

Tolls, Tariff, Facilities & Procedures Committee

Resolution T2005-04: Seasonal Service Attributes Review

Resolution

The Tolls, Tariff, Facilities & Procedures Committee (TTFP) agree to the changes to Short Term Firm (STFT) and Winter Firm (FT-DW) Services, and the open season process as identified in the NOVA Gas Transmission Ltd. (NGTL) Gas Transportation Tariff.

The attributes of STFT:

- Ambient and unsubscribed annual service
- Minimum term is one week ending on the last day of a month
- Maximum term is one year less one day
- Open season held monthly and reverting to a daily open season for remaining capacity
- No renewal rights
- Biddable starting at a floor price of 100% of the FT-D rate
- No access to alternate access.

The attributes of FT-DW are:

- Ambient (~ 35 MMcfd)
- Term is three consecutive winter seasons (November to March)
- Open season held annually as required, and at least two years in advance of service commencement (after the initial service offering)
- No renewal rights
- Biddable starting at a floor price of 125% of the FT-D rate
- No access to alternate access
- No assignments
- No transfers allowed.

Customers will bid a percentage of the FT-D rate, at a minimum of 100% for STFT and 125% for FT-DW. The monthly charge for service will be calculated based on the FT-D rate in effect for that month and the percentage on the original bid. If the FT-D rate increases or decreases during the term of service, the monthly charge will also increase or decrease.

The amount of capacity made available for FT-DW results from the difference in the pipeline system winter and summer design capability, adjusted for consideration of a next potential expansion. This winter to summer capability difference is currently calculated to be 35 MMcfd at the Alberta-BC Border. The available FT-DW capacity at the combined Empress and McNeill Borders will also be limited to a maximum of 35 MMcfd. Any increase in available FT-DW service will be reviewed by the TTFP.

The TTFP agree to review FT-DW service after completion of the 2006 open season for the purpose of assessing the ongoing need for the service.

Background

Short Term Firm Service

In the Cost Efficiency Incentive Settlement (approved by the Alberta Energy & Utilities Board (EUB) in Decision U96119 on December 12, 1996), NGTL was directed to “work

diligently with the TTP to review and, if necessary, modify NGTL's design and contracting practices at the export delivery points to ensure:

- contract levels and services align with pipelines located downstream of the pipeline system
- NGTL meets customer requirements with minimal facility additions to its pipeline system; and
- customer has an opportunity for maximum year-round contract utilization."

An Issue was adopted by the Tolls, Tariff & Procedures (TTP), predecessor to the TTFP, in 1996 to work through these issues, and subsequently a joint TTP/FLC (Facilities Liaison Committee) task force recommended moving from a winter design condition to summer design condition which resulted in an opportunity to offer a new service during the winter months due to the increased capability of the system as a result of cooler ambient temperatures. The service was adopted by the TTP in December 1996, approved by the EUB in early 1997, and implemented on November 1, 1997. Its attributes are as follows:

- priority (equal to FS)
- price (floor price of 135% of FS rate; no ceiling price)
- no assignability of contracts
- term (5, 3 and 1 month terms)
- contracting mechanism (binding bids)
- limits on volumes offered (ensure volumes offered can move on a firm basis)
- revenue credited to shippers through revenue requirement
- applicable at all border delivery points, and
- credit provisions consistent with current FS Tariff language.

The service has only been minimally subscribed since November 2000 and has not been used since November of 2002.

Winter Firm Service

Downstream pipelines to the west of the Alberta System, TransCanada BC System and Gas Transmission Northwest (GTN), provide renewable winter firm service for winter peaking requirements in British Columbia, the Pacific Northwest and California. In 1997, the Alberta System moved from a winter design to a summer design for annual FT-D Service and introduced a STFT Service to capture the increase in capability which resulted from decreases in ambient and soil temperatures during the winter season. In 2003, the winter period on Alberta and BC Systems, were aligned to the five months from November to March inclusive.

In early 2003, some shippers made a request for incremental winter firm service on Alberta and BC Systems. Potential services to meet this request were evaluated under the current facilities design policies on both the Alberta and BC Systems. The TTP adopted Issue T2003-07 in May 2003 for the purposes of discussing the introduction of a possible new service, Firm Transportation – Variable.

The scope was refined to a new five month winter only firm under current design conditions at Alberta System export delivery borders for an amount of the available winter design capability. Any remaining seasonal operational capability would continue to be offered through the existing STFT Service. An application was subsequently made to the EUB and approved by the EUB for NGTL to offer FT-DW Service on a limited basis to a maximum of 35 MMcf/d at the Alberta-BC Export Point and to a maximum of 35 MMcf/d at the combined Empress and McNeill Export Points. The service commenced November 1, 2004 for an initial term of four years, with conditional renewal provisions. The FT-DW rate was fixed at a price equivalent to 175% of the FT-D rate. The service has yet to be subscribed.

Market Environment

Prior to the entry of the Alliance Pipeline into commercial service in 2000, concurrent with expansions of the TransCanada Mainline, Foothills and Northern Border Systems, the WCSB was a constrained pipeline environment exemplified by WCSB natural gas pricing disconnected from major North American pricing points.

In the intervening years, additional pipeline capacity has been added on the BC and GTN Systems, additional Alberta storage capability has been added and the intra-Alberta market has grown. Yet, WCSB and North American production has remained relatively flat, natural gas prices have risen dramatically and downstream markets have experienced industrial demand erosion. Importantly, the long term contracts that had underpinned major pipeline expansions during the 1990's are now expiring, and today all pipelines out of the WCSB with the exception of Alliance Pipeline have substantial uncontracted capacity.

NGTL expects the market will migrate toward greater use of short term firm and seasonal firm services and the attributes of these services should be reviewed. The Seasonal Service Attribute Review was adopted by the TTFP as Issue 2005-04 on May 10, 2005. A task force was struck and met seven times to discuss the attributes of the services and different pricing proposals.

Market conditions will determine the value and premium, if any, of STFT capacity which is set at a minimum bid floor price of 100% of the FT-D rate. For FT-DW however; the bid floor price will include a premium of 25% due to the premium nature of the service. The capacity made available is for prime winter capacity and will be limited at the east and west gates. The capacity is available for an extended term of three consecutive winter seasons. Once capacity is awarded to a customer, the capacity is guaranteed for four winter seasons at the original bid percentage.

Pursuant to the TTFP Procedures, a vote on this Issue will not be construed as representing a binding irrevocable position. The pricing of services and the associated attributes of STFT and FT-DW do not form a precedent for future pricing of services on the Alberta System. No party is bound by their vote or a majority vote.

Next Steps

NGTL will file Tariff changes with the EUB requesting approval of the changes to STFT and FT-DW Services. NGTL is planning to implement the changes for November 1, 2005 and will hold an open season in September/October to be conditional pending approval of the EUB. Upon EUB approval, members of the TTFP and NGTL customers will be notified and capacity will be awarded to successful bidders.

Several amendments to the NGTL Tariff are currently being proposed resulting from Seasonal Service Attributes Review Issue T2005-04. 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. Cover Page and Table of Contents

- (i) Updated contact name for Tariff.*
- (ii) Amended Table of Contents for Appendix A [Terms and Conditions Respecting Access to Transportation Service at Export Delivery Points].

2. Rate Schedule FT-D

- (i) Amended paragraph 4.6 [Allocation of Gas Delivered] to ensure STFT does not participate in Alternate Access.

3. Rate Schedule FT-DW

- (i) Amended article 2.0 [Service Description and Availability] to reflect biddable service.
- (ii) Amended article 3.0 [Pricing] to [FT-DW Bid Price] to reflect 125% of FT-D floor for bids.
- (iii) Amended paragraph 4.1 [Aggregate of Customer's Monthly Demand Charge] to reflect bid price as a percentage of FT-D.
- (iv) Amended paragraph 4.6 [Allocation of Gas Delivered] to ensure STFT does not participate in Alternate Access.
- (v) Amended article 5.0 [Term of Service] to reflect change to a 3 year term.
- (vi) Amended article 5.0 [Term of Service] to reflect change to non-renewable service.
- (vii) Amended Schedule of Service FT-DW to reflect biddable nature of service.
- (viii) Amended Schedule of Service FT-DW to include minimum and maximum FT-DW Capacity and allocated FT-DW Capacity.

4. Rate Schedule STFT

- (i) Amended article 2.0 [Service Description and Availability] to reflect year round nature of service and remove duplicate Financial Assurances.
- (ii) Deleted article 3.0 [STFT Capacity Available During the Winter Season]
- (iii) Deleted article 4.0 [The Bid Process and Allocation of STFT Service]
- (iv) Amended article 5.0 [STFT Bid Price] to reflect 100% of FT-D floor for bids.
- (v) Deleted article 6.0 [Allocation of Available STFT Capacity]
- (vi) Amended article 7.0 [Charge for Service] to correct calculation for partial month service
- (vii) Amended paragraph 7.1 [Aggregate of Customer's Monthly Demand Charge] to reflect bid price as a percentage of FT-D.
- (viii) Amended paragraph 7.4 [Allocation of Gas Delivered] to ensure STFT does not participate in Alternate Access.

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- (ix) Amended article 8.0 [Term of Service Agreement] to reflect 7 day to 364 day term available
 - (x) Amended Schedule of Service STFT to include Service Commencement Date to replace block period.
 - (xi) Amended Schedule of Service STFT to reflect bid price as a percentage of FT-D.
- 5. Rate Schedule LRS-2**
- (i) Amended paragraph 4.4.2 [Allocation of Gas Delivered] to ensure STFT does not participate in Alternate Access.
- 6. Rate Schedule IT-D**
- (i) Amended paragraph 2.1 to include FT-DW in list of services.*
 - (ii) Amended paragraph 4.4 [Allocation of Gas Delivered] to ensure STFT does not participate in Alternate Access.
- 7. General Terms and Conditions**
- Assumes changes resulting from ERC Procedure Modification Issue T2005-02 have been approved.
- (i) Definitions
 - a. Deleted 1.7 [Block Period].
 - b. Amended 1.10 [Closing Date] to refer to Company posting.
 - c. Deleted 1.21 [Customer Bid].
 - d. Amended 1.50 [FT-DW Demand Rate] to [FT-DW Bid Price].
 - e. Added new 1.49 [FT-DW Capacity].
 - f. Added new 1.50 [FT-DW Open Season].
 - g. Amended 1.97 [STFT Capacity] to reflect new reference.
 - h. Added new 1.98 [STFT Capacity Open Season].
 - i. Amended 1.102 [Service Commencement Date] to refer to Customer bid.
 - j. Deleted 1.112 [Volume Multiplier].
- 8. Appendix A – Terms and Conditions Respecting Access to Transportation Service at Export Delivery Points**
- (i) Added article 4.0 [Procedures for Access to FT-DW Capacity].
 - (ii) Added article 5.0 [Procedures for Access to STFT Capacity].
 - (iii) Amended paragraph 6.0, section 6 to reflect definition*
 - (iv) Amended paragraph 7.0, section 6 to reflect definition*

GAS TRANSPORTATION TARIFF
OF
NOVA GAS TRANSMISSION LTD.

Please address communications concerning this Tariff to:

NOVA Gas Transmission Ltd.
450 First Street S.W.
Calgary, Alberta
T2P 5H1

Attention: ~~Wendy West~~Greg Szuch

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TABLE OF RATES, TOLLS & CHARGES

Service	Rates, Tolls and Charges		
1. Rate Schedule FT-R	Refer to Attachment "1" for applicable FT-R Demand Rate per month & Surcharge for each Receipt Point Average Firm Service Receipt Price (AFSRP) \$173.09/10 ³ m ³		
2. Rate Schedule FT-RN	Refer to Attachment "1" for applicable FT-RN Demand Rate per month & Surcharge for each Receipt Point		
3. Rate Schedule FT-D	FT-D Demand Rate per month \$173.09/10 ³ m ³		
4. Rate Schedule STFT	STFT Bid Price. Minimum bid of 135 100% of FT-D Demand Rate		
5. Rate Schedule FT-DW	FT-DW Demand Rate per month Bid Price. \$302.91/10³m³ Minimum bid of 125% of FT-D Demand Rate		
6. Rate Schedule FT-A	FT-A Commodity Rate \$0.50/10 ³ m ³		
7. Rate Schedule FT-P	Refer to Attachment "2" for applicable FT-P Demand Rate per month		
8. Rate Schedule LRS	<u>Contract Term</u>	<u>Effective LRS Rate (\$/10³m³/day)</u>	
	1-5 years	9.50	
	6-10 years	7.94	
	15 years	7.12	
	20 years	6.32	
9. Rate Schedule LRS-2	LRS-2 Rate per month \$50,000		
10. Rate Schedule LRS-3	LRS-3 Demand Rate per month \$192.37/10 ³ m ³		
11. Rate Schedule IT-R	Refer to Attachment "1" for applicable IT-R Rate & Surcharge for each Receipt Point		
12. Rate Schedule IT-D	IT-D Rate \$6.26/10 ³ m ³		
13. Rate Schedule FCS	The FCS Charge is determined in accordance with Attachment "1" to the applicable Schedule of Service		
14. Rate Schedule PT	<u>Schedule No</u>	<u>PT Rate</u>	<u>PT Gas Rate</u>
	9004-01001-0	\$ 1,500.00/day	50 10 ³ m ³ /d
	9004-01002-0	\$ 35.00/day	3 10 ³ m ³ /d
15. Rate Schedule OS	<u>Schedule No.</u>	<u>Charge</u>	
	2003-004522-2	\$ 83,333.00 / month	
	2003-034359-2	\$ 899.00 / month	
	2004-158284-1	\$ 220.00 / month	
	2005-187605-1	\$ 233.00 / month	
	2005-187603-1	\$ 3,638.00 / month	
	2004-158280-2	\$ 860.00 / month	
	2005-186989-1	\$ 1,562.00 / month	
	2005-187604-1	\$ 83.00 / month	
	2005-186998-1	\$ 622.00 / month	
	2005-187756-1	\$ 159.00 / month	
	2004-168619-1	\$ 437.00 / month	
	2005-186993-1	\$ 307.00 / month	
16. Rate Schedule CO ₂	<u>Tier</u>	<u>CO₂ Rate (\$/10³m³)</u>	
	1	603.39	
	2	461.42	
	3	319.44	

4.5 Aggregate Charge For Service

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

4.6 Allocation of Gas Delivered

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

(i) first to service to Customer under Rate Schedule LRS-2 to a maximum of such Eligible LRS-2 Volumes for the A/BC Export Delivery Point under such Rate Schedule LRS-2;

~~(ii) secondly to service to Customer under Rate Schedule STFT to a maximum of such Customer's allocated STFT Capacity for such Export Delivery Point under such Rate Schedule STFT;~~

~~(iii)~~ (ii) thirdly to Service to Customer under Rate Schedule FT-D to a maximum of such Customer's Export Delivery Contract Demand for such Export Delivery Point under such Rate Schedule FT-D;

~~(iv)~~ (iii) fourthly thirdly to Service to Customer under Rate Schedule FT-DW and Rate Schedule STFT to a maximum of such Customer's Export Delivery Contract Demand allocated FT-DW Capacity and STFT Capacity for such Export Delivery Point under each such Rate Schedule FT-DW and Rate Schedule STFT; and

~~(v)~~ (iv) fifthly fourthly to service to Customer under Rate Schedule IT-D at such Export Delivery Point. If Customer is not entitled to service under Rate Schedule IT-D

RATE SCHEDULE FT-DW
FIRM TRANSPORTATION – DELIVERY WINTER

1.0 DEFINITIONS

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

2.0 SERVICE DESCRIPTION AND AVAILABILITY

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

2.2 The Service is available to any Customer requiring the delivery of gas at designated Export Delivery Points during the Winter Season provided that:

(a) ___-Customer has executed a Service Agreement and Schedule of Service under Rate Schedule FT-DW; and

(b) ___and Company has ~~determined capacity shall be made available~~accepted
Customer's bid pursuant to article 4.0 of Appendix "A" of the Tariff.

Company shall not be required to construct or install Facilities for any Service under Rate Schedule FT-DW.

2.3 A standard form Service Agreement for Service under this Rate Schedule FT-DW is attached.

3.0 PRICING FT-DW BID PRICE

3.1 Each Customer bid shall set out the bid price expressed as a percentage, which shall not be less than 125% (the “FT-DW Bid Price”) of the applicable FT-D Demand Rate listed from time to time in the Table of Rates Tolls and Charges.

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

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

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

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

Where:

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

“P” = the FT-DW Bid Price applicable to such Schedule of Service

“F” = the FT-DW Demand Rate;

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

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

4.5 Aggregate Charge For Service

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

4.6 Allocation of Gas Delivered

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

(i) first to service to Customer under Rate Schedule LRS-2 to a maximum of such Eligible LRS-2 Volumes for the A/BC Export Delivery Point under such Rate Schedule LRS-2;

~~(ii) secondly to service to Customer under Rate Schedule STFT to a maximum of such Customer's allocated STFT Capacity for such Export Delivery Point under such Rate Schedule STFT;~~

~~(iii)~~ (ii) thirdly to service to Customer under Rate Schedule FT-D to a maximum of such Customer's Export Delivery Contract Demand for such Export Delivery Point under such Rate Schedule FT-D;

~~(iv)~~ (iii) fourthly to Service to Customer under Rate Schedule FT-DW and Rate Schedule STFT to a maximum of such allocated FT-DW Capacity and STFT Capacity ~~Customer's Export Delivery Contract Demand~~ for such Export Delivery Point under each such Rate Schedule FT-DW and Rate Schedule STFT; and

~~(v)(iv) fifthly~~ fourthly to service to Customer under Rate Schedule IT-D at such Export Delivery Point. If Customer is not entitled to service under Rate Schedule IT-D at such Export Delivery Point, gas shall be allocated as Over-Run Gas and charged in accordance with paragraph 4.3.

5.0 TERM OF SERVICE

5.1 ~~Initial~~ Term of a Schedule of Service

The ~~initial~~ term for any Schedule of Service for Service under Rate Schedule FT-DW shall be ~~four (4)~~ 3 consecutive Winter Seasons.

5.2 Renewal of Service

~~Customer may be entitled to renew all or a portion of Service under Rate Schedule FT-DW for a renewal term of two (2) consecutive Winter Seasons provided that:~~

~~(i) Customer has given written notice to Company of such renewal on or before October 31 of the year which is two (2) consecutive Winter Seasons prior to the Service Termination Date; and~~

~~(ii) Company determines capacity shall be made available.~~

~~If Customer does not provide such renewal notice and/or Company determines capacity is not available, the Service shall expire on the Service Termination Date. Customer shall not be entitled to renew all or any portion of Service under a Schedule of Service under Rate Schedule FT-DW.~~

5.3 ~~Irrevocable~~ Notice

~~Customer's notice to renew pursuant to paragraph 5.2 shall be irrevocable two (2) consecutive Winter Seasons prior to the Service Termination Date.~~

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

5.45.3 Term of Service Agreement

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

6.0 CAPACITY RELEASE

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

7.0 TRANSFER OF SERVICE

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

8.0 TERM SWAPS

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

SCHEDULE OF SERVICE
 RATE SCHEDULE FT-DW

CUSTOMER: •

Schedule of Service Number	Export Delivery Point Number and Name	Legal Description Maximum FT-DW Capacity 10 ³ m ³ /d	Maximum Delivery Pressure kPa Minimum FT-DW Capacity 10 ³ m ³ /d	FT-DW Bid Price Percentage of FT-D Demand Rate	Service Commencement Date	Service Termination Date	Export Delivery Contract Demand Allocated FT-DW Capacity 10 ³ m ³ /d	Additional Conditions
•	• •	•	•	•	•	•	•	•

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

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

Per: _____
 Per : _____

RATE SCHEDULE STFT
SHORT TERM FIRM TRANSPORTATION - DELIVERY

1.0 DEFINITIONS

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

2.0 SERVICE DESCRIPTION AND AVAILABILITY

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

2.2 The Service is available to any Customer requiring the delivery of gas at designated Export Delivery Points ~~during the Winter Season~~ provided that:

(a) Customer has executed a Service Agreement and Schedule of Service under Rate Schedule STFT; and

~~(b) Customer, prior to the commencement of the bidding process set out in article 4.0, has provided Company with Financial Assurances as required by Company pursuant to article 10.0 of the General Terms and Conditions of the Tariff; and~~

~~(c) Company has accepted Customer's bid pursuant to article 4.05.0 of Appendix "A" of the Tariff.~~

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

~~3.0 STFT CAPACITY AVAILABILITY DURING THE WINTER SEASON~~

~~3.1~~ Each month, commencing in July of each year Company will estimate the total firm delivery capacity existing in the Facilities at each of the Export Delivery Points that may be available during the Winter Season to Customers under this Rate Schedule STFT (the “STFT Capacity”). The STFT Capacity shall only include capacity that is available through Facilities that have been constructed to accommodate service under Rate Schedule FT-D.

~~3.2~~ Company will offer STFT Capacity (if any) available at each Export Delivery Point for the following terms:

- ~~(a)~~ — one (1) Month term for any Month during the Winter Season;
- ~~(b)~~ — three (3) consecutive Month term commencing December 1 of any year and ending on the last day of February in the next succeeding year; and
- ~~(c)~~ five (5) consecutive Month term commencing November 1 of any year and ending on March 31 in the next succeeding year.

The terms described in subparagraphs (a), (b), and (c) are in each case referred to as a “Block Period”.

~~4.0 THE BID PROCESS AND ALLOCATION OF STFT SERVICE~~

~~4.1~~ On or before the 25th day of each Month commencing with July of any year, Company shall notify Customers by notice posted on Company’s electronic bulletin board of Company’s estimate of available STFT Capacity at each of the Export Delivery Points for the applicable Block Period.

~~4.2~~ On or before the last day of the Month in which the Company posted the available STFT Capacity, the Customer may submit a bid for such available STFT Capacity in the form

~~of the Schedule of Service attached as Exhibit "A" to the Service Agreement (the "Customer Bid"), to Company through Company's electronic bulletin board, or if not available, by fax.~~

~~4.3 Customer Bids once received by Company shall constitute an irrevocable binding offer on the part of Customer, which cannot be withdrawn. Company will determine, in accordance with article 6.0, which Customer Bids are accepted by Company and shall notify Customer through Company's electronic bulletin board, or if not available, by fax which, if any, of Customer's bids have been accepted.~~

~~4.4 Customer shall submit a separate Customer Bid for each separate combination of Export Delivery Point, STFT Bid Price, as defined in article 5.0, and Block Period. Customer shall not submit a Customer Bid for volumes greater than the available STFT Capacity being offered at each Export Delivery Point. Customer Bids which are not made in accordance with the terms of this Rate Schedule shall be rejected.~~

5.03.0 STFT BID PRICE

~~**5.13.1** Each Customer Bid bid shall set out the bid price (the "STFT Bid Price") expressed in Canadian dollars and cents per Thousand Cubic Meters per Month ($\$CDN/10^3 \text{ m}^3$ /Month) as a percentage, which shall not be less than 100% (the "STFT Bid Price") of the applicable FT-D Demand Rate listed from time to time in the Table of Rates Tolls and Charges. The STFT Bid Price shall not be less than 135% of the applicable FT-D Demand Rate listed in the Table of Rates Tolls and Charges in effect on the day the Company receives the Customer Bid. In the event there is an increase or decrease to the FT-D Demand Rate after the Customer has submitted its Customer Bid, it is expressly agreed and understood that the STFT Bid Price shall be deemed to be increased or decreased as the case may be by an amount that maintains the same ratio of the STFT Bid Price to the FT-D Demand Rate as existed on the date Customer submitted its Customer Bid to Company.~~

~~6.0 ALLOCATION OF AVAILABLE STFT CAPACITY~~

~~6.1 Each Month upon receipt of Customer Bids, Company shall determine which Customer Bids are accepted and shall allocate STFT Capacity among Customers whose submitted Customer Bids were accepted by Company in the following manner:~~

- ~~(a) all Customer Bids for the particular Month, received by Company for a particular Export Delivery Point shall be ranked in descending order from the greatest to least volume multiplier as determined in accordance with the following formula (the "Volume Multiplier"):~~

$$\text{VM} = A \times B$$

~~Where:~~

~~"VM" the Customer's Volume Multiplier;~~

~~"A" the STFT Bid Price for a particular Customer Bid; and~~

~~"B" the number of months in the Block Period for a particular Customer Bid.~~

- ~~(b) Company shall allocate available STFT Capacity at each Export Delivery Point to Customers submitting Customer Bids in descending order starting with the Customer Bids having the highest ranking, determined based upon the Volume Multiplier until the available STFT Capacity has been allocated.~~

- ~~(c) In the event two (2) or more Customer Bids have the same ranking, determined in the manner provided for in subparagraph 6.1(a), then such Customer Bids will be ranked in descending order with the higher ranking being assigned to the Customer Bid which contains the highest STFT Bid Price for the shortest Block Period; provided however, if the STFT Bid Price and Block Period are identical and the available STFT Capacity is not sufficient to provide Service for the~~

~~aggregate STFT Capacity requested, the available STFT Capacity at that Export Delivery Point shall be allocated on a pro-rata basis among such Customers based on maximum STFT Capacity requested by each Customer in Customer's Bid.~~

~~(d) In the event that the pro-rata share of the available STFT Capacity allocated to a Customer pursuant to subparagraph 6.1(c) above is less than the minimum STFT Capacity specified by such Customer in its Customer Bid, that Customer's Customer Bid will be rejected and the calculations under paragraph 6.1 shall be made excluding such Customer Bid.~~

~~(e) Company shall insert the STFT Capacity allocated to Customer on the Customer Bid and shall provide Customer with a copy of such Customer Bid.~~

7.04.0 CHARGE FOR SERVICE

7.14.1 Aggregate of Customer's Monthly Demand Charge

The aggregate of Customer's monthly demand charge for a Billing Month for Service made available under Rate Schedule STFT shall be equal to the aggregate sum of the monthly demand charges for each of Customer's Schedules of Service under Rate Schedule STFT, determined as follows: of the products obtained by multiplying the applicable STFT Bid Price by the STFT Capacity allocated to such Customer for each Export Delivery Point as calculated by the application of the following formula:

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

Where:

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

"P" = the STFT Bid Price applicable to such Schedule of Service

“F” = the FT-D Demand Rate;

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

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

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

~~MDC = A x B~~

Where:

~~“MDC” = the Customer’s monthly demand charge;~~

~~“A” = the STFT Bid Price; and~~

~~“B” = the STFT Capacity allocated to such Customer in such Billing Month for Service under Rate Schedule STFT.~~

4.2 Aggregate of Customer’s Surcharges

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

4.3 Aggregate of Customer’s Over-Run Gas Charges

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

MOC = V x Z

Where:

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

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

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

7.2 Aggregate of Customer's Over-Run Gas Charges

~~In the event that Company determines for a Billing Month that Company has delivered to Customer, in the month preceding such Billing Month, a volume of gas at any Export Delivery Point in excess of the aggregate of the sum of:~~

- ~~(a) — the products obtained when the STFT Capacity allocated to such Customer in respect of such Export Delivery Point is multiplied by the number of Days in the month preceding such Billing Month; and~~
- ~~(b) — the sum of the products obtained when each of the Export Delivery Contract Demand in effect for Customer in respect of Rate Schedule FT-D in the month preceding such Billing Month is multiplied by the number of Days in such month that the Export Delivery Contract Demand was in effect,~~

~~then Customer shall pay to Company an amount equal to the product of such excess volume and the applicable IT-D Rate.~~

7.34.4 Aggregate Charge for Service

Customer shall pay for each Billing Month the sum of the amounts calculated in accordance with paragraphs 7.14.1, 4.2 and 4.37.2.

7.44.5 Allocation of Gas Delivered

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

- (i) first to service to Customer under Rate Schedule LRS-2 to a maximum of such Eligible LRS-2 Volumes for the A/BC Export Delivery Point under such Rate Schedule LRS-2;
- ~~(ii) secondly to Service to Customer under Rate Schedule STFT to a maximum of such Customer's allocated STFT Capacity for such Export Delivery Point under such Rate Schedule STFT;~~
- ~~(iii)~~ (ii) ~~thirdly~~ secondly to service to Customer under Rate Schedule FT-D to a maximum of such Customer's Export Delivery Contract Demand for such Export Delivery Point under such Rate Schedule FT-D
- ~~(iv)~~ ~~(iii)~~ ~~fourthly~~ ~~thirdly~~ to service to Customer under Rate Schedule FT-DW and Rate Schedule STFT to a maximum of such Customer's ~~Export Delivery Contract Demand~~ allocated FT-DW Capacity and STFT Capacity for such Export Delivery Point under each such Rate Schedule FT-DW and Rate Schedule STFT; and
- ~~(v)~~ ~~(iv)~~ ~~fifthly~~ ~~fourthly~~ to service to Customer under Rate Schedule IT-D. If Customer is not entitled to service under Rate Schedule IT-D at such Export Delivery Point, gas shall be allocated as Over-Run Gas and charged in accordance with paragraph 7.24.3.

8.05.0 TERM OF SERVICE AGREEMENT

5.1 The term for any Schedule of Service under Rate Schedule STFT shall be for a minimum of 7 days and a maximum of 1 year less 1 day and shall end on the last day of a month.

8.15.2 ~~The term of a Customer's Service Agreement under Rate Schedule STFT shall commence on the first (1st) Day of the Month Company commences to provide Service to Customer pursuant to such Service Agreement and shall expire-terminate~~ on the latest Service Termination Date ~~set forth in~~ of Customer's Schedules of Service under ~~such Service Agreement~~Rate Schedule STFT.

9.06.0 ASSIGNMENTS

9.16.1 The Customer shall not be entitled to assign any Schedule of Service under Rate Schedule STFT.

10.07.0 TITLE TRANSFERS

10.17.1 A Customer entitled to receive Service under Rate Schedule STFT 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.

11.08.0 GENERAL TERMS AND CONDITIONS

11.18.1 The General Terms and Conditions of the Tariff and the provisions of any Service Agreement for Service under Rate Schedule STFT are applicable to Rate Schedule STFT

**SCHEDULE OF SERVICE
RATE SCHEDULE STFT**

CUSTOMER: •
•
•
•

ATTENTION: •
PHONE: •

FAX: •

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

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

•
Per: _____

NOVA Gas Transmission Ltd.
Per : _____

Per: _____

Per : _____

- (ii) secondly to service to LRS-2 Customer under Rate Schedule FT-R to a maximum of such Customer's Receipt Contract Demand for such Coleman Receipt Point under such Rate Schedule FT-R;
- (iii) thirdly to service to LRS-2 Customer under Rate Schedule FT-RN to a maximum of such Customer's Receipt Contract Demand for such Coleman Receipt Point under Rate Schedule FT-RN; and
- (iv) fourthly to service to LRS-2 Customer under Rate Schedule IT-R for such Coleman Receipt Point. If LRS-2 Customer is not entitled to service under Rate Schedule IT-R at such Coleman Receipt Point, LRS-2 Customer shall be deemed to have been entitled to such service for the purposes of this subparagraph 4.4.1 (iii) and shall pay to Company an amount determined under article 4.0 of Rate Schedule IT-R for the volumes allocated under this subparagraph 4.4.1 (iii).

4.4.2 Allocation of Gas Delivered

Notwithstanding any other provision of Rate Schedule LRS-2, any Service Agreement or the General Terms and Conditions of the Tariff, and without regard to how gas may have been nominated, the aggregate daily volume of gas delivered to LRS-2 Customer at the A/BC Export Delivery Point shall be allocated for billing purposes as follows:

- (i) first to Service to LRS-2 Customer under Rate Schedule LRS-2 to a maximum of Eligible LRS-2 Volumes for the A/BC Export Delivery Point under such Rate Schedule LRS-2;

~~(ii) secondly to service to Customer under Rate Schedule STFT to a maximum of such Customer's allocated STFT Capacity for such Export Delivery Point~~

~~under such Rate Schedule STFT;~~

~~(iii)(ii) thirdly-secondly~~ to service to LRS-2 Customer under Rate Schedule FT-D to a maximum of such Customer's Export Delivery Contract demand for such A/BC Export Delivery Point under such Rate Schedule FT-D;

~~(iv)(iii) forthly-thirdly~~ to service to LRS-2 Customer under Rate Schedule FT-DW ~~and Rate Schedule STFT~~ to a maximum of such Customer's ~~Export Delivery Contract demand allocated FT-DW Capacity and STFT Capacity~~ for such A/BC Export Delivery Point under ~~each~~ such Rate Schedule FT-DW ~~and Rate Schedule STFT~~; and

~~(v)(iv) fifthly-fourthly~~ to service to LRS-2 Customer under Rate Schedule IT-D for such A/BC Export Delivery Point. If LRS-2 Customer is not entitled to service under Rate Schedule IT-D at such A/BC Export Delivery Point, LRS-2 Customer shall be deemed to have been entitled to such service for the purposes of this subparagraph 4.4.2 (iv) and shall pay to Company an amount determined under article 4.0 of Rate Schedule IT-D for the volumes allocated under this subparagraph (iv).

5.0 TERM OF SERVICE AGREEMENT

5.1 The term of the Service Agreement under Rate Schedule LRS-2 shall commence on the effective date of the Board's Order approving Service under Rate Schedule LRS-2 and shall expire on October 31, 2013, provided however nothing herein shall relieve LRS-2 Customer or Company from any obligation which arose or accrued on or prior to October 31, 2013; and further provided that the LRS-2 Adjustments for the last two Billing Months of the Service Agreement under Rate Schedule LRS-2 shall be paid by the Company to LRS-2 Customer on or before December 31, 2013.

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

1.0 DEFINITIONS

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

2.0 SERVICE DESCRIPTION AND AVAILABILITY

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

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

4.2 Aggregate of Customer's Surcharges

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

4.3 Aggregate Charge For Service

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

4.4 Allocation of Gas Delivered

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

(i) first to service to Customer under Rate Schedule LRS-2 to a maximum of such Eligible LRS-2 Volumes for the A/BC Export Delivery Point under such Rate Schedule LRS-2;

~~(ii) secondly to service to Customer under Rate Schedule STFT to a maximum of such Customer's allocated STFT Capacity for such Export Delivery Point under such Rate Schedule STFT;~~

~~(iii)~~ (ii) ~~thirdly~~ secondly to service to Customer under Rate Schedule FT-D to a maximum of such Customer's Export Delivery Contract Demand for such Export Delivery Point under such Rate Schedule FT-D;

~~(iv)~~ (iii) ~~fourthly~~ thirdly to service to Customer under Rate Schedule FT-DW and Rate Schedule STFT to a maximum of such Customer's ~~Export Delivery Contract~~

~~Demand~~ allocated FT-DW Capacity and STFT Capacity for such Export Delivery Point under each such Rate Schedule FT-DW and Rate Schedule STFT; and

~~(v)(iv) fifthly~~ fourthly to Service to Customer under Rate Schedule IT-D.

5.0 TERM OF SERVICE

5.1 Term of Service at an Export Delivery Point

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

5.2 Term of Service Agreement

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

6.0 TITLE TRANSFERS

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

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** “Banking Day” shall mean any day that the Royal Bank of Canada, Main Branch, Calgary, Canada, or other financial institutions agreed to by Company, conducts business.
- 1.5** “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.
- 1.6** “Billing Month” shall mean that month which immediately precedes the month in which Company is required to send a bill for Service.

~~1.7 “Block Period” shall have the meaning attributed to it in paragraph 3.2 of Rate Schedule STFT.~~

~~1.8~~**1.7** “Board” shall mean the Alberta Energy and Utilities Board.

~~1.9~~**1.8** “Central Clock Time” or “CCT” shall mean the clock time in the Central Zone.

~~1.101.9~~ “Closing Date” shall ~~have the meaning attributed to it in subparagraph 2.1(e) of Appendix “A” of the Tariff~~ mean the date an open season ends as posted by Company.

~~1.111.10~~ “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.

~~1.121.11~~ “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.

~~1.131.12~~ “Common Stream Operator” or “CSO” 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.

1.141.13 "Company" shall mean NOVA Gas Transmission Ltd. and any successor to it.

1.151.14 "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.

1.161.15 "Connecting Pipeline Operator" or "CPO" shall mean the person who, with respect to a Delivery Point, places Nominations with Company on behalf of Customers.

1.171.16 "Criteria for Determining Primary Term" shall mean the procedure for determining the Primary Term, as set out in Appendix "E" of the Tariff.

1.181.17 "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.

1.191.18 "Customer" shall mean any Person named as a Customer in a Service Agreement or Schedule of Service.

1.201.19 "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.

~~1.21 "Customer Bid" shall have the meaning attributed to it in paragraph 4.2 of Rate Schedule STFT.~~

1.441.42 “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.

1.451.43 “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.

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

1.471.45 “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.

1.481.46 “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.

1.491.47 “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.

1.501.48 “FT-DW ~~Demand Rate Bid Price~~” shall have the meaning attributed to it in article 3.0 of Rate Schedule FT-DW.~~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 “FT-DW Capacity” shall have the meaning attributed to it in paragraph 4.1 of Appendix “A” of the Tariff.

1.50 “FT-DW Open Season” shall have the meaning attributed to it in paragraph 4.1 of Appendix “A” of the Tariff.

- 1.95** “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.
- 1.96** “STFT Bid Price” shall have the meaning attributed to it in article ~~53.0~~ of Rate Schedule STFT.
- 1.97** “STFT Capacity” shall have the meaning attributed to it in paragraph ~~3.15.1~~ of ~~Rate Schedule STFT~~ Appendix “A” of the Tariff.
- 1.98** “STFT Capacity Open Season” shall have the meaning attributed to it in paragraph 5.1 of Appendix “A” of the Tariff.
- ~~1.981.99~~ “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.
- ~~1.991.100~~ “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.
- ~~1.1001.101~~ “Service” shall have the meaning attributed to it in article 2.0 of the applicable Rate Schedule.
- ~~1.1011.102~~ “Service Agreement” shall mean an agreement between Company and Customer respecting Service to be provided under any Rate Schedule.
- ~~1.1021.103~~ “Service Commencement Date” shall ~~have the meaning attributed to it in subparagraph 2.2(b) of Appendix “A” of the Tariff~~ mean the service commencement date requested by Customer on Customer bid.
- ~~1.1031.104~~ “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.

1.1041.105 “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.

1.1051.106 “Storage Facility” shall mean any commercial facility where gas is stored, that is connected to the Facilities and is available to all Customers.

1.1061.107 “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.

1.1071.108 “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.

1.1081.109 “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.

1.1091.110 “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.

1.1101.111 “Tier” shall mean the Tier 1, Tier 2 or Tier 3 CO₂ Rate as set forth in the Table of Rates, Tolls and Charges.

1.1111.112 “Thousand Cubic Metres” or “10³m³” shall mean one thousand (1000) Cubic Metres of Gas.

1.112 ~~“Volume Multiplier” shall have the meaning attributed to it in subparagraph 6.1 (a) of Rate Schedule STFT.~~

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

**TERMS AND CONDITIONS RESPECTING
ACCESS TO TRANSPORTATION SERVICE ~~UNDER RATE SCHEDULE~~
~~FT-D~~ AT EXPORT DELIVERY POINTS**

**TERMS AND CONDITIONS RESPECTING
ACCESS TO TRANSPORTATION SERVICE ~~UNDER RATE SCHEDULE FT-D~~ AT
EXPORT DELIVERY POINTS**

1.0 DEFINITIONS

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

2.0 PROCEDURES FOR ACCESS TO FT-D EXISTING CAPACITY**2.1 Posting of Existing Capacity**

If Company determines that capacity is available or may become available for Service under Rate Schedule FT-D that does not require new Facilities (“Existing Capacity”), Company shall provide notice on its website of the open season for such Existing Capacity (the “Existing Capacity Open Season”). At least 3 Banking Days (excluding statutory holidays in the United States) after such notice, Company shall post on its website ~~by 11:00 hours CCT:~~

- (a) the quantity of Existing Capacity available at the Export Delivery Point;
- (b) the date such Existing Capacity will be available; and
- (c) the ~~closing~~ Closing date ~~Date~~ for such Existing Capacity Open Season ~~(the “Closing Date”)~~.

2.2 Existing Capacity Bid Process

If Company posts Existing Capacity pursuant to paragraph 2.1, prospective customers may bid for such Existing Capacity, on any Banking Day up to and including the Closing Date, as follows:

-
- (a) Prospective customers shall submit a completed and unedited bid form, in the form set out in article 4.06.0 (the “Open Season Bid Form”);
- (b) The requested term of Service, as established by the requested ~~service~~ Service commencement ~~Commencement date~~ Date (the “Service Commencement Date”) and requested Service Termination Date, each set out on the Open Season Bid Form, shall be a minimum term of one year;
- (c) All bids shall be irrevocable and must be received by Company by 16:00 hours CCT on the Closing Date;
- (d) Within 2 Banking Days of the Closing Date, prospective customers shall provide to Company for each Open Season Bid Form, a deposit equal to the lesser of:
- (i) one month demand charges for the Export Delivery Contract Demand set out on the Open Season Bid Form; or
 - (ii) \$10,000.

The deposit shall be refunded to unsuccessful bidders within 5 Banking Days from the date the Service Agreements and Schedules of Service under Rate Schedule FT-D are executed for all Existing Capacity posted in the Existing Capacity Open Season.

If Company awards Existing Capacity to a prospective customer and such customer executes the Service Agreement and Schedule of Service under Rate Schedule FT-D for such Existing Capacity, the deposit will be credited to the bill for the first month of Service or returned to the Customer if requested;

- (e) A prospective customer and/or its affiliate, either together or individually, shall not submit an Open Season Bid Form for a quantity greater than the Existing Capacity being offered or submit multiple bids where the aggregate Export

- (e) Company shall be deemed to have accepted the bids of prospective customers when Company awards Existing Capacity to such prospective customers. Company shall notify such prospective customers who have been awarded Existing Capacity within 3 Banking Days from the Closing Date.

2.5 Requirements for Existing Capacity

Where Company awards Existing Capacity to a prospective customer pursuant to paragraph 2.4, such prospective customer shall, at the request of Company:

- (a) execute, within the time period specified by Company, a Service Agreement and Schedule of Service under Rate Schedule FT-D for such Existing Capacity;
- (b) provide sufficient financial information to demonstrate its creditworthiness; and
- (c) provide a Financial Assurance to Company pursuant to paragraph 10.1 of the General Terms and Conditions.

2.6 Daily Open Season

2.6.1 Posting of Existing Capacity for Daily Open Season

If on any Banking Day (excluding statutory holidays in the United States), Company determines there is Existing Capacity available that has not been awarded by Company pursuant to paragraph 2.4, Company shall post on its website ~~by 11:00 hours CCT~~ (the “Daily Open Season”) the following:

- (a) the quantity of Existing Capacity available at the Export Delivery Point; and
- (b) the date such Existing Capacity will be available.

If all or a portion of such Existing Capacity has not been awarded pursuant to subparagraph 2.6.3, such Existing Capacity shall be deemed to be re-posted by

- (a) execute, within the time period specified by Company, a Service Agreement and Schedule of Service under Rate Schedule FT-D, for such Existing Capacity;
- (b) provide sufficient financial information to demonstrate its creditworthiness; and
- (c) provide a Financial Assurance to Company pursuant to paragraph 10.1 of the General Terms and Conditions.

3.0 PROCEDURES FOR ACCESS TO FT-D EXPANSION CAPACITY

3.1 Posting of Expansion Capacity

If Company determines that demand for Service under Rate Schedule FT-D may be sufficient to consider expansion of existing Facilities (“Expansion Capacity”), Company shall provide notice on its website of the open season for such Expansion Capacity (the “Expansion Capacity Open Season”). At least 3 Banking Days after such notice (excluding statutory holidays in the United States), Company shall post on its website ~~by 11:00 hours CCT:~~

- (a) the date such Expansion Capacity may be available; and
- (b) the closing date for such Expansion Capacity Open Season (the “Expansion Closing Date”).

3.2 Expansion Capacity Bid Process

If Company posts Expansion Capacity pursuant to Paragraph 3.1, prospective customers may bid for such Expansion Capacity, on any Banking Day up to and including the Expansion Closing Date, as follows:

- (a) Prospective customers shall submit a completed and unedited Open Season Bid Form set out in article 4.06.0;

4.0 PROCEDURES FOR ACCESS TO FT-DW CAPACITY

4.1 Posting of FT-DW Capacity

If Company determines that capacity is available or may become available for Service under Rate Schedule FT-DW that does not require new Facilities (“FT-DW Capacity”), Company shall provide notice on its website of the open season for such FT-DW Capacity (the “FT-DW Capacity Open Season”). At least 3 Banking Days (excluding statutory holidays in the United States) after such notice, Company shall post on its website:

- (a) the quantity of FT-DW Capacity available at the Export Delivery Point;
- (b) the date such FT-DW Capacity will be available; and
- (c) the Closing Date for such FT-DW Capacity Open Season.

4.2 FT-DW Capacity Bid Process

If Company posts FT-DW Capacity pursuant to paragraph 4.1, prospective customers may bid for such FT-DW Capacity, on any Banking Day up to and including the Closing Date, as follows:

- (a) Prospective customers shall submit a bid for such FT-DW Capacity in the form of a completed and unedited FT-DW Service Agreement and Schedule of Service attached as Exhibit “A” to the FT-DW Service Agreement;
- (b) The term of Service shall be the term as set out in Rate Schedule FT-DW;
- (c) All bids shall be irrevocable and must be received by Company by 11:00 hours CCT on the Closing Date;
- (d) No deposit is required to accompany the prospective customer’s bid;

- (e) A prospective customer and/or its affiliate, either together or individually, shall not submit a Schedule of Service for a quantity greater than the FT-DW Capacity being offered or submit multiple bids where the aggregate maximum FT-DW Capacity of the multiple bids exceeds the FT-DW Capacity being offered; and
- (f) Company shall not be obligated to accept any bid if:
- (i) the Service Commencement Date does not match the date such FT-DW Capacity is available as set out in the FT-DW Capacity Open Season notice; and
- (ii) the prospective customer has not met the criteria set forth in article 4.0.

4.3 Awarding of FT-DW Capacity

Subject to paragraph 4.4, FT-DW Capacity shall be awarded to the prospective customers whose bids are accepted by Company as follows:

- (a) Company shall rank the bids in descending priority on the basis of the FT-DW Bid Price (where the bid with the highest bid price shall have the higher priority);
- (b) Subject to subparagraph 4.3(d), Company shall award FT-DW Capacity to the bids in sequential order, based on the priority established pursuant to subparagraph 4.3(a), until all the bids have been processed or until all FT-DW Capacity has been awarded;
- (c) Subject to subparagraph 4.3(d), if two or more bids have the same priority and the FT-DW Capacity is not sufficient to provide the total maximum FT-DW Capacity, then the FT-DW Capacity shall be awarded to such bids on a pro rata basis based on the maximum FT-DW Capacity of each bid;
- (d) If the FT-DW Capacity to be awarded to a bid as determined by Company in either subparagraph 4.3(b) or subparagraph 4.3(c) is less than the minimum FT-

DW Capacity as set out in such Schedule of Service, that bid shall be deemed to be rejected by Company and no FT-DW Capacity shall be awarded to such bid. The remaining FT-DW Capacity shall continue to be awarded sequentially to the remaining bids based on the priority established pursuant to subparagraph 4.3(a), until all the bids have been processed or until all FT-DW Capacity has been awarded; and

- (e) Company shall be deemed to have accepted the bids of prospective customers when Company awards FT-DW Capacity to such prospective customers. Company shall notify such prospective customers who have been awarded FT-DW Capacity within 3 Banking Days from the Closing Date.

4.4 Requirements for FT-DW Capacity

Where Company awards FT-DW Capacity to a prospective customer pursuant to paragraph 4.3, such prospective customer shall, at the request of Company:

- (a) provide sufficient financial information to demonstrate its creditworthiness; and
- (b) provide a Financial Assurance to Company pursuant to paragraph 10.1 of the General Terms and Conditions.

5.0 PROCEDURES FOR ACCESS TO STFT CAPACITY

5.1 Posting of STFT Capacity

If Company determines that capacity is available or may become available for Service under Rate Schedule STFT that does not require new Facilities (“STFT Capacity”), Company shall provide notice on its website of the open season for such STFT Capacity (the “STFT Capacity Open Season”). At least 3 Banking Days (excluding statutory holidays in the United States) after such notice, Company shall post on its website:

- (a) the quantity of STFT Capacity available at the Export Delivery Point;
- (b) the date such STFT Capacity will be available;
- (c) the Months such STFT Capacity is available; and
- (d) the Closing Date for such STFT Capacity Open Season.

5.2 STFT Capacity Bid Process

If Company posts STFT Capacity pursuant to paragraph 5.1, prospective customers may bid for such STFT Capacity, on any Banking Day up to and including the Closing Date, as follows:

- (a) Prospective customers shall submit a bid for such available STFT Capacity in the form of a completed and unedited STFT Service Agreement and Schedule of Service attached as Exhibit “A” to the STFT Service Agreement;
- (b) The requested term of Service, as established by the requested Service Commencement Date and requested Service Termination Date, each set out on the Schedule of Service, shall be a minimum term of 7 days and a maximum term of one year less one day and shall end on the last day of a Month;
- (c) All bids shall be irrevocable and must be received by Company by 11:00 hours CCT on the Closing Date;
- (d) No deposit is required to accompany the prospective customer’s bid;
- (e) A prospective customer and/or its affiliate, either together or individually, shall not submit a Schedule of Service for a quantity greater than the STFT Capacity being offered or submit multiple bids where the aggregate maximum STFT Capacity of the multiple bids exceeds the STFT Capacity being offered; and

(f) Company shall not be obligated to accept any bid if the prospective customer has not met the criteria set forth in article 5.0.

5.3 Awarding of STFT Capacity

Subject to paragraph 5.4, STFT Capacity shall be awarded to the prospective customers whose bids are accepted by Company as follows:

(a) Company shall rank the bids in descending priority based on the following criteria:

(i) first, on the basis of the product of the STFT Bid Price multiplied by the requested term (where the bid with the highest per unit product shall have the higher priority); and

(ii) second, by the Service Commencement Date (where the bid with the earlier Service Commencement Date shall have the higher priority).

(b) Subject to subparagraph 5.3(e), Company shall award STFT Capacity to the bids in sequential order, based on the priority established pursuant to subparagraph 5.3(a), until all the bids have been processed or until all STFT Capacity has been awarded;

(c) Subject to subparagraph 5.3(e), if two or more bids have the same priority and the STFT Capacity is not sufficient to provide the total maximum STFT Capacity, then the STFT Capacity shall be awarded to such bids on a pro rata basis based on the maximum STFT Capacity of each bid;

(d) No deposit is required to accompany the prospective customer's bid;

(e) If the STFT Capacity to be awarded to a bid as determined by Company in either subparagraph 5.3(b) or subparagraph 5.3(c) is less than the minimum STFT Capacity as set out in such Schedule of Service, that bid shall be deemed to be

rejected by Company and no STFT Capacity shall be awarded to such bid. The remaining STFT Capacity shall continue to be awarded sequentially to the remaining bids based on the priority established pursuant to subparagraph 5.3(a), until all the bids have been processed or until all STFT Capacity has been awarded; and

- (f) Company shall be deemed to have accepted the bids of prospective customers when Company awards Capacity to such prospective customers. Company shall notify such prospective customers who have been awarded Capacity within 3 Banking Days from the Closing Date.

5.4 Requirements for STFT Capacity

Where Company awards STFT Capacity to a prospective customer pursuant to paragraph 5.3, such prospective customer shall, at the request of Company:

- (a) provide sufficient financial information to demonstrate its creditworthiness; and
- (b) provide a Financial Assurance to Company pursuant to paragraph 10.1 of the General Terms and Conditions.

5.5 STFT Daily Open Season

5.5.1 Posting of Capacity for STFT Daily Open Season

If on any Banking Day (excluding statutory holidays in the United States), Company determines there is STFT Capacity available that has not been awarded by Company pursuant to paragraph 5.3, Company shall post on its website (the “STFT Daily Open Season”) the following:

- (a) the quantity of STFT Capacity available at the Export Delivery Point;
- (b) the date such STFT Capacity will be available; and

(c) the Months such STFT Capacity is available.

If all or a portion of such STFT Capacity has not been awarded pursuant to subparagraph 5.5.3, such STFT Capacity shall be deemed to be re-posted by Company on each subsequent Banking Day (excluding statutory holidays in the United States) until such STFT Capacity is awarded pursuant to subparagraph 5.5.3 or until Company holds an Existing Capacity Open Season pursuant to paragraph 2.1 or a STFT Capacity Open Season pursuant to paragraph 5.1.

If, at any time, Company determines that it will hold an Existing Capacity Open Season pursuant to paragraph 2.1 or a STFT Capacity Open Season pursuant to paragraph 5.1, Company may reduce all or a portion of the STFT Capacity available for the STFT Daily Open Season. Company shall provide notice on its website, at least 3 Banking Days in advance, of any such reduction.

5.5.2 STFT Daily Open Season Bid Process

If Company posts STFT Capacity pursuant to subparagraph 5.5.1, prospective customers may bid for such STFT Capacity on the day that the STFT Capacity is posted or deemed to be re-posted as follows:

- (a) Prospective customers shall submit a bid for such available STFT Capacity in the form of a completed and unedited STFT Service Agreement and Schedule of Service attached as Exhibit “A” to the STFT Service Agreement;
- (b) The requested term of Service, as established by the requested service commencement date (the “Service Commencement Date”) and requested Service Termination Date, each set out on the Schedule of Service, shall be a minimum term of one week and a maximum of one year less one day and shall end on the last day of a Month;

- (c) All bids shall be irrevocable and must be received by Company by 11:00 hours CCT on the day the STFT Capacity is posted or deemed re-posted;
- (d) No deposit is required to accompany the prospective customer's bid;
- (e) A prospective customer and/or its affiliate, either together or individually, shall not submit a Schedule of Service for a quantity greater than the STFT Capacity being offered or submit multiple bids where the aggregate maximum STFT Capacity of the multiple bids exceeds the STFT Capacity being offered; and
- (f) Company shall not be obligated to accept any bid if the prospective customer has not met the criteria set forth in paragraph 5.5.

5.5.3 Awarding of Capacity for STFT Daily Open Season

Subject to subparagraph 5.5.4, STFT Capacity shall be awarded each day to the prospective customers whose bids are accepted by Company as follows:

- (a) Company shall rank the bids in descending priority based on the following criteria:
 - (i) first, on the basis of the product of the STFT Bid Price multiplied by the requested term (where the bid with the highest per unit product shall have the higher priority); and
 - (ii) second, by the Service Commencement Date (where the bid with the earlier Service Commencement Date shall have the higher priority).
- (b) Subject to subparagraph 5.5.3(d), Company shall award STFT Capacity to the bids in sequential order, based on the priority established pursuant to

subparagraph 5.5.3(a), until all the bids have been processed or until all STFT Capacity has been awarded;

- (c) Subject to subparagraph 5.5.3(d), if two or more bids have the same priority and the STFT Capacity is not sufficient to provide the total maximum STFT Capacity, then the STFT Capacity shall be awarded to such bids on a pro rata basis based on the maximum STFT Capacity of each bid;
- (d) If the STFT Capacity to be awarded to a bid as determined by Company in either subparagraph 5.5.3(b) or paragraph 5.5.3(c) is less than the minimum STFT Capacity as set out in such Schedule of Service, that bid shall be deemed to be rejected by Company and no STFT Capacity shall be awarded to such bid. The remaining STFT Capacity shall continue to be awarded sequentially to the remaining bids based on the priority established pursuant to subparagraph 5.5.3(a), until all the bids have been processed or until all STFT Capacity has been awarded; and
- (e) Company shall be deemed to have accepted the bids of prospective customers when Company awards STFT Capacity to such prospective customers. Company shall notify such prospective customers who have been awarded STFT Capacity within 2 Banking Days from the date such Existing Capacity is posted or deemed re-posted.

5.5.4 Requirements for STFT Capacity

Where Company awards Existing Capacity to a prospective customer pursuant to subparagraph 5.5.3, such prospective shipper shall, at the request of Company:

- (a) provide sufficient financial information to demonstrate its creditworthiness; and

(b) provide a Financial Assurance to Company pursuant to paragraph 10.1 of the General Terms and Conditions.

4.06.0 EXISTING CAPACITY / EXPANSION CAPACITY OPEN SEASON BID FORM

1. Customer: _____

2. Export Delivery Point: _____

3. Export Delivery Contract Demand: _____ 10³m³/d

4. Minimum Export Delivery Contract Demand: _____ 10³m³/d

5. Service Commencement Date: _____
(YYYY / MM / DD)

6. ~~Requested~~ Service Termination Date: _____
(YYYY / MM / DD)

7. Deposit Amount: \$ _____ (CDN)

8. Is this bid subject to the following condition? yes / no

This bid is subject to the condition that customer has been awarded at least
_____ 10³m³/d through the _____
Interconnecting Pipeline Open Season held _____ to _____.

CUSTOMER: _____
(signature)

(name/title)

(signature)

(name/title)

5.07.0 DAILY OPEN SEASON BID FORM

1. Customer: _____
2. Export Delivery Point: _____
3. Export Delivery Contract Demand: _____ 10³m³/d
4. Minimum Export Delivery Contract Demand: _____ 10³m³/d
5. Service Commencement Date: _____
(YYYY / MM / DD)
6. ~~Requested~~ Service Termination Date: _____
(YYYY / MM / DD)

CUSTOMER: _____
(signature)

(name/title)

(signature)

(name/title)

NOVA Gas Transmission Ltd.

**GAS TRANSPORTATION TARIFF
OF
NOVA GAS TRANSMISSION LTD.**

**GAS TRANSPORTATION TARIFF
OF
NOVA GAS TRANSMISSION LTD.**

Please address communications concerning this Tariff to:

NOVA Gas Transmission Ltd.
450 First Street S.W.
Calgary, Alberta
T2P 5H1

Attention: Greg Szuch

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TABLE OF RATES, TOLLS & CHARGES

Service	Rates, Tolls and Charges		
1. Rate Schedule FT-R	Refer to Attachment "1" for applicable FT-R Demand Rate per month & Surcharge for each Receipt Point Average Firm Service Receipt Price (AFSRP) \$173.09/10 ³ m ³		
2. Rate Schedule FT-RN	Refer to Attachment "1" for applicable FT-RN Demand Rate per month & Surcharge for each Receipt Point		
3. Rate Schedule FT-D	FT-D Demand Rate per month \$173.09/10 ³ m ³		
4. Rate Schedule STFT	STFT Bid Price. Minimum bid of 100% of FT-D Demand Rate		
5. Rate Schedule FT-DW	FT-DW Bid Price. Minimum bid of 125% of FT-D Demand Rate		
6. Rate Schedule FT-A	FT-A Commodity Rate \$0.50/10 ³ m ³		
7. Rate Schedule FT-P	Refer to Attachment "2" for applicable FT-P Demand Rate per month		
8. Rate Schedule LRS	<u>Contract Term</u>	<u>Effective LRS Rate (\$/10³m³/day)</u>	
	1-5 years	9.50	
	6-10 years	7.94	
	15 years	7.12	
	20 years	6.32	
9. Rate Schedule LRS-2	LRS-2 Rate per month \$50,000		
10. Rate Schedule LRS-3	LRS-3 Demand Rate per month \$192.37/10 ³ m ³		
11. Rate Schedule IT-R	Refer to Attachment "1" for applicable IT-R Rate & Surcharge for each Receipt Point		
12. Rate Schedule IT-D	IT-D Rate \$6.26/10 ³ m ³		
13. Rate Schedule FCS	The FCS Charge is determined in accordance with Attachment "1" to the applicable Schedule of Service		
14. Rate Schedule PT	<u>Schedule No</u>	<u>PT Rate</u>	<u>PT Gas Rate</u>
	9004-01001-0	\$ 1,500.00/day	50 10 ³ m ³ /d
	9004-01002-0	\$ 35.00/day	3 10 ³ m ³ /d
15. Rate Schedule OS	<u>Schedule No.</u>	<u>Charge</u>	
	2003-004522-2	\$ 83,333.00 / month	
	2003-034359-2	\$ 899.00 / month	
	2004-158284-1	\$ 220.00 / month	
	2005-187605-1	\$ 233.00 / month	
	2005-187603-1	\$ 3,638.00 / month	
	2004-158280-2	\$ 860.00 / month	
	2005-186989-1	\$ 1,562.00 / month	
	2005-187604-1	\$ 83.00 / month	
	2005-186998-1	\$ 622.00 / month	
	2005-187756-1	\$ 159.00 / month	
	2004-168619-1	\$ 437.00 / month	
	2005-186993-1	\$ 307.00 / month	
16. Rate Schedule CO ₂	<u>Tier</u>	<u>CO₂ Rate (\$/10³m³)</u>	
	1	603.39	
	2	461.42	
	3	319.44	

4.5 Aggregate Charge For Service

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

4.6 Allocation of Gas Delivered

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

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

RATE SCHEDULE FT-DW
FIRM TRANSPORTATION – DELIVERY WINTER

1.0 DEFINITIONS

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

2.0 SERVICE DESCRIPTION AND AVAILABILITY

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

2.2 The Service is available to any Customer requiring the delivery of gas at designated Export Delivery Points during the Winter Season provided that:

- (a) Customer has executed a Service Agreement and Schedule of Service under Rate Schedule FT-DW; and
- (b) Company has accepted Customer’s bid pursuant to article 4.0 of Appendix “A” of the Tariff.

Company shall not be required to construct or install Facilities for any Service under Rate Schedule FT-DW.

2.3 A standard form Service Agreement for Service under this Rate Schedule FT-DW is attached.

3.0 FT-DW BID PRICE

3.1 Each Customer bid shall set out the bid price expressed as a percentage, which shall not be less than 125% (the “FT-DW Bid Price”) of the applicable FT-D Demand Rate listed from time to time in the Table of Rates Tolls and Charges.

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

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

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

Where:

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

“P” = the FT-DW Bid Price applicable to such Schedule of Service

“F” = the FT-D Demand Rate;

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

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

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

4.2 Aggregate of Customer’s Surcharges

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

4.3 Aggregate of Customer’s Over-Run Gas Charges

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

$$\text{MOC} = V \times Z$$

Where:

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

“V” = total volume of gas allocated to Customer by Company as Over-run Gas in accordance with paragraph 4.6 for Service under all Rate Schedules at such Export Delivery Point for the month preceding such Billing Month;

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

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

4.5 Aggregate Charge For Service

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

4.6 Allocation of Gas Delivered

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

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

5.0 TERM OF SERVICE

5.1 Term of a Schedule of Service

The term for any Schedule of Service for Service under Rate Schedule FT-DW shall be 3 consecutive Winter Seasons.

5.2 Renewal of Service

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

5.3 Term of Service Agreement

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

6.0 CAPACITY RELEASE

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

7.0 TRANSFER OF SERVICE

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

8.0 TERM SWAPS

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

9.0 TITLE TRANSFERS

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

10.0 APPLICATION FOR SERVICE

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

11.0 GENERAL TERMS AND CONDITIONS

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

SERVICE AGREEMENT
RATE SCHEDULE FT-DW

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 in this Service Agreement, the parties covenant and agree as follows:

1. Customer acknowledges receipt of a current copy of the Tariff.
2. The capitalized terms used in this Service Agreement have the meanings attributed to them in the General Terms and Conditions of the Tariff, unless otherwise defined in this Service Agreement.
3. Customer requests and Company agrees to provide Service pursuant to Rate Schedule FT-DW in accordance with the attached Schedules of Service. The Service will commence on the Billing Commencement Date and will terminate, subject to the provisions of this Service Agreement, on the Service Termination Date.
4. Customer agrees to pay to Company each Billing Month, for all Service rendered under this Service Agreement, an amount equal to the aggregate charges for Service described in Rate Schedule FT-DW.

5. Customer shall:

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

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

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

7. Every notice, request, demand, statement, bid or bill (for the purpose of this paragraph, collectively referred to as “Notice”) provided for in Rate Schedule FT-DW, 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.

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

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

•
Per: _____

NOVA Gas Transmission Ltd.
Per : _____

Per: _____

Per : _____

SCHEDULE OF SERVICE
RATE SCHEDULE FT-DW
CUSTOMER: •

Schedule of Service Number	Export Delivery Point Number and Name	Maximum FT-DW Capacity 10 ³ m ³ /d	Minimum FT-DW Capacity 10 ³ m ³ /d	FT-DW Bid Price Percentage of FT-D Demand Rate	Service Commencement Date	Service Termination Date	Allocated FT-DW Capacity 10 ³ m ³ /d	Additional Conditions
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THIS SCHEDULE FORMS PART OF THE SERVICE AGREEMENT DATED • AND SHALL BE DEEMED TO BE ATTACHED THERETO.

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 Per: _____

NOVA Gas Transmission Ltd.
 Per : _____

Per: _____

Per : _____

RATE SCHEDULE STFT
SHORT TERM FIRM TRANSPORTATION - DELIVERY

1.0 DEFINITIONS

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

2.0 SERVICE DESCRIPTION AND AVAILABILITY

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

2.2 The Service is available to any Customer requiring the delivery of gas at designated Export Delivery Points provided that:

- (a) Customer has executed a Service Agreement and Schedule of Service under Rate Schedule STFT; and
- (b) Company has accepted Customer's bid pursuant to article 5.0 of Appendix "A" of the Tariff.

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

3.0 STFT BID PRICE

3.1 Each Customer bid shall set out the bid price expressed as a percentage, which shall not be less than 100% (the “STFT Bid Price”) of the applicable FT-D Demand Rate listed from time to time in the Table of Rates Tolls and Charges. .

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

The aggregate of Customer’s monthly demand charge for a Billing Month for Service made available under Rate Schedule STFT shall be equal to the sum of the monthly demand charges for each of Customer’s Schedules of Service under Rate Schedule STFT, determined as follows:

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

Where:

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

“P” = the STFT Bid Price applicable to such Schedule of Service

“F” = the FT-D Demand Rate;

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

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

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

4.2 Aggregate of Customer's Surcharges

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

4.3 Aggregate of Customer's Over-Run Gas Charges

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

$$\text{MOC} = V \times Z$$

Where:

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

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

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

4.4 Aggregate Charge for Service

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

4.5 Allocation of Gas Delivered

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

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

5.0 TERM OF SERVICE AGREEMENT

5.1 The term for any Schedule of Service under Rate Schedule STFT shall be for a minimum of 7 days and a maximum of 1 year less 1 day and shall end on the last day of a month.

5.2 Customers Service Agreement shall terminate on the latest Service Termination Date of Customer's Schedules of Service under Rate Schedule STFT.

6.0 ASSIGNMENTS

6.1 The Customer shall not be entitled to assign any Schedule of Service under Rate Schedule STFT.

7.0 TITLE TRANSFERS

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

8.0 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 STFT are applicable to Rate Schedule STFT to the extent that such terms and conditions and provisions are not inconsistent with this Rate Schedule.

SERVICE AGREEMENT
RATE SCHEDULE STFT

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 STFT in accordance with the attached Schedules of Service. The Service will commence on the Billing Commencement Date and will terminate, subject to the provisions of this Service Agreement, on the Service Termination Date.

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

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 STFT including, without limiting the generality of the foregoing, an assurance that necessary arrangements have been made among Customer, producers of gas for Customer, purchasers of gas from Customer and any other Person relating to such Service, including all gas purchase, gas sale, operating, processing and common stream arrangements; and

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

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

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

received or the aggregate gas volume actually delivered at the Facilities is different than forecast.

7. Every notice, request, demand, statement, bid or bill (for the purpose of this paragraph, collectively referred to as “Notice”) provided for in Rate Schedule STFT, 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.

- 8. The terms and conditions of Rate Schedule STFT, the General Terms and Conditions and Schedule of Service under Rate Schedule STFT 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: _____
Per: _____

NOVA Gas Transmission Ltd.
Per : _____
Per : _____

**SCHEDULE OF SERVICE
RATE SCHEDULE STFT**

CUSTOMER: •
•
•
•

ATTENTION: •
PHONE: •

FAX: •

Schedule of Service Number	Export Delivery Point Number and Name	Maximum STFT Capacity 10 ³ m ³ /d	Minimum STFT Capacity 10 ³ m ³ /d	STFT Bid Price Percentage of FT-D Demand Rate	Service Commencement Date	Service Termination Date	Allocated STFT Capacity 10 ³ m ³ /d
• • •		•	•	•	•	•	•

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

•
Per: _____

NOVA Gas Transmission Ltd.
Per : _____

Per: _____

Per : _____

- (ii) secondly to service to LRS-2 Customer under Rate Schedule FT-R to a maximum of such Customer's Receipt Contract Demand for such Coleman Receipt Point under such Rate Schedule FT-R;
- (iii) thirdly to service to LRS-2 Customer under Rate Schedule FT-RN to a maximum of such Customer's Receipt Contract Demand for such Coleman Receipt Point under Rate Schedule FT-RN; and
- (iv) fourthly to service to LRS-2 Customer under Rate Schedule IT-R for such Coleman Receipt Point. If LRS-2 Customer is not entitled to service under Rate Schedule IT-R at such Coleman Receipt Point, LRS-2 Customer shall be deemed to have been entitled to such service for the purposes of this subparagraph 4.4.1 (iii) and shall pay to Company an amount determined under article 4.0 of Rate Schedule IT-R for the volumes allocated under this subparagraph 4.4.1 (iii).

4.4.2 Allocation of Gas Delivered

Notwithstanding any other provision of Rate Schedule LRS-2, any Service Agreement or the General Terms and Conditions of the Tariff, and without regard to how gas may have been nominated, the aggregate daily volume of gas delivered to LRS-2 Customer at the A/BC Export Delivery Point shall be allocated for billing purposes as follows:

- (i) first to Service to LRS-2 Customer under Rate Schedule LRS-2 to a maximum of Eligible LRS-2 Volumes for the A/BC Export Delivery Point under such Rate Schedule LRS-2;
- (ii) secondly to service to LRS-2 Customer under Rate Schedule FT-D to a maximum of such Customer's Export Delivery Contract demand for such

A/BC Export Delivery Point under such Rate Schedule FT-D;

- (iii) thirdly to service to LRS-2 Customer under Rate Schedule FT-DW and Rate Schedule STFT to a maximum of such Customer's allocated FT-DW Capacity and STFT Capacity for such A/BC Export Delivery Point under each such Rate Schedule FT-DW and Rate Schedule STFT; and
- (iv) fourthly to service to LRS-2 Customer under Rate Schedule IT-D for such A/BC Export Delivery Point. If LRS-2 Customer is not entitled to service under Rate Schedule IT-D at such A/BC Export Delivery Point, LRS-2 Customer shall be deemed to have been entitled to such service for the purposes of this subparagraph 4.4.2 (iv) and shall pay to Company an amount determined under article 4.0 of Rate Schedule IT-D for the volumes allocated under this subparagraph (iv).

5.0 TERM OF SERVICE AGREEMENT

- 5.1** The term of the Service Agreement under Rate Schedule LRS-2 shall commence on the effective date of the Board's Order approving Service under Rate Schedule LRS-2 and shall expire on October 31, 2013, provided however nothing herein shall relieve LRS-2 Customer or Company from any obligation which arose or accrued on or prior to October 31, 2013; and further provided that the LRS-2 Adjustments for the last two Billing Months of the Service Agreement under Rate Schedule LRS-2 shall be paid by the Company to LRS-2 Customer on or before December 31, 2013.

6.0 TRANSFER OF LRS-2 SERVICE

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

1.0 DEFINITIONS

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

2.0 SERVICE DESCRIPTION AND AVAILABILITY

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

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

4.2 Aggregate of Customer's Surcharges

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

4.3 Aggregate Charge For Service

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

4.4 Allocation of Gas Delivered

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

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

GENERAL TERMS AND CONDITIONS

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GENERAL TERMS AND CONDITIONS**1.0 DEFINITIONS**

In this Tariff:

- 1.1** “Act” shall mean the *Gas Utilities Act*, R.S.A. 1980, c. G-4, as amended.
- 1.2** “Alberta Delivery Point” shall mean the point in Alberta where gas that is not to be removed from Alberta is delivered to Customer by Company under a Schedule of Service.
- 1.3** “Annual Plan” shall mean a document submitted annually to the Board by Company outlining the Company’s planned Facility additions and major modifications.
- 1.4** “Banking Day” shall mean any day that the Royal Bank of Canada, Main Branch, Calgary, Canada, or other financial institutions agreed to by Company, conducts business.
- 1.5** “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.
- 1.6** “Billing Month” shall mean that month which immediately precedes the month in which Company is required to send a bill for Service.
- 1.7** “Board” shall mean the Alberta Energy and Utilities Board.
- 1.8** “Central Clock Time” or “CCT” shall mean the clock time in the Central Zone.
- 1.9** “Closing Date” shall mean the date an open season ends as posted by Company.

1.10 “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.

1.11 “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.

1.12 “Common Stream Operator” or “CSO” 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.

1.13 “Company” shall mean NOVA Gas Transmission Ltd. and any successor to it.

- 1.14** “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.
- 1.15** “Connecting Pipeline Operator” or “CPO” shall mean the person who, with respect to a Delivery Point, places Nominations with Company on behalf of Customers.
- 1.16** “Criteria for Determining Primary Term” shall mean the procedure for determining the Primary Term, as set out in Appendix “E” of the Tariff.
- 1.17** “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.
- 1.18** “Customer” shall mean any Person named as a Customer in a Service Agreement or Schedule of Service.
- 1.19** “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.
- 1.20** “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;

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- “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.

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- 1.21** “Daily Open Season” shall have the meaning attributed to it in subparagraph 2.6.1 of Appendix “A” of the Tariff.
- 1.22** “Daily Open Season Bid Form” shall have the meaning attributed to it in subparagraph 2.6.2(a) of Appendix “A” of the Tariff.
- 1.23** “Day” shall mean a period of twenty-four (24) consecutive hours, beginning and ending at eight hours (08:00) Mountain Standard Time.
- 1.24** “Delivery Demand Charge” shall have the meaning attributed to it in subparagraph 4.2.2 (ii) of Rate Schedule LRS.
- 1.25** “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.
- 1.26** “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.
- 1.27** “Eligible LRS Contract Demand” shall have the meaning attributed to it in subparagraph 4.2.1 of Rate Schedule LRS.
- 1.28** “Eligible LRS-3 Contract Demand” shall have the meaning attributed to it in subparagraph 4.2.1 of Rate Schedule LRS-3.
- 1.29** “Eligible LRS-2 Volume” shall have the meaning attributed to it in subparagraph 4.3.2 of Rate Schedule LRS-2.
- 1.30** “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.

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

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

1.33 “Existing Capacity” shall have the meaning attributed to it in paragraph 2.1 of Appendix “A” of the Tariff.

1.34 Existing Capacity Open Season” shall have the meaning attributed to it in paragraph 2.1 of Appendix “A” of the Tariff.

1.35 “Expansion Capacity” shall have the meaning attributed to it in paragraph 3.1 of Appendix “A” of the Tariff.

1.36 “Expansion Capacity Open Season” shall have the meaning attributed to it in paragraph 3.1 of Appendix “A” of the Tariff.

1.37 “Expansion Closing Date” shall have the meaning attributed to it in subparagraph 3.1(c) of Appendix “A” of the Tariff.

1.38 “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.

1.39 “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

1.40 “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.

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

1.42 “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.

1.43 “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.

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

1.45 “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.

- 1.46** "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.
- 1.47** "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.
- 1.48** "FT-DW Bid Price" shall have the meaning attributed to it in article 3.0 of Rate Schedule FT-DW.
- 1.49** "FT-DW Capacity" shall have the meaning attributed to it in paragraph 4.1 of Appendix "A" of the Tariff.
- 1.50** "FT-DW Open Season" shall have the meaning attributed to it in paragraph 4.1 of Appendix "A" of the Tariff.
- 1.51** "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.
- 1.52** "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.
- 1.53** "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.

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- 1.54** “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.
- 1.55** “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.
- 1.56** “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.
- 1.57** “Gas Lost” shall mean that volume of gas determined by Company to be the aggregate of:
- (i) the total volume of gas lost as a result of a Facilities rupture or leak; and
 - (ii) any Customer’s Inventory that Company reasonably determines to be unrecoverable.
- 1.58** “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.
- 1.59** “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.
- 1.60** “GJ” shall mean gigajoule, or one billion joules.
- 1.61** “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.

- 1.62** “Interconnecting Pipeline Open Season” shall have the meaning attributed to it in subparagraph 2.3.1 of Appendix “A” of the Tariff.
- 1.63** “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.
- 1.64** “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.
- 1.65** “kPa” or “kiloPascals ” shall mean kiloPascals of pressure (gauge) unless otherwise specified.
- 1.66** “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.
- 1.67** “LRS Billing Adjustment” shall have the meaning attributed to it in subparagraph 4.2.4 of Rate Schedule LRS.
- 1.68** “LRS Charge” shall have the meaning attributed to it in subparagraph 4.2.3 of Rate Schedule LRS.
- 1.69** “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.
- 1.70** “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.

- 1.71** “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.
- 1.72** “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.
- 1.73** “Maximum Carbon Dioxide Volume” shall mean the maximum total excess CO₂ Volume 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.
- 1.74** “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.
- 1.75** “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.
- 1.76** “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;

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- “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.
- 1.77** “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.
- 1.78** “Nomination” shall mean, with respect to a Receipt Point or a Delivery Point, a request for Flow made on behalf of a Customer.
- 1.79** “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.
- 1.80** “Open Season Bid Form” shall have the meaning attributed to it in subparagraph 2.2(a) of Appendix “A” of the Tariff.
- 1.81** “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.
- 1.82** “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.
- 1.83** “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.

1.84 “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.

1.85 “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.

1.86 “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.

1.87 “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.

1.88 “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.

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- 1.89** “PT Gas Rate” shall mean the PT Gas Rate in the Table of Rates, Tolls and Charges which has been fixed by Company or the Board for Service under Rate Schedule PT, based on the incremental gas requirements associated with the Facilities required to provide such Service.
- 1.90** “PT Rate” shall mean the PT Rate in the Table of Rates, Tolls and Charges which has been fixed by Company or the Board for Service under Rate Schedule PT, based on the incremental operating costs associated with providing such Service plus ten percent.
- 1.91** “Rate Schedule” shall mean any of the schedules identified as a “Rate Schedule” included in the Tariff.
- 1.92** “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.
- 1.93** “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.
- 1.94** “Receipt Demand Charge” shall have the meaning attributed to it in subparagraph 4.2.2 (i) of Rate Schedule LRS.
- 1.95** “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.
- 1.96** “STFT Bid Price” shall have the meaning attributed to it in article 3.0 of Rate Schedule STFT.
- 1.97** “STFT Capacity” shall have the meaning attributed to it in paragraph 5.1 of Appendix “A” of the Tariff.

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- 1.98** “STFT Capacity Open Season” shall have the meaning attributed to it in paragraph 5.1 of Appendix “A” of the Tariff.
- 1.99** “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.
- 1.100** “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.
- 1.101** “Service” shall have the meaning attributed to it in article 2.0 of the applicable Rate Schedule.
- 1.102** “Service Agreement” shall mean an agreement between Company and Customer respecting Service to be provided under any Rate Schedule.
- 1.103** “Service Commencement Date” shall mean the service commencement date requested by Customer on Customer bid.
- 1.104** “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.
- 1.105** “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.
- 1.106** “Storage Facility” shall mean any commercial facility where gas is stored, that is connected to the Facilities and is available to all Customers.
- 1.107** “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.

- 1.108** “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.
- 1.109** “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.
- 1.110** “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.
- 1.111** “Tier” shall mean the Tier 1, Tier 2 or Tier 3 CO₂ Rate as set forth in the Table of Rates, Tolls and Charges.
- 1.112** “Thousand Cubic Metres” or “10³m³” shall mean one thousand (1000) Cubic Metres of Gas.
- 1.113** “Winter Season” shall mean the period commencing on November 1 of any year and ending on the next succeeding March 31.

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

**TERMS AND CONDITIONS RESPECTING
ACCESS TO TRANSPORTATION SERVICE AT EXPORT DELIVERY
POINTS**

**TERMS AND CONDITIONS RESPECTING
ACCESS TO TRANSPORTATION SERVICE AT EXPORT DELIVERY POINTS**

1.0 DEFINITIONS

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

2.0 PROCEDURES FOR ACCESS TO FT-D EXISTING CAPACITY

2.1 Posting of Existing Capacity

If Company determines that capacity is available or may become available for Service under Rate Schedule FT-D that does not require new Facilities (“Existing Capacity”), Company shall provide notice on its website of the open season for such Existing Capacity (the “Existing Capacity Open Season”). At least 3 Banking Days (excluding statutory holidays in the United States) after such notice, Company shall post on its website:

- (a) the quantity of Existing Capacity available at the Export Delivery Point;
- (b) the date such Existing Capacity will be available; and
- (c) the Closing Date for such Existing Capacity Open Season.

2.2 Existing Capacity Bid Process

If Company posts Existing Capacity pursuant to paragraph 2.1, prospective customers may bid for such Existing Capacity, on any Banking Day up to and including the Closing Date, as follows:

- (a) Prospective customers shall submit a completed and unedited bid form, in the form set out in article 6.0 (the “Open Season Bid Form”);

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- (b) The requested term of Service, as established by the requested Service Commencement Date and requested Service Termination Date, each set out on the Open Season Bid Form, shall be a minimum term of one year;
 - (c) All bids shall be irrevocable and must be received by Company by 16:00 hours CCT on the Closing Date;
 - (d) Within 2 Banking Days of the Closing Date, prospective customers shall provide to Company for each Open Season Bid Form, a deposit equal to the lesser of:
 - (i) one month demand charges for the Export Delivery Contract Demand set out on the Open Season Bid Form; or
 - (ii) \$10,000.

The deposit shall be refunded to unsuccessful bidders within 5 Banking Days from the date the Service Agreements and Schedules of Service under Rate Schedule FT-D are executed for all Existing Capacity posted in the Existing Capacity Open Season.

If Company awards Existing Capacity to a prospective customer and such customer executes the Service Agreement and Schedule of Service under Rate Schedule FT-D for such Existing Capacity, the deposit will be credited to the bill for the first month of Service or returned to the Customer if requested;

- (e) A prospective customer and/or its affiliate, either together or individually, shall not submit an Open Season Bid Form for a quantity greater than the Existing Capacity being offered or submit multiple bids where the aggregate Export Delivery Contract Demand of the multiple bids exceeds the Existing Capacity being offered; and
- (f) Company shall not be obligated to accept any bid if:

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- (i) the Service Commencement Date is within 5 Banking Days of the Closing Date;
 - (ii) the Service Commencement Date is more than 12 months from the Closing Date; and
 - (iii) the prospective customer has not met the criteria set forth in article 2.0.

2.3 Conditional Bids

2.3.1 If a prospective customer's bid is subject to the condition set out in paragraph 8 of the Open Season Bid Form that such prospective customer has been awarded capacity through a direct interconnecting pipeline open season process (the "Interconnecting Pipeline Open Season"), Customer shall within 2 Banking Days from the Existing Capacity Open Season Closing Date provide written notice to Company that either the condition has been satisfied or waived. If such prospective customer fails to provide Company with such notice, the condition shall be deemed satisfied and Company may award Existing Capacity to such prospective customer pursuant to paragraph 2.4.

2.3.2 If the capacity awarded to a prospective customer through an Interconnecting Pipeline Open Season is less than the requested Export Delivery Contract Demand set out in the Open Season Bid Form, prospective customer may reduce the Export Delivery Contract Demand to a quantity not less than the capacity awarded through such Interconnecting Pipeline Open Season.

2.4 Awarding of Existing Capacity

Subject to paragraphs 2.3 and 2.5, Existing Capacity shall be awarded to the prospective customers whose bids are accepted by Company as follows:

- (a) Company shall rank the bids in descending priority based on the following criteria:

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- (i) first, on the basis of the per unit product of the current FT-D Demand Rate multiplied by the requested term (where the bid with the highest per unit product shall have the higher priority); and
 - (ii) second, by the Service Commencement Date (where the bid with the earlier Service Commencement Date shall have the higher priority).
 - (b) Subject to subparagraph 2.4(d), Company shall award Existing Capacity to the bids in sequential order, based on the priority established pursuant to subparagraph 2.4(a), until all the bids have been processed or until all Existing Capacity has been awarded;
 - (c) Subject to subparagraph 2.4(d), if two or more bids have the same priority and the Existing Capacity is not sufficient to provide the total Export Delivery Contract Demand, then the Existing Capacity shall be awarded to such bids on a pro rata basis based on the Export Delivery Contract Demand of each bid;
 - (d) If the Existing Capacity to be awarded to a bid as determined by Company in either subparagraph 2.4(b) or subparagraph 2.4(c) is less than the minimum Export Delivery Contract Demand as set out in such Open Season Bid Form, that bid shall be deemed to be rejected by Company and no Existing Capacity shall be awarded to such bid. The remaining Existing Capacity shall continue to be awarded sequentially to the remaining bids based on the priority established pursuant to subparagraph 2.4(a), until all the bids have been processed or until all Existing Capacity has been awarded; and
 - (e) Company shall be deemed to have accepted the bids of prospective customers when Company awards Existing Capacity to such prospective customers. Company shall notify such prospective customers who have been awarded Existing Capacity within 3 Banking Days from the Closing Date.

2.5 Requirements for Existing Capacity

Where Company awards Existing Capacity to a prospective customer pursuant to paragraph 2.4, such prospective customer shall, at the request of Company:

- (a) execute, within the time period specified by Company, a Service Agreement and Schedule of Service under Rate Schedule FT-D for such Existing Capacity;
- (b) provide sufficient financial information to demonstrate its creditworthiness; and
- (c) provide a Financial Assurance to Company pursuant to paragraph 10.1 of the General Terms and Conditions.

2.6 Daily Open Season

2.6.1 Posting of Existing Capacity for Daily Open Season

If on any Banking Day (excluding statutory holidays in the United States), Company determines there is Existing Capacity available that has not been awarded by Company pursuant to paragraph 2.4, Company shall post on its website (the “Daily Open Season”) the following:

- (a) the quantity of Existing Capacity available at the Export Delivery Point;
and
- (b) the date such Existing Capacity will be available.

If all or a portion of such Existing Capacity has not been awarded pursuant to subparagraph 2.6.3, such Existing Capacity shall be deemed to be re-posted by Company on each subsequent Banking Day (excluding statutory holidays in the United States) until such Existing Capacity is awarded pursuant to subparagraph 2.6.3 or until Company holds an Existing Capacity Open Season pursuant to paragraph 2.1 or an Expansion Capacity Open Season pursuant to paragraph 3.1.

If, at any time, Company determines that it will hold an Existing Capacity Open Season pursuant to paragraph 2.1 or an Expansion Capacity Open Season pursuant to paragraph 3.1, Company may reduce all or a portion of the Existing Capacity available for the Daily Open Season. Company shall provide notice on its website, at least 3 Banking Days in advance, of any such reduction. If all Existing Capacity has not been awarded pursuant to 2.6.3, Company may offer any remaining Existing Capacity as Expansion Capacity pursuant to paragraph 3.1.

2.6.2 Daily Open Season Bid Process

If Company posts Existing Capacity pursuant to subparagraph 2.6.1, prospective customers may bid for such Existing Capacity on the day that the Existing Capacity is posted or deemed to be re-posted as follows:

- (a) Prospective customers shall submit a completed and unedited bid form, in the form set out in article 7.0 (the “Daily Open Season Bid Form”);
- (b) The requested term of Service, as established by the Service Commencement Date and requested Service Termination Date, each set out on the Daily Open Season Bid Form, shall be a minimum term of one year;
- (c) All bids shall be irrevocable and must be received by Company by 16:00 hours CCT on the day the Existing Capacity is posted or deemed re-posted;
- (d) No deposit is required to accompany the prospective customer’s bid;
- (e) A prospective customer and/or its affiliate, either together or individually, shall not submit a Daily Open Season Bid Form for a quantity greater than the Existing Capacity being offered or submit multiple bids where the

aggregate Export Delivery Contract Demand of the multiple bids exceeds the Existing Capacity being offered; and

- (f) Company shall not be obligated to accept any bid if:
 - (i) the Service Commencement Date is within 5 Banking Days of the date such Existing Capacity is posted or deemed re-posted;
 - (ii) the Service Commencement Date of such bid is more than 12 months from the date such Existing Capacity is posted or deemed re-posted; and
 - (iii) the prospective customer has not met the criteria set forth in paragraph 2.6.

2.6.3 Awarding of Existing Capacity for Daily Open Season

Subject to subparagraph 2.6.4, Existing Capacity shall be awarded each day to the prospective customers whose bids are accepted by Company as follows:

- (a) Company shall rank the bids in descending priority based on the following criteria:
 - (i) first, on the basis of the per unit product of the current FT-D Demand Rate multiplied by the requested term (where the bid with the highest per unit product shall have the higher priority); and
 - (ii) second, by the Service Commencement Date (where the bid with the earlier Service Commencement Date shall have the higher priority).
- (b) Subject to subparagraph 2.6.3(d), Company shall award Existing Capacity to the bids in sequential order, based on the priority established pursuant

to subparagraph 2.6.3(a), until all the bids have been processed or until all Existing Capacity has been awarded;

- (c) Subject to subparagraph 2.6.3(d), if two or more bids have the same priority and the Existing Capacity is not sufficient to provide the total Export Delivery Contract Demand, then the Existing Capacity shall be awarded to such bids on a pro rata basis based on the Export Delivery Contract Demand of each bid;
- (d) If the Existing Capacity to be awarded to a bid as determined by Company in either subparagraph 2.6.3(b) or paragraph 2.6.3(c) is less than the minimum Export Delivery Contract Demand as set out in such Daily Open Season Bid Form, that bid shall be deemed to be rejected by Company and no Existing Capacity shall be awarded to such bid. The remaining Existing Capacity shall continue to be awarded sequentially to the remaining bids based on the priority established pursuant to subparagraph 2.6.3(a), until all the bids have been processed or until all Existing Capacity has been awarded; and
- (e) Company shall be deemed to have accepted the bids of prospective customers when Company awards Existing Capacity to such prospective customers. Company shall notify such prospective customers who have been awarded Existing Capacity within 2 Banking Days from the date such Existing Capacity is posted or deemed re-posted.

2.6.4 Requirements for Existing Capacity

Where Company awards Existing Capacity to a prospective customer pursuant to subparagraph 2.6.3, such prospective shipper shall, at the request of Company:

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- (a) execute, within the time period specified by Company, a Service Agreement and Schedule of Service under Rate Schedule FT-D, for such Existing Capacity;
 - (b) provide sufficient financial information to demonstrate its creditworthiness; and
 - (c) provide a Financial Assurance to Company pursuant to paragraph 10.1 of the General Terms and Conditions.

3.0 PROCEDURES FOR ACCESS TO FT-D EXPANSION CAPACITY

3.1 Posting of Expansion Capacity

If Company determines that demand for Service under Rate Schedule FT-D may be sufficient to consider expansion of existing Facilities (“Expansion Capacity”), Company shall provide notice on its website of the open season for such Expansion Capacity (the “Expansion Capacity Open Season”). At least 3 Banking Days after such notice (excluding statutory holidays in the United States), Company shall post on its website:

- (a) the date such Expansion Capacity may be available; and
- (b) the closing date for such Expansion Capacity Open Season (the “Expansion Closing Date”).

3.2 Expansion Capacity Bid Process

If Company posts Expansion Capacity pursuant to Paragraph 3.1, prospective customers may bid for such Expansion Capacity, on any Banking Day up to and including the Expansion Closing Date, as follows:

- (a) Prospective customers shall submit a completed and unedited Open Season Bid Form set out in article 6.0;

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- (b) The requested term of Service, as established by the Service Commencement Date and the requested Service Termination Date, each set out in the Open Season Bid Form, shall be a minimum term of 10 years;
 - (c) All bids shall be irrevocable and must be received by Company by 16:00 hours CCT on the Expansion Closing Date;
 - (d) Within 2 Banking Days of the Expansion Closing Date, prospective customers shall provide to Company for each Open Season Bid Form, a deposit equal to the lesser of:
 - (i) one month demand charges for the Export Delivery Contract Demand set out on the Open Season Bid Form; or
 - (ii) \$10,000.

The deposit shall be refunded to unsuccessful bidders within 5 Banking Days from the date the Service Agreements and Schedules of Service under Rate Schedule FT-D are executed for all Expansion Capacity posted in the Expansion Capacity Open Season.

If Company awards Expansion Capacity to a prospective customer and such customer executes the Service Agreement and Schedule of Service under Rate Schedule FT-D for such Expansion Capacity, the deposit will be credited to the bill for the first month of Service or returned to the Customer if requested;

- (e) Company shall not be obligated to accept any bid if:
 - (i) the Service Commencement Date is different from the date such Expansion Capacity may be available, as set out by Company in subparagraph 3.1(a); and
 - (ii) the prospective customer has not met the criteria set forth in article 3.0.

3.3 Conditional Bids

3.3.1 If a prospective customer's bid is subject to the condition set out in paragraph 8 of the Open Season Bid Form that such prospective customer has been awarded capacity through an Interconnecting Pipeline Open Season, Customer shall within 5 Banking Days from the Expansion Closing Date provide written notice to Company that either the condition has been satisfied or waived. If such prospective customer fails to provide Company with such notice, the condition shall be deemed satisfied and Company may award Expansion Capacity to such prospective customer pursuant to paragraph 3.4.

3.3.2 If the capacity awarded to a prospective customer through an Interconnecting Pipeline Open Season is less than the requested Export Delivery Contract Demand set out in the Open Season Bid Form, prospective customer may reduce the Export Delivery Contract Demand to a quantity not less than the capacity awarded through such Interconnecting Pipeline Open Season.

3.4 Awarding of Expansion Capacity

Subject to paragraphs 3.3 and 3.5, Expansion Capacity shall be awarded to the prospective customers whose bids are accepted by Company as follows:

- (a) Company shall rank the bids in descending priority on the basis of the per unit product of the current FT-D Demand Rate multiplied by the requested term (where the bid with the highest per unit product shall have the higher priority);
- (b) Subject to subparagraph 3.4(d), Company shall award Expansion Capacity to the bids in sequential order, based on the priority established pursuant to subparagraph 3.4(a), until all the bids have been processed or until all Expansion Capacity has been awarded;
- (c) Subject to subparagraph 3.4(d), if two or more bids have the same priority and the Expansion Capacity is not sufficient to provide the total Export Delivery Contract

Demand, then the Expansion Capacity shall be awarded to such bids on a pro rata basis based on the Export Delivery Contract Demand of each bid;

- (d) If the Expansion Capacity to be awarded to a bid as determined by Company in either subparagraph 3.4(b) or subparagraph 3.4(c) is less than the minimum Export Delivery Contract Demand as set out in such Open Season Bid Form, that bid shall be deemed to be rejected by Company and no Expansion Capacity shall be awarded to such bid. The remaining Expansion Capacity shall continue to be awarded sequentially to the remaining bids based on the priority established pursuant to subparagraph 3.4(a), until all the bids have been processed or until all Expansion Capacity has been awarded; and
- (e) Company shall be deemed to have accepted the bids of prospective customers when Company awards Expansion Capacity to such prospective customers. Company shall notify such prospective customers who have been awarded Expansion Capacity within 10 Banking Days from the Expansion Closing Date.

3.5 Requirements for Expansion Capacity

Where Company awards Expansion Capacity to a prospective customer pursuant to paragraph 3.4, such prospective shipper shall, at the request of Company:

- (a) execute, within the time period specified by Company, a Service Agreement and Schedule of Service under Rate Schedule FT-D, for such Expansion Capacity;
- (b) provide sufficient financial information to demonstrate its creditworthiness; and
- (c) provide a Financial Assurance to Company pursuant to paragraph 10.1 of the General Terms and Conditions.

4.0 PROCEDURES FOR ACCESS TO FT-DW CAPACITY

4.1 Posting of FT-DW Capacity

If Company determines that capacity is available or may become available for Service under Rate Schedule FT-DW that does not require new Facilities (“FT-DW Capacity”), Company shall provide notice on its website of the open season for such FT-DW Capacity (the “FT-DW Capacity Open Season”). At least 3 Banking Days (excluding statutory holidays in the United States) after such notice, Company shall post on its website:

- (a) the quantity of FT-DW Capacity available at the Export Delivery Point;
- (b) the date such FT-DW Capacity will be available; and
- (c) the Closing Date for such FT-DW Capacity Open Season.

4.2 FT-DW Capacity Bid Process

If Company posts FT-DW Capacity pursuant to paragraph 4.1, prospective customers may bid for such FT-DW Capacity, on any Banking Day up to and including the Closing Date, as follows:

- (a) Prospective customers shall submit a bid for such FT-DW Capacity in the form of a completed and unedited FT-DW Service Agreement and Schedule of Service attached as Exhibit “A” to the FT-DW Service Agreement;
- (b) The term of Service shall be the term as set out in Rate Schedule FT-DW;
- (c) All bids shall be irrevocable and must be received by Company by 11:00 hours CCT on the Closing Date;
- (d) No deposit is required to accompany the prospective customer’s bid;

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- (e) A prospective customer and/or its affiliate, either together or individually, shall not submit a Schedule of Service for a quantity greater than the FT-DW Capacity being offered or submit multiple bids where the aggregate maximum FT-DW Capacity of the multiple bids exceeds the FT-DW Capacity being offered; and
 - (f) Company shall not be obligated to accept any bid if:
 - (i) the Service Commencement Date does not match the date such FT-DW Capacity is available as set out in the FT-DW Capacity Open Season notice; and
 - (ii) the prospective customer has not met the criteria set forth in article 4.0.

4.3 Awarding of FT-DW Capacity

Subject to paragraph 4.4, FT-DW Capacity shall be awarded to the prospective customers whose bids are accepted by Company as follows:

- (a) Company shall rank the bids in descending priority on the basis of the FT-DW Bid Price (where the bid with the highest bid price shall have the higher priority);
- (b) Subject to subparagraph 4.3(d), Company shall award FT-DW Capacity to the bids in sequential order, based on the priority established pursuant to subparagraph 4.3(a), until all the bids have been processed or until all FT-DW Capacity has been awarded;
- (c) Subject to subparagraph 4.3(d), if two or more bids have the same priority and the FT-DW Capacity is not sufficient to provide the total maximum FT-DW Capacity, then the FT-DW Capacity shall be awarded to such bids on a pro rata basis based on the maximum FT-DW Capacity of each bid;
- (d) If the FT-DW Capacity to be awarded to a bid as determined by Company in either subparagraph 4.3(b) or subparagraph 4.3(c) is less than the minimum FT-

DW Capacity as set out in such Schedule of Service, that bid shall be deemed to be rejected by Company and no FT-DW Capacity shall be awarded to such bid. The remaining FT-DW Capacity shall continue to be awarded sequentially to the remaining bids based on the priority established pursuant to subparagraph 4.3(a), until all the bids have been processed or until all FT-DW Capacity has been awarded; and

- (e) Company shall be deemed to have accepted the bids of prospective customers when Company awards FT-DW Capacity to such prospective customers. Company shall notify such prospective customers who have been awarded FT-DW Capacity within 3 Banking Days from the Closing Date.

4.4 Requirements for FT-DW Capacity

Where Company awards FT-DW Capacity to a prospective customer pursuant to paragraph 4.3, such prospective customer shall, at the request of Company:

- (a) provide sufficient financial information to demonstrate its creditworthiness; and
- (b) provide a Financial Assurance to Company pursuant to paragraph 10.1 of the General Terms and Conditions.

5.0 PROCEDURES FOR ACCESS TO STFT CAPACITY

5.1 Posting of STFT Capacity

If Company determines that capacity is available or may become available for Service under Rate Schedule STFT that does not require new Facilities (“STFT Capacity”), Company shall provide notice on its website of the open season for such STFT Capacity (the “STFT Capacity Open Season”). At least 3 Banking Days (excluding statutory holidays in the United States) after such notice, Company shall post on its website:

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- (a) the quantity of STFT Capacity available at the Export Delivery Point;
 - (b) the date such STFT Capacity will be available;
 - (c) the Months such STFT Capacity is available; and
 - (d) the Closing Date for such STFT Capacity Open Season.

5.2 STFT Capacity Bid Process

If Company posts STFT Capacity pursuant to paragraph 5.1, prospective customers may bid for such STFT Capacity, on any Banking Day up to and including the Closing Date, as follows:

- (a) Prospective customers shall submit a bid for such available STFT Capacity in the form of a completed and unedited STFT Service Agreement and Schedule of Service attached as Exhibit “A” to the STFT Service Agreement;
- (b) The requested term of Service, as established by the requested Service Commencement Date and requested Service Termination Date, each set out on the Schedule of Service, shall be a minimum term of 7 days and a maximum term of one year less one day and shall end on the last day of a Month;
- (c) All bids shall be irrevocable and must be received by Company by 11:00 hours CCT on the Closing Date;
- (d) No deposit is required to accompany the prospective customer’s bid;
- (e) A prospective customer and/or its affiliate, either together or individually, shall not submit a Schedule of Service for a quantity greater than the STFT Capacity being offered or submit multiple bids where the aggregate maximum STFT Capacity of the multiple bids exceeds the STFT Capacity being offered; and

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- (f) Company shall not be obligated to accept any bid if the prospective customer has not met the criteria set forth in article 5.0.

5.3 Awarding of STFT Capacity

Subject to paragraph 5.4, STFT Capacity shall be awarded to the prospective customers whose bids are accepted by Company as follows:

- (a) Company shall rank the bids in descending priority based on the following criteria:
- (i) first, on the basis of the product of the STFT Bid Price multiplied by the requested term (where the bid with the highest per unit product shall have the higher priority); and
 - (ii) second, by the Service Commencement Date (where the bid with the earlier Service Commencement Date shall have the higher priority).
- (b) Subject to subparagraph 5.3(e), Company shall award STFT Capacity to the bids in sequential order, based on the priority established pursuant to subparagraph 5.3(a), until all the bids have been processed or until all STFT Capacity has been awarded;
- (c) Subject to subparagraph 5.3(e), if two or more bids have the same priority and the STFT Capacity is not sufficient to provide the total maximum STFT Capacity, then the STFT Capacity shall be awarded to such bids on a pro rata basis based on the maximum STFT Capacity of each bid;
- (d) No deposit is required to accompany the prospective customer's bid;
- (e) If the STFT Capacity to be awarded to a bid as determined by Company in either subparagraph 5.3(b) or subparagraph 5.3(c) is less than the minimum STFT Capacity as set out in such Schedule of Service, that bid shall be deemed to be

rejected by Company and no STFT Capacity shall be awarded to such bid. The remaining STFT Capacity shall continue to be awarded sequentially to the remaining bids based on the priority established pursuant to subparagraph 5.3(a), until all the bids have been processed or until all STFT Capacity has been awarded; and

- (f) Company shall be deemed to have accepted the bids of prospective customers when Company awards Capacity to such prospective customers. Company shall notify such prospective customers who have been awarded Capacity within 3 Banking Days from the Closing Date.

5.4 Requirements for STFT Capacity

Where Company awards STFT Capacity to a prospective customer pursuant to paragraph 5.3, such prospective customer shall, at the request of Company:

- (a) provide sufficient financial information to demonstrate its creditworthiness; and
- (b) provide a Financial Assurance to Company pursuant to paragraph 10.1 of the General Terms and Conditions.

5.5 STFT Daily Open Season

5.5.1 Posting of Capacity for STFT Daily Open Season

If on any Banking Day (excluding statutory holidays in the United States), Company determines there is STFT Capacity available that has not been awarded by Company pursuant to paragraph 5.3, Company shall post on its website (the “STFT Daily Open Season”) the following:

- (a) the quantity of STFT Capacity available at the Export Delivery Point;
- (b) the date such STFT Capacity will be available; and

- (c) the Months such STFT Capacity is available.

If all or a portion of such STFT Capacity has not been awarded pursuant to subparagraph 5.5.3, such STFT Capacity shall be deemed to be re-posted by Company on each subsequent Banking Day (excluding statutory holidays in the United States) until such STFT Capacity is awarded pursuant to subparagraph 5.5.3 or until Company holds an Existing Capacity Open Season pursuant to paragraph 2.1 or a STFT Capacity Open Season pursuant to paragraph 5.1.

If, at any time, Company determines that it will hold an Existing Capacity Open Season pursuant to paragraph 2.1 or a STFT Capacity Open Season pursuant to paragraph 5.1, Company may reduce all or a portion of the STFT Capacity available for the STFT Daily Open Season. Company shall provide notice on its website, at least 3 Banking Days in advance, of any such reduction.

5.5.2 STFT Daily Open Season Bid Process

If Company posts STFT Capacity pursuant to subparagraph 5.5.1, prospective customers may bid for such STFT Capacity on the day that the STFT Capacity is posted or deemed to be re-posted as follows:

- (a) Prospective customers shall submit a bid for such available STFT Capacity in the form of a completed and unedited STFT Service Agreement and Schedule of Service attached as Exhibit “A” to the STFT Service Agreement;
- (b) The requested term of Service, as established by the requested service commencement date (the “Service Commencement Date”) and requested Service Termination Date, each set out on the Schedule of Service, shall be a minimum term of one week and a maximum of one year less one day and shall end on the last day of a Month;

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- (c) All bids shall be irrevocable and must be received by Company by 11:00 hours CCT on the day the STFT Capacity is posted or deemed re-posted;
 - (d) No deposit is required to accompany the prospective customer's bid;
 - (e) A prospective customer and/or its affiliate, either together or individually, shall not submit a Schedule of Service for a quantity greater than the STFT Capacity being offered or submit multiple bids where the aggregate maximum STFT Capacity of the multiple bids exceeds the STFT Capacity being offered; and
 - (f) Company shall not be obligated to accept any bid if the prospective customer has not met the criteria set forth in paragraph 5.5.

5.5.3 Awarding of Capacity for STFT Daily Open Season

Subject to subparagraph 5.5.4, STFT Capacity shall be awarded each day to the prospective customers whose bids are accepted by Company as follows:

- (a) Company shall rank the bids in descending priority based on the following criteria:
 - (i) first, on the basis of the product of the STFT Bid Price multiplied by the requested term (where the bid with the highest per unit product shall have the higher priority); and
 - (ii) second, by the Service Commencement Date (where the bid with the earlier Service Commencement Date shall have the higher priority).
- (b) Subject to subparagraph 5.5.3(d), Company shall award STFT Capacity to the bids in sequential order, based on the priority established pursuant to

subparagraph 5.5.3(a), until all the bids have been processed or until all STFT Capacity has been awarded;

- (c) Subject to subparagraph 5.5.3(d), if two or more bids have the same priority and the STFT Capacity is not sufficient to provide the total maximum STFT Capacity, then the STFT Capacity shall be awarded to such bids on a pro rata basis based on the maximum STFT Capacity of each bid;
- (d) If the STFT Capacity to be awarded to a bid as determined by Company in either subparagraph 5.5.3(b) or paragraph 5.5.3(c) is less than the minimum STFT Capacity as set out in such Schedule of Service, that bid shall be deemed to be rejected by Company and no STFT Capacity shall be awarded to such bid. The remaining STFT Capacity shall continue to be awarded sequentially to the remaining bids based on the priority established pursuant to subparagraph 5.5.3(a), until all the bids have been processed or until all STFT Capacity has been awarded; and
- (e) Company shall be deemed to have accepted the bids of prospective customers when Company awards STFT Capacity to such prospective customers. Company shall notify such prospective customers who have been awarded STFT Capacity within 2 Banking Days from the date such Existing Capacity is posted or deemed re-posted.

5.5.4 Requirements for STFT Capacity

Where Company awards Existing Capacity to a prospective customer pursuant to subparagraph 5.5.3, such prospective shipper shall, at the request of Company:

- (a) provide sufficient financial information to demonstrate its creditworthiness; and

- (b) provide a Financial Assurance to Company pursuant to paragraph 10.1 of the General Terms and Conditions.

6.0 EXISTING CAPACITY / EXPANSION CAPACITY OPEN SEASON BID FORM

1. Customer: _____

2. Export Delivery Point: _____

3. Export Delivery Contract Demand: _____ 10³m³/d

4. Minimum Export Delivery Contract Demand: _____ 10³m³/d

5. Service Commencement Date: _____
(YYYY / MM / DD)

6. Service Termination Date: _____
(YYYY / MM / DD)

7. Deposit Amount: \$ _____ (CDN)

8. Is this bid subject to the following condition? yes / no

This bid is subject to the condition that customer has been awarded at least
_____ 10³m³/d through the _____
Interconnecting Pipeline Open Season held _____ to _____.

CUSTOMER: _____

(signature)

(name/title)

(signature)

(name/title)

7.0 DAILY OPEN SEASON BID FORM

- 1. Customer: _____
- 2. Export Delivery Point: _____
- 3. Export Delivery Contract Demand: _____ $10^3\text{m}^3/\text{d}$
- 4. Minimum Export Delivery Contract Demand: _____ $10^3\text{m}^3/\text{d}$
- 5. Service Commencement Date: _____
(YYYY / MM / DD)
- 6. Service Termination Date: _____
(YYYY / MM / DD)

CUSTOMER: _____
(signature)

(name/title)

(signature)

(name/title)

8.0 GENERAL TERMS AND CONDITIONS

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