

TRANSCANADA - ALBERTA SYSTEM Tolls, Tariff & Procedures Committee

RESOLUTION

Tariff Update - Contract Versioning

Resolution T2000-07(a)

The Tolls, Tariff & Procedures Committee (“TTP”) agrees to the NOVA Gas Transmission Ltd. (“NGTL”) Tariff changes as identified in the attached documents. These changes are required to allow for the introduction of contract “versioning” with the new Dovetail contract administration system.

Contract versioning allows for a contract to be amended versus replaced when the original contract is modified due to renewals, reversions of temporary assignments, and decreases resulting from transfers and assignments.

The effective date of the Tariff changes is expected to be during the third quarter of 2002. The required Information Systems are currently in development, therefore a definitive effective date cannot be provided at this time. Pending Alberta Energy and Utilities Board (“EUB”) approval, TransCanada will provide a minimum of two weeks notice to the EUB and Customers of the effective date of the attached Tariff amendments.

Background

Customers have asked TransCanada to address issues with the business practices of the Alberta System contracting. Customers have requested a means for linking related past, current and future contracts. Customers have also requested that the required one day reversions of temporary assignments be ended, as well as simplification of the application process for transfer and assignments of multiple contracts.

As part of the Dovetail system TransCanada decided to introduce contract versioning on the Alberta System as it aligned with contracting practices on the TransCanada Mainline. The alignment of contracting practices makes it easier for customers to work with TransCanada and minimizes computer system costs.

TransCanada introduced the concept of contract versioning to the TTP in November 2001. The required Tariff changes were reviewed with the Tariff Task Force and the full TTP prior to the resolution being voted June 11, 2002.

Next Steps

TransCanada will file the Tariff changes with the EUB requesting prompt approval. If and when EUB approval of the Tariff changes are received, TransCanada will post the amended NGTL Tariff and provide a minimum of two weeks notice of the effective date of the amended Tariff to the EUB and customers.

Summary of Proposed NGTL Tariff Amendments for Dovetail Contract Versioning**1. Rate Schedules FT-R:**

- a) Main impact is to rates and charges, due to one schedule may in the future have more than one contract demand or multiply renewal periods:
 - (i) Refer to paragraph 3.2 pertaining to Price Points;
 - (ii) Refer to paragraph 4.1 pertaining to Monthly Demand Charges; and
 - (iii) Refer to paragraph 4.3 pertaining to Over-run Charges.
- b) Secondary impact is to transacts which will amend a schedule (e.g. partial transfers) or create a new schedules (e.g. service at the transfer to point):
 - (i) Refer to subparagraph 9.2(vi) and 9.4(vii); and
- c) Housecleaning items:
 - (i) Paragraph 12.0 Renewal of Service -- deleting reference to historical dates;
 - (ii) Service Agreement -- remove “the City of” and “in the Province of” from the opening definitions of Company and Customer (page 1) as well as remove 2nd Customer contact from notification section (paragraph 7.0); and
 - (iii) Schedule of Service -- align to proposed standardize format.

2. Rate Schedules FT-RN:

- a) Main impact is to rates and charges, due to one schedule may in the future have more than one contract demand or multiply renewal periods:
 - (i) Refer to paragraph 4.1 pertaining to Monthly Demand Charges; and
 - (ii) Refer to paragraph 4.3 pertaining to Over-run Charges.
- b) Housecleaning items:
 - (i) Service Agreement -- remove “the City of” and “in the Province of” from the opening definitions of Company and Customer (page 1) as well as remove 2nd Customer contact from notification section (paragraph 7.0); and
 - (ii) Schedule of Service -- align to proposed standardize format.

3. Rate Schedules FT-D:

- a) Main impact is to rates and charges, due to one schedule may in the future have more than one contract demand or multiply renewal periods:
 - (i) Refer to paragraph 4.1 pertaining to Monthly Demand Charges; and
 - (ii) Refer to paragraph 4.3 pertaining to Over-run Charges.
- b) Housecleaning items:
 - (i) Paragraph 10.0 Renewal of Service -- deleting reference to historical dates;
 - (ii) Service Agreement -- remove “the City of” and “in the Province of” from the opening definitions of Company and Customer (page 1) as well as remove 2nd Customer contact from notification section (paragraph 7.0); and
 - (iii) Schedule of Service -- align to proposed standardize format.

Summary of Proposed NGTL Tariff Amendments for Dovetail Contract Versioning**4. Rate Schedules FT-A and FT-X:**

- a) Housecleaning items:
 - (i) Paragraph 9.0 Renewal of Service -- deleting reference to historical dates;
 - (ii) Service Agreement -- remove “the City of” and “in the Province of” from the opening definitions of Company and Customer (page 1) as well as remove 2nd Customer contact from notification section (paragraph 6.0); and
 - (iii) Schedule of Service -- align to proposed standardize format.

5. Rate Schedules LRS:

- a) Paragraph 4.1 Monthly Demand Charges -- amended to reflect that one schedule may have more than one contract demand level per month;
- b) Housecleaning items:
 - (i) Service Agreement -- remove “the City of” and “in the Province of” from the opening definitions of Company and Customer (page 1) as well as remove 2nd Customer contact from notification section (paragraph 6.0); and
 - (ii) Schedule of Service -- align to proposed standardize format.

6. Rate Schedules LRS-3:

- a) Paragraph 4.1 Monthly Demand Charges -- amended to reflect that one schedule may have more than one contract demand level per month;
- b) Housecleaning items:
 - (i) Paragraph 6.3 Renewal Notice -- amended to align with FT-R language;
 - (ii) Service Agreement -- remove “the City of” and “in the Province of” from the opening definitions of Company and Customer (page 1) as well as remove 2nd Customer contact from notification section (paragraph 6.0); and
 - (iii) Schedule of Service -- align to proposed standardize format.

7. Rate Schedules IT-R, IT-D and IT-S:

- a) Housecleaning items:
 - (i) Renewal Notice -- amended to align with FT-R language (paragraph 7.2 for IT-R and IT-D, paragraph 8.2 for IT-S);
 - (ii) Service Agreement -- remove “the City of” and “in the Province of” from the opening definitions of Company and Customer (page 1) as well as remove 2nd Customer contact from notification section (paragraph 6.0); and
- b) Schedule of Service -- align to proposed standardize format.

8. Rate Schedules LRS-2, STFT, FCS and OS (only Schedules of Service attached):

- a) Housecleaning items:
 - (i) Service Agreement -- remove “the City of” and “in the Province of” from the opening definitions of Company and Customer (page 1) as well as remove 2nd Customer contact from notification section (paragraph 6.0); and
 - (ii) Schedule of Service -- align to proposed standardize format.

Summary of Proposed NGTL Tariff Amendments for Dovetail Contract Versioning

9. General Terms and Conditions:

- a) Amend paragraph 1.0 Definitions to account for possibility of Schedules of Service with multiple demand volumes and / or multiple terms:
 - (i) 1.23 “Eligible Point to Point Volume”;
 - (ii) 1.73 “Schedule of Service”; and
 - (iii) 1.77 “Service Termination Date”.

10. Appendix B:

- a) Amend definition of “A” (page 2) to the aggregate contract demand of such Schedule of Service.

RATE SCHEDULE FT-R
FIRM TRANSPORTATION - RECEIPT

1.0 DEFINITIONS

1.1 The capitalized terms used in this Rate Schedule have the meanings attributed to them in the General Terms and Conditions of the Tariff unless otherwise defined in this Rate Schedule.

2.0 SERVICE DESCRIPTION AND AVAILABILITY

2.1 Subject to the stated terms and conditions, service under Rate Schedule FT-R shall mean the receipt of gas within Alberta from Customer at Customer's Receipt Points (the "Service") which includes transportation of gas that Company determines necessary to provide services under the Tariff.

2.2 The Service is available to any Customer that has executed a Service Agreement and Schedule of Service under Rate Schedule FT-R. A standard form Service Agreement for Service under this Rate Schedule FT-R is attached.

3.0 PRICING

3.1 Subject to paragraph 3.2, the rate used in calculating Customer's monthly demand charge under each of Customer's Schedules of Service for Service under Rate Schedule FT-R is the FT-R Demand Rate.

3.2 If the Primary Term plus the Secondary Term of any of Customer's Schedules of Service for any new Service or any renewed Service under Rate Schedule FT-R is:

- (i) five (5) years or greater the Price Point shall be 95% (Price Point "A");
- (ii) at least three (3) years but less than five (5) years the Price Point shall be 100% (Price Point "B"); and
- (iii) at least one (1) year but less than three (3) years the Price Point shall be 105% (Price Point "C").

4.0 CHARGE FOR SERVICE

4.1 Aggregate of Customer's Monthly Demand Charges

The aggregate of Customer's monthly demand charges for a Billing Month for Service under Rate Schedule FT-R shall be equal to the sum of the monthly demand charges for each of Customer's Schedules of Service under Rate Schedule FT-R, determined as follows:

$$\text{MDC} = \sum (F \times P) \left[\left(A \times \frac{B}{C} \right) - \left(\frac{D}{E} \right) \right]$$

Where:

"MDC" = the aggregate of the monthly demand charges applicable to such Schedule of Service for such Billing Month;

"F" = the FT-R Demand Rate applicable to such Schedule of Service;

"P" = the applicable Price Point in for such Schedule of Service;

- “A” = ~~the each~~ Receipt Contract Demand in effect for all or a portion of such Billing Month ~~in for~~ such Schedule of Service;
- “B” = the number of days in such Billing Month that Customer was entitled to ~~Service such Receipt Contract Demand~~ under such Schedule of Service;
- “C” = the number of days in such Billing Month;
- “D” = the volume of gas allocated to Customer as determined by Company for Gas Used and Gas Lost for such Receipt Contract Demand for the month preceding such Billing Month under such Schedule of Service; and
- “E” = the number of days in the month preceding such Billing Month.

4.2 Aggregate of Customer’s Surcharges

The aggregate of Customer’s Surcharges for a Billing Month shall be equal to the sum of all Surcharges set forth in the Table of Rates, Tolls and Charges applicable to each of Customer’s Schedules of Service under Rate Schedule FT-R.

4.3 Aggregate of Customer’s Over-Run Gas Charges

The aggregate of Customer’s charges for Over-Run Gas in a Billing Month for Service under Rate Schedule FT-R shall be equal to the sum of the monthly charges for Over-Run Gas for each Receipt Point at which Customer is entitled to Service under Rate Schedule FT-R, determined as follows:

$$\text{MOC} = ((V - Y) - U) \times Z$$

Where:

“MOC” = the monthly charge for Over-Run Gas at the Receipt Point;

“V” = total volume of gas ~~received from~~ allocated to Customer by Company as Over-run Gas in accordance with paragraph 4.6 for Service under all Rate Schedules at such Receipt Point for the month preceding such Billing Month ~~under all of Customer’s Schedules of Service for Service under Rate Schedule FT-R at the Receipt Point;~~

~~“Y” = the aggregate of the products obtained for each of Customer’s Schedules of Service for Service under Rate Schedule FT-R at the Receipt Point, each determined as follows:~~

~~(A x B)~~

~~Where:~~

~~“A” = the Receipt Contract Demand under Customer’s Schedule of Service for Service under Rate Schedule FT-R at the Receipt Point for the month preceding such Billing Month;~~

~~“B” = the number of days in the month preceding such Billing Month that Customer was entitled to Service under such Schedule of Service;~~

“U” = the volume of gas allocated to Customer as determined by Company for Gas Used and Gas Lost for the month preceding such

Billing Month for Service provided to Customer for Over-Run Gas at the Receipt Point; and

“Z” = the IT-R Rate at such Receipt Point.

4.4 The calculation of Customer's charge for Over-Run Gas in paragraph 4.3 shall not take into account Customer's Inventory on the last day of the month preceding the Billing Month.

4.5 Aggregate Charge For Service

Customer shall pay for each Billing Month:

- (i) the sum of the amounts calculated in accordance with paragraphs 4.1, 4.2, and 4.3; less
- (ii) the amount, if any, calculated in accordance with the Terms and Conditions Respecting Relief for Mainline Capacity Restrictions in Appendix "B" of the Tariff.

4.6 Allocation of Gas Received

Notwithstanding any other provision of this Rate Schedule, any Service Agreement or the General Terms and Conditions of the Tariff, and without regard to how gas may have been nominated, the aggregate volume of gas received from Customer at a Receipt Point shall be allocated for billing purposes as follows:

- (i) first to service to Customer under Rate Schedules LRS and LRS-2 to a maximum of such Customer's LRS Contract Demand for such Receipt Point under such Rate Schedule LRS and to a maximum of such Eligible LRS-2 Volumes for the

Coleman Receipt Point under such Rate Schedule LRS-2;

- (ii) secondly to Service to Customer under Rate Schedule FT-R to a maximum of such Customer's Receipt Contract Demand for such Receipt Point under Rate Schedule FT-R;
- (iii) thirdly to service to Customer under Rate Schedule FT-RN to a maximum of such Customer's Receipt Contract Demand for such Receipt Point under Rate Schedule FT-RN; and
- (iv) fourthly to service to Customer under Rate Schedule IT-R at such Receipt Point. If Customer is not entitled to service under Rate Schedule IT-R at such Receipt Point, gas shall be allocated as Over-Run Gas and charged in accordance with paragraph 4.3.

5.0 TERM OF SERVICE

5.1 Term of a Schedule of Service

If, in the provision of new Service, Company determines that:

- (i) no new Facilities are required to be installed or constructed at any Receipt Point to provide the Service requested, the term of the Schedule of Service shall be a Secondary Term equal to the term requested by Customer with the minimum term being three (3) years; or
- (ii) new Facilities are required to be installed or constructed at any Receipt Point to provide the Service requested, the term of the Schedule of Service shall be equal to the sum of:
 - (a) the Primary Term; and
 - (b) a Secondary Term equal to the Secondary Term requested by Customer with the minimum Secondary Term being three (3) years.

5.2 The Price Point for the term shall be determined in the manner described in paragraph 3.2.

5.3 If the number of years calculated for the Primary Term exceeds fifteen (15) years the Primary Term shall be fixed at fifteen (15) years and a Surcharge, determined under the Criteria for Determining Primary Term in Appendix “E” of the Tariff, shall be applied in respect of such Service.

5.4 Term of Service Agreement

Customer’s Service Agreement shall terminate on the latest Service Termination Date of Customer’s Schedules of Service for Service under Rate Schedule FT-R.

6.0 SERVICE DURING TESTS

6.1 Customer may tender, for one (1) month in any calendar year, a daily volume of gas at a Receipt Point in excess of the aggregate of Customer's Receipt Contract Demand under all of Customer's Schedules of Service for Service under Rate Schedule FT-R at such Receipt Point, and Company will receive such excess volume pursuant to the terms and conditions applicable to this Rate Schedule FT-R, provided that:

- (a) Customer has first satisfied Company that it is a requirement under the terms of a gas purchase contract that Customer tender such excess volume to Company for the purpose of a test; and
- (b) Company has determined in its sole judgment that it can receive such volume for such period without adversely affecting the operation of the Facilities or service to any other Customer receiving service under any Rate Schedule other than Rate Schedules IT-R, IT-D or IT-S.

6.2 The IT-R Rate for the applicable Receipt Point shall apply to the excess volumes tendered under paragraph 6.1. The excess shall be Over-Run Gas and Customer shall be charged in accordance with paragraph 4.3.

6.3 Notwithstanding the provisions of paragraph 6.1, Company in its sole discretion may interrupt or terminate the test at any time.

7.0 CAPACITY RELEASE

7.1 If Customer desires a reduction of Customer's Receipt Contract Demand for all or any portion of its Service under a Schedule of Service under Rate Schedule FT-R, Customer shall notify Company of its request for such reduction specifying the particular Receipt Point, Schedule of Service and the Receipt Contract Demand available to any other

Person who requires Service under Rate Schedule FT-R. Company shall not have any obligation to find any Person to assume the Receipt Contract Demand Customer proposes to make available. If after notice is given to Company a Person is found who agrees to assume the Receipt Contract Demand Customer proposes to make available, together with any applicable Surcharge, Company may reduce Customer's Receipt Contract Demand under such Schedule of Service, on terms and conditions satisfactory to Company, by an amount equal to the Receipt Contract Demand specified in a new Schedule of Service, executed by Company and such Person. Notwithstanding such reduction, Customer shall at Company's sole option either:

- (i) continue to pay any Surcharge until the Service Termination Date as described in the applicable Schedule of Service (unless any other Person acceptable to Company has agreed to pay such Surcharge); or
- (ii) in the event that Company retires any Facilities required to provide such Service, pay to Company within a time determined by Company, an amount equal to the net book value of such Facilities adjusted for all costs and expenses associated with such retirement.

8.0 RELIEF FOR MAINLINE RESTRICTIONS

- 8.1** Company will grant relief to a Customer entitled to Service under Rate Schedule FT-R, in accordance with the Terms and Conditions Respecting Relief for Mainline Capacity Restrictions in Appendix “B” of the Tariff.

9.0 TRANSFER OF SERVICE**9.1 Transfers Between Receipt Points Within the Same Project Area**

If Customer desires to transfer all or any portion of Service under a Schedule of Service from a Receipt Point within a Project Area to a Receipt Point within the same Project Area, Customer shall notify Company of Customer's request for such transfer specifying the Receipt Points, the Schedule of Service and the portion of the Receipt Contract Demand that Customer wishes to transfer.

9.2 Company is under no obligation to permit the transfer requested in paragraph 9.1, but may permit such transfer provided that:

- (i) Company determines that sufficient capacity exists in the Facilities to accommodate the transfer;
- (ii) Company determines that the construction or installation of new Facilities that are directly attributable to the transfer is not required;
- (iii) the transfer does not occur during the Primary Term of the Schedule of Service;
- (iv) the Price Point in effect for Service under the Schedule of Service, from which Customer wishes to transfer Service at the time of the transfer, applies to the new Schedule of Service for the Service that has been transferred;
- (v) the FT-R Demand Rate applicable to Service under the Schedule of Service that has been transferred shall be the FT-R Demand Rate in effect at the Receipt Point to which the Service under the Schedule of Service has been transferred; and
- (vi) Customer executes ~~new Schedules of Service~~ a transfer of Service agreement.

9.3 Transfers Between Receipt Points in Different Project Areas

If Customer desires to transfer all or any portion of Service under a Schedule of Service from a Receipt Point within a Project Area to a Receipt Point in a different Project Area, Customer shall notify Company of Customer's request for such transfer specifying the Receipt Points, the Schedule of Service and the portion of the Receipt Contract Demand that Customer wishes to transfer.

9.4 Company is under no obligation to permit the transfer requested in paragraph 9.3, but may permit such transfer provided that:

- (i) Company determines that sufficient capacity exists in the Facilities to accommodate the transfer;
- (ii) Company determines that the construction or installation of new Facilities that are directly attributable to the transfer is not required;
- (iii) the transfer does not occur during the Primary Term of the Schedule of Service;
- (iv) three (3) years are added to the balance of Customer's Secondary Term for the new Schedule of Service (the "New Term") for the Service that has been transferred;
- (v) the Price Point for Service under the new Schedule of Service for the Service that has been transferred shall be determined in the manner described in paragraph 3.2 using the New Term;
- (vi) the FT-R Demand Rate applicable to the Service under the Schedule of Service that has been transferred shall be the FT-R Demand Rate in effect at the Receipt Point to which Service under the Schedule of Service has been transferred; and

- (vii) Customer executes ~~new Schedules of Service~~ a transfer of Service agreement.

9.5 Transfers Between Receipt Points and Delivery Points

A Customer entitled to receive Service under Rate Schedule FT-R shall not be entitled to transfer all or any portion of Service under Rate Schedule FT-R to a Delivery Point.

10.0 TERM SWAPS

10.1 Term Swap Between Receipt Points Within the Same Project Area

If Customer desires to swap the Service Termination Date of a Schedule of Service with the Service Termination Date of another Schedule of Service and the Receipt Points for the Schedules of Service are within the same Project Area, Customer shall notify Company of Customer's request for such swap specifying the particular Receipt Points, the Service Termination Dates and the Schedules of Service, if necessary, that Customer wishes to swap.

10.2 Company is under no obligation to permit the swap requested in paragraph 10.1, but may permit such swap provided that:

- (i) Company determines that sufficient capacity exists in the Facilities to accommodate the swap;
- (ii) Company determines that the construction or installation of new Facilities that are directly attributable to the swap is not required;
- (iii) the swap does not occur during the Primary Term of the Schedule of Service;
- (iv) the Receipt Contract Demand and the FT-R Demand Rate;

-
- (a) at each Receipt Point; and
 - (b) for each Service Termination Date
- do not change as a result of the swap;
- (v) the Price Point in effect for each Schedule of Service after the swap shall be the Price Point in effect for the other Schedule of Service immediately prior to the time the Service Termination Dates were swapped; and
 - (vi) Customer executes new Schedules of Service.

10.3 Term Swaps Between Receipt Points in Different Project Areas

If Customer desires to swap the Service Termination Date of a Schedule of Service with the Service Termination Date of another Schedule of Service and the Receipt Points for the Schedules of Service are in different Project Areas, Customer shall notify Company of Customer's request for such swap specifying the particular Receipt Points, the Service Termination Dates and the Schedules of Service, if necessary, that Customer wishes to swap.

10.4 Company is under no obligation to permit the swap requested in paragraph 10.3, but may permit such swap provided that:

- (i) Company determines that sufficient capacity exists in the Facilities to accommodate the swap;
- (ii) Company determines that the construction or installation of new Facilities that are directly attributable to the swap is not required;
- (iii) the swap does not occur during the Primary Term of the Schedule of Service;
- (iv) the Receipt Contract Demand and the FT-R Demand Rate:

-
- (a) at each Receipt Point; and
 - (b) for each Service Termination Date
- do not change as a result of the swap;
- (v) subject to subparagraph 10.4(vi), the Price Point in effect for each Schedule of Service after the swap shall be the Price Point in effect for the other Schedule of Service immediately prior to the time the Service Termination Dates were swapped;
 - (vi) three (3) years are added to the balance of Customer's Secondary Term for each Schedule of Service (the "New Term") if the remaining term of either of the Schedules of Service is less than three (3) years and the Price Point that shall apply to each Schedule of Service shall be the Price Point determined in the manner described in paragraph 3.2 using the New Term for such Schedules of Service; and
 - (vii) Customer executes new Schedules of Service.

11.5 Term Swaps Between Schedules of Service Under Rate Schedule FT-R and other Schedules of Service

Except as provided in article 10, a Customer entitled to receive Service under Rate Schedule FT-R shall not be entitled to swap the Service Termination Date of any Schedule of Service under Rate Schedule FT-R with the Service Termination Date under any Schedule of Service.

11.0 TITLE TRANSFERS

- 11.1** A Customer entitled to receive Service under Rate Schedule FT-R may transfer all or a portion of Customer's Inventory to another Customer or may accept a transfer of all or a

portion of Customer's Inventory from another Customer provided such Customer is entitled to receive service under any Rate Schedule that permits title transfers and such title transfer is in accordance with the Terms and Conditions of Service Respecting Title Transfers in Appendix "C" of the Tariff.

12.0 RENEWAL OF SERVICE

12.1 Renewal Notification

~~Customer shall be entitled to renew all or any portion of Service under a Schedule of Service under Rate Schedule FT-R with a Service Termination Date prior to March 1, 2001 if Customer gives notice to Company of such renewal at least six (6) months prior to the Service Termination Date. If Customer does not provide such notice, the Service shall expire on the Service Termination Date.~~

Customer shall be entitled to renew all or any portion of Service under a Schedule of Service under Rate Schedule FT-R ~~with a Service Termination Date of March 1, 2001 or later~~, if Customer gives notice to Company of such renewal at least one (1) year prior to the Service Termination Date. If Customer does not provide such notice, the Service shall expire on the Service Termination Date.

12.2 Irrevocable Notice

~~If a Service Termination Date is prior to March 1, 2001, Customer notice shall be irrevocable six (6) months prior to the Service Termination Date. If a Service Termination Date is March 1, 2001 or later, Customer's notice to renew pursuant to paragraph 12.1 shall be irrevocable one (1) year prior to the Service Termination Date.~~

Any renewal of Service is subject to Financial Information and Security provisions in Article 10 of the General Terms and Conditions

12.3 Renewal Term

Customer's notice shall specify a renewal term of not less than one (1) year consisting of increments of whole months. The Price Point for the renewal term shall be determined in the manner described in paragraph 3.2 based on the length of the renewal term requested by Customer.

13.0 APPLICATION FOR SERVICE

13.1 Applications for Service under this Rate Schedule FT-R shall be in such form as Company may prescribe from time to time.

14.0 GENERAL TERMS AND CONDITIONS

14.1 The General Terms and Conditions of the Tariff and the provisions of any Service Agreement for Service under Rate Schedule FT-R are applicable to Rate Schedule FT-R to the extent that such terms and conditions and provisions are not inconsistent with this Rate Schedule.

**SERVICE AGREEMENT
RATE SCHEDULE FT-R**

BETWEEN:

NOVA Gas Transmission Ltd., a body corporate having an office in ~~the~~
~~City of~~ Calgary, ~~in the Province of~~ Alberta (“Company”)

- and -

•, a body corporate having an office in ~~the City of~~ •, ~~in the Province of~~
~~Alberta~~ • (“Customer”)

IN CONSIDERATION of the premises and the covenants and agreements in this Service Agreement, the parties covenant and agree as follows:

1. Customer acknowledges receipt of a current copy of the Tariff.
2. The capitalized terms used in this Service Agreement have the meanings attributed to them in the General Terms and Conditions of the Tariff, unless otherwise defined in this Service Agreement.
3. Customer requests and Company agrees to provide Service pursuant to Rate Schedule FT-R in accordance with the attached Schedules of Service. The Service will commence on the Billing Commencement Date and will terminate, subject to the provisions of this Service Agreement, on the Service Termination Date.

4. Customer agrees to pay to Company each Billing Month, for all Service rendered under this Service Agreement, an amount equal to the aggregate charges for Service described in Rate Schedule FT-R.

5. Customer shall:
 - (a) provide such assurances and information as Company may reasonably require respecting any Service to be provided pursuant to this Rate Schedule FT-R including, without limiting the generality of the foregoing, an assurance that necessary arrangements have been made among Customer, producers of gas for Customer, purchasers of gas from Customer and any other Person relating to such Service, including all gas purchase, gas sale, operating, processing and common stream arrangements; and

 - (b) at Company's request provide Company with an assurance that Customer has provided the Person operating facilities upstream of any Receipt Point in respect of which Customer has the right to receive service with all authorizations necessary to enable such Person to provide Company with all data and information reasonably requested by Company for the purpose of allocating volumes of gas received by Company among Company's Customers and to bind Customer in respect of all such data and information provided.

If Customer fails to provide such assurances and information forthwith following request by Company, from time to time, Company may at its option, to be exercised by notice to Customer, suspend the Service to which such assurances and information relate until such time as Customer provides the assurances and information requested, provided however that any such suspension of Service shall not relieve Customer from any obligation to pay any rate, toll, charge or other amount payable to Company.

6. Customer acknowledges that the Facilities have been designed based on certain assumptions and forecasts described each year in Company's Annual Plan, and that interruption and curtailment of Service may occur if the aggregate gas volume actually received or the aggregate gas volume actually delivered at the Facilities is different than forecast.

7. Every notice, request, demand, statement, bid or bill (for the purpose of this paragraph, collectively referred to as "Notice") provided for in Rate Schedule FT-R, this Service Agreement and the General Terms and Conditions, or any other Notice which either Company or Customer may desire to give to the other, shall be in writing and each of them and every payment provided for shall be directed to the Person to whom given, made or delivered at such Person's address as follows:

Customer:

-
-
-
- Attention: •
- ~~☒~~
- ~~Attention: •~~
- Fax: •

Company:

-
-
-
- Attention: Customer Account Representative
- Fax: •

Notice may be given by fax or other telecommunication and any such Notice shall be deemed to be given four (4) hours after transmission. Notice may also be given by personal delivery or by courier and any such Notice shall be deemed to be given at the time of delivery. Any Notice may also be given by prepaid mail and any such Notice shall be deemed to be given four (4) business days after mailing, Saturdays, Sundays and statutory holidays excepted. In the event of disruption of regular mail, every payment not made electronically shall be personally delivered, and any other Notice shall be given by one of the other stated means.

Any Notice for the matters listed in the Notice Schedule for Electronic Commerce in Appendix “F” of the Tariff shall be given via Company’s electronic bulletin board (“EBB”). Company shall not accept any such Notice for those matters listed in Appendix “F” via any other alternative means, unless the EBB is inoperative or Customer is unable to establish connection with the EBB, in which case Notice shall be given by any other alternative means set out herein. Any Notice given by the EBB shall be deemed to be given one (1) hour after transmission.

Any Notice may also be given by telephone followed immediately by EBB, fax, personal delivery, courier or prepaid mail, and any Notice so given shall be deemed to have been given as of the date and time of the telephone notice.

- 8.** The terms and conditions of Rate Schedule FT-R, the General Terms and Conditions and Schedule of Service under Rate Schedule FT-R are by this reference incorporated into and made a part of this Service Agreement.

IN WITNESS WHEREOF the parties have executed this Service Agreement by their proper signing officers duly authorized in that behalf all as of the • day of •, •.

•

NOVA Gas Transmission Ltd.

Per:

Per :

Per:

Per :

~~SCHEDULE OF SERVICE
RATE SCHEDULE FT-R~~

~~SCHEDULE NO: •~~

~~CUSTOMER: •~~

~~RECEIPT POINT NAME: •~~

~~RECEIPT POINT NO: •~~

~~RECEIPT POINT LOCATION: •~~

~~RECEIPT CONTRACT DEMAND: • 10³ m³/d~~

~~MAXIMUM RECEIPT PRESSURE: • kPa~~

~~SECONDARY TERM START DATE: •~~

~~PRICE POINT: •~~

~~SERVICE TERMINATION DATE: •~~

~~SURCHARGE: •~~

~~ADDITIONAL CONDITIONS: •~~

~~THIS SCHEDULE FORMS PART OF THE SERVICE AGREEMENT DATED • AND SHALL
BE DEEMED TO BE ATTACHED THERETO.~~

• _____ NOVA Gas Transmission Ltd.

Per: _____

Per: _____

Per: _____

Per: _____

SCHEDULE OF SERVICE
RATE SCHEDULE FT-R

CUSTOMER: •

<u>Schedule of Service Number</u>	<u>Receipt Point Number and Name</u>	<u>Legal Description</u>	<u>Maximum Receipt Pressure kPa</u>	<u>Secondary Term Start Date</u>	<u>Service Termination Date</u>	<u>Receipt Contract Demand 10³m³/d</u>	<u>Price Point</u>	<u>Additional Conditions</u>
•	••	•	•	•	•	•	•	•

THIS SCHEDULE FORMS PART OF THE SERVICE AGREEMENT DATED • AND SHALL BE DEEMED TO BE ATTACHED THERETO.

•	NOVA Gas Transmission Ltd.
<u>Per:</u>	<u>Per :</u>
_____	_____
<u>Per:</u>	<u>Per :</u>
_____	_____

RATE SCHEDULE FT-RN

FIRM TRANSPORTATION – RECEIPT NON-RENEWABLE

1.0 DEFINITIONS

1.1 The capitalized terms used in this Rate Schedule have the meanings attributed to them in the General Terms and Conditions of the Tariff unless otherwise defined in this Rate Schedule.

2.0 SERVICE DESCRIPTION AND AVAILABILITY

2.1 Subject to the stated terms and conditions, service under Rate Schedule FT-RN shall mean the receipt of gas within Alberta from Customer at Customer's Receipt Points (the “Service”) which includes transportation of gas that Company determines necessary to provide services under the Tariff.

2.2 The Service is available to any Customer that has executed a Service Agreement and Schedule of Service under Rate Schedule FT-RN. Company shall not be required to construct or install Facilities for any Service under Rate Schedule FT-RN. A standard form Service Agreement for Service under this Rate Schedule FT-RN is attached.

3.0 PRICING

3.1 The rate used in calculating Customer’s monthly demand charge under each of Customer’s Schedules of Service for Service under Rate Schedule FT-RN is the FT-RN Demand Rate.

4.0 CHARGE FOR SERVICE**4.1 Aggregate of Customer's Monthly Demand Charges**

The aggregate of Customer's monthly demand charges for a Billing Month for Service under Rate Schedule FT-RN shall be equal to the sum of the monthly demand charges for each of Customer's Schedules of Service under Rate Schedule FT-RN, determined as follows:

$$\text{MDC} = \sum F \left[\left(A \times \frac{B}{C} \right) - \left(\frac{D}{E} \right) \right]$$

Where:

“MDC” = the aggregate of the monthly demand charges applicable to such Schedule of Service for such Billing Month;

“F” = the FT-RN Demand Rate applicable to such Schedule of Service;

“A” = ~~the each~~ Receipt Contract Demand in effect for all or a portion of such Billing Month for such Schedule of Service;

“B” = the number of days in such Billing Month that Customer was entitled to Service such Receipt Contract Demand under such Schedule of Service;

“C” = the number of days in such Billing Month;

“D” = the volume of gas allocated to Customer as determined by Company for Gas Used and Gas Lost for such Receipt Contract Demand for the month preceding such Billing Month under such

Schedule of Service; and

“E” = the number of days in the month preceding such Billing Month.

4.2 Aggregate of Customer’s Surcharges

The aggregate of Customer’s Surcharges for a Billing Month shall be equal to the sum of all Surcharges set forth in the Table of Rates, Tolls and Charges applicable to each of Customer’s Schedules of Service under Rate Schedule FT-RN.

4.3 Aggregate of Customer’s Over-Run Gas Charges

The aggregate of Customer’s charges for Over-Run Gas in a Billing Month for Service under Rate Schedule FT-RN shall be equal to the sum of the monthly charges for Over-Run Gas for each Receipt Point at which Customer is entitled to Service under Rate Schedule FT-RN, determined as follows:

$$\text{MOC} = ((V - Y) - U) \times Z$$

Where:

“MOC” = the monthly charge for Over-Run Gas at the Receipt Point;

“V” = total volume of gas ~~received from~~ allocated to Customer by Company as Over-run Gas in accordance with paragraph 4.6 for Service under all Rate Schedules at such Receipt Point for the month preceding such Billing Month ~~under all of Customer’s Schedules of Service for Service under Rate Schedule FT-RN at the Receipt Point;~~

~~“Y” = the aggregate of the products obtained for each of Customer’s Schedules of Service for Service under Rate Schedule FT-RN at the Receipt Point, each determined as follows:~~

~~(A x B)~~

~~Where:~~

~~“A” = the Receipt Contract Demand under Customer’s Schedule of Service for Service under Rate Schedule FT-RN at the Receipt Point for the month preceding such Billing Month;~~

~~“B” = the number of days in the month preceding such Billing Month that Customer was entitled to Service under such Schedule of Service;~~

“U” = the volume of gas allocated to Customer as determined by Company for Gas Used and Gas Lost for the month preceding such Billing Month for Service provided to Customer for Over-Run Gas at the Receipt Point; and

“Z” = the IT-R Rate at such Receipt Point.

4.4 The calculation of Customer's charge for Over-Run Gas in paragraph 4.3 shall not take into account Customer's Inventory on the last day of the month preceding the Billing Month.

4.5 Aggregate Charge For Service

Customer shall pay for each Billing Month:

- (i) the sum of the amounts calculated in accordance with paragraphs 4.1, 4.2, and 4.3; less
- (ii) the amount, if any, calculated in accordance with the Terms and Conditions Respecting Relief for Mainline Capacity Restrictions in Appendix "B" of the Tariff.

4.6 Allocation of Gas Received

Notwithstanding any other provision of this Rate Schedule, any Service Agreement or the General Terms and Conditions of the Tariff, and without regard to how gas may have been nominated, the aggregate volume of gas received from Customer at a Receipt Point shall be allocated for billing purposes as follows:

- (i) first to service to Customer under Rate Schedules LRS and LRS-2 to a maximum of such Customer's LRS Contract Demand for such Receipt Point under such Rate Schedule LRS and to a maximum of such Eligible LRS-2 Volumes for the Coleman Receipt Point under such Rate Schedule LRS-2;
- (ii) secondly to Service to Customer under Rate Schedule FT-R to a maximum of such Customer's Receipt Contract Demand for such Receipt Point under Rate Schedule FT-R;
- (iii) thirdly to Service to Customer under Rate Schedule FT-RN to a maximum of such Customer's Receipt Contract Demand for such Receipt Point under Rate Schedule FT-RN; and
- (iv) fourthly to service to Customer under Rate Schedule IT-R at such Receipt Point. If Customer is not entitled to service under Rate Schedule IT-R at such Receipt

Point, gas shall be allocated as Over-Run Gas and charged in accordance with paragraph 4.3.

5.0 TERM OF SERVICE

5.1 Term of a Schedule of Service

The term for any Schedule of Service for Service under Rate Schedule FT-RN at each Receipt Point shall be one (1) year and terminates on the Service Termination Date.

5.2 Term of Service Agreement

Customer's Service Agreement shall terminate on the latest Service Termination Date of Customer's Schedules of Service for Service under Rate Schedule FT-RN.

6.0 SERVICE DURING TESTS

6.1 Customer may tender, for one (1) month in any calendar year, a daily volume of gas at a Receipt Point in excess of the aggregate of Customer's Receipt Contract Demand under all of Customer's Schedules of Service for Service under Rate Schedule FT-RN at such Receipt Point, and Company will receive such excess volume pursuant to the terms and conditions applicable to this Rate Schedule FT-RN, provided that:

- (a) Customer has first satisfied Company that it is a requirement under the terms of a gas purchase contract that Customer tender such excess volume to Company for the purpose of a test; and
- (b) Company has determined in its sole judgment that it can receive such volume for such period without adversely affecting the operation of the Facilities or service to

any other Customer receiving service under any Rate Schedule other than Rate Schedules IT-R, IT-D or IT-S.

6.2 The IT-R Rate for the applicable Receipt Point shall apply to the excess volumes tendered under paragraph 6.1. The excess shall be Over-Run Gas and Customer shall be charged in accordance with paragraph 4.3.

6.3 Notwithstanding the provisions of paragraph 6.1, Company in its sole discretion may interrupt or terminate the test at any time.

7.0 CAPACITY RELEASE

7.1 A Customer entitled to receive Service under Rate Schedule FT-RN shall not be entitled to reduce Customer's Receipt Contract Demand for all or any portion of its Service under a Schedule of Service under Rate Schedule FT-RN.

8.0 RELIEF FOR MAINLINE RESTRICTIONS

8.1 Company will grant relief to a Customer entitled to Service under Rate Schedule FT-RN, in accordance with the Terms and Conditions Respecting Relief for Mainline Capacity Restrictions in Appendix "B" of the Tariff.

9.0 TRANSFER OF SERVICE

9.1 A Customer entitled to receive Service under Rate Schedule FT-RN shall not be entitled to transfer all or any portion of Service under Rate Schedule FT-RN to any other Receipt Point or Delivery Point.

10.0 TERM SWAPS

10.1 A Customer entitled to receive Service under Rate Schedule FT-RN shall not be entitled to swap the Service Termination Date of any Schedules of Service under Rate Schedule FT-RN with the Service Termination Date under any Schedule of Service.

11.0 TITLE TRANSFERS

11.1 A Customer entitled to receive Service under Rate Schedule FT-RN may transfer all or a portion of Customer's Inventory to another Customer or may accept a transfer of all or a portion of Customer's Inventory from another Customer provided such Customer is entitled to receive service under any Rate Schedule that permits title transfers and such title transfer is in accordance with the Terms and Conditions of Service Respecting Title Transfers in Appendix "C" of the Tariff.

12.0 RENEWAL OF SERVICE

12.1 Customer shall not be entitled to renew all or any portion of Service under a Schedule of Service under Rate Schedule FT-RN.

13.0 APPLICATION FOR SERVICE

13.1 Applications for Service under this Rate Schedule FT-RN shall be in such form as Company may prescribe from time to time.

14.0 GENERAL TERMS AND CONDITIONS

14.1 The General Terms and Conditions of the Tariff and the provisions of any Service Agreement for Service under Rate Schedule FT-RN are applicable to Rate Schedule FT-RN to the extent that such terms and conditions and provisions are not inconsistent with this Rate Schedule.

**SERVICE AGREEMENT
RATE SCHEDULE FT-RN**

BETWEEN:

NOVA Gas Transmission Ltd., a body corporate having an office in ~~the~~
~~City of~~ Calgary, ~~in the Province of~~ Alberta (“Company”)

- and -

•, a body corporate having an office in ~~the City of~~ •, ~~in the Province of~~
~~Alberta~~ • (“Customer”)

IN CONSIDERATION of the premises and the covenants and agreements in this Service Agreement, the parties covenant and agree as follows:

1. Customer acknowledges receipt of a current copy of the Tariff.
2. The capitalized terms used in this Service Agreement have the meanings attributed to them in the General Terms and Conditions of the Tariff, unless otherwise defined in this Service Agreement.
3. Customer requests and Company agrees to provide Service pursuant to Rate Schedule FT-RN in accordance with the attached Schedules of Service. The Service will commence on the Billing Commencement Date and will terminate, subject to the provisions of this Service Agreement, on the Service Termination Date.

4. Customer agrees to pay to Company each Billing Month, for all Service rendered under this Service Agreement, an amount equal to the aggregate charges for Service described in Rate Schedule FT-RN.

5. Customer shall:
 - (a) provide such assurances and information as Company may reasonably require respecting any Service to be provided pursuant to this Rate Schedule FT-RN including, without limiting the generality of the foregoing, an assurance that necessary arrangements have been made among Customer, producers of gas for Customer, purchasers of gas from Customer and any other Person relating to such Service, including all gas purchase, gas sale, operating, processing and common stream arrangements; and

 - (b) at Company's request provide Company with an assurance that Customer has provided the Person operating facilities upstream of any Receipt Point in respect of which Customer has the right to receive service with all authorizations necessary to enable such Person to provide Company with all data and information reasonably requested by Company for the purpose of allocating volumes of gas received by Company among Company's Customers and to bind Customer in respect of all such data and information provided.

If Customer fails to provide such assurances and information forthwith following request by Company, from time to time, Company may at its option, to be exercised by notice to Customer, suspend the Service to which such assurances and information relate until such time as Customer provides the assurances and information requested, provided however that any such suspension of Service shall not relieve Customer from any obligation to pay any rate, toll, charge or other amount payable to Company.

6. Customer acknowledges that the Facilities have been designed based on certain assumptions and forecasts described each year in Company's Annual Plan, and that interruption and curtailment of Service may occur if the aggregate gas volume actually received or the aggregate gas volume actually delivered at the Facilities is different than forecast.

7. Every notice, request, demand, statement, bid or bill (for the purpose of this paragraph, collectively referred to as "Notice") provided for in Rate Schedule FT-RN, this Service Agreement and the General Terms and Conditions, or any other Notice which either Company or Customer may desire to give to the other, shall be in writing and each of them and every payment provided for shall be directed to the Person to whom given, made or delivered at such Person's address as follows:

Customer:

-
-
-
- Attention: •
- ~~☒~~
- Attention: → •
- Fax: •

Company:

-
-
-
- Attention: Customer Account Representative
- Fax: •

Notice may be given by fax or other telecommunication and any such Notice shall be deemed to be given four (4) hours after transmission. Notice may also be given by personal delivery or by courier and any such Notice shall be deemed to be given at the time of delivery. Any Notice may also be given by prepaid mail and any such Notice shall be deemed to be given four (4) business days after mailing, Saturdays, Sundays and statutory holidays excepted. In the event of disruption of regular mail, every payment not made electronically shall be personally delivered, and any other Notice shall be given by one of the other stated means.

Any Notice for the matters listed in the Notice Schedule for Electronic Commerce in Appendix “F” of the Tariff shall be given via Company’s electronic bulletin board (“EBB”). Company shall not accept any such Notice for those matters listed in Appendix “F” via any other alternative means, unless the EBB is inoperative or Customer is unable to establish connection with the EBB, in which case Notice shall be given by any other alternative means set out herein. Any Notice given by the EBB shall be deemed to be given one (1) hour after transmission.

Any Notice may also be given by telephone followed immediately by EBB, fax, personal delivery, courier or prepaid mail, and any Notice so given shall be deemed to have been given as of the date and time of the telephone notice.

- 8.** The terms and conditions of Rate Schedule FT-RN, the General Terms and Conditions and Schedule of Service under Rate Schedule FT-RN are by this reference incorporated into and made a part of this Service Agreement.

IN WITNESS WHEREOF the parties have executed this Service Agreement by their proper signing officers duly authorized in that behalf all as of the • day of •, •.

•

NOVA Gas Transmission Ltd.

Per:

Per :

Per:

Per :

~~SCHEDULE OF SERVICE~~
~~RATE SCHEDULE FT-RN~~

~~SCHEDULE NO: •~~

~~CUSTOMER: •~~

~~PLANT CAPACITY: • 10³ m³/d~~

~~COMMON STREAM OPERATOR: •~~

~~RECEIPT POINT NAME: •~~

~~RECEIPT POINT NO: •~~

~~RECEIPT POINT LOCATION: •~~

~~RECEIPT CONTRACT DEMAND: • 10³ m³/d~~

~~MAXIMUM RECEIPT PRESSURE: • kPa~~

~~SERVICE TERMINATION DATE: •~~

~~SURCHARGE: •~~

~~ADDITIONAL CONDITIONS: •~~

~~THIS SCHEDULE FORMS PART OF THE SERVICE AGREEMENT DATED • AND SHALL BE DEEMED TO BE ATTACHED THERETO.~~

• _____ NOVA Gas Transmission Ltd.

Per: _____

Per: _____

Per: _____

Per: _____

SCHEDULE OF SERVICE
RATE SCHEDULE FT-RN

CUSTOMER: •

<u>Schedule of Service Number</u>	<u>Receipt Point Number and Name</u>	<u>Legal Description</u>	<u>Maximum Receipt Pressure kPa</u>	<u>Service Termination Date</u>	<u>Receipt Contract Demand 10³m³/d</u>	<u>Additional Conditions</u>
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•	••	•	•	•	•	•
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THIS SCHEDULE FORMS PART OF THE SERVICE AGREEMENT DATED • AND SHALL BE DEEMED TO BE ATTACHED THERETO.

• _____ NOVA Gas Transmission Ltd.

Per: _____

Per : _____

Per: _____

Per : _____

RATE SCHEDULE FT-D
FIRM TRANSPORTATION - DELIVERY

1.0 DEFINITIONS

1.1 The capitalized terms used in this Rate Schedule have the meanings attributed to them in the General Terms and Conditions of the Tariff unless otherwise defined in this Rate Schedule.

2.0 SERVICE DESCRIPTION AND AVAILABILITY

2.1 Subject to the stated terms and conditions, service under Rate Schedule FT-D shall mean the delivery of gas to Customer at Customer's Export Delivery Points (the "Service"), which includes transportation of gas that Company determines necessary to provide services under the Tariff..

2.2 The Service is available to any Customer that has executed a Service Agreement and Schedule of Service under Rate Schedule FT-D. A standard form Service Agreement for Service under this Rate Schedule FT-D is attached.

3.0 PRICING

3.1 The rate used in calculating Customer's monthly demand charge under each of Customer's Schedules of Service for Service under Rate Schedule FT-D is the FT-D Demand Rate.

4.0 CHARGE FOR SERVICE

4.1 Aggregate of Customer's Monthly Demand Charge

The aggregate of Customer's monthly demand charges for a Billing Month for Service under Rate Schedule FT-D shall be equal to the sum of the monthly demand charges for each of Customer's Schedules of Service under Rate Schedule FT-D, determined as follows:

$$\text{MDC} = \sum F \times \left(A \times \frac{B}{C} \right)$$

Where:

"MDC" = the aggregate of the monthly demand charges applicable to such Schedule of Service for such Billing Month;

"F" = the FT-D Demand Rate;

"A" = ~~the each~~ Export Delivery Contract Demand in effect for all or a portion of such Billing Month ~~infor~~ such Schedule of Service;

"B" = the number of days in such Billing Month that Customer was entitled to Service such Export Delivery Contract Demand under such Schedule of Service; and

"C" = the number of days in such Billing Month.

4.2 Aggregate of Customer's Surcharges

The aggregate of Customer's Surcharges for a Billing Month shall be equal to the sum of all Surcharges set forth in the Table of Rates, Tolls and Charges applicable to each of Customer's Schedules of Service under Rate Schedule FT-D.

4.3 Aggregate of Customer's Over-Run Gas Charges

The aggregate of Customer's charges for Over-Run Gas in a Billing Month for Service under Rate Schedule FT-D shall be equal to the sum of the monthly charges for Over-Run Gas for each Export Delivery Point at which Customer is entitled to Service under Rate Schedule FT-D, determined as follows:

$$\text{MOC} = (V - Y) \times Z$$

Where:

"MOC" = the monthly charge for Over-Run Gas at the Export Delivery Point;

"V" = total volume of gas ~~delivered-allocated~~ to Customer by Company as Over-run Gas in accordance with paragraph 4.6 for Service under all Rate Schedules at such Export Delivery Point for the month preceding such Billing Month ~~under all of Customer's Schedules of Service for Service under Rate Schedule FT-D at the Export Delivery Point;~~

~~"Y" = the aggregate of the products obtained for each of Customer's Schedules of Service for Service under Rate Schedule FT-D at the Export Delivery Point each determined as follows:~~

~~_____ (A x B)~~

~~_____ Where:~~

~~_____ “A” = _____ the Export Delivery Contract Demand under Customer’s
Schedule of Service for Service under Rate Schedule FT-D
at the Export Delivery Point for the month preceding such
Billing Month;~~

~~_____ “B” = _____ the number of days in the month preceding such Billing
Month that Customer was entitled to Service under such
Schedule of Service;~~

“Z” = the IT-D Rate at such Export Delivery Point.

4.4 The calculation of Customer's charge for Over-Run Gas in paragraph 4.3 shall not take into account Customer's Inventory on the last day of the month preceding the Billing Month.

4.5 Aggregate Charge For Service

Customer shall pay for each Billing Month the sum of the amounts calculated in accordance with paragraphs 4.1, 4.2, and 4.3.

4.6 Allocation of Gas Delivered

Notwithstanding any other provision of this Rate Schedule, any Service Agreement or the General Terms and Conditions of the Tariff, and without regard to how gas may have been nominated, the aggregate volume of gas delivered to Customer at an Export

Delivery Point shall be allocated for billing purposes as follows:

- (i) first to service to Customer under Rate Schedule LRS-2 to a maximum of such Eligible LRS-2 Volumes for the A/BC Export Delivery Point under such Rate Schedule LRS-2;
- (ii) secondly to service to Customer under Rate Schedule STFT to a maximum of such Customer's allocated STFT Capacity for such Export Delivery Point under such Rate Schedule STFT;
- (iii) thirdly to Service to Customer under Rate Schedule FT-D to a maximum of such Customer's Export Delivery Contract Demand for such Export Delivery Point under such Rate Schedule FT-D; and
- (iv) fourthly to service to Customer under Rate Schedule IT-D at such Export Delivery Point. If Customer is not entitled to service under Rate Schedule IT-D at such Export Delivery Point, gas shall be allocated as Over-Run Gas and charged in accordance with paragraph 4.3.

5.0 TERM OF SERVICE

5.1 Term of a Schedule of Service

If, in the provision of new Service, Company determines that:

- (i) no new Facilities are required that are directly attributable (generally mainline facilities) to Customer's request for such Service, the term of the Schedule of Service shall be a term equal to the term requested by Customer with the

minimum term being one (1) year; or

- (ii) new Facilities are required that are directly attributable (generally mainline facilities) to Customer's request for such Service, the term of the Schedule of Service shall be equal to ten (10) years or such longer period that Company and Customer agree to.

5.2 Term of Service Agreement

Customer's Service Agreement shall terminate on the latest Service Termination Date of Customer's Schedules of Service for Service under Rate Schedule FT-D.

6.0 CAPACITY RELEASE

- 6.1** If Customer desires a reduction of Customer's Export Delivery Contract Demand for all or any portion of its Service under a Schedule of Service under Rate Schedule FT-D, Customer shall notify Company of its request for such reduction specifying the particular Export Delivery Point, Schedule of Service and the Export Delivery Contract Demand available to any other Person who requires Service under Rate Schedule FT-D. Company shall not have any obligation to find any Person to assume the Export Delivery Contract Demand Customer proposes to make available. If after notice is given to Company a Person is found who agrees to assume the Export Delivery Contract Demand Customer proposes to make available, together with any applicable Surcharge, Company may reduce Customer's Export Delivery Contract Demand under such Schedule of Service, on terms and conditions satisfactory to Company, by an amount equal to the Export Delivery Contract Demand specified in a new Schedule of Service, executed by Company and such Person. Notwithstanding such reduction, Customer shall at Company's sole option either:

- (i) continue to pay any Surcharge until the Service Termination Date as described in the applicable Schedule of Service (unless any other Person acceptable to Company has agreed to pay such Surcharge); or
- (ii) in the event that Company retires any Facilities required to provide such Service, pay to Company within the time determined by Company, an amount equal to the net book value of such Facilities adjusted for all costs and expenses associated with such retirement.

7.0 TRANSFER OF SERVICE

- 7.1** A Customer entitled to receive Service under Rate Schedule FT-D shall not be entitled to transfer all or any portion of Service under Rate Schedule FT-D to any Receipt Point or Delivery Point.

8.0 TERM SWAPS

- 8.1** A Customer entitled to receive Service under Rate Schedule FT-D shall not be entitled to swap the Service Termination Date of any Schedules of Service under Rate Schedule FT-D with the Service Termination Date under any Schedule of Service.

9.0 TITLE TRANSFERS

- 9.1** A Customer entitled to receive Service under Rate Schedule FT-D may transfer all or a portion of Customer's Inventory to another Customer or may accept a transfer of all or a portion of Customer's Inventory from another Customer provided such Customer is entitled to receive service under any Rate Schedule that permits title transfers and such

title transfer is in accordance with the Terms and Conditions of Service Respecting Title Transfers in Appendix "C" of the Tariff.

10.0 RENEWAL OF SERVICE

10.1 Renewal Notification

~~Customer shall be entitled to renew all or any portion of Service under a Schedule of Service under Rate Schedule FT-D with a Service Termination Date prior to March 1, 2001 if Customer gives notice to Company of such renewal at least six (6) months prior to the Service Termination Date. If Customer does not provide such notice, the Service shall expire on the Service Termination Date.~~

Customer shall be entitled to renew all or any portion of Service under a Schedule of Service under Rate Schedule FT-D ~~with a Service Termination Date of March 1, 2001 or later~~, if Customer gives notice to Company of such renewal at least one (1) year prior to the Service Termination Date. If Customer does not provide such notice, the Service shall expire on the Service Termination Date.

10.2 Irrevocable Notice

~~If a Service Termination Date is prior to March 1, 2001, Customer notice shall be irrevocable six (6) months prior to the Service Termination Date. If a Service Termination Date is March 1, 2001 or later, Customer's notice to renew pursuant to paragraph 10.1 shall be irrevocable one (1) year prior to the Service Termination Date.~~

Any renewal of Service is subject to the Financial Information and Security provisions in Article 10 of the General Terms and Conditions

10.3 Renewal Term

Customer's notice shall specify a renewal term of not less than one (1) year consisting of increments of whole months.

11.0 APPLICATION FOR SERVICE

11.1 Applications for Service under this Rate Schedule FT-D shall be in such form as Company may prescribe from time to time.

12.0 GENERAL TERMS AND CONDITIONS

12.1 The General Terms and Conditions of the Tariff and the provisions of any Service Agreement for Service under Rate Schedule FT-D are applicable to Rate Schedule FT-D to the extent that such terms and conditions and provisions are not inconsistent with this Rate Schedule.

**SERVICE AGREEMENT
RATE SCHEDULE FT-D**

BETWEEN:

NOVA Gas Transmission Ltd., a body corporate having an office ~~in the~~
~~City of~~ Calgary, ~~in the Province of~~ Alberta (“Company”)

- and -

•, a body corporate having an office in ~~the City of~~ •, ~~in the Province of~~
~~Alberta~~ • (“Customer”)

IN CONSIDERATION of the premises and the covenants and agreements in this Service Agreement, the parties covenant and agree as follows:

1. Customer acknowledges receipt of a current copy of the Tariff.
2. The capitalized terms used in this Service Agreement have the meanings attributed to them in the General Terms and Conditions of the Tariff, unless otherwise defined in this Service Agreement.
3. Customer requests and Company agrees to provide Service pursuant to Rate Schedule FT-D in accordance with the attached Schedules of Service. The Service will commence on the Billing Commencement Date and will terminate, subject to the provisions of this Service Agreement, on the Service Termination Date.

4. Customer agrees to pay to Company each Billing Month, for all Service rendered under this Service Agreement, an amount equal to the aggregate charges for Service described in Rate Schedule FT-D.

5. Customer shall:
 - (a) provide such assurances and information as Company may reasonably require respecting any Service to be provided pursuant to this Rate Schedule FT-D including, without limiting the generality of the foregoing, an assurance that necessary arrangements have been made among Customer, producers of gas for Customer, purchasers of gas from Customer and any other Person relating to such Service, including all gas purchase, gas sale, operating, processing and common stream arrangements; and

 - (b) at Company's request provide Company with an assurance that Customer has provided the Person operating facilities downstream of any Delivery Point in respect of which Customer has the right to receive service with all authorizations necessary to enable such Person to provide Company with all data and information reasonably requested by Company for the purpose of allocating volumes of gas delivered by Company among Company's Customers and to bind Customer in respect of all such data and information provided.

If Customer fails to provide such assurances and information forthwith following request by Company, from time to time, Company may at its option, to be exercised by notice to Customer, suspend the Service to which such assurances and information relate until such time as Customer provides the assurances and information requested, provided however that any such suspension of Service shall not relieve Customer from any obligation to pay any rate, toll, charge or other amount payable to Company.

6. Customer acknowledges that the Facilities have been designed based on certain assumptions and forecasts described each year in Company's Annual Plan, and that interruption and curtailment of Service may occur if the aggregate gas volume actually received or the aggregate gas volume actually delivered at the Facilities is different than forecast.

7. Every notice, request, demand, statement, bid or bill (for the purpose of this paragraph, collectively referred to as "Notice") provided for in Rate Schedule FT-D, this Service Agreement and the General Terms and Conditions, or any other Notice which either Company or Customer may desire to give to the other, shall be in writing and each of them and every payment provided for shall be directed to the Person to whom given, made or delivered at such Person's address as follows:

Customer:

-
-
-
- Attention: •
- ~~☒~~
- Attention: → •
- Fax: •

Company:

-
-
-
- Attention: Customer Account Representative
- Fax: •

Notice may be given by fax or other telecommunication and any such Notice shall be deemed to be given four (4) hours after transmission. Notice may also be given by personal delivery or by courier and any such Notice shall be deemed to be given at the time of delivery. Any Notice may also be given by prepaid mail and any such Notice shall be deemed to be given four (4) business days after mailing, Saturdays, Sundays and statutory holidays excepted. In the event of disruption of regular mail, every payment not made electronically shall be personally delivered, and any other Notice shall be given by one of the other stated means.

Any Notice for the matters listed in the Notice Schedule for Electronic Commerce in Appendix “F” of the Tariff shall be given via Company’s electronic bulletin board (“EBB”). Company shall not accept any such Notice for those matters listed in Appendix “F” via any other alternative means, unless the EBB is inoperative or Customer is unable to establish connection with the EBB, in which case Notice shall be given by any other alternative means set out herein. Any Notice given by the EBB shall be deemed to be given one (1) hour after transmission.

Any Notice may also be given by telephone followed immediately by EBB, fax, personal delivery, courier or prepaid mail, and any Notice so given shall be deemed to have been given as of the date and time of the telephone notice.

- 8.** The terms and conditions of Rate Schedule FT-D, the General Terms and Conditions and Schedule of Service under Rate Schedule FT-D are by this reference incorporated into and made a part of this Service Agreement.

IN WITNESS WHEREOF the parties have executed this Service Agreement by their proper signing officers duly authorized in that behalf all as of the • day of •, •.

•

NOVA Gas Transmission Ltd.

Per:

Per :

Per:

Per :

~~SCHEDULE OF SERVICE
RATE SCHEDULE FT-D~~

~~SCHEDULE NO: •~~

~~CUSTOMER: •~~

~~EXPORT DELIVERY POINT NAME: •~~

~~EXPORT DELIVERY POINT NO: •~~

~~EXPORT DELIVERY POINT LOCATION: •~~

~~EXPORT DELIVERY CONTRACT DEMAND: • 10³ m³/d~~

~~MAXIMUM DELIVERY PRESSURE: • kPa~~

~~SERVICE TERMINATION DATE: •~~

~~SURCHARGE: •~~

~~ADDITIONAL CONDITIONS: •~~

~~THIS SCHEDULE FORMS PART OF THE SERVICE AGREEMENT DATED • AND SHALL
BE DEEMED TO BE ATTACHED THERETO.~~

• _____ NOVA Gas Transmission Ltd.

Per: _____

Per: _____

Per: _____

Per: _____

SCHEDULE OF SERVICE
RATE SCHEDULE FT-D

CUSTOMER: •

<u>Schedule of Service Number</u>	<u>Export Delivery Point Number and Name</u>	<u>Legal Description</u>	<u>Maximum Delivery Pressure kPa</u>	<u>Service Termination Date</u>	<u>Export Delivery Contract Demand 10³m³/d</u>	<u>Additional Conditions</u>
•	••	•	•	•	•	•

THIS SCHEDULE FORMS PART OF THE SERVICE AGREEMENT DATED • AND SHALL BE DEEMED TO BE ATTACHED THERETO.

• _____ NOVA Gas Transmission Ltd.

Per: _____

Per : _____

Per: _____

Per : _____

RATE SCHEDULE FT-A
FIRM TRANSPORTATION - ALBERTA DELIVERY

1.0 DEFINITIONS

1.1 The capitalized terms used in this Rate Schedule have the meanings attributed to them in the General Terms and Conditions of the Tariff unless otherwise defined in this Rate Schedule.

2.0 SERVICE DESCRIPTION AND AVAILABILITY

2.1 Subject to the stated terms and conditions, service under Rate Schedule FT-A shall mean the delivery of gas to Customer at Customer's Alberta Delivery Points (the "Service"), which includes the transportation of gas Company determines necessary to provide services under the Tariff.

2.2 The Service is available to a Customer that has executed a Service Agreement and Schedule of Service under Rate Schedule FT-A at an Alberta Delivery Point and a valid Service Agreement under Rate Schedule FCS is executed by any Customer at such Alberta Delivery Point. A standard form Service Agreement for Service under this Rate Schedule FT-A is attached.

2.3 Company shall not be required to construct or install Facilities for any Service under Rate Schedule FT-A. If Company determines that new Facilities are required that are directly attributable to Customer's request for Service, Company shall not be required to provide such requested Service unless a valid Service Agreement under Rate Schedule FCS exists in respect of such new Facilities.

3.0 CHARGE FOR SERVICE

3.1 Company shall not charge Customer for Service under this Rate Schedule FT-A.

4.0 ALLOCATION OF GAS DELIVERED

4.1 Notwithstanding any other provision of this Rate Schedule, any Service Agreement or the General Terms and Conditions of the Tariff, and without regard to how gas may have been nominated, the aggregate volume of gas delivered to Customer at an Alberta Delivery Point shall be allocated only to Service to Customer under Rate Schedule FT-A.

5.0 TERM OF SERVICE

5.1 Term of a Schedule of Service

The term of any Schedule of Service for Service under Rate Schedule FT-A shall be the term requested by Customer provided that the term is a minimum of one (1) year and terminates on the last day of the Gas Year.

5.2 Term of Service Agreement

Customer's Service Agreement shall terminate on the latest Service Termination Date of Customer's Schedules of Service for Service under Rate Schedule FT-A.

6.0 TRANSFER OF SERVICE

6.1 A Customer entitled to receive Service under Rate Schedule FT-A shall not be entitled to transfer Service under Rate Schedule FT-A to any Receipt Point or Delivery Point.

7.0 TERM SWAPS

7.1 A Customer entitled to receive Service under Rate Schedule FT-A shall not be entitled to swap the Service Termination Date of any Schedules of Service under Rate Schedule FT-A with the Service Termination Date under any Schedule of Service.

8.0 TITLE TRANSFERS

8.1 A Customer entitled to receive Service under Rate Schedule FT-A may transfer all or a portion of Customer's Inventory to another Customer or may accept a transfer of all or a portion of Customer's Inventory from another Customer provided such Customer is entitled to receive service under any Rate Schedule that permits title transfers and such title transfer is in accordance with the Terms and Conditions of Service Respecting Title Transfers in Appendix "C" of the Tariff.

9.0 RENEWAL OF SERVICE**9.1 Renewal Notification**

~~Customer shall be entitled to renew Service under Rate Schedule FT-A with a Service Termination Date prior to March 1, 2001 if Customer gives notice to Company of such~~

~~renewal at least six (6) months prior to the Service Termination Date. If Customer does not provide such notice, the Service shall expire on the Service Termination Date.~~

Customer shall be entitled to renew Service under Rate Schedule FT-A ~~with a Service Termination Date of March 1, 2001 or later~~, if Customer gives notice to Company of such renewal at least one (1) year prior to the Service Termination Date. If Customer does not provide such notice, the Service shall expire on the Service Termination Date.

9.2 Irrevocable Notice

~~If a Service Termination Date is prior to March 1, 2001, Customer notice shall be irrevocable six (6) months prior to the Service Termination Date. If a Service Termination Date is March 1, 2001 or later, Customer's notice to renew pursuant to paragraph 9.1 shall be irrevocable one (1) year prior to the Service Termination Date.~~

Any renewal of Service is subject to Financial Information and Security provisions in Article 10 of the General Terms and Conditions

9.3 Renewal Term

Customer's notice shall specify a renewal term of not less than one (1) year consisting of increments of whole years.

10.0 APPLICATION FOR SERVICE

10.1 Applications for Service under this Rate Schedule FT-A shall be in such form as Company may prescribe from time to time.

11.0 GENERAL TERMS AND CONDITIONS

11.1 The General Terms and Conditions of the Tariff and the provisions of any Service Agreement for Service under Rate Schedule FT-A are applicable to Rate Schedule FT-A to the extent that such terms and conditions and provisions are not inconsistent with this Rate Schedule.

**SERVICE AGREEMENT
RATE SCHEDULE FT-A**

BETWEEN:

NOVA Gas Transmission Ltd., a body corporate having an office in ~~the City of~~ Calgary, ~~in the Province of~~ Alberta (“Company”)

- and -

•, a body corporate having an office in ~~the City of~~ •, ~~in the Province of~~ ~~Alberta~~ • (“Customer”)

IN CONSIDERATION of the premises and the covenants and agreements in this Service Agreement, the parties covenant and agree as follows:

1. Customer acknowledges receipt of a current copy of the Tariff.
2. The capitalized terms used in this Service Agreement have the meanings attributed to them in the General Terms and Conditions of the Tariff, unless otherwise defined in this Service Agreement.
3. Customer requests and Company agrees to provide Service pursuant to Rate Schedule FT-A in accordance with the attached Schedules of Service. The Service will commence on the Billing Commencement Date and will terminate, subject to the provisions of this Service Agreement, on the Service Termination Date.

-
4. Customer shall:
- (a) provide such assurances and information as Company may reasonably require respecting any Service to be provided pursuant to this Rate Schedule FT-A including, without limiting the generality of the foregoing, an assurance that necessary arrangements have been made among Customer, producers of gas for Customer, purchasers of gas from Customer and any other Person relating to such Service, including all gas purchase, gas sale, operating, processing and common stream arrangements; and
 - (b) at Company's request provide Company with an assurance that Customer has provided the Person operating facilities downstream of any Delivery Point in respect of which Customer has the right to receive service with all authorizations necessary to enable such Person to provide Company with all data and information reasonably requested by Company for the purpose of allocating volumes of gas delivered by Company among Company's Customers and to bind Customer in respect of all such data and information provided.

If Customer fails to provide such assurances and information forthwith following request by Company, from time to time, Company may at its option, to be exercised by notice to Customer, suspend the Service to which such assurances and information relate until such time as Customer provides the assurances and information requested.

5. Customer acknowledges that the Facilities have been designed based on certain assumptions and forecasts described each year in Company's Annual Plan, and that interruption and curtailment of Service may occur if the aggregate gas volume actually received or the aggregate gas volume actually delivered at the Facilities is different than forecast.

6. Every notice, request, demand, statement, bid or bill (for the purpose of this paragraph, collectively referred to as "Notice") provided for in Rate Schedule FT-A, this Service Agreement and the General Terms and Conditions, or any other Notice which either Company or Customer may desire to give to the other, shall be in writing and each of them and every payment provided for shall be directed to the Person to whom given, made or delivered at such Person's address as follows:

Customer:

•

•

•

Attention: •

~~or~~

~~Attention: •~~

Fax: •

Company:

•

•

•

Attention: Customer Account Representative

Fax: •

Notice may be given by fax or other telecommunication and any such Notice shall be deemed to be given four (4) hours after transmission. Notice may also be given by personal delivery or by courier and any such Notice shall be deemed to be given at the time of delivery. Any Notice may also be given by prepaid mail and any such Notice shall be deemed to be given four (4) business days after mailing, Saturdays, Sundays and statutory holidays excepted. In the event of disruption of regular mail, every payment not

made electronically shall be personally delivered, and any other Notice shall be given by one of the other stated means.

Any Notice for the matters listed in the Notice Schedule for Electronic Commerce in Appendix "F" of the Tariff shall be given via Company's electronic bulletin board ("EBB"). Company shall not accept any such Notice for those matters listed in Appendix "F" via any other alternative means, unless the EBB is inoperative or Customer is unable to establish connection with the EBB, in which case Notice shall be given by any other alternative means set out herein. Any Notice given by the EBB shall be deemed to be given one (1) hour after transmission.

Any Notice may also be given by telephone followed immediately by EBB, fax, personal delivery, courier or prepaid mail, and any Notice so given shall be deemed to have been given as of the date and time of the telephone notice.

- 7. The terms and conditions of Rate Schedule FT-A, the General Terms and Conditions and Schedule of Service under Rate Schedule FT-A are by this reference incorporated into and made a part of this Service Agreement.

IN WITNESS WHEREOF the parties have executed this Service Agreement by their proper signing officers duly authorized in that behalf all as of the • day of •, •.

•
Per: _____

NOVA Gas Transmission Ltd.
Per : _____

Per: _____

Per : _____

~~SCHEDULE OF SERVICE
RATE SCHEDULE FT-A~~

~~SCHEDULE NO: •~~

~~CUSTOMER: •~~

~~ALBERTA DELIVERY POINT NAME: •~~

~~ALBERTA DELIVERY POINT NO: •~~

~~ALBERTA DELIVERY POINT LOCATION: •~~

~~MAXIMUM DELIVERY PRESSURE: • kPa~~

~~SERVICE TERMINATION DATE: •~~

~~ADDITIONAL CONDITIONS: •~~

~~THIS SCHEDULE FORMS PART OF THE SERVICE AGREEMENT DATED • AND SHALL
BE DEEMED TO BE ATTACHED THERETO.~~

•—————NOVA Gas Transmission Ltd.

Per: _____

Per: _____

Per: _____

Per: _____

SCHEDULE OF SERVICE
RATE SCHEDULE FT-A

CUSTOMER: •

<u>Schedule of Service Number</u>	<u>Delivery Point Number and Name</u>	<u>Legal Description</u>	<u>Maximum Delivery Pressure kPa</u>	<u>Service Termination Date</u>	<u>Additional Conditions</u>
•	••	•	•	•	•

THIS SCHEDULE FORMS PART OF THE SERVICE AGREEMENT DATED • AND SHALL BE DEEMED TO BE ATTACHED THERETO.

• _____ NOVA Gas Transmission Ltd.

Per: _____

Per : _____

Per: _____

Per : _____

RATE SCHEDULE FT-X
FIRM TRANSPORTATION - EXTRACTION

1.0 DEFINITIONS

1.1 The capitalized terms used in this Rate Schedule have the meanings attributed to them in the General Terms and Conditions of the Tariff unless otherwise defined in this Rate Schedule.

2.0 SERVICE DESCRIPTION AND AVAILABILITY

2.1 Subject to the stated terms and conditions, service under Rate Schedule FT-X shall mean:

- (i) the delivery of gas by Company for Customer at Extraction Delivery Points; and
- (ii) the receipt of gas by Company for Customer at Extraction Receipt Points.

Subparagraphs (i) and (ii) are collectively referred to as the “Service” which includes the transportation of gas Company determines necessary to provide services under the Tariff.

2.2 The Service is available to a Customer that has executed a Service Agreement and Schedule of Service under Rate Schedule FT-X and a valid Service Agreement under Rate Schedule FCS is executed by any Customer at the Extraction Delivery Point. A standard form Service Agreement for Service under this Rate Schedule FT-X is attached.

2.3 Company shall not be required to construct or install Facilities for any Service under Rate Schedule FT-X. If Company determines that new Facilities are required that are directly

attributable to Customer's request for Service, Company shall not be required to provide such requested Service unless a valid Service Agreement under Rate Schedule FCS exists in respect of such new Facilities.

3.0 CHARGE FOR SERVICE

3.1 Company shall not charge Customer for Service under this Rate Schedule FT-X.

4.0 ALLOCATION OF GAS RECEIVED AND DELIVERED

4.1 Notwithstanding any other provision of this Rate Schedule, any Service Agreement or the General Terms and Conditions of the Tariff, and without regard to how gas may have been nominated, the aggregate volume of gas delivered by Company for Customer at Extraction Delivery Points or received by Company for Customer at Extraction Receipt Points shall be allocated only to Service to Customer under Rate Schedule FT-X.

5.0 TERM OF SERVICE

5.1 Term of a Schedule of Service

The term of any Schedule of Service for Service under Rate Schedule FT-X shall be the term requested by Customer provided that the term is a minimum of one (1) year and terminates on the last day of the Gas Year.

5.2 Term of Service Agreement

Customer's Service Agreement shall terminate on the latest Service Termination Date of Customer's Schedules of Service for Service under Rate Schedule FT-X.

6.0 TRANSFER OF SERVICE

6.1 A Customer entitled to receive Service under Rate Schedule FT-X shall not be entitled to transfer Service under Rate Schedule FT-X to any Receipt Point or Delivery Point.

7.0 TERM SWAPS

7.1 A Customer entitled to receive Service under Rate Schedule FT-X shall not be entitled to swap the Service Termination Date of any Schedules of Service under Rate Schedule FT-X with the Service Termination Date under any Schedule of Service.

8.0 TITLE TRANSFERS

8.1 A Customer entitled to receive Service under Rate Schedule FT-X may transfer all or a portion of Customer's Inventory to another Customer or may accept a transfer of all or a portion of Customer's Inventory from another Customer provided such Customer is entitled to receive service under any Rate Schedule that permits title transfers and such title transfer is in accordance with the Terms and Conditions of Service Respecting Title Transfers in Appendix "C" of the Tariff.

9.0 RENEWAL OF SERVICE

9.1 Renewal Notification

~~Customer shall be entitled to renew Service under Rate Schedule FT-X with a Service Termination Date prior to March 1, 2001 if Customer gives notice to Company of such renewal at least six (6) months prior to the Service Termination Date. If Customer does not provide such notice, the Service shall expire on the Service Termination Date.~~

Customer shall be entitled to renew Service under Rate Schedule FT-X ~~with a Service Termination Date of March 1, 2001 or later~~, if Customer gives notice to Company of such renewal at least one (1) year prior to the Service Termination Date. If Customer does not provide such notice, the Service shall expire on the Service Termination Date.

9.2 Irrevocable Notice

~~If a Service Termination Date is prior to March 1, 2001, Customer notice shall be irrevocable six (6) months prior to the Service Termination Date. If a Service Termination Date is March 1, 2001 or later, Customer's notice to renew pursuant to paragraph 9.1 shall be irrevocable one (1) year prior to the Service Termination Date.~~

Any renewal of Service is subject to Financial Information and Security provisions in Article 10 of the General Terms and Conditions

9.3 Renewal Term

Customer's notice shall specify a renewal term of not less than one (1) year consisting of increments of whole years.

10.0 APPLICATION FOR SERVICE

10.1 Applications for Service under this Rate Schedule FT-X shall be in such form as Company may prescribe from time to time.

11.0 GENERAL TERMS AND CONDITIONS

11.1 The General Terms and Conditions of the Tariff and the provisions of any Service Agreement for Service under Rate Schedule FT-X are applicable to Rate Schedule FT-X to the extent that such terms and conditions and provisions are not inconsistent with this Rate Schedule.

**SERVICE AGREEMENT
RATE SCHEDULE FT-X**

BETWEEN:

NOVA Gas Transmission Ltd., a body corporate having an office in ~~the City of~~ Calgary, ~~in the Province of~~ Alberta (“Company”)

- and -

•, a body corporate having an office in ~~the City of~~ •, ~~in the Province of~~ ~~Alberta~~ • (“Customer”)

IN CONSIDERATION of the premises and the covenants and agreements in this Service Agreement, the parties covenant and agree as follows:

1. Customer acknowledges receipt of a current copy of the Tariff.
2. The capitalized terms used in this Service Agreement have the meanings attributed to them in the General Terms and Conditions of the Tariff, unless otherwise defined in this Service Agreement.
3. Customer requests and Company agrees to provide Service pursuant to Rate Schedule FT-X in accordance with the attached Schedules of Service. The Service will commence on the Billing Commencement Date and will terminate, subject to the provisions of this Service Agreement, on the Service Termination Date.

-
4. Customer shall:
- (a) provide such assurances and information as Company may reasonably require respecting any Service to be provided pursuant to this Rate Schedule FT-X including, without limiting the generality of the foregoing, an assurance that necessary arrangements have been made among Customer, producers of gas for Customer, purchasers of gas from Customer and any other Person relating to such Service, including all gas purchase, gas sale, operating, processing and common stream arrangements; and
 - (b) at Company's request provide Company with an assurance that Customer has provided the Person operating facilities upstream of any Receipt Point or downstream of any Delivery Point in respect of which Customer has the right to receive service with all authorizations necessary to enable such Person to provide Company with all data and information reasonably requested by Company for the purpose of allocating volumes of gas received or delivered by Company among Company's Customers and to bind Customer in respect of all such data and information provided.

If Customer fails to provide such assurances and information forthwith following request by Company, from time to time, Company may at its option, to be exercised by notice to Customer, suspend the Service to which such assurances and information relate until such time as Customer provides the assurances and information requested.

5. Customer acknowledges that the Facilities have been designed based on certain assumptions and forecasts described each year in Company's Annual Plan, and that interruption and curtailment of Service may occur if the aggregate gas volume actually received or the aggregate gas volume actually delivered at the Facilities is different than forecast.

6. Every notice, request, demand, statement, bid or bill (for the purpose of this paragraph, collectively referred to as "Notice") provided for in Rate Schedule FT-X, this Service Agreement and the General Terms and Conditions, or any other Notice which either Company or Customer may desire to give to the other, shall be in writing and each of them and every payment provided for shall be directed to the Person to whom given, made or delivered at such Person's address as follows:

Customer:

-
-
-

Attention: •

~~or~~

~~Attention:~~ •

Fax: •

Company:

-
-
-

Attention: Customer Account Representative

Fax: •

Notice may be given by fax or other telecommunication and any such Notice shall be deemed to be given four (4) hours after transmission. Notice may also be given by personal delivery or by courier and any such Notice shall be deemed to be given at the time of delivery. Any Notice may also be given by prepaid mail and any such Notice shall be deemed to be given four (4) business days after mailing, Saturdays, Sundays and

statutory holidays excepted. In the event of disruption of regular mail, every payment not made electronically shall be personally delivered, and any other Notice shall be given by one of the other stated means.

Any Notice for the matters listed in the Notice Schedule for Electronic Commerce in Appendix "F" of the Tariff shall be given via Company's electronic bulletin board ("EBB"). Company shall not accept any such Notice for those matters listed in Appendix "F" via any other alternative means, unless the EBB is inoperative or Customer is unable to establish connection with the EBB, in which case Notice shall be given by any other alternative means set out herein. Any Notice given by the EBB shall be deemed to be given one (1) hour after transmission.

Any Notice may also be given by telephone followed immediately by EBB, fax, personal delivery, courier or prepaid mail, and any Notice so given shall be deemed to have been given as of the date and time of the telephone notice.

- 7. The terms and conditions of Rate Schedule FT-X, the General Terms and Conditions and Schedule of Service under Rate Schedule FT-X are by this reference incorporated into and made a part of this Service Agreement.

IN WITNESS WHEREOF the parties have executed this Service Agreement by their proper signing officers duly authorized in that behalf all as of the • day of •, •.

•
Per: _____

NOVA Gas Transmission Ltd.
Per : _____

Per: _____

Per : _____

~~SCHEDULE OF SERVICE~~

~~RATE SCHEDULE FT-X~~

~~SCHEDULE NO: •~~

~~CUSTOMER: •~~

~~EXTRACTION DELIVERY POINT NAME: •~~

~~EXTRACTION DELIVERY POINT NO: •~~

~~EXTRACTION DELIVERY POINT LOCATION: •~~

~~MAXIMUM DELIVERY PRESSURE: • kPa~~

~~EXTRACTION RECEIPT POINT NAME: •~~

~~EXTRACTION RECEIPT POINT NO: •~~

~~EXTRACTION RECEIPT POINT LOCATION: •~~

~~MAXIMUM RECEIPT PRESSURE: • kPa~~

~~SERVICE TERMINATION DATE: •~~

~~ADDITIONAL CONDITIONS: •~~

~~THIS SCHEDULE FORMS PART OF THE SERVICE AGREEMENT DATED • AND SHALL
BE DEEMED TO BE ATTACHED THERETO.~~

~~•
Per: _____~~

~~NOVA Gas Transmission Ltd.
Per: _____~~

~~Per: _____~~

~~Per: _____~~

SCHEDULE OF SERVICE
RATE SCHEDULE FT-X

CUSTOMER: •

<u>Schedule of Service Number</u>	<u>Extraction Receipt and Delivery Point Number and Name</u>	<u>Extraction Receipt and Delivery Point Legal Description</u>	<u>Maximum Delivery Pressure kPa</u>	<u>Service Termination Date</u>	<u>Additional Conditions</u>
•	••	•	•	•	•

THIS SCHEDULE FORMS PART OF THE SERVICE AGREEMENT DATED • AND SHALL BE DEEMED TO BE ATTACHED THERETO.

• _____ NOVA Gas Transmission Ltd.

Per: _____

Per : _____

Per: _____

Per : _____

RATE SCHEDULE LRS
LOAD RETENTION SERVICE

1.0 DEFINITIONS

1.1 The capitalized terms used in this Rate Schedule have the meanings attributed to them in the General Terms and Conditions of the Tariff unless otherwise defined in this Rate Schedule.

2.0 SERVICE DESCRIPTION

2.1 Subject to the stated terms and conditions, service under Rate Schedule LRS shall mean:

- (i) the receipt of gas from Customer at Customer's Receipt Points as identified in Appendix "1" of this Rate Schedule; and
- (ii) the delivery of gas to the Empress Border and/or the McNeill Border Export Delivery Points.

2.2 Subparagraphs (i) and (ii) are collectively referred to as the "Service" which includes transportation of gas that Company determines necessary to provide services under the Tariff.

2.3 A standard form Service Agreement for Service under this Rate Schedule LRS is attached.

3.0 AVAILABILITY

3.1 Service is available to those Customers who signed a precedent agreement with Palliser Pipeline Inc. prior to December 12, 1996 (the “Palliser Precedent Agreement”) requiring firm service for the transportation of natural gas within Alberta. Service under Rate Schedule LRS involves the receipt of quantities of gas at the Receipt Points authorized under this Rate Schedule LRS, being those Receipt Points identified in Appendix “1” attached to this Rate Schedule, and the delivery of such quantities of gas to either the Empress or McNeill Border Export Delivery Points. It is a condition of Service that Customers have or are deemed to have executed a Service Agreement and Schedule of Service under Rate Schedule LRS.

3.2 New or additional Service under Rate Schedule LRS at Receipt Points shall be made available in accordance with the provisions of article 5.0.

4.0 CHARGE FOR SERVICE**4.1 Aggregate of Customer's Monthly Receipt Demand Charge**

The aggregate of Customer’s monthly receipt demand charges for a Billing Month for Service under Rate Schedule LRS at Customer’s Receipt Points as identified in Appendix “1” shall be equal to the sum of the monthly receipt demand charges for each of Customer’s Schedules of Service under Rate Schedule LRS, determined as follows:

$$\text{MDC} = \sum (F \times P) \left[\left(A \times \frac{B}{C} \right) - \frac{D}{E} \right]$$

Where:

- “MDC” = the aggregate of the monthly-receipt demand charges applicable to such Schedule of Service for such Billing Month;
- “F” = the FT-R Demand Rate applicable to such Schedule of Service;
- “P” = Price Point “A” (as defined in Rate Schedule FT-R);
- “A” = ~~the each~~ LRS Contract Demand in effect for all or a portion of such Billing Month as set out in such Schedule of Service;
- “B” = the number of days in such Billing Month that Customer was entitled to ~~Service~~ such LRS Contract Demand under such Schedule of Service;
- “C” = the number of days in such Billing Month;
- “D” = the volume of gas allocated to Customer as determined by Company for Gas Used and Gas Lost for the month preceding such Billing Month under such Schedule of Service; and
- “E” = the number of days in the month preceding such Billing Month.

4.2 Determination of LRS Billing Adjustment

Customer’s monthly LRS Billing Adjustment for a Billing Month for Service under Rate Schedule LRS shall be calculated by the application of the following four steps:

- (i) determination of the Eligible LRS Contract Demand as described in subparagraph 4.2.1;

- (ii) calculation of the amount that has been charged in respect of the Eligible LRS Contract Demand using the applicable FT-R Demand Rates and FT-D Demand Rate as described in subparagraph 4.2.2;
- (iii) calculation of the amount that should be charged in respect of Service under Rate Schedule LRS by applying the Effective LRS Rate to the Eligible LRS Contract Demand as described in subparagraph 4.2.3; and
- (iv) determination of the LRS Billing Adjustment that will be applied to Customer's bill, as described in subparagraph 4.2.4, by determining the difference between the amounts calculated in steps (ii) and (iii).

4.2.1. Determination of Eligible LRS Contract Demand

Eligible LRS Contract Demand will be determined based on the information provided by Customer by way of an Officer's Certificate in such form as Company may prescribe from time to time. Eligibility is achieved only when Customer has provided a valid Officer's Certificate which satisfies Company that the requirements under Rate Schedule LRS have been met. Customer shall provide an Officer's Certificate no later than the twenty-second (22nd) day of each Month.

The Eligible LRS Contract Demand will be determined as follows:

$$\text{ECD} = A - \left(\frac{B + C - D}{E} \right)$$

Where:

"ECD" = the Eligible LRS Contract Demand;

- “A” = the aggregate LRS Contract Demand for Service under Rate Schedule LRS at the Customer’s Receipt Points identified in Appendix “1” of this Rate Schedule adjusted as per paragraph 4.1;
- “B” = the volumes of gas received by Company under Rate Schedule LRS verified by an Officer’s Certificate to have been delivered from the Facilities into a storage facility for Customer;
- “C” = the volumes of gas not verified by an Officer’s Certificate to have been delivered to the Empress Border or McNeill Border Export Delivery Points under Rate Schedule LRS;
- “D” = the volumes of gas under Rate Schedule LRS verified by an Officer’s Certificate to have been delivered from a storage facility into the Facilities for Customer (provided that these storage volumes of gas originated from Customer’s Receipt Points identified in Appendix “1” of this Rate Schedule for Customer) and were ultimately delivered to the Empress Border or McNeill Border Export Delivery Points; and
- “E” = the average number of days in a month.

4.2.2. Calculation of Amount Charged in respect of the Eligible LRS Contract Demands using the FT-R Demand Rate(s) and the FT-D Demand Rate

After having determined the Eligible LRS Contract Demand, Company will calculate the amount that has been charged with respect to paragraph 4.1 of this Rate Schedule LRS.

The amount that has been charged is the sum of:

- (i) for all of Customer's Receipt Points identified in Appendix "1" the aggregate of the product of the FT-R Demand Rate and Price Point "A" and the Eligible LRS Contract Demand for each Receipt Point (the "Receipt Demand Charge"); and
- (ii) the FT-D Demand Rate multiplied by the Eligible LRS Contract Demand (the "Delivery Demand Charge").

4.2.3. Calculation of the Amounts To Be Charged for LRS Service

The amount to be paid for Service under Rate Schedule LRS (the "LRS Charge") will be the product of the Effective LRS Rate and the Eligible LRS Contract Demand. The Effective LRS Rate is included in the Table of Rates, Tolls and Charges of this Tariff.

The Effective LRS Rate commences on January 1, 1998 and escalates at the rate of two (2) per cent per annum starting January 1, 1999.

4.2.4. Determination of LRS Billing Adjustment

The LRS Billing Adjustment will be calculated as follows:

- (i) Company will calculate the sum of the Receipt Demand Charge and the Delivery Demand Charge; and
- (ii) Company will calculate the difference between the LRS Charge and the amount calculated in accordance with subparagraph 4.2.4 (i).

The result of the calculations made in accordance with subparagraph 4.2.4 (ii) shall be the LRS Billing Adjustment.

Eligible LRS Contract Demand will not be considered for the determination of the LRS Billing Adjustment unless Customer has satisfied Company in the form of a valid Officer's Certificate, that the volumes of gas received were delivered to the Empress Border and McNeill Border Export Delivery Point within the Month with the exception of any volume of gas to have been delivered from Facilities into a storage facility.

4.3 Aggregate of Customer's Over-Run Gas Charges

4.3.1. In the event that Company determines in respect of a Billing Month that Company has received from Customer, in the month preceding such Billing Month, a volume of gas at any Receipt Point identified in Appendix "1" of this Rate Schedule in excess of:

- (a) the aggregate of the products obtained when each of the LRS Contract Demand in effect for Customer in respect of Rate Schedule LRS, in the month preceding such Billing Month, is multiplied by the number of Days in such month that such LRS Contract Demand was in effect; plus
- (b) the aggregate of the products obtained when each of the Receipt Contract Demand in effect for Customer in respect of Rate Schedule FT-R, in the month preceding such Billing Month, is multiplied by the number of Days in such month that the Receipt Contract Demand was in effect; minus
- (c) the volume of gas allocated to Customer as determined by Company for Gas Used and Gas Lost for the month preceding such Billing Month for Service provided to Customer for Over-run Gas at the Receipt Point,

then Customer shall pay to Company an amount equal to the product of a volume equal to such excess and the IT-R Rate for the applicable Receipt Point.

4.3.2. The calculation of Customer's Over-Run Gas charge in subparagraph 4.3.1 shall not take into account Customer's Inventory on the last day of the month preceding the Billing Month.

4.4 Aggregate Charge For Service

Customer shall pay for each Billing Month:

- (i) the sum of
 - (a) the amounts calculated in accordance with paragraphs 4.1 and 4.3;
and
 - (b) the amount, if any, calculated in accordance with article 7.0 of this Rate Schedule LRS; less

- (ii) the sum of
 - (a) the billing credit, if any, calculated in accordance with the Terms and Conditions Respecting Relief for Mainline Capacity Restrictions in Appendix "B" of the Tariff; and
 - (b) the LRS Billing Adjustment, if any, calculated in accordance with paragraph 4.2 of this Rate Schedule LRS.

4.5 Allocation of Gas Received

Notwithstanding any other provision of this Rate Schedule, any Service Agreement or General Terms and Conditions of the Tariff, and without regard to how gas may have been nominated, the aggregate volume of gas received from Customer at a Receipt Point shall be allocated for billing purposes as follows:

- (i) first to Service to Customer under Rate Schedule LRS to a maximum of such Customer's LRS Contract Demand for such Receipt Point under such Rate Schedule LRS and to service to a maximum of such Eligible LRS-2 Volumes for the Coleman Receipt Point under such Rate Schedule LRS-2;
- (ii) secondly to service to Customer under Rate Schedule FT-R to a maximum of such Customer's Receipt Contract Demand for such Receipt Point under such Rate Schedule FT-R;
- (iii) thirdly to service to Customer under Rate Schedule FT-RN to a maximum of such Customer's Receipt Contract Demand for such Receipt Point under Rate Schedule FT-RN; and
- (iv) fourthly to service to Customer under Rate Schedule IT-R at such Receipt Point. If Customer is not entitled to service under Rate Schedule IT-R at such Receipt Point, gas shall be allocated as Over-Run Gas and charged in accordance with paragraph 4.3.

5.0 AVAILABILITY OF NEW SERVICE

New Service under Rate Schedule LRS shall be made available to Customer receiving Service under this Rate Schedule LRS providing the following conditions are met:

- (i) the Receipt Point location is south of Township 34 west of the 4th meridian and is east of range 29 west of the 4th meridian or is the East Calgary Receipt Point No. 2007;

- (ii) if a new Receipt Point or if new Facilities are required at an existing Receipt Point, Customer has provided a capital contribution equal in amount to the capital costs associated with the installation or construction of any new Facilities;
- (iii) gas received from Customer is for ultimate delivery to the Empress Border and/or McNeill Border Export Delivery Points;
- (iv) Customer has signed a precedent agreement with Palliser Pipeline Inc. prior to December 12, 1996 (the “Palliser Precedent Agreement”) requiring firm Service for the transportation of natural gas within Alberta; and
- (v) the aggregate of Customer’s Service under this Rate Schedule LRS shall not exceed the initial volumes and term set out in such Customer’s Palliser Precedent Agreement and any additional volumes acquired by Customer pursuant to paragraph 12 of this Rate Schedule.

6.0 TERM OF SERVICE AGREEMENT

6.1 The term of a Service Agreement under Rate Schedule LRS shall expire on the date which is the latest Service Termination Date of Customer’s LRS Receipt Point Obligations under such Service Agreement.

6.2 The initial term of an LRS Receipt Point Obligation in respect of any Customer Receipt Point identified in Appendix “1” shall be the period equal to the term set out in Customer’s Palliser Precedent Agreement.

6.3 The term of an LRS Receipt Point Obligation in respect of any Customer Receipt Point, where new Service is obtained in accordance with the provisions of article 5.0 of this Rate Schedule, shall be a period equal to the term specified by Customer, provided that the minimum term that can be specified is one (1) year, (expressed in whole years) and provided that the Service Termination Date is no later than December 31, 2017.

7.0 SERVICE DURING TESTS

7.1 Customer may tender, for one (1) month in any calendar year, a daily volume of gas at a Receipt Point in excess of the aggregate of Customer's LRS Contract Demand under all of Customer's Schedules of Service for Service under Rate Schedule LRS at such Receipt Point, and Company will receive such excess volume pursuant to the terms and conditions applicable to this Rate Schedule LRS, provided that:

- (a) Customer has first satisfied Company that it is a requirement under the terms of a gas purchase contract that Customer tender such excess volume to Company for the purpose of a test; and
- (b) Company has determined in its sole judgment that it can receive such volume for such period without adversely affecting the operation of the Facilities or service to any other Customer receiving service under any Rate Schedule other than Rate Schedules IT-R, IT-D or IT-S.

7.2 The IT-R Rate for the applicable Receipt Point shall apply to excess volumes tendered under paragraph 7.1. Customer shall be charged for the excess in accordance with paragraph 4.3.

7.3 Notwithstanding the provisions of paragraph 7.1, Company in its sole discretion may interrupt or terminate the test at any time.

8.0 CAPACITY RELEASE

8.1 If Customer desires a reduction of Customer's LRS Contract Demand for all or any portion of its Service under a Schedule of Service under Rate Schedule LRS Customer shall notify Company of its request for such reduction specifying the particular Receipt Point, Schedule of Service and the LRS Contract Demand available to any other Person qualifying for Service under Rate Schedule LRS. Company assumes no obligation to find such Person to assume the LRS Contract Demand that Customer proposes to make available. If after notice is given to Company a Person qualifying for Service under Rate Schedule LRS is found who agrees to assume the LRS Contract Demand Customer proposes to make available, Company may reduce Customer's LRS Contract Demand under such Schedule of Service, on terms and conditions satisfactory to Company, by an amount equal to the LRS Contract Demand specified in a Schedule of Service, executed by Company and such Person. Notwithstanding such reduction, Customer shall at Company's sole option pay to Company within the time determined by Company an amount equal to the net book value of such Facilities in the event Company retires any Facilities required to provide such Service adjusted for all costs and expenses associated with such retirement.

9.0 RELIEF FOR MAINLINE RESTRICTIONS

9.1 Company may grant relief to a Customer entitled to Service under Rate Schedule LRS, in accordance with the Terms and Conditions Respecting Relief for Mainline Capacity Restrictions in Appendix "B" of the Tariff.

10.0 TRANSFER OF SERVICE BETWEEN RECEIPT POINTS

10.1 If Customer desires to transfer all or any portion of any Service under Rate Schedule LRS from one Receipt Point to another Receipt Point, Customer shall notify Company of its request for such transfer specifying the particular Receipt Points and the Service that Customer wishes to transfer.

10.2 Company shall not be required to permit the transfer requested in paragraph 10.1 if:

- (i) the transferred-to Receipt Point location is north of Township 33 west of the 4th meridian and west of range 28 west of the 4th meridian except for the East Calgary Receipt Point No. 2007; or
- (ii) Company is required to install or construct Facilities at a new Receipt Point to provide the Service requested unless Customer provides a capital contribution equal in amount to the capital costs associated with the installation or construction of new Facilities.

11.0 TITLE TRANSFERS

11.1 A Customer entitled to receive Service under Rate Schedule LRS may transfer all or a portion of Customer's Inventory to another Customer or may accept a transfer of all or a portion of Customer's Inventory from another Customer provided such Customer is entitled to receive service under any Rate Schedule that permits title transfers and such title transfer is in accordance with the Terms and Conditions of Service Respecting Title Transfers in Appendix "C" of the Tariff.

12.0 ASSIGNMENTS

12.1 Customer shall not be permitted to assign any Service Agreements or Schedule of Service pertaining to a LRS Contract Demand at a Receipt Point identified in Appendix “1” of this Rate Schedule unless such assignment is to an affiliate (as defined in the *Business Corporation Act*, (Alberta) S.A. 1981, c. B-15 as amended from time to time) or to another Customer entitled to receive Service under Rate Schedule LRS.

13.0 RENEWAL OF SERVICE

13.1 Provided the Customer shall have given Company notice advising Company that Customer desires to renew the term of all or a portion of any Service provided to Customer under this Rate Schedule LRS at least one (1) year prior to the expiry of the current term for which Company has agreed to provide such Service, Customer shall be entitled to renew such Service on a one time basis only for an additional term, which additional term:

- (i) shall not exceed the initial term;
- (ii) when added to the initial term shall not exceed twenty (20) years; and
- (iii) shall not have a Service Termination Date later than December 31, 2017.

14.0 APPLICATION FOR SERVICE

14.1 Applications for Service under Rate Schedule LRS shall be in such form as Company may prescribe from time to time.

15.0 GENERAL TERMS AND CONDITIONS

15.1 The General Terms and Conditions of the Tariff and the provisions of any Service Agreement for Service under Rate Schedule LRS are applicable to Rate Schedule LRS to the extent that such terms and conditions and provisions are not inconsistent with this Rate Schedule.

APPENDIX 1 TO RATE SCHEDULE LRS

RECEIPT POINT	STATION NUMBER
Alderson	1075
Atlee Buffalo East	1116
Atlee Buffalo South	1098
Atusis Creek	1792
Atusis Creek East	1792
Badger East	1275
Bantry NE	1296
Bantry North	1122
Bantry NW	1181
Bassano South	1330
Bassano South #2	1794
Berry-Carolside	1085
Berry Creek East	1136
Bowell South	1318
Bowmanton	1216
Carbon	1170
Cassils	1315
Cavalier	1737
Cessford Burfield West	1027
Cessford West	1012
Countess	1028
Countess South	1155
Countess South #2	2296
Countess West	1287
Countess Makepeace	1015
East Calgary	2007
Gatine	1623
Gayford	1358
Gem South	1435
Gem West	1490
Gleichen	1480
Hilda West	1402
Hussar Chancellor	1016
Iddlesleigh South	1277
Jenner West	1099
Lake Newell East	1210
Lonesome Lake	1768
Louisiana Lake	1366
Makepeace North	1419
Makepeace South	1419
Matzhiwin South	1379
Matzhiwin West	1150
Medicine Hat East	1186
Medicine Hat South #2	1043
Nightingale	1747

APPENDIX 1 TO RATE SCHEDULE LRS (continued)

Patricia West	1289
Princess South	1327
Princess West	1183
Rainier South	1378
Rainier SW	1380
Rosemary	1466
Rosemary North	1461
Schuler	1263
Standard	1534
Stanmore South	1156
Suffield	1202
Suffield East	1200
Suffield West	1423
Tide Lake	1348
Trochu	1574
Twelve Mile Coulee	1699
Vale	154
Vale East	1212
Verger	1056
Verger-Millicent	1203
Vulcan	1076
Wayne-Dalum	1039
Wayne-Rosebud	1107
Wintering Hills	1070

**SERVICE AGREEMENT
RATE SCHEDULE LRS**

BETWEEN:

NOVA Gas Transmission Ltd., a body corporate having an office in ~~the City of~~ Calgary, ~~in the Province of~~ Alberta (“Company”)

- and -

•, a body corporate having an office in ~~the City of •, in the Province of~~ ~~Alberta •~~ (“Customer”)

IN CONSIDERATION of the premises and the covenants and agreements herein contained, the parties covenant and agree as follows:

1. Customer acknowledges receipt of a current copy of the Tariff.
2. The capitalized terms used in this Service Agreement have the meanings attributed to them in the General Terms and Conditions of the Tariff, unless otherwise defined.
3. Customer requests and Company agrees to provide Service pursuant to Rate Schedule LRS in accordance with the attached Schedules of Service. The Service will commence on the Billing Commencement Date and will terminate, subject to the provisions of this Service Agreement, on the Service Termination Date.

4. Customer agrees to pay to Company each Billing Month, for all Service rendered under this Service Agreement, an amount equal to the aggregate charges for Service described in Rate Schedule LRS.

5. Customer shall:
 - (a) provide such assurances and information as Company may reasonably require respecting any Service to be provided pursuant to Rate Schedule LRS including, without limiting the generality of the foregoing, an assurance that necessary arrangements have been made among Customer, producers of gas for Customer, purchasers of gas from Customer and any other Person relating to such Service, including all gas purchase, gas sale, operating, processing and common stream arrangements;

 - (b) at Company's request provide Company with an assurance that Customer has provided the Person operating facilities upstream of any Receipt Point in respect of which Customer has the right to receive Service with all authorizations necessary to enable such Person to provide Company with all data and information reasonably requested by Company for the purpose of allocating volumes of gas received by Company among Company's Customers and to bind Customer in respect of all such data and information provided; and

 - (c) represent and demonstrate on a monthly basis that volumes moved under this service were delivered to either the Empress Border or McNeill Border Export Delivery Points. Should Customer not demonstrate as required, or should the demonstration be inadequate or found to be invalid, the resulting credit will not apply for the subject volumes and associated contract demands.

If Customer fails to provide such assurances and information forthwith following request by Company, from time to time, Company may at its option, to be exercised by notice to

Customer, suspend the Service to which such assurances and information relate until such time as Customer provides the assurances and information requested, provided however that any such suspension of Service shall not relieve Customer from any obligation to pay any rate, toll, charge or other amount payable to Company.

6. Customer acknowledges that the Facilities have been designed based on certain assumptions and forecasts described each year in Company's Annual Plan, and that interruption and curtailment of Service may occur if the aggregate gas volume actually received or the aggregate gas volume actually delivered at the Facilities is different than forecast.

7. Every notice, request, demand, statement, bid or bill (for the purpose of this paragraph, collectively referred to as "Notice") provided for in Rate Schedule LRS, this Service Agreement and the General Terms and Conditions, or any other Notice which either Company or Customer may desire to give to the other, shall be in writing and each of them and every payment provided for shall be directed to the Person to whom given, made or delivered at such Person's address as follows:

Customer:

-
-
-

Attention: ●

☒

Attention: ●

Fax: ●

Company:

-
-
-

Attention: Customer Account Representative

Fax: •

Notice may be given by fax or other telecommunication and any such Notice shall be deemed to be given four (4) hours after transmission. Notice may also be given by personal delivery or by courier and any such Notice shall be deemed to be given at the time of delivery. Any Notice may also be given by prepaid mail and any such Notice shall be deemed to be given four (4) business days after mailing, Saturdays, Sundays and statutory holidays excepted. In the event of disruption of regular mail, every payment not made electronically shall be personally delivered, and any other Notice shall be given by one of the other stated means.

Any Notice for the matters listed in the Notice Schedule for Electronic Commerce in Appendix “F” of the Tariff shall be given via Company’s electronic bulletin board (“EBB”). Company shall not accept any such Notice for those matters listed in Appendix “F” via any other alternative means, unless the EBB is inoperative or Customer is unable to establish connection with the EBB, in which case Notice shall be given by any other alternative means set out herein. Any Notice given by the EBB shall be deemed to be given one (1) hour after transmission.

Any Notice may also be given by telephone followed immediately by EBB, fax, personal delivery, courier or prepaid mail, and any Notice so given shall be deemed to have been given as of the date and time of the telephone notice.

8. The terms and conditions of Rate Schedule LRS, the General Terms and Conditions and Schedule of Service under Rate Schedule LRS are by this reference incorporated into and made a part of this Service Agreement.

IN WITNESS WHEREOF the parties have executed this Service Agreement by their proper signing officers duly authorized in that behalf all as of the • day of , ••.

•

Per: _____

NOVA Gas Transmission Ltd.

Per : _____

Per: _____

Per : _____

~~SCHEDULE OF SERVICE
RATE SCHEDULE LRS~~

~~SCHEDULE NO: •~~

~~CUSTOMER: •~~

~~PLANT CAPACITY: • 10³ m³/d~~

~~COMMON STREAM OPERATOR: •~~

~~RECEIPT POINT NAME: •~~

~~RECEIPT POINT NO: •~~

~~RECEIPT POINT LOCATION: •~~

~~LRS CONTRACT DEMAND: • 10³ m³/d~~

~~MAXIMUM RECEIPT PRESSURE: • kPa~~

~~SERVICE TERMINATION DATE •~~

~~ADDITIONAL CONDITIONS: •~~

~~THIS SCHEDULE FORMS PART OF THE SERVICE AGREEMENT DATED
• AND SHALL BE DEEMED TO BE ATTACHED THERETO.~~

~~• _____ NOVA Gas Transmission Ltd.
Per: _____ Per: _____~~

~~Per: _____ Per: _____~~

SCHEDULE OF SERVICE
RATE SCHEDULE LRS

CUSTOMER: •

<u>Schedule of Service Number</u>	<u>Receipt Point Number and Name</u>	<u>Legal Description</u>	<u>Maximum Receipt Pressure kPa</u>	<u>Service Termination Date</u>	<u>LRS Contract Demand 10³m³/d</u>	<u>Additional Conditions</u>
•	••	•	•	•	•	•

THIS SCHEDULE FORMS PART OF THE SERVICE AGREEMENT DATED • AND SHALL BE DEEMED TO BE ATTACHED THERETO.

•	NOVA Gas Transmission Ltd.
<u>Per:</u> _____	<u>Per :</u> _____
<u>Per:</u> _____	<u>Per :</u> _____

RATE SCHEDULE LRS-3
LOAD RETENTION SERVICE – 3

1.0 DEFINITIONS

1.1 The capitalized terms used in this Rate Schedule have the meanings attributed to them in the General Terms and Conditions of the Tariff unless otherwise defined in this Rate Schedule.

2.0 SERVICE DESCRIPTION

2.1 Subject to the stated terms and conditions, service under Rate Schedule LRS-3 shall mean:

- (i) the receipt of gas from Customer at Customer's Receipt Points as identified in Appendix "1" of this Rate Schedule and any new Receipt Points made available in accordance with Article 5.0 (the "LRS-3 Receipt Points"); and
- (ii) the delivery of gas to the Empress Border Export Delivery Point.

2.2 Subparagraphs (i) and (ii) are collectively referred to as the "Service" which includes transportation of gas that Company determines necessary to provide services under the Tariff.

2.3 A standard form Service Agreement for Service under this Rate Schedule LRS-3 is attached.

3.0 AVAILABILITY

3.1 Service is available to Petro-Canada Oil and Gas, a general partnership (“Petro-Canada”) and any assignees thereof in accordance with Article 11.0. It is a condition of Service that Customers have or are deemed to have executed a Service Agreement and Schedule of Service under Rate Schedule LRS-3. The aggregate LRS-3 Contract Demand shall not exceed 1410.0 10³m³/d (50 MMcf/d).

3.2 New LRS-3 Receipt Points or additional Facilities required at existing Receipt Points for Service under Rate Schedule LRS-3 shall be made available in accordance with the provisions of Article 5.0.

4.0 CHARGE FOR SERVICE**4.1 Aggregate of Customer's Monthly Receipt Demand Charge**

The aggregate of Customer’s monthly receipt demand charges for a Billing Month for Service under Rate Schedule LRS-3 at Customer’s LRS-3 Receipt Points shall be equal to the sum of the monthly receipt demand charges for each of Customer’s Schedules of Service under Rate Schedule LRS-3, determined as follows:

$$\text{MDC} = \sum (F \times P) \left[\left(A \times \frac{B}{C} \right) - \frac{D}{E} \right]$$

Where:

“MDC” = the aggregate of the monthly receipt demand charges applicable to such Schedule of Service for such Billing Month;

- “F” = the FT-R Demand Rate applicable to such Schedule of Service;
- “P” = the applicable Price Point in such Schedule of Service (as defined in Rate Schedule FT-R);
- “A” = ~~the each~~ LRS-3 Contract Demand in effect for all of a portion of such Billing Month as set out in such Schedule of Service;
- “B” = the number of days in such Billing Month that Customer was entitled to ~~Service such LRS-3 Contract Demand~~ under such Schedule of Service;
- “C” = the number of days in such Billing Month;
- “D” = the volume of gas allocated to Customer for Gas Used and Gas Lost for the month preceding such Billing Month under such Schedule of Service as determined by Company shall be:
- i) Gas Used and Gas Lost if the Service is during the Initial LRS-3 Term; or
 - ii) Gas Lost if the Service is during the Secondary LRS-3 Term; and
- “E” = the number of days in the month preceding such Billing Month.

4.2 Determination of LRS-3 Billing Adjustment

Customer’s monthly billing adjustment for a Billing Month for Service under Rate Schedule LRS-3 (the “LRS-3 Billing Adjustment”) shall be calculated as follows:

- (i) determine the Eligible LRS-3 Contract Demand as described in subparagraph 4.2.1;
- (ii) determine the amount that should be charged in respect of Service under Rate Schedule LRS-3 by applying the LRS-3 Rate to the Eligible LRS-3 Contract Demand as described in subparagraph 4.2.2;
- (iii) determine the amount that has been charged in respect of the Eligible LRS-3 Contract Demand using the applicable FT-R Demand Rates and FT-D Demand Rate as described in subparagraph 4.2.3;
- (iv) during the Initial LRS-3 Term, determine the amount that should be adjusted in respect of charges for Service under Rate Schedule IT-R and Over-run Gas at the LRS-3 Receipt Points as described in subparagraph 4.2.4; and
- (v) determine the LRS-3 Billing Adjustment that will be applied to Customer's invoice, as described in subparagraph 4.2.5.

4.2.1. Determination of Eligible LRS-3 Contract Demand

Eligible LRS-3 contract demand for each LRS-3 Receipt Point (the "Eligible LRS-3 Contract Demand") shall be determined by Company as follows:

$$\text{ECD} = \frac{\left(\text{EV} \times \frac{\text{DV}}{\text{ADV}} \right)}{\text{E}}$$

Where:

"ECD" = the Eligible LRS-3 Contract Demand for such LRS-3 Receipt Point;

- “EV” = the Eligible LRS-3 Volume as defined below in this paragraph;
- “DV” = the Deemed LRS-3 Volume as defined below in this paragraph;
- “ADV” = the aggregate of Deemed LRS-3 Volume for all LRS-3 Receipt Points; and
- “E” = the number of days in the month preceding such Billing Month.

The eligible LRS-3 volume for Service under Rate Schedule LRS-3 for such Billing Month (the “Eligible LRS-3 Volume”) shall be the lesser of:

- (i) the aggregate actual volume of gas delivered by Company for Customer under all Schedules of Service for Service under all Rate Schedules at the Empress Border Export Delivery Point for the month preceding such Billing Month;
- (ii) the aggregate of Customer’s LRS-3 Contract Demand in effect for the month preceding such Billing Month multiplied by the number of days in the month preceding such Billing Month that Customer was entitled to such Service under Rate Schedule LRS-3 at each of Customer’s LRS-3 Receipt Point adjusted by “D” in paragraph 4.1 for Gas Used and Gas Lost (the “Available LRS-3 Volumes”); and
- (iii) the aggregate of the volume of gas deemed to be received by Company for Customer for Service under Rate Schedule LRS-3 for the month preceding such Billing Month that shall be equal to the sum of the deemed LRS-3 volume of gas at each of Customer's LRS-3 Receipt Points (the “Deemed LRS-3 Volume”), determined by Company as follows:

$$DV = AV + (IT \times C)$$

Where:

- “DV” = the Deemed LRS-3 Volume applicable to such LRS-3 Receipt Point;
- “AV” = the actual volume of gas received by Company for Customer under Schedules of Service for Service under Rate Schedule LRS-3 at such LRS-3 Receipt Point adjusted by “D” in paragraph 4.1 for Gas Used and Gas Lost (the “Actual LRS-3 Volume”); and
- “IT” = during the Initial LRS-3 Term, the aggregate volume of gas received by Company for Customer for Service under Rate Schedule IT-R plus Over-run Gas at all of Customer’s LRS-3 Receipt Points which is deemed to be re-allocated to Service under Rate Schedule LRS-3 as determined by Company shall be the lesser of:
- a) the aggregate Available LRS-3 Volume for such LRS-3 Receipt Point less the aggregate Actual LRS-3 Volume for all of Customer’s LRS-3 Receipt Points (the “Unutilized LRS-3 Volume”); and
 - b) the aggregate of actual volume of gas received by Company for Customer for Service under Rate Schedule IT-R and Over-run Gas as allocated by Company to Customer at all of Customer’s LRS-3 Receipt Points, adjusted by “D” in paragraph 4.1 for Gas Used and Gas Lost; and
- “C” = the percentage of IT to be re-allocated to such LRS-3 Receipt Point on a pro-rata basis, based on Unutilized LRS-3 Volume.

During the Secondary LRS-3 Term, IT shall be deemed to be zero.

4.2.2. Determination of Amounts To Be Charged in respect of Eligible LRS-3 Contract Demand

The amount to be paid for Service under Rate Schedule LRS-3 (the “LRS-3 Charge”) will be the product of the LRS-3 Demand Rate and the aggregate Eligible LRS-3 Contract Demand.

4.2.3. Determination of Customer's Monthly Charge in respect of the Eligible LRS-3 Contract Demands using the FT-R Demand Rate(s) and the FT-D Demand Rate

Company will calculate an amount that is deemed to be the amount charged in the month preceding the Billing Month with respect to the Eligible LRS-3 Contract Demand determined in subparagraph 4.2.1. Such deemed amount shall be the sum of:

- (i) for all of Customer’s LRS-3 Receipt Points, the aggregate of the product of the FT-R Demand Rate, the applicable Price Point and the Eligible LRS-3 Contract Demand for each LRS-3 Receipt Point (the “LRS-3 Receipt Demand Charge”); and
- (ii) the FT-D Demand Rate multiplied by the aggregate Eligible LRS-3 Contract Demand (the “LRS-3 Delivery Demand Charge”).

4.2.4. Determination of Adjustments with respect to IT-R and Over-run Gas Charges

During the Initial LRS-3 Term, Company will determine a monthly commodity charge adjustment for a Billing Month in respect of charges for Service under Rate Schedule IT-R and Over-run Gas at the LRS-3 Receipt Points, determined as follows:

$$MA = A - [(B - C) \times D]$$

Where:

- “MA” = the monthly commodity charge adjustment applicable to such Billing Month;
- “A” = the aggregate of Customer’s monthly charges for Service under Rate Schedule IT-R and the aggregate of Customer’s Over-run Gas charges for all LRS-3 Receipt Points for the month preceding such Billing Month;
- “B” = the aggregate of the actual volume of gas received by Company for Customer for Service under Rate Schedule IT-R and Over-run Gas as allocated by Company to Customer at all of Customer’s LRS-3 Receipt Points, adjusted by “D” in paragraph 4.1 for Gas Used and Gas Lost, for the month preceding such Billing Month;
- “C” = IT as defined in subparagraph 4.2.1; and
- “D” = the IT-R Rate at Bowmanton Receipt Point No. 1216.

During the Secondary LRS-3 Term, the commodity charge adjustment shall be deemed to be zero.

4.2.5. Determination of LRS-3 Billing Adjustment

The LRS-3 Billing Adjustment will be calculated by subtracting the aggregate amounts calculated in subparagraphs 4.2.3 and 4.2.4 from the aggregate amount calculated in subparagraph 4.2.2. The LRS-3 Billing Adjustment will be refunded in the second month following such Billing Month.

If during the Initial LRS-3 Term, the LRS-3 Billing Adjustment calculated pursuant to this paragraph is determined to be a positive number, the LRS-3 Billing Adjustment will be deemed to be zero.

4.3 Aggregate of Customer's Over-Run Gas Charges

4.3.1. The aggregate of Customer's charges for Over-Run Gas in a Billing Month for Service under all Rate Schedules shall be equal to the sum of the monthly charges for Over-Run Gas for each Receipt Point at which Customer is entitled to Service under any Rate Schedule, determined as follows:

$$\text{MOC} = (V - U) \times Z$$

Where:

“MOC” = the monthly charge for Over-Run Gas at such Receipt Point;

“V” = total volume of gas allocated to Customer by Company as Over-run Gas in accordance with paragraph 4.5 for Service under all Rate Schedules at such Receipt Point for the month preceding such Billing Month;

“U” = the volume of gas allocated to Customer as determined by Company for Gas Used and Gas Lost for the month preceding such Billing Month for Service provided to Customer for Over-Run Gas at such Receipt Point; and

“Z” = the IT-R Rate at such Receipt Point.

4.3.2. The calculation of Customer's Over-Run Gas charge in subparagraph 4.3.1 shall not take into account Customer's Inventory on the last day of the month preceding the Billing Month.

4.4 Aggregate Charge For Service

Customer shall pay for each Billing Month:

- (i) the sum of the amounts calculated in accordance with paragraphs 4.1 and 4.3; less

- (ii) the sum of
 - (a) the billing credit, if any, calculated in accordance with the Terms and Conditions Respecting Relief for Mainline Capacity Restrictions in Appendix "B" of the Tariff; and

 - (b) the LRS-3 Billing Adjustment, if any, calculated in accordance with paragraph 4.2 of this Rate Schedule LRS-3.

4.5 Allocation of Gas Received

Notwithstanding any other provision of this LRS-3 Rate Schedule, any Service Agreement or General Terms and Conditions of the Tariff, and without regard to how gas may have been nominated, the aggregate volume of gas received from Customer at a Receipt Point shall be allocated for billing purposes as follows:

- (i) first to service to Customer under Rate Schedules LRS and LRS-3 to a maximum of such Customer's LRS Contract Demand for such Receipt Point under such Rate Schedule LRS and to a maximum of such Customer's LRS-3 Contract Demand

for such Receipt Point under such Rate Schedule LRS-3;

- (ii) secondly to service to Customer under Rate Schedule FT-R to a maximum of such Customer's Receipt Contract Demand for such Receipt Point under such Rate Schedule FT-R;
- (iii) thirdly to service to Customer under Rate Schedule FT-RN to a maximum of such Customer's Receipt Contract Demand for such Receipt Point under Rate Schedule FT-RN; and
- (iv) fourthly to service to Customer under Rate Schedule IT-R at such Receipt Point. If Customer is not entitled to service under Rate Schedule IT-R at such Receipt Point, gas shall be allocated as Over-Run Gas and charged in accordance with paragraph 4.3.

5.0 AVAILABILITY OF NEW LRS-3 RECEIPT POINTS

New LRS-3 Receipt Points or new Facilities at existing Receipt Points required for Service under Rate Schedule LRS-3 shall be made available to Customer receiving Service under this Rate Schedule LRS-3 providing the following conditions are met:

- (i) the LRS-3 Receipt Point location is on the Company's Facilities between the Bowmanton Receipt Point No. 1216 and the Empress Border Export Delivery Point;
- (ii) Customer has provided a capital contribution equal in amount to the capital costs associated with the installation or construction of any new LRS-3 Receipt Point or any new Facilities required at an existing Receipt Point;

- (iii) gas received from Customer is for ultimate delivery to the Empress Border Export Delivery Point; and
- (iv) Customer requests a transfer of Service pursuant to Article 9.0 for LRS-3 Contract Demand applicable to the Customer's request for new LRS-3 Receipt Points or new Facilities at an existing Receipt Point.

6.0 TERM OF SERVICE AGREEMENT

6.1 Initial Term

The initial term of the Service Agreement and Schedules of Service for Service under Rate Schedule LRS-3 shall be four (4) years commencing on the Billing Commencement Date and shall terminate on the Service Termination Date (the "Initial LRS-3 Term").

6.2 Renewal of Service

Customer shall be entitled to renew all or a portion of Service under Rate Schedule LRS-3 at the end of the Initial LRS-3 Term or any time after the Initial LRS-3 Term (such renewal period here is the "Secondary LRS-3 Term") provided that:

- (i) Customer has given Company twelve (12) months prior written notice; and
- (ii) the renewal volume specified by Customer for each Schedule of Service for Service under Rate Schedule LRS-3 shall be less than or equal to LRS-3 Contract Demand for such Schedule of Service.

Any renewal of Service is subject to Financial Information and Security provisions in Article 10.0 of the General Terms and Conditions.

6.3 Irrevocable Renewal Notice

Customer's ~~renewal~~ notice to renew pursuant to paragraph 6.2 shall be irrevocable twelve (12) months prior to the Service Termination Date.

6.4 Renewal Term

Customer's renewal notice shall specify a renewal term that:

- (i) shall be a minimum of one (1) year consisting of increments of whole months; and
- (ii) shall have a Termination Date no later than twenty (20) years from the Billing Commencement Date of the Initial LRS-3 Term.

6.5 Termination

Customer shall be entitled to terminate the Service Agreement in whole and not in part at the end of the Initial LRS-3 Term or any time after the Initial LRS-3 Term provided that Customer gives Company twelve (12) months prior written notice. If Customer does not provide such termination notice to Company, Customer's Service Agreement shall terminate on the latest Service Termination Date of Customer's Schedule of Service for Service under Rate Schedule LRS-3.

7.0 CAPACITY RELEASE

- 7.1 A Customer entitled to receive Service under Rate Schedule LRS-3 shall not be entitled to reduce Customer's LRS-3 Contract Demand for all or any portion of its Service under a Schedule of Service under Rate Schedule LRS-3.

8.0 RELIEF FOR MAINLINE RESTRICTIONS

8.1 Company may grant relief to a Customer entitled to Service under Rate Schedule LRS-3, in accordance with the Terms and Conditions Respecting Relief for Mainline Capacity Restrictions in Appendix "B" of the Tariff.

9.0 TRANSFER OF SERVICE BETWEEN RECEIPT POINTS

9.1 If Customer desires to transfer all or any portion of any Service under Rate Schedule LRS-3 from one LRS-3 Receipt Point to another LRS-3 Receipt Point, Customer shall notify Company of its request for such transfer specifying the particular LRS-3 Receipt Points and the Service that Customer wishes to transfer.

9.2 Company is under no obligation to permit the transfer requested in paragraph 9.1, but may permit such transfer provided that:

- (i) the transferred-to LRS-3 Receipt Point location is on the Company's Facilities between the Bowmanton Receipt Point No. 1216 and the Empress Border Export Delivery Point; and
- (ii) if Company is required to install or construct Facilities at the transferred-to LRS-3 Receipt Point to provide the Service requested, the installation or construction of such Facilities is in accordance with Article 5.0.

10.0 TITLE TRANSFERS

10.1 A Customer entitled to receive Service under Rate Schedule LRS-3 shall not be entitled to transfer or accept a transfer of Customers' inventory to or from any other Customer Account in respect of such Service under Rate Schedule LRS-3.

11.0 ASSIGNMENTS

11.1 Service is assignable only during the Secondary LRS-3 Term and any assignment shall be subject to Company's prior written consent, which consent will not be unreasonably withheld. The withholding of consent by Company to a proposed assignment shall be deemed to be reasonable if Company determines in its sole discretion that assignee and assignor have not agreed to be bound by the obligations and provisions of Section 8 of the Memorandum of Understanding dated February 8, 2002 between Petro-Canada and Company (the "MOU"). Petro-Canada shall not be liable to Company if assignee fails to comply with the obligations and provisions of Section 8 of the MOU.

12.0 APPLICATION FOR SERVICE

12.1 Applications for Service under Rate Schedule LRS-3 shall be in such form as Company may prescribe from time to time.

13.0 GENERAL TERMS AND CONDITIONS

13.1 The General Terms and Conditions of the Tariff and the provisions of any Service Agreement for Service under Rate Schedule LRS-3 are applicable to Rate Schedule LRS-3 to the extent that such terms and conditions and provisions are not inconsistent with this Rate Schedule.

APPENDIX 1 TO RATE SCHEDULE LRS-3

LRS-3 RECEIPT POINT	STATION NUMBER
Bowmanton	1216
Medicine Hat North #1	1017
Medicine Hat North Arco	1184
Medicine Hat South #2	1043
Medicine Hat South #4	1128
Medicine Hat Northwest	1205
Hilda West	1402

**SERVICE AGREEMENT
RATE SCHEDULE LRS-3**

BETWEEN:

NOVA Gas Transmission Ltd., a body corporate having an office in ~~the City of~~ Calgary, ~~in the Province of~~ Alberta (“Company”)

- and -

•, a body corporate having an office in ~~the City of~~ •, ~~in the Province of~~ Alberta • (“Customer”)

IN CONSIDERATION of the premises and the covenants and agreements herein contained, the parties covenant and agree as follows:

1. Customer acknowledges receipt of a current copy of the Tariff.
2. The capitalized terms used in this Service Agreement have the meanings attributed to them in the General Terms and Conditions of the Tariff, unless otherwise defined.
3. Customer requests and Company agrees to provide Service pursuant to Rate Schedule LRS-3 in accordance with the attached Schedules of Service. The Service will commence on the Billing Commencement Date and will terminate, subject to the provisions of this Service Agreement, on the Service Termination Date.

4. Customer agrees to pay to Company each Billing Month, for all Service rendered under this Service Agreement, an amount equal to the aggregate charges for Service described in Rate Schedule LRS-3.

5. Customer shall:
 - (a) provide such assurances and information as Company may reasonably require respecting any Service to be provided pursuant to Rate Schedule LRS-3 including, without limiting the generality of the foregoing, an assurance that necessary arrangements have been made among Customer, producers of gas for Customer, purchasers of gas from Customer and any other Person relating to such Service, including all gas purchase, gas sale, operating, processing and common stream arrangements; and

 - (b) at Company's request provide Company with an assurance that Customer has provided the Person operating facilities upstream of any Receipt Point in respect of which Customer has the right to receive Service with all authorizations necessary to enable such Person to provide Company with all data and information reasonably requested by Company for the purpose of allocating volumes of gas received by Company among Company's Customers and to bind Customer in respect of all such data and information provided.

If Customer fails to provide such assurances and information forthwith following request by Company, from time to time, Company may at its option, to be exercised by notice to Customer, suspend the Service to which such assurances and information relate until such time as Customer provides the assurances and information requested, provided however that any such suspension of Service shall not relieve Customer from any obligation to pay any rate, toll, charge or other amount payable to Company.

6. Customer acknowledges that the Facilities have been designed based on certain assumptions and forecasts described each year in Company's Annual Plan, and that interruption and curtailment of Service may occur if the aggregate gas volume actually received or the aggregate gas volume actually delivered at the Facilities is different than forecast.
7. Every notice, request, demand, statement, bid or bill (for the purpose of this paragraph, collectively referred to as "Notice") provided for in Rate Schedule LRS-3, this Service Agreement and the General Terms and Conditions, or any other Notice which either Company or Customer may desire to give to the other, shall be in writing and each of them and every payment provided for shall be directed to the Person to whom given, made or delivered at such Person's address as follows:

Customer:

-
-
-
- Attention: •
- ~~☒~~
- ~~Attention: •~~
- Fax: •

Company:

-
-
-
- Attention: Customer Account Representative
- Fax: •

Notice may be given by fax or other telecommunication and any such Notice shall be deemed to be given four (4) hours after transmission. Notice may also be given by personal delivery or by courier and any such Notice shall be deemed to be given at the time of delivery. Any Notice may also be given by prepaid mail and any such Notice shall be deemed to be given four (4) business days after mailing, Saturdays, Sundays and statutory holidays excepted. In the event of disruption of regular mail, every payment not made electronically shall be personally delivered, and any other Notice shall be given by one of the other stated means.

Any Notice for the matters listed in the Notice Schedule for Electronic Commerce in Appendix “F” of the Tariff shall be given via Company’s electronic bulletin board (“EBB”). Company shall not accept any such Notice for those matters listed in Appendix “F” via any other alternative means, unless the EBB is inoperative or Customer is unable to establish connection with the EBB, in which case Notice shall be given by any other alternative means set out herein. Any Notice given by the EBB shall be deemed to be given one (1) hour after transmission.

Any Notice may also be given by telephone followed immediately by EBB, fax, personal delivery, courier or prepaid mail, and any Notice so given shall be deemed to have been given as of the date and time of the telephone notice.

- 8.** The terms and conditions of Rate Schedule LRS-3, the General Terms and Conditions and Schedule of Service under Rate Schedule LRS-3 are by this reference incorporated into and made a part of this Service Agreement.

IN WITNESS WHEREOF the parties have executed this Service Agreement by their proper signing officers duly authorized in that behalf all as of the • day of , ••.

• _____

NOVA Gas Transmission Ltd.

Per: _____

Per : _____

Per: _____

Per : _____

~~SCHEDULE OF SERVICE
RATE SCHEDULE LRS-3~~

~~SCHEDULE NO: •~~

~~CUSTOMER: •~~

~~LRS 3 RECEIPT POINT NAME: •~~

~~LRS 3 RECEIPT POINT NO: •~~

~~LRS 3 RECEIPT POINT LOCATION: •~~

~~LRS 3 CONTRACT DEMAND: • 10³ m³/d~~

~~MAXIMUM RECEIPT PRESSURE: • kPa~~

~~PRICE POINT: •~~

~~SERVICE TERMINATION DATE •~~

~~ADDITIONAL CONDITIONS: •~~

~~THIS SCHEDULE FORMS PART OF THE SERVICE AGREEMENT DATED
• AND SHALL BE DEEMED TO BE ATTACHED THERETO.~~

~~• _____ NOVA Gas Transmission Ltd.~~

~~Per: _____~~

~~Per: _____~~

~~Per: _____~~

~~Per: _____~~

SCHEDULE OF SERVICE
RATE SCHEDULE LRS-3

CUSTOMER: •

<u>Schedule of Service Number</u>	<u>Receipt Point Number and Name</u>	<u>Legal Description</u>	<u>Maximum Receipt Pressure kPa</u>	<u>Service Termination Date</u>	<u>LRS-3 Contract Demand 10³ m³/d</u>	<u>Additional Conditions</u>
•	••	•	•	•	•	•

THIS SCHEDULE FORMS PART OF THE SERVICE AGREEMENT DATED • AND SHALL BE DEEMED TO BE ATTACHED THERETO.

•	NOVA Gas Transmission Ltd.
Per: _____	Per : _____
Per: _____	Per : _____

**RATE SCHEDULE IT-R
INTERRUPTIBLE - RECEIPT**

1.0 DEFINITIONS

1.1 The capitalized terms used in this Rate Schedule have the meanings attributed to them in the General Terms and Conditions of the Tariff unless otherwise defined in this Rate Schedule.

2.0 SERVICE DESCRIPTION AND AVAILABILITY

2.1 Subject to the stated terms and conditions, service under Rate Schedule IT-R shall mean the receipt of gas within Alberta from Customer at Customer's Receipt Points (the "Service") which includes the transportation of gas Company determines necessary to provide services under the Tariff.

2.2 The Service is available to any Customer that has executed a Service Agreement and Schedule of Service under this Rate Schedule IT-R provided that capacity exists in the Facilities that is not required by any Customer entitled to receive service under Rate Schedule FT-R, Rate Schedule FT-RN, Rate Schedule FT-P, Rate Schedule LRS, Rate Schedule LRS-2, Rate Schedule FT-X, Rate Schedule IT-S and Rate Schedule IT-R. Company shall not be required to construct or install Facilities for any Service under Rate Schedule IT-R. A standard form Service Agreement for Service under this Rate Schedule IT-R is attached.

3.0 PRICING

3.1 The rate used in calculating Customer's monthly charge for Service under Rate Schedule IT-R at a Receipt Point is the IT-R Rate at such Receipt Point.

4.0 CHARGE FOR SERVICE

4.1 Aggregate of Customer's Monthly Charge

The aggregate of Customer's monthly charges for a Billing Month for Service under Rate Schedule IT-R shall be equal to the sum of the monthly charges calculated for each of Customer's Receipt Points under Rate Schedule IT-R determined as follows:

$$MC = A \times (B - C)$$

Where:

"MC" = the monthly charge applicable to such Receipt Point;

"A" = the IT-R Rate at such Receipt Point;

"B" = the sum of the volume of gas received by Company from Customer at such Receipt Point under Rate Schedule IT-R in the month preceding such Billing Month; and

"C" = the volume of gas allocated to Customer as determined by Company for Gas Used and Gas Lost for the month preceding such Billing Month under Rate Schedule IT-R.

4.2 Aggregate of Customer's Surcharges

The aggregate of Customer's Surcharges for a Billing Month shall be equal to the sum of all Surcharges set forth in the Table of Rates, Tolls and Charges applicable to each of Customer's Receipt Points under Rate Schedule IT-R.

4.3 Aggregate Charge For Service

Customer shall pay for each Billing Month the sum of the amounts calculated in accordance with paragraphs 4.1 and 4.2.

4.4 Allocation of Gas Received

Notwithstanding any other provision of this Rate Schedule, any Service Agreement or the General Terms and Conditions of the Tariff, and without regard to how gas may have been nominated, the aggregate volume of gas received from Customer at a Receipt Point shall be allocated for billing purposes as follows:

- (i) first to service to Customer under Rate Schedule LRS and LRS-2 to a maximum of such Customer's LRS Contract Demand for such Receipt Point under such Rate Schedule LRS and to a maximum of such Eligible LRS-2 Volumes for the Coleman Receipt Point under such Rate Schedule LRS-2;
- (ii) secondly to service to Customer under Rate Schedule FT-R to a maximum of such Customer's Receipt Contract Demand for such Receipt Point under such Rate Schedule FT-R;
- (iii) thirdly to service to Customer under Rate Schedule FT-RN to a maximum of such Customer's Receipt Contract Demand for such Receipt Point under Rate Schedule FT-RN; and

(iv) fourthly to Service to Customer under Rate Schedule IT-R at such Receipt Point.

5.0 TERM OF SERVICE

5.1 Term of Service at a Receipt Point

The term for any Schedule of Service for Service under Rate Schedule IT-R at each Receipt Point shall be the term requested by Customer provided that the term is a minimum of one (1) month and terminates on the last day of a Gas Year.

5.2 Term of Service Agreement

Customer's Service Agreement shall terminate on the latest Service Termination Date of Customer's Schedules of Service under Rate Schedule IT-R.

6.0 TITLE TRANSFERS

6.1 A Customer entitled to receive Service under Rate Schedule IT-R may transfer all or a portion of Customer's Inventory to another Customer or may accept a transfer of all or a portion of Customer's Inventory from another Customer provided such Customer is entitled to receive service under any Rate Schedule that permits title transfers and such title transfer is in accordance with the Terms and Conditions of Service Respecting Title Transfers in Appendix "C" of the Tariff.

7.0 RENEWAL OF SERVICE

7.1 Renewal Notification

Customer shall be entitled to renew Service under Rate Schedule IT-R if Customer gives notice to Company of such renewal at least one (1) month prior to the Service Termination Date. If Customer does not provide such notice the Service shall expire on the Service Termination Date.

7.2 Irrevocable Notice

Customer's notice [to renew pursuant to paragraph 7.1](#) shall be irrevocable one (1) month prior to the Service Termination Date.

Any renewal of Service is subject to Financial Information and Security provisions in Article 10 of the General Terms and Conditions.

7.3 Renewal Term

The renewal term shall consist of increments of whole years and shall not be less than one (1) year.

8.0 APPLICATION FOR SERVICE

8.1 Applications for Service under this Rate Schedule IT-R shall be in such form as Company may prescribe from time to time.

9.0 GENERAL TERMS AND CONDITIONS

9.1 The General Terms and Conditions of the Tariff and the provisions of any Service Agreement for Service under Rate Schedule IT-R are applicable to Rate Schedule IT-R to the extent that such terms and conditions and provisions are not inconsistent with this Rate Schedule.

**SERVICE AGREEMENT
RATE SCHEDULE IT-R**

BETWEEN:

NOVA Gas Transmission Ltd., a body corporate having an office
in ~~the City of~~ Calgary, ~~in the Province of~~ Alberta (“Company”)

- and -

•, a body corporate having an office in ~~the City of~~ •, ~~in the
Province of Alberta~~ • (“Customer”)

IN CONSIDERATION of the premises and the covenants and agreements herein contained, the parties covenant and agree as follows:

1. Customer acknowledges receipt of a current copy the Tariff.
2. The capitalized terms used in this Service Agreement have the meanings attributed to them in the General Terms and Conditions of the Tariff, unless otherwise defined in this Service Agreement.
3. Customer requests and Company agrees to provide Service pursuant to Rate Schedule IT-R in accordance with the following procedure:
 - (a) subject to the provisions of this paragraph 3, upon execution and delivery of this Service Agreement Customer shall be entitled to Service from any Receipt Point described in the Schedule of Service respecting Rate Schedule IT-R, provided however that Customer may not with respect to any Service at any Receipt Point described in such Schedule of Service request Company to receive a volume of

gas in excess of the capacity of the facilities (as determined by Company) upstream of such Receipt Point;

- (b) Customer shall by written notice to Company in form and substance satisfactory to Company designate Receipt Points, referred to in subparagraph 3(a), with respect to which Customer desires Service pursuant to Rate Schedule IT-R;
 - (c) from and after the time of receipt by Company of Customer's written notice referred to in subparagraph 3(b) determined in Company's sole judgment, Customer shall be entitled to receive Service pursuant to Rate Schedule IT-R with respect to the Receipt Points designated as provided for in subparagraph 3(b) in priority to all Customers requesting such Service after the time, but subject to all Customers requesting such Service prior to the time, of Company's receipt of such written notice; and
 - (d) Customer shall at Company's request from time to time provide written confirmation of the Receipt Points designated by Customer pursuant to subparagraph 3(b).
- 4.** Customer agrees to pay to Company each Billing Month, for all Service rendered under this Service Agreement, an amount equal to the aggregate charges for Service described in Rate Schedule IT-R.

5. Customer shall:
- (a) provide such assurances and information as Company may reasonably require respecting any Service to be provided pursuant to this Rate Schedule IT-R including, without limiting the generality of the foregoing, an assurance that all necessary arrangements have been made among Customer, producers of gas for Customer, purchasers of gas from Customer and any other Person relating to such Service, including all gas purchase, gas sale, operating, processing and common stream arrangements; and
 - (b) at Company's request provide Company with an assurance that Customer has provided the Person operating facilities upstream of any Receipt Point in respect of which Customer has the right to receive service with all authorizations necessary to enable such Person to provide Company with all data and information reasonably requested by Company for the purpose of allocating volumes of gas received by Company among Company's Customers and to bind Customer in respect of all such data and information provided.

If Customer fails to provide such assurances and information forthwith following request by Company, from time to time, Company may at its option, to be exercised by notice to Customer, suspend the Service to which such assurances and information relate until such time as Customer provides the assurances and information requested, provided however that any such suspension of Service shall not relieve Customer from any obligation to pay any rate, toll, charge or other amount payable to Company.

6. Every notice, request, demand, statement, bid or bill (for the purpose of this paragraph, collectively referred to as "Notice") provided for in Rate Schedule IT-R, this Service Agreement and the General Terms and Conditions, or any other Notice which either Company or Customer may desire to give to the other, shall be in writing and each of them and every payment provided for shall be directed to the Person to whom given, made or delivered at such Person's address as follows:

Customer:

-
-
-

Attention: •

~~or~~

~~Attention: •~~

Fax: •

Company:

-
-
-

Attention: Customer Account Representative

Fax: •

Notice may be given by fax or other telecommunication and any such Notice shall be deemed to be given four (4) hours after transmission. Notice may also be given by personal delivery or by courier and any such Notice shall be deemed to be given at the time of delivery. Any Notice may also be given by prepaid mail and any such Notice shall be deemed to be given four (4) business days after mailing, Saturdays, Sundays and statutory holidays excepted. In the event of disruption of regular mail, every payment not made electronically shall be personally delivered, and any other Notice shall be given by one of the other stated means.

Any Notice for the matters listed in the Notice Schedule for Electronic Commerce in Appendix "F" of the Tariff shall be given via Company's electronic bulletin board

(“EBB”). Company shall not accept any such Notice for those matters listed in Appendix “F” via any other alternative means, unless the EBB is inoperative or Customer is unable to establish connection with the EBB, in which case Notice shall be given by any other alternative means set out herein. Any Notice given by the EBB shall be deemed to be given one (1) hour after transmission.

Any Notice may also be given by telephone followed immediately by EBB, fax, personal delivery, courier or prepaid mail, and any Notice so given shall be deemed to have been given as of the date and time of the telephone notice.

- 7. The terms and conditions of Rate Schedule IT-R, the General Terms and Conditions and Schedule of Service under Rate Schedule IT-R are by this reference incorporated into and made a part of this Service Agreement.

IN WITNESS WHEREOF the parties have executed this Service Agreement by their proper signing officers duly authorized in that behalf all as of the • day of •, •.

•
Per: _____

NOVA Gas Transmission Ltd.
Per : _____

Per: _____

Per : _____

**SCHEDULE OF SERVICE
RATE SCHEDULE IT-R**

CUSTOMER: •

<u>Schedule of Service Number</u>	<u>Storage Receipt and Delivery Point Number and Name</u>	<u>Storage Receipt and Delivery Point Legal Description</u>	<u>Maximum Delivery Pressure kPa</u>	<u>Service Termination Date</u>	<u>Additional Conditions</u>
•	••	•	•	•	•

THIS SCHEDULE FORMS PART OF THE SERVICE AGREEMENT DATED • AND SHALL BE DEEMED TO BE ATTACHED THERETO.

•
Per: _____

NOVA Gas Transmission Ltd.
Per : _____

Per: _____

Per : _____

**RATE SCHEDULE IT-D
INTERRUPTIBLE - DELIVERY**

1.0 DEFINITIONS

1.1 The capitalized terms used in this Rate Schedule have the meanings attributed to them in the General Terms and Conditions of the Tariff unless otherwise defined in this Rate Schedule.

2.0 SERVICE DESCRIPTION AND AVAILABILITY

2.1 Subject to the stated terms and conditions, service under Rate Schedule IT-D shall mean the delivery of gas to Customer at Customer's Export Delivery Points (the "Service") which includes transportation of gas that Company determines necessary to provide services under the Tariff.

2.2 The Service is available to any Customer that has executed a Service Agreement and Schedule of Service under Rate Schedule IT-D provided that capacity exists in the Facilities that is not required by any Customer entitled to receive service under Rate Schedule FT-D, Rate Schedule LRS-2, Rate Schedule STFT, Rate Schedule FT-A, Rate Schedule FT-X, Rate Schedule FT-P, Rate Schedule IT-S and Rate Schedule IT-D. Company shall not be required to construct or install Facilities for any Service under Rate Schedule IT-D. A standard form Service Agreement for Service under this Rate Schedule IT-D is attached.

3.0 PRICING

3.1 The rate used in calculating Customer's monthly charge for Service under Rate Schedule IT-D at an Export Delivery Point is the IT-D Rate at such Export Delivery Point.

4.0 CHARGE FOR SERVICE

4.1 Aggregate of Customer's Monthly Charge

The aggregate of Customer's monthly charges for a Billing Month for Service under Rate Schedule IT-D shall be equal to the sum of the monthly charges calculated for each of Customer's Export Delivery Points under Rate Schedule IT-D determined as follows:

$$MC = A \times B$$

Where:

"MC" = the monthly charge applicable to such Export Delivery Point;

"A" = the IT-D Rate at such Export Delivery Point; and

"B" = the sum of the volume of gas delivered by Company to such Customer at such Export Delivery Point under Rate Schedule IT-D in the month preceding such Billing Month.

4.2 Aggregate of Customer's Surcharges

The aggregate of Customer's Surcharges for a Billing Month shall be equal to the sum of all Surcharges set forth in the Table of Rates, Tolls and Charges applicable to each of Customer's Export Delivery Points under Rate Schedule IT-D.

4.3 Aggregate Charge For Service

Customer shall pay for each Billing Month the sum of the amounts calculated in accordance with paragraphs 4.1 and 4.2.

4.4 Allocation of Gas Delivered

Notwithstanding any other provision of this Rate Schedule, any Service Agreement or the General Terms and Conditions of the Tariff, and without regard to how gas may have been nominated, the aggregate volume of gas delivered to Customer at an Export Delivery Point shall be allocated for billing purposes as follows:

- (i) first to service to Customer under Rate Schedule LRS-2 to a maximum of such Eligible LRS-2 Volumes for the A/BC Export Delivery Point under such Rate Schedule LRS-2;
- (ii) secondly to service to Customer under Rate Schedule STFT to a maximum of such Customer's allocated STFT Capacity for such Export Delivery Point under such Rate Schedule STFT;
- (iii) thirdly to service to Customer under Rate Schedule FT-D to a maximum of such Customer's Export Delivery Contract Demand for such Export Delivery Point under such Rate Schedule FT-D; and
- (iv) fourthly to Service to Customer under Rate Schedule IT-D.

5.0 TERM OF SERVICE

5.1 Term of Service at an Export Delivery Point

The term for any Schedule of Service for Service under Rate Schedule IT-D at each Export Delivery Point shall be the term requested by Customer, provided that the term is a minimum of one (1) month and terminates on the last day of a Gas Year.

5.2 Term of Service Agreement

Customer's Service Agreement shall terminate on the latest Service Termination Date of Customer's Schedules of Service under Rate Schedule IT-D.

6.0 TITLE TRANSFERS

6.1 A Customer entitled to receive Service under Rate Schedule IT-D may transfer all or a portion of Customer's Inventory to another Customer or may accept a transfer of all or a portion of Customer's Inventory from another Customer provided such Customer is entitled to receive service under any Rate Schedule that permits title transfers and such title transfer is in accordance with the Terms and Conditions of Service Respecting Title Transfers in Appendix "C" of the Tariff.

7.0 RENEWAL OF SERVICE

7.1 Renewal Notification

Customer shall be entitled to renew Service under Rate Schedule IT-D if Customer gives notice to Company of such renewal at least one (1) month prior to the Service Termination Date. If Customer does not provide such notice, the Service shall expire on the Service Termination Date.

7.2 Irrevocable Notice

Customer's notice to renew pursuant to paragraph 7.1 shall be irrevocable one (1) month prior to the Service Termination Date.

Any renewal of Service is subject to Financial Information and Security provisions in Article 10 of the General Terms and Conditions.

7.3 Renewal Term

The renewal term shall consist of increments of whole years and shall not be less than one (1) year.

8.0 APPLICATION FOR SERVICE

8.1 Applications for Service under this Rate Schedule IT-D shall be in such form as Company may prescribe from time to time.

9.0 GENERAL TERMS AND CONDITIONS

9.1 The General Terms and Conditions of the Tariff and the provisions of any Service Agreement for Service under Rate Schedule IT-D are applicable to Rate Schedule IT-D to the extent that such terms and conditions and provisions are not inconsistent with this Rate Schedule.

**SERVICE AGREEMENT
RATE SCHEDULE IT-D**

BETWEEN:

NOVA Gas Transmission Ltd., a body corporate having an office
in ~~the City of~~ Calgary, ~~in the Province of~~ Alberta (“Company”)

- and -

•, a body corporate having an office in ~~the City of~~ •, ~~in the
Province of Alberta~~ • (“Customer”)

IN CONSIDERATION of the premises and the covenants and agreements in this Service Agreement, the parties covenant and agree as follows:

1. Customer acknowledges receipt of a current copy of the Tariff.
2. The capitalized terms used in this Service Agreement have the meanings attributed to them in the General Terms and Conditions of the Tariff, unless otherwise defined in this Service Agreement.
3. Customer requests and Company agrees to provide Service pursuant to Rate Schedule IT-D in accordance with the following procedure:
 - (a) subject to the provisions of this paragraph 3, upon execution and delivery of this Service Agreement Customer shall be entitled to Service at any Export Delivery Point described in the Schedule of Service respecting Rate Schedule IT-D, provided however that Customer may not with respect to any Service at any Export Delivery Point described in such Schedule of Service request Company to

deliver a volume of gas in excess of the capacity of the facilities (as determined by Company) downstream of such Export Delivery Point;

- (b) Customer shall by written notice to Company in form and substance satisfactory to Company designate Export Delivery Points, referred to in subparagraph 3(a), with respect to which Customer desires Service pursuant to Rate Schedule IT-D;
 - (c) from and after the time of receipt by Company of Customer's written notice referred to in subparagraph 3(b) determined in Company's sole judgment, Customer shall be entitled to receive Service pursuant to Rate Schedule IT-D with respect to the Export Delivery Points designated as provided for in subparagraph 3(b) in priority to all Customers requesting such Service after the time, but subject to all Customers requesting such Service prior to the time, of Company's receipt of such written notice; and
 - (d) Customer shall at Company's request from time to time provide written confirmation of the Export Delivery Points designated by Customer pursuant to subparagraph 3(b).
- 4.** Customer agrees to pay to Company each Billing Month, for all Service rendered under this Service Agreement, an amount equal to the aggregate charges for Service described in Rate Schedule IT-D.
- 5.** Customer shall:
- (a) provide such assurances and information as Company may reasonably require respecting any Service to be provided pursuant to this Rate Schedule IT-D including, without limiting the generality of the foregoing, an assurance that all necessary arrangements have been made among Customer, producers of gas for Customer, purchasers of gas from Customer and any other Person relating to such

Service, including all gas purchase, gas sale, operating, processing and common stream arrangements; and

- (b) at Company's request provide Company with an assurance that Customer has provided the Person operating facilities downstream of any Delivery Point in respect of which Customer has the right to receive service with all authorizations necessary to enable such Person to provide Company with all data and information reasonably requested by Company for the purpose of allocating volumes of gas delivered by Company among Company's Customers and to bind Customer in respect of all such data and information provided.

If Customer fails to provide such assurances and information forthwith following request by Company, from time to time, Company may at its option, to be exercised by notice to Customer, suspend the Service to which such assurances and information relate until such time as Customer provides the assurances and information requested, provided however that any such suspension of Service shall not relieve Customer from any obligation to pay any rate, toll, charge or other amount payable to Company.

6. Every notice, request, demand, statement, bid or bill (for the purpose of this paragraph, collectively referred to as "Notice") provided for in Rate Schedule IT-D, this Service Agreement and the General Terms and Conditions, or any other Notice which either Company or Customer may desire to give to the other, shall be in writing and each of them and every payment provided for shall be directed to the Person to whom given, made or delivered at such Person's address as follows:

Customer:

-
-
-

Attention: •

~~or~~

~~Attention: •~~

Fax: •

Company:

-
-
-

Attention: Customer Account Representative

Fax: •

Notice may be given by fax or other telecommunication and any such Notice shall be deemed to be given four (4) hours after transmission. Notice may also be given by personal delivery or by courier and any such Notice shall be deemed to be given at the time of delivery. Any Notice may also be given by prepaid mail and any such Notice shall be deemed to be given four (4) business days after mailing, Saturdays, Sundays and statutory holidays excepted. In the event of disruption of regular mail, every payment not made electronically shall be personally delivered, and any other Notice shall be given by one of the other stated means.

Any Notice for the matters listed in the Notice Schedule for Electronic Commerce in Appendix “F” of the Tariff shall be given via Company’s electronic bulletin board (“EBB”). Company shall not accept any such Notice for those matters listed in Appendix

“F” via any other alternative means, unless the EBB is inoperative or Customer is unable to establish connection with the EBB, in which case Notice shall be given by any other alternative means set out herein. Any Notice given by the EBB shall be deemed to be given one (1) hour after transmission.

Any Notice may also be given by telephone followed immediately by EBB, fax, personal delivery, courier or prepaid mail, and any Notice so given shall be deemed to have been given as of the date and time of the telephone notice.

- 7. The terms and conditions of Rate Schedule IT-D, the General Terms and Conditions and Schedule of Service under Rate Schedule IT-D are by this reference incorporated into and made a part of this Service Agreement.

IN WITNESS WHEREOF the parties have executed this Service Agreement by their proper signing officers duly authorized in that behalf all as of the • day of •, •.

•
Per: _____

NOVA Gas Transmission Ltd.
Per : _____

Per: _____

Per : _____

SCHEDULE OF SERVICE
RATE SCHEDULE IT-D

CUSTOMER: •

<u>Schedule of Service Number</u>	<u>Export Delivery Point Number and Name</u>	<u>Legal Description</u>	<u>Maximum Delivery Pressure kPa</u>	<u>Service Termination Date</u>	<u>Additional Conditions</u>
•	••	•	•	•	•

THIS SCHEDULE FORMS PART OF THE SERVICE AGREEMENT DATED • AND SHALL BE DEEMED TO BE ATTACHED THERETO.

•
Per: _____

NOVA Gas Transmission Ltd.
Per : _____

Per: _____

Per : _____

RATE SCHEDULE IT-S
INTERRUPTIBLE - ACCESS TO STORAGE

1.0 DEFINITIONS

1.1 The capitalized terms used in this Rate Schedule have the meanings attributed to them in the General Terms and Conditions of the Tariff unless otherwise defined in this Rate Schedule.

2.0 SERVICE DESCRIPTION AND AVAILABILITY

2.1 Subject to the stated terms and conditions, service under Rate Schedule IT-S shall mean:

- (i) the delivery of gas by Company for Customer at Storage Delivery Points; and
- (ii) the receipt of gas by Company for Customer at Storage Receipt Points.

Subparagraphs (i) and (ii) are collectively referred to as the “Service” which includes transportation of gas that Company determines necessary to provide services under the Tariff.

2.2 The Service is available to any Customer that has executed a Service Agreement and Schedule of Service under Rate Schedule IT-S and a valid Service Agreement under Rate Schedule FCS is executed by any Customer at the Storage Delivery Point provided that:

- (i) with respect to subparagraph 2.1(i), capacity exists in the Facilities that is not required by Company to provide service under Rate Schedule FT-A, Rate Schedule FT-D, Rate Schedule FT-X, Rate Schedule LRS-2, Rate Schedule STFT, Rate Schedule FT-P, Rate Schedule IT-D and Rate Schedule IT-S; and

- (ii) with respect to subparagraph 2.1(ii), capacity exists in the Facilities that is not required by Company to provide service under Rate Schedule FT-R, Rate Schedule FT-RN, Rate Schedule FT-P, Rate Schedule FT-X, Rate Schedule LRS, Rate Schedule LRS-2, Rate Schedule IT-R and Rate Schedule IT-S.

A standard form Service Agreement for Service under Rate Schedule IT-S is attached.

- 2.3** Company shall not be required to construct or install Facilities for any Service under Rate Schedule IT-S. If Company determines that new Facilities are required that are directly attributable to Customer's request for Service, Company shall not be required to provide such requested Service unless a valid Service Agreement under Rate Schedule FCS exists in respect of such new Facilities.

3.0 CHARGE FOR SERVICE

3.1 Aggregate of Customer's Monthly Charge

- (i) Customer undertakes to cause the operator of the gas storage facility connected to the Storage Receipt Point and the Storage Delivery Point to provide any information necessary to satisfy Company that the volume of gas received by Company at the Storage Receipt Point connected to a Storage Facility was previously delivered by Company at the Storage Delivery Point for such Storage Facility. If Company is satisfied that the volume of gas received by Company at the Storage Receipt Point connected to a Storage Facility was previously delivered by Company at the Storage Delivery Point for such Storage Facility, Company shall not charge Customer for Service under this Rate Schedule IT-S.

- (ii) If the operator of a gas storage facility fails to provide information to Company's satisfaction that the volume of gas received by Company at the Storage Receipt Point connected to a Storage Facility was previously delivered by Company at the Storage Delivery Point for such Storage Facility, then Customer shall pay the FT-R Demand Rate applicable to such Storage Receipt Point in respect of such volume provided Customer is entitled to receive service under Rate Schedule FT-R or the FT-RN Demand Rate if Customer is not entitled to receive service under Rate Schedule FT-R but is entitled to receive service under Rate Schedule FT-RN at such Storage Receipt Point. If Customer is not entitled to service under Rate Schedule FT-R or Rate Schedule FT-RN at such Storage Receipt Point, then Customer shall pay the IT-R Rate applicable to such Storage Receipt Point in respect of such volume.

3.2 Aggregate of Customer's Surcharges

The aggregate of Customer's Surcharges for a Billing Month shall be equal to the sum of all Surcharges set forth in the Table of rates, Tolls and Charges applicable to each of Customer's Export Delivery Points under Rate Schedule IT-S.

3.3 Aggregate Charge for Service

Customer shall pay for each Billing Month the sum of the amounts calculated in accordance with paragraphs 3.1 and 3.2.

4.0 ALLOCATION OF GAS RECEIVED AND DELIVERED

4.1 Allocation of Gas Received

Notwithstanding any other provision of this Rate Schedule, any Service Agreement or the General Terms and Conditions of this Tariff, and without regard to how gas may have

been nominated, the aggregate volume of gas received at a Storage Receipt Point for Customer, shall be allocated as follows:

- (i) If paragraph 3.1(i) applies, then the volume of gas received shall be allocated only to Service to Customer under Rate Schedule IT-S; or
- (ii) If paragraph 3.1(ii) applies, then the volume of gas received shall be allocated:
 - (a) first to service to Customer under Rate Schedule FT-R to a maximum of such Customer's Receipt Contract Demand for such Storage Receipt Point under such Rate Schedule FT-R;
 - (b) secondly to service to Customer under Rate Schedule FT-RN to a maximum of such Customer's Receipt Contract Demand for such Storage Receipt Point under such Rate Schedule FT-RN;
 - (c) thirdly to service to Customer under Rate Schedule IT-R at such Storage Receipt Point. If Customer is not entitled to service under Rate Schedule IT-R at such Storage Receipt Point, then Customer shall pay the IT-R Rate at such Storage Receipt Point in respect of such volume of gas allocated to it hereunder.

4.2 Allocation of Gas Delivered

Notwithstanding any other provision of this Rate Schedule, any Service Agreement or the General Terms and Conditions of this Tariff, and without regard to how gas may have been nominated, the aggregate volume of gas delivered at a Storage Delivery Point for Customer, shall be allocated only to Service to Customer under Rate Schedule IT-S.

5.0 STORAGE INFORMATION

5.1 Customer undertakes to cause the operator of every gas storage facility connected to the Storage Receipt Point and the Storage Delivery Point to provide to Company, when requested by the Company, the following information:

- (i) the cumulative total of the volume of gas delivered to the Storage Delivery Point for Customer by Company; and
- (ii) the cumulative total of the volume of gas received at the Storage Receipt Point by Company for Customer.

5.2 If the operator of a gas storage facility fails to provide Company with the information requested with respect to any month within the time provided by Company for a response to Company's request, the gas received at the Storage Receipt Point for Customer for such month shall be deemed to have been received for Customer at the Storage Receipt Point under Rate Schedule IT-R and Customer shall pay the IT-R Rate applicable to such Storage Receipt Point in respect of such volume.

6.0 TERM OF SERVICE**6.1 Term of Service at a Storage Receipt Point and Delivery Point**

The term for any Schedule of Service for Service under Rate Schedule IT-S at each Storage Receipt Point and at each Storage Delivery Point shall be the term requested by Customer, provided that the term is a minimum of one (1) month and terminates on the last day of a Gas Year.

6.2 Term of Service Agreement

Customer's Service Agreement shall terminate on the latest Service Termination Date of Customer's Schedules of Service under Rate Schedule IT-S.

7.0 TITLE TRANSFERS

7.1 A Customer entitled to receive Service under Rate Schedule IT-S may transfer all or a portion of Customer's Inventory to another Customer or may accept a transfer of all or a portion of Customer's Inventory from another Customer provided such Customer is entitled to receive service under any Rate Schedule that permits title transfers and such title transfer is in accordance with the Terms and Conditions of Service Respecting Title Transfers in Appendix "C" of the Tariff.

8.0 RENEWAL OF SERVICE

8.1 Renewal Notification

Customer shall be entitled to renew Service under Rate Schedule IT-S if Customer gives notice to Company of such renewal at least one (1) month prior to the Service Termination Date. If Customer does not provide such notice, the Service shall expire on the Service Termination Date.

8.2 Irrevocable Notice

Customer's notice [to renew pursuant to paragraph 8.1](#) shall be irrevocable one (1) month prior to the Service Termination Date.

Any renewal of Service is subject to Financial Information and Security provisions in Article 10 of the General Terms and Conditions.

8.3 Renewal Term

The renewal term shall consist of increments of whole years and shall not be less than one (1) year.

9.0 APPLICATION FOR SERVICE

9.1 Applications for Service under this Rate Schedule IT-S shall be in such form as Company may prescribe from time to time.

10.0 GENERAL TERMS AND CONDITIONS

10.1 The General Terms and Conditions of the Tariff and the provisions of any Service Agreement for Service under Rate Schedule IT-S are applicable to Rate Schedule IT-S to the extent that such terms and conditions and provisions are not inconsistent with this Rate Schedule.

**SERVICE AGREEMENT
RATE SCHEDULE IT-S**

BETWEEN:

NOVA Gas Transmission Ltd., a body corporate having an office
in ~~the City of~~ Calgary, ~~in the Province of~~ Alberta (“Company”)

- and -

•, a body corporate having an office in ~~the City of~~ •, ~~in the
Province of Alberta~~ • (“Customer”)

IN CONSIDERATION of the premises and the covenants and agreements in this Service Agreement, the parties covenant and agree as follows:

1. Customer acknowledges receipt of a current copy of the Tariff.
2. The capitalized terms used in this Service Agreement have the meanings attributed to them in the General Terms and Conditions of the Tariff, unless otherwise defined in this Service Agreement.
3. Customer requests and Company agrees to provide Service pursuant to Rate Schedule IT-S in accordance with the following procedure:
 - (a) subject to the provisions of this paragraph 3, upon execution and delivery of this Service Agreement Customer shall be entitled to Service from any Storage Receipt Point and Storage Delivery Point described in the Schedule of Service respecting Rate Schedule IT-S, provided however that Customer may not with respect to any Service at any Storage Receipt Point and Storage Delivery Point described in such Schedule of Service request Company to receive a volume of

gas in excess of the capacity of the facilities (as determined by Company) upstream of such Storage Receipt Point or in excess of the capacity of the Facilities (as determined by Company) downstream of such Storage Delivery Point;

- (b) Customer shall by written notice to Company in form and substance satisfactory to Company designate Storage Receipt Points and Storage Delivery Points, referred to in subparagraph 3(a), with respect to which Customer desires Service pursuant to Rate Schedule IT-S;
 - (c) from and after the time of receipt by Company of Customer's written notice referred to in subparagraph 3(b) determined in Company's sole judgment, Customer shall be entitled to receive Service pursuant to Rate Schedule IT-S with respect to the Storage Receipt Points and Storage Delivery Points designated as provided for in subparagraph 3(b) in priority to all Customers requesting such Service after the time, but subject to all Customers requesting such Service prior to the time, of Company's receipt of such written notice; and
 - (d) Customer shall at Company's request from time to time provide written confirmation of the Storage Receipt Points and Storage Delivery Points designated by Customer pursuant to subparagraph 3(b).
4. Customer agrees to pay to Company each Billing Month, for all Service rendered under this Service Agreement, an amount equal to the aggregate charges for Service described in Rate Schedule IT-S.

5. Customer shall:
- (a) provide such assurances and information as Company may reasonably require respecting any Service to be provided pursuant to this Rate Schedule IT-S including, without limiting the generality of the foregoing, an assurance that all necessary arrangements have been made among Customer, producers of gas for Customer, purchasers of gas from Customer and any other Person relating to such Service, including all gas purchase, gas sale, operating, processing and common stream arrangements; and
 - (b) at Company's request provide Company with an assurance that Customer has provided the Person operating facilities upstream of any Receipt Point or downstream of any Delivery Point in respect of which Customer has the right to receive service with all authorizations necessary to enable such Person to provide Company with all data and information reasonably requested by Company for the purpose of allocating volumes of gas received or delivered by Company among Company's Customers and to bind Customer in respect of all such data and information provided.

If Customer fails to provide such assurances and information forthwith following request by Company, from time to time, Company may at its option, to be exercised by notice to Customer, suspend the Service to which such assurances and information relate until such time as Customer provides the assurances and information requested, provided however that any such suspension of Service shall not relieve Customer from any obligation to pay any rate, toll, charge or other amount payable to Company.

6. Every notice, request, demand, statement, bid or bill (for the purpose of this paragraph, collectively referred to as "Notice") provided for in Rate Schedule IT-S, this Service Agreement and the General Terms and Conditions, or any other Notice which either Company or Customer may desire to give to the other, shall be in writing and each of

them and every payment provided for shall be directed to the Person to whom given, made or delivered at such Person's address as follows:

Customer:

-
-
-

Attention: •

~~or~~

~~Attention:~~ •

Fax: •

Company:

-
-
-

Attention: Customer Account Representative

Fax: •

Notice may be given by fax or other telecommunication and any such Notice shall be deemed to be given four (4) hours after transmission. Notice may also be given by personal delivery or by courier and any such Notice shall be deemed to be given at the time of delivery. Any Notice may also be given by prepaid mail and any such Notice shall be deemed to be given four (4) business days after mailing, Saturdays, Sundays and statutory holidays excepted. In the event of disruption of regular mail, every payment not made electronically shall be personally delivered, and any other Notice shall be given by one of the other stated means.

Any Notice for the matters listed in the Notice Schedule for Electronic Commerce in Appendix “F” of the Tariff shall be given via Company’s electronic bulletin board (“EBB”). Company shall not accept any such Notice for those matters listed in Appendix “F” via any other alternative means, unless the EBB is inoperative or Customer is unable to establish connection with the EBB, in which case Notice shall be given by any other alternative means set out herein. Any Notice given by the EBB shall be deemed to be given one (1) hour after transmission.

Any Notice may also be given by telephone followed immediately by EBB, fax, personal delivery, courier or prepaid mail, and any Notice so given shall be deemed to have been given as of the date and time of the telephone notice.

- 7. The terms and conditions of Rate Schedule IT-S, the General Terms and Conditions and Schedule of Service under Rate Schedule IT-S are by this reference incorporated into and made a part of this Service Agreement.

IN WITNESS WHEREOF the parties have executed this Service Agreement by their proper signing officers duly authorized in that behalf all as of the • day of •, •.

•
Per: _____

NOVA Gas Transmission Ltd.
Per : _____

Per: _____

Per : _____

SCHEDULE OF SERVICE
RATE SCHEDULE IT-S

CUSTOMER: •

<u>Schedule of Service Number</u>	<u>Storage Receipt and Delivery Point Number and Name</u>	<u>Storage Receipt and Delivery Point Legal Description</u>	<u>Maximum Delivery Pressure kPa</u>	<u>Service Termination Date</u>	<u>Additional Conditions</u>
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•	••	•	•	•	•
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THIS SCHEDULE FORMS PART OF THE SERVICE AGREEMENT DATED • AND SHALL BE DEEMED TO BE ATTACHED THERETO.

•
Per: _____

Per: _____

NOVA Gas Transmission Ltd.
Per : _____

Per : _____

**SCHEDULE OF SERVICE
RATE SCHEDULE LRS-2**

CUSTOMER: •

Schedule of Service Number	Receipt Point Number and Name Export Delivery Point Number and Name	Legal Descriptions	Maximum Receipt / Export Delivery Pressures kPa	Service Termination Date	LRS-2 Contract Demand 10 ³ m ³ /d	Additional Conditions
•	2003 Coleman	SW-12-008-05-W5	6205	October 31, 2013	•	•
	2001 Alberta - BC Border	09-11-008-05-W5	6205			

THIS SCHEDULE FORMS PART OF THE SERVICE AGREEMENT DATED • AND SHALL BE DEEMED TO BE ATTACHED THERETO.

• NOVA Gas Transmission Ltd.
 Per: _____ Per : _____
 Per: _____ Per : _____

**SCHEDULE OF SERVICE
RATE SCHEDULE STFT**

CUSTOMER: •
•
•
•

ATTENTION: •

PHONE: •

FAX: •

Schedule of Service Number	Export Delivery Point Number and Name	Maximum STFT Capacity 10 ³ m ³ /d	Minimum STFT Capacity 10 ³ m ³ /d	Bid Price \$ / 10 ³ m ³ /d	Block Period	Billing Commencement	Service Termination Date	Allocated STFT Capacity 10 ³ m ³ /d
• • •		•	•	•	•	•	•	•

THIS SCHEDULE FORMS PART OF THE SERVICE AGREEMENT DATED • AND SHALL BE DEEMED TO BE ATTACHED THERETO.

•
Per: _____

NOVA Gas Transmission Ltd.
Per : _____

Per: _____

Per : _____

SCHEDULE OF SERVICE
RATE SCHEDULE FCS

CUSTOMER: •

Schedule of Service Number	Facility Number and Name	Facility Function	Legal Description	Maximum Delivery Pressure kPa	Maximum Daily Delivery Volume 10 ³ m ³ /d	Service Termination Date	Additional Conditions
•	• •	•	•	•	•	•	•

THIS SCHEDULE FORMS PART OF THE SERVICE AGREEMENT DATED • AND SHALL BE DEEMED TO BE ATTACHED THERETO.

•
Per: _____

NOVA Gas Transmission Ltd.
Per : _____

Per: _____

Per : _____

SCHEDULE OF SERVICE
RATE SCHEDULE OS

CUSTOMER: •

Schedule of Service Number	Service Description	Facility Number and Name	Facility Function	Legal Description	OS Charge	Service Termination Date	Additional Conditions
•	•	• •	•	•	•	•	•

THIS SCHEDULE FORMS PART OF THE SERVICE AGREEMENT DATED • AND SHALL BE DEEMED TO BE ATTACHED THERETO.

•
Per: _____

NOVA Gas Transmission Ltd.
Per : _____

Per: _____

Per : _____

GENERAL TERMS AND CONDITIONS

Article	Title	Page
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GENERAL TERMS AND CONDITIONS**1.0 DEFINITIONS**

In this Tariff:

- 1.1** “Act” shall mean the *Gas Utilities Act*, R.S.A. 1980, c. G-4, as amended.
- 1.2** “Alberta Delivery Point” shall mean the point in Alberta where gas that is not to be removed from Alberta is delivered to Customer by Company under a Schedule of Service.
- 1.3** “Annual Plan” shall mean a document submitted annually to the Board by Company outlining the Company’s planned Facility additions and major modifications.
- 1.4** “Billing Commencement Date” shall mean the earlier of:
- (a) the Ready for Service Date; and
 - (b) the date Company commences to provide Service to Customer pursuant to a Service Agreement or Schedule of Service.
- 1.5** “Billing Month” shall mean that month which immediately precedes the month in which Company is required to send a bill for Service.
- 1.6** “Block Period” shall have the meaning attributed to it in paragraph 4.2 of Rate Schedule STFT.
- 1.7** “Board” shall mean the Alberta Energy and Utilities Board.
- 1.8** “Company” shall mean NOVA Gas Transmission Ltd. and any successor to it.

- 1.9** “Company’s Gas Use Price” shall mean the monthly weighted average of the “AECO/NGX Intra-Alberta Same Day Index Values” for every day of the month recorded by the Natural Gas Exchange Inc. (or its successor) as published on its website (or any replacement thereof) for the month preceding the Billing Month multiplied by the average heating value of all physical gas received by Company for the month preceding the Billing Month.
- 1.10** “Criteria for Determining Primary Term” shall mean the procedure for determining the Primary Term, as set out in Appendix “E” of the Tariff.
- 1.11** “CSO” shall have the meaning attributed to it in Appendix “G” of the Tariff.
- 1.12** “Cubic Metre of Gas” shall mean that quantity of gas which, at a temperature of fifteen (15) degrees Celsius and at an absolute pressure of one hundred one and three hundred twenty-five thousandths (101.325) kiloPascals occupies a volume of one cubic metre.
- 1.13** “Customer” shall mean any Person named as a Customer in a Schedule of Service.
- 1.14** “Customer Account” shall mean an account established by Company for Customer to record Customer’s transactions related to Service under one or more Rate Schedules.
- 1.15** “Customer Bid” shall have the meaning attributed to it in paragraph 5.2 of Rate Schedule STFT.
- 1.16** “Customer's Inventory” shall mean, for each Customer Account at a given time on a day, an estimated energy amount determined by Company as follows:

$$CI = (A + B) - (C + D) - E \pm F$$

Where:

-
- “CI” = the Customer’s Inventory;
- “A” = the gas received by Company from Customer at all of Customer's Receipt Points;
- “B” = the gas received by Customer from another Customer through title transfers;
- “C” = the gas delivered by Company to Customer at all of Customer’s Delivery Points;
- “D” = the gas delivered by Customer to another Customer through title transfers;
- “E” = the gas allocated to Customer for Gas Used, Gas Lost, and Measurement Variance; and
- “F” = the daily recovery of Customer’s Inventory imbalance as a result of:
- (i) any differences in measurement or allocations between the daily estimated gas received by Company from Customer at all of Customer’s Receipt Points and the month end actual volume of gas received by Company from Customer at such Receipt Points;
 - (ii) any differences in measurement or allocations between the daily estimated volume of gas delivered by Company to

Customer at all of Customer's Delivery Points and the month end actual gas delivered by Company to Customer at such Delivery Points; and

- (iii) any corrections due to measurement or allocations of gas for any prior months.

1.17 "Day" shall mean a period of twenty-four (24) consecutive hours, beginning and ending at eight hours (08:00) Mountain Standard Time.

1.18 "Delivery Demand Charge" shall have the meaning attributed to it in subparagraph 4.2.2 (ii) of Rate Schedule LRS.

1.19 "Delivery Point" shall mean the point where gas may be delivered to Customer by Company under a Schedule of Service and shall include but not be limited to Export Delivery Point, Alberta Delivery Point, Extraction Delivery Point and Storage Delivery Point.

1.20 "Effective LRS Rate" shall mean the Effective LRS Rate set forth in the Table of Rates, Tolls and Charges which has been fixed by Company or the Board for Service under Rate Schedule LRS.

1.21 "Eligible LRS Contract Demand" shall have the meaning attributed to it in subparagraph 4.2.1 of Rate Schedule LRS.

1.22 "Eligible LRS-2 Volume" shall have the meaning attributed to it in subparagraph 4.3.2 of Rate Schedule LRS-2.

- 1.23 “Eligible Point to Point Volume” shall mean for each Schedule of Service under Rate Schedule FT-P, the lesser of:
- (i) ~~the sum of each Customer’s~~ Point to Point Contract Demand in effect for all or a portion of in the month preceding the Billing Month multiplied by the number of days that the Customer was entitled to such Point to Point Contract Demand Service under such Schedule of Service in ~~the such~~ month ~~preceding the Billing Month~~;
 - (ii) the actual volume of gas received by Company from Customer at the Receipt Point under such Schedule of Service; or
 - (iii) the actual volume of gas delivered by Company to Customer at the Alberta Delivery Point under such Schedule of Service.
- 1.24 “Emergency Response Compensation Event” or “ERC Event” shall have the meaning attributed to it in Appendix “G” of the Tariff.
- 1.25 “Export Delivery Contract Demand” shall mean the maximum volume of gas Company may be required to deliver to Customer at the Export Delivery Point on any Day, as set forth in the Schedule of Service.
- 1.26 “Export Delivery Point” shall mean any of the following points where gas is delivered to a Customer for removal from Alberta under a Schedule of Service:
- Empress Border
 - McNeill Border
 - Alberta-British Columbia Border
 - Alberta-Montana Border
 - Gordondale Border
 - Boundary Lake Border

Cold Lake Border

Unity Border

- 1.27** “Extraction Delivery Point” shall mean the point in Alberta where gas may be delivered to the Extraction Plant by Company for Customer under a Schedule of Service.
- 1.28** “Extraction Plant” shall mean a facility connected to the Facilities where Gas liquids are extracted.
- 1.29** “Extraction Receipt Point” shall mean the point in Alberta where gas may be received from the Extraction Plant by Company for Customer under a Schedule of Service.
- 1.30** “Facilities” shall mean Company's pipelines and other facilities or any part or parts thereof for the receiving, gathering, treating, transporting, storing, distributing, exchanging, handling or delivering of gas.
- 1.31** “Final ERC Adjustment” shall have the meaning attributed to it in Appendix “G” of the Tariff.
- 1.32** “FT-D Demand Rate” shall mean the FT-D Demand Rate in the Table of Rates, Tolls and Charges which has been fixed by Company or the Board for Service under Rate Schedule FT-D.
- 1.33** “FT-P Customer Account” shall mean an account established by Company for Customer to record Customer’s transactions related to Service under Rate Schedule FT-P.
- 1.34** “FT-P Demand Rate” shall mean the FT-P Demand Rate for the distance between the particular Receipt Point and the particular Alberta Delivery Point and the Point to Point Contract Demand in the Table of Rates, Tolls and Charges which has been fixed by Company or the Board for Service under Rate Schedule FT-P.
- 1.35** “FT-R Demand Rate” shall mean the FT-R Demand Rate for a particular Receipt Point in

the Table of Rates, Tolls and Charges which has been fixed by Company or the Board for Service under Rate Schedule FT-R.

- 1.36** “FT-RN Demand Rate” shall mean the FT-RN Demand Rate in the Table of Rates, Tolls and Charges which has been fixed by Company or the Board for Service under Rate Schedule FT-RN for a particular Receipt Point.
- 1.37** “Gas” or “gas” shall mean 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 other than hydrocarbons that can be recovered from a pool in liquid form by ordinary production methods.
- 1.38** “GIA” shall mean the *Electricity and Gas Inspection Act*, R.S.C. 1985, c. E-4, as amended, and all Regulations issued pursuant to it.
- 1.39** “Gas Lost” shall mean that volume of gas determined by Company to be the total volume of gas lost as a result of a Facilities rupture or leak.
- 1.40** “Gas Used” shall mean that volume of gas determined by Company to be the total volume of gas used by Company in the operation, maintenance and construction of the Facilities.
- 1.41** “Gas Year” shall mean a period of time beginning at eight hours (08:00) Mountain Standard Time on the first day of November in any year and ending at eight hours (08:00) Mountain Standard Time on the first day of November of the next year.

- 1.42** “Gross Heating Value” shall mean the total megaJoules obtained by complete combustion of one cubic metre of gas with air, the gas to be free of all water vapour and the gas, air and products of combustion to be at standard conditions of fifteen (15) degrees Celsius and one hundred one and three hundred twenty-five thousandths (101.325) kiloPascals (absolute) and all water vapour formed by the combustion reaction condensed to the liquid state.
- 1.43** “IT-D Rate” shall mean the IT-D Rate in the Table of Rates, Tolls and Charges which has been fixed by Company or the Board for Service under Rate Schedule IT-D.
- 1.44** “IT-R Rate” shall mean the IT-R Rate for a particular Receipt Point in the Table of Rates, Tolls and Charges which has been fixed by Company or the Board for Service under Rate Schedule IT-R.
- 1.45** “kPa” or “kiloPascals ” shall mean kiloPascals of pressure (gauge) unless otherwise specified.
- 1.46** “Line Pack Gas” shall mean at any point in time that volume of gas determined by Company to be the total volume of gas contained in the Facilities.
- 1.47** “LRS Billing Adjustment” shall have the meaning attributed to it in subparagraph 4.2.4 of Rate Schedule LRS.
- 1.48** “LRS Charge” shall have the meaning attributed to it in subparagraph 4.2.3 of Rate Schedule LRS.

- 1.49** “LRS Contract Demand” shall mean the maximum daily volume of gas Company may be required to receive from Customer and deliver at the Empress or McNeill Border Export Delivery Point under Rate Schedule LRS.
- 1.50** “LRS Receipt Point Obligation” shall mean the period determined in subparagraph 6.2 or 6.3 of Rate Schedule LRS as the case may be.
- 1.51** “Maximum Delivery Pressure” shall mean relative to a Delivery Point the maximum pressure at which Company may deliver gas to Customer, as set forth in a Schedule of Service.
- 1.52** “Maximum Receipt Pressure” shall mean relative to a Receipt Point the maximum pressure at which Company may require Customer to deliver gas, as set forth in Schedule of Service.
- 1.53** “Measurement Variance” shall mean, for any period, after taking into account any adjustment made in accordance with the provisions of paragraph 2.6 of these General Terms and Conditions, the energy equivalent of the amount determined as follows:

$$MV = (A + B + C) - (D + E)$$

Where:

“MV” = the Measurement Variance;

“A” = the energy equivalent of gas determined by Company to have been delivered to all Customers during the period;

“B” = the energy equivalent of the aggregate of the Gas Lost and Gas Used during the period;

- “C” = the energy equivalent of Line Pack Gas at the end of the period;
- “D” = the energy equivalent of gas determined by Company to have been received from all Customers during the period; and
- “E” = the energy equivalent of Line Pack Gas at the beginning of the period.
- 1.54** “Month” or “month” shall mean a period of time beginning at eight hours (08:00) Mountain Standard Time on the first day of a calendar month and ending at eight hours (08:00) Mountain Standard Time on the first day of the next calendar month.
- 1.55** “Non-Responding Plant” shall have the meaning attributed to it in Appendix “G” of the Tariff.
- 1.56** “Officer’s Certificate” shall have the meaning attributed to it in subparagraph 4.2.1 of Rate Schedule LRS for Service under Rate Schedule LRS and subparagraph 4.3.1 of Rate Schedule LRS-2 for Service under Rate Schedule LRS-2.
- 1.57** “Over-Run Gas” shall mean, in respect of a Customer in a month, the aggregate volume of gas for which an amount for over-run gas is payable by Customer in the Billing Month.
- 1.58** “OS Charge” shall mean an OS Charge in the Table of Rates, Tolls and Charges which has been fixed by Company or the Board for Service under Rate Schedule OS.
- 1.59** “Person” shall mean and include Company, a Customer, a corporation, a company, a partnership, an association, a joint venture, a trust, an unincorporated organization, a

government, or department of a government or a section, branch, or division of a department of a government.

- 1.60** “Point to Point Contract Demand” shall mean the maximum volume of gas Company may be required to receive from Customer at a particular Receipt Point and deliver to Customer at a particular Alberta Delivery Point on any day under a Schedule of Service under Rate Schedule FT-P.
- 1.61** “Price Point” shall mean Price Point “A”, Price Point “B”, or Price Point “C”, each as defined in paragraph 3.2 of Rate Schedule FT-R.
- 1.62** “Primary Term” shall mean for the purposes of any Service provided under any Schedule of Service the term calculated in accordance with the Criteria for Determining Primary Term in Appendix “E” of the Tariff.
- 1.63** “Prime Rate” shall mean the rate of interest, expressed as an annual rate of interest, announced from time to time by the Royal Bank of Canada, Main Branch, Calgary, Alberta as the reference rate then in effect for determining interest rates on Canadian dollar commercial loans in Canada.
- 1.64** “Project Area” shall mean each of:
- (i) the Peace River Project Area;
 - (ii) the North and East Project Area; and
 - (iii) the Mainline Project Area,

as described in Company’s current Annual Plan. The Project Areas may be amended from time to time by Company in consultation with the Facility Liaison Committee (or any replacement of it), provided Company has given six (6) months notice of such amendment to its Customers.

- 1.65** “Rate Schedule” shall mean any of the schedules identified as a “Rate Schedule” included in the Tariff.
- 1.66** “Ready for Service Date” shall mean the Day designated as such by Company by written notice to Customer stating that Company has Facilities which are ready for and are capable of rendering the Service applied for by Customer.
- 1.67** “Receipt Contract Demand” shall mean the maximum volume of gas Company may be required to receive from Customer at a Receipt Point on any Day, under a Schedule of Service.
- 1.68** “Receipt Demand Charge” shall have the meaning attributed to it in subparagraph 4.2.2 (i) of Rate Schedule LRS.
- 1.69** “Receipt Point” shall mean the point in Alberta at which gas may be received from Customer by Company under a Schedule of Service.
- 1.70** “Responding Plant” shall have the meaning attributed to it in Appendix “G” of the Tariff.
- 1.71** “STFT Bid Price” shall have the meaning attributed to it in article 6.0 of Rate Schedule STFT.
- 1.72** “STFT Capacity” shall have the meaning attributed to it in paragraph 4.1 of Rate Schedule STFT.
- 1.73** “Schedule of Service” shall mean the attachment(s) to a Service Agreement for Service under any Rate Schedule designated as “Schedule of Service” and any amendments thereto.

- 1.74** “Secondary Term” shall mean for the purposes of Service provided under any Schedule of Service any portion of the term of the Schedule of Service that is not Primary Term.
- 1.75** “Service” shall have the meaning attributed to it in article 2.0 of the applicable Rate Schedule.
- 1.76** “Service Agreement” shall mean an agreement between Company and Customer respecting Service to be provided under any Rate Schedule.
- 1.77** “Service Termination Date” shall mean the last Day in a month upon which Service shall terminate, as set forth in a Schedule of Service and subject to any renewal thereof.
- 1.78** “Storage Delivery Point” shall mean the point in Alberta where gas may be delivered to the Storage Facility by Company for Customer for ultimate receipt from such Storage Facility at the Storage Receipt Point under a Schedule of Service.
- 1.79** “Storage Facility” shall mean any commercial facility where gas is stored, that is connected to the Facilities and is available to all Customers.
- 1.80** “Storage Receipt Point” shall mean the point in Alberta where gas may be received from the Storage Facility by Company for Customer that was previously delivered to such Storage Facility at the Storage Delivery Point under a Schedule of Service.
- 1.81** “Surcharge” shall mean a Surcharge set forth in the Table of Rates, Tolls and Charges which has been fixed by Company or the Board for Service under a Rate Schedule.

- 1.82** “Table of Rates, Tolls and Charges” shall mean the Table of Rates, Tolls and Charges setting forth rates, tolls and charges that have been fixed by Company or the Board to be imposed, observed and followed by Company.
- 1.83** “T-4 Charge” shall mean a T-4 Charge in the Table of Rates, Tolls and Charges which has been fixed by Company or the Board for Service under Rate Schedule T-4.
- 1.84** “Tariff” shall mean this Gas Transportation Tariff, including the Table of Rates, Tolls and Charges, the Rate Schedules, the Service Agreements, Schedules of Service, these General Terms and Conditions and the Appendices.
- 1.85** “Thousand Cubic Metres” or “10³m³” shall mean one thousand (1000) Cubic Metres of Gas.
- 1.86** “Volume Multiplier” shall have the meaning attributed to it in subparagraph 7.1 (a) of Rate Schedule STFT.
- 1.87** “Winter Season” shall have the meaning attributed to it in paragraph 2.2 of Rate Schedule STFT.

2.0 MEASURING EQUIPMENT

2.1 Installation

Company, at its option, may furnish, install, maintain and operate all measuring equipment located at each Receipt Point, Delivery Point or other point where gas is measured.

2.2 Compliance with Standards

Company may use such measuring equipment as it deems appropriate provided that all measuring equipment shall comply with all applicable requirements under the GIA.

2.3 Check Measuring Equipment

Customer may install and operate check measuring equipment provided that such equipment does not interfere with the operation of the Facilities.

2.4 Pulsation Dampening

Customer shall provide or cause to be provided such pulsation dampening equipment as may be necessary to ensure that any facilities upstream of a Receipt Point do not interfere with the operation of the Facilities.

2.5 Verification

The accuracy of Company's measuring equipment shall be tested and verified by Company at such intervals as may be appropriate for such equipment. Reasonable notice of the time and nature of each test shall be given to Customer to permit Customer to arrange for a representative to observe the test and any adjustments resulting from such test. If, after notice, Customer fails to have a representative present, the results of the test shall nevertheless be considered accurate.

2.6 Correction

If at any time any of the measuring equipment is found to be out of service or registering inaccurately with the result that a significant measurement error has occurred, such equipment shall be adjusted as soon as practicable to read as accurately as possible and

the readings of such equipment shall be adjusted to correct for such significant error for a period definitely known or agreed upon, or if not known or agreed upon, one-half (1/2) of the elapsed time since the last test. The measurement during the appropriate period shall be determined by Company on the basis of the best data available using the most appropriate of the following methods:

- (a) by using the data recorded by any check measuring equipment if installed and accurately registering;
- (b) by making the appropriate correction if the deviation from the accurate reading is ascertainable by calibration test or mathematical calculation;
- (c) by estimating based on producer measurements; or
- (d) by estimating based on deliveries under similar conditions during a period when the equipment was measuring accurately.

2.7 Expense of Additional Tests

If Customer requests a test in addition to the tests provided for by paragraph 2.5 and if upon testing the deviation from the accurate reading is found to be less than two (2) percent, Customer shall bear the expense of the additional test.

2.8 Inspection of Equipment and Records

Company and Customer shall have the right to inspect measuring equipment installed or furnished by the other, and the charts and other measurement or test data of the other at all times during normal business hours upon reasonable notice, but the reading, calibration and adjustment of such equipment and the changing of the charts shall be done only by the Person installing and furnishing same.

2.9 Quality Equipment and Tests

- (a) Company may furnish, install, maintain and operate such equipment as it considers necessary to ensure that gas received by Company conforms to the quality requirements set forth in the Tariff.
- (b) Company may establish and utilize such reasonable methods, procedures and equipment as Company determines are necessary in order to determine whether gas received by Company conforms with the quality requirements set forth in the Tariff.

3.0 GAS QUALITY

3.1 Quality Requirements

Gas received at a Receipt Point:

- (a) shall be free, at the pressure and temperature in the Facilities at the Receipt Point, from sand, dust, gums, crude oil, contaminants, impurities or other objectionable substances which will render the gas unmerchantable, cause injury, cause damage to or interfere with the operation of the Facilities;
- (b) shall not have a hydrocarbon dew point in excess of minus ten (-10) degrees Celsius at operating pressures;
- (c) shall not contain more than twenty-three (23) milligrams of hydrogen sulphide per one (1) cubic metre;
- (d) shall not contain more than one hundred and fifteen (115) milligrams of total sulphur per one (1) cubic metre;
- (e) shall not contain more than two (2) percent by volume of carbon dioxide;
- (f) shall not contain more than sixty-five (65) milligrams of water vapour per one (1)

- cubic metre;
- (g) shall not have a water dew point in excess of minus ten (-10) degrees Celsius at operating pressures greater than eight thousand two hundred seventy five (8275) kPa;
 - (h) shall not exceed forty-nine (49) degrees Celsius in temperature;
 - (i) shall be as free of oxygen as practicable and shall not in any event contain more than four-tenths of one (0.4) percent by volume of oxygen; and
 - (j) shall have a Gross Heating Value of not less than thirty-six (36) megaJoules per cubic metre.

3.2 Nonconforming Gas

- (a) If gas received by Company fails at any time to conform with any of the quality requirements set forth in paragraph 3.1 above, then Company shall notify Customer of such failure and Company may, at Company's option, refuse to accept such gas pending the remedying of such failure to conform to quality requirements. If the failure to conform is not promptly remedied, Company may accept such gas and may take such steps as Company determines are necessary to ensure that such gas conforms with the quality requirements and Customer shall reimburse Company for any reasonable costs and expenses incurred by Company.
- (b) Notwithstanding subparagraph 3.2 (a), if gas received by Company fails to conform to the quality requirements set forth in paragraph 3.1 above, Company may at its option immediately suspend the receipt of gas, provided however that any such suspension shall not relieve Customer from any obligation to pay any rate, toll, charge or other amount payable to Company.

3.3 Quality Standard of Gas Delivered at Delivery Points

Gas which Company delivers at Delivery Points shall have the quality that results from gas having been transported and commingled in the Facilities.

4.0 MEASUREMENT

4.1 Method of Measurement

Company may make such measurements and calculations and use such procedures as it deems appropriate in determining volume, provided that the measurements and calculations made and the procedures used comply with any applicable requirements under the GIA.

4.2 Unit of Measurement

The unit of volume for purposes of measurement hereunder shall be a Thousand Cubic Metres.

4.3 Atmospheric Pressure

For the purpose of measurement atmospheric pressure shall be determined by a recognized formula applied to the nearest one hundredth (0.01) kPa absolute and deemed to be constant at the time and location of measurement.

4.4 Flowing Temperature

The temperature of flowing gas shall be determined by means of a recording thermometer or other equipment appropriate for the determination of temperature.

4.5 Determination of Gas Characteristics

The gas characteristics including, without limiting the generality of the foregoing, Gross Heating Value, relative density, nitrogen and carbon dioxide content, shall be determined by continuous recording equipment, laboratory equipment or through computer modeling.

4.6 Exchange of Measurement Information

Company and Customer shall make available to the other, as soon as practicable following written request, all measurement and test charts, measurement data and measurement information pertaining to the Service being provided to Customer.

4.7 Preservation of Measurement Records

Company and Customer shall preserve all measurement test data, measurement charts and other similar records for a minimum period of six (6) years or such longer period as may be required by record retention rules of any duly constituted regulatory body having jurisdiction.

5.0 BILLING AND PAYMENT

5.1 Billing

On or before the twentieth (20th) day of each month, Company shall render a bill to Customer for Service rendered during the Billing Month. Customer shall furnish such information to Company as Company may require for billing on or before the twentieth (20th) day of the Billing Month.

5.2 Payment

Customer shall make payment to Company in Canadian dollars of its bill on or before the last day of the month following the Billing Month.

5.3 Late Billing

If Company renders a bill after the twentieth (20th) day of a month, then the date for payment shall be that day which is ten (10) days after the day that such bill was rendered.

5.4 Interest on Unpaid Amounts

Company shall have the right to charge interest on the unpaid portion of any bill commencing with the date payment was due and continuing until the date payment is actually made. The initial rate of interest to be charged by Company shall be the rate of interest which is two (2) percent over and above the Prime Rate in effect on the first day of the quarter during which such unpaid portion of the bill becomes due. The first day of a quarter during each year shall be deemed to be the first day of January, April, July and October, as the case may be. The rate of interest in effect during a prior quarter, with respect to any amounts owing in such prior quarter which remain outstanding in the following quarter, shall be adjusted effective the first day of the following quarter to the interest rate which is two (2) percent over and above the Prime Rate in effect on the first day of such following quarter.

5.5 Adjustment Where Bill Estimated

Information used for billing may be actual or estimated. If actual information necessary for billing is unavailable to Company sufficiently in advance of the twentieth (20th) day of the month to permit the use of such information in the preparation of a bill, Company

shall use estimated information. In the month that actual information becomes available respecting a previous month where estimated information was used, the bill for the month in which the actual information became available shall be adjusted to reflect the difference between the actual and estimated information as if such information related to such later month. Neither Company nor Customer shall be entitled to interest on any adjustment.

5.6 Corrections

Notwithstanding any provision contained in this Tariff to the contrary, the correction of an error in a bill for Service rendered in a prior month, shall be made to the bill in accordance with the appropriate provision of this Tariff in effect at the time that the error was made. Company shall proceed with such correction in the month following the month that Company confirms the error. In the case of a disputed bill the provisions of paragraph 5.7 shall apply.

5.7 Disputed Bills

- 5.7.1** In the event Customer disputes any part of a bill, Customer shall nevertheless pay to Company the full amount of the bill when payment is due.
- 5.7.2** In the event Customer fails to pay the full amount of any bill within thirty (30) days after payment is due, Company, in addition to any other remedy it may have, may suspend Service until full payment is made. Such suspension shall not relieve Customer from any obligation to pay any rate, toll, charge or other amount payable to Company.
- 5.7.3** In the event that it is finally determined that Customer's monthly bill was incorrect and that an overpayment has been made, Company shall make reimbursement of such overpayment. Company shall pay interest on the overpayment to Customer commencing

with date such overpayment was made and continuing until the date reimbursement is actually made. The rate of interest shall be calculated and adjusted in the manner provided for in paragraph 5.4 of these General Terms and Conditions except that the initial rate of interest shall be the rate of interest which is two (2) percent over and above the Prime Rate in effect on the first day of the quarter during which the overpayment is made.

6.0 POSSESSION AND CONTROL

6.1 Control

Gas received by Company shall be deemed to be in the custody and under the control of Company from the time it is received into the Facilities until it is delivered out of the Facilities.

6.2 Warranty

Customer warrants and represents it has the right to tender all gas delivered to Company.

7.0 GAS PRESSURES

7.1 The Gas Pressure At Receipt Points

The pressure of gas tendered by Customer to Company at any Receipt Point shall be the pressure, up to the Maximum Receipt Pressure, that Company requires such gas to be tendered, from time to time, at that Receipt Point.

7.2 Pressure Protection

Customer shall provide or cause to be provided suitable pressure relief devices, or pressure limiting devices, to protect the Facilities as may be necessary to ensure that the pressure of gas delivered by Customer to Company at any Receipt Point will not exceed one hundred ten (110%) percent of the Maximum Receipt Pressure.

7.3 The Gas Pressure At Delivery Points

The pressure of gas delivered by Company at any Delivery Point shall be the pressure available from the Facilities at that Delivery Point, provided that such pressure shall not exceed the Maximum Delivery Pressure.

8.0 GAS USED, GAS LOST AND MEASUREMENT VARIANCE

8.1 Company's Gas Requirements

Company may, at its option, either:

- (a) take from all Customers a volume of gas having an energy content equal to the aggregate energy content of any or all Gas Used, Gas Lost and Measurement Variance for any period; or
- (b) arrange with a Customer or Customers or any other Persons to take and pay for a volume of gas having an energy content equal to the aggregate energy content of any or all Gas Used, Gas Lost and Measurement Variance for any period.

8.2 Allocation of Gas Taken

If Company in any period exercises its option to take a volume of gas as provided for in subparagraph 8.1 (a), each Customer's share of the volume of such gas taken in such period will be a volume equal to the product of the volume of such gas taken in such period and a fraction the numerator of which shall be the energy content of the aggregate volume of gas received by Company from Customer in such period at all of Customer's Receipt Points and the denominator of which shall be the energy content of the aggregate volume of gas received by Company from all Customers in such period at all Receipt Points.

For billing purposes under Rate Schedules FT-R, FT-RN, IT-R and LRS, Customer's share of the volume of gas taken, determined in accordance with this paragraph 8.2, shall be allocated to such Customer's Service under each of Rate Schedule FT-R, FT-RN, IT-R and LRS in the same proportion that the aggregate volume of gas received from such Customer under Service Agreements, for Service rendered to such Customer under Rate Schedules FT-R, FT-RN, IT-R and LRS, was allocated for billing purposes to such Customer under each such Rate Schedule is to the aggregate volume of gas received from such Customer under Service Agreements for Service rendered under Rate Schedules FT-R, FT-RN, IT-R and LRS.

8.3 Gas Received from Storage Facilities

Notwithstanding anything contained in this article 8.0, any gas received into the Facilities from a gas storage facility that was previously delivered into the gas storage facility through the Facilities shall not be included in any calculation, and shall not be taken into account in any allocation, of Company's gas requirements.

9.0 DELIVERY OBLIGATION**9.1 Company's Delivery Obligation**

Subject to paragraph 9.2:

- (a) Company's delivery obligation for any period where Company has exercised its option as provided for in subparagraph 8.1 (a), shall be to deliver to all Customers at all Delivery Points the volume of gas which has the aggregate energy content of the aggregate volume of gas Company determines was received from all Customers in such period at all Receipt Points, less all Customers share as determined under paragraph 8.2; and
- (b) Company's delivery obligation, for any period where Company has exercised its option to purchase gas as provided for in subparagraph 8.1 (b), shall be to deliver to all Customers at all Delivery Points the volume of gas which has the aggregate energy content of all gas received from all Customers, other than gas taken from such Customers and paid for pursuant to subparagraph 8.1 (b), in such period at all Receipt Points.

9.2 Variance

Due to variations in operating conditions, the aggregate daily and monthly volumes of gas delivered to all Customers at all Delivery Points, adjusted as provided for in paragraph 9.1, will differ from the aggregate of the corresponding daily and monthly volumes of gas received from all Customers. Customers and Company shall co-operate to keep such differences to the minimum permitted by operating conditions and to balance out such differences as soon as practicable.

9.3 Operating Balance Agreements

Company may enter into agreements and other operating arrangements with any operator of a downstream pipeline facility interconnecting with the Facilities (“downstream operator”) respecting the balancing of gas quantities to be delivered by Company and to be received by the downstream operator on any Day at the interconnection of the downstream facility and the Facilities (the “interconnection point”). This may include agreements and operating arrangements providing that for any Day a quantity of gas nominated by a Customer for delivery at the interconnection point may be deemed to have been delivered by Company and received by the downstream operator regardless of the actual flow of gas at the interconnection point on the Day.

9.4 Energy Content and Gas Quality

Gas delivered by Company to Customer at any of Customer's Delivery Points shall have the energy content and quality that results from the gas having been commingled in the Facilities.

9.5 Supply/Demand Balancing

The Terms and Conditions Respecting Supply/Demand Balancing in Appendix “D” of the Tariff apply to all Service provided under this Tariff. Each Customer receiving Service is responsible for ensuring that Customer's Inventory is at all times within the tolerance level prescribed within such Terms and Conditions Respecting Supply/Demand Balancing. If Company determines that Customer's Inventory for any Customer is not within the prescribed tolerance level, Company may, upon notice, suspend all, or any portion of, Service to Customer until Customer brings Customer's Inventory within the

prescribed tolerance level, provided however that no such suspension shall relieve Customer of its obligation to pay any rate, toll, charge or other amount payable to Company.

9.6 Balancing Procedures

Company may from time to time establish procedures, consistent with the Terms and Conditions Respecting Supply/Demand Balancing set forth in Appendix “D” of the Tariff, respecting:

- (i) the obtaining of data and information from any Person operating facilities upstream or downstream of any of the Facilities;
- (ii) the allocation among Company's Customers, on a daily or other basis, of gas volumes received into and delivered out of the Facilities;
- (iii) the revision of any allocation of gas volumes provided to Company in respect of any prior period and the reallocation of such volumes among Company's Customers;
- (iv) any request for Service from a Customer who fails to balance, within criteria and parameters established by Company from time to time, the flow of its gas into the Facilities with the flow of its gas out of the Facilities; and
- (v) the suspension of all, or any portion of, Service to any Customer whose Customer's Inventory is other than at a zero balance.

9.7 Limitation on Delivery Obligation

Company shall be obligated to provide only such Service as can be provided through Company's operation of the existing Facilities pursuant to the terms and conditions of the Tariff.

9.8 Uniform Flow Rate

All deliveries of gas to Company at a Receipt Point shall be made in uniform hourly quantities to the extent practicable.

9.9 Emergency Response Compensation Event

If there is an ERC Event, Company shall determine Customer's Final ERC Adjustments in accordance with the Terms and Conditions Respecting Emergency Response Compensation set forth in Appendix "G" of the Tariff.

10.0 FINANCIAL INFORMATION AND SECURITY**10.1 Financial Information**

Customer shall provide Company with any financial information Company reasonably requests prior to Company providing Service in order that Company may establish Customer's credit worthiness.

10.2 Security for Performance of Obligations

Company may request that Customer at any time and from time to time provide Company with a performance bond, irrevocable letter of credit or other security acceptable to Company (the “security”) in an amount and in form and substance satisfactory to Company. If Customer fails to provide such security to Company within ten (10) days of Company's request, Company may at its option immediately suspend any or all Service being or to be provided to Customer provided however that any such suspension shall not relieve Customer from any obligation to pay any rate, toll, charge or other amount payable to Company.

11.0 INTERRUPTIONS AND CURTAILMENTS

11.1 Planned Interruptions

Provided that Company shall have given Customer at least forty-eight (48) hours notice, Company may interrupt, curtail or reduce Service for such periods of time as it may reasonably require for the purpose of effecting any repairs, maintenance, replacement or upgrading or other work related to the Facilities.

11.2 Unplanned Interruptions

Notwithstanding paragraph 11.1, in the event of unforeseen circumstances Company may interrupt, curtail or reduce Service for such periods of time as it may reasonably require without giving Customer the notice provided for in paragraph 11.1 provided that Company shall give notice of such interruption, curtailment or reduction as soon as is reasonably possible.

11.3 Notice of Change in Operations

Customer and Company shall give each other as much notice as is reasonably possible in the circumstances of expected temporary changes in the rates of delivery or receipt of gas, pressures or other operating conditions, together with the expected duration and the reason for such expected temporary changes.

11.4 Priority During Interruptions

11.4.1 At Receipt Points

During periods of interruption and curtailment Company may reduce any or all Service at Receipt Points in the following order:

- (i) Firstly, Service under Rate Schedules IT-R and IT-S based on the priority provisions of the applicable Service Agreement until such Service has been reduced to zero (0); and
- (ii) Secondly, Service under Rate Schedules FT-R, FT-RN, FT-X, FT-P, LRS and LRS-2 on a prorata basis.

11.4.2 At Delivery Points

During periods of interruption and curtailment Company may reduce any or all Service at Delivery Points in the following order:

- (i) Firstly, Service under Rate Schedules IT-D and IT-S based on the priority provisions of the applicable Service Agreement until such Service has been reduced to zero (0); and

- (ii) Secondly, Service under Rate Schedules FT-D, FT-P, LRS-2, STFT, FT-A and FT-X on a prorata basis.

11.5 Customer's Obligations

Notwithstanding any other provision in the Tariff, Customer agrees and acknowledges that any interruption and curtailment shall not under any circumstances suspend or relieve Customer from the obligation to pay any rate, toll, charge or other amount payable to Company.

12.0 FORCE MAJEURE

12.1 Notice of Force Majeure

In the event that either Company or Customer is rendered unable by reason of force majeure to perform in whole or in part any covenant or obligation in the Tariff, the performance of such covenant or obligation shall be suspended during the continuance of such force majeure, except as provided for in paragraph 12.3, upon the following terms and conditions:

- (a) the party claiming suspension shall give written notice to the other party specifying full particulars of such force majeure as soon as is reasonably possible;
- (b) the party claiming suspension shall as far as possible remedy such force majeure as soon as is reasonably possible; and
- (c) the party claiming suspension shall give written notice to the other party as soon as is reasonably possible after such force majeure has been remedied.

12.2 Events of Force Majeure

For the purposes of these General Terms and Conditions, the term “force majeure” shall mean any cause not reasonably within the control of the party claiming suspension which by the exercise of due diligence such party is unable to prevent or overcome, including but without limiting the generality of the foregoing:

- (a) lightning, storms, earthquakes, landslides, floods, washouts, and other acts of God;
- (b) fires, explosions, ruptures, breakages of or accidents to the Facilities;
- (c) freezing of pipelines or wells, hydrate obstructions of pipelines or appurtenances thereto, temporary failure of gas supply;
- (d) shortages of necessary labour, strikes, lockouts or other industrial disturbances;
- (e) civil disturbances, sabotage, acts of public enemies, war, blockades, insurrections, vandalism, riots, epidemics;
- (f) arrests and restraints of governments and people;
- (g) the order of any court, government body or regulatory body;
- (h) inability to obtain or curtailment of supplies of electric power, water, fuel or other utilities or services;
- (i) inability to obtain or curtailment of supplies of any other materials or equipment;
- (j) inability to obtain or revocation or amendment of any permit, licence, certificate or authorization of any governmental or regulatory body, unless the revocation or amendment of such permit, licence, certificate or authorization was caused by the violation of the terms thereof or consented to by the party holding the same;
- (k) the failure for any reason of a supplier of gas to Customer or a purchaser of gas from Customer to supply and deliver gas to Customer or to purchase and take delivery of gas from Customer;

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- (l) any claim by any third party that any covenant or obligation of such third party is suspended by reason of force majeure, including without limiting the generality of the foregoing any such claim by any transporter of gas to, from or for Company or Customer; and
 - (m) any other cause, whether herein enumerated or otherwise, not reasonably within the control of the party claiming suspension which by the exercise of due diligence such party is unable to prevent or overcome.

12.3 Customer's Obligations

Notwithstanding any other provision herein, Customer acknowledges and agrees that the occurrence of an event of force majeure shall not under any circumstances suspend or relieve Customer from the obligation to pay any rate, toll, charge or other amount payable to Company.

12.4 Lack of Funds not Force Majeure

Notwithstanding any other provision herein, Company and Customer agree that a lack of funds or other financial cause shall not under any circumstances be an event of force majeure.

12.5 Strikes and Lockouts

Notwithstanding any other provision herein, Company and Customer agree that the settlement of strikes, lockouts and other industrial disturbances shall be entirely within the discretion of the party involved.

12.6 Service During Force Majeure

In the event that the provision of Service is curtailed or interrupted by reason of force majeure, Company may during the continuance of such force majeure provide such Service as it deems appropriate.

13.0 INDEMNIFICATION**13.1 Customer's Liability**

Customer shall be liable for and shall indemnify and save harmless Company from and against any and all claims, demands, suits, actions, damages, costs, losses and expenses of whatsoever nature arising out of or in any way connected, either directly or indirectly, with any act, omission or default arising out of the negligence of Customer.

13.2 Company's Liability

Company shall be liable for and shall indemnify and save harmless Customer from and against any and all claims, demands, suits, actions, damages, costs, losses and expenses of whatsoever nature arising out of or in any way connected, either directly or indirectly, with any act, omission or default arising out of the negligence of Company.

13.3 Limitations

Notwithstanding the provisions of paragraphs 13.1 and 13.2:

- (a) Company and Customer shall have no liability for, nor obligation to indemnify and save harmless the other from, any claim, demand, suit, action, damage, cost, loss or expense which was not reasonably foreseeable at the time of the act, omission or default;

- (b) Company shall have no liability to Customer, nor obligation to indemnify and save harmless Customer, in respect of Company's failure for any reason whatsoever, other than Company's wilful default, to provide Service pursuant to the provisions of Customer's Service Agreement; and
- (c) the failure by Company for any reason whatsoever to receive gas from Customer or deliver gas to Customer shall not suspend or relieve Customer from the obligation to pay any rate, toll, charge or other amount payable to Company.

14.0 EXCHANGE OF INFORMATION

14.1 Provision of Information

Company and Customer shall make available, on request by either made to the other, certificates, estimates and information as shall be in their possession, and as shall be reasonably required by the other.

14.2 Additional Information

Notwithstanding paragraph 14.1, Customer shall furnish Company with such estimated daily, monthly and annual volumes as Company may require, with respect to any Service provided or to be provided, together with any data that Company may require in order to design, operate and construct facilities to meet Customer's requirements.

15.0 MISCELLANEOUS PROVISIONS**15.1 Effect of Headings**

The headings used throughout the Tariff are inserted for reference only and are not to be considered or taken into account in construing any terms or provision nor be deemed in any way to qualify, modify or explain any term or provision.

15.2 Words in Singular or Plural

In the interpretation of the Tariff words in the singular shall be read and construed in the plural and words in the plural shall be read and construed in the singular where the context so requires.

15.3 Preservation of Rights and Authority Under Act

Notwithstanding any of the provisions of the Tariff, Company and Customer reserve all their respective rights and authorities under the Act.

15.4 Governing Law

The Tariff shall be governed by and construed in accordance with the laws of the Province of Alberta and the applicable laws of Canada, and Company and Customers irrevocably submit to the jurisdiction of the courts of the Province of Alberta for the interpretation and enforcement of the Tariff.

15.5 Assignment

Customer shall not assign any Service Agreement, Schedule of Service or any Service without the prior written consent of Company.

15.6 No Interest in Facilities

Customer does not acquire any right to, title to or interest in the Facilities or any part thereof nor does Company dedicate any portion of the Facilities to Service for any Customer.

15.7 Forbearance

Forbearance to enforce any provision of the Tariff shall not be construed as a continuing forbearance to enforce any such provision.

15.8 Inconsistency

In the event that there is any inconsistency between any provision of these General Terms and Conditions, any provision of any Rate Schedule or any provision of any Service Agreement, the provision of the Service Agreement shall prevail over the Rate Schedule which in turn shall prevail over the General Terms and Conditions.

15.9 Amendment of Service Agreement

No amendment or variation of any term, condition or provision of any Schedule of Service or Service Agreement shall be of any force or effect unless in writing and signed by Company.

15.10 Priority for New or Additional Service

Company may from time to time establish procedures respecting priority of entitlement for Customers seeking new or additional Service.

15.11 Establishment of Procedures and Pilot Projects

Company may from time to time establish procedures, including procedures for carrying out and evaluating any pilot projects Company determines to be necessary or desirable, respecting or relating to or affecting any Service or any term, condition or provision contained within the Tariff.

**APPENDIX “B”
TO
GAS TRANSPORTATION TARIFF
OF
NOVA GAS TRANSMISSION LTD.**

**TERMS AND CONDITIONS RESPECTING
RELIEF FOR MAINLINE CAPACITY RESTRICTIONS**

**TERMS AND CONDITIONS RESPECTING
RELIEF FOR MAINLINE CAPACITY RESTRICTIONS**

1.0 DEFINITIONS

1.1 Capitalized terms used in this Appendix have the meanings attributed to them in the Tariff unless otherwise defined in this Appendix.

2.0 RELIEF AVAILABILITY

2.1 Relief for mainline capacity restrictions will be made available to Customers in accordance with these terms and conditions.

2.2 A Customer entitled to service under Rate Schedule FT-R, Rate Schedule FT-RN, Rate Schedule LRS or Rate Schedule LRS-3 will be granted relief in respect of the monthly demand charge applicable to a Schedule of Service (the "Relief") in circumstances where Company determines that service cannot be made available as a result of a mainline capacity restriction, provided Company has determined that:

- (i) the capacity restriction has occurred as a result of actual gas supply varying from Company's assumptions and forecasts of gas supply that were relied upon in designing mainline Facilities required to provide service to which Customer is entitled at a Receipt Point; and
- (ii) Company has received an amount equal to 50% or less of Customer's aggregate Receipt Contract Demand, Eligible LRS Contract Demand or Eligible LRS-3 Contract Demand under all Customer's Schedules of Service at a Receipt Point each day for a period of greater than thirty (30) consecutive days.

3.0 DETERMINATION OF RELIEF

3.1 The aggregate relief granted to Customer for the duration of the restriction and applied to Customer's monthly demand charge at the end of such restriction for all Schedules of Service at Receipt Points qualifying for relief shall be the sum of the Relief granted to Customer for each Schedule of Service determined as follows:

$$R = (A \times B \times C) \times \frac{D}{E}$$

Where:

“R” = the Relief granted to Customer under a Schedule of Service under Rate Schedule FT-R, Rate Schedule FT-RN, Rate Schedule LRS or Rate Schedule LRS-3;

“A” = the aggregate Receipt Contract Demand, Eligible LRS Contract Demand or Eligible LRS-3 Contract Demand in such Schedule of Service;

“B” = the number of days that Company determines qualify for Relief;

“C” = the amount of restriction, expressed as a percentage, that Company determines is applicable to such Schedule of Service;

“D” = the FT-R Demand Rate multiplied by the Price Point applicable to such Schedule of Service under Rate Schedule FT-R, the FT-RN Demand Rate applicable to such Schedule of Service under Rate Schedule FT-RN, the Effective LRS Rate or LRS-3 Demand Rate;

and

“E” = the average number of days in a month.

3.2 Any volume of gas received during the period of the restriction at a Receipt Point, in excess of the aggregate of all Customer’s Receipt Contract Demand, Eligible LRS Contract Demand or Eligible LRS-3 Contract Demand multiplied by the amount of restriction, expressed as a percentage, that Company determines is applicable, shall be allocated as Over-Run Gas and charged in accordance with paragraph 4.3 of Rate Schedule FT-R and/or paragraph 4.3 of Rate Schedule FT-RN and/or paragraph 4.3 of Rate Schedule LRS and/or paragraph 4.3 of Rate Schedule LRS-3.

3.3 These terms and conditions are subject to the terms and conditions of Service set forth in the Tariff.