

FIRM/INTERRUPTIBLE TRANSPORTATION SERVICE AGREEMENT[●] AREA
[M/D/YYYY]

Transporter: [Campus Energy Entity] 2400, 411 – 1 Street SE Calgary, AB T2G 4Y5 Attn: Director, Business Dev. & Commercial Phone: (587) 323-3771 Fax: (866) 397-1646	Customer: [Producer Name] [Address] [City, Prov] [PC] Attn: Joint Venture Representative Phone: (●) ●-● Fax: (●) ●-●
Transportation Service	Subject to the terms and conditions applicable to Transportation Service under this Transportation Service Agreement, Transportation Service hereunder shall consist of: (i) the receipt of Gas from Customer at the Point of Receipt; (ii) the transportation of Gas by Transporter through the Gas Pipeline System; and (iii) the delivery of Gas to Customer at Point of Delivery.
Term of Transportation Service	Subject to the provisions of this Transportation Service Agreement, the transportation of Customer Gas shall commence on 0800 on the “Date of Initial Delivery” (as set forth in Exhibit “A”), and shall continue through to 0800 on the Transportation Service Termination Date (as set forth in Exhibit “A”), or if the Agreement is extended for any further period then the date to which it has been extended.
Renewal of Transportation Service	This Transportation Service Agreement shall continue to be in effect from year to year after the initial Transportation Service Termination Date, and the Transportation Service Termination Date shall accordingly be extend by one year, unless either Customer or Transporter provides to the other written notice advising that it no longer desires to extend the term of this Transportation Service Agreement, such notice to be given at least thirty (30) Days prior to the then current Transportation Service Termination Date.
Contract Demand	As set forth in Exhibit “A”.
Load Factor	As set forth in Exhibit “A”.
Rate Schedule	As set forth in Exhibit “A”.
Pipeline Abandonment Fee	As set forth in Exhibit “A”.
Service Priority	As set forth in Exhibit “A”.
Point of Receipt	As set forth in Exhibit “A”.
Maximum Contract Pressure	As set forth in Exhibit “A”.
Point of Delivery	As set forth in Exhibit “A”.
Allocation Method	As set forth in Exhibit “A”.
Exhibits	The following Exhibits are attached to and incorporated in this Transportation Service Agreement: Exhibit “A” is the Transportation Service Agreement Details; and Exhibit “B” is the Transportation Service Agreement General Terms and Conditions.

ACCEPTED BY **[Campus Energy Entity]:**
by its general partner
[Campus Energy Entity]

Per: _____

Title: _____

Date: _____

ACCEPTED BY **[Producer Name]:**

Per: _____

Title: _____

Date: _____

Transportation Service Agreement Details
1.0 Contract Demand, Load Factor, Rate Schedule and Service Priority

For Transportation Service from the Point of Receipt to the Point of Delivery, for the period commencing on the Date of Initial Delivery and continuing until the Transportation Service Termination Date, Customer will pay Transporter a toll for Transportation Service according to the table below:

Date of Initial Delivery	Transportation Service Termination Date	Contract Demand (GJ/d)	Load Factor	Rate (\$/GJ) (Subject to note 1 below)	Pipeline Abandonment Fee (\$/GJ) (Subject to note 1 below)	Service Priority
n/a	n/a	na	100%	n/a	n/a	Firm
n/a	n/a	n/a	n/a	n/a	n/a	Interruptible Preferred
n/a	Earlier of (i) June 30, 2021, and (ii) the end of the Month after the Month in which a Party provides notice of termination of this Service Priority of Transportation Service.	n/a	n/a	Interruptible rate as published on the website of the Canada Energy Regulator on the Day that Transportation Service pursuant to this Service Priority is provided.	Interruptible Pipeline Abandonment Fee rate as published on the website of the Canada Energy Regulator on the Day that Transportation Service pursuant to this Service Priority is provided.	Interruptible

Note 1: The Rates in this Rate Schedule will be revised to reflect any new Rates that are set subsequent to the Order of the Canada Energy Regulator dated June 27, 2019.

2.0 Point of Receipt, Maximum Contract Pressure and Point of Delivery

	Point Name	Location	Maximum Contract Pressure	Exchange Point
Point of Receipt	[Point Name]	[LSD]	8450 kPa	n/a

3.0 Allocation Method**Allocation Method:**

Pursuant to clause 5.10 of Exhibit "B", General Terms and Conditions, Customer and Transporter hereby acknowledge and agree to use the Allocation Method selected below:

- ☐ Allocation prorated to Nomination.
- ☐ Allocation equal to Nomination at all Points of Delivery but one, which is allocated the difference between total Nomination and physical flow.
- ☐ Allocation by entitlement (allocation of deliveries based on actual receipts).

[x] Allocation based on pre-set priority (first-next).

Exhibit "B"
Transportation Service Agreement
General Terms and Conditions

Contents

Article 1 - Context

Article 2 - General Provisions

Article 3 - Quality of Gas

Article 4 - Measurement

Article 5 - Gas Delivery

Article 6 - Nomination Procedures

Article 7 - Financial Matters

Article 8 - Force Majeure

Article 9 – Termination on default

Article 10 - Notice

Article 11 – Liability

Article 12 - Miscellaneous provisions

Preamble

WHEREAS, Customer wishes to have Transporter provide the Transportation Service, and Transporter wishes to provide Customer with Transportation Service, pursuant to the terms and conditions of this Transportation Service Agreement;

NOW THEREFORE, in consideration of the premises and the mutual covenants and conditions hereinafter set forth, the Parties agree as follows:

Article 1 – Context

1.1 Definitions

The following words or terms when used in the Transportation Service Agreement shall, unless the context otherwise requires, have the meanings given below:

- (a) "Agreement Cover Sheet" means the document executed by Customer and Transporter to which this Exhibit B is attached;
- (b) "Allocation Method" means the procedure used to assign portions of Customer's Gas flows to Customer's various Points of Delivery

and downstream markets in coordination with other transportation service agreements having Gas deliveries at any of the same locations;

- (c) "Contract Demand" means the maximum quantity of Gas in any consecutive twenty-four (24) hour period that Transporter shall be obligated to transport from the Point of Receipt to the Point of Delivery, as specified in Exhibit "A" of the Transportation Service Agreement;
- (d) "Cubic meter of Gas" or "m³" means the quantity of Gas which at a temperature of fifteen degrees Celsius (15°C) and at a pressure of one hundred one and three hundred twenty-five one-thousandths (101.325) kPa absolute occupies one (1) cubic meter;
- (e) "Customer" means a person, firm, partnership, corporation or organization that contracts for Transportation Service, and is specified in the Transportation Service Agreement;
- (f) "Customer Account" shall have the meaning ascribed thereto in Clause 5.2 (b);
- (g) "Date of Initial Delivery" means the date Transporter and Customer agree to commence Gas delivery by Customer under the Transportation Service Agreement from the Point of Receipt to the Point of Delivery; provided however that the Date of Initial Delivery shall be adjusted by Transporter if Transporter is unable to commence Gas delivery under the Transportation Service Agreement on such date;
- (h) "Day" means a period of twenty-four (24) consecutive hours, beginning and ending at eight hours (08:00), Mountain Time;
- (i) "Firm" means an obligation of Transporter to provide Transportation Service up to the Contract Demand volume to which "Firm" service is specified in Exhibit "A" to the Agreement, and an obligation of Customer to use or otherwise pay for the Load Factor;
- (j) "Gas" means all natural gas both before and after it has been subjected to any treatment or

- process by absorption, purification, scrubbing or otherwise, and includes all fluid hydrocarbons;
- (k) "Gas Pipeline System" means all those facilities, including the Specific Facilities, owned or used by Transporter in the receipt, transportation, compression, measurement, testing and delivery of Gas and that are regulated by the Canada Energy Regulator;
 - (l) "GJ" means gigajoules or one billion (1,000,000,000) joules;
 - (m) "Gross Heating Value" means the number of megajoules obtained from the combustion of a cubic meter of Gas at a temperature of fifteen degrees Celsius (15°C), with the Gas free of water vapour, and at a pressure of one hundred one and three hundred twenty-five one-thousandths (101.325) kPa absolute and with the products of combustion cooled to the initial temperature of the Gas and the water formed by the combustion condensed to the liquid state;
 - (n) "Ideal Gas Law" means the law that the product of the pressure and the volume of one gram molecule of an ideal gas is equal to the product of the absolute temperature of the gas and the universal gas constant.
 - (o) "Imbalance Quantity" means the difference, each Day, between the total number of joules contained in the Gas which was received by Transporter at the Point of Receipt in such Day, less Unaccounted For Gas, and the total number of joules contained in the Gas which Transporter delivered to Customer at the Point of Delivery in such Day;
 - (p) "Interruptible" means no obligation of Transporter to provide Transportation Service and no obligation of Customer to use or pay for any minimum quantity of Transportation Service;
 - (q) "Interruptible Preferred" means no obligation of Transporter to provide Transportation Service other than in priority to Interruptible service up to the Contract Demand volume to which "Interruptible Firm" service is specified in Exhibit "A" to the Agreement, and no obligation of Customer to use or pay for any minimum quantity of Transportation Service;
 - (r) "J" means joule;
 - (s) "kPa" means kilopascals of pressure gauge unless otherwise specified;
 - (t) "Load Factor" means a percentage of Contract Demand, specified in Exhibit "A" to the Transportation Service Agreement;
 - (u) "Maximum Contract Pressure" means the pressure identified in Exhibit "A" to the Transportation Service Agreement;
 - (v) "MJ" means megajoules or one million (1,000,000) joules;
 - (w) "Month" means a period beginning at eight hours (08:00), Mountain Time, on the first Day of a calendar month and ending at eight hours (08:00), Mountain Time, on the first Day of the next succeeding calendar month;
 - (x) "Monthly Limit" means the range within or equal to plus (+) or minus (-) five percent (5%) of Customer's Contract Demand at the Point of Receipt, net of Unaccounted for Gas, during the Month;
 - (y) "Nomination" means a written request for Gas to flow at a Point of Receipt or a Point of Delivery at a specified rate of flow;
 - (z) "Other System" means a pipeline system of a third party which is federally or provincially regulated;
 - (aa) "Party" means a person, firm, partnership, or corporation which is bound by this Agreement and "Parties" means all such persons, firms, partnerships or corporations collectively;
 - (bb) "Pipeline Abandonment Fee" means the rates specified in Exhibit "A" to the Transportation Service Agreement as Pipeline Abandonment Fee, as submitted to the Canada Energy Regulator or its successor;
 - (cc) "Point of Delivery" means the point or points on the Gas Pipeline System at which Transporter delivers from the Gas Pipeline

- System to Customer the Gas under the Transportation Service Agreement, as specifically identified in Exhibit "A" to the Transportation Service Agreement;
- (dd) "Point of Receipt" means the point or points on the Gas Pipeline System at which the Gas under the Transportation Service Agreement first enters the Gas Pipeline System, as specifically identified in Exhibit "A" to the Transportation Service Agreement;
- (ee) "Prime Rate" means the rate of interest, expressed as an annual rate of interest, announced from time to time by the principal bank in Canada used by Transporter as the reference rate then in effect for determining interest rates on Canadian dollar commercial loans in Canada;
- (ff) "Rate Schedule" means the rates as specified in Exhibit "A" to the Transportation Service Agreement as submitted to the Canada Energy Regulator or its successor;
- (gg) "Service Priority" means the order in which available transportation capacity will be allocated to Transportation Service that is either Firm or Interruptible, as specified in Exhibit "A" to the Transportation Services Agreement, with Firm service having priority over Interruptible Preferred service and Interruptible service, and equal priority with all other Firm service in proportion to each customer's Firm Contract Demand.
- (hh) "Specific Facilities" means those facilities installed by Transporter for the benefit of Customer and required to receive, transport, measure, test or deliver Gas, as specified in Exhibit "A" of the Transportation Service Agreement;
- (ii) " 10^3m^3 ", means one thousand (1,000) cubic meters of Gas;
- (jj) "Transportation Service" means the service of transporting Gas through the Gas Pipeline System;
- (kk) "Transportation Service Agreement" or "Agreement" means this agreement entitled

Transportation Service Agreement between Transporter and Customer and includes the Agreement Cover Sheet and all Exhibits attached thereto including these General Terms and Conditions;

- (ll) "Unaccounted for Gas" means Customer's share of line loss, measurement variance, and compressor fuel (excluding Gas lost referred to in Clause 5.9(a)).

1.2 Interpretation

- (a) In the interpretation of the Transportation Service Agreement, words in the singular shall be read and construed in the plural or words in the plural shall be read and construed in the singular where the context so requires.
- (b) The headings used throughout the Transportation Service Agreement are inserted for reference purposes only, and are not to be considered or taken not account in construing the terms or provisions of any Article, Clause or Schedule nor to be deemed in any way to qualify, modify or explain the effect of any such provisions or terms.
- (c) The definitions of all units of measurement and their prefixes used throughout the Transportation Service Agreement shall be in accordance with the International System of Units

1.3 Conflicts

If there is any conflict between Exhibit "B" or anything contained in Exhibit "B" and any provision of the Agreement Cover Sheet and Exhibit "A", the provision of the Agreement Cover Sheet and Exhibit "A" shall prevail over Exhibit "B".

Article 2 - General provisions

2.1 Transportation only

The Transportation Service Agreement is solely for the transportation of Gas and Customer shall not acquire any title or interest in the Gas Pipeline System. Transporter shall not acquire any title or interest in the Gas being transported under the Transportation Service Agreement, except as

expressly provided for in clauses 2.6(c), 5.3(b), 5.4 and 5.5.

2.2 Land use

Customer hereby agrees to provide Transporter, at no cost and with respect to property owned or controlled by Customer, with any land use rights and access required to provide and maintain service under this Transportation Service Agreement.

2.3 Right of entry

- (a) To the extent permitted by the terms of any surface leases, road use agreements or other rights of access or entry, Customer hereby grants to Transporter the right and privilege to enter upon, use occupy and enjoy the installation, access roads or complex of the Customer at any reasonable time as may be necessary for or useful in connection with the following:
 - (i) to install, operate, maintain, or remove its facilities, or
 - (ii) to read, inspect, repair, or remove its metering devices, or
 - (iii) to do anything else incidental to providing or discontinuing the Transportation Service.
- (b) If any of the Gas Pipeline System is situated within the Customer's installation or complex, the Customer shall ensure that Transporter can obtain access to the Gas Pipeline System when necessary.

2.4 Gas under Transporter control

Gas delivered to Transporter by Customer for transportation shall be under the exclusive control of Transporter from the time such Gas is accepted at the Point of Receipt until delivered at the Point of Delivery.

2.5 Transporter determines routing

Transporter does not dedicate the Gas Pipeline System or any segment thereof to transport Gas for Customer, and accordingly the routing and facilities used in providing Transportation Service shall be at Transporters' discretion and may change from time to time.

2.6 Gas may be commingled

- (a) Transporter may in the course of providing Transportation Service commingle or exchange Gas owned by or transported for others, or remove certain hydrocarbon components present in the Gas.
- (b) As commingling, exchanging, or the removal of certain hydrocarbon components may alter the Gross Heating Value or constituent parts of the Gas between the Point of Receipt and the Point of Delivery, Transporter shall not be required to deliver at the Point of Delivery Gas with the same Gross Heating Value or containing the same constituent parts as Gas delivered at the Point of Receipt and Transporter shall make whatever compensating adjustments to volume and Gross Heating Value as may be warranted to comply with the requirements of Section 5.1.
- (c) In the event, and to the extent, that any hydrocarbon components in the Gas delivered at the Point of Receipt are different from the Gas delivered at the Point of Delivery as the result of commingling, exchanging or removal of such hydrocarbon components in the course of providing Transportation Service then, notwithstanding anything to the contrary otherwise contained in the Transportation Service Agreement, title to such hydrocarbon components shall be deemed conclusively to have passed to Transporter or Customer, as the case may be, at the Point of Receipt.

2.7 Customer confirms right to deliver

Customer represents to and covenants with Transporter that Customer shall have the right to transport all Gas delivered under the Transportation Service Agreement to Transporter at the Point of Receipt.

2.8 Common stream arrangements

- (a) In the case where the Gas delivered under the Transportation Service Agreement is commingled with other Gas prior to delivery at the Point of Receipt, Customer shall be responsible for all common stream arrangements and represents and warrants

that such arrangements shall be in place prior to the Date of Initial Delivery, and shall advise Transporter, prior to the Date of Initial Delivery, as to whom is to act as common stream operator.

- (b) Customer shall use commercially reasonable efforts to ensure that the common stream operator provides the daily allocations for Gas delivered each Month to Transporter as soon as practically possible after Transporter advises the common stream operator of the total volume of Gas received at the Point of Receipt during such Month, but in any event within two (2) working Days.
- (c) In addition, Customer will use commercially reasonable efforts to ensure that the common stream operator provides Transporter with estimates of the daily allocation of Gas delivered at the Point of Receipt during any Month when requested to do so by Transporter

2.9 Commitment to maintain systems

The Parties hereto mutually undertake to operate and maintain their respective pipeline systems and equipment safely and in such a manner as not to interfere with the system or equipment owned or operated by the other Party and in particular each Party undertakes and agrees to consult with the other before commencing construction or operation of any new equipment or facilities which such Party reasonably expects might interfere with or affect the operation of the other Party's pipeline system or equipment and to make modifications to the design or construction of any such equipment or facilities as practically may be requested of it to minimize any interference with such Party's pipeline system or equipment.

Article 3 – Quality of Gas

3.1 Gas must be of merchantable quality

- (a) The Gas delivered at the Point of Receipt hereunder shall at all times be of merchantable quality and comply with the quality requirements that Transporter is required to meet at its downstream interconnects with Other Systems;

- (b) If, in Transporter's reasonable opinion, Gas received by Transporter at the Point of Receipt fails to be of merchantable quality or fails to meet any one or more of the quality requirements set forth in this Article, Transporter may at any time and from time to time immediately and without prior notice cease to receive further deliveries of Gas at the Point of Receipt until Customer remedies such failure to the satisfaction of Transporter. Transporter may install, at Customer's expense, such Specific Facilities including any Gas quality control, monitoring and/or shutdown equipment deemed necessary, in Transporter's commercially reasonable opinion, to ensure that Gas received by Transporter at the Point of Receipt meets the quality requirements set forth in this Article.

3.2 Quality on delivery

All Gas delivered by Transporter to Customer at the Point of Delivery shall have the Gross Heating Value and quality that results from the Gas having been commingled in Transporter's system.

3.3 Notice on change in input quality

Customer shall notify Transporter as soon as practicable in the event of any adverse change in Gas quality that is anticipated or determined by Customer and affects Gas which may be delivered into the Gas Pipeline System at the Point of Receipt.

3.4 Notice on change in output quality

Transporter shall notify Customer or its agent as soon as practicable in the event of any adverse changes in Gas quality that is determined by Transporter and affects Gas which may be delivered from the Gas Pipeline System at the Point of Delivery.

Article 4 - Measurement

4.1 Statutory standards apply

All measurements, calculations and procedures used in determining the quantities of Gas delivered at the Point of Receipt or at the Point of Delivery, shall be in accordance with all applicable laws and regulations.

4.2 Measuring equipment

All measuring equipment, devices and materials required to measure the Gas at the Point of Receipt or at the Point of Delivery shall be installed, maintained and operated by Transporter, its agents, or third parties acceptable to Transporter, and shall be of standard manufacture and of a type approved by regulatory bodies with authority. Customer or Transporter may install and operate check measuring equipment; provided that it does not interfere with the operation of the Point of Receipt or Point of Delivery equipment or system.

4.3 Testing of measuring equipment

The accuracy of the measuring equipment shall be verified by standard tests and methods acceptable to Transporter, at least once every ninety (90) Days or as Transporter otherwise deems appropriate and at other times upon the reasonable request of either the Transporter or Customer. Notice of the time and nature of each test shall be given by Customer to Transporter, sufficiently in advance to permit a representative of Transporter to be present. If, after notice, Transporter fails to have a representative present the results of the test and adjustment, if any, made by Customer or its agents shall nevertheless be accepted until the next test. All tests of such measuring equipment shall be made at Customer expense.

4.4 Inspection of records and equipment

Transporter and Customer shall have the right to inspect the charts, measurement or test data and measuring equipment installed or furnished by the other under this Article and Clause 3.1(b), at all times during business hours; provided however that the readings, calibration and adjustment of such measuring equipment shall be done only by the Party furnishing same. Unless the Parties otherwise agree, each Party shall preserve all original test data, charts and other similar records in such Party's possession for a period of at least six (6) years.

4.5 Units used

- (a) **Unit of measurement:** The unit of volume for purposes of measurement shall be one (1) cubic meter of Gas.

- (b) **Unit of billing/payment:** For the purpose of determining the amount to be billed by Transporter and paid by Customer for the transportation of Gas under the Transportation Service Agreement, the Gross Heating Value of each cubic meter of Gas transported shall be determined in accordance with Clause 4.7 of this Article and Transporter shall on the basis of such measurement bill Customer, and Customer shall pay Transporter the applicable charges and/or tariffs for each gigajoule of Gas delivered into the Gas Pipeline System at the Point of Receipt, net of Unaccounted For Gas.

- (c) **Atmospheric pressure:** For the purposes of measurement the atmospheric pressure at the Point of Receipt and at the Point of Delivery shall be determined in accordance with the regulations provided in Clause 4.1 of this Article and shall be rounded to the nearest one-hundredth (1/100) of a kPa and deemed to be constant.

4.6 Method of measurement

In determining the quantities of Gas delivered at the Point of Receipt or at the Point of Delivery the following practices shall prevail:

4.6.1 Metering

- (a) The Gas delivered at the Point of Receipt and at the Point of Delivery shall be metered by one or more meters approved for custody transfer by regulatory bodies with authority and adopted by Transporter.
- (b) Measurement shall be designed, installed and maintained in accordance with the methods prescribed in the applicable AGA or API Standards, as published by the American Gas Association ("AGA") or American Petroleum Institute ("API") or any subsequent revision thereof, approved by the regulatory bodies with authority and adopted by Transporter.
- (c) Correction shall be made for the deviation of the Gas from the Ideal Gas Laws at the pressure and temperature at which the Gas is metered in accordance with the methods prescribed in AGA Report No. 8, "Compressibility Factor of Natural Gas and Related Hydrocarbon Gases (1994) as

published by the AGA or any subsequent revision thereof, approved by regulatory bodies with authority and adopted by Transporter. To determine the factors for such corrections a quantitative analysis of the Gas shall be made at commercially reasonable intervals.

4.6.2 Gas Sampling

- (a) Gas samples shall be representative of the Gas being metered at the time such samples are taken and done so in accordance with the applicable API MPMS 14.1 (June 2001) or GPA Standard as published by the API and the Gas Processors Association Institute or any subsequent revision thereof, approved by the regulatory bodies with authority and adopted by Transporter.

4.6.3 Temperature

- (a) The flowing temperature of the Gas being metered shall be determined and recorded by means of a temperature sensing device installed and maintained in accordance within the applicable AGA Report, as published by the American Gas Association or any subsequent revision thereof, approved by regulatory bodies with jurisdiction and adopted by Transporter.

4.6.4 Correction and adjustment

- (a) If, upon any test, the metering equipment is found to be in error, the meters shall be adjusted at once to record accurately or be replaced. If the meter is found to be in error by more than the acceptable limit of plus or minus two percent (+/- 2%), any previous reading of such equipment shall be corrected to zero error for any period that is known definitely or agreed upon, but in the case the period is not known definitely or agreed upon, such correction shall be for a period covering the last half of the time elapsed since the date of the last test.
- (b) In the event that the measuring equipment is out of service or out for repair, so that the volume being measured is not correctly indicated by the reading thereof, the volumes attributable to the period shall be estimated

and agreed upon on the basis of the best data available, using the first of the following methods which is feasible:

- (i) by using the reading of any check measuring equipment, if installed and registering accurately;
- (ii) by correcting the error if the percentage of error is ascertained by calibration test or mathematical calculations;
- (iii) by estimating the volume delivered based upon deliveries under similar conditions during a period when the measuring equipment was registered accurately.

4.7 Gross heating value

Tests to determine the Gross Heating Value of Gas delivered shall be established by the use of a Gas chromatograph, recording calorimeter, or any other device that is approved by regulatory bodies with jurisdiction and adopted by Transporter and shall be used in the calculation of the number of gigajoules delivered under the Transportation Service Agreement.

4.8 Composition

- (a) The composition of the Gas delivered shall be determined by tests of representative samples of Gas so delivered and conducted by Transporter or its agents, utilizing a chromatograph of standard manufacture.
- (b) Such tests shall be done once per Month or at such other intervals as may be justified by the consistency of previous tests thereof; provided that Transporter shall conduct additional tests when reasonably requested by Customer.
- (c) The results of any such test shall be used during the period commencing on the Day such sample shall have been taken or from the commencement date if a sample is taken over a period of time, as the case may be, until the next test; provided that the results of the first such test shall be used from the Date of Initial Delivery of Gas until the second test.

4.9 Gas characteristics

- (a) The Gas characteristics including, without limiting the generality of the foregoing, Gross Heating Value, relative density, nitrogen and carbon dioxide content of the Gas shall be determined by continuous recording equipment or by laboratory equipment.
- (b) The Gas samples to be tested shall be representative of the Gas delivered at the time such samples are taken and may be either spot samples or proportional samples, which is taken over a period of time.
- (c) If continuous recording equipment is used the arithmetic average of the recordings for each Day shall be used to determine Gas characteristics.
- (d) If spot samples or proportional samples are taken Gas characteristics shall be determined from the analysis of the samples using laboratory equipment, approved by Transporter.

4.10 Pulsation dampening

If Customer owns or operates any compression facilities upstream of the Point of Receipt or downstream of the Point of Delivery, Customer shall cause to be provided sufficient pulsation dampening equipment to ensure that the compression facilities do not interfere with the operation of the Gas Pipeline System.

4.11 Facilities interference

In the event Customer's facilities interfere with Transporter's ability to provide accurate measurement at the Point of Receipt or the Point of Delivery, Transporter may immediately and without prior notice cease to receive further deliveries of Gas at the Point of Receipt until the Customer remedies the cause of such interference to the satisfaction of Transporter.

4.12 Use of third-party measurements

Transporter and Customer hereby agree that notwithstanding anything contained elsewhere in the

Transportation Service Agreement, at a Point of Delivery or at a Point of Receipt which connects with an Other System and the Other System's measuring equipment is used or relied on by Transporter for measuring Gas transported under the Transportation Service Agreement, the Other System's procedures for measurement and testing of Gas shall apply.

4.13 Forecast volumes

Customer agrees to provide to Transporter, for planning purposes, such forecasts of future Monthly volumes to be transported under the Transportation Service Agreement as Transporter may request from time to time.

Article 5 - Gas delivery

5.1 Obligation to receive and deliver

Subject to the other provisions of this Article and the Service Priority, Transporter agrees to receive from Customer at the Point of Receipt the quantity of Gas which Customer tenders for transportation up to the Contract Demand plus Unaccounted For Gas, and Transporter agrees to tender for delivery to Customer and Customer shall receive at the Point of Delivery, a volume of Gas containing the equivalent number of joules as are contained in the volume of Gas tendered by Customer at the Point of Receipt less Unaccounted For Gas; provided however that Transporter shall not be required in any hour to accept at the Point of Receipt nor deliver at the Point of Delivery a quantity of Gas in excess of 105% of the Contract Demand, divided by 24, unless otherwise specified on the applicable Rate Schedule.

5.2 Responsibility for balancing

- (a) Customer shall at all times have the obligation to balance, each Day and each Month, the quantity of Gas which Customer tenders for transportation at the Point of Receipt, less Unaccounted for Gas, with the quantity of Gas delivered by Transporter to Customer at the Point of Delivery.
- (b) The Imbalance Quantity, if any, shall be accumulated and recorded by Transporter in an account ("Customer Account") as it becomes known by Transporter.
- (c) The maintaining of the Customer Account by Transporter shall in no manner relieve

Customer of Customer's obligation to balance Customer's Gas supply delivered at the Point of Receipt with Customer's takes at the Point of Delivery.

- (d) Transporter shall make the Customer Account available to Customer in a timely manner and in a form that will allow Customer to balance. Customer is responsible for keeping informed of and acting upon this information.

5.3 Management of imbalances

- (a) In the event the sum of each Imbalance Quantity for the Month plus the cumulative unsettled Imbalance Quantities for the previous Months is outside the Monthly Limit, and Customer does not bring its Customer Account within the Monthly Limit on reasonable notice from Transporter, Transporter will suspend Customer's receipts or deliveries (as the case may be) until such time as the Customer brings its Customer Account within the Monthly Limit.
- (b) At the time of termination of the Transportation Service Agreement, the outstanding Customer Account shall be settled by Transporter purchasing from or selling to the Customer at the average daily spot market prices prevailing at the Point of Delivery during the Settlement Period. The "Settlement Period" means the time required by Transporter, acting reasonably, to clear the Customer Account final imbalance. If no average daily spot market price is quoted for the Point of Delivery in industry publications commonly used as reference for daily spot market prices, the price for that Point of Delivery shall be calculated as the average daily spot market price for the nearest point quoted by any such publication adjusted for transportation and fuel at prevailing market rates. Transporter's determination of such prices shall be substantiated by copies of the references used to determine them and shall prevail in the absence of manifest error.

5.4 Failure of supply

In the event of a failure of Customer's supply at the Point of Receipt, as evidenced by Customer, upon notice by Transporter to Customer, not supplying at

the Point of Receipt a quantity of Gas, net of Unaccounted For Gas, equal to the Gas being delivered to Customer by Transporter at the Point of Delivery, and further that Customer does not reduce Customer's takes at the Point of Delivery to balance deliveries at the Point of Receipt, net of Unaccounted For Gas, then Customer will be charged the highest price transacted at the AECO/NIT index published by CGPR plus the higher of the Empress transportation tariff published by TransCanada Corporation and the Empress – AECO/NIT market differential published by CGPR on that Day in replacement thereof, for all Gas delivered by Transporter to Customer in excess of the Gas delivered by Customer to Transporter, net of Unaccounted For Gas.

5.5 Failure of market

In the event of a failure of Customer's market(s) at the Point of Delivery, as evidenced by Customer, upon notice by Transporter to Customer, not taking at the Point of Delivery a quantity of Gas, equal to the Gas being delivered, net of Unaccounted for Gas, by Customer to Transporter at the Point of Receipt, and further that Customer does not take action to balance, then Transporter will purchase from the customer at the lowest price transacted at the AECO/NIT index published by CGPR less the lower of the Empress transportation tariff published by TransCanada Corporation and the Empress – AECO/NIT market differential published by CGPR on that Day those volumes of Gas required to balance the Gas supplied at the Point of Receipt, net of Unaccounted for Gas with Gas delivered at the Point of Delivery.

5.6 Overriding rights and obligations

Notwithstanding anything contained elsewhere in this Article:

- (a) Transporter reserves the right to restrict the flow of Gas at the Point of Delivery or the Point of Receipt on reasonable notice to Customer to achieve a balance, to correct any imbalance, or in the event Customer repeatedly exceeds the Contract Demand without Transporter's authorization; and
- (b) The provisions for settlement per Clauses 5.3(b), 5.4 and 5.5, do not relieve the Customer of its obligation to balance receipts and deliveries of Customer's Gas into and out

of the Gas Pipeline System. If Customer persistently fails to meet its obligation to balance, Transporter will assess, and Customer will pay a charge to settle such imbalance.

5.7 Inability to exchange

- (a) Notwithstanding anything contained elsewhere in the Transportation Service Agreement and where the Customer has contracted for Firm Transportation Service specifically at a Point of Delivery that is an interconnection with an Other System, and such Point of Delivery is designated as an Exchange Point in Exhibit "A" (an "Exchange Point"), Customer recognizes that Transporter's ability to deliver Gas may be dependent upon an exchange with volumes of Gas which would normally be delivered into the Gas Pipeline System.
- (b) Customer further recognizes that changes in such incoming volumes of Gas or changes in either the capacity of the interconnection with an Other System or the capacity of the Gas Pipeline System may occur from time to time.
- (c) In the event that Transporter is unable to continue to exchange volumes of Gas at the Exchange Point with volumes of Gas which would normally be delivered into the Gas Pipeline System at the Exchange Point, or there are changes in incoming Gas volumes or capacity, then this shall constitute an event of Force Majeure and Transporter shall serve written notice to Customer advising of its inability to continue to provide Transportation Service under the Transportation Service Agreement by the exchange of volumes of Gas which would normally be delivered into the Gas Pipeline System.
- (d) The notice under Clause 5.7(c) will specify:
 - (i) Customer's proportionate share of the additional costs associated with the capital improvements that are required to maintain Transportation Service at that Exchange Point; and
 - (ii) The volume of Gas that Transporter is able to receive and transport to that Exchange Point if no capital improvements are made; and

- (iii) The location of alternate Points of Delivery at which Transporter can continue Transportation Service at the then current level.

- (e) In the event that Customer receives notice pursuant to Clause 5.7(c) of this Article, Customer shall, within thirty (30) Days after the receipt of such notice, provide written notice to Transporter indicating which of the options set out in such notice Customer intends to exercise.
- (f) In the event that none of the options provided in Clause 5.7(c) of this Article are acceptable to Customer, acting in a commercially reasonable manner, Transporter will reduce Customer's Contract Demand for the duration of Transporter's inability to exchange Gas effective on the date such notice is received by Customer. The Contract Demand will be reduced by a proportion equal to Customer's average daily deliveries at the Exchange Point divided by the average of all deliveries under the Transportation Services Agreement, for the most recent three hundred and sixty five (365) days or the age of the Transportation Service Agreement, whichever is less; provided however Customer shall reimburse Transporter in the same proportion for Customer's share of the un-depreciated book value of the Specific Facilities at the effective date of Contract Demand reduction together with all costs of abandoning or removing such facilities.

5.8 Maximum contract pressure

- (a) All Gas delivered hereunder for Transportation Service through the Gas Pipeline System shall be capable of entering the Gas Pipeline System at the Point of Receipt at a pressure of at least the Maximum Contract Pressure as specified in Exhibit "A" of the Transportation Service Agreement.
- (b) Customer will deliver the Gas, or cause the Gas to be delivered, to Transporter at the Point of Receipt at such pressures as Transporter may require from time to time at the Point of Receipt up to the Maximum Contract Pressure.

- (c) Transporter will deliver the Gas, or cause the Gas to be delivered, to Customer at the Point of Delivery at such pressures as are available in the Gas Pipeline System from time to time.

5.9 Lost and unaccounted for gas

- (a) Subject to Clause 11.1 (b) Transporter shall not be responsible for Gas lost by pipeline rupture, explosion, fire or other similar calamity, but shall maintain and provide to Customer a record of Customer's proportionate share of any such loss and cooperate with all commercially reasonable requests of Customer's insurers or their agents during the course of the investigation of any claim arising from any such loss.
- (b) Unless otherwise agreed to in writing, Unaccounted for Gas shall be deducted from the volume of Gas received from Customer at the Point of Receipt. To the extent such Gas cannot be deducted, Customer shall be responsible to pay Transporter for Unaccounted for Gas at a commercially reasonable market price.

5.10 Allocations

- (a) For the purpose of administering Transportation Service Agreements, Gas flows shall be allocated by the common stream operator at the Point of Receipt and by Transporter at the Point of Delivery to determine the daily flow under each agreement and to Customer's downstream market(s).
- (b) Customer may choose one of the following Allocation Methods for its Customer Account to be used at the Point of Delivery or a mutually acceptable alternative method may be determined:
 - (i) Allocation prorated to Nomination;
 - (ii) Allocation equal to Nomination at all Points of Delivery but one, which is allocated the difference between total Nomination and physical flow;
 - (iii) Allocation by entitlement (allocation of deliveries based on actual receipts); and

- (iv) Allocation based on pre-set priority (first-next).

- (c) The Allocation Method at the Point of Delivery shall be specified in Exhibit "A" to the Transportation Service Agreement; provided however that at locations where a portion of the Gas flowing belongs to parties other than Customer and the allocation methods elected by the parties delivering at that location are incompatible, all parties must agree in writing on the allocation method to be used by those parties at that location. In the event that all parties are unable to agree on an acceptable allocation method, Transporter reserves the right to decide on the allocation method which will be used at the location in question.
- (d) A request for change in Allocation Method must be made by either Customer or Transporter, thirty (30) days prior to the requested change date, though both Parties will endeavor to respond to a shorter notice period. Customer and Transporter shall agree and confirm in writing on the revised Allocation Method prior to the change.
- (e) In the event Customer and Transporter are unable to agree on an acceptable revised Allocation Method, Transporter reserves the right to decide on the revised Allocation Method that will be used.

5.11 Impaired deliveries

- (a) If by reason of the causes set out in Clause 5.11(c), Transporter fails, in whole or in part, to provide Transportation Service provided for in the Transportation Service Agreement, then Transporter shall be relieved of liability for not providing Transportation Service, and Transporter may curtail or discontinue Transportation Service during the continuance and to the extent of the inability; provided however that Transporter shall endeavour to give reasonable notice of any curtailment or discontinuance of Transportation Services arising by virtue of such causes and shall promptly endeavour to remedy the cause of any curtailment or discontinuance of Transportation Services as soon as possible, acting in a commercially reasonable manner.

- (b) Such notice shall specify Transporter's estimate of the duration of any such curtailment or discontinuance of Transportation Services.
- (c) The causes referred to above are:
 - (i) the necessity, in Transporter's sole opinion, of making modifications or improvements to the Gas Pipeline System; provided however that Transporter shall, when practicable, endeavour to effect such modifications or improvements, which are not emergency in nature, at a time and in a manner which shall not unduly interfere with or interrupt Transportation Services; or
 - (ii) the necessity of making repairs to the Gas Pipeline System used to transport Gas.
- (d) Customer's obligation to use or otherwise pay for transportation of a minimum volume of Gas shall be reduced during the period of any curtailment or discontinuance of Transportation Services, in proportion to the reduction in the volume of Firm Service available to Customer.

Article 6 – Nomination Procedures

6.1 Nomination Cycles

Transporter follows North American Energy Standards Board ("NAESB") nomination cycles and deadlines. The nomination cycle consists of four processes:

- (a) Nomination Process: the shippers nominate their requests for transportation to Transporter following the cycles outlined by the NAESB;
- (b) Capacity Allocation Process: Transporter determines if there is sufficient capacity to transport the nominated quantities, and if there is not, capacity is allocated by service priority;

- (c) Interconnect Confirmation Process: Transporter confirms with downstream pipeline operators that sufficient downstream transportation has been nominated and allocated capacity, and Transporter also confirms with upstream pipeline operators that sufficient upstream transportation has been nominated and allocated capacity;
- (d) Scheduled Quantities: the transportation quantity scheduled to flow is the lesser of: the quantity nominated by the shipper, the capacity allocated by Transporter, the quantity confirmed by the downstream operator and the quantity confirmed by the upstream operator; Transporter makes available the scheduled quantity to the shipper.

6.2 Nomination Submission

All Nominations are to be submitted in electronic format via email at suffieldnominations@campusenergy.ca.

6.3 Issue Date & Time

The issue date time is the time stamp on an electronic Nomination used to determine the order in which Nominations were received. When two Nominations have overlapping effective dates, the Nomination with the later issue date time will replace the Nomination with the earlier issue date time.

Article 7 - Financial Matters

7.1 Customer pays tariffs

- (a) Customer shall pay to Transporter, for Transportation Service provided under the Transportation Service Agreement, commencing on the Date of Initial Delivery, the tariffs and charges set forth in Exhibit "A" to the Transportation Service Agreement.
- (b) Customer shall not be relieved by Force Majeure as described in Article 8 from the obligation to pay the charges set forth pursuant to this Article.

7.2 Billing

- (a) Transporter shall render to Customer on or before the Day succeeding the Alberta Energy

Regulator Volumetric Data and Waste Management Reporting Deadline of each Month a statement setting forth for each Point of Receipt and each Point of Delivery with respect to Gas transported for Customer during the preceding Month:

- (i) the amount payable by Customer calculated in accordance with Article 7,
 - (ii) the amount payable by Customer, if any, in accordance with Articles 3 and 5;
 - (iii) the volume, Gross Heating Value and total energy of the Gas measured or estimated at each Point of Receipt and each Point of Delivery including Unaccounted for Gas.
- (b) If actual information necessary for billing is unavailable to Transporter sufficiently on the Day succeeding the Alberta Energy Regulator Volumetric Data and Waste Management Reporting Deadline to permit the use of such information in the preparation of the statement, Transporter shall use the best available information.
- (c) As information becomes available necessitating an adjustment or correction to any Monthly statement, Transporter shall make the required adjustments or corrections and shall account for them in Customer's next Monthly statement. Neither Transporter nor Customer shall be entitled to interest on any adjustment or correction.

7.3 Payment

- (a) Customer agrees to pay Transporter on or before the tenth (10th) Day following the rendering of a statement by Transporter to Customer, the total amount payable by Customer as set forth in the statement, which amount shall be deemed to be increased or decreased by the amount of any adjustment or correction set out in the statement.
- (b) Each such payment shall be made in Canadian funds by electronic funds transfer or by cheque drawn in Transporter's favour and

delivered to Transporter at the address stated in the Transportation Service Agreement.

7.4 Unpaid bills

Transporter shall have the right to charge interest, calculated daily and compounded monthly, on the unpaid portion of any statement from the date payment is due until the date payment is actually made, at an annual rate of interest which is four percent (4%) above the Prime Rate in effect each Day from the date when such payment is due until the same is paid.

7.5 Disputes

In the event that Customer disputes any part of any statement, Customer shall nevertheless pay to Transporter the full amount of the statement when payment is due. If the disputed amount is ultimately found to be owing to Customer, Transporter shall pay interest to Customer at an annual rate of interest, calculated daily and compounded monthly, which is two percent (2%) above the Prime Rate in effect each Day from the date that the disputed payment is made to Transporter until it is repaid to Customer. Without limiting the Parties remedies at law, both Parties shall act diligently to resolve such a dispute.

7.6 Failure to pay

In the event Customer fails to pay the full amount of any statement within thirty (30) Days after payment is due, Transporter, in addition to any other remedy it may have, (a) may suspend the receipt and delivery of Gas on three (3) business Days' notice to Customer until full payment, including interest charges is made and such suspension shall not terminate or otherwise affect Customer's obligations to Transporter; and (b) may set the amount unpaid off against any sums due or accruing due to Customer from Transporter (or any of its affiliates) or collect by other means available, under any agreement with Customer.

7.7 Financial assurances

- (a) Customer shall provide Transporter with any financial information Transporter reasonably requests in order that Transporter may establish Customer's credit worthiness.
- (b) If, at any time, the credit worthiness of Customer is or becomes unsatisfactory to

Transporter, acting reasonably, Transporter may require Customer to provide, and at all times maintain, an irrevocable letter of credit in favour of Transporter issued by a financial institution acceptable to Transporter in an amount equal to the sum of the maximum amount payable by Customer under this Transportation Service Agreement for ninety (90) Days of service plus the installation cost of Specific Facilities.

- (c) Where Transporter requires Customer to provide a letter of credit and Customer is able to provide alternative security acceptable to Transporter, Transporter shall accept such security in lieu of a letter of credit.
- (d) If Customer fails to provide security satisfactory to Transporter within three (3) business Days of a request, Transporter may immediately suspend Transportation Service to Customer until such time as satisfactory security is provided. Such suspension shall not relieve Customer of the obligation to pay charges pursuant to Article 7.
- (e) Transporter may in any Month draw on the letter of credit in an amount necessary to satisfy the tariffs and charges due for any previous Month where Customer has not paid such charges within the time and manner provided for in Clause 7.3.
- (f) Transporter shall return the letter of credit within thirty (30) Days after termination of the Transportation Service Agreement provided all amounts owing by customer have been paid in full.

Article 8 - Force Majeure

8.1 Effect of Force Majeure on breach

Subject to the other provisions of this Article, if either Party to the Transportation Service Agreement fails to observe or perform any of the covenants or obligations herein imposed upon it and such failure shall have been occasioned by, or in connection with, or in consequence of Force Majeure, as hereinafter defined, such failure shall be

deemed not to be in a breach of such covenants or obligations.

8.2 Meaning of Force Majeure

For the purposes of the Transportation Service Agreement, "**Force Majeure**" means any cause, other than financial, beyond the control of the Party claiming suspension and which the Party could not have prevented or overcome by due diligence, including, but not limited to:

- (a) acts of God, such as lightning, earthquakes, storms, floods, fires, landslides and washouts;
- (b) strikes, lockouts or other industrial disturbances;
- (c) acts of war, sabotage, blockades, insurrections, riots, terrorism, epidemics, civil disturbances, arrests and restraints;
- (d) explosions of, breakages of or accidents to the Gas Pipeline System; or
- (e) the orders of any court or regulatory or governmental authority.

8.3 Exceptions to Force Majeure

Neither Party is entitled to the benefit of the provisions of Clause 8.1 of this Article under any of the following circumstances:

- (a) to the extent that the failure was caused by the sole negligence of the Party claiming suspension; or
- (b) to the extent that the failure was caused by the Party claiming suspension having failed to remedy the condition where it is within that Party's ability alone to do so and to resume the performance of such covenants or obligations, with reasonable dispatch; or
- (c) if the failure was caused by lack of funds or with respect to the payment of any amount or amounts then due under the Transportation Service Agreement; or
- (d) unless as soon as possible after the happening of the occurrence relied upon or

as soon as possible after determining that the occurrence was in the nature of Force Majeure and would affect the claiming Party's ability to observe or perform any of its covenants or obligations under the Transportation Service Agreement, the Party claiming suspension shall have given to the other Party notice, either in writing or by facsimile, to the effect that such Party is unable by reason of Force Majeure (the nature whereof shall be therein specified) to perform the particular covenants or obligations.

8.4 Notice of remedy

The Party claiming suspension shall likewise give notice, as soon as possible after the Force Majeure condition is remedied, to the effect that the same is remedied and that such Party has resumed, or is then in a position to resume, the performance of such covenants or obligations.

8.5 Labour disputes

Notwithstanding anything to the contrary in this Article expressed or implied, the Parties agree that the settlement of strikes, lockouts and other industrial disturbances shall be entirely within the discretion of the particular Party involved therein and such Party may make settlement thereof at such time and on such terms and conditions as it may deem to be advisable and no delay in making such settlement shall deprive such Party of the benefit of Clause 8.1 of this Article.

Article 9 - Termination on default

9.1 Non-defaulting Party may terminate

If either Party shall fail to perform any of the covenants or obligations imposed upon it under and by virtue of the Transportation Service Agreement (the "Defaulting Party"), then in any such event, the other Party (the "Non-Defaulting Party") may at its option terminate the Transportation Service Agreement by proceeding as set out in this Article.

9.2 Notice of intent

The Non-Defaulting Party shall cause a notice in writing to be given to the Defaulting Party advising as

to the nature of any default and declaring it to be the intention of the Non-Defaulting Party to terminate the Transportation Service Agreement.

9.3 Customer's failure to remedy

- (a) In the event that Customer does not remedy any default of which it has been given notice by Transporter to the reasonable satisfaction of Transporter within ninety (90) Day's after receipt of a notice of default, , then the Transportation Service Agreement shall immediately terminate and the appropriate charges for all Specific Facilities, as well as the present value of all system tariffs that would be in effect until the termination of the Transportation Service Agreement, discounted at a rate equal to the Prime Rate plus 1.5% and in effect on the date the Transportation Service Agreement is terminated by such default, shall become due and payable.
- (b) All other rights and obligations of the Parties under the Transportation Service Agreement shall cease upon termination of the Transportation Service Agreement; provided however that any such termination shall not affect any other remedy Transporter may have at law or in equity.

9.4 Transporter' failure to remedy

- (a) In the event that Transporter does not remedy any default of which it has been given notice by Customer to the reasonable satisfaction of Customer within ninety (90) Day's after receipt of a notice of default, then Customer shall have the right to terminate the Transportation Service Agreement.
- (b) All other rights and obligations of the Parties hereunder shall cease upon the termination of the Transportation Service Agreement; provided however that any such termination shall not affect any other remedy Customer may have at law or in equity.

Article 10 - Notice

10.1 Delivery of notice

- (a) All notices, statements and other communications to be given in connection with this Transportation Service Agreement shall be in writing and shall be sufficiently given:
 - (i) if delivered by hand or by courier service to a Party at its address for service as provided in the Transportation Service Agreement; or
 - (ii) for any Party which has provided a direct telecommunication number, if sent by telecommunication to such Party at such number.
- (b) Any notice or communication given shall be deemed conclusively to have been given and received on the date and at the time of confirmed delivery if delivered during the recipient's normal business hours, and otherwise at the start of the recipient's next business Day.
- (c) A Party may change its address for service by giving written notice thereof to each of the other Parties.

10.2 Disruption of mail

In the event of disruption of regular mail every payment by cheque shall be personally delivered and every notice, demand, statement or bill shall be given by one of the alternative means set out in Clause 10.1 of this Article.

Article 11 – Liability

11.1 Liability and indemnification

- (a) Customer agrees to indemnify and save Transporter harmless, from and against any and all claims, demands, suits, actions, debts, accounts, damages, costs, losses, liabilities and expenses of whatsoever nature or kind and howsoever and by whosoever made or incurred arising out of or in any way connected, either directly or indirectly, with any act, omission or default on the part of

Customer under the Transportation Service Agreement.

- (b) Notwithstanding subsection (a), in no event, whether as a result of alleged negligence on the part of Customer or otherwise, shall Customer be liable to Transporter for loss of profits or revenues, cost of capital, loss for failure to deliver Gas, claims of Transporter's customers for failure to deliver Gas, cancellation of permits, termination of contracts or other similar special or consequential damages or claims whatsoever.
- (c) Transporter agrees to indemnify and save Customer harmless, from and against all claims, demands, suits, actions, debts, accounts, damages, costs, losses, liabilities and expenses of whatsoever nature or kind and howsoever and by whosoever made or incurred arising out of the gross negligence or willful misconduct of Transporter under the Transportation Service Agreement.
- (d) Notwithstanding subsection (c), in no event, whether as a result of alleged gross negligence on the part of Transporter or otherwise, shall Transporter be liable to Customer for loss of profits or revenues, cost of capital, loss for failure to deliver Gas, cost of purchased or replacement Gas, claims of Customer's customers for failure to deliver Gas, cancellation of permits, termination of contracts or other similar special or consequential damages or claims whatsoever.

Article 12 – Miscellaneous provisions

12.1 Interpretation

The captions or headings used in this Transportation Service Agreement are inserted solely for convenience and shall not be considered or given any effect in interpreting the Transportation Service Agreement or in ascertaining the intent of the Parties.

12.2 Number and gender

In this Transportation Service Agreement words importing the singular shall be construed as meaning the plural and vice versa; and words importing the masculine or neuter shall be construed as meaning

the feminine and words importing persons, firms or corporations and vice versa.

12.3 Laws and regulations

This Transportation Service Agreement and the rights and obligations of the Parties hereto, are subject to all present and future laws, rules, regulations and orders of any legislative body or duly constituted authority now or hereafter having jurisdiction.

12.4 Applicable laws

This Transportation Service Agreement shall be construed in accordance with the laws of the Province of Alberta, and the federal laws of Canada applicable therein.

12.5 Waivers and Amendments

A waiver by or on behalf of any Party of any breach of a provision of this Transportation Service Agreement shall not be binding upon the Party unless it is expressed in writing and duly executed by the Party or signed by its duly authorized representatives, and such a waiver shall not operate as a waiver of any future breach, whether of a like or different character. No amendment to this Transportation Service Agreement shall be effective unless it is in writing and executed and delivered by both Parties.

12.6 Suits

A Party who is sued on a cause of action allegedly arising out of operations hereunder shall forthwith notify the other Party.

12.7 No implied covenants

The Parties have expressed herein their entire understanding and agreement concerning the subject matter of this Transportation Service Agreement and no implied covenant, condition, term or reservation shall be read into this Transportation Service Agreement relating to or concerning such subject matter, nor shall any oral or written understanding heretofore entered into modify or compromise any of the terms and conditions herein.

12.8 Replacement agreement

The Transportation Service Agreement and its Exhibits supersedes any prior agreement between the Parties, whether written or verbal, with respect only to the Transportation Service rendered by Transporter between the Point of Receipt and the Point of Delivery.

12.9 Assignment

Either Party may, without relieving itself of its obligations under this Transportation Service Agreement, assign any of its rights and obligations under this Transportation Service Agreement to a subsidiary or affiliate company, corporation or partnership. Otherwise, neither Party shall assign that Party's rights and interests under this Transportation Service Agreement without first obtaining the written consent of the other Party.

The other Party shall, however, not unreasonably withhold consent to that assignment. In providing or not providing that consent, the consenting Party must be satisfied that the assignee has the financial and operational ability to perform the obligations under this Transportation Service Agreement that will be assumed by that assignee.

The Parties agree that the provisions of this Clause 12.9 shall not in any way prevent either Party from bona fide pledging or mortgaging that Party's rights under this Transportation Service Agreement as security for that Party's indebtedness, provided that if any security is enforced by sale the provisions set out above in this Clause 12.9 shall apply to that sale. The Parties agree that the provisions of this Clause 12.9 shall not in any way prevent either party from transferring all or any part of its interest in any amounts receivable pursuant to this Transportation Service Agreement.

12.10 Enuring clause

This Agreement shall enure to the benefit of and be binding upon the Customer and Transporter and their respective successors and assigns.

12.11 Time of the essence

Time is of the essence of this Agreement.

12.12 Survival of Obligations

Upon the termination of this Transportation Service Agreement, all outstanding obligations remaining or being unfulfilled as at the date of termination and all of the provisions of this Transportation Service Agreement relating to the obligation of either party to perform actions or to account to or to indemnify the other and pay to the other any monies owing as at the date of termination in connection with this Transportation Service Agreement shall survive such expiry or termination.