids delivered by Westcoast to a Shipper

shall be the gigajoule.

13.04 Resolution of Measurements. All volumes of gas shall be determined and reported to the nearest tenth of a thousand cubic meters, all volumes of Hydrocarbon Liquids, Raw Liquids, Fort Nelson Liquids and Dawson Liquids shall be determined and reported to the nearest tenth of a cubic meter and all energy equivalents shall be determined and reported to the nearest gigajoule.

13.05 Atmospheric Pressure. The atmospheric pressure shall be calculated from the actual elevation of any point in accordance with the formulas prescribed pursuant to the Electricity and Gas Inspection Act (Canada), and the atmospheric pressure, as so determined, shall be applied, irrespective of any changes arising from local weather conditions.

Westcoast Energy Inc.

GENERAL TERMS AND CONDITIONS - SERVICE

- 13.06 Flowing Temperature of Gas. The flowing temperature of any gas shall be measured and recorded in accordance with the requirements prescribed pursuant to the Electricity and Gas Inspection Act (Canada), and the arithmetic average of such flowing temperatures shall be used to calculate actual volumes of gas for any period of time.
- 13.07 Flowing Temperature of Liquid Hydrocarbons. Except for those cases where a separate temperature measurement of Hydrocarbon Liquids is required pursuant to Westcoast's Measurement Policies, the flowing temperature of Hydrocarbon Liquids delivered to Westcoast with raw gas at a Receipt Point shall be the same as the flowing temperature of the raw gas so delivered at the Receipt Point. The flowing temperature of any Hydrocarbon Liquids, Raw Liquids, Fort Nelson Liquids and Dawson Liquids for which a separate temperature measurement is required in accordance with Westcoast's Measurement Policies shall be measured and recorded in accordance with the requirements prescribed pursuant to the American Petroleum Institute Manual of Petroleum Measurement Standards and Westcoast's Measurement Policies, and the arithmetic average of such flowing temperatures shall be used to calculate actual volumes of Hydrocarbon Liquids, Raw Liquids, Fort Nelson Liquids or Dawson Liquids for any period of time.
- 13.08 Correction Factors and Deviations from the Ideal Gas Law. Metered volumes of gas at flowing conditions shall be corrected to base conditions and for deviations from the Ideal Gas Law by applying temperature, pressure and compressibility factors in accordance with the applicable provisions of Westcoast's Measurement Policies. A quantitative analysis of the gas shall be made in accordance with Westcoast's Measurement Policies to determine the compressibility factor of any gas.
- 13.09 Correction Factors for Liquid Hydrocarbons. Metered volumes of Hydrocarbon Liquids, Raw Liquids, Fort Nelson Liquids and Dawson Liquids at flowing conditions shall be corrected to base conditions by applying a temperature correction factor in accordance with the applicable provisions of the American Petroleum Institute Manual of Petroleum Measurement Standards and Westcoast's Measurement Policies.

Westcoast Energy Inc.

GENERAL TERMS AND CONDITIONS - SERVICE**ARTICLE 17
LIABILITIES AND INDEMNITIES**

- 17.01 Property and Equipment. Each party assumes full responsibility and liability for the maintenance and operation of its respective properties and equipment and shall indemnify and save harmless the other party from all liability and expense on account of any and all damages, claims or actions, including injury to and death of persons, arising from any act or accident in connection with the installation, presence, maintenance and operation of the property and equipment of the indemnifying party, or in connection with the presence of gas, Hydrocarbon Liquids, Raw Liquids, Liquid Products, Fort Nelson Liquids or Dawson Liquids which are or are deemed to be in the possession and control of the indemnifying party.
- 17.02 Import Backhaul Service. A Shipper which has entered into an Interruptible Service Agreement providing for Import Backhaul Service shall indemnify and hold Westcoast harmless from and against all actions, proceedings, claims, demands, costs and expenses, including all legal costs and expenses, incurred by Westcoast which arise from or are attributable directly or indirectly to the delivery of gas to the Shipper under the Interruptible Service Agreement providing for Import Backhaul Service.
- 17.03 Curtailment of Services. If Westcoast is required for any reason to curtail or interrupt service or otherwise fails to provide service, a Shipper's sole and exclusive remedy against Westcoast will be the recovery of Contract Demand Credits pursuant to and in accordance with Article 8.
- 17.04 Contracted Residue Gas and Natural Gas Liquids. Westcoast shall have no liability of any kind whatsoever to a Shipper in respect of:
- (a) Contracted Residue Gas which has been delivered for the account of the Shipper to the Straddle Plant Operator at the Straddle Plant Delivery Point and which is or is deemed to be in the possession and control of the Straddle Plant Operator;
 - (b) Natural Gas Liquids extracted and recovered from Contracted Residue Gas at the Straddle Plant by the Straddle Plant Operator, and the allocation of any such Natural Gas Liquids between two or more Shippers;
 - (c) any Contracted Residue Gas and Natural Gas Liquids used as fuel or otherwise consumed or lost in the operations of the Straddle Plant, and the allocation of any such Contracted Residue Gas and Natural Gas Liquids between two or more Shippers; and
 - (d) any difference between the quantity of residue gas reported in a statement delivered to Westcoast pursuant to Section 10.01 as having been delivered into the Pipeline System at the Straddle Plant Receipt Point on any day and the actual quantity of residue gas delivered into the Pipeline System at that Receipt Point on any such day.
- 17.05 Damages. In no event will either Westcoast or a Shipper be liable to the other for any indirect, special or consequential loss, damage, cost or expense whatsoever including, without limitation, any loss of profits or revenues, the cost of capital, any loss or damage arising out of a failure to purchase, sell or deliver gas, the cancellation of permits or

Westcoast Energy Inc.

GENERAL TERMS AND CONDITIONS - SERVICE

certificates, and the termination of contracts, whether based on breach of contract, negligence or other tort liability, strict liability or otherwise.

Westcoast Energy Inc.

GENERAL TERMS AND CONDITIONS - SERVICE

**ARTICLE 18
REPRESENTATIONS AND WARRANTIES**

18.01 Shipper represents and warrants to Westcoast that:

- (a) it has full right, power and authority to enter into a Service Agreement and that all gas, Liquid Products, Raw Liquids, Hydrocarbon Liquids, Fort Nelson Liquids and Dawson Liquids to be delivered thereunder shall be free from all liens and adverse claims;
- (b) as of the day on which service is first provided by Westcoast under a Service Agreement, Shipper shall have obtained all necessary authorizations, permits, licences, certificates and agreements necessary for the receipt and delivery of gas under such Service Agreement and for the delivery of Raw Liquids, Hydrocarbon Liquids and/or the receipt of Liquid Products, Fort Nelson Liquids or Dawson Liquids if applicable thereunder; and
- (c) as of the day on which a Service Agreement or any amendment thereto, other than an amendment providing solely for a Temporary In Path Relocation or a Temporary Out of Path Relocation, is entered into by Westcoast and Shipper, either:
 - (i) in respect of each firm service provided or to be provided by Westcoast thereunder Shipper owns, controls or has contracted on a firm basis for gas supplies or proven reserves from which it is or will be capable of delivering at the Receipt Points specified in such Service Agreement for such service, a volume of gas which is not less than the Contract Demand specified for such service on each day during the period in which Westcoast has agreed to provide such service; or
 - (ii) each firm service provided or to be provided by Westcoast thereunder is required by Shipper to enable it to satisfy, in whole or in part, its firm gas sales obligations during the period in which Westcoast has agreed to provide such service.

Shipper acknowledges and agrees that Westcoast has agreed to provide the services described in a Service Agreement in reliance upon the truth and accuracy of the representations and warranties of Shipper set forth in this section 18.01. Westcoast may at its option and in addition to any other remedy at law it may have, cease to provide such services to Shipper upon 7 days' written notice to Shipper should any of such representations and warranties prove to be false or inaccurate in any material respect. If Westcoast ceases at any time to provide such services to Shipper in accordance with this section 18.01, Shipper shall nonetheless remain liable for and shall pay to Westcoast the tolls prescribed in Westcoast's Toll Schedules for Service for such services up to the time Westcoast ceases to provide such services.

18.02 Shipper shall at all times have the obligation to make settlements for all royalties and overriding royalties and payments to mineral and royalty owners now or hereafter due with respect to the gas and its constituent parts, as may appear from records or otherwise to be binding upon Shipper and in accordance with the terms thereof and of the respective leases

Westcoast Energy Inc.

GENERAL TERMS AND CONDITIONS - SERVICE

and other documents, and to make settlements with all other persons having any ownership or interest in the gas, and Shipper agrees to indemnify Westcoast and save it harmless from all suits, actions, debts, accounts, damages, costs, losses and expenses arising from or out of adverse claims of any and all persons to the gas and its constituent parts or to royalties, taxes, licences fees or charges thereon which are applicable thereto or which may be levied and assessed upon the same thereof.

Westcoast Energy Inc.

GENERAL TERMS AND CONDITIONS - SERVICE

**ARTICLE 19
FORCE MAJEURE**

- 19.01 As used in these General Terms and Conditions, the term "force majeure" means any event or occurrence not within the control of the party claiming force majeure and which by the exercise of due diligence such party is unable to prevent or overcome, including, without limiting the generality of the foregoing, any act of God, strikes, lockouts, or other industrial disturbances, acts of the Queen's enemies, sabotage, vandalism, terrorism, wars, blockades, insurrections, riots, epidemics, landslides, lightning, earthquakes, floods, tornados, storms, fires, washouts, arrests, restraints of rulers and peoples, civil disturbances, explosions, breakages, or accidents to machinery or pipelines, hydrate obstructions of pipelines or appurtenances thereto, temporary failure of gas supply, freezing of wells, or delivery facilities, well blowouts, cratering, inability to obtain materials or equipment, inability to obtain or interruption or curtailment of the provision of, a supply of electricity, water fuel or other utilities or services, or of any materials machinery or equipment, inability to obtain, or revocation or adverse amendment of any permits, orders, licences, certificates or other authorizations, order, directive or restraint issued or imposed by any governmental authority, regulatory body or court having jurisdiction.
- 19.02 If either party fails to perform any obligation imposed pursuant to a Service Agreement and such failure is caused or materially contributed to by any occurrence of force majeure, such failure shall be deemed not to be a breach of the obligation of such party, but such party shall use reasonable diligence to put itself in a position to carry out its obligation. Provided, however, that the settlement of strikes or lockouts shall be entirely within the discretion of each party and that the foregoing requirement that any force majeure shall be remedied with the exercise of due diligence shall not require settlement of strikes or lockouts by acceding to the demands of opposing persons when such course is inadvisable in the discretion of the appropriate party.
- 19.03 Notwithstanding section 19.02, force majeure shall not:
- (a) relieve Shipper from its obligation to make monthly payments to Westcoast under a Service Agreement or relieve Westcoast from its obligation to provide a Contract Demand credit in accordance with Article 8 of these General Terms and Conditions; or
 - (b) relieve any party from any other obligation unless such party shall give notice or such cause in writing to the other party with reasonable promptness and like notice shall be given upon termination of such cause, nor shall such cause continue to relieve such party from such other obligation after the expiration of a reasonable period of time within which, by the use of due diligence, such party could have performed its obligations.

Westcoast Energy Inc.

GENERAL TERMS AND CONDITIONS - SERVICE

**ARTICLE 21
MISCELLANEOUS**

- 21.01 No waiver by either party of any default by the other in the performance of any of the provisions of a Service Agreement shall operate or be construed as a waiver of any other or future default or defaults, whether of a like or of a different character.
- 21.02 A Service Agreement may not be assigned in whole or in part by Shipper without the prior written consent of Westcoast, which consent shall not be unreasonably withheld.
- 21.04 Nothing herein contained shall prevent any of the parties from pledging or mortgaging its rights under a Service Agreement as security for its indebtedness.
- 21.03 A Service Agreement shall enure to the benefit of and be binding upon the parties thereto and their respective successors and permitted assigns.
- 21.05 A Service Agreement together with these General Terms and Conditions and Westcoast's Toll Schedules for Service incorporated therein by reference, constitutes the entire agreement between the parties and supersedes all previous agreements, understandings, negotiations and representations between the parties.
- 21.06 No amendment or variation of a Service Agreement shall be effective or binding upon the parties thereto unless such amendment or variation is set forth in writing and duly executed by the parties thereto.
- 21.07 A Service Agreement and the rights and obligations of the parties thereunder are subject to all present and future laws, rules, regulations and orders of any legislative body, governmental agency or duly constituted authority now or hereafter having jurisdiction over the parties.

Westcoast Energy Inc.

GENERAL TERMS AND CONDITIONS - SERVICE

**ARTICLE 27
DAWSON AREA**

- 27.01 Application. The provisions of this Article apply to Raw Gas Transmission Service and Treatment Service provided by Westcoast to a Shipper in the Dawson Area pursuant to a Service Agreement.
- 27.02 Deliveries of Raw Gas by Shipper. Subject to Section 27.05, a Shipper may on each day deliver to Westcoast at the Receipt Point specified in a Service Agreement for processing at the Dawson Processing Plant:
- (a) a volume of raw gas not exceeding the aggregate Contract Demand for Firm RGT Service specified in the Service Agreement for each such day; and
 - (b) subject to the availability of capacity therefor, a volume of raw gas not exceeding the maximum daily volume for Interruptible RGT Service specified in the Service Agreement for each such day.
- 27.03 Daily Delivery Estimates. Each Shipper shall provide Westcoast with an estimate of the total volume of raw gas to be delivered by it to Westcoast on each day at the Receipt Point specified in a Service Agreement for processing at the Dawson Processing Plant in accordance with the following requirements:
- (a) Shipper shall give an initial estimate of such total volume of raw gas to Westcoast on the preceding day prior to 1500 CCT; and
 - (b) if, either prior to the day or during the day, there is any change in the initial estimate given in accordance with Subsection 27.03(a) or a prior revised estimate given in accordance with this Subsection 27.03(b), the Shipper shall promptly give a revised estimate of such total volume of raw gas to Westcoast.
- 27.04 Deliveries of Gas by Westcoast. Subject to Section 27.05, Westcoast will on each day deliver to or for the account of a Shipper at the Delivery Point specified in a Service Agreement a volume of residue gas equal to the lesser of:
- (a) the volume of residue gas which the Receiving Party confirms to Westcoast that it will take delivery of at the Delivery Point on each such day for the account of the Shipper; and
 - (b) the volume of residue gas produced at the Dawson Processing Plant on each such day for the account of the Shipper.
- 27.05 Curtailments. If at any time on any day Westcoast determines that the capacity available on the Dawson RGT Pipeline and at the Dawson Processing Plant is not sufficient to provide all of the RGT Service and Treatment Service required by Shippers on any such day, Westcoast will curtail or interrupt the service being provided to Shippers on the Dawson RGT Pipeline and at the Dawson Processing Plant in the following priority and sequence:

Westcoast Energy Inc.

GENERAL TERMS AND CONDITIONS - SERVICE

- (a) Westcoast will first curtail or interrupt Interruptible Service pro rata on the basis of the volume of such service being provided by Westcoast to each Shipper; and
- (b) Westcoast will, if required, then curtail or interrupt Firm Service pro rata on the basis of Contract Demand.

Westcoast will give notice of any curtailment or interruption of service made pursuant to this Section 27.05 to each Shipper in accordance with Section 20.05 and by means of its public bulletin board, as promptly as reasonably possible following its determination that a curtailment or interruption of service is necessary. A notice of any curtailment or interruption of service given to each such Shipper in accordance with this Section 27.05 shall specify the Raw Gas Constraint Volume, the Acid Gas Constraint Volume and/or the Sulphur Gas Constraint Volume which each Shipper may deliver to Westcoast at the Receipt Point for processing at the Dawson Processing Plant during the period such curtailment or interruption of service remains in effect.

- 27.06 Purchase of Return Fuel Gas. Westcoast may purchase residue gas to be delivered to it at the NOVA/Tremblay Delivery Point for consumption by Westcoast as fuel in the operation of the Dawson Processing Plant.

Westcoast Energy Inc.

GENERAL TERMS AND CONDITIONS - SERVICE

**ARTICLE 28
FORT NELSON AREA**

- 28.01 Application. The provisions of this Article apply to Raw Gas Transmission Service and Treatment Service provided by Westcoast to a Shipper in the Fort Nelson Area pursuant to a Service Agreement.
- 28.02 Monthly Notification to Shippers. Westcoast will, at least five days prior to the first day in each month, notify each Shipper of:
- (a) its Treatment Flow Capability for each day in each such month; and
 - (b) the conversion factors applicable to each Production Source from which each such Shipper produces raw gas which is delivered to Westcoast at a Receipt Point in the Fort Nelson Area.
- Westcoast will, prior to the start of each gas day, notify each Shipper of its RGT Flow Capability for each receipt point for each such day.
- 28.03 Deliveries of Raw Gas by Shipper. Subject to Sections 28.05 and 28.06, a Shipper may on each day deliver to Westcoast at the Receipt Point specified in a Service Agreement for processing at the Fort Nelson Processing Plant and the Fort Nelson North Processing Plant, respectively:
- (a) a volume of raw gas not exceeding the aggregate Contract Demand for Firm RGT Service specified in the Service Agreement for each such Processing Plant for each such day; and
 - (b) subject to the availability of capacity therefor, a volume of raw gas not exceeding the maximum daily volume for Interruptible RGT Service specified in the Service Agreement for each such Processing Plant for each such day.
- 28.04 Deliveries of Gas by Westcoast. Subject to Sections 28.05, 28.06, and 28.07 Westcoast will on each day:
- (a) in the case of raw gas processed at the Fort Nelson Processing Plant, deliver to or for the account of a Shipper at the outlet of that Processing Plant the volume of residue gas produced at that Processing Plant on each such day for the account of the Shipper; and
 - (b) in the case of raw gas processed for the account of a Shipper at the Fort Nelson North Processing Plant, deliver to or for the account of the Shipper at the NOVA/Komie East Delivery Point, a volume of residue gas equal to the lesser of (i) the volume of residue gas which the Receiving Party confirms to Westcoast that it will take delivery of at that Delivery Point on each such day for the account of the Shipper and (ii) the volume of residue gas produced at the Fort Nelson North Processing Plant on each such day for the account of the Shipper.

Westcoast Energy Inc.

GENERAL TERMS AND CONDITIONS - SERVICE

28.05 Restriction of Interruptible Treatment Service. If at any time on any day Westcoast determines that the capacity available to provide Interruptible Treatment Service at the Fort Nelson Processing Plant, the Fort Nelson North Processing Plant or both of those Processing Plants is not sufficient to provide Interruptible Treatment Service in respect of the volumes of raw gas being delivered by Shippers to Westcoast at Receipt Points in the Fort Nelson Area, Westcoast may restrict the volumes of raw gas being delivered by each Shipper at such Receipt Points for Interruptible Treatment Service at one or both of those Processing Plants. Westcoast will give notice of any restriction on Interruptible Treatment Service implemented by it pursuant to this Section 28.05 to each Shipper in accordance with Section 20.05 and by means of its public bulletin board as promptly as reasonably possible following its determination that a restriction on Interruptible Treatment Service is required. A notice of any restriction on Interruptible Treatment Service given to each Shipper in accordance with this Section 28.05 shall specify the percentage reduction to be made by each such Shipper in the aggregate volume of raw gas being delivered to Westcoast at such Receipt Points for Interruptible Treatment Service.

28.06 Treatment Curtailments. If at any time on any day Westcoast determines that the capacity at the Fort Nelson Processing Plant, the Fort Nelson North Processing Plant or both of those Processing Plants is not sufficient to provide all of the Treatment Service required by Shippers at one or both of those Processing Plants on any such day, Westcoast will curtail or interrupt the Treatment Service being provided to Shippers at those Processing Plants, by allocating the available Treatment Service capacity at those Processing Plants to Shippers in the following priority and sequence:

- (a) first priority shall be given to Firm Treatment Service contracted at each of the Processing Plants, with the available capacity at each such Processing Plant being allocated to each Shipper based upon the lesser of (i) each such Shipper's share of the capacity available to provide Firm Treatment Service at each such Processing Plant determined pro rata on the basis of Contract Demand and ii) each such Shipper's Treatment Flow Capability;
- (b) second priority shall be given to the maximization of Firm Treatment Service provided at each of the Processing Plants, by allocating the remaining available capacity at each of those Processing Plants to those Shippers which can physically deliver additional raw gas to each such Processing Plant, pro rata on the basis of Treatment Flow Capability, subject to the limitation that the aggregate Firm Treatment Service provided to each such Shipper shall not exceed its aggregate Contract Demand; and
- (c) third priority shall be given to Interruptible Treatment Service at each of those Processing Plants, by allocating the remaining available capacity at each of those Processing Plants to those Shippers which can physically deliver additional raw gas to each such Processing Plant, pro rata on the basis of Treatment Flow Capability.

Westcoast will give notice of any curtailment or interruption of Treatment Service made pursuant to this Section 28.06 to each Shipper in accordance with Section 20.05 and by means of its public bulletin board, as promptly as reasonably possible following its determination that a curtailment or interruption of Treatment Service is necessary. A notice of any curtailment or interruption of Treatment Service given to each such Shipper in accordance with this Section 28.06 shall specify the Residue Gas Constraint Volume, the Raw Gas Constraint Volume, the Acid Gas Constraint Volume and/or the Sulphur Gas

Westcoast Energy Inc.

GENERAL TERMS AND CONDITIONS - SERVICE

Constraint Volume applicable to the Treatment Service being provided to each such Shipper during the period such curtailment or interruption of Treatment Service remains in effect.

28.07 RGT Curtailments. If at any time on any day Westcoast determines that the capacity at any Receipt Point or any group of Receipt Points in the Ft. Nelson Area is not sufficient to provide all of the RGT Service required by Shippers at that Receipt Point or group of Receipt Points on any such day, Westcoast will curtail or interrupt the RGT Service being provided to Shippers at such Receipt Point or group of Receipt Points, by allocating the available RGT Service capacity to Shippers in the following priority and sequence:

- (a) first priority shall be given to Firm RGT Service contracted at that Receipt Point or group of Receipt Points, with the available capacity being allocated to each Shipper based upon the lesser of (i) each such Shipper's share of the capacity available to provide Firm RGT Service at that Receipt Point or group of Receipt Points determined pro rata on the basis of Contract Demand and ii) each such Shipper's RGT Flow Capability;
- (b) second priority shall be given to the maximization of Firm RGT Service provided at that Receipt Point or group of Receipt Points, by allocating the remaining available capacity to those Shippers which can physically deliver additional raw gas to that Receipt Point or group of Receipt Points, pro rata on the basis of RGT Flow Capability, subject to the limitation that the aggregate Firm RGT Service provided to each such Shipper shall not exceed its aggregate Contract Demand; and
- (c) third priority shall be given to Interruptible RGT Service at that Receipt Point or group of Receipt Points, by allocating the remaining available capacity to those Shippers which can physically deliver additional raw gas to that Receipt Point or Group of Receipt Points, pro rata on the basis of RGT Flow Capability.

Westcoast will give notice of any curtailment or interruption of RGT Service made pursuant to this Section 28.07 to each Shipper and each Receipt Point Operator in accordance with Section 20.05, as promptly as reasonably possible following its determination that a curtailment or interruption of RGT Service is necessary. A notice of any curtailment or interruption of RGT Service given to each such Shipper and each Receipt Point Operator in accordance with this Section 28.07 shall specify the volume that each Shipper is permitted to deliver to each Receipt Point during the period such curtailment or interruption of RGT Service remains in effect

Westcoast will endeavor to work with Shippers and Receipt Point Operators to ensure compliance with permitted delivery volumes in a timely manner, however, if a Receipt Point Operator fails to reduce deliveries at a Receipt Point to the volumes permitted in accordance with this Section 28.07, Westcoast may, without prejudice to any other right it has, physically shut in all deliveries of raw gas and Hydrocarbon Liquids into the Pipeline System at the Receipt Point. Westcoast shall give notice to the Receipt Point Operator, and to the Shippers upstream of the Receipt Point of any shut in of deliveries of raw gas and Hydrocarbon Liquids in accordance with this Section.

Westcoast shall have no liability whatsoever to a Shipper or the Receipt point Operator for a Receipt Point arising out of any action by Westcoast to physically shut in all deliveries of raw gas and Hydrocarbon Liquids at such Receipt Point in accordance with this Section.

Westcoast Energy Inc.

GENERAL TERMS AND CONDITIONS - SERVICE

28.07 Purchase of Return Fuel Gas. Westcoast may purchase residue gas to be delivered to it at the NOVA/Komie East Delivery Point for consumption by Westcoast as fuel in the operation of the Fort Nelson North Processing Plant.

Westcoast Energy Inc.

GENERAL TERMS AND CONDITIONS - SERVICE

**ARTICLE 29
FORT ST. JOHN AREA, AITKEN CREEK AREA,
GRIZZLY VALLEY AREA AND SIKANNI AREA**

29.01 Application. The provisions of this Article apply to Raw Gas Transmission Service and Treatment Service provided by Westcoast to a Shipper in the Fort St. John Area, the Aitken Creek Area, the Grizzly Valley Area and the Sikanni Area, respectively.

29.02 Notifications to Shippers. Westcoast will, at least five days prior to the first day in each month, notify each Shipper which has entered into a Service Agreement for service in the Fort St. John Area, the Aitken Creek Area, the Grizzly Valley Area and the Sikanni Area, respectively, of:

- (a) its Treatment Flow Capability for each such Area for each day in each such month; and
- (b) the conversion factors applicable to each Production Source from which each such Shipper produces raw gas which is delivered to Westcoast at a Receipt Point in each such Area.

Westcoast will, prior to the start of each gas day, notify each Shipper which has entered into a Service Agreement for service in the Fort St. John Area, the Aitken Creek Area, the Grizzly Valley Area and the Sikanni Area, respectively, of its RGT Flow Capability for each Receipt Point for each such day.

29.03 Deliveries of Raw Gas by Shipper. Subject to Sections 29.05, 29.06 and 29.07, a Shipper may on each day deliver to Westcoast at the Receipt Point specified in a Service Agreement for processing at the McMahon Processing Plant, the Aitken Creek Processing Plant, the Pine River Processing Plant and the Sikanni Processing Plant, respectively:

- (a) in the case of each of the Fort St. John Area, the Aitken Creek Area and the Grizzly Valley Area, a volume of raw gas not exceeding the aggregate Contract Demand for Firm RGT Service specified in the Service Agreement for each such Area for each such day and, in the case of the Sikanni Area, the raw gas equivalent, determined based upon the applicable conversion factors, of the aggregate Contract Demand for Firm Treatment Service specified in the Service Agreement for each such day; and
- (b) subject to the availability of capacity therefor, a volume of raw gas, in the case of each of the Fort St. John Area, the Aitken Creek Area and the Grizzly Valley Area, not exceeding the maximum daily volume for Interruptible RGT Service specified in the Service Agreement for each such Area for each such day and in the case of the Sikanni Area, the raw gas equivalent, determined based on the applicable conversion factors, of the maximum daily volume for Interruptible Treatment Service specified in the Service Agreement for that Area for each such day.

29.04 Deliveries of Gas by Westcoast. Subject to Sections 29.05, 29.06 and 29.07, Westcoast will on each day deliver to or for the account of a Shipper at the outlet of the McMahon Processing Plant, the Aitken Creek Processing Plant, the Pine River Processing Plant and the Sikanni Processing Plant, respectively, the volume of residue gas produced at each such Processing Plant on each such day for the account of the Shipper.

Westcoast Energy Inc.

GENERAL TERMS AND CONDITIONS - SERVICE

29.05 Restriction of Interruptible Treatment Service. If at any time on any day Westcoast determines that the capacity available to provide Interruptible Treatment Service at the McMahon Processing Plant, the Aitken Creek Processing Plant, the Pine River Processing Plant or the Sikanni Processing Plant is not sufficient to provide Interruptible Treatment Service in respect of the volumes of raw gas being delivered by Shippers to Westcoast at Receipt Points in the Fort St. John Area, the Aitken Creek Area, the Grizzly Valley Area or the Sikanni Area Westcoast may restrict the volumes of raw gas being delivered by each Shipper at such Receipt Points for Interruptible Treatment Service at the McMahon Processing Plant, the Aitken Creek Processing Plant, the Pine River Processing Plant or the Sikanni Processing Plant. Westcoast will give notice of any restriction on Interruptible Treatment Service implemented by it pursuant to this Section 29.05 to each Shipper in accordance with Section 20.05 and by means of its public bulletin board as promptly as reasonably possible following its determination that a restriction on Interruptible Treatment Service is required. A notice of any restriction on Interruptible Treatment Service given to each Shipper in accordance with this Section 29.05 shall specify the percentage reduction to be made by each such Shipper in the aggregate volume of raw gas being delivered to Westcoast at such Receipt Points for Interruptible Treatment Service.

29.06 Treatment Curtailments. If at any time on any day Westcoast determines that the capacity at the McMahon Processing Plant, the Aitken Creek Processing Plant, the Pine River Processing Plant or the Sikanni Processing Plant is not sufficient to provide all of the Treatment Service required by Shippers at any of those Processing Plants on any such day, Westcoast will curtail or interrupt the Treatment Service being provided to Shippers at that Processing Plant, by allocating the available Treatment Service capacity at that Processing Plant to Shippers in the following priority and sequence:

- (a) first priority shall be given to Firm Treatment Service contracted at that Processing Plant, with the available capacity at that Processing Plant being allocated to each Shipper based upon the lesser of (i) each such Shipper's share of the capacity available to provide Firm Treatment Service at that Processing Plant determined pro rata on the basis of Contract Demand and ii) each such Shipper's Treatment Flow Capability;
- (b) second priority shall be given to the maximization of Firm Treatment Service provided at that Processing Plant, by allocating the remaining available capacity at that Processing Plant to those Shippers which can physically deliver additional raw gas to that Processing Plant, pro rata on the basis of Treatment Flow Capability, subject to the limitation that the aggregate Firm Treatment Service provided to each such Shipper shall not exceed its aggregate Contract Demand; and
- (c) third priority shall be given to Interruptible Treatment Service at that Processing Plant, by allocating the remaining available capacity at that Processing Plants to those Shippers which can physically deliver additional raw gas to that Processing Plant, pro rata on the basis of Treatment Flow Capability.

Westcoast will give notice of any curtailment or interruption of Treatment Service made pursuant to this Section 29.06 to each Shipper in accordance with Section 20.05 and by means of its public bulletin board, as promptly as reasonably possible following its determination that a curtailment or interruption of Treatment Service is necessary. A notice

Westcoast Energy Inc.

GENERAL TERMS AND CONDITIONS - SERVICE

of any curtailment or interruption of Treatment Service given to each such Shipper in accordance with this Section 29.06 shall specify the Residue Gas Constraint Volume, the Raw Gas Constraint Volume, the Acid Gas Constraint Volume and/or the Sulphur Gas Constraint Volume applicable to the Treatment Service being provided to each such Shipper during the period such curtailment or interruption of Treatment Service remains in effect.

29.07 RGT Curtailments. If at any time on any day Westcoast determines that the capacity at any Receipt Point or any group of Receipt Points in the Fort St. John Area, the Aitken Creek Area, the Grizzly Valley Area or the Sikanni Area is not sufficient to provide all of the RGT Service required by Shippers at that Receipt Point or group of Receipt Points on any such day, Westcoast will curtail or interrupt the RGT Service being provided to Shippers at such Receipt Point or group of Receipt Points, by allocating the available RGT Service capacity to Shippers in the following priority and sequence:

- (a) first priority shall be given to Firm RGT Service contracted at that Receipt Point or group of Receipt Points, with the available capacity being allocated to each Shipper based upon the lesser of (i) each such Shipper's share of the capacity available to provide Firm RGT Service at that Receipt Point or group of Receipt Points determined pro rata on the basis of Contract Demand and ii) each such Shipper's RGT Flow Capability;
- (b) second priority shall be given to the maximization of Firm RGT Service provided at that Receipt Point or group of Receipt Points, by allocating the remaining available capacity to those Shippers which can physically deliver additional raw gas to that Receipt Point or group of Receipt Points, pro rata on the basis of RGT Flow Capability, subject to the limitation that the aggregate Firm RGT Service provided to each such Shipper shall not exceed its aggregate Contract Demand; and
- (c) third priority shall be given to Interruptible RGT Service at that Receipt Point or group of Receipt Points, by allocating the remaining available capacity to those Shippers which can physically deliver additional raw gas to that Receipt Point or Group of Receipt Points, pro rata on the basis of RGT Flow Capability.

Westcoast will give notice of any curtailment or interruption of RGT Service made pursuant to this Section 29.07 to each Shipper and each Receipt Point Operator in accordance with Section 20.05, as promptly as reasonably possible following its determination that a curtailment or interruption of RGT Service is necessary. A notice of any curtailment or interruption of RGT Service given to each such Shipper and each Receipt Point Operator in accordance with this Section 29.07 shall specify the volume that each Shipper is permitted to deliver to each Receipt Point during the period such curtailment or interruption of RGT Service remains in effect

Westcoast will endeavor to work with Shippers and Receipt Point Operators to ensure compliance with permitted delivery volumes in a timely manner, however, if a Receipt Point Operator fails to reduce deliveries at a Receipt Point to the volumes permitted in accordance with this Section 29.07, Westcoast may, without prejudice to any other right it has, physically shut in all deliveries of raw gas and Hydrocarbon Liquids into the Pipeline System at the Receipt Point. Westcoast shall give notice to the Receipt Point Operator, and to the Shippers upstream of the Receipt Point of any shut in of deliveries of raw gas and Hydrocarbon Liquids in accordance with this Section.

Westcoast Energy Inc.

GENERAL TERMS AND CONDITIONS - SERVICE

Westcoast shall have no liability whatsoever to a Shipper or the Receipt Point Operator for a Receipt Point arising out of any action by Westcoast to physically shut in all deliveries of raw gas and Hydrocarbon Liquids at such Receipt Point in accordance with this Section.

- 29.07 Purchase of Fuel Gas. Westcoast may purchase residue gas for consumption by it as fuel in the operation of the Aitken Creek Processing Plant.

Westcoast Energy Inc.
GENERAL TERMS AND CONDITIONS - SERVICE

SCHEDULE A
NEGOTIATED SERVICES

The following provisions of the General Terms and Conditions are negotiable by a prospective Shipper and Westcoast pursuant to Section 2.02(b) of the General Terms and Conditions in respect of those Field Services which are Negotiated Services:

<u>Sections</u>	<u>Subject Matter</u>
8.01 and 8.05	Contract Demand Credits.
10.08 to 10.10	Letter of Credit.
11.02 to 11.06	Receipt pressures for raw gas, subject to the limitation that such pressures not exceed the maximum authorized operating pressure.
12.02 to 12.05	Raw gas quality.
14.01 and 14.02	As to the requirement for, ownership of and responsibility to pay for measuring equipment at a raw gas Receipt Point.
16.06 to 16.14	Fort Nelson Liquids.
18.01(c)	Representation and warranty respecting gas supply and/or gas sales obligations.
21.02	Assignment of Service Agreement.

Westcoast Energy Inc.
GENERAL TERMS AND CONDITIONS - SERVICE

**SCHEDULE B
CONTRACT DEMAND CREDITS
FOR RAW GAS TRANSMISSION AND TREATMENT SERVICES**

**ARTICLE 1
INTERPRETATION**

1.1 Definitions

In this Schedule B:

“Annual Planned Outage Schedule” means, in respect of each Area, the annual planned outage schedule for Planned Outages in such Area established for such Area pursuant to Section 2.1 or 2.3, and includes any adjustment to such schedule pursuant to Section 2.2.

“Area” means the Fort Nelson Area, the Fort St. John Area, the Grizzly Valley Area, the Sikanni Area or the Dawson Area, or all of them, as the case may be.

“Area Operating Committee” or “AOC” means the committee established by Westcoast for each Area made up of Westcoast and Shipper representatives for the purpose of resolving operating issues and determining reliability targets.

“Area Shipper Executive Committee” or “ASEC” means the committee established by Westcoast for each Area made up of Westcoast and an officer from each of the four largest Shippers by firm contracted volume in that Area and one officer from a small Shipper/producer to be a representative for the small Shippers in that Area.

“Daily Average Inlet Pressure Target” means, in respect of any Processing Plant, the daily average inlet pressure specified in Section 4.2 for such Processing Plant.

“Daily Average Outlet Pressure Target” means, in respect of any Processing Plant, the daily average outlet pressure specified in Section 4.2 for such Processing Plant.

“Daily Average Receipt Point Pressure Target” means, in respect of any Receipt Point in Zone 1, the daily average pressure specified in Section 4.1 for such Receipt Point.

“Dawson Area” means the Dawson Processing Plant and the Dawson RGT Pipeline.

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

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

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

Westcoast Energy Inc.

GENERAL TERMS AND CONDITIONS - SERVICE

“Planned Outage” means, in respect of each Area, any maintenance related capacity restrictions which are planned for Westcoast’s facilities in such Area.

“Plant UPO Target” means, in respect of each Area in any Year, the percentage applicable to the Processing Plant in such Area for such Year determined pursuant to Section 3.1, and includes any adjustment to such percentage pursuant to Section 3.2.

“RGT Area UPO Target” means, in respect of each Area in any Year, the percentage applicable to all of the Zone 1 Receipt Points in such Area for such Year determined pursuant to Section 3.1, and includes any adjustment to such percentage pursuant to Section 3.2.

“Sikanni Area” means the Sikanni Processing Plant.

“Week” means each period of seven consecutive days beginning on a Monday and ending on a Sunday

“Weekly Planned Outage Schedule” means in respect of all Areas, the weekly planned outage schedule for Planned Outages in all such Areas prepared and issued by Westcoast pursuant to Section 2.4.

“Year” means a calendar year.

1.2 Section References

In this Schedule B, except as otherwise expressly provided, all references to designated “Articles”, “Sections” or other subdivisions are to the designated Articles, Sections or other subdivisions of this Schedule B.

ARTICLE 2
PLANNED OUTAGE SCHEDULES

2.1 Annual Planned Outage Schedules

Prior to the beginning of each Year, each Area Operating Committee will establish an Annual Planned Outage Schedule for Planned Outages required in respect of the facilities in its Area during such Year. Each Annual Planned Outage Schedule will identify the facilities affected by, and the anticipated start date, duration and impact of, each Planned Outage during the Year. In establishing Annual Planned Outage Schedules each Area Operating Committee will have regard, inter alia, to (i) anticipated contracting levels of the facilities affected by the Planned Outages at the time when the Planned Outages are scheduled to occur, (ii) the time of the Year when the Planned Outages are scheduled to occur, (iii) facility design and configuration factors with respect to the facilities affected by the Planned Outages, (iv) multi-year turnaround planning cycles with respect to the facilities affected by the Planned Outages, and (v) the impact of the Planned Outages on Shippers in the Area.

Westcoast Energy Inc.

GENERAL TERMS AND CONDITIONS - SERVICE**2.2 Review of Annual Planned Outage Schedules**

Westcoast or any Shipper may at any time during a Year, by written notice to the applicable Area Operating Committee, request a review of an Annual Planned Outage Schedule for such Year if one or more of the following events occurs during such Year:

- (a) there is a five percent change in the firm capacity of, or contracting level at, any facility to which such Annual Planned Outage Schedule applies; and
- (b) there is any change in any laws, regulations or ordinances, or the issuance of any orders or directives by any regulatory authority having jurisdiction, which materially affects the operation of any facility to which such Annual Planned Outage Schedule applies.

If an Area Operating Committee receives such a notice from Westcoast or any Shipper, then the Area Operating Committee will determine whether an adjustment should be made to the Annual Planned Outage Schedule, and, if so, the extent and effective date of such adjustment.

2.3 Failure to Agree on Annual Planned Outage Schedules

If an Area Operating Committee cannot agree on:

- (a) an Annual Planned Outage Schedule pursuant to Section 2.1; or
- (b) whether an adjustment to an Annual Planned Outage Schedule should be made pursuant to Section 2.2 or on the extent or effective date of such an adjustment;

then the matter will be referred to and resolved by the applicable Area Shipper Executive Committee. If an Area Shipper Executive Committee is unable to resolve a matter referred to it pursuant to this Section 2.3, then the matter will be resolved pursuant to the dispute resolution process set out in Section 7.1 of the Toll Settlement.

2.4 Weekly Planned Outage Schedules

Westcoast will on each Friday issue a Weekly Planned Outage Schedule for the next succeeding Week which sets out the Planned Outages required in respect of the facilities in each of the Areas during such Week. Each Weekly Planned Outage Schedule will identify the facilities in each Area affected by a Planned Outage, and the anticipated start date, duration and impact of each Planned Outage scheduled to occur during the Week. In preparing the Weekly Planned Outage Schedule for each Week in any Year, Westcoast need not conform with the Annual Planned Outage Schedules, provided that the impact of all Planned Outages for each Area in any such Year set out in the Weekly Planned Outage Schedules may not, in aggregate, exceed the impact of all the Planned Outages for each such Area for the Year as set in the Annual Planned Outage Schedule for each such Area.

Westcoast Energy Inc.

GENERAL TERMS AND CONDITIONS - SERVICE

ARTICLE 3
UPO TARGETS

3.1 UPO Targets

Prior to the beginning of each Year, each Area Operating Committee will establish an appropriate RGT Area UPO Target and Plant UPO Target for the said Year for service not available due to unplanned facility outages in respect of the facilities in its Area. In establishing RGT Area UPO Targets and Plant UPO Targets each Area Operating Committee will have regard, inter alia, to (i) anticipated contracting levels of the facilities in the Area during such Year, (ii) facility design and configuration factors with respect to the facilities in the Area, (iii) the time of Year when such facility outages are more likely to occur, (iv) the potential impact of Hydrocarbon Liquids on pipeline system hydraulics in the Area, (v) a statistical approximation of the likelihood of a facility outage occurring determined on the basis of historical and benchmark data, if any, and (vi) an acceptable level of business risk for Westcoast and the Shippers in the Area. All RGT Area UPO Targets and Plant UPO Targets established by an Area Operating Committee pursuant to this Section 3.1 will be subject to review and approval by the applicable Area Shipper Executive Committee.

3.2 Review of UPO Targets

Westcoast or any Shipper may at any time during the Year, by written notice to the applicable Area Operating Committee, request a review of any RGT Area UPO Target or Plant UPO Target in effect during such Year if one or more of the following events occurs during such period:

- (a) there is a five percent change in the firm capacity of, or contracting level at, any facility to which such RGT Area UPO Target or Plant UPO Target applies; and
- (b) there is any change in any laws, regulations or ordinances, or the issuance of any orders or directives by any regulatory authority having jurisdiction, which materially affects the operation of any facility to which such RGT Area UPO Target or Plant UPO Target applies.

If an Area Operating Committee receives such a notice from Westcoast or any Shipper, then the Area Operating Committee will determine whether an adjustment should be made to the RGT Area UPO Target or Plant UPO Target, as the case may be, and, if so, the extent and effective date of such adjustment. Any adjustment to a RGT Area UPO Target or Plant UPO Target approved by an Area Operating Committee pursuant to this Section 3.2 will be subject to review and approval by the applicable Area Shipper Executive Committee.

Westcoast Energy Inc.
GENERAL TERMS AND CONDITIONS - SERVICE

3.3 Failure to Agree on UPO Targets

If an Area Operating Committee cannot agree on:

- (a) a RGT Area UPO Target or Plant UPO Target pursuant to Section 3.1; or
- (b) whether an adjustment to a RGT Area UPO Target or Plant UPO Target should be made pursuant to Section 3.2 or on the extent or effective date of such an adjustment;

then the matter will be referred to and resolved by the applicable Area Shipper Executive Committee. If an Area Shipper Executive Committee is unable to resolve a matter referred to it pursuant to this Section 3.3, then the matter will be resolved pursuant to the dispute resolution process set out in Section 7.1 of the Toll Settlement.

**ARTICLE 4
PRESSURE TARGETS**

4.1 Receipt Point Pressure Targets

The Daily Average Receipt Point Pressure Targets for the Receipt Points in Zone 1 are the following daily average pressures:

	Daily Average Receipt Point Pressure Target
(a) all Receipt Points in the Fort St. John Area, other than Receipt Points on the pipelines specified in (b) and (c) below	5 520 kilopascals gauge
(b) all Receipt Points on the following pipelines:	6 550 kilopascals gauge
(i) the 20 inch Alaska Highway pipeline downstream of Westcoast's Kobes Booster Station	
(ii) the 20 inch West Buick Creek pipeline downstream of Westcoast's Bluehills Booster Station	
(iii) the Monias pipeline downstream of Westcoast's Monias Booster Station	
(iv) the Tommy Lakes pipeline	
(v) the six inch Milligan-Peejay pipeline	

Westcoast Energy Inc.
GENERAL TERMS AND CONDITIONS - SERVICE

- | | | |
|--------|---|-------------------------|
| (vi) | the eight inch Milligan-Peejay pipeline | |
| (vii) | the ten inch Milligan-Peejay loop pipeline | |
| (viii) | the 12 inch Milligan-Peejay pipeline
downstream of Westcoast's Siphon Booster
Station | |
| (ix) | the 16 inch Oak-Rigel pipeline | |
| (x) | the ten inch Dahl pipeline | |
| (xi) | the eight inch North Dahl pipeline | |
| (xii) | the six inch Southeast Dahl pipeline | |
| (xiii) | the ten inch Silver pipeline | |
| (xiv) | the 26 inch B.C. Trunk pipeline between mile
posts 73 and 65 | |
| (c) | all Receipt Points on the 12 inch Laprise pipeline
downstream of the Laprise Booster Station | 7 584 kilopascals gauge |
| (d) | all Receipt Points in the Fort Nelson Area, other than
Receipt Points on the pipelines specified in (e) and (f)
below | 8 000 kilopascals gauge |
| (e) | all Receipt Points on the Beaver River, Pointed
Mountain and Maxhamish pipelines | 9 308 kilopascals gauge |
| (f) | all Receipt Points on the North Maxhamish Loop and
South Maxhamish Loop pipelines | 9 928 kilopascals gauge |
| (g) | all Receipt Points in the Pine River Area, other than
Receipt Points on the pipelines specified in (h) below | 8 000 kilopascals gauge |
| (h) | all Receipt Points on the Bullmoose and Murray River
pipelines | 8 618 kilopascals gauge |
| (i) | all Receipt Points in the Dawson Area | 9 928 kilopascals gauge |

Westcoast Energy Inc.
GENERAL TERMS AND CONDITIONS - SERVICE

4.2 Processing Plant Pressure Targets

The Daily Average Inlet Pressure Targets and the Daily Average Outlet Pressure Targets for the Processing Plants are the following daily average inlet and outlet pressures:

		Daily Average Inlet Pressure Target	Daily Average Outlet Pressure Target
(a)	McMahon Processing Plant	4 485 kilopascals gauge (measured at the suction side of Booster Station No. 1)	6 068 kilopascals gauge (measured at the discharge side of Taurus Unit No. 15)
(b)	Fort Nelson Processing Plant	6 900 kilopascals gauge (measured at the Plant mixing T)	6 274 kilopascals gauge (measured at the Processing Plant outlet meter)
(c)	Fort Nelson North Processing Plant	8067 kilopascals gauge (measured at the Plant mixing inlet meter)	9928 kilopascals gauge (measured at the Processing Plant outlet meter)
(d)	Pine River Processing Plant	7 142 kilopascals gauge (measured at the Processing Plant inlet meter upstream of the flow control valve)	6 720 kilopascals gauge (measured at the Processing Plant outlet meter)
(e)	Sikanni Processing Plant	8 500 kilopascals gauge (measured at the Processing Plant inlet meter)	8 067 kilopascals gauge (measured at the Processing Plant outlet meter)
(f)	Dawson Processing Plant	4 135 kilopascals gauge (measured at the Processing Plant inlet meter)	9 928 kilopascals gauge (measured at the Processing Plant outlet meter)

ARTICLE 5
CONTRACT DEMAND CREDITS FOR RGT SERVICE

5.1 Definitions

In this Article 5:

“Adjusted Daily Firm RP Delivered Volume” means, in respect of each of a Shipper’s Firm RPs on any day, an amount equal to:

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

TARIFF SUPPLEMENT

POST INTRA-DAY 3 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;
 - (iv) the NOVA/Sunset Delivery Point; and
 - (v) 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 3 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 3 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.,
carrying on business as
Spectra Energy Transmission**

**TARIFF SUPPLEMENT
GRIZZLY VALLEY CONSTRAINT PROCESS**

DEFINITIONS

1. In this Tariff Supplement:

- (a) "Curtailment Notice" means a notice given to Shippers and Receipt Point Operators by Westcoast pursuant to Section 6 requiring the curtailment of deliveries of raw gas into the Pipeline System at Receipt Points on the Grizzly Valley RGT System;
- (b) "Kwoen Processing Plant" means the raw gas upgrading plant connected to the Grizzly Valley RGT System;
- (c) "Processing Constraint" means a reduction in the capacity available to provide Treatment Service at the Processing Plants;
- (d) "Processing Plants" means the Pine River Processing Plant and the Kwoen Processing Plant; and
- (e) "RGT Constraint" means a reduction in the capacity available to provide Raw Gas Transmission Service on the Grizzly Valley RGT System.

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 OPC TARIFF SUPPLEMENT

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 become effective at the beginning of the day commencing on March 27, 2006.

APPLICATION

4. Except as provided in Section 5, this Tariff Supplement applies to all RGT Service provided by Westcoast on the Grizzly Valley RGT System and to all Treatment Service provided by Westcoast at the Processing Plants.

5. This Tariff Supplement shall not apply to Treatment Service provided at the Processing Plants on any day on which overproduction charges apply to such Treatment Service in accordance with Article 25.

6. This Tariff Supplement shall not apply to RGT Service provided on the Grizzly Valley RGT System on any day which Westcoast is curtailing RGT Service in accordance with Article 29.

CURTAILMENT OF RGT SERVICE AND TREATMENT SERVICE

7. If Westcoast determines in its sole discretion that, by reason of an RGT Constraint or a Processing Constraint, it is necessary to curtail the volumes of raw gas being delivered into the Pipeline System at Receipt Points on the Grizzly Valley RGT System, Westcoast shall give a Curtailment Notice to:

- (a) all Shippers delivering raw gas into the Pipeline System at each such Receipt Point, which notice shall be given by Westcoast by means of its electronic bulletin board; and
- (b) to the Receipt Point Operator for each such Receipt Point, which notice shall be given by Westcoast by means of an electronic data communications system, facsimile copier or telephone.

Section 20.05 of the General Terms and Conditions shall apply to any notice given by Westcoast in accordance with this Section by means of its electronic bulletin board, facsimile copier or an electronic data communications system.

8. If a Receipt Point Operator for a Receipt Point does not comply with a Curtailment Notice within four hours of the giving of such notice by Westcoast pursuant to Section 6, Westcoast may, without prejudice to any other right it has, physically shut-in all deliveries of raw gas and Hydrocarbon Liquids into the Pipeline System at such Receipt Point. Westcoast shall give notice to the Receipt Point Operator of any shut-in of deliveries of raw gas and Hydrocarbon Liquids in accordance with this Section, and may continue the shut-in of such deliveries at the Receipt Point until:

- (a) the RGT Constraint or the Processing Constraint giving rise to the Curtailment Notice has been remedied; or
- (b) the Receipt Point Operator has demonstrated to the satisfaction of Westcoast in its sole discretion that the Receipt Point Operator will comply in all respects with the Curtailment Notice given by Westcoast.

9. If Westcoast shuts-in deliveries of raw gas and Hydrocarbon Liquids at a Receipt Point in the Grizzly Valley RGT System in accordance with Section 7, Westcoast shall not have any liability whatsoever to a Shipper or the Receipt Point Operator for the Receipt Point arising out of such action by Westcoast including, without limitation, any liability to provide a Shipper with credits pursuant to Article 8 of the General Terms and Conditions in respect of RGT Service and Treatment Service applicable to raw gas and Hydrocarbon Liquids sourced from the Receipt Point for the period during which the Receipt Point is shut-in in accordance with Section 7.

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

TARIFF SUPPLEMENT

ENHANCED T-SOUTH SERVICE

DEFINITIONS

1. In this Tariff Supplement:

- (a) "Enhanced T-South Service" means Transportation Service – Southern provided pursuant to a 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

Effective Date: December 1, 2016

- (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 a 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.