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December 13, 2005

Alberta Energy and Utilities Board
640 – 5th Avenue S.W.
Calgary, Alberta
T2P 3G4

Filed Electronically

Attention: Mr. Wade Vienneau
Manager – Calgary Office, Utilities Branch

Dear Sir:

**Re: NOVA Gas Transmission Ltd. (NGTL)
Tolls, Tariff, Facilities and Procedures Committee (TTFP)
Resolution T2005-07 – Order of Allocation of Gas for Billing Purposes**

NGTL applies to the Alberta Energy and Utilities Board (Board) under Part 4 of the *Gas Utilities Act*, for approval of amendments to its Gas Transportation Tariff (Tariff) related to Firm Transportation – Delivery Service (FT-D), Firm Transportation – Delivery Winter Service (FT-DW), Firm Transportation – Short Term Firm Transportation Service (STFT), Load Retention Service 2 (LRS-2), and Interruptible Transportation – Delivery Service (IT-D) in order to modify the order of allocation for gas billing purposes. These changes are proposed to be effective February 1, 2006, subject to Board approval.

On October 28, 2005 the Board issued Order U2005-391, approving Tariff amendments related to STFT and FT-DW. One of these amendments was to change the order in which volumes are allocated to services for the purpose of billing, such that volumes are allocated to STFT and FT-DW after FT-D. This change was made so that contracting for STFT would not increase the amount of Alternate Access credits available to FT-D contract holders. However, this change also has the potential to impact customers negatively since it may cause them to incur higher Unutilized Demand Charges (UDCs) under STFT and FT-DW contracts and additional Interruptible Transportation (IT) charges.

Customers became aware of the potential to be impacted negatively by this change after Resolution T2005-04 was adopted. As a result of their concerns, this matter was discussed in meetings of both the Seasonal Service Attribute Review Task Force (SSRTF) and the TTFP. This resulted in the unopposed vote of Resolution T2005-07, whereby the TTFP has supported Tariff amendments such that volumes transported will be allocated in the following order: LRS-2, followed by STFT and FT-DW, FT-D, and finally IT-D.

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Mr. W. Vienneau

A copy of Resolution T2005-07 is attached to this letter. Attached to Resolution T2005-07 are a summary of the Tariff amendments, a black-lined copy of the relevant sections of the Tariff illustrating the amendments, and a clean copy of the relevant sections of the Tariff incorporating the amendments.

NGTL respectfully requests the Board render a decision on the proposed amendments by January 25, 2006 to enable the proposed amendments to be effective February 1, 2006.

NGTL is notifying its shippers and members of the TTFP of the availability of this filing on TransCanada's Alberta System website at:

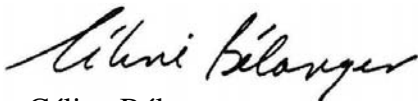
http://www.transcanada.com/Alberta/regulatory_info/active_rates_services_filings.html

Please direct all notices and communications regarding this matter to Alex Harris by e-mail at alex_harris@transcanada.com and alberta_system@transcanada.com, or by phone at 920-6201.

Yours truly,

NOVA Gas Transmission Ltd.

A wholly owned subsidiary of TransCanada PipeLines Limited



Céline Bélanger

Vice President, Regulatory Services

Attachments

cc: Tolls, Tariff, Facilities and Procedures Committee
Alberta System Shippers

Tolls, Tariff, Facilities & Procedures Committee

Resolution T2005-07: Order of Allocation of Gas for Billing Purposes

Resolution

The Tolls, Tariff, Facilities & Procedures Committee (TTFP) agree to move STFT/FT-DW services ahead of FT-D service in the order of allocation of gas for billing purposes as identified in the NOVA Gas Transmission Ltd (NGTL) Tariff.

Background

Prior to the adoption of Resolution T2005-04: Seasonal Services Attributes Review, gas was allocated to STFT before being allocated to FT-D. Effective November 1, 2005 as approved by the Alberta Energy and Utilities Board (EUB), gas is allocated to STFT after FT-D. The change in the order of the allocations was made to ensure that STFT does not participate in the calculation of Alternate Access credits. Since the inception of FT-DW service on November 1, 2004, allocation of gas to FT-DW was after FT-D in the order of allocation.

As a result of this change to the order of allocation to services for billing purposes, customers holding FT-D at a specific Export Delivery Point may be impacted if they contract for more capacity via STFT or FT-DW at that border and the market changes. Since gas is to be allocated to FT-D prior to STFT/FT-DW, unutilized demand charges (UDCs) related to STFT/FT-DW and additional IT charges may result.

Some customers were unaware of the implications of this change to the billing allocation process prior to the adoption of Resolution T2005-04. TransCanada was made aware of these concerns after the adoption of the resolution. The TTFP was subsequently made aware of these concerns by TransCanada via email and through the Open Season Bid Documentation posted on TransCanada's website. TransCanada has been informed that customer's who contracted for STFT and FT-DW may be negatively impacted. A meeting of the Seasonal Service Attribute Review Task Force (SSRTF) was held on November 10, 2005 to discuss these concerns. It was agreed that an Issue should be raised at the November TTFP meeting so that the TTFP could discuss the issue further and potentially change the order of allocations.

The SSRTF met on December 5, 2005 and recommended that the order of allocations be changed so that gas is allocated to STFT/FT-DW before FT-D. Although the availability of Alternate Access credits relative to FT-D service may be increased by this change to the order of allocations, the maximum Alternate Access credits will be capped at a Customer's FT-D contract demand. The SSRTF recommended that the Issue should be expedited and set to vote at the December TTFP meeting.

Next Steps

NGTL will file Tariff amendments with the EUB requesting approval of the change to the order of allocation of gas for billing purposes. Pending approval by the EUB, NGTL plans to implement the changes on February 1, 2006 and will post the amended Tariff to TransCanada's web site.

Several amendments to the NGTL Tariff are currently being proposed resulting from Order of Allocation of Gas for Billing Purposes Issue T2005-07. 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. Rate Schedule FT-D

- (i) Amended paragraph 4.6 [Allocation of Gas Delivered] to align with proposed order of allocation.

2. Rate Schedule FT-DW

- (i) Amended paragraph 4.6 [Allocation of Gas Delivered] to align with proposed order of allocation.

3. Rate Schedule STFT

- (i) Amended paragraph 4.5 [Allocation of Gas Delivered] to align with proposed order of allocation.

4. Rate Schedule LRS-2

- (i) Amended paragraph 4.4.2 [Allocation of Gas Delivered] to align with proposed order of allocation.

5. Rate Schedule IT-D

- (i) Amended paragraph 4.4 [Allocation of Gas Delivered] to align with proposed order of allocation.

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-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;

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

(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.

5.0 TERM OF SERVICE

5.1 Term of a Schedule of Service

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

- (i) no new Facilities are required that are directly attributable (generally mainline facilities) to Customer's request for such Service, the term of the Schedule of Service shall be a term equal to the term requested by Customer with the minimum term being one (1) year; or
- (ii) new Facilities are required that are directly attributable (generally mainline facilities) to Customer's request for such Service, the term of the Schedule of Service shall be equal to ten (10) years or such longer period that Company and Customer agree to.

5.2 Term of Service Agreement

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

6.0 CAPACITY RELEASE

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

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

- (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-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;

~~(ii)(iii)~~ secondly-thirdly 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; and

~~(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.

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-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;

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

~~(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.

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.

RATE SCHEDULE FT-D
FIRM TRANSPORTATION - DELIVERY

1.0 DEFINITIONS

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

2.0 SERVICE DESCRIPTION AND AVAILABILITY

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

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

3.0 PRICING

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

4.0 CHARGE FOR SERVICE

4.1 Aggregate of Customer's Monthly Demand Charge

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

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

Where:

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

"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-D.

4.3 Aggregate of Customer's Over-Run Gas Charges

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

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

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

5.0 TERM OF SERVICE

5.1 Term of a Schedule of Service

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

- (i) no new Facilities are required that are directly attributable (generally mainline facilities) to Customer's request for such Service, the term of the Schedule of Service shall be a term equal to the term requested by Customer with the minimum term being one (1) year; or
- (ii) new Facilities are required that are directly attributable (generally mainline facilities) to Customer's request for such Service, the term of the Schedule of Service shall be equal to ten (10) years or such longer period that Company and Customer agree to.

5.2 Term of Service Agreement

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

6.0 CAPACITY RELEASE

- 6.1** If Customer desires a reduction of Customer's Export Delivery Contract Demand for all or any portion of its Service under a Schedule of Service under Rate Schedule FT-D, Customer shall notify Company of its request for such reduction specifying the particular Export Delivery Point, Schedule of Service and the Export Delivery Contract Demand available to any other Person who requires Service under Rate Schedule FT-D. Company shall not have any obligation to find any Person to assume the Export Delivery Contract Demand Customer proposes to make available. If after notice is given to Company a

Person is found who agrees to assume the Export Delivery Contract Demand Customer proposes to make available, together with any applicable Surcharge, Company may reduce Customer's Export Delivery Contract Demand under such Schedule of Service, on terms and conditions satisfactory to Company, by an amount equal to the Export Delivery Contract Demand specified in a new Schedule of Service, executed by Company and such Person. Notwithstanding such reduction, Customer shall at Company's sole option either:

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

7.0 TRANSFER OF SERVICE

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

8.0 TERM SWAPS

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

9.0 TITLE TRANSFERS

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

10.0 RENEWAL OF SERVICE

10.1 Renewal Notification

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

10.2 Irrevocable Notice

Customer's notice to renew pursuant to paragraph 10.1 shall be irrevocable one (1) year prior to the Service Termination Date. Any renewal of Service is subject to the Financial Information and Security provisions in Article 10 of the General Terms and Conditions

10.3 Renewal Term

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

11.0 APPLICATION FOR SERVICE

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

12.0 GENERAL TERMS AND CONDITIONS

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

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

5.0 TERM OF SERVICE

5.1 Term of a Schedule of Service

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.

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-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;
- (iii) thirdly to service to Customer under Rate Schedule FT-D to a maximum of such Customer's Export Delivery Contract Demand for such Export Delivery Point under such Rate Schedule FT-D; and
- (iv) fourthly to service to Customer under Rate Schedule IT-D. 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.

RATE SCHEDULE LRS-2
LOAD RETENTION SERVICE - 2

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 LRS-2 shall mean:

- (i) the daily receipt of gas from LRS-2 Customer at the Coleman receipt point located at SW-1/4-12-08-05-W5M (the "Coleman Receipt Point");
- (ii) the daily transportation of such gas through the Facilities; and
- (iii) the daily delivery of such gas to LRS-2 Customer at the Alberta-British Columbia export delivery point located at LSD-12-08-05-W5M (the "A/BC Export Delivery Point").

Subparagraphs (i), (ii) and (iii) are collectively referred to as the "Service".

2.2 The Service is available to Northstar Energy Corporation and assignees of it (the "LRS-2 Customer") provided the assignment complies with article 9.0. It is a condition of Service that LRS-2 Customer has executed a Service Agreement and Schedule of Service under Rate Schedule LRS-2. A standard form Service Agreement for Service under this Rate Schedule LRS-2 is attached.

3.0 SERVICE ENTITLEMENT

3.1 Company shall provide LRS-2 Customer with gas transportation service up to:

- (i) $1127 \text{ } 10^3 \text{ m}^3/\text{d}$ (40 MMcf/d) from date of commencement of Service under Rate Schedule LRS-2 to December 31, 1999;
- (ii) $1550 \text{ } 10^3 \text{ m}^3/\text{d}$ (55 MMcf/d) from January 1, 2000 to December 31, 2000;
- (iii) $2113 \text{ } 10^3 \text{ m}^3/\text{d}$ (75 MMcf/d) from January 1, 2001 to December 31, 2001;
and
- (iv) $2817 \text{ } 10^3 \text{ m}^3/\text{d}$ (100 MMcf/d) from January 1, 2002 to October 31, 2013.

The amount identified in each of the subparagraphs (i) through (iv) shall, for the applicable period, be referred to as the "Maximum Eligible LRS-2 Volume".

3.2 LRS-2 Customer shall be entitled to increase its then current entitlement to LRS-2 from time to time by giving Company four (4) months prior written notice of the desired increase, provided that any such increase shall not result at any time in the LRS-2 Customer's entitlement to Service under Rate Schedule LRS-2 exceeding the Maximum Eligible LRS-2 Volume in effect at the end of such four (4) month notice period. LRS-2 Customer's entitlement to Service under Rate Schedule LRS-2, at any point in time, determined in accordance with this paragraph 3.2, shall be referred to as "Service Entitlement". LRS-2 Customer's initial Service Entitlement shall be $1127 \text{ } 10^3 \text{ m}^3/\text{d}$ (40 MMcf/d), and LRS-2 Customer's Service Entitlement shall never be less than be $1127 \text{ } 10^3 \text{ m}^3/\text{d}$ (40 MMcf/d).

4.0 CHARGE FOR SERVICE

4.1 Determination of Monthly Charge

LRS-2 Customer will be charged and shall pay a monthly amount (the "Monthly Charge") for a Billing Month equal to the sum for all days of such month of the following amounts:

- (i) the daily equivalent of the FT-R Demand Rate at the Coleman Receipt Point multiplied by Price Point "A" (as defined in Rate Schedule FT-R) multiplied by the Service Entitlement for the day in the Billing Month; and
- (ii) the daily equivalent of the FT-D Demand Rate at the A/BC Export Delivery Point multiplied by the Service Entitlement for the day in the Billing Month.

4.2 Determination of the LRS-2 Adjustment

The LRS-2 Adjustment for a Billing Month shall be equal to the Monthly Charge for such Billing Month less \$50,000. The LRS-2 Adjustment shall then be applied against LRS-2 Customer's invoice issued in the second month following the Billing Month.

4.3 Determination of Eligible LRS-2 Volume

4.3.1 Officer's Certificate

LRS-2 Customer shall provide Company with a valid officer's certificate setting out the Eligible LRS-2 Volume for each day in a Billing Month, in such form as Company may prescribe from time to time (the "Officer's Certificate") on or before the last day of the month following the Billing Month, for purposes of determining the Eligible LRS-2

Volume.

4.3.2 Eligible LRS-2 Volume

The volume of gas eligible for Service under this Rate Schedule LRS-2 (the "Eligible LRS-2 Volume") for each day, as set forth in the Officer's Certificate, shall be equal to the lesser of:

- (i) the actual volume of gas received by Company from LRS-2 Customer at the Coleman Receipt Point on each day in a Billing Month up to the Service Entitlement; and
- (ii) the actual volumetric equivalent of LRS-2 Customer's allocation of gas to be delivered to the A/BC Export Delivery Point for Service under Rate Schedule LRS-2 on such day up to the Service Entitlement.

In the event that LRS-2 Customer fails to provide Company with an Officer's Certificate as provided herein, the Eligible LRS-2 Volume shall be deemed to be zero.

4.4 Allocation of Gas

4.4.1 Allocation of Gas Received

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 received from LRS-2 Customer at the Coleman Receipt 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 Coleman Receipt Point under Rate Schedule LRS-2;

- (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-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;

- (iii) thirdly 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; 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

6.1 LRS-2 Customer shall not be entitled to transfer all or any portion of Service under Rate Schedule LRS-2 to any other Receipt Point or Delivery Point. LRS-2 Customer shall not be entitled to convert Service under Rate Schedule LRS-2 to any other service under any other Rate Schedule.

7.0 TERM SWAP OF LRS-2 SERVICE

7.1 LRS-2 Customer entitled to receive Service under Rate Schedule LRS-2 shall not be entitled to swap the Service Termination Date of any Schedules of Service under Rate Schedule LRS-2 with the Service Termination Date under any Schedule of Service.

8.0 TITLE TRANSFERS

8.1 LRS-2 Customer shall not be entitled to transfer or accept a transfer of Customer's Inventory to or from any other Customer.

9.0 ASSIGNMENTS

9.1 LRS-2 Customer shall only be permitted to assign Service under Rate Schedule LRS-2 under the following conditions:

- (i) such assignment is to an affiliate as defined by the *Business Corporations Act*, (Alberta) S.A. 1981, c.B-15 as amended from time to time; or
- (ii) in the event that LRS-2 Customer divests all or a portion of its interest in the Coleman gas plant or the reserves which supply such plant, then LRS-2 Customer shall be entitled to assign all or any portion of its Service under Rate Schedule LRS-2 to the party acquiring such interest provided however;
 - (a) such assignment does not increase Company's administrative costs related

to the provision of Service under Rate Schedule LRS-2 as determined by Company acting reasonably; and

- (b) Company shall only be required to deal with one (1) party with respect to any matter regarding the Service under Rate Schedule LRS-2.

10.0 RENEWAL OF SERVICE

10.1 LRS-2 Customer shall not be entitled to renew Service under Rate Schedule LRS-2.

11.0 GAS USED

11.1 In respect of volumes that are transported utilizing Service under Rate Schedule LRS-2, LRS-2 Customer shall not be charged for nor shall any deduction be made for that portion of Gas Used which is attributable to gas used for compression. In respect of volumes that are transported utilizing Service under Rate Schedule LRS-2, Company shall also not charge LRS-2 Customer nor shall it make any deduction for that portion of Gas Used which is attributable to gas used for heating and pipeline losses until Company's billing system is capable of separating Gas Used into the following components:

- (i) gas used for compression;
- (ii) gas used for heating; and
- (iii) pipeline losses.

12.0 AUDIT RIGHTS

12.1 Company shall be entitled to audit, at its sole discretion and expense, at any time it determines necessary, any and all documents related to any Officer's Certificate and the contents thereof, in order to verify the accuracy of such Officer's Certificate, provided that any such audit shall be carried out within 24 months of the month to which such

Officer's Certificate relates.

13.0 PRIORITY DURING INTERRUPTIONS

13.1 For the purposes of paragraph 11.4 of the General Terms and Conditions of the Tariff, Service under Rate Schedule LRS-2 shall have equal priority to service under Rate Schedule FT-R, FT-RN, FT-P, FT-A, FT-X, STFT, LRS and FT-D as the case may be.

14.0 GENERAL TERMS AND CONDITIONS

14.1 The General Terms and Conditions of the Tariff and the provisions of any Service Agreement for Service under Rate Schedule LRS-2 are applicable to Rate Schedule LRS-2 to the extent that such terms and conditions and provisions are not inconsistent with Rate Schedule LRS-2.

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.

3.0 PRICING

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

4.0 CHARGE FOR SERVICE

4.1 Aggregate of Customer's Monthly Charge

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

$$MC = A \times B$$

Where:

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

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

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

4.2 Aggregate of Customer's Surcharges

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

4.3 Aggregate Charge For Service

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

4.4 Allocation of Gas Delivered

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

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

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

5.0 TERM OF SERVICE

5.1 Term of Service at an Export Delivery Point

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

5.2 Term of Service Agreement

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

6.0 TITLE TRANSFERS

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

7.0 RENEWAL OF SERVICE

7.1 Renewal Notification

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

7.2 Irrevocable Notice

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

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

7.3 Renewal Term

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

8.0 APPLICATION FOR SERVICE

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

9.0 GENERAL TERMS AND CONDITIONS

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