

Tolls, Tariff, Facilities & Procedures Committee

Resolution T2005-02: Emergency Response Compensation Procedure Modification

Resolution

The Tolls, Tariff, Facilities & Procedures Committee (TTFP) agrees to reduce the administrative complexity associated with an Emergency Response Compensation (ERC) event by adopting the following modifications to the procedure:

- NGTL will no longer issue ERC Receipt Allocation Forms (RAF);
- NGTL will no longer re-calculate compensation at month end with ERC RAF changes;
- Prior Period Adjustments (PPA) will no longer be available in relation to an ERC event;
- Event price will be used for the compensation calculation and recovery price will be removed; and
- Annual Plant Survey will no longer be conducted.

ERC events will be presented to the TTFP after they occur to provide members assurance that the process is working as intended. In the case where an allocation error is made during an ERC event, a reallocation process may be requested and will be considered on a case by case basis and will require the agreement of all affected parties. The Tariff amendments required to affect these changes to Emergency Response Compensation are attached.

Background

NGTL's ERC was approved by the Alberta Energy and Utilities Board (EUB) in Order U99067 on July 27, 1999. In accordance with that Order, NGTL filed an assessment on the effectiveness of the ERC procedures in April 2001. At that time, no changes to the procedures were recommended.

At this time, the TTFP reviewed the procedures to determine if there was an opportunity to reduce the administrative complexity associated with an ERC event. NGTL proposed that changes be made to month end adjustments and Prior Period Adjustments pertaining to an ERC event. Month end adjustments are rarely used, and a PPA has only once been applied to an emergency event. NGTL believes that allowing for month end adjustments and PPAs may be inconsistent with the intent of ERC, and that the proposed changes do not jeopardize the integrity, accuracy, or intent of the ERC procedures. In addition, it will be costly to develop the programming necessary to allow for this functionality into a new gas management system currently being developed.

Next Steps

TransCanada will file the Tariff changes with the EUB for approval. The amended Appendix G and applicable sections of the General Terms and Conditions of NGTL's Gas Transportation Tariff will become effective upon approval by the EUB and TransCanada will post the amended Tariff to TransCanada's web site. It is expected that this will become effective on October 1, 2005.

Several amendments to the NGTL Tariff are currently being proposed resulting from Emergency Response Compensation Procedure Modification Issue T2005-02. This summary has been provided for information only and is not intended to form part of the Tariff.

Summary of Amendments

(* after the item identifies general housekeeping updates

1. General Terms and Conditions

- (i) Article 1.0 [Definitions]
 - (a) Added 1.29 [ERC Adjustment] – same as old definition of [Final ERC Adjustment].
 - (b) Amended 1.30 [Emergency Compensation Event or ERC Event] – now simply titled [ERC Event].
 - (c) Deleted 1.36 [Final ERC Adjustment] – now called [ERC Adjustment].
 - (d) Added 1.51 [GJ] – removed from Appendix G.
 - (e) Deleted 1.68 [Non-Responding Plant].
 - (f) Deleted 1.85 [Responding Plant].
- (ii) Amended paragraph 9.9 [Emergency Response Compensation Event] – Final ERC Adjustment is now called ERC Adjustment.

2. Appendix G – Terms and Conditions Respecting Emergency Response Compensation

- (i) Article 1.0 [Definitions]
 - (a) Deleted [Amended ERC RAF].
 - (b) Deleted [CGPR] – included in the definition of price in paragraph 5.4 [Calculation of ERC Adjustment].
 - (c) Renamed [ERC] to [Emergency Response Compensation or ERC].
 - (d) Added [ERC Adjustment] – renamed from [Final ERC Adjustment].
 - (e) Added [ERC Energy] – renamed from [Initial ERC Energy].
 - (f) Deleted [ERC RAF].
 - (d) Deleted [Estimated Event Energy] – included in calculation of paragraph 5.3 [Calculation of ERC Energy].
 - (e) Deleted [Event Price] – included in calculation of paragraph 5.4 [Calculation of ERC Adjustment].
 - (f) Deleted [Fair Share] – included in calculation of paragraph 5.3 [Calculation of ERC Energy].
 - (g) Deleted [Final ERC Adjustment].
 - (h) Deleted [Final Event Energy].
 - (i) Deleted [Flow After Initial Response].
 - (j) Deleted [Flow After Remaining Response].
 - (k) Deleted [Flow Proration Factor] – included in calculation of paragraph 5.3 [Calculation of ERC Energy].
 - (l) Deleted [Gas Balance Recovery Period].
 - (m) Deleted [Gas Balance Recovery Price].

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- (n) Deleted [GJs] – moved to General Terms and Conditions.
 - (o) Deleted [Initial ERC Adjustment].
 - (p) Deleted [Initial ERC Energy].
 - (q) Deleted [Initial Response Time].
 - (r) Deleted [Minimum Turndown].
 - (s) Deleted [NrG Highway] – referred to in subparagraph 4.1 (iii).
 - (t) Deleted [Plant Survey].
 - (u) Deleted [Prior Period ERC Adjustment].
 - (v) Deleted [Prior Period Recovery Price].
 - (w) Deleted [Remaining Response Time].
- (ii) Article 2.0 [Purpose]
 - (a) Amended paragraph 2.1 – deleted reference to Final ERC Adjustments and renamed ERC Adjustments.
 - (iii) Article 3.0 [Applicability]
 - (a) Amended subparagraph 3.2 (ii) – renamed from supply/demand balancing procedures to Customer’s Inventories procedures.
 - (iv) Article 4.0 [Management of the ERC Event]
 - (a) Amended subparagraph 4.1(ii) – deleted reference to Flow After Initial Response and Flow After Remaining Response.
 - (b) Amended subparagraph 4.1(iii) – renamed NrG Highway to Company’s electronic bulletin board and deleted reference to trigger to paging notification.
 - (c) Deleted subparagraph 4.1(iv).
 - (d) Amended paragraph 4.4 – deleted reference to Initial ERC Adjustments and referred to ERC Energy.
 - (v) Renamed Article 5.0 from [Determination of Final ERC Adjustment] to [Determination of ERC Adjustment]
 - (a) Amended paragraph 5.1 – deleted reference to Final ERC Adjustment and renamed ERC Adjustment.
 - (b) Deleted paragraph 5.2.
 - (c) Added new paragraph 5.2 – from old paragraph 8.2 and from definitions of Flows and energy.
 - (d) Renamed and amended paragraph 5.3 [Calculation of Initial ERC Energy] to [Calculation of ERC Energy].
 - (i) Amended calculation of “IE” – now called “ERCE”.
 - (ii) Amended “A” – used definition of [Estimated Event Energy] from Article 1.0 and deleted “based on unfinalized custody transfer measurement as measured by Company and the daily Allocation” (now covered in paragraph 5.2).
 - (iii) Amended “B” – used definition of [Fair Share] from Article 1.0.

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- (iv) Amended “C” – moved definition of [Flow Proration Factor] from Article 1.0.
 - (v) Amended “D” – added “at such Receipt Point” and deleted “based on unfinalized custody transfer measurement as measured by Company and the daily Allocation” (now covered in paragraph 5.2).
 - (e) Renamed and amended paragraph 5.4 [Calculation of Initial ERC Adjustment] to [Calculation of ERC Adjustment].
 - (i) Amended paragraph 5.4 – deleted reference to Initial ERC Adjustment and renamed ERC Adjustment.
 - (ii) Renamed “IA” to “ERCA.”
 - (iii) Renamed “IAE” to “ERCE.”
 - (iv) Renamed “EP” to “P” – moved definition of [Event Price] from Article 1.0.
 - (f) Added paragraph 5.5 [Reporting] – from old paragraph 8.2.
 - (g) Deleted paragraph 5.5 [Final ERC Allocation].
 - (h) Deleted paragraph 5.6 [Calculation of Final ERC Adjustment].

 - (vi) Deleted article 6.0 [Prior Period Adjustments].

 - (vii) Deleted article 7.0 [Plant Survey]

 - (viii) Deleted article 8.0 [Review]

 - (ix) Deleted Schedule “A” [ERC Receipt Allocation Form].

 - (x) Deleted Schedule “B” [Plant Survey].

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

**TERMS AND CONDITIONS RESPECTING
EMERGENCY RESPONSE COMPENSATION**

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EMERGENCY RESPONSE COMPENSATION**

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.

In this Appendix:

1.2 “Allocation” shall mean the expected gas Flow allocated to each Customer by CSO at a Receipt Point and used by Company to estimate physical gas Flows for each Customer at such Receipt Point.

~~**1.3** “Amended ERC RAF” shall mean the amended ERC RAF, provided by CSO to Company pursuant to paragraph 6.1, which revises a Customer’s Final Event Energy.~~

1.41.3 “Area of Impact” shall mean that portion of the Facilities determined by Company, to be directly affected by an ERC Event.

~~**1.5** “CGPR” shall mean the monthly publication entitled “Canadian Gas Price Reporter”.~~

1.61.4 “Claims” shall mean any claims, demands, actions, causes of actions, damages (including without limitation indirect, incidental, consequential, exemplary, punitive, loss of profits, revenue, or similar damages), deficiencies, losses, liabilities, expenses, or costs of any nature and kind whatsoever (including without limitation legal costs on a solicitor and his own client basis and costs of investigation).

1.71.5 “Duration of the ERC Event” shall mean the period of time (rounded to the closest half hour) commencing at the time the first Plant is requested by Company to reduce Flow and ending two hours after the time the last Plant has been requested by Company to resume Flow to the rate determined by Company. Duration of the ERC Event shall be determined by Company and shall not exceed 48 hours.

1.6 “Emergency Response Compensation” or “ERC” shall mean the emergency response compensation that may be made available to Customer or provided by Customer by way of an ERC Adjustment.

1.7 “ERC Adjustment” shall mean the debit or credit adjustment, as the case may be, to Customer’s bill for Service determined by Company in accordance with paragraph 5.4.

1.8 “ERC Energy” shall mean the difference, in energy, between what Customer flowed and what Customer should have flowed at each Receipt Point in the Area of Impact for the Duration of the ERC Event as determined by Company in accordance with paragraph 5.3.

1.8.1.9 ~~“Emergency Response Compensation Event”~~ or “ERC Event” shall mean an event caused by a facility failure on Company’s Facilities or on the facilities of a downstream pipeline directly connected to the Facilities, which results in the operating pressure of the affected Facilities exceeding the Maximum Operating Pressure of such Facilities and Company implementing the ERC Procedure. An ERC Event shall not include an event where:

- (i) the overpressuring of the Facilities is caused by supply/demand account imbalances or gas supply production in excess of nominations; or
- (ii) Company reduces Flow at all Receipt Points in Area of Impact to zero; or
- (iii) overpressuring is alleviated by Company implementing the interruption and curtailment provisions set out in Article 11 of the General Terms and Conditions of the Tariff.

~~1.9 “ERC” shall mean the emergency response compensation that may be made available to Customer or provided by Customer by way of a Final ERC Adjustment.~~

1.10 “ERC Procedure” shall mean the terms and conditions of this Appendix G.

~~1.11 “ERC RAF” shall mean the ERC receipt allocation form attached as Schedule “A” and provided by Company to CSO in accordance with paragraph 5.5.~~

- ~~1.12~~“~~Estimated Event Energy~~” shall mean an amount of energy measured in GJs flowed by a Customer at a Receipt Point in the Area of Impact for the Duration of the ERC Event, based on unfinalized custody transfer measurement as measured by Company and the daily Allocation, at such Receipt Point, as determined by Company, and as may be revised in accordance with paragraph 5.5.
- ~~1.13~~“~~Event Price~~” shall mean the average price of all gas trades on NGX for the period commencing at the start of the ERC Event and ending at 5:00 p.m. MST or MDT, as the case may be, on the day the ERC Event terminates. If the ERC Event terminates on a non-business day, the period shall end at 5:00 p.m. MST or MDT, as the case may be, on the next business day. If during such period the number of gas trades on NGX is less than twenty (20) and the aggregate volume of gas traded is less than 200 MMcf/day then the average of the prices published in the CGPR for such period plus one business day will be used to determine the Event Price.
- ~~1.14~~“~~Fair Share~~” shall mean the amount of Flow a Customer should have flowed for the Duration of the ERC Event if each CSO at each Receipt Point in the Area of Impact was able to reduce the Flow for each Customer by a prorata amount determined by Company in accordance with paragraph 5.3.
- ~~1.15~~“~~Final ERC Adjustment~~” shall mean the debit or credit adjustment, as the case may be, to Customers bill for Service determined by Company in accordance with paragraph 5.6.
- ~~1.16~~“~~Final Event Energy~~” shall mean the Customer’s Estimated Event Energy subject to any revisions set out on the ERC RAF and provided by the CSO to Company in accordance with paragraph 5.5.
- ~~1.17~~“~~Flow After Initial Response~~” shall mean the Flow specified by CSO in the Plant Survey that the CSO will reduce to within the Initial Response Time.
- ~~1.18~~“~~Flow After Remaining Response~~” shall mean the Flow specified by CSO in the Plant Survey that the CSO will reduce to within the Remaining Response Time.

~~1.19~~ “Flow Proration Factor” shall mean the aggregate of all Customers’ estimated average energy Flow, based on unfinalized custody transfer measurement as measured by Company, at all Receipt Points in the Area of Impact for the Duration of the ERC Event divided by the aggregate of all Customers’ estimated energy Flow, based on unfinalized custody transfer measurement as measured by Company, at all Receipt Points in the Area of Impact immediately prior to the ERC Event.

~~1.20~~ “Gas Balance Recovery Period” shall mean the period of thirty days over which the Company recovers from Customer the difference between such Customer’s month end estimated inventory and month end actual inventory.

~~1.21~~ “Gas Balance Recovery Price” shall mean the price per GJ calculated as follows:

$$\text{GBRP} = \left(\frac{A}{30} \times B \right) + \left(\frac{C}{30} \times D \right)$$

Where:

“GBRP” = Gas Balance Recovery Price;

“A” = the number of days between the date the Gas Balance Recovery Period associated with the ERC Event begins and the last day of the month following the month of the ERC Event;

“B” = the average of the same day prices (as defined by Natural Gas Exchange Inc. on its’ website) per GJ for the gas traded on NGX for the period described in “A” above;

“C” = 30 “A”; and

“D” = the volume weighted average of near month prices (as defined by Natural Gas Exchange Inc. on its’ website) per GJ for the gas traded on NGX during the period described in “A” above.

~~1.22~~ “GJs” shall mean gigaJoules.

~~1.23~~ “Initial ERC Adjustment” shall mean the initial adjustment determined by Company in accordance with paragraph 5.4.

~~1.24~~ “Initial ERC Energy” shall mean the difference, in energy, between what Customer flowed and what Customer should have flowed based on its Fair Share at each Receipt Point in the Area of Impact, for the Duration of the ERC Event as determined by Company in accordance with paragraph 5.3.

~~1.25~~ “Initial Response Time” shall mean the length of time, up to a maximum of two hours, specified by CSO in the Plant Survey that the CSO is able to reduce Flow to its Flow After Initial Response when requested to do so by Company regardless of the day or time of day.

1.261.11 “Maximum Operating Pressure” shall mean the maximum licensed operating pressure of the applicable Facilities.

~~1.27~~ “Minimum Turndown” shall mean the minimum Flow of gas a Plant is required to process in order to maintain continuous operations.

1.281.12 “NGX” shall mean the electronic trading and clearing services provided by Natural Gas Exchange Inc.

~~1.29~~ “NrG Highway” shall mean the electronic services owned and operated by NrG Information Services Inc. and used by Company and Customer to conduct electronic commerce.

1.301.13 “Plant” shall mean a gas processing facility connected to the Facilities.

~~1.30~~ “Plant Survey” shall mean the survey to be completed by CSOs upon Company request, substantially in the form attached as Schedule B.

~~1.31~~ “Prior Period ERC Adjustment” shall mean the debit or credit adjustment, as the case may be, to Customer’s bill for Service determined by Company in accordance with paragraph 6.2.

~~1.32~~ “Prior Period Recovery Price” shall mean the price per GJ calculated as follows:

$$\text{PPRP} = \left(\frac{A}{30} \times B \right) + \left(\frac{C}{30} \times D \right)$$

~~Where:~~

~~“PPRP” = Prior Period Recovery Price;~~

~~“A” = the number of days between the date the Gas Balance Recovery Period associated with the Amended ERC RAF begins and the last day of the month in which Company processes the Amended ERC RAF;~~

~~“B” = the average of the same day prices (as defined by Natural Gas Exchange Inc. on its’ website) per GJ for the gas traded on NGX for the period described in “A” above;~~

~~“C” = 30 – “A”; and~~

~~“D” = the volume weighted average of near month prices (as defined by Natural Gas Exchange Inc. on its’ website) per GJ for the gas traded on NGX during the period described in “A” above.~~

~~1.33~~ “Remaining Response Time” shall mean the length of time greater than two hours, specified by the CSO in the Plant Survey that the CSO is able to reduce Flow to its’ Flow After Remaining Response when requested to do so by Company regardless of the day or time of day.

1.351.14 “Renomination” shall mean a change in each Customer’s Nomination at an Export Delivery Point requested by the operator of the downstream pipeline connected to the Facilities.

2.0 PURPOSE

2.1 In the event of an ERC Event, Company relies on Plants in the Area of Impact to reduce Flows to mitigate a potential overpressure situation and the release of gas, which could threaten public safety and integrity of the Facilities. These ERC Procedures attempt to provide fair and equitable treatment to Customers who reduce Flow during an ERC Event through ~~Final~~ ERC Adjustments.

3.0 APPLICABILITY

3.1 The ERC shall:

- (i) only apply to Customers at Receipt Points in the Area of Impact;
- (ii) only apply for the Duration of the ERC Event; and
- (iii) not apply to connecting pipelines and storage facilities.

3.2 An ERC Event shall terminate when the Company determines the risk of overpressuring is managed through:

- (i) the reduction of Service in accordance with Article 11.0 of the General Terms and Conditions of the Tariff;
- (ii) the receipt of a Renomination and utilization of the ~~supply/demand balancing~~ Customer’s Inventories procedures in Appendix “D”; or
- (iii) the placement of affected Facilities back into service.

4.0 MANAGEMENT OF THE ERC EVENT

4.1 In the event that Company has determined an ERC Event has commenced, then:

- (i) Company will respond initially by diverting gas to the extent possible to interconnecting facilities where operating balance agreements exist and Delivery Points within the Area of Impact;
- (ii) Company will contact CSOs at Receipt Points in the Area of Impact and request Flow reductions to ~~the Flow After Initial Response and/or the Flow After Remaining Response or~~ such ~~other~~ volume as Company and CSO may agree to: ~~CSO will, to the extent possible, reduce its' Flow to the Flow After Initial Response and/or the Flow After Remaining Response within the Initial Response Time and/or the Remaining Response Time, as the case may be;~~
- (iii) Company will use reasonable efforts to notify Customers, within two hours from the commencement of the ERC Event, of the ERC Event and the estimated Area of Impact through ~~an Nrg Highway~~ Company's electronic bulletin board which will trigger a paging notification;
- ~~(iv) Company will use reasonable efforts to notify Customers, within four hours from the commencement of the ERC Event, of the estimated Flow Proration Factor through an Nrg Highway bulletin;~~
- ~~(v)~~ (iv) Company will forward an ERC GS072 allocation form (which sets out the Allocations) to all CSOs at all Receipt Points in the Area of Impact and the CSO will complete and return such form, if necessary, within four (4) hours of CSOs requested effective time; and
- ~~(vi)~~ (v) Company will not allow Nomination increases at Receipt Points in the Area of Impact during the ERC Event.

- 4.2 Each Customer at Receipt Points in the Area of Impact shall be responsible for managing its² daily Customer's Inventory^{ies} in accordance with Appendix "D" of the Tariff.
- 4.3 CSOs shall within three business days after the termination of the ERC Event:
- (i) review the "Daily Common Stream Operator Report" (GS071); and
 - (ii) notify Company of any Receipt Point measurement variance.
- 4.4 If CSOs fail to notify Company of any measurement variances in accordance with paragraph 4.3, Company shall use the unfinalized custody transfer measurement set out in the GS071 to determine the ~~Initial-ERC Adjustments-Energy~~ in accordance with paragraph 5.43.

5.0 DETERMINATION OF ~~FINAL-ERC ADJUSTMENT~~

- 5.1 Upon termination of the ERC Event, Company shall determine the ~~Final-ERC Adjustment~~ for each Customer and Company shall apply the ~~Final-ERC Adjustment~~ as a separate line item to the Customer's bill for Service two months following the month in which the ERC Event terminated. If Customer's ~~Final-ERC Adjustment~~ is a negative amount, the Customer shall receive a credit for such amount on its² bill for Service. If Customer's ~~Final-ERC Adjustment~~ is a positive amount, the Customer shall receive a debit for such amount on its² bill for Service and Customer shall pay such amount in accordance with Article 5.0 of the General Terms and Conditions of the Tariff. The aggregate of all ~~Final-ERC Adjustment~~ debits for all Customers shall equal the aggregate of all ~~Final-ERC Adjustment~~ credits for all Customers for the ERC Event.

~~5.2 Company shall determine the Final-ERC Adjustment for each Customer by applying the following three steps:~~

- ~~(i) calculation of the aggregate Initial-ERC Energy in accordance with paragraph 5.3;~~
- ~~(ii) calculation of the Initial-ERC Adjustment in accordance with paragraph 5.4; and~~

~~(iii) calculation of the Final ERC Adjustment in accordance with paragraph 5.6.~~

5.2 Company's records shall form the sole basis for determining the ERC Adjustments. For the purpose of the ERC Adjustments, Flows shall be based on unfinalized custody transfer measurement as measured by Company and the daily allocation.

5.3 Calculation of ~~Initial~~ ERC Energy

The aggregate ~~Initial~~ ERC Energy for each Customer at all Receipt Points in the Area of Impact shall be equal to the sum of the ~~Initial~~ ERC Energy for such Customer at each Receipt Point in the Area of Impact. The ~~Initial~~ ERC Energy for each Customer at each Receipt Point shall be determined as follows:

$$\underline{\text{IE}} = (A - B) \times \frac{t}{24\text{hr/day}}$$

$$\underline{\text{ERCE}} = A - \left(\frac{B}{C} \times D \times \frac{t}{24 \text{ hr/day}} \right)$$

Where:

~~“IEERCE”~~ = ~~Initial~~ ERC Energy for each Customer at each Receipt Point in the Area of Impact;

“A” = Customer's estimated average energy, measured in GJ, Flow at such Receipt Point in the Area of Impact for the Duration of the ERC Event, ~~based on unfinalized custody transfer measurement as measured by Company and the daily Allocation, at such Receipt Point;~~

“B” = ~~Customer's Fair Share at such Receipt Point determined as follows; and~~ the aggregate of all Customers' estimated average energy Flow at all Receipt Points in the Area of Impact for the Duration of the ERC Event;

“C” = the aggregate of all Customers’ estimated energy Flow at all Receipt Points in the Area of Impact immediately prior to the ERC Event;

~~$$B = C \times D$$~~

~~Where:~~

~~“C” = Flow Proration Factor for the Area of Impact; and~~

~~“D” = Customer’s estimated average energy Flow at such Receipt Point immediately prior to the ERC Event, ~~based on unfinalized custody transfer measurement as measured by Company and the daily Allocation, at such Receipt Point; and~~~~

~~“t” = Duration of the ERC Event.~~

5.4 Calculation of ~~Initial~~ ERC Adjustment

Company shall determine each Customer’s ~~Initial~~ ERC Adjustment for all Receipt Points in the Area of Impact as follows:

~~$$IAERCA = AIEERCE \times EP$$~~

Where:

~~“IAERCA” = Customer’s ~~Initial~~ ERC Adjustment for all Receipt Points in the Area of Impact;~~

~~“AIEERCE” = such Customer’s aggregate ~~Initial~~ ERC Energy calculated in accordance with paragraph 5.3; and~~

~~“EP” = Event Price, ~~the average price of all gas trades on NGX for the period commencing at the start of the ERC Event and ending at 18:00 hours CCT on the Day the ERC Event terminates. If the~~~~

ERC Event terminates on a non-business day, the period shall end at 18:00 hours CCT on the next business day. If during such period the number of gas trades on NGX is less than twenty (20) and the aggregate volume of gas traded is less than 200 MMcf/day then the average of the prices published in the Canadian Gas Price Reporter for such period plus one business day will be used to determine the price.

5.5 Reporting

Company shall provide CSOs and Customers affected by the ERC Event, within a reasonable time after the ERC Event, a report summarizing the calculations of the ERC Adjustment.

5.5 Final ERC Allocation

~~Company will use reasonable efforts to send an ERC RAF, within five business days after the termination of the ERC Event, to each CSO for each Receipt Point within the Area of Impact. The CSO shall to the extent necessary revise a Customer's Estimated Event Energy set out in the ERC RAF. Any revisions to a Customer's Estimated Event Energy must not change the total Estimated Event Energy set out in the ERC RAF. The CSO shall return the revised ERC RAF to Company on or before the "reply no later than" date set out on the ERC RAF. If CSO does not provide Company with the revised ERC RAF on or before such date Company shall use the Estimated Event Energy for the purpose of determining Customer's Final ERC Adjustment and as a result the Final ERC Adjustment will be equal to the Initial ERC Adjustment. If CSO does provide Company with the revised ERC RAF on or before such date, Company shall use such revisions to Customer's Estimated Event Energy for the purpose of determining Customer's Final ERC Adjustment.~~

~~5.6 Calculation of Final ERC Adjustment~~

~~The Company shall determine each Customer's Final ERC Adjustment for all Receipt Points in the Area of Impact as follows:~~

~~$$FA = IA + F$$~~

~~Where:~~

~~"FA" = Customer's Final ERC Adjustment for all Receipt Points in the Area of Impact;~~

~~"IA" = Customer's Initial ERC Adjustment as calculated in accordance with paragraph 5.4; and~~

~~"F" = the aggregate of the following amounts determined for each of Customer's Receipt Points in the Area of Impact:~~

~~$$F = (G - H) \times I$$~~

~~Where:~~

~~"G" = Customer's Final Event Energy at each Receipt Point in the Area of Impact;~~

~~"H" = Customer's Estimated Event Energy; and~~

~~"I" = Gas Balance Recovery Price.~~

~~6.0 PRIOR PERIOD ADJUSTMENTS~~

~~6.1 Company will calculate a Prior Period ERC Adjustment if:~~

~~(i) CSO provides Company with an Amended ERC RAF within three months from the "reply no later than" date set out on the ERC RAF;~~

~~(ii) at least one Customer's Final Event Energy is adjusted by at least 200 GJs; and~~

~~(iii) Company has not received a prior Amended ERC RAF for the Receipt Point~~

~~for the ERC Event.~~

~~6.2 Calculation of Prior Period ERC Adjustment~~

~~The aggregate Prior Period ERC Adjustment for each Customer at all Receipt Points affected by the Amended ERC RAFs for the ERC Event shall be equal to the sum of the Prior Period ERC Adjustments for such Customer at each Receipt Point. The Prior Period Adjustment for such Customer at each Receipt point shall be determined as follows:~~

$$\text{PPA} = (J - K) \times L$$

~~Where:~~

~~"PPA" = Prior Period ERC Adjustment for the affected Customer at each Receipt Point;~~

~~"J" = Customer's final energy provided by the CSO on the Amended ERC RAF;~~

~~"K" = Customer's Final Event Energy; and~~

~~"L" = Prior Period Recovery Price.~~

~~6.3 Company shall apply the aggregate Prior Period ERC Adjustment as a separate line item on Customer's bill for Service in the month following the receipt by Company of the Amended ERC RAF. If Customer's aggregate Prior Period ERC Adjustment is a negative amount, Customer shall receive a credit for such amount on its' bill for Service. If Customer's aggregate Prior Period ERC Adjustment is a positive amount, Customer~~

~~shall receive a debit for such amount on its' bill for Service and Customer shall pay such amount in accordance with Article 5.0 of the General Terms and Conditions of the Tariff.~~

~~7.0 PLANT SURVEY~~

~~7.1 The CSO shall complete and provide Company with the Plant Survey containing information for the upcoming gas year, on or before the date requested by Company.~~

~~7.2 Utilizing the completed Plant Surveys from the CSOs, Company will designate each Receipt Point as either a "primary" or a "secondary" Receipt Point for each ERC Event. A Receipt Point will be designated as "primary" if the current Flow less the Flow After Initial Response for such Receipt Point is $560 \cdot 10^3 \text{ m}^3/\text{day}$ or greater. A Receipt Point will be designated as "secondary" if the current Flow less the Flow After Initial Response for such Receipt Point is less than $560 \cdot 10^3 \text{ m}^3/\text{day}$.~~

~~7.3 In an attempt to minimize an overpressure situation in the most effective and timely manner Company will utilize the "primary" Receipt Points taking into account the following:~~

- ~~(i) hours of operation of the Plant;~~
- ~~(ii) current Flow less the Flow After Initial Response; and~~
- ~~(iii) Initial Response Times.~~

~~7.4 Company will utilize "secondary" Receipt Points when the Flow reduction required for the ERC Event exceeds the aggregate of the current Flows less the Flow After Initial Responses for all the "primary" Receipt Points within the Area of Impact.~~

~~7.5 If possible, Company will attempt to vary Receipt Points utilized by Company between ERC Events.~~

8.0 REVIEW

8.1 For the purposes of reviewing the effectiveness of the ERC Procedure, Company shall maintain a record of the following:

- (i) the cause of the ERC Event;
- (ii) the Duration of the ERC Event;
- (iii) the Receipt Points in the Area of Impact;
- (iv) the CSOs contacted during the ERC Event;
- (v) the Flow reductions requested by Company at Receipt Points in the Area of Impact;
- (vi) the Customers' Estimated Event Energy, Final Event Energy and final energy provided by the CSO on the Amended ERC RAF;
- (vii) the Event Price, the Gas Balance Recovery Price, and the Prior Period Recovery Prices; and
- (viii) the calculation of the Initial ERC Adjustments, the Final ERC Adjustments, and the Prior Period ERC Adjustments (if any).

8.2 Company's records shall form the sole basis for determining the Initial ERC Adjustments and Final ERC Adjustments. Within a reasonable time after the ERC Event, Company shall provide CSOs and Customers affected by the ERC Event with a report summarizing the calculations of the Initial ERC Adjustment, Final ERC Adjustment and Prior Period ERC Adjustments (if any).

9.06.0 LIABILITY, INDEMNIFICATION AND FORCE MAJEURE**9.16.1 Liability of Company**

Company shall not be liable to Customer, CSOs or any other person for any Claims resulting from, or arising in any manner directly or indirectly out of the ERC Procedure or any act or omission by the Company relating to the ERC Procedure, except any Claim which arises directly from any negligent act or omission of Company in applying the ERC Procedure.

9.26.2 Customer Indemnification

Customer shall be liable to and shall indemnify, defend and save harmless Company, its directors, officers, employees, agents, representatives, successors, assigns and shareholders, and each of them at all times, from and against any Claims, resulting from, or arising in any manner directly or indirectly out of the ERC Procedure or any act or omission by Company relating to the ERC Procedure, except any Claim which arises directly from any negligent act or omission of Company in applying the ERC Procedure.

9.36.3 Force Majeure

The ERC Procedure shall not prevent or otherwise restrict Company from declaring force majeure if the ERC Event constitutes a force majeure as defined in Article 12 of the General Terms and Conditions of the Tariff.

Schedule "A"

ERC Receipt Allocation Form

~~1999 01 08 16:13:44.2~~

~~GS122 NOVA GAS TRANSMISSION LTD. PAGE: 1
ERC RECEIPT ALLOCATION FORM~~

~~TO :
ATTENTION :
PHONE : FAX :
ERC EVENT START : PRIOR PERIOD REVISION :
ERC EVENT END : (Y/N)
DATE :
STATION NAME :
STATION NO : STATION MN :
CSO ALLOCATION AUTHORIZATION :
NAME :
TITLE :
SIGNATURE :~~

~~TOTAL STATION ESTIMATED EVENT ENCY (CJ) :
EVENT PRICE OF \$~~

CUSTOMER	ESTIMATED EVENT	FINAL EVENT
NO MN ACCT NAME	ENERGY	ENERGY
• • • • •	•	•

~~FINAL EVENT ENERGY TOTALS MUST EQUAL THE STATION TOTALS~~

~~*** THIS ALLOCATION IS FOR THE EMERGENCY RESPONSE COMPENSATION PROCEDURE.~~

~~REPLY TO FAX # :
FOR FURTHER INFORMATION CALL :
PHONE NO :
REPLY NO LATER THAN :~~

SURVEY DEFINITIONS

Contactable Hours of Operation—please choose one of the following:

- A = ~~24 hrs. 7 days/week~~ D = ~~Visit once per calendar day~~
- B = ~~8 hrs. 7 days/week~~ E = ~~Visit once per business day~~
- C = ~~8 hrs. 5 days/week~~ F = ~~Visit once per 2 business days~~

~~Flow After Initial Response = the Flow specified by CSO in this Plant Survey that the CSO will reduce to within the Initial Response Time.~~

~~Flow After Remaining Response = the Flow in excess of Flow After Initial Response specified by CSO in this Plant Survey that the CSO will reduce to within the Remaining Response Time.~~

~~Initial Response Time = the length of time, up to a maximum of two hours, specified by CSO in this Plant Survey that the CSO is able to reduce Flow to its' Flow After Initial Response when requested to do so by Company regardless of the day or time of day.~~

~~Remaining Response Time = the length of time greater than two hours, specified by the CSO in this Plant Survey that the CSO is able to reduce Flow to its' Flow After Remaining Response when requested to do so by Company regardless of the day or time of day.~~

~~Minimum Turndown = the minimum Flow of gas a Plant is required to process in order to maintain continuous operations.~~

CSO SIGNATURE: _____

DATE: _____

APPENDIX “G”
TO
GAS TRANSPORTATION TARIFF
OF
NOVA GAS TRANSMISSION LTD

TERMS AND CONDITIONS RESPECTING
EMERGENCY RESPONSE COMPENSATION

**TERMS AND CONDITIONS RESPECTING
EMERGENCY RESPONSE COMPENSATION**

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.

In this Appendix:

1.2 “Allocation” shall mean the expected gas Flow allocated to each Customer by CSO at a Receipt Point and used by Company to estimate physical gas Flows for each Customer at such Receipt Point.

1.3 “Area of Impact” shall mean that portion of the Facilities determined by Company, to be directly affected by an ERC Event.

1.4 “Claims” shall mean any claims, demands, actions, causes of actions, damages (including without limitation indirect, incidental, consequential, exemplary, punitive, loss of profits, revenue, or similar damages), deficiencies, losses, liabilities, expenses, or costs of any nature and kind whatsoever (including without limitation legal costs on a solicitor and his own client basis and costs of investigation).

1.5 “Duration of the ERC Event” shall mean the period of time (rounded to the closest half hour) commencing at the time the first Plant is requested by Company to reduce Flow and ending two hours after the time the last Plant has been requested by Company to resume Flow to the rate determined by Company. Duration of the ERC Event shall be determined by Company and shall not exceed 48 hours.

1.6 “Emergency Response Compensation” or “ERC” shall mean the emergency response compensation that may be made available to Customer or provided by Customer by way of an ERC Adjustment.

- 1.7** “ERC Adjustment” shall mean the debit or credit adjustment, as the case may be, to Customer’s bill for Service determined by Company in accordance with paragraph 5.4.
- 1.8** “ERC Energy” shall mean the difference, in energy, between what Customer flowed and what Customer should have flowed at each Receipt Point in the Area of Impact for the Duration of the ERC Event as determined by Company in accordance with paragraph 5.3.
- 1.9** “ERC Event” shall mean an event caused by a facility failure on Company’s Facilities or on the facilities of a downstream pipeline directly connected to the Facilities, which results in the operating pressure of the affected Facilities exceeding the Maximum Operating Pressure of such Facilities and Company implementing the ERC Procedure. An ERC Event shall not include an event where:
- (i) the overpressuring of the Facilities is caused by supply/demand account imbalances or gas supply production in excess of nominations; or
 - (ii) Company reduces Flow at all Receipt Points in Area of Impact to zero; or
 - (iii) overpressuring is alleviated by Company implementing the interruption and curtailment provisions set out in Article 11 of the General Terms and Conditions of the Tariff.
- 1.10** “ERC Procedure” shall mean the terms and conditions of this Appendix G.
- 1.11** “Maximum Operating Pressure” shall mean the maximum licensed operating pressure of the applicable Facilities.
- 1.12** “NGX” shall mean the electronic trading and clearing services provided by Natural Gas Exchange Inc.
- 1.13** “Plant” shall mean a gas processing facility connected to the Facilities.

1.14 “Renomination” shall mean a change in each Customer’s Nomination at an Export Delivery Point requested by the operator of the downstream pipeline connected to the Facilities.

2.0 PURPOSE

2.1 In the event of an ERC Event, Company relies on Plants in the Area of Impact to reduce Flows to mitigate a potential overpressure situation and the release of gas, which could threaten public safety and integrity of the Facilities. These ERC Procedures attempt to provide fair and equitable treatment to Customers who reduce Flow during an ERC Event through ERC Adjustments.

3.0 APPLICABILITY

3.1 The ERC shall:

- (i) only apply to Customers at Receipt Points in the Area of Impact;
- (ii) only apply for the Duration of the ERC Event; and
- (iii) not apply to connecting pipelines and storage facilities.

3.2 An ERC Event shall terminate when the Company determines the risk of overpressuring is managed through:

- (i) the reduction of Service in accordance with Article 11.0 of the General Terms and Conditions of the Tariff;
- (ii) the receipt of a Renomination and utilization of the Customer’s Inventories procedures in Appendix “D”; or
- (iii) the placement of affected Facilities back into service.

4.0 MANAGEMENT OF THE ERC EVENT

4.1 In the event that Company has determined an ERC Event has commenced, then:

- (i) Company will respond initially by diverting gas to the extent possible to interconnecting facilities where operating balance agreements exist and Delivery Points within the Area of Impact;
- (ii) Company will contact CSOs at Receipt Points in the Area of Impact and request Flow reductions to such volume as Company and CSO may agree to;
- (iii) Company will use reasonable efforts to notify Customers, within two hours from the commencement of the ERC Event, of the ERC Event and the estimated Area of Impact through Company's electronic bulletin board;
- (iv) Company will forward an ERC GS072 allocation form (which sets out the Allocations) to all CSOs at all Receipt Points in the Area of Impact and the CSO will complete and return such form, if necessary, within four (4) hours of CSOs requested effective time; and
- (v) Company will not allow Nomination increases at Receipt Points in the Area of Impact during the ERC Event.

4.2 Each Customer at Receipt Points in the Area of Impact shall be responsible for managing its daily Customer's Inventories in accordance with Appendix "D" of the Tariff.

4.3 CSOs shall within three business days after the termination of the ERC Event:

- (i) review the "Daily Common Stream Operator Report" (GS071); and
- (ii) notify Company of any Receipt Point measurement variance.

4.4 If CSOs fail to notify Company of any measurement variances in accordance with paragraph 4.3, Company shall use the unfinalized custody transfer measurement set out in the GS071 to determine the ERC Energy in accordance with paragraph 5.3.

5.0 DETERMINATION OF ERC ADJUSTMENT

5.1 Upon termination of the ERC Event, Company shall determine the ERC Adjustment for each Customer and Company shall apply the ERC Adjustment as a separate line item to the Customer's bill for Service two months following the month in which the ERC Event terminated. If Customer's ERC Adjustment is a negative amount, the Customer shall receive a credit for such amount on its bill for Service. If Customer's ERC Adjustment is a positive amount, the Customer shall receive a debit for such amount on its bill for Service and Customer shall pay such amount in accordance with Article 5.0 of the General Terms and Conditions of the Tariff. The aggregate of all ERC Adjustment debits for all Customers shall equal the aggregate of all ERC Adjustment credits for all Customers for the ERC Event.

5.2 Company's records shall form the sole basis for determining the ERC Adjustments. For the purpose of the ERC Adjustments, Flows shall be based on unfinalized custody transfer measurement as measured by Company and the daily allocation.

5.3 Calculation of ERC Energy

The aggregate ERC Energy for each Customer at all Receipt Points in the Area of Impact shall be equal to the sum of the ERC Energy for such Customer at each Receipt Point in the Area of Impact. The ERC Energy for each Customer at each Receipt Point shall be determined as follows:

$$\text{ERCE} = A - \left(\frac{B}{C} \times D \times \frac{t}{24 \text{ hr/day}} \right)$$

Where:

- “ERCE” = ERC Energy for each Customer at each Receipt Point in the Area of Impact;
- “A” = Customer’s estimated average energy, measured in GJ, at such Receipt Point in the Area of Impact for the Duration of the ERC Event;
- “B” = the aggregate of all Customers’ estimated average energy Flow at all Receipt Points in the Area of Impact for the Duration of the ERC Event;
- “C” = the aggregate of all Customers’ estimated energy Flow at all Receipt Points in the Area of Impact immediately prior to the ERC Event;
- “D” = Customer’s estimated average energy Flow at such Receipt Point immediately prior to the ERC Event; and
- “t” = Duration of the ERC Event.

5.4 Calculation of ERC Adjustment

Company shall determine each Customer’s ERC Adjustment for all Receipt Points in the Area of Impact as follows:

$$ERCA = ERCE \times P$$

Where:

- “ERCA” = Customer’s ERC Adjustment for all Receipt Points in the Area of Impact;

- “ERCE” = such Customer’s aggregate ERC Energy calculated in accordance with paragraph 5.3; and
- “P” = the average price of all gas trades on NGX for the period commencing at the start of the ERC Event and ending at 18:00 hours CCT on the Day the ERC Event terminates. If the ERC Event terminates on a non-business day, the period shall end at 18:00 hours CCT on the next business day. If during such period the number of gas trades on NGX is less than twenty (20) and the aggregate volume of gas traded is less than 200 MMcf/day then the average of the prices published in the Canadian Gas Price Reporter for such period plus one business day will be used to determine the price.

5.5 Reporting

Company shall provide CSOs and Customers affected by the ERC Event, within a reasonable time after the ERC Event, a report summarizing the calculations of the ERC Adjustment.

6.0 LIABILITY, INDEMNIFICATION AND FORCE MAJEURE

6.1 Liability of Company

Company shall not be liable to Customer, CSOs or any other person for any Claims resulting from, or arising in any manner directly or indirectly out of the ERC Procedure or any act or omission by the Company relating to the ERC Procedure, except any Claim which arises directly from any negligent act or omission of Company in applying the ERC Procedure.

6.2 Customer Indemnification

Customer shall be liable to and shall indemnify, defend and save harmless Company, its directors, officers, employees, agents, representatives, successors, assigns and shareholders, and each of them at all times, from and against any Claims, resulting from, or arising in any manner directly or indirectly out of the ERC Procedure or any act or omission by Company relating to the ERC Procedure, except any Claim which arises directly from any negligent act or omission of Company in applying the ERC Procedure.

6.3 Force Majeure

The ERC Procedure shall not prevent or otherwise restrict Company from declaring force majeure if the ERC Event constitutes a force majeure as defined in Article 12 of the General Terms and Conditions of the Tariff.

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.

1.29 “ERC Adjustment” shall have the meaning attributed to it in Appendix “G” of the Tariff.

1.291.30 ~~“Emergency Response Compensation Event” or~~ “ERC Event” shall have the meaning attributed to it in Appendix “G” of the Tariff.

1.301.31 “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.

1.311.32 “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:

Alberta-British Columbia Border

Alberta-Montana Border

Boundary Lake Border

Cold Lake Border

Demmitt #2 Interconnect

Empress Border

Gordondale Border

McNeill Border

Unity Border

1.321.33 “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.

1.331.34 “Extraction Plant” shall mean a facility connected to the Facilities where Gas liquids are extracted.

1.341.35 “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.

1.351.36 “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.

~~**1.36** “Final ERC Adjustment” shall have the meaning attributed to it in Appendix “G” of the Tariff.~~

1.37 “Financial Assurance” shall have the meaning attributed to it in paragraph 10.1.

1.38 “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.

1.39 “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.

1.40 “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.

1.41 “FT-DW Demand Rate” shall mean the FT-DW 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-DW.

1.49 “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.

1.50 “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.

1.51 “GJ” shall mean gigajoule, or one billion joules.

1.511.52 “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.

1.521.53 “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.

1.531.54 “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.

1.541.55 “kPa” or “kiloPascals ” shall mean kiloPascals of pressure (gauge) unless otherwise specified.

1.551.56 “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.

1.561.57 “LRS Billing Adjustment” shall have the meaning attributed to it in subparagraph 4.2.4 of Rate Schedule LRS.

1.651.66 “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.

1.661.67 “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.

1.671.68 “Nomination” shall mean, with respect to a Receipt Point or a Delivery Point, a request for Flow made on behalf of a Customer.

~~1.68 “Non-Responding Plant” shall have the meaning attributed to it in Appendix “G” of the Tariff.~~

1.83 “Receipt Demand Charge” shall have the meaning attributed to it in subparagraph 4.2.2 (i) of Rate Schedule LRS.

1.84 “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.

~~**1.85** “Responding Plant” shall have the meaning attributed to it in Appendix “G” of the Tariff.~~

~~**1.86**~~**1.85** “STFT Bid Price” shall have the meaning attributed to it in article 5.0 of Rate Schedule STFT.

~~**1.87**~~**1.86** “STFT Capacity” shall have the meaning attributed to it in paragraph 3.1 of Rate Schedule STFT.

~~**1.88**~~**1.87** “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.

~~**1.89**~~**1.88** “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.

~~**1.90**~~**1.89** “Service” shall have the meaning attributed to it in article 2.0 of the applicable Rate Schedule.

~~**1.91**~~**1.90** “Service Agreement” shall mean an agreement between Company and Customer respecting Service to be provided under any Rate Schedule.

~~**1.92**~~**1.91** “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.

Customer's Inventory for any Customer is not within the Balanced Zone, Company may upon notice suspend all or any portion of Service to Customer until Customer brings Customer's Inventory within the Balanced Zone, 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 Customer's Inventories and Related Matters set forth in Appendix "D" of the Tariff.

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.