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June 26, 2006

Filed Electronically
Original by Courier

Mr. M.L. Mantha
Secretary
National Energy Board
444 – 7th Avenue S.W.
Calgary, Alberta T2P 0X8

Dear Mr. Mantha:

Re: Westcoast Energy Inc., carrying on business as Duke Energy Gas Transmission
Firm Service Enhancements in Zones 3 and 4
Hearing Order RHW-1-2005
NEB File 4200-W005-18

On November 10, 2005 the National Energy Board (the "Board") issued its RHW-1-2005 Reasons for Decision approving by Order TG-06-2005 Westcoast's application for certain firm service enhancements in Zones 3 and 4. Pursuant to condition 4 of that Order, enclosed are amendments to the Westcoast Energy Inc. Pipeline Tariff necessary to implement Authorized Overrun Service ("AOS") on a two-year pilot basis, to be effective July 10, 2006, for shippers which have entered into a firm Service Agreement for Transportation Service.

The amendments include revisions to the Toll Schedules for Transportation Service Northern, Long Haul and Short Haul and Transportation Service Southern and to the General Terms and Conditions – Service Article 1 (Definitions and Interpretation), Article 2 (Application, Negotiated Service Agreements, Term and Renewal of Services and Operation of the Pipeline System) and Article 3 (Priorities, Curtailments and Conditions of Service) required to implement the AOS pilot program.

A blacklined copy of the above amendments is enclosed for the Board's information.

Yours truly,

Original Signed by

Kirsten B. Jaron

Attachments

cc: All Shippers on the Westcoast System
Westcoast's Toll and Tariff Task Force Participants
All Holders of Westcoast's Pipeline Tariff

FILING INSTRUCTIONS

PIPELINE TARIFF UPDATE July 10, 2006		
Behind Tab	Remove	Insert
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	Transportation Service - Southern Pages 8.1 to 8.4	Transportation Service – Southern Pages 8.1 to 8.4
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Westcoast Energy Inc.
TOLL SCHEDULES – SERVICE

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**TRANSPORTATION SERVICE - NORTHERN
 LONG HAUL AND SHORT HAUL**

DEFINITIONS

1. In this Toll Schedule, the following terms shall have the following meanings:
 - (a) "Long Haul" means all Transmission Service - Northern other than Short Haul;
 - (b) "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
 - (c) "Short Haul" means Transportation Service - Northern provided for a distance of less than 75 kilometres to a Delivery Point in Zone 3 other than the ABC/Boundary Lake Interconnection and the ABC/Gordondale Interconnection.

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

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- (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 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. 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 by Westcoast under the Motor Fuel Tax Act (British Columbia) allocated to Shipper for the month,

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

MONTHLY BILL - AOS AND INTERRUPTIBLE TRANSPORTATION SERVICE - NORTHERN

- 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:

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

UNDERUTILIZED DEMAND CHARGE CREDITS

7. If:

- (a) a Shipper has entered into one or more Firm Service Agreements for the provision of Firm Transportation Service - Northern and one or more Interruptible Service Agreements for the provision of Interruptible Transportation Service - Northern; and
- (b) on any day in a month the Shipper underutilizes that Firm Transportation Service - Northern and incurs tolls for AOS or Interruptible Transportation Service - Northern,

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

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

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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.

Westcoast Energy Inc.
TOLL SCHEDULES - SERVICE

APPENDIX A

**DEMAND AND COMMODITY TOLLS
TRANSPORTATION SERVICE - NORTHERN
LONG HAUL AND SHORT HAUL**

DESCRIPTION

Firm Transportation Service - Northern

Service Term	Demand Tolls \$/10 ³ m ³ /mo.	
	Long Haul	Short Haul
1 year	140.72	9.77
2 years	136.62	9.49
3 years	132.52	9.20
4 years	131.16	9.11
5 years or more	129.79	9.01

Plus the amount of tax on fuel gas consumed in operations payable by Westcoast under the Motor Fuel Tax Act (British Columbia) allocated to Shipper for each day in the month.

AOS and Interruptible Transportation Service - Northern

Months	Commodity Tolls \$/10 ³ m ³	
	Long Haul	Short Haul
November to March	6.169	0.428
April to October	4.626	0.321

Plus the amount of tax on fuel gas consumed in operations payable by Westcoast under the Motor Fuel Tax Act (British Columbia) allocated to Shipper in the month.

Westcoast Energy Inc.
TOLL SCHEDULES - SERVICE

TRANSPORTATION SERVICE - SOUTHERN

DEFINITIONS

1. In this Toll Schedule, the following term shall have the following meaning:

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

Westcoast Energy Inc.
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 by Westcoast under the Motor Fuel Tax Act (British Columbia) allocated to Shipper for the month,

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

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

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

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not exceeding the amount of such remaining volume of unutilized Firm Transportation Service from such Delivery Point to the nearest Downstream Delivery Point at which Shipper would otherwise incur tolls for AOS and Interruptible Transportation Service - Southern; and

- (d) fourthly, if Shipper has any remaining volume of unutilized Firm Transportation Service – Southern at any Delivery Point after applying the rules set out in paragraphs (a), (b) and (c) above, then Shipper shall be deemed to have made a diversion on such day pursuant to Section 7.01(b) of the General Terms and Conditions of a volume of gas not exceeding the amount of such remaining volume of unutilized Firm Transportation Service, from such Delivery Point to the nearest Upstream Delivery Point at which Shipper would otherwise incur tolls for AOS and Interruptible Transportation Service – Southern.

6. The amount payable by a Shipper to Westcoast in respect of AOS and Interruptible Transportation Service - Southern, including 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 and Interruptible Transportation Service - Southern or Import Backhaul Service by the Receipt Volume for such AOS and Interruptible Transportation Service (determined after applying the rules set out in Section 4), at the point from which the residue gas is sourced, which is thermally equivalent to the volume of residue gas (i) delivered to or for the account of Shipper at the Delivery Point, or (ii) transmitted through Zone 4 for the account of Shipper on each such day during the month;
- (b) the product obtained by multiplying the difference between the Commodity Tolls specified in Section 7.03 of the General Terms and Conditions by the volume of gas deemed to be diverted to a Downstream Delivery Point in accordance with Section 4(c) on each such day during the month; and
- (c) the amount of tax on fuel gas consumed in operations payable by Westcoast under the Motor Fuel Tax Act (British Columbia) allocated to Shipper 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

Service Term	Demand Tolls \$/10 ³ m ³ /mo.			
	PNG Delivery Point	Inland Delivery Area	Huntingdon Delivery Area	Terasen Kingsvale to Huntingdon*
1 year	109.76	264.57	484.40	219.83
2 years	106.56	256.86	470.29	213.43
3 years	103.36	249.15	456.18	207.03
4 years	102.30	246.59	451.48	204.89
5 years or more	101.23	244.02	446.78	202.76

* For Firm Transportation Service - Southern provided by Westcoast pursuant to a Firm Service Agreement dated April 15, 2002 between Westcoast and Terasen Gas Inc.

Plus the amount of tax on fuel gas consumed in operations payable by Westcoast under the Motor Fuel Tax Act (British Columbia) allocated to Shipper for each day in the month.

AOS and Interruptible Transportation Service - Southern

Months	Commodity Tolls\$/10 ³ m ³		
	PNG Delivery Point	Inland Delivery Area	Huntingdon Delivery Area
November to March	4.811	11.597	21.234
April to October	3.608	8.698	15.925

Plus the amount of tax on fuel gas consumed in operations payable by Westcoast under the Motor Fuel Tax Act (British Columbia) allocated to Shipper for each day in the month.

Import Backhaul Service

Months	Commodity Tolls \$/10 ³ m ³		
	Inland Delivery Area	PNG Delivery Point	Compressor Station No. 2
November to March	9.637	16.423	21.234
April to October	7.227	12.317	15.925

Plus the amount of tax on fuel gas consumed in operations payable by Westcoast under the Motor Fuel Tax Act (British Columbia) allocated to Shipper for each day in the month.

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GENERAL TERMS AND CONDITIONS - SERVICE

**SERVICE AGREEMENTS
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"Authorized Acid Gas Receipt Volume" means in respect of acid gas contained in raw gas produced from a Production Source and delivered into the Pipeline System at a Receipt Point by or for the account of a Shipper on any day, a volume of acid gas contained in the raw gas from that Production Source equal to the product obtained by multiplying the Authorized Receipt Volume by the Acid Gas Factor specified by Westcoast pursuant to Section 4.02.

"Authorized Overrun Service" or "AOS" means the daily service entitlement available, on the terms and conditions set out in Section 2.10, 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 Quantity" means for the purposes of Article 6 and in respect of any day, the thermal equivalent of the volume of residue gas, including System Gas and gas transferred pursuant to Section 7.05, authorized for delivery out of an Upstream Balancing Account for the account of a Shipper, but does not include any inventory transfers made from the account pursuant to Section 6.14.

"Authorized Raw Gas Receipt Volume" means in respect of raw gas produced from a Production Source and delivered into the Pipeline System at a Receipt Point by or for the account of a Shipper on any day, a volume of raw gas from that Production Source equal to the product obtained by multiplying the Authorized Receipt Volume by the Shrinkage Factor specified by Westcoast pursuant to Section 4.02.

"Authorized Receipt Volume" means:

- (a) in respect of raw gas produced from a Production Source and delivered into the Pipeline System at a Receipt Point for processing at a Processing Plant, the volume of residue gas authorized by Westcoast for delivery for the account of the Shipper at the outlet of the Processing Plant on any day pursuant to Article 4; and
- (b) in respect of residue gas produced by an Upstream Supplier and delivered into the Pipeline System at a Receipt Point in Zone 3 or Zone 4, including the ABC/Boundary Lake Interconnection and the ABC/Gordondale Interconnection, 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 Sulphur Gas Receipt Volume" means in respect of sulphur gas contained in raw gas produced from a Production Source and delivered into the Pipeline System at a Receipt Point by or for the account of a Shipper on any day, a volume of sulphur gas contained in the raw gas produced from that Production Source equal to the product obtained by multiplying the Authorized Receipt Volume by the Sulphur Gas Factor specified by Westcoast pursuant to Section 4.02.

"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.

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GENERAL TERMS AND CONDITIONS - SERVICE

"Average Annual Heating Value" means in respect of residue gas delivered at the outlet of a Processing Plant or residue gas delivered into the Pipeline System at a Receipt Point in Zone 3 or Zone 4, the average total heating value of all residue gas delivered at the outlet of the Processing Plant or at any such Receipt Point during the 12 month period ending on August 31, 2005.

"Bonanza Lateral Receipt Points" means those points within Alberta, other than the Nova/Gordondale Interconnection, at which residue gas is delivered into the pipeline facilities of Westcoast Alberta.

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

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

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

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

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

"Cascade Delivery Point" means the point in the Export Delivery Area where the Pipeline System interconnects 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.

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"Contract Demand" means

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

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

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

"Corresponding Firm Transportation Service" means a Firm Transportation Service - Northern or Firm Transportation Service – Southern specified in a Firm Service Agreement in respect of which a Shipper is entitled to AOS in accordance with Section 2.10.

"cubic meter" or " m^3 " means, when used in reference to gas, the volume of gas which occupies one cubic meter when such gas is at a temperature of 15°C and at an absolute pressure of 101.325 kilopascals and, when used in reference to Liquid Products, the amount of liquid which occupies one cubic meter when such liquid is at a temperature of 15°C and at an absolute pressure which is the higher of 101.325 kilopascals or the natural vapour pressure of the liquid.

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

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

"Daily Demand Toll" means for each month:

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

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

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

"Delivery Point" means the point specified in a Service Agreement where Westcoast delivers gas to or for the account of a Shipper and includes the Straddle Plant Delivery Point.

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"Demand Toll" means for each month:

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

"Discount Rate" means, for the purposes of Article 9, Westcoast's interim or final AFUDC rate for Zones 3 and 4, currently in effect in accordance with Section 9(a) of the Toll Settlement.

"DST" means Pacific Daylight Saving Time.

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

"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 Policy.

"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 4.08 and 4.09, 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 4.08 and 4.10, 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

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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 interconnects with the pipeline facilities of Sumas Cogeneration Company L.P.

“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 4.09.

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

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

“Excess Receipts” means in respect of any day and any Receipt Point, the excess, if any, of the sum of a Shipper's Raw Gas Receipt Volumes for that Receipt Point for the day over 105 percent of the sum of the Shipper's Authorized Raw Gas Receipt Volumes for that Receipt Point for the day.

“Excess Residue Gas Receipts” means in respect of residue gas delivered into the Pipeline System at a Receipt Point in Zone 3 or Zone 4, other than the ABC/Boundary Lake Interconnection and the ABC/Gordondale Interconnection, 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.

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

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

"Export Delivery Area" means all those points on the international boundary between Canada and the United States of America where the Pipeline System interconnects 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.

"Export Delivery Point" means the Northwest Delivery Point.

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

"Firm Service" means the obligation of Westcoast to provide, at a Shipper's request, any RGT Service, Treatment Service, Liquids Recovery Service, LPSF Service, Bundled Field Service, Fuel Gas Service, Transportation Service - Northern, Transportation Service - Southern 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 Liquids" means liquid hydrocarbons consisting primarily of Condensate recovered from time to time by Westcoast from the commingled raw gas stream at facilities located in the Fort Nelson RGT System.

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

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

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

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

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"Fort St. John RGT System" and "Fort St. John Raw Gas Transmission System" mean the raw gas transmission pipeline system owned by Westcoast through which raw gas is delivered to either the McMahon Processing Plant or the Aitken Creek natural gas processing plant owned by Westcoast and located in the vicinity of the Storage Reservoir.

"Free Zone" means the Free Zone in effect for any day in accordance with Section 6.03.

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

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

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

"Gas Daily" means the publication entitled "Gas Daily" published daily in Canada and the United States of America by FT Energy.

"Gas Daily Price" means the high common price in dollars per gigajoule specified for gas sold at "Westcoast Station 2" for any day, as reported in Gas Daily.

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

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

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

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

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

"Imbalance Tolerance" means, in respect of any System Imbalance for any Shipper on any day:

- (a) in the case where such System Imbalance is a positive amount, an amount equal to the product obtained by multiplying (i) the System Authorized Volume for such Shipper for such day, by (ii) the percentage (expressed in decimal form) of the Authorized Quantity specified in the table in Section 6.02 for the upper limit of the System Balancing Tolerance Range prescribed by Westcoast for such day pursuant to Section 6.02; and

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- (b) in the case where such System Imbalance is a negative amount, an amount equal to the product obtained by multiplying (i) the System Authorized Volume for such Shipper for such day, by (ii) the percentage (expressed in decimal form) of the Authorized Quantity specified in the table in Section 6.02 for the lower limit of the System Balancing Tolerance Range prescribed by Westcoast for such day pursuant to Section 6.02.

"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.

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

"Inland Delivery Area" means the BC Gas Utility Ltd. - Inland Division delivery area (km - post 58.9 to 747.9).

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

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

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

"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 4.10.

"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 4.10.

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

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

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

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

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

"Lower Mainland Delivery Area" means the BC Gas Utility Ltd. - Lower Mainland Division delivery area (km - post 835.9 to 917.6).

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

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

"McMahon Processing Plant" and "Taylor Processing Plant" mean the facilities owned by Westcoast for the processing of raw gas located at Taylor, British Columbia.

"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 10^3 m^3 per day, specified by Westcoast for any such service pursuant to Section 24.06, which, for the period November through March inclusive and for the period April through October inclusive, shall not be less than the dollar amount of the applicable Commodity Toll for Interruptible Transportation Service provided between the same Receipt Point and Delivery Point.

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

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

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

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

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

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

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

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

"NOVA" means NOVA Gas Transmission Ltd.

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

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

"OFO Area" means the Receipt Points within an RGT System in respect of which an Operational Flow Order is issued pursuant to Article 23.

"Operational Flow Order" means, in respect of one or more Receipt Points, a notice from Westcoast to a Shipper to the effect that, on each day such notice is in effect, the Shipper may not deliver to Westcoast at any such Receipt Point a volume of raw gas in excess of the sum of that Shipper's Authorized Raw Gas Receipt Volumes for such a Receipt Point for that day.

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

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

"Pipeline System" means the raw gas transmission, processing and residue gas transmission facilities owned by Westcoast within British Columbia, the Yukon Territory and the Northwest Territories, and includes any raw gas transmission facilities owned by Westcoast within Alberta which are connected to the raw gas transmission facilities within British Columbia.

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

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

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

"PST" means Pacific Standard Time.

"raw gas" means natural gas produced from wells.

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

"Raw Gas Tolerance" means in respect of raw gas delivered into the Pipeline System at one or more Receipt Points by or for the account of a Shipper on any day for processing at a Processing Plant, the applicable Raw Gas Tolerance as determined for any such day for each Processing Plant in accordance with Section 25.02.

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

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

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

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

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

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

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

- 2.01 Application. These General Terms and Conditions apply to all Field Services, Transportation Services, Short Term Firm Service and One Year Firm Service provided by Westcoast to a Shipper pursuant to a Service Agreement, except and to the extent the General Terms and Conditions are, by a Service Agreement applicable to Negotiated Services, amended, varied or made inapplicable to such Negotiated Services with respect to the matters specified in Schedule A.
- 2.02 Negotiable Service Terms. For Standard Services and Negotiated Services, a Shipper and Westcoast may, in addition to the volumes of gas, Receipt Points, Delivery Points, acid gas percentages, carbon dioxide limits, sulphur gas limits and tolls, negotiate and include in a Service Agreement negotiated terms and conditions respecting:
- (a) in the case of any Standard Services provided only on Existing Facilities, renewal rights;
 - (b) in the case of any Standard Services provided in whole or in part on Incremental Facilities, the term of the services and renewal rights; and
 - (c) in the case of any Negotiated Services, the term of the services, renewal rights and the matters specified in Schedule A.
- 2.03 Minimum Term, Transportation Services. The term of each Firm Transportation Service specified in a Service Agreement, and of any renewal thereof, shall not be less than one year unless:
- (a) such Firm Service was made available temporarily to the Shipper pursuant to Section 2.08; or
 - (b) the term of such Firm Service, or any extension thereof, expires on October 31 in any year.
- 2.04 Initial Term, Standard Services on Existing Facilities. The initial term of each Standard Firm RGT Service provided solely on Existing Facilities shall be one or more whole years not exceeding five years, and the initial term of each Standard Firm Treatment Service, Standard Firm Liquids Recovery Service and Standard Firm LPSF Service provided solely on Existing Facilities shall be two or more whole years not exceeding five years.
- 2.05 Renewal of Standard and Negotiated Services. A Shipper may not extend the term of any Standard Service or Negotiated Service except and to the extent provided in the Service Agreement applicable to that Standard or Negotiated Service.

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2.06 Renewal of Transportation Services. Subject to Section 2.07, a Shipper shall have the right to renew the term of each Firm Transportation Service specified in a Service Agreement, other than a Firm Transportation Service made available temporarily in accordance with Section 2.08, provided that:

- (a) the initial term of such Firm Transportation Service and the term of any prior renewal thereof was not less than two years; and
- (b) the Shipper gives notice to Westcoast of its election to renew the term of any such Firm Transportation Service not less than 13 months prior to the expiry of the term of such Firm Transportation Service.

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

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

2.08 Temporary Firm Service. If a Firm Service Agreement provides for a delayed commencement date for any Firm Transportation Service or for a future increase in the level of Firm Transportation Service to be provided, the capacity reserved by Westcoast for such Firm Service Agreement may be made available temporarily by Westcoast to other Shippers subject to the condition that such temporary Firm Transportation Service cannot be extended pursuant to Section 2.06.

2.09 Treatment and Related Services. Notwithstanding any other provision of these General Terms and Conditions, it is a condition precedent to the availability of Treatment Service which is an Existing Service or a Standard Service at the McMahon Processing Plant that the Shipper has contracted for an appropriate level of Liquids Recovery Service and LPSF Service at that Processing Plant, and it is a condition precedent to the availability of LPSF Service which is an Existing Service or a Standard Service at the McMahon Processing Plant that the Shipper has contracted for an appropriate level of Treatment Service and Liquids Recovery Service at that Processing Plant.

2.10 Authorized Overrun Service. Each Shipper which has entered into a Firm Service Agreement providing for Firm Transportation Service - Northern or Firm Transportation Service - Southern shall be entitled to Authorized Overrun Service in respect of each such Firm Transportation Service on the following terms and conditions:

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- (a) the maximum daily volume of AOS available to a Shipper on any day in respect of any Firm Transportation Service shall not exceed ten percent of the Contract Demand in effect on any such day for the Corresponding Firm Transportation Service;
- (b) such AOS shall only be available between the Receipt Point and the Delivery Point specified in the applicable Firm Service Agreement for the Corresponding Firm Transportation Service; and
- (c) notwithstanding Section 21.02, AOS shall not be assignable by a Shipper except in conjunction with the Corresponding Firm Transportation Service.

2.11 Operation of the Pipeline System. Westcoast shall retain full and exclusive right to operate the Pipeline System in a manner which, in Westcoast's sole discretion, is consistent with operating conditions and obligations as they may exist from time to time.

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**ARTICLE 3
PRIORITIES, CURTAILMENTS AND CONDITIONS OF SERVICE**

- 3.01 Priorities. Subject to Section 3.03, Westcoast will authorize Firm Service and Interruptible Service for each day in the Timely Nomination Cycle and, notwithstanding any earlier authorization given for AOS and Interruptible Service in a prior Nomination Cycle for any such day, will authorize (i) Firm Service and Interruptible Service in Zones 2, 3 and 4 and AOS in Zones 3 and 4 for any such day in the Evening Nomination Cycle and the Intra-Day 1 Nomination Cycle and (ii) Firm Service and Interruptible Service in Zone 1 for any such day in the Evening Nomination Cycle, the Intra-Day 1 Nomination Cycle and the Intra-Day 2 Nomination Cycle in the following priority and sequence:
- (a) first priority shall be given to Firm Service, provided that if Westcoast determines that the capacity available on any such day on the Pipeline System or any part thereof will not be sufficient to authorize all the Firm Service nominated by Shippers for the day, Westcoast will allocate the available capacity between the affected Shippers pro rata on the basis of Contract Demand;
 - (b) second priority shall be given to AOS, provided that if Westcoast determines that the capacity available on any such day in Zone 3 or Zone 4 or any part thereof will not be sufficient to permit Westcoast to authorize all of the AOS nominated by Shippers for the day, Westcoast will allocate the available capacity between the affected Shippers pro rata on the basis of the volumes of AOS nominated by those Shippers for the day; and
 - (c) third priority shall be given to Interruptible Service, provided that if Westcoast determines that the capacity available on any such day on the Pipeline System or any part thereof will not be sufficient to permit Westcoast to authorize all of the Interruptible Service nominated by Shippers for the day, Westcoast will allocate the available capacity between the affected Shippers pro rata on the basis of the volumes of Interruptible Service nominated by those Shippers for the day.
- 3.02 Certain Priorities, Intra-Day 2 Nomination Cycle. Subject to Section 3.03, and subject to the availability of capacity having regard to both the Firm Service, AOS and Interruptible Service authorized in the prior Nomination Cycles for each day, Westcoast will authorize additional Firm Service and additional Interruptible Service in Zones 2, 3 and 4 and additional AOS in Zones 3 and 4 in the Intra-Day 2 Nomination Cycle in the following priority and sequence:
- (a) first priority shall be given to additional Firm Service, provided that if Westcoast determines that the capacity available on any such day on the Pipeline System or any part thereof will not be sufficient to authorize all the additional Firm Service nominated by Shippers for the day, Westcoast will allocate the available capacity between the affected Shippers pro rata on the basis of Contract Demand;

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- (b) second priority shall be given to additional AOS, provided that if Westcoast determines that the capacity available on any such day in Zone 3 or Zone 4 or any part thereof will not be sufficient to permit Westcoast to authorize all of the additional AOS nominated by Shippers for the day, Westcoast will allocate the available capacity between the affected Shippers pro rata on the basis of the volumes of additional AOS nominated by those Shippers in that Nomination Cycle; and
- (c) third priority shall be given to additional Interruptible Service, provided that if Westcoast determines that the capacity available on any such day on the Pipeline System or any part thereof will not be sufficient to permit Westcoast to authorize all of the additional Interruptible Service nominated by Shippers for the day, Westcoast will allocate the available capacity between the affected Shippers pro rata on the basis of the volumes of additional Interruptible Service nominated by those Shippers in that Nomination Cycle.

3.03 Priority of Diversions. Westcoast will authorize diversions of gas in Zone 4 pursuant to Section 7.01 in each Nomination Cycle in the following priority and sequence:

- (a) diversions of gas to an alternate Delivery Point in the Huntingdon Delivery Area pursuant to Section 7.01(a) or to an Upstream Delivery Point pursuant to Section 7.01(b) shall have a lower priority than Firm Service and a higher priority than Interruptible Service at that alternate Delivery Point or that Upstream Delivery Point, provided that if Westcoast determines that the capacity available to deliver gas at that alternate Delivery Point or that Upstream Delivery Point will not be sufficient to permit Westcoast to authorize all the diversions requested to that alternate Delivery Point or that Upstream Delivery Point, Westcoast will allocate the available capacity to the Shippers requesting such diversions pro rata on the basis of the volumes of gas nominated by all such Shippers to that alternate Delivery Point or that Upstream Delivery Point; and
- (b) diversions of gas to a Downstream Delivery Point pursuant to Section 7.01(c) shall have the same priority as Interruptible Service to the Downstream Delivery Point.

3.04 Curtailments. If at any time after Westcoast has authorized Firm Service, AOS and Interruptible Service for any day in any Nomination Cycle pursuant to Sections 4.08 Westcoast determines that the capacity available on the Pipeline System or any part thereof is not sufficient to permit Westcoast to provide all of the service so authorized for that day, Westcoast will curtail or interrupt the service authorized for the affected Shippers in the following priority and sequence:

- (a) Westcoast will, first curtail or interrupt the Interruptible Service and the diversions to Downstream Delivery Points made pursuant to Section 7.01(c) which have been authorized for that day in accordance with Section 4.08, pro rata on the basis of the volumes of such service, including the diversions, so authorized;
- (b) Westcoast will, if required, then curtail or interrupt AOS in Zone 3 and Zone 4, pro rata on the basis of the volumes of such service so authorized;

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(c) Westcoast will, if required and if there is a constraint at an alternate Delivery Point in the Huntingdon Delivery Area or at an Upstream Delivery Point to which gas has been diverted in accordance with Sections 7.01(a) or 7.01(b), then curtail or interrupt diversions to that alternate Delivery Point or that Upstream Delivery Point authorized for that day in accordance with Section 4.08, pro rata on the basis of the volumes of gas so authorized to be diverted to that alternate Delivery Point or to that Upstream Delivery Point; and

(d) Westcoast will, if required, then curtail or interrupt Firm Service authorized for that day in accordance with Section 4.08, pro rata on the basis of Contract Demand.

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

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

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

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

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

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

- (a) the Shipper has given a nomination to Westcoast for the delivery of such gas in accordance with Section 4.04;

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- (b) in the case of gas to be delivered to or for the account of the Shipper under a Firm Service Agreement, there is adequate Contract Demand under that Firm Service Agreement for the transmission of the volume of gas nominated by the Shipper and the required allowance for System Gas through each Zone between the Receipt Point and the Delivery Point;
- (c) in the case of gas to be delivered to or for the account of the Shipper pursuant to the AOS entitlement under a Firm Service Agreement, there is adequate capacity available in Zone 3 or Zone 4, up to the maximum daily volume for the AOS specified in Section 2.10(a), for the transmission of the volume of gas nominated for AOS by the Shipper and the required allowance for System Gas through each such Zone between the Receipt Point and the Delivery Point;
- (d) in the case of gas to be delivered to or for the account of the Shipper under an Interruptible Service Agreement, there is adequate capacity available on the Pipeline System, up to the maximum volume specified in the Interruptible Service Agreement, for the transmission of the volume of gas nominated by the Shipper and the required allowance for System Gas through each Zone between the Receipt Point and the Delivery Point;
- (e) in the case of gas to be delivered pursuant to a Service Agreement to a Delivery Point at which the Pipeline System interconnects with the pipeline facilities of a Receiving Party, the receipt by Westcoast of confirmation from the Receiving Party that it will take delivery of the gas to be delivered to or for the account of the Shipper at the Delivery Point, and the reconfirmation thereof by the Receiving Party in any subsequent nomination cycle;
- (f) in the case of gas to be delivered pursuant to a Service Agreement at any other Delivery Point, the authorization by Westcoast of the delivery of that gas pursuant to another Service Agreement to a point at which the Pipeline System interconnects with the pipeline facilities of a Receiving Party; and
- (g) the receipt by Westcoast of confirmation and reconfirmation in any subsequent nomination cycle, satisfactory to it, that the Shipper will be capable of fulfilling its obligations under Sections 4.14 and 4.15.

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TOLL SCHEDULES - SERVICE

**TRANSPORTATION SERVICE - NORTHERN
 LONG HAUL AND SHORT HAUL**

DEFINITIONS

1. In this Toll Schedule, the following terms shall have the following meanings:
 - (a) "Long Haul" means all Transmission Service - Northern other than Short Haul;
 - (b) "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
 - (c) "Short Haul" means Transportation Service - Northern provided for a distance of less than 75 kilometres to a Delivery Point in Zone 3 other than the ABC/Boundary Lake Interconnection and the ABC/Gordondale Interconnection.

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

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- (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 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. 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 by Westcoast under the Motor Fuel Tax Act (British Columbia) allocated to Shipper for the month,

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

MONTHLY BILL - AOS AND INTERRUPTIBLE TRANSPORTATION SERVICE - NORTHERN

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:

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

UNDERUTILIZED DEMAND CHARGE CREDITS

7. 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 ~~such~~ AOS or Interruptible Transportation Service - Northern,

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

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

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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.

Westcoast Energy Inc.
TOLL SCHEDULES - SERVICE

APPENDIX A

**DEMAND AND COMMODITY TOLLS
TRANSPORTATION SERVICE - NORTHERN
LONG HAUL AND SHORT HAUL**

DESCRIPTION

Firm Transportation Service - Northern

Service Term	Demand Tolls \$/10 ³ m ³ /mo.	
	Long Haul	Short Haul
1 year	140.72	9.77
2 years	136.62	9.49
3 years	132.52	9.20
4 years	131.16	9.11
5 years or more	129.79	9.01

Plus the amount of tax on fuel gas consumed in operations payable by Westcoast under the Motor Fuel Tax Act (British Columbia) allocated to Shipper for each day in the month.

AOS and Interruptible Transportation Service - Northern

Months	Commodity Tolls \$/10 ³ m ³	
	Long Haul	Short Haul
November to March	6.169	0.428
April to October	4.626	0.321

Plus the amount of tax on fuel gas consumed in operations payable by Westcoast under the Motor Fuel Tax Act (British Columbia) allocated to Shipper in the month.

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TOLL SCHEDULES - SERVICE

TRANSPORTATION SERVICE - SOUTHERN

DEFINITIONS

1. In this Toll Schedule, the following term shall have the following meaning:

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

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

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

5. If on any day Shipper has unutilized Firm Transportation Service - Southern at a Delivery Point in Zone 4 and would incur on such day tolls for AOS and Interruptible Transportation Service, other than Import Backhaul Service, at that Delivery Point or at any other Delivery Point in Zone 4, then, notwithstanding the provisions of the General Terms and Conditions and for the sole purpose of determining the amount of the Commodity Tolls payable by Shipper in accordance with this Toll Schedule for AOS and Interruptible Transportation Service - Southern, the following rules shall apply:

- (a) firstly, in the case where Shipper would otherwise incur tolls on such day for AOS and Interruptible Transportation Service – Southern at a Delivery Point where Shipper has unutilized Firm Transportation Service – Southern, Shipper shall be deemed to have utilized Firm Transportation Service at such Delivery Point on such day in respect of a volume of gas not exceeding the volume of unutilized Firm Transportation Service at such Delivery Point;
- (b) secondly, in the case where a Delivery Point at which Shipper has unutilized Firm Transportation Service – Southern is within the Huntingdon Delivery Area and Shipper has any remaining volume of unutilized Firm Transportation Service at such Delivery Point after applying the rule set out in paragraph (a) above, then Shipper shall be deemed to have made a diversion on such day pursuant to Section 7.01(a) 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

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not exceeding the amount of such remaining volume of unutilized Firm Transportation Service from such Delivery Point to the nearest Downstream Delivery Point at which Shipper would otherwise incur tolls for AOS and Interruptible Transportation Service - Southern; and

- (d) fourthly, if Shipper has any remaining volume of unutilized Firm Transportation Service – Southern at any Delivery Point after applying the rules set out in paragraphs (a), (b) and (c) above, then Shipper shall be deemed to have made a diversion on such day pursuant to Section 7.01(b) of the General Terms and Conditions of a volume of gas not exceeding the amount of such remaining volume of unutilized Firm Transportation Service, from such Delivery Point to the nearest Upstream Delivery Point at which Shipper would otherwise incur tolls for AOS and Interruptible Transportation Service – Southern.

6. The amount payable by a Shipper to Westcoast in respect of AOS and Interruptible Transportation Service - Southern, including 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 and Interruptible Transportation Service - Southern or Import Backhaul Service by the Receipt Volume for such AOS and Interruptible Transportation Service (determined after applying the rules set out in Section 4), at the point from which the residue gas is sourced, which is thermally equivalent to the volume of residue gas (i) delivered to or for the account of Shipper at the Delivery Point, or (ii) transmitted through Zone 4 for the account of Shipper on each such day during the month;
- (b) the product obtained by multiplying the difference between the Commodity Tolls specified in Section 7.03 of the General Terms and Conditions by the volume of gas deemed to be diverted to a Downstream Delivery Point in accordance with Section 4(c) on each such day during the month; and
- (c) the amount of tax on fuel gas consumed in operations payable by Westcoast under the Motor Fuel Tax Act (British Columbia) allocated to Shipper 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

Service Term	Demand Tolls \$/10 ³ m ³ /mo.			
	PNG Delivery Point	Inland Delivery Area	Huntingdon Delivery Area	Terasen Kingsvale to Huntingdon*
1 year	109.76	264.57	484.40	219.83
2 years	106.56	256.86	470.29	213.43
3 years	103.36	249.15	456.18	207.03
4 years	102.30	246.59	451.48	204.89
5 years or more	101.23	244.02	446.78	202.76

* For Firm Transportation Service - Southern provided by Westcoast pursuant to a Firm Service Agreement dated April 15, 2002 between Westcoast and Terasen Gas Inc.

Plus the amount of tax on fuel gas consumed in operations payable by Westcoast under the Motor Fuel Tax Act (British Columbia) allocated to Shipper for each day in the month.

AOS and Interruptible Transportation Service - Southern

Months	Commodity Tolls\$/10 ³ m ³		
	PNG Delivery Point	Inland Delivery Area	Huntingdon Delivery Area
November to March	4.811	11.597	21.234
April to October	3.608	8.698	15.925

Plus the amount of tax on fuel gas consumed in operations payable by Westcoast under the Motor Fuel Tax Act (British Columbia) allocated to Shipper for each day in the month.

Import Backhaul Service

Months	Commodity Tolls \$/10 ³ m ³		
	Inland Delivery Area	PNG Delivery Point	Compressor Station No. 2
November to March	9.637	16.423	21.234
April to October	7.227	12.317	15.925

Plus the amount of tax on fuel gas consumed in operations payable by Westcoast under the Motor Fuel Tax Act (British Columbia) allocated to Shipper for each day in the month.

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"Authorized Acid Gas Receipt Volume" means in respect of acid gas contained in raw gas produced from a Production Source and delivered into the Pipeline System at a Receipt Point by or for the account of a Shipper on any day, a volume of acid gas contained in the raw gas from that Production Source equal to the product obtained by multiplying the Authorized Receipt Volume by the Acid Gas Factor specified by Westcoast pursuant to Section 4.02.

"Authorized Overrun Service" or "AOS" means the daily service entitlement available, on the terms and conditions set out in Section 2.10, 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 Quantity" means for the purposes of Article 6 and in respect of any day, the thermal equivalent of the volume of residue gas, including System Gas and gas transferred pursuant to Section 7.05, authorized for delivery out of an Upstream Balancing Account for the account of a Shipper, but does not include any inventory transfers made from the account pursuant to Section 6.14.

"Authorized Raw Gas Receipt Volume" means in respect of raw gas produced from a Production Source and delivered into the Pipeline System at a Receipt Point by or for the account of a Shipper on any day, a volume of raw gas from that Production Source equal to the product obtained by multiplying the Authorized Receipt Volume by the Shrinkage Factor specified by Westcoast pursuant to Section 4.02.

"Authorized Receipt Volume" means:

- (a) in respect of raw gas produced from a Production Source and delivered into the Pipeline System at a Receipt Point for processing at a Processing Plant, the volume of residue gas authorized by Westcoast for delivery for the account of the Shipper at the outlet of the Processing Plant on any day pursuant to Article 4; and
- (b) in respect of residue gas produced by an Upstream Supplier and delivered into the Pipeline System at a Receipt Point in Zone 3 or Zone 4, including the ABC/Boundary Lake Interconnection and the ABC/Gordondale Interconnection, 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 Sulphur Gas Receipt Volume" means in respect of sulphur gas contained in raw gas produced from a Production Source and delivered into the Pipeline System at a Receipt Point by or for the account of a Shipper on any day, a volume of sulphur gas contained in the raw gas produced from that Production Source equal to the product obtained by multiplying the Authorized Receipt Volume by the Sulphur Gas Factor specified by Westcoast pursuant to Section 4.02.

"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.

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GENERAL TERMS AND CONDITIONS - SERVICE

"Average Annual Heating Value" means in respect of residue gas delivered at the outlet of a Processing Plant or residue gas delivered into the Pipeline System at a Receipt Point in Zone 3 or Zone 4, the average total heating value of all residue gas delivered at the outlet of the Processing Plant or at any such Receipt Point during the 12 month period ending on August 31, 2005.

"Bonanza Lateral Receipt Points" means those points within Alberta, other than the Nova/Gordondale Interconnection, at which residue gas is delivered into the pipeline facilities of Westcoast Alberta.

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

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

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

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

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

"Cascade Delivery Point" means the point in the Export Delivery Area where the Pipeline System interconnects 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.

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GENERAL TERMS AND CONDITIONS - SERVICE

"Contract Demand" means

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

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

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

"Corresponding Firm Transportation Service" means a Firm Transportation Service - Northern or Firm Transportation Service – Southern specified in a Firm Service Agreement in respect of which a Shipper is entitled to AOS in accordance with Section 2.10.

"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.

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

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

"Daily Demand Toll" means for each month:

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

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

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

"Delivery Point" means the point specified in a Service Agreement where Westcoast delivers gas to or for the account of a Shipper and includes the Straddle Plant Delivery Point.

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"Demand Toll" means for each month:

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

"Discount Rate" means, for the purposes of Article 9, Westcoast's interim or final AFUDC rate for Zones 3 and 4, currently in effect in accordance with Section 9(a) of the Toll Settlement.

"DST" means Pacific Daylight Saving Time.

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

"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 Policy.

"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 4.08 and 4.09, 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 4.08 and 4.10, 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

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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 interconnects with the pipeline facilities of Sumas Cogeneration Company L.P.

“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 4.09.

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

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

“Excess Receipts” means in respect of any day and any Receipt Point, the excess, if any, of the sum of a Shipper's Raw Gas Receipt Volumes for that Receipt Point for the day over 105 percent of the sum of the Shipper's Authorized Raw Gas Receipt Volumes for that Receipt Point for the day.

“Excess Residue Gas Receipts” means in respect of residue gas delivered into the Pipeline System at a Receipt Point in Zone 3 or Zone 4, other than the ABC/Boundary Lake Interconnection and the ABC/Gordondale Interconnection, 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.

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

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

"Export Delivery Area" means all those points on the international boundary between Canada and the United States of America where the Pipeline System interconnects 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.

"Export Delivery Point" means the Northwest Delivery Point.

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

"Firm Service" means the obligation of Westcoast to provide, at a Shipper's request, any RGT Service, Treatment Service, Liquids Recovery Service, LPSF Service, Bundled Field Service, Fuel Gas Service, Transportation Service - Northern, Transportation Service - Southern 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 Liquids" means liquid hydrocarbons consisting primarily of Condensate recovered from time to time by Westcoast from the commingled raw gas stream at facilities located in the Fort Nelson RGT System.

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

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

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

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

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"Fort St. John RGT System" and "Fort St. John Raw Gas Transmission System" mean the raw gas transmission pipeline system owned by Westcoast through which raw gas is delivered to either the McMahon Processing Plant or the Aitken Creek natural gas processing plant owned by Westcoast and located in the vicinity of the Storage Reservoir.

"Free Zone" means the Free Zone in effect for any day in accordance with Section 6.03.

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

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

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

"Gas Daily" means the publication entitled "Gas Daily" published daily in Canada and the United States of America by FT Energy.

"Gas Daily Price" means the high common price in dollars per gigajoule specified for gas sold at "Westcoast Station 2" for any day, as reported in Gas Daily.

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

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

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

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

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

"Imbalance Tolerance" means, in respect of any System Imbalance for any Shipper on any day:

- (a) in the case where such System Imbalance is a positive amount, an amount equal to the product obtained by multiplying (i) the System Authorized Volume for such Shipper for such day, by (ii) the percentage (expressed in decimal form) of the Authorized Quantity specified in the table in Section 6.02 for the upper limit of the System Balancing Tolerance Range prescribed by Westcoast for such day pursuant to Section 6.02; and

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- (b) in the case where such System Imbalance is a negative amount, an amount equal to the product obtained by multiplying (i) the System Authorized Volume for such Shipper for such day, by (ii) the percentage (expressed in decimal form) of the Authorized Quantity specified in the table in Section 6.02 for the lower limit of the System Balancing Tolerance Range prescribed by Westcoast for such day pursuant to Section 6.02.

"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.

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

"Inland Delivery Area" means the BC Gas Utility Ltd. - Inland Division delivery area (km - post 58.9 to 747.9).

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

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

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

"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 4.10.

"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 4.10.

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

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

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

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

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

"Lower Mainland Delivery Area" means the BC Gas Utility Ltd. - Lower Mainland Division delivery area (km - post 835.9 to 917.6).

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

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

"McMahon Processing Plant" and "Taylor Processing Plant" mean the facilities owned by Westcoast for the processing of raw gas located at Taylor, British Columbia.

"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 10^3 m^3 per day, specified by Westcoast for any such service pursuant to Section 24.06, which, for the period November through March inclusive and for the period April through October inclusive, shall not be less than the dollar amount of the applicable Commodity Toll for Interruptible Transportation Service provided between the same Receipt Point and Delivery Point.

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

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

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

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

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

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

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

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

"NOVA" means NOVA Gas Transmission Ltd.

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

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

"OFO Area" means the Receipt Points within an RGT System in respect of which an Operational Flow Order is issued pursuant to Article 23.

"Operational Flow Order" means, in respect of one or more Receipt Points, a notice from Westcoast to a Shipper to the effect that, on each day such notice is in effect, the Shipper may not deliver to Westcoast at any such Receipt Point a volume of raw gas in excess of the sum of that Shipper's Authorized Raw Gas Receipt Volumes for such a Receipt Point for that day.

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

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

"Pipeline System" means the raw gas transmission, processing and residue gas transmission facilities owned by Westcoast within British Columbia, the Yukon Territory and the Northwest Territories, and includes any raw gas transmission facilities owned by Westcoast within Alberta which are connected to the raw gas transmission facilities within British Columbia.

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

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

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

"PST" means Pacific Standard Time.

"raw gas" means natural gas produced from wells.

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

"Raw Gas Tolerance" means in respect of raw gas delivered into the Pipeline System at one or more Receipt Points by or for the account of a Shipper on any day for processing at a Processing Plant, the applicable Raw Gas Tolerance as determined for any such day for each Processing Plant in accordance with Section 25.02.

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

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

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

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

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

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

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

- 2.01 Application. These General Terms and Conditions apply to all Field Services, Transportation Services, Short Term Firm Service and One Year Firm Service provided by Westcoast to a Shipper pursuant to a Service Agreement, except and to the extent the General Terms and Conditions are, by a Service Agreement applicable to Negotiated Services, amended, varied or made inapplicable to such Negotiated Services with respect to the matters specified in Schedule A.
- 2.02 Negotiable Service Terms. For Standard Services and Negotiated Services, a Shipper and Westcoast may, in addition to the volumes of gas, Receipt Points, Delivery Points, acid gas percentages, carbon dioxide limits, sulphur gas limits and tolls, negotiate and include in a Service Agreement negotiated terms and conditions respecting:
- (a) in the case of any Standard Services provided only on Existing Facilities, renewal rights;
 - (b) in the case of any Standard Services provided in whole or in part on Incremental Facilities, the term of the services and renewal rights; and
 - (c) in the case of any Negotiated Services, the term of the services, renewal rights and the matters specified in Schedule A.
- 2.03 Minimum Term, Transportation Services. The term of each Firm Transportation Service specified in a Service Agreement, and of any renewal thereof, shall not be less than one year unless:
- (a) such Firm Service was made available temporarily to the Shipper pursuant to Section 2.08; or
 - (b) the term of such Firm Service, or any extension thereof, expires on October 31 in any year.
- 2.04 Initial Term, Standard Services on Existing Facilities. The initial term of each Standard Firm RGT Service provided solely on Existing Facilities shall be one or more whole years not exceeding five years, and the initial term of each Standard Firm Treatment Service, Standard Firm Liquids Recovery Service and Standard Firm LPSF Service provided solely on Existing Facilities shall be two or more whole years not exceeding five years.
- 2.05 Renewal of Standard and Negotiated Services. A Shipper may not extend the term of any Standard Service or Negotiated Service except and to the extent provided in the Service Agreement applicable to that Standard or Negotiated Service.

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2.06 Renewal of Transportation Services. Subject to Section 2.07, a Shipper shall have the right to renew the term of each Firm Transportation Service specified in a Service Agreement, other than a Firm Transportation Service made available temporarily in accordance with Section 2.08, provided that:

- (a) the initial term of such Firm Transportation Service and the term of any prior renewal thereof was not less than two years; and
- (b) the Shipper gives notice to Westcoast of its election to renew the term of any such Firm Transportation Service not less than 13 months prior to the expiry of the term of such Firm Transportation Service.

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

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

2.08 Temporary Firm Service. If a Firm Service Agreement provides for a delayed commencement date for any Firm Transportation Service or for a future increase in the level of Firm Transportation Service to be provided, the capacity reserved by Westcoast for such Firm Service Agreement may be made available temporarily by Westcoast to other Shippers subject to the condition that such temporary Firm Transportation Service cannot be extended pursuant to Section 2.06.

2.09 Treatment and Related Services. Notwithstanding any other provision of these General Terms and Conditions, it is a condition precedent to the availability of Treatment Service which is an Existing Service or a Standard Service at the McMahon Processing Plant that the Shipper has contracted for an appropriate level of Liquids Recovery Service and LPSF Service at that Processing Plant, and it is a condition precedent to the availability of LPSF Service which is an Existing Service or a Standard Service at the McMahon Processing Plant that the Shipper has contracted for an appropriate level of Treatment Service and Liquids Recovery Service at that Processing Plant.

2.10 Authorized Overrun Service. Each Shipper which has entered into a Firm Service Agreement providing for Firm Transportation Service - Northern or Firm Transportation Service - Southern shall be entitled to Authorized Overrun Service in respect of each such Firm Transportation Service on the following terms and conditions:

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- (a) the maximum daily volume of AOS available to a Shipper on any day in respect of any Firm Transportation Service shall not exceed ten percent of the Contract Demand in effect on any such day for the Corresponding Firm Transportation Service;
- (b) such AOS shall only be available between the Receipt Point and the Delivery Point specified in the applicable Firm Service Agreement for the Corresponding Firm Transportation Service; and
- (c) notwithstanding Section 21.02, AOS shall not be assignable by a Shipper except in conjunction with the Corresponding Firm Transportation Service.

2.1¹⁹ Operation of the Pipeline System. Westcoast shall retain full and exclusive right to operate the Pipeline System in a manner which, in Westcoast's sole discretion, is consistent with operating conditions and obligations as they may exist from time to time.

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GENERAL TERMS AND CONDITIONS - SERVICE**ARTICLE 3
PRIORITIES, CURTAILMENTS AND CONDITIONS OF SERVICE**

- 3.01 Priorities. Subject to Section 3.03, Westcoast will authorize Firm Service and Interruptible Service for each day in the Timely Nomination Cycle and, notwithstanding any earlier authorization given for AOS and Interruptible Service in a prior Nomination Cycle for any such day, will authorize (i) Firm Service and Interruptible Service in Zones 2, 3 and 4 and AOS in Zones 3 and 4 for any such day in the Evening Nomination Cycle and the Intra-Day 1 Nomination Cycle and (ii) Firm Service and Interruptible Service in Zone 1 for any such day in the Evening Nomination Cycle, the Intra-Day 1 Nomination Cycle and the Intra-Day 2 Nomination Cycle in the following priority and sequence:
- (a) first priority shall be given to Firm Service, provided that if Westcoast determines that the capacity available on any such day on the Pipeline System or any part thereof will not be sufficient to authorize all the Firm Service nominated by Shippers for the day, Westcoast will allocate the available capacity between the affected Shippers pro rata on the basis of Contract Demand; ~~and~~
 - (b) second priority shall be given to AOS, provided that if Westcoast determines that the capacity available on any such day in Zone 3 or Zone 4 or any part thereof will not be sufficient to permit Westcoast to authorize all of the AOS nominated by Shippers for the day, Westcoast will allocate the available capacity between the affected Shippers pro rata on the basis of the volumes of AOS nominated by those Shippers for the day; and
 - ~~(c)~~ second-third priority shall be given to Interruptible Service, provided that if Westcoast determines that the capacity available on any such day on the Pipeline System or any part thereof will not be sufficient to permit Westcoast to authorize all of the Interruptible Service nominated by Shippers for the day, Westcoast will allocate the available capacity between the affected Shippers pro rata on the basis of the volumes of Interruptible Service nominated by those Shippers for the day.
- 3.02 Certain Priorities, Intra-Day 2 Nomination Cycle. Subject to Section 3.03, and subject to the availability of capacity having regard to both the Firm Service, AOS and Interruptible Service authorized in the prior Nomination Cycles for each day, Westcoast will authorize additional Firm Service and additional Interruptible Service in Zones 2, 3 and 4 and additional AOS in Zones 3 and 4 in the Intra-Day 2 Nomination Cycle in the following priority and sequence:
- (a) first priority shall be given to additional Firm Service, provided that if Westcoast determines that the capacity available on any such day on the Pipeline System or any part thereof will not be sufficient to authorize all the additional Firm Service nominated by Shippers for the day, Westcoast will allocate the available capacity between the affected Shippers pro rata on the basis of Contract Demand; ~~and~~

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(b) second priority shall be given to additional AOS, provided that if Westcoast determines that the capacity available on any such day in Zone 3 or Zone 4 or any part thereof will not be sufficient to permit Westcoast to authorize all of the additional AOS nominated by Shippers for the day, Westcoast will allocate the available capacity between the affected Shippers pro rata on the basis of the volumes of additional AOS nominated by those Shippers in that Nomination Cycle; and

(c**b**) ~~second~~-third priority shall be given to additional Interruptible Service, provided that if Westcoast determines that the capacity available on any such day on the Pipeline System or any part thereof will not be sufficient to permit Westcoast to authorize all of the additional Interruptible Service nominated by Shippers for the day, Westcoast will allocate the available capacity between the affected Shippers pro rata on the basis of the volumes of additional Interruptible Service nominated by those Shippers in that Nomination Cycle.

3.03 Priority of Diversions. Westcoast will authorize diversions of gas in Zone 4 pursuant to Section 7.01 in each Nomination Cycle in the following priority and sequence:

(a) diversions of gas to an alternate Delivery Point in the Huntingdon Delivery Area pursuant to Section 7.01(a) or to an Upstream Delivery Point pursuant to Section 7.01(b) shall have a lower priority than Firm Service and a higher priority than Interruptible Service at that alternate Delivery Point or that Upstream Delivery Point, provided that if Westcoast determines that the capacity available to deliver gas at that alternate Delivery Point or that Upstream Delivery Point will not be sufficient to permit Westcoast to authorize all the diversions requested to that alternate Delivery Point or that Upstream Delivery Point, Westcoast will allocate the available capacity to the Shippers requesting such diversions pro rata on the basis of the volumes of gas nominated by all such Shippers to that alternate Delivery Point or that Upstream Delivery Point; and

(b) diversions of gas to a Downstream Delivery Point pursuant to Section 7.01(c) shall have the same priority as Interruptible Service to the Downstream Delivery Point.

3.04 Curtailments. If at any time after Westcoast has authorized Firm Service, AOS and Interruptible Service for any day in any Nomination Cycle pursuant to Sections 4.08 Westcoast determines that the capacity available on the Pipeline System or any part thereof is not sufficient to permit Westcoast to provide all of the service so authorized for that day, Westcoast will curtail or interrupt the service authorized for the affected Shippers in the following priority and sequence:

(a) Westcoast will, first curtail or interrupt the Interruptible Service and the diversions to Downstream Delivery Points made pursuant to Section 7.01(c) which have been authorized for that day in accordance with Section 4.08, pro rata on the basis of the volumes of such service, including the diversions, so authorized;

(b) Westcoast will, if required, then curtail or interrupt AOS in Zone 3 and Zone 4, pro rata on the basis of the volumes of such service so authorized;

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(c**b**) Westcoast will, if required and if there is a constraint at an alternate Delivery Point in the Huntingdon Delivery Area or at an Upstream Delivery Point to which gas has been diverted in accordance with Sections 7.01(a) or 7.01(b), then curtail or interrupt diversions to that alternate Delivery Point or that Upstream Delivery Point authorized for that day in accordance with Section 4.08, pro rata on the basis of the volumes of gas so authorized to be diverted to that alternate Delivery Point or to that Upstream Delivery Point; and

(d**e**) Westcoast will, if required, then curtail or interrupt Firm Service authorized for that day in accordance with Section 4.08, pro rata on the basis of Contract Demand.

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

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

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

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

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

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

- (a) the Shipper has given a nomination to Westcoast for the delivery of such gas in accordance with Section 4.04;

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- (b) in the case of gas to be delivered to or for the account of the Shipper under a Firm Service Agreement, there is adequate Contract Demand under that Firm Service Agreement for the transmission of the volume of gas nominated by the Shipper and the required allowance for System Gas through each Zone between the Receipt Point and the Delivery Point;
- (c) in the case of gas to be delivered to or for the account of the Shipper pursuant to the AOS entitlement under a Firm Service Agreement, there is adequate capacity available in Zone 3 or Zone 4, up to the maximum daily volume for the AOS specified in Section 2.10(a), for the transmission of the volume of gas nominated for AOS by the Shipper and the required allowance for System Gas through each such Zone between the Receipt Point and the Delivery Point;
- (~~d~~e) in the case of gas to be delivered to or for the account of the Shipper under an Interruptible Service Agreement, there is adequate capacity available on the Pipeline System, up to the maximum volume specified in the Interruptible Service Agreement, for the transmission of the volume of gas nominated by the Shipper and the required allowance for System Gas through each Zone between the Receipt Point and the Delivery Point;
- (~~e~~d) in the case of gas to be delivered pursuant to a Service Agreement to a Delivery Point at which the Pipeline System interconnects with the pipeline facilities of a Receiving Party, the receipt by Westcoast of confirmation from the Receiving Party that it will take delivery of the gas to be delivered to or for the account of the Shipper at the Delivery Point, and the reconfirmation thereof by the Receiving Party in any subsequent nomination cycle;
- (~~f~~e) in the case of gas to be delivered pursuant to a Service Agreement at any other Delivery Point, the authorization by Westcoast of the delivery of that gas pursuant to another Service Agreement to a point at which the Pipeline System interconnects with the pipeline facilities of a Receiving Party; and
- (~~g~~f) the receipt by Westcoast of confirmation and reconfirmation in any subsequent nomination cycle, satisfactory to it, that the Shipper will be capable of fulfilling its obligations under Sections 4.14 and 4.15.