

WESTCOAST ENERGY INC.

TOLL SCHEDULES - SERVICE

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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 and by PETRONAS Energy Canada Ltd.;
- b) “**Long Haul**” means all Transmission Service - Northern and Temporary Firm Service provided in ~~Zone 3 of the Pipeline System~~ T-North 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~~ T-North:
 - (i) to deliver gas at a Delivery Point in ~~Zone 3~~ T-North 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~~ T-North; and
 - (ii) in any other case, for a distance of less than 75 kilometres to a Delivery Point in ~~Zone 3~~ T-North other than:
 - (A) a Delivery Point at which the Pipeline System connects with a Downstream Pipeline; and
 - (B) Firm Service on any pipeline segment in ~~Zone 3~~ T-North where, in Westcoast's opinion, as notified by Westcoast on its public bulletin board, such Firm Service would preclude Westcoast from contracting or seeking to contract capacity on such segment as Firm Service for a distance of 75 kilometres or more, provided that any such service that is contracted as Short Haul as of May 31, 2020, will remain Short Haul for the remaining term only of such service.

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~~ T-North 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

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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 2.03 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.~~

MONTHLY BILL - FIRM TRANSPORTATION SERVICE – NORTHERN

~~5.4.~~ 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) and the *Greenhouse Gas Pollution Pricing Act* (Canada) which is allocated to Shipper by Westcoast for the month.

MONTHLY BILL – TEMPORARY FIRM SERVICE

~~6.5.~~ 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

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TOLL SCHEDULES – SERVICE

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) and the *Greenhouse Gas Pollution Pricing Act* (Canada) which is allocated to Shipper by Westcoast for the month.

MONTHLY BILL - AOS AND INTERRUPTIBLE TRANSPORTATION SERVICE – NORTHERN

~~7.6.~~ 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 3T-North~~, or (ii) transmitted to a point in ~~Zone 3T-North~~ or through ~~Zone 3T-North~~ 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) and the *Greenhouse Gas Pollution Pricing Act* (Canada) 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 ~~9-8~~ in a manner which minimizes the amount payable by Shipper in respect of such AOS and Interruptible Transportation Service – Northern.

UNDERUTILIZED DEMAND CHARGE CREDITS

~~8.7.~~ For the purposes of determining any revenue credits and volume credits to be provided to a Shipper in accordance with Section ~~98~~, 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.

~~9.8.~~ 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,

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- 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 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 terms shall have the following meanings:

- 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~~
- e)a) **"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 4T-South~~ 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 2.03 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 – 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.

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TOLL SCHEDULES – SERVICE

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.⁵⁷

~~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 4T-South~~ 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 4T-South~~, 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 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.

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TOLL SCHEDULES – SERVICE

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 4T-South~~ 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 ~~45~~(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.

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TOLL SCHEDULES – SERVICE

APPENDIX A

DEMAND AND COMMODITY TOLLS
TRANSPORTATION SERVICE – SOUTHERN

Firm Transportation Service – Southern

YEAR ROUND SERVICE

Service Term	Demand Tolls* \$/10 ³ m ³ /mo.			
	PNG Delivery Point	Inland Delivery Area	Huntingdon Delivery Area	FortisBC Kingsvale to Huntingdon*
1 year	180.99	439.86	798.76	358.90
2 years	175.72	427.05	775.49	348.44
3 years	170.44	414.24	752.23	337.99
4 years	168.69	409.97	744.47	334.50
5 years or more	166.93	405.70	736.72	331.02

* For Firm Transportation Service – Southern provided by Westcoast pursuant to a Firm Service Agreement dated April 15, 2002 between Westcoast and FortisBC Energy Inc.

Plus 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.

WINTER FIRM SERVICE

Service Term	Demand Tolls* \$/10 ³ m ³ /mo.	
	Huntingdon Delivery Area	
	WF Service November to March	Revertible WF Service*
1 year	1198.14	798.76
2 years	1163.24	775.49
3 years	1128.35	752.23
4 years	1116.71	744.47
5 years or more	1105.08	736.72

* WF Service which has been designated as Revertible WF Service pursuant to Section 21.10 of the General Terms and Conditions – Service to provide for firm transmission of residue gas in ~~Zone 4T-South~~ all days of the year.

Plus 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.

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TOLL SCHEDULES – SERVICE

AOS and Interruptible Transportation Service – Southern

Commodity Tolls* \$/10 ³ m ³				
Months	PNG Delivery Point	Inland Delivery Area	Huntingdon Delivery Area	FortisBC Kingsvale to Huntingdon*
April to October	5.950	14.461	28.887	11.799
November to March	7.933	19.281	28.887	15.732

* For AOS provided by Westcoast pursuant to a Firm Service Agreement dated April 15, 2002 between Westcoast and FortisBC Energy Inc.

Plus 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.

Import Backhaul Service

Commodity Tolls* \$/10 ³ m ³			
Months	Inland Delivery Area	PNG Delivery Point	Compressor Station No. 2
April to October	14.426	22.937	28.887
November to March	9.606	20.954	28.887

Plus 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.

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TOLL SCHEDULES – SERVICE

SHORT TERM FIRM SERVICE

DEFINITIONS

1. All the 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 Short Term Firm Service provided by Westcoast on facilities in ~~Zone 3T-North~~ and ~~Zone 4T-South~~ pursuant to a Firm Service Agreement made with a Shipper in accordance with Article 22 of the General Terms and Conditions, into which this Toll Schedule is incorporated by reference.

MONTHLY BILL - STF SERVICE

3. The amount payable by a Shipper to Westcoast in respect of STF Service provided in a month shall be an amount equal to:
 - a) the sum of the amounts determined for each day in the month on which STF Service is provided to Shipper, which daily amounts shall be equal to the product obtained by multiplying the Contract Demand and the Demand Toll for the STF Service, both as specified in the Firm Service Agreement; 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) and the *Greenhouse Gas Pollution Pricing Act (Canada)* which is allocated to Shipper by Westcoast for the month.

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GENERAL TERMS AND CONDITIONS – SERVICE

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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:

“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 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 to or from Compressor Station No. 2.

“Aitken Creek Pipeline” means the 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 NorthRiver Midstream Inc. for the processing of raw gas located in Block A of District Lot 3964, Peace River District, in British Columbia.

“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.

“Authorized Overrun Service” or **“AOS”** means the daily service entitlement available, on the terms and conditions set out in Section 2.06, 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 in respect of residue gas produced by an Upstream Supplier and delivered into the Pipeline System at a Receipt Point, 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.

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GENERAL TERMS AND CONDITIONS – SERVICE

"Balancing Tolerance Range" means:

- a) in respect of each Shipper specified in Section 6.01, 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 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 22.10.

"Boundary Lake Pipeline" means the residue gas pipeline owned by Westcoast and extending from the SE ¼ of Section 16, Township 85, Range 13, W6M in Alberta. to Compressor Station No. 1 and includes any residue gas laterals owned by Westcoast and connected to that pipeline.

"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.

"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 in respect of the Receipt Points within a T-North Corridor and each Receipt Point in T-South, the maximum volume of residue gas which Westcoast determines pursuant to Section 23.02 can be delivered into the Pipeline System at the Receipt Points within such T-North Corridor or at such Receipt Point in T-South on any day.

WESTCOAST ENERGY INC.

GENERAL TERMS AND CONDITIONS – SERVICE

"Contract Demand" means:

- a) 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 T-North 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 T-North, or (ii) to transmit through T-North for the account of the Shipper on any day, without curtailment or interruption; and
- b) in respect of Transportation Service - Southern and Short Term Firm Service in T-South 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 T-South, without curtailment or interruption.

"Corresponding Firm Transportation Service" means 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 2.06.

"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 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 Demand Toll" means for each month 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, 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.

"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) in the case of a diversion in T-South 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 (ii) in the case of a diversion in T-North made pursuant to Section 7.06 or Section 7.07, an Equivalent Delivery Point or an alternate Delivery Point.

WESTCOAST ENERGY INC.

GENERAL TERMS AND CONDITIONS – SERVICE

"Demand Toll" means for each month:

- a) 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
- b) 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.

"Downstream Delivery Point" means in respect of any Firm Service Agreement, a Delivery Point in T-South which is downstream of the Delivery Point in T-South, 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 (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 T-North which Westcoast has determined are hydraulically similar and toll neutral, as specified in Section 7.06.

WESTCOAST ENERGY INC.

GENERAL TERMS AND CONDITIONS – SERVICE

“Equivalent Point Diversion” means in respect of any Firm Service provided in T-North, 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 T-North which Westcoast has determined are hydraulically similar and toll neutral, as specified in Section 7.06.

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WESTCOAST ENERGY INC.

GENERAL TERMS AND CONDITIONS – SERVICE

"Estimated Yearly Heat Content Value" means the estimated total heating value of all residue gas delivered into the Pipeline System at a Receipt Point, 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 Residue Gas Receipts" means in respect of residue gas delivered into the Pipeline System at a Receipt Point 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.

"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.

"Final Estimated Volume" means in respect of 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 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 T-North Corridor and for T-South, respectively, the percentage obtained by dividing the aggregate Contract Demand for Firm Service contracted for each such month in each such T-North Corridor and in T-South, respectively, by the daily capacity available to provide Firm Service in each such T-North Corridor and in T-South, respectively, during the months of November to March, inclusive.~~

"Firm Service" means the obligation of Westcoast to provide, at a Shipper's request, any 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 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 Processing Plant" means the facilities owned by NorthRiver Midstream Inc. for the processing of raw gas located at Fort Nelson, British Columbia.

"Fort St. John Mainline" means the residue gas pipelines owned by Westcoast and extending from Compressor Station No. 1 to Compressor Station No. 2 and includes any residue gas laterals owned by Westcoast and connected to those pipelines.

"gas" means residue gas.

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

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

WESTCOAST ENERGY INC.

GENERAL TERMS AND CONDITIONS – SERVICE

“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).

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WESTCOAST ENERGY INC.

GENERAL TERMS AND CONDITIONS – SERVICE

"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 T-North 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 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 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.

WESTCOAST ENERGY INC.

GENERAL TERMS AND CONDITIONS – SERVICE

"Inventory Transfer Shipper" means a Shipper which has entered into a Service Agreement providing for Interruptible Transportation Service, 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 metre in the direction of the force.

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WESTCOAST ENERGY INC.

GENERAL TERMS AND CONDITIONS – SERVICE

“Letter of Credit Failure” means, with respect to any letter of credit provided by a Shipper, the occurrence of any of the following events:

- a) the Shipper fails to renew or replace the letter of credit by no later than 30 days prior to the expiry thereof;
- b) the issuer of the letter of credit:
 - (i) fails to maintain a credit rating on its long-term senior unsecured debt (excluding any third party enhancements) equal to or higher than “A-” from S&P Global Ratings (or its successor) or “A3” by Moody’s Investor Service, Inc (or its successor);
 - (ii) fails to comply with or perform its obligations under the letter of credit; or
 - (iii) disaffirms, disclaims, repudiates, terminates, rejects, in whole or in part, or challenges the validity of, the letter of credit; or
- c) the letter of credit ceases to be in full force and effect, whether or not in accordance with its terms, at any time.

“litre” means the amount of liquid which occupies 0.001 cubic metre, 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).

“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.

“megajoule” or **“MJ”** means 1 000 000 joules.

“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 22.06, 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.

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

“NOVA/Sunset Delivery Point” means the point where the Pipeline System connects with the pipeline facilities of NOVA in the SW ¼ of Section 2, Township 79, Range 19, 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 T-North 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 T-North 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 T-North 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.

“Pine River Processing Plant” means the facilities owned by Sukunka Natural Resources Inc. for the processing of raw gas located at Pine River, British Columbia.

“Pipeline System” means the residue gas transmission facilities within British Columbia and Alberta through which Westcoast provides service to Shippers pursuant to a Service Agreement.

“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 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.

“Production Source Relocation” means in respect of any Firm Transportation Service – Northern, the permanent relocation by Westcoast of the Receipt Point for such service to another location in T-North closer to the supplies or proven reserves that Shipper owns, controls or has contracted for on a Firm basis.

“PST” means Pacific Standard Time.

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, in the case of a diversion in T-North made pursuant to Section 7.06 or Section 7.07, an Equivalent Receipt Point or an alternate Receipt Point.

WESTCOAST ENERGY INC.

GENERAL TERMS AND CONDITIONS – SERVICE

"Receipt Point Operator" means, in respect of each Receipt Point at which 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.

"Receipt Volume" means 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.

"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.

"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, a Temporary Out of Path Relocation, or a Production Source 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 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 Tolerance" means in respect of residue gas delivered into the Pipeline System at a Receipt Point within the T-North Corridor or at a Receipt Point in T-South on any day, the applicable Residue Gas Tolerance as determined by Westcoast in accordance with Section 23.03.

"Revertible WF Service" means WF Service which has been designated as Revertible WF Service pursuant to Section 21.10 to provide for Firm transmission of residue gas in T-South between Compressor Station No. 2 and the Huntingdon Delivery Area all days of the year.

"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.

WESTCOAST ENERGY INC.

GENERAL TERMS AND CONDITIONS – SERVICE

"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.

"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.

"Short Term Firm Service" or **"STF Service"** means the Firm transmission of residue gas pursuant to a Service Agreement made with a Shipper in accordance with Article 22.

"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.

"Sunset Creek/Stella Delivery Point" means the point where the Pipeline System connects with the pipeline facilities of PETRONAS Energy Canada Ltd. in the SW ¼ of Section 2, Township 79, Range 19, W6M, Peace River District in British Columbia.

"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, either to or from Compressor Station No. 2.

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

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

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

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

"Temporary Firm Service" means the Firm transmission of residue gas in T-North pursuant to a Firm Service Agreement made with a Shipper pursuant to Section 2.05.

"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 T-North within the route of the currently contracted service.

WESTCOAST ENERGY INC.

GENERAL TERMS AND CONDITIONS – 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 T-North 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.

“T-North” means the Fort Nelson Mainline, the Fort St. John Mainline, the Pine River Mainline, the Alberta Mainline and the Boundary Lake Pipeline.

“T-North Corridor” means, ~~for the purpose of determining Transmission Reliability Percentages,~~ each of the following sections of the residue gas transmission pipelines in T-North:

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

“Toll Schedules” and **“Westcoast’s Toll Schedules for Service”** mean Westcoast’s Toll Schedules for Transportation Service – Northern and Temporary Firm Service, Transportation Service – Southern and Short Term Firm Service, as filed with or otherwise approved by the Canada Energy Regulator 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 T-North Corridor and for T-South, respectively, the percentage specified in the second column of the following table determined for each such month and for each such T-North Corridor and for T-South, 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 T-North, other than Temporary Firm Service and Short Term Firm Service.~~

~~“Transportation Service – Southern” means the transmission of residue gas in T-South, other than Short Term Firm Service.~~

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

WESTCOAST ENERGY INC.

GENERAL TERMS AND CONDITIONS – SERVICE

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

"Upstream Balancing Account" means a balancing account established and maintained for a Shipper at a Receipt Point in accordance with Section 6.05.

WESTCOAST ENERGY INC.

GENERAL TERMS AND CONDITIONS – SERVICE

“Upstream Delivery Point” means in respect of any Firm Service Agreement, a Delivery Point in T-South outside the Huntingdon Delivery Area, other than Compressor Station No. 2, which is upstream of the Delivery Point in T-South specified in the Firm Service Agreement and downstream of the Receipt Point in T-South 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 a Receipt Point in accordance with Section 6.05.

“Westcoast” means Westcoast Energy Inc..

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

“Winter Firm Service” or **“WF 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 Reversible WF Service, provided all days of the year pursuant to a Firm Service Agreement made with a Shipper in accordance with Article 21.

“Year-Round Service” means Firm Transportation Service – Southern provided all days of the year, other than Reversible WF Service.

“Zone” means either T-North or T-South.

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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.

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ARTICLE 7
DIVERSIONS, HUNTINGDON DELIVERY AREA,
AND DELIVERY AND RECEIPT TRANSFERS

7.01 T-SOUTH DIVERSIONS

Subject to Section 3.03, Westcoast will, at the request of a Shipper given in a nomination made in the Timely Nomination Cycle, the Evening Nomination Cycle or an Intra-Day Nomination Cycle pursuant to Section 4.05, authorize the delivery of the volumes of gas in respect of which the nomination is given under a Firm Service Agreement

- a) to a Delivery Point within the Huntingdon Delivery Area other than the Delivery Point within that area specified in the Firm Service Agreement;
- b) to an Upstream Delivery Point instead of the Delivery Point in T-South specified in the Firm Service Agreement; or
- c) to a Downstream Delivery Point instead of the Delivery Point in T-South specified in the Firm Service Agreement.

7.02 TOLLS, UPSTREAM DIVERSIONS

Where volumes of gas are diverted to an Upstream Delivery Point in accordance with Section 7.01(b), the Shipper shall pay to Westcoast the Demand Tolls payable for service to the Delivery Point specified in the Firm Service Agreement plus the amount of tax on fuel gas consumed in operations applicable pursuant to the Toll Schedules to gas delivered from the Receipt Point specified in the Firm Service Agreement to the Upstream Delivery Point.

7.03 TOLL DIFFERENTIAL, DOWNSTREAM DIVERSIONS

Where volumes of gas are diverted to a Downstream Delivery Point in accordance with Section 7.01(c), the Shipper shall, in addition to the tolls and other amounts payable pursuant to the Toll Schedules in respect of gas delivered to the Delivery Point specified in the Firm Service Agreement, also pay to Westcoast in respect of the gas so diverted an amount equal to the difference between:

- a) the Commodity Tolls and the taxes on fuel gas that would be payable pursuant to the Toll Schedules for Interruptible Service for gas delivered from the Receipt Point specified in the Firm Service Agreement to the Downstream Delivery Point; and
- b) the Commodity Tolls and the taxes on fuel gas that would be payable pursuant to the Toll Schedules for Interruptible Service for gas delivered from the Receipt Point specified in the Firm Service Agreement to the Delivery Point specified in that agreement.

7.04 DELIVERY TRANSFERS, HUNTINGDON DELIVERY AREA

Unless restricted by Westcoast by means of a notice given to all Shippers at least two hours prior to the time fixed for the giving of a nomination in accordance with Sections 4.05, 4.10 and 4.11, a Shipper which has entered into a Firm Service Agreement or an Interruptible Service Agreement with Westcoast providing for the delivery of gas to a Delivery Point within the Huntingdon Delivery Area may request Westcoast to deliver gas on any day pursuant to that Service Agreement to or for the account of a Receiving Shipper within the Huntingdon Delivery Area, and the Receiving Shipper may request Westcoast to authorize the delivery of such gas to or for its account either at the Delivery Point specified in the Service Agreement or at another Delivery Point within the Huntingdon Delivery Area provided:

- a) the originating Shipper gives Westcoast the required form of nomination in accordance with Sections 4.05 and 4.06; and

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- b) the Receiving Shipper gives Westcoast the required form of nomination in accordance with Sections 4.05 and 4.06.

Where an originating Shipper and a Receiving Shipper request Westcoast to authorize the delivery of gas to or for the account of the Receiving Shipper pursuant to this section:

- c) the nominations given by the originating Shipper and the Receiving Shipper and the authorizations given by Westcoast in respect of those nominations shall, for all purposes of these General Terms and Conditions including, without limitation, Sections 3.03, 3.04 and 3.06, be deemed conclusively to be nominations and authorizations given under the Service Agreement between the originating Shipper and Westcoast; and
- d) the delivery of gas by Westcoast to or for the account of the Receiving Shipper at a Delivery Point within the Huntingdon Delivery Area shall, for all purposes of the Service Agreement between the originating Shipper and Westcoast and of these General Terms and Conditions, constitute delivery of that gas by Westcoast to or for the account of the originating Shipper in accordance with that Service Agreement.

7.05 RECEIPT TRANSFERS

A Shipper which has entered into a Firm Service Agreement or an Interruptible Service Agreement providing for service from a Receipt Point at which the Shipper delivers residue gas into the Pipeline System may request Westcoast, in lieu of Transportation Service or Short Term Firm Service from that Receipt Point, to authorize the delivery of gas into the Pipeline System at that Receipt Point, up to the Contract Demand specified in the Firm Service Agreement or up to the maximum daily volume specified in the Interruptible Service Agreement, for transfer at that same Receipt Point to a Receiving Shipper for ongoing transmission to a Delivery Point on any day provided:

- a) the originating Shipper gives Westcoast the required form of nomination in accordance with Sections 4.05 and 4.06;
- b) the Receiving Shipper gives Westcoast the required form of nomination in accordance with Sections 4.05 and 4.06; and
- c) the Receiving Shipper, or any other Receiving Shipper to which the gas is transferred at the Receipt Point in accordance with this section, has given Westcoast a nomination to transmit the gas to a Delivery Point pursuant to a Service Agreement.

Where Westcoast authorizes the transfer of gas to one or more Receiving Shippers at a Receipt Point in accordance with this section:

- d) all of the General Terms and Conditions including, without limitation, Articles 6 and 23 shall apply to the originating Shipper in respect of the gas received into the Pipeline System at the Receipt Point and so transferred for its account at the Receipt Point; and
- e) all of the General Terms and Conditions other than Articles 6 and 23 shall apply to each Receiving Shipper in respect of the gas so transferred for its account at the Receipt Point.

7.06 EQUIVALENT POINT DIVERSIONS

Subject to Section 3.02, Westcoast will at the request of a Shipper given in a nomination made in the Timely Nomination Cycle, the Evening Nomination Cycle or an Intraday Nomination Cycle pursuant to Section 4.05, authorize the delivery of the volume of gas in respect of which the nomination is given under a Firm Service Agreement:

- a) by Westcoast to a Delivery Point in T-North which is an Equivalent Delivery Point to that specified in the Firm Service Agreement; or

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- b) to Westcoast at a Receipt Point in T-North which is an Equivalent Receipt Point to that specified in the Firm Service Agreement.

For the purposes of this Section 7.06:

- c) each of Delivery Point No. 92 (the NOVA/Gordondale Interconnection) and Delivery Point No. 3295 (the Alliance/Gordondale Interconnection) is an Equivalent Delivery Point to the other;

- ~~e)~~d) each of Delivery Point No. 9987 (the Sunset Creek Interconnect) and Delivery Point No. 16157 (Sunset Creek/Stella) is an Equivalent Delivery Point to the other;

- e) each of Receipt Point No. 4963 (Groundbirch #1), Receipt Point No. 8726 (Groundbirch #2) and Receipt Point No. 9866 (Groundbirch #3) is an Equivalent Receipt Point to the others;

- ~~d)~~f) each of Receipt Point No. 267 (Aitken Creek Unit) and Receipt Point No. 554 (Aitken Creek Plant Outlet) is an Equivalent Receipt Point to the other;

- ~~e)~~g) each of Receipt Point No. 9207 (Farrell Creek) and Receipt Point No. 11626 (Farrell Creek #2) is an Equivalent Receipt Point to the other; and

- ~~f)~~h) each of Receipt Point No. 375 (West Doe) and Receipt Point No. 8626 (West Doe Plant) is an Equivalent Receipt Point to the other.

7.07 OTHER T-NORTH DIVERSIONS

Subject to Section 3.02 and operating conditions on the Pipeline System, and notwithstanding the provisions of Article 9 respecting Temporary In Path Relocations and Temporary Out of Path Relocations, Westcoast will at the request of a Shipper which:

- a) has entered into a Service Agreement providing for Firm Transportation Service – Northern, Long Haul; and
- b) has given a nomination therefor to Westcoast in the Timely Nomination Cycle, the Evening Nomination Cycle or an Intraday Nomination Cycle pursuant to Section 4.05,

authorize an In Path Diversion or an Out of Path Diversion of such Firm Transportation Service – Northern, Long Haul, to an alternate Receipt Point in T-North and/or an alternate Delivery Point in T-North provided that any such diversion does not result in any change in the direction of flow of the service through the Pipeline System from that of the currently contracted Firm Transportation Service – Northern, Long Haul and provided that the service as so diverted continues to be provided along all or part of the route of the currently contracted Firm Transportation Service – Northern, Long Haul.

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ARTICLE 10
STATEMENTS, PAYMENTS, AUDITS AND SECURITY FOR PAYMENT

10.01 STATEMENTS, DELIVERIES AT RECEIPT POINTS

Pursuant to the measurement and allocation deadlines posted on Westcoast's Customer Interface, 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 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

Pursuant to the measurement and allocation deadlines posted on Westcoast's Customer Interface, 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 INVOICES

Pursuant to the measurement and allocation deadlines posted on Westcoast's Customer Interface, 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;
- 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; and
- ~~f) the amount of any credits to which the Shipper is entitled, determined pursuant to Article 8;~~
- ~~g)f) the amount of any overproduction charges payable by the Shipper, determined in accordance with Section 23.04.~~

10.04 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 10.03. 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

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

10.05 ERRORS IN STATEMENTS AND INVOICES

If any error is discovered in a statement or invoice delivered in accordance with this Article 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.

10.06 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.

10.07 SECURITY FOR PAYMENT

In order to secure the prompt and orderly payment of the amounts to be paid by a Shipper to Westcoast pursuant to a Service Agreement, Westcoast may, at any time and from time to time prior to or during the term of the Service Agreement, require the Shipper to provide, and at all times maintain, an irrevocable letter of credit in favour of Westcoast, in a form and substance satisfactory to Westcoast and issued by a financial 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. Notwithstanding the foregoing, Westcoast may require the Shipper to provide, and at all times maintain, an irrevocable letter of credit in favour of Westcoast, in a form and substance satisfactory to Westcoast and otherwise in accordance with the Service Agreement, and issued by a financial or other institution acceptable to Westcoast in an amount equal to the maximum amount payable by the Shipper under a Service Agreement for expansion service for more than 70 days of expansion service provided however that Westcoast's entitlement to require the Shipper to provide such payment security for more than 70 days of expansion service does not extend past the initial term of the Service Agreement for such expansion service. Where Westcoast requires a Shipper to provide a letter of credit and the Shipper is able to provide a guarantee or other security in a form

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and substance acceptable to Westcoast, Westcoast will accept such guarantee or other security in lieu of a letter of credit. Westcoast may withhold the provision of new service under a Service Agreement until Westcoast has received security for payment in accordance with this section.

In any case where a letter of credit has been issued to Westcoast as security, ~~in connection with which the issuer of the letter of credit (i) advises Westcoast that it will not renew such letter of credit upon the expiration thereof, or (ii) fails to give Westcoast any notice of renewal required under the terms if a Letter of Credit Failure has occurred in respect~~ of such letter of credit, ~~then~~ Westcoast shall be entitled (in addition to exercise of any other remedies available to it) to forthwith call upon such letter of credit 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.

10.08 FAILURE TO PROVIDE SECURITY FOR PAYMENT

If:

a) a Shipper fails to provide security for payment in accordance with Section 10.07 within four Business Days of Westcoast's request therefor; or

b) a Letter of Credit Failure has occurred in respect of a letter of credit provided by a Shipper, and the Shipper fails to provide replacement security for payment in accordance with Section 10.07 within four Business Days after the occurrence of the Letter of Credit Failure,

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 new or replacement security for payment required in accordance with Section 10.07, Westcoast will within two Business Days commence or recommence the provision of such suspended service. If the failure by the Shipper to provide new or replacement 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.

10.09 TERM OF A LETTER OF CREDIT

Where Westcoast requires a Shipper to provide and maintain a letter of credit pursuant to Section 10.07, such letter of credit, or any replacement thereof, must have a term which ends no earlier than two months after the last month in the term of the Service Agreement between the Shipper and Westcoast, or have provision for automatic renewal if such letter of credit has a lesser term.

10.10 DRAW ON A LETTER OF CREDIT

In addition to the circumstances specified in Section 10.07, Westcoast may in any month draw on a letter of credit provided by a Shipper; in accordance with Section 10.07,

a) in full, in the event the Shipper is dissolved, becomes insolvent or is unable to pay its debts, or fails or admits in writing its inability generally to pay its debts as they become due, makes a general assignment, arrangement or composition with or for the benefit of its creditors, files a petition for itself or a petition is filed by a third party under the Bankruptcy and Insolvency Act (Canada), the Companies' Creditors Arrangement Act (Canada), or similar acts of other forbearing jurisdictions, and Westcoast may apply the proceeds of the letter of credit to satisfy any of the Shipper's obligations to Westcoast;

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b) 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 10.04. ~~In any case where; or~~

c) for the full amount due to Westcoast by the Shipper upon termination of a Service Agreement ~~has been terminated~~ under Sections 10.04 or 10.08 ~~above~~.

If, pursuant to subsection b), Westcoast ~~may draw~~ on ~~the a~~ letter of credit provided by ~~the a~~ Shipper ~~for~~, the full amount due to Westcoast by the Shipper shall, within three Business Days after such draw, provide additional security for payment in accordance with Section 10.07 sufficient to replenish or maintain the aggregate amount of security for payment required in accordance with Section 10.07.

10.11 SURVIVAL

Notwithstanding the termination of a Service Agreement, the provisions of Sections 6.16 and 6.27, Sections 10.01 to 10.06, Section 10.08 and Section 10.10 shall survive the termination of the Service Agreement, and the Shipper and Westcoast shall, as soon as reasonably possible, settle all outstanding obligations and payments which have accrued under the Service Agreement up to and including the day upon which the Service Agreement terminated.

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ARTICLE 11
RECEIPT AND DELIVERY PRESSURE

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 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 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 T-South, other than the pipelines specified in subsection c) to f) or in the circumstances specified in subsection i);
- b) 6 895 kilopascals gauge with respect to deliveries into the Pine River Mainline;
- c) 9 928 kilopascals with respect to deliveries into the 42-inch pipeline segments of the Fort Nelson Mainline;
- d) 9 928 kilopascals with respect to deliveries into the 36-inch pipeline segments of the Fort St. John Mainline installed after December 31, 2016;
- e) 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;
- f) 8 067 kilopascals gauge with respect to deliveries into the 12" and 16" pipeline segments and 9 928 kilopascals gauge with respect to deliveries into the 24" pipeline segment of the Aitken Creek Pipeline other than deliveries made at the interconnection with the Storage Reservoir;
- g) 5 516 kilopascals gauge with respect to deliveries into the Alberta Mainline;
- h) 6 895 kilopascals gauge with respect to deliveries into the Boundary Lake Pipeline; and
- i) 6 136 kilopascals gauge with respect to deliveries at Receipt Point 268 (Fort Nelson Plant MS101) on those days when the total volumes of gas delivered to Westcoast from Receipt Point 268 are equal to or less than $7\,082\,10^3\text{m}^3$.

11.03 DELIVERY POINTS

Westcoast shall deliver residue gas to a Shipper at a Delivery Point, 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 and the Boundary Lake Pipeline, 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.

11.04 NOVA/SUNSET DELIVERY POINT AND SUNSET CREEK/STELLA DELIVERY POINT

All residue gas delivered by Westcoast to or for the account of a Shipper at the NOVA/Sunset Delivery Point and the Sunset Creek/Stella Delivery Point shall be delivered at the pressure required by the Receiving Party, which pressure shall be no greater than 9 928 kilopascals gauge.

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11.05 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 $3\,680\,10^3\text{m}^3$.

11.06 PRESSURE CONTROL AND OVERPRESSURE PROTECTION EQUIPMENT

Each Shipper which delivers residue gas to Westcoast at a Receipt Point 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 Policy; and
- b) calibrate, or cause to be calibrated, the pressure control equipment in a manner which complies with Westcoast's Measurement Policy to ensure that residue gas is not delivered to Westcoast at each such Receipt Point at a pressure which exceeds the pressure specified by Westcoast pursuant to Section 11.02.
- c) calibrate, or cause to be calibrated, the overpressure protection equipment in a manner which complies with Westcoast's Measurement Policy to ensure that residue gas is not delivered to Westcoast at each such Receipt Point at a pressure which exceeds 110% of the pressure specified by Westcoast pursuant to Section 11.02.

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**ARTICLE 12
GAS QUALITY**

12.01 OBLIGATION OF WESTCOAST

Westcoast shall not be obligated to take delivery from or for the account of a Shipper at a Receipt Point of any residue gas which does not comply with the applicable quality specifications set out in this Article.

12.02 RESIDUE GAS AT RECEIPT POINTS

Unless Westcoast provides otherwise, residue gas delivered to Westcoast by or for the account of a Shipper at a Receipt Point shall:

- a) not contain sand, dust, gums, oils and other impurities or other objectionable substances in such quantities as may be injurious to pipelines or may interfere with the transmission or commercial utilization of the gas;
- b) not contain more than six milligrams per cubic meter of hydrogen sulphide;
- c) not contain water in the liquid phase and not contain more than 65 milligrams per cubic meter of water vapour;
- d) be free of hydrocarbons in liquid form and not have a hydrocarbon dewpoint in excess of minus 9°C at the delivery pressure;
- e) not contain more than 23 milligrams per cubic meter of total sulphur;
- f) not contain more than two percent by volume of carbon dioxide;
- g) be as free of oxygen as Shipper can keep it through the exercise of all reasonable precautions and shall not in any event contain more than 0.4 percent by volume of oxygen;
- h) have a temperature not exceeding 54°C; and
- i) have a total heating value of not less than 36.00 megajoules per cubic meter.

12.03 RESIDUE GAS AT DELIVERY POINTS

Residue gas delivered by Westcoast to or for the account of a Shipper at a Delivery Point at which the Pipeline System interconnects with the pipeline facilities of a Receiving Party shall:

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

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

12.04 RESIDUE GAS AT THE NOVA/SUNSET DELIVERY POINT AND AT THE SUNSET CREEK/STELLA DELIVERY POINT

Residue gas delivered by Westcoast to or for the account of a Shipper at the NOVA/Sunset Delivery Point and the Sunset Creek/Stella Delivery Point shall:

- a) not contain sand, dust, gums, oils and other impurities or other objectionable substances which could be harmful to the interconnecting pipeline;
- b) not have a hydrocarbon dewpoint in excess of minus 10°C at the operating pressure at the Delivery Point;
- c) not contain more than 23 milligrams per cubic meter of hydrogen sulphide;
- d) not contain more than 115 milligrams per cubic meter of total sulphur;
- e) not contain more than two percent by volume of carbon dioxide;
- f) not contain more than 65 milligrams per cubic meter of water vapour;
- g) not have a water dewpoint in excess of minus 10°C at operating pressures greater than 8 275 kilopascals gauge;
- h) be as free of oxygen as practicable, and shall not in any event contain more than 0.4 percent by volume of oxygen;
- i) have a temperature not exceeding 49°C; and
- j) have a total heating value of not less than 36.00 megajoules per cubic meter.

12.05 REFUSAL OF DELIVERY BY SHIPPER

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

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