

**TRANSCANADA - ALBERTA SYSTEM
Tolls, Tariff & Procedures Committee**

RESOLUTION

Blanket IT-R Service Tariff Amendments

Resolution T2002-04(T)

The Tolls, Tariff & Procedures Committee (“TTP”) agrees to the attached amendments to the NOVA Gas Transmission Ltd. (“NGTL”) Gas Transportation Tariff (“Tariff”) as recommended by the TTP Tariff Task Force. The attached Tariff sections have been black-lined to highlight the changes for the convenience of the TTP and the Alberta Energy and Utility Board (“EUB”). A clean copy is also attached.

Background

In April 2003 the TTP approved a resolution which modifies the priority of IT-R from ‘sign date’ to a ‘previous flow’ model. Adoption of the new priority methodology removes the major barrier to providing a blanket IT-R service. Implementation of the June resolution is “*conditional on TransCanada having required Information Systems available*”.

The TTP Business Process Change Task Force agreed that the change should strive to achieve the following objectives:

1. Simplify administration
2. Provide evergreen IT-R term with termination feature
3. Able to implement at reasonable cost:
 - NGTL one-time Dovetail Systems development cost estimate is \$20K (\$5K - contracting; \$10K - invoicing; and, \$5K - capacity allocation);
 - ongoing NGTL administrative savings estimated to be \$20K/yr.

NGTL's Tariff must be updated to reflect this business process change before it is implemented. IT systems are expected to be available by the end of 2003.

Next Steps

NGTL will file the above-noted Tariff amendments with the EUB for approval. Implementation will occur after EUB approval and when IT systems are available, which is anticipated by year-end.

Several amendments to the NGTL Tariff are currently proposed. These amendments either result from the TTP Resolution T2002-04 for Blanket IT-R Service and consequential amendments in relation to such issue or general housecleaning items. This summary has been provided for information only and is not intended to form part of the Tariff.

Summary of NGTL Tariff Amendments related to Blanket IT-R

(*) after the item identifies general housekeeping updates

1. Rate Schedule IT-R:

- (i) Paragraph 2.1 [Service Description] - amend Receipt Points to be as listed in the Table of Rates, Tolls and Charges;
- (ii) Paragraph 2.2 [Service Availability] - delete “and Schedule of Service”;
- (iii) Paragraph 4.1 Aggregate of Customer’s Monthly Charge - amend opening paragraph from “each of Customer’s Receipt Points” to “each Receipt Point”;
- (iv) Article 5.0 Term of Service:
 - (a) Delete former paragraph 5.1 Term of Service at a Receipt Point;
 - (b) Amend renumbered paragraph 5.1 to reflect evergreen Service Agreement;
 - (c) Add a new paragraph 5.2 Termination Notice.
- (v) Delete article 7.0 Renewal of Service;
- (vi) Renumber articles and paragraphs as required.

2. IT-R Service Agreement:

- (i) Article 1 - Correct grammar (*); and
- (ii) Add in standard article 3 language and delete paragraphs 3(a), 3(b), 3(c) and 3(d).

3. IT-R Schedule of Service:

- (i) Delete IT-R Schedule of Service.

4. General Terms and Conditions:

- (i) Amend definitions 1.16 “Customer” and 1.79 “Receipt Point” to incorporate the defined term of “Service Agreement”.

**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 Receipt Points as listed in the Table of Rates, Tolls and Charges (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 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 LRS-3, 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 Receipt Point 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, LRS-2 and LRS-3 to a maximum of such Customer's LRS Contract Demand for such Receipt Point under such Rate Schedule LRS, to a maximum of such Eligible LRS-2 Volumes for the Coleman Receipt Point under such Rate Schedule LRS-2 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.

5.0 TERM OF SERVICE

5.1 Term of Service Agreement

Customer's Service Agreement shall be in full force and effect until terminated by Customer in accordance with paragraph 5.2.

5.2 Termination Notice

Customer shall be entitled to terminate Service under Rate Schedule IT-R if Customer gives Company at least one (1) month prior written notice of such termination. Any such termination of Service shall not relieve Customer from any obligation to pay any rate, toll, charge or other amount payable to Company

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 APPLICATION FOR SERVICE

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

8.0 GENERAL TERMS AND CONDITIONS

8.1 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 Calgary, Alberta (“Company”)

and

•, a body corporate having an office in •, • (“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 in this Service Agreement.
3. Customer requests and Company agrees to provide Service pursuant to Rate Schedule IT-R. The Service will commence on the Billing Commencement Date and will terminate, subject to the provisions of this Service Agreement.

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:

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Attention: •

Fax: •

Company:

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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 : _____

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** “CO₂ Volume” shall mean the portion of the total excess volume of carbon dioxide

allocated by a CSO to a Customer at a particular Receipt Point for any month under a Schedule of Service for Service under Rate Schedule CO₂. The total excess volume of carbon dioxide at a Receipt Point for any month shall be determined by Company as follows:

$$\text{Total Excess CO}_2 \text{ Volume} = A \times (B - C)$$

Where:

“A” = the total volume of gas received by Company at such Receipt Point;

“B” = the percentage of carbon dioxide by volume of gas received as determined by Company at such Receipt Point; and

“C” = two (2) percent.

If “B” is less than or equal to “C”, the Total Excess CO₂ Volume shall be zero.

1.9 “CO₂ Rate” shall mean the CO₂ Rate in the Table of Rates, Tolls and Charges which has been fixed by Company or the Board for Service under Rate Schedule CO₂.

1.10 “Common Stream Operator” shall mean the person who, with respect to a Receipt Point:

- (i) provides Company with the estimates of Flow at the Receipt Point;
- (ii) provides Company with the allocation of the estimated Flow, Measured Volume and Total Energy for the Receipt Point to each Customer receiving Service at the Receipt Point; and
- (iii) accepts Nominations made by Company on behalf of Customers and confirms the

availability of gas to meet Customer's Nominations.

- 1.11** "Company" shall mean NOVA Gas Transmission Ltd. and any successor to it.
- 1.12** "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.
- 1.13** "Criteria for Determining Primary Term" shall mean the procedure for determining the Primary Term, as set out in Appendix "E" of the Tariff.
- 1.14** "CSO" shall mean Common Stream Operator.
- 1.15** "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.
- 1.16** "Customer" shall mean any Person named as a Customer in a Service Agreement or Schedule of Service.
- 1.17** "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.
- 1.18** "Customer Bid" shall have the meaning attributed to it in paragraph 5.2 of Rate Schedule STFT.
- 1.19** "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;
- (iii) any corrections due to measurement or allocations of gas for any prior months; and
- (iv) Company's administration of Customer's Inventory at month end pursuant to paragraphs 8.2 and 8.3 in Appendix "D" of the Tariff.

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

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

1.22 "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.

1.23 "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.

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- 1.24** “Eligible LRS Contract Demand” shall have the meaning attributed to it in subparagraph 4.2.1 of Rate Schedule LRS.
- 1.25** “Eligible LRS-3 Contract Demand” shall have the meaning attributed to it in subparagraph 4.2.1 of Rate Schedule LRS-3.
- 1.26** “Eligible LRS-2 Volume” shall have the meaning attributed to it in subparagraph 4.3.2 of Rate Schedule LRS-2.
- 1.27** “Eligible Points to Point Volume” shall mean for each Schedule of Service under Rate Schedule FT-P, the lesser of:
- (i) the sum of each Points to Point Contract Demand in effect for all or a portion of the month preceding the Billing Month multiplied by the number of days that the Customer was entitled to such Points to Point Contract Demand under such Schedule of Service in such month;
 - (ii) the actual volume of gas received by Company from Customer at the Receipt Points 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.
- 1.28** “Emergency Response Compensation Event” or “ERC Event” shall have the meaning attributed to it in Appendix “G” of the Tariff.
- 1.29** “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.
- 1.30** “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

- 1.31** “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.
- 1.32** “Extraction Plant” shall mean a facility connected to the Facilities where Gas liquids are extracted.
- 1.33** “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.
- 1.34** “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.
- 1.35** “Final ERC Adjustment” shall have the meaning attributed to it in Appendix “G” of the Tariff.
- 1.36** “Flow” shall mean, with respect to a Receipt Point, the rate in $10^3\text{m}^3/\text{d}$ or GJ/d, as the case may be, that gas is being delivered into Company’s Facilities through such Receipt Point at any point in time and means with respect to a Delivery Point, the rate in $10^3\text{m}^3/\text{d}$ or GJ/d, as the case may be, that gas is being delivered off Company’s Facilities through

such Delivery Point at any point in time.

- 1.37** “FT-A Rate” shall mean the FT-A Rate in the Table of Rates, Tolls and Charges which has been fixed by Company or the Board for Service under Rate Schedule FT-A.
- 1.38** “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.
- 1.39** “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.
- 1.40** “FT-P Demand Rate” shall mean the FT-P Demand Rate for the distance between the particular Receipt Points and the particular Alberta Delivery Point in the Table of Rates, Tolls and Charges which has been fixed by Company or the Board for Service under Rate Schedule FT-P.
- 1.41** “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.
- 1.42** “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.
- 1.43** “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.

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- 1.44** “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.
- 1.45** “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.
- 1.46** “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.
- 1.47** “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.
- 1.48** “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.
- 1.49** “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.
- 1.50** “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.
- 1.51** “kPa” or “kiloPascals ” shall mean kiloPascals of pressure (gauge) unless otherwise specified.

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- 1.52** “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.
- 1.53** “LRS Billing Adjustment” shall have the meaning attributed to it in subparagraph 4.2.4 of Rate Schedule LRS.
- 1.54** “LRS Charge” shall have the meaning attributed to it in subparagraph 4.2.3 of Rate Schedule LRS.
- 1.55** “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.
- 1.56** “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.
- 1.57** “LSR-3 Contract Demand” shall mean the maximum daily volume of gas Company may be required to receive from Customer and deliver at the Empress Border Export Delivery Point under a Schedule of Service for Service under Rate Schedule LRS-3.
- 1.58** “LRS-3 Demand Rate” shall mean the LRS-3 Demand Rate in the Table of Rates, Tolls and Charges which has been fixed by Company or the Board for Service under Rate Schedule LRS-3.
- 1.59** “Maximum Carbon Dioxide Volume” shall mean the maximum volume of carbon dioxide as determined by Company that the Company may be required to accept at a particular Receipt Point on any day, as set forth in a Schedule of Service under Rate Schedule CO₂.

- 1.60** “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.
- 1.61** “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.
- 1.62** “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.

- 1.63** “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.
- 1.64** “Nomination” shall mean, with respect to a Receipt Point or a Delivery Point, a request for Flow made on behalf of a Customer.
- 1.65** “Non-Responding Plant” shall have the meaning attributed to it in Appendix “G” of the Tariff.
- 1.66** “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.
- 1.67** “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.
- 1.68** “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.
- 1.69** “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.
- 1.70** “Points to Point Contract Demand” shall mean the maximum volume of gas Company may be required to receive from Customer at particular Receipt Points and deliver to Customer at a particular Alberta Delivery Point on any day under a Schedule of Service

under Rate Schedule FT-P.

1.71 “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 and Rate Schedule FT-P.

1.72 “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.

1.73 “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.

1.74 “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.

1.75 “Rate Schedule” shall mean any of the schedules identified as a “Rate Schedule” included in the Tariff.

1.76 “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.

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- 1.77** “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.
- 1.78** “Receipt Demand Charge” shall have the meaning attributed to it in subparagraph 4.2.2 (i) of Rate Schedule LRS.
- 1.79** “Receipt Point” shall mean the point in Alberta at which gas may be received from Customer by Company under a Service Agreement or Schedule of Service.
- 1.80** “Responding Plant” shall have the meaning attributed to it in Appendix “G” of the Tariff.
- 1.81** “STFT Bid Price” shall have the meaning attributed to it in article 6.0 of Rate Schedule STFT.
- 1.82** “STFT Capacity” shall have the meaning attributed to it in paragraph 4.1 of Rate Schedule STFT.
- 1.83** “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.
- 1.84** “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.
- 1.85** “Service” shall have the meaning attributed to it in article 2.0 of the applicable Rate Schedule.

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- 1.86** “Service Agreement” shall mean an agreement between Company and Customer respecting Service to be provided under any Rate Schedule.
- 1.87** “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.
- 1.88** “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.
- 1.89** “Storage Facility” shall mean any commercial facility where gas is stored, that is connected to the Facilities and is available to all Customers.
- 1.90** “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.
- 1.91** “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.
- 1.92** “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.
- 1.93** “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.
- 1.94** “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.

- 1.95** “Tier” shall mean the Tier 1, Tier 2 or Tier 3 CO₂ Rate as set forth in the Table of Rates, Tolls and Charges.
- 1.96** “Thousand Cubic Metres” or “10³m³” shall mean one thousand (1000) Cubic Metres of Gas.
- 1.97** “Volume Multiplier” shall have the meaning attributed to it in subparagraph 7.1 (a) of Rate Schedule STFT.
- 1.98** “Winter Season” shall have the meaning attributed to it in paragraph 2.2 of Rate Schedule STFT.

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~~ as listed in the Table of Rates, Tolls and Charges (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 LRS-3, 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, LRS-2 and LRS-3 to a maximum of such Customer's LRS Contract Demand for such Receipt Point under such Rate Schedule LRS, to a maximum of such Eligible LRS-2 Volumes for the Coleman Receipt Point under such Rate Schedule LRS-2 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.

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.~~

5.25.1 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 be in full force and effect until terminated by Customer in accordance with paragraph 5.2.~~

5.2 Termination Notice

Customer shall be entitled to terminate Service under Rate Schedule IT-R if Customer gives Company at least one (1) month prior written notice of such termination. Any such termination of Service shall not relieve Customer from any obligation to pay any rate, toll, charge or other amount payable to Company.

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.~~

8.07.0 APPLICATION FOR SERVICE

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

9.08.0 GENERAL TERMS AND CONDITIONS

8.1 **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 Calgary, Alberta ("Company")

and

•, a body corporate having an office in •, • ("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 in this Service Agreement.
3. Customer requests and Company agrees to provide Service pursuant to Rate Schedule IT-R. The Service will commence on the Billing Commencement Date and will terminate, subject to the provisions of this Service Agreement.

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: •

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 : _____

NOVA Gas Transmission Ltd.

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

CUSTOMER: •

Schedule of Service Number	Receipt Point Number and Name	Legal Description	Maximum Receipt Pressure kPa	Service Termination Date	Additional Conditions
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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: _____

TARIFF

Effective Date: July 21, 2003 as per EUB Order U2002-265

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** “CO₂ Volume” shall mean the portion of the total excess volume of carbon dioxide allocated by a CSO to a Customer at a particular Receipt Point for any month under a

Schedule of Service for Service under Rate Schedule CO₂. The total excess volume of carbon dioxide at a Receipt Point for any month shall be determined by Company as follows:

$$\text{Total Excess CO}_2 \text{ Volume} = A \times (B - C)$$

Where:

“A” = the total volume of gas received by Company at such Receipt Point;

“B” = the percentage of carbon dioxide by volume of gas received as determined by Company at such Receipt Point; and

“C” = two (2) percent.

If “B” is less than or equal to “C”, the Total Excess CO₂ Volume shall be zero.

1.9 “CO₂ Rate” shall mean the CO₂ Rate in the Table of Rates, Tolls and Charges which has been fixed by Company or the Board for Service under Rate Schedule CO₂.

1.10 “Common Stream Operator” shall mean the person who, with respect to a Receipt Point:

- (i) provides Company with the estimates of Flow at the Receipt Point;
- (ii) provides Company with the allocation of the estimated Flow, Measured Volume and Total Energy for the Receipt Point to each Customer receiving Service at the Receipt Point; and
- (iii) accepts Nominations made by Company on behalf of Customers and confirms the

availability of gas to meet Customer's Nominations.

- 1.11** "Company" shall mean NOVA Gas Transmission Ltd. and any successor to it.
- 1.12** "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.
- 1.13** "Criteria for Determining Primary Term" shall mean the procedure for determining the Primary Term, as set out in Appendix "E" of the Tariff.
- 1.14** "CSO" shall mean Common Stream Operator.
- 1.15** "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.
- 1.16** "Customer" shall mean any Person named as a Customer in a Service Agreement or Schedule of Service.
- 1.17** "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.
- 1.18** "Customer Bid" shall have the meaning attributed to it in paragraph 5.2 of Rate Schedule STFT.
- 1.19** "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;
- (iii) any corrections due to measurement or allocations of gas for any prior months; and
- (iv) Company's administration of Customer's Inventory at month end pursuant to paragraphs 8.2 and 8.3 in Appendix "D" of the Tariff.

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

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

1.22 "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.

- 1.23** “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.
- 1.24** “Eligible LRS Contract Demand” shall have the meaning attributed to it in subparagraph 4.2.1 of Rate Schedule LRS.
- 1.25** “Eligible LRS-3 Contract Demand” shall have the meaning attributed to it in subparagraph 4.2.1 of Rate Schedule LRS-3.
- 1.26** “Eligible LRS-2 Volume” shall have the meaning attributed to it in subparagraph 4.3.2 of Rate Schedule LRS-2.
- 1.27** “Eligible Points to Point Volume” shall mean for each Schedule of Service under Rate Schedule FT-P, the lesser of:
- (i) the sum of each Points to Point Contract Demand in effect for all or a portion of the month preceding the Billing Month multiplied by the number of days that the Customer was entitled to such Points to Point Contract Demand under such Schedule of Service in such month;
 - (ii) the actual volume of gas received by Company from Customer at the Receipt Points 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.
- 1.28** “Emergency Response Compensation Event” or “ERC Event” shall have the meaning attributed to it in Appendix “G” of the Tariff.

- 1.29** “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.
- 1.30** “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
- 1.31** “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.
- 1.32** “Extraction Plant” shall mean a facility connected to the Facilities where Gas liquids are extracted.
- 1.33** “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.
- 1.34** “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.
- 1.35** “Final ERC Adjustment” shall have the meaning attributed to it in Appendix “G” of the

Tariff.

- 1.36** “Flow” shall mean, with respect to a Receipt Point, the rate in $10^3\text{m}^3/\text{d}$ or GJ/d, as the case may be, that gas is being delivered into Company’s Facilities through such Receipt Point at any point in time and means with respect to a Delivery Point, the rate in $10^3\text{m}^3/\text{d}$ or GJ/d, as the case may be, that gas is being delivered off Company’s Facilities through such Delivery Point at any point in time.
- 1.37** “FT-A Rate” shall mean the FT-A Rate in the Table of Rates, Tolls and Charges which has been fixed by Company or the Board for Service under Rate Schedule FT-A.
- 1.38** “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.
- 1.39** “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.
- 1.40** “FT-P Demand Rate” shall mean the FT-P Demand Rate for the distance between the particular Receipt Points and the particular Alberta Delivery Point in the Table of Rates, Tolls and Charges which has been fixed by Company or the Board for Service under Rate Schedule FT-P.
- 1.41** “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.
- 1.42** “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.

- 1.43** “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.
- 1.44** “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.
- 1.45** “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.
- 1.46** “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.
- 1.47** “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.
- 1.48** “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.
- 1.49** “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.

- 1.50** “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.
- 1.51** “kPa” or “kiloPascals ” shall mean kiloPascals of pressure (gauge) unless otherwise specified.
- 1.52** “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.
- 1.53** “LRS Billing Adjustment” shall have the meaning attributed to it in subparagraph 4.2.4 of Rate Schedule LRS.
- 1.54** “LRS Charge” shall have the meaning attributed to it in subparagraph 4.2.3 of Rate Schedule LRS.
- 1.55** “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.
- 1.56** “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.
- 1.57** “LSR-3 Contract Demand” shall mean the maximum daily volume of gas Company may be required to receive from Customer and deliver at the Empress Border Export Delivery Point under a Schedule of Service for Service under Rate Schedule LRS-3.

- 1.58** “LRS-3 Demand Rate” shall mean the LRS-3 Demand Rate in the Table of Rates, Tolls and Charges which has been fixed by Company or the Board for Service under Rate Schedule LRS-3.
- 1.59** “Maximum Carbon Dioxide Volume” shall mean the maximum volume of carbon dioxide as determined by Company that the Company may be required to accept at a particular Receipt Point on any day, as set forth in a Schedule of Service under Rate Schedule CO₂.
- 1.60** “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.
- 1.61** “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.
- 1.62** “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.
- 1.63** “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.
- 1.64** “Nomination” shall mean, with respect to a Receipt Point or a Delivery Point, a request for Flow made on behalf of a Customer.
- 1.65** “Non-Responding Plant” shall have the meaning attributed to it in Appendix “G” of the Tariff.
- 1.66** “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.
- 1.67** “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.

- 1.68** “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.
- 1.69** “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.
- 1.70** “Points to Point Contract Demand” shall mean the maximum volume of gas Company may be required to receive from Customer at particular Receipt Points and deliver to Customer at a particular Alberta Delivery Point on any day under a Schedule of Service under Rate Schedule FT-P.
- 1.71** “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 and Rate Schedule FT-P.
- 1.72** “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.
- 1.73** “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.
- 1.74** “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.

- 1.75** "Rate Schedule" shall mean any of the schedules identified as a "Rate Schedule" included in the Tariff.
- 1.76** "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.
- 1.77** "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.
- 1.78** "Receipt Demand Charge" shall have the meaning attributed to it in subparagraph 4.2.2 (i) of Rate Schedule LRS.
- 1.79** "Receipt Point" shall mean the point in Alberta at which gas may be received from Customer by Company under a Service Agreement or Schedule of Service.
- 1.80** "Responding Plant" shall have the meaning attributed to it in Appendix "G" of the Tariff.
- 1.81** "STFT Bid Price" shall have the meaning attributed to it in article 6.0 of Rate Schedule STFT.
- 1.82** "STFT Capacity" shall have the meaning attributed to it in paragraph 4.1 of Rate Schedule STFT.

- 1.83** “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.
- 1.84** “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.
- 1.85** “Service” shall have the meaning attributed to it in article 2.0 of the applicable Rate Schedule.
- 1.86** “Service Agreement” shall mean an agreement between Company and Customer respecting Service to be provided under any Rate Schedule.
- 1.87** “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.
- 1.88** “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.
- 1.89** “Storage Facility” shall mean any commercial facility where gas is stored, that is connected to the Facilities and is available to all Customers.
- 1.90** “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.
- 1.91** “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.

- 1.92** “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.
- 1.93** “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.
- 1.94** “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.
- 1.95** “Tier” shall mean the Tier 1, Tier 2 or Tier 3 CO₂ Rate as set forth in the Table of Rates, Tolls and Charges.
- 1.96** “Thousand Cubic Metres” or “10³m³” shall mean one thousand (1000) Cubic Metres of Gas.
- 1.97** “Volume Multiplier” shall have the meaning attributed to it in subparagraph 7.1 (a) of Rate Schedule STFT.
- 1.98** “Winter Season” shall have the meaning attributed to it in paragraph 2.2 of Rate Schedule STFT.