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May 19, 2004

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

By e-mail
Original by courier

Attention: Mr. Robert Heggie,
Executive Manager, Utilities Branch

Dear Sir:

**Re: NOVA Gas Transmission Ltd. (NGTL)
Winter Firm Transportation – Export Delivery Service**

NGTL applies to the Alberta Energy and Utilities Board (Board) under Part 4 of the *Gas Utilities Act*, R.S.A. 2000, c. G-5, as amended, for approval of a winter firm export delivery service (the FT-DW Service), and the tolls and charges and consequential amendments to NGTL's Gas Transportation Tariff (Tariff) necessary to implement the FT-DW Service.

Background

In early 2003, some shippers requested incremental firm service to align with winter peaking service on downstream connecting pipelines to the west of the Alberta System, specifically the TransCanada PipeLines Limited B.C. System and Gas Transmission Northwest (GTN).

The Tolls, Tariff and Procedures Committee (TTP), predecessor to the Tolls, Tariff, Facilities and Procedures Committee (TTFP), adopted Issue T2003-07 on May 6, 2003 for the purposes of discussing a possible new variable firm transportation service. The Operations Task Force, a subgroup of the TTFP, met several times to discuss the potential new service. Through the course of these discussions, the scope of the issue was refined to consider the development of a new five-month winter only firm service which could be provided under existing design conditions at export delivery points on the Alberta System.

NGTL did not seek approval of the Board to commence negotiations on Issue T2003-07 as it was adopted prior to the issuance of Informational Letter IL 98-4 Revised Negotiated Settlement Guidelines (*Revised Guidelines*) and the Board's letter dated August 28, 2003 regarding the application of the *Revised Guidelines* to NGTL.

NGTL did not include FT-DW Service in its General Rate Application - Phase 2, filed with the Board on November 14, 2003, as negotiations were ongoing at that time and NGTL was hopeful of a settlement.

NGTL applied to the Board for approval to continue negotiations on Issue T2003-07 on February 4, 2004. The Board approved NGTL's request to continue negotiations on February 26, 2004. In addition, Board staff attended meetings of the TTFP on April 2, 2004 and April 20, 2004 to evaluate the fairness of the negotiated settlement process for the FT-DW Service.

On May 11, 2004, the TTFP supported the FT-DW Service through an unopposed vote on Resolution T2003-07. The TTFP also supported the FT-DW Rate Schedule, FT-DW Service Agreement and consequential amendments to NGTL's Tariff required to implement the FT-DW Service through an unopposed vote on associated Resolution T2003-07(T).

Attachment 1 to this letter is a copy of Resolution T2003-07 to which is attached a description of the FT-DW Service. Attachment 2 is a copy of Resolution T2003-07(T) to which are attached a summary of the Tariff amendments, a copy of the FT-DW Rate Schedule, a copy of the FT-DW Service Agreement, a black-lined copy of relevant sections of the Tariff illustrating consequential amendments, and a clean copy of the relevant sections of the Tariff incorporating the consequential amendments.

FT-DW Service

In accordance with the terms and conditions of the FT-DW Service, NGTL will be able to offer the FT-DW Service on a limited basis, to a maximum of 35 MMcf/d, at the Alberta-B.C. Export Delivery Point. The FT-DW Service will also be offered, to a maximum of 35 MMcf/d, at the Empress and McNeill Export Delivery Points combined. Service at the Empress and McNeill Export Delivery Points is limited to 35 MMcf/d to mitigate concerns related to the possibility that shippers could migrate from annual Firm Transportation-Delivery (FT-D) Service to the FT-DW Service. The service will not be offered at minor export delivery points, at this time, as the differential between winter and summer design capability is negligible.

The service can be provided as a result of the difference in the pipeline system winter and summer design capability created by lower ambient temperatures during the winter season. Available FT-DW Service is limited to 35 MMcf/d to ensure that facilities on the Alberta System are not constructed to solely provide FT-DW Service and to enable NGTL to manage uncertainties related to future system expansion requirements. In determining the level of FT-DW Service, NGTL conducted an analysis that considered system expansion requirements that may be required to meet annual FT-D service requirements in the future. The difference between winter and summer design capabilities would change in the event of system expansion.

The FT-DW Service will commence November 1, 2004 and will be made available through an open season following Board approval of the service. The service will have an initial term of four years, with conditional renewal provisions as described in the attached FT-DW Service Description. The FT-DW rate will be fixed at a price equivalent to 175% of the FT-D rate. The 12 month equivalent FT-DW rate would be 12/5 or 240% of the FT-D rate. However, there are several factors that differentiate FT-DW Service from FT-D Service, including renewability provisions and the fact that no facilities will be constructed to provide FT-DW Service. In addition, the service is designed to meet incremental peaking winter conditions. While the service will have the same level of priority as other export delivery services, alternate access and temporary assignments will not be available under the terms of the FT-DW Service. As a result, the TTFP agreed to a fixed price of 175% of the FT-D rate as a reasonable reflection of the value of the service.

All the revenue generated through the FT-DW Service in November and December 2004 will be credited to NGTL's revenue requirement for 2005 through the use of the Revenue Deferral account as applied for in NGTL's 2004 General Rate Application – Phase 1 (Application No. 1315423).

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As part of the FT-DW Service, the TTFP will review annually the maximum service quantity as a component of the design review processes currently in place. In addition, any member of the TTFP can sponsor an issue to review available FT-DW Service at any time. Any changes in available FT-DW Service would require the support of the TTFP and Board approval.

Implementation of the FT-DW Service will benefit NGTL's shippers. Specifically, the FT-DW Service addresses the requirement for a renewable winter firm service at export delivery points on the Alberta System and, in particular, aligns incremental capacity with the winter peaking service of downstream connecting pipelines west of the Alberta System. In addition, the FT-DW Service is expected to generate incremental revenue that will result in the lowering of tolls for all Alberta System shippers.

Relief Requested

The TTFP agreed that NGTL would initiate an open season in respect of the FT-DW Service in July or August 2004. NGTL, therefore, respectfully requests that the Board render a decision on this Application by June 25, 2004.

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.htm.

Please direct all notices and communications regarding this matter to Carolyn Shaw by e-mail at carolyn_shaw@transcanada.com and alberta_system@transcanada.com, or by phone at 920-7172.

Yours truly,

NOVA Gas Transmission Ltd.

A wholly owned subsidiary of TransCanada PipeLines Limited

ORIGINAL SIGNED by
Klaus Exner

Céline Bélanger
Vice President, Regulatory Services

Attachment

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

Attachment 1

TTFP Resolution T2003-07

Tolls, Tariff, Facilities & Procedures Committee

Resolution

T2003-07: Winter Firm Transportation – Export Delivery (FT-DW) Service

The Tolls, Tariff, Facilities & Procedures Committee (TTFP) supports the creation of a Winter Firm Service (FT-DW) at NOVA Gas Transmission Ltd. (NGTL) Export Delivery Points as recommended by the Operations Task Force (Task Force). Under the terms and conditions of the FT-DW service, NGTL can offer FT-DW service on a limited basis up to 35 MMcf/d at the Alberta-BC Border, and 35 MMcf/d at the Empress and McNeill Borders combined. The ability to provide this service results from the difference in the pipeline system winter and summer design capability adjusted for consideration of a next potential expansion. Increases in available FT-DW service are to be reviewed by the TTFP. The service will be made available through an open season for an initial term of four (4) years commencing on November 1, 2004, with conditional renewal provisions. FT-DW will be fixed at a price of 175% of the Firm Transportation – Delivery (FT-D) rate. Revenue generated from FT-DW will be treated in the same manner as IT-D and Short Term Firm Transportation (STFT) and as 'other transportation revenue' in the NGTL rate setting process. A FT-DW service description document is attached as information to describe this service.

Background

Downstream pipelines to the west of the Alberta System, TransCanada BC System (BC) and Gas Transmission Northwest, provide renewable winter firm service and are currently viewed as pipelines serving winter peaking natural gas markets 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 pipelines systems. The Tolls, Tariff & Procedures Committee, predecessor to the TTFP, 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 develop 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. The primary need for this new service is at the Alberta-BC Border. The Task Force has since been meeting to develop service attributes and work through service issues.

Next Steps

NGTL will file an application for this new service including the approved resolution, amended Tariff and FT-DW service description with the Alberta Energy & Utilities Board (EUB). NGTL will implement the FT-DW through an open season for a November 1, 2004 in-service date assuming EUB approval. The open season will be targeted to occur no earlier than July or no later than August and be co-ordinated with an STFT open season.

Attachment to TTFP Resolution T2003-07

FT-DW Service Description

NOVA Gas Transmission Ltd. (NGTL) Winter Firm Transportation – Export Delivery (FT-DW) Service Description

The following describes the need, attributes and rationale related to the introduction a new winter only firm service at export delivery borders (FT-DW) on the Alberta System. The service description comprises of the following sections:

1. Background;
2. Considerations in determining available service;
3. Service attributes and rationale; and
4. Conclusion.

1.0 Background

Downstream pipelines to the west of the Alberta System, TransCanada B.C. System (BC) and Gas Transmission Northwest, provide renewable winter firm service and are currently viewed as pipelines serving winter peaking natural gas markets in British Columbia, the Pacific Northwest and California. In 1997, the Alberta System moved from a winter design to a summer design for annual Firm Transportation – Delivery (FT-D) service and introduced a Short Term Firm Transportation (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 the BC and Alberta systems. Potential services to meet this request were evaluated under the current facilities design policies on both the BC and Alberta pipelines systems. The Tolls, Tariff & Procedures Committee (TTP), predecessor to the Tolls, Tariff, Facilities & Procedures Committee (TTFP), 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 develop a new five-month winter only firm service 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. The primary need for this new service is at the Alberta-BC Border. The TTFP Operations Task Force (Task Force) has since been meeting to develop service attributes and work through service issues.

2.0 Considerations in Determining Available Service

A conservative estimate of available FT-DW service was established based on analysis that considers system expansion requirements that may be required to meet annual FT-D border service requirements in the future.

Current border capabilities were evaluated based on winter and summer design conditions, using assumptions and philosophies consistent with those used for typical design review and facility expansion analysis. Once the current winter and summer border capabilities were established, the difference between the two values was further analyzed. Specifically, the variability of the winter to summer difference was tested against a variety of facility expansion scenarios.

Expansion facilities that are required to accommodate increased FT-D requirements and/or to compensate for local area supply changes, can have an impact on the winter to summer capability difference. System expansions are designed on a summer basis, and generally the facilities that provide incremental capability for the least cost on a long-term basis would be selected. However, depending on the magnitude and timing of the expansion, individual facilities identified as cost effective on a summer basis may not release a hydraulic restriction that might exist in the winter, thereby decreasing the winter to summer capability difference.

Although the winter to summer capability difference may remain consistent or increase as a result of a given expansion scenario, it may also be reduced depending on the timing and placement of expansion facilities. Limiting the quantity of available capability for FT-DW service will allow for the management of uncertainties of future expansion requirements and ensure that facilities are not built to solely provide FT-DW service.

FT-DW service at the minor export border points of Alberta-Montana, Gordondale, Boundary Lake, Cold Lake and Unity has been determined to be unavailable at this time as the winter to summer capability difference is negligible. The winter to summer capability difference was determined to be 35 MMcf/d for the Alberta-BC Border.

There is a need for incremental winter firm to serve growing peaking markets to the west. The Alberta-BC Border is currently fully contracted, as is the McNeill Border. Notwithstanding changes in the market or changes to NGTL service attributes, these two borders are expected to remain fully contracted and migration away from annual FT-D service is unlikely with the introduction of FT-DW.

With the aid of an active secondary market, Empress FT-D service is currently managed at 98 to 99 percent utilization. Upon evaluating interruptible transportation service at the Empress Border, it was determined that there remains an incremental use of interruptible service in any given month. The incremental use of interruptible service at Empress was determined after taking into consideration the up to two percent of unutilized FT-D service, the increase in the interruptible transportation floor rate on the Canadian Mainline and the use of alternate access. Given the high FT-D utilization at Empress and the continued net use of interruptible transportation service, current holders of FT-D service at Empress may not be motivated to migrate transportation service needs to FT-DW in lieu of FT-D.

However, there is some concern that the introduction of FT-DW could alter shipper behaviors and lead to migration from annual FT-D service to FT-DW. As a result, currently available FT-DW will be limited to a maximum of 35 MMcf/d at the Alberta-BC Border and 35 MMcf/d combined at the Empress and McNeill Borders.

Any member of the TTFP, at any time, can sponsor an issue to review available FT-DW service at any export delivery border. Notwithstanding raising an issue at the TTFP, a change in available capability for FT-DW service would trigger a review to determine whether incremental FT-DW service should be made available at export delivery borders. Reporting on the available and subscribed quantities and utilization of FT-DW service will be provided to the TTFP as requested.

3.0 Service Attributes and Rationale

Some downstream local distribution markets to the west require incremental long-term winter firm transportation to meet growing peaking demand for natural gas in the areas and communities that they serve. Notwithstanding the FT-DW Rate Schedule and Service Agreement (to be worked), Table 1 outlines the key service attributes of FT-DW. The attributes represent a balance between the long-term needs of the downstream markets, available service the Alberta System can provide to meet those needs and interests of affected parties.

Table 1 - FT-DW Service Attributes

Attribute	Description	Note
Term	Four-year initial term	Assuming two-way option is exercised term of FT-DW service contract is extended by two more years
Renewal Term	Two-year renewal notice	Every two years renewal is reviewed and executed
Renewal Option	Two-way renewal option	TransCanada determines if term can be extended another two years and shippers can then agree

		to extend for the two years
Price	Fixed at 175% of the FT-D rate	FT-DW is a specific winter peaking firm service
Priority of Service	Prorate with all other FT export delivery services, FT-D and STFT	Same priority as other firm export delivery services
Assignment of Service	Permanent assignments only	FT-DW service does not allow temporary assignment of service
Alternate Access	Not available	
Availability	Export Delivery Points November 1 of any year ending on March 31 of the next year	TransCanada to determine available capability for FT-DW service coinciding with its design review Differs from STFT on price, term and renewability
Allocation of Service	Open season Available service prorated based on shipper requests subject to minimum quantity Shippers can request a minimum quantity	Shipper request can not exceed available service offered

Term, renewal term and renewal option are linked. The downstream market is looking for a long-term winter firm service that is renewable. Due to pipeline system design considerations, this service can not be offered for the initial preferred term of 10 to 15 years. Available information impacting system design becomes less reliable the further out in time and four years out was considered an acceptable horizon. The long-term need with the ability to renew the service was met with an initial term of four years with a two-way option for renewing existing subscribed service. Every two years, TransCanada will determine, using the same process described in Section 2.0, whether it can extend the existing subscribed FT-DW service for another two years. And, at the same time shippers who subscribed to the service will indicate whether they wish to renew the service for another two years.

The 12-month equivalent price for the service would be 12/5 or 240% of the FT-D rate; however, there are several differentiating factors when compared to annual FT-D service that supports FT-DW not being priced at 240%. The differentiating factors include renewability is not 100% guaranteed, there are no facilities being added or required to provide the service and at the 240% price level, annual service is superior as the contracts for the remaining seven months have value.

FT-DW is a specific service designed to meet incremental peaking winter requirements. The attributes of the service have been established to differentiate the service on this basis. As a winter peaking demand service, FT-DW is expected to have priority usage. It does not require the same risk mitigating attributes as annual service, particularly annual service that is used to meet winter peaking demand. Therefore, annual service attributes such, as alternate access and temporary assignments are not considered necessary to manage this service. Also, because FT-DW is a firm service, it has the same priority as other firm services at export delivery borders.

Given consideration to all attributes and the specific need and use of FT-DW service, a fixed price at 175% of the FT-D service rate was negotiated as a reasonable reflection of service value. Revenue generated from FT-DW will be treated in the same manner as 'other transportation revenue' in the NGTL rate setting process.

An open season where all shipper requests are considered was seen as a fair, non-discriminatory and a practical method for allocating the service. The open season would close after a two-week period and available service at the Alberta-BC Border would be prorated based on the shipper requests for FT-DW service at this border. Similarly, available service at the Empress and McNeill Borders would be prorated based on the combined shipper requests at these borders. Along with their requests for service, shippers will be allowed, should they wish to, to submit a

minimum quantity such that if the prorated amount does meet this minimum quantity, the shipper request is not binding and available service will be allocated to the remaining shipper requests.

In the unlikely event that an amount of subscribed FT-DW service became unavailable because the summer / winter difference decreased, holders of the subscribed service would first be asked if they wished to rationalize or turn-back some of their service. Should no service become available through rationalization, existing service would be prorated down, with sufficient notice, to meet the new available FT-DW service level.

FT-DW service quantities will be reviewed annually as a component of the design review processes currently in place. Should incremental FT-DW service become available, either from existing subscribed service that is not renewed or from the annual review of the winter to summer difference in capability or from any other trigger identified herein, another open season would be held to obtain requests for the service.

In the event, shippers did not renew their service or if circumstances dictated that another more appropriate service be offered, the continuation of FT-DW service as described above should be reviewed by all interested parties.

4.0 Conclusion

In conclusion, there is a need for a renewable winter firm service at export delivery borders on the Alberta System, particularly at the Alberta-BC Border. The TTFP agrees to the creation of a Winter Firm Service (FT-DW) at NGTL Export Delivery Points as recommended by the Task Force. The service will be provided through the difference in the pipeline system winter and summer design capability adjusted for consideration of potential expansions. A new Rate Schedule FT-DW and FT-DW Service Agreement will enable NGTL to offer the service on a limited basis at the major export borders, Empress, McNeill and Alberta-BC. The service will commence on November 1, 2004 for an initial term of four years and with conditional renewal provisions. FT-DW will be fixed at a price of 175% of the FT-D rate. Revenue generated from FT-DW will be treated in the same manner as 'other transportation revenue' in the NGTL rate setting process. Requests for service will be made through an open season following Alberta Energy & Utility Board approval. As introduced, FT-DW is expected to generate incremental revenue to the benefit of all NGTL shippers.

Attachment 2

TTFP Resolution T2003-07(T)

Tolls, Tariff, Facilities & Procedures Committee

Resolution T2003-07(T)

Winter Firm Transportation – Export Delivery (FT-DW) Service Tariff Amendments

Resolution

The Tolls, Tariff, Facilities & Procedures Committee (TTFP) agrees to the NOVA Gas Transmission Ltd. (NGTL) Tariff changes as identified in the attached documents. These changes are required to allow for the implementation of Export Winter Firm Service (FT-DW)

Background

TransCanada BC System (BC) and Gas Transmission Northwest provide renewable winter firm service and are currently viewed as pipelines serving winter peaking natural gas markets in British Columbia, the Pacific Northwest and California. In 1997, the Alberta System moved to a summer design for annual Firm Transportation - Delivery (FT-D) service and introduced a Short Term Firm Transportation (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 the Alberta and BC Systems. Potential services to meet this request were looked at by exploring the current facilities design policies on both the BC and Alberta pipeline systems. The Tolls, Tariff & Procedures Committee (TTP), predecessor to the TTFP, adopted issue T2003-07 in May 2003, for the purposes of discussing the introduction of a possible new service to meet the need for incremental winter firm service.

The Operations Task Force explored options and recommended that an Export Firm Winter Service be offered. The TTFP supported Resolution T2003-07: Winter Firm Transportation – Export Delivery (FT-DW) Service on May 11, 2004.

Next Steps

TransCanada will file the Tariff changes with the Alberta Energy and Utility (EUB) requesting prompt approval. The service will commence on November 1, 2004 for an initial term of four years and with conditional renewal provisions. Requests for service will be made through an open season following EUB approval.

Attachment to Resolution T2003-07(T)

Summary of Tariff Amendments

Several amendments to NGTL's Tariff are currently proposed. These amendments result from either the new FT-DW Service as adopted per TTFP Resolution T-2003-07 or from general housekeeping updates. This summary has been provided for information only and is not intended to form part of the Tariff.

Summary of Tariff Amendments

(*) after the item identifies general housekeeping updates

1. Rate Schedule FT-DW:

- (i) Add Rate Schedule FT-DW, which includes the associated Service Agreement and Schedule of Service, for the proposed new service.

2. Table of Contents:

- (i) Add "Rate Schedule FT-DW Firm Transportation – Delivery Winter" to the listing of Rate Schedules.

3. Table of Rates, Tolls and Charges:

- (i) Add Rate Schedule FT-DW and renumber as required.

4. Rate Schedule STFT:

- (i) Remove definition of "Winter Season" and move to General Terms and Conditions;
- (ii) Article 3.0 [Priority of Service] – delete redundant article (*);
- (iii) Renumbered paragraph 7.4 [Allocation of Gas Delivered] – add new subparagraph 7.4(iv) regarding Service under Rate Schedule FT-DW; and
- (iv) Renumber articles and paragraphs as required.

5. Other Rate Schedules:

- (i) Amend the applicable Rate Schedules [Allocation of Gas Delivered] to include Service under Rate Schedule FT-DW as follows:
 - (a) Rate Schedule FT-D, Paragraph 4.6;
 - (b) Rate Schedule LRS 2, Subparagraph 4.4.2; and
 - (c) Rate Schedule IT-D, Paragraph 4.4.

6. General Terms and Conditions:

- (i) Amend Article 1.0 Definitions as follows:
 - (a) Add one new definitions "FT-DW Demand Rate";
 - (b) Amend the definition of "Winter Season" to incorporate definition previously provided in Rate Schedule STFT;
 - (c) Amend [renumbered] definitions 1.6 "Block Period", 1.18 "Customer Bid", 1.82 "STFT Bid Price", 1.83 "STFT Capacity" and 1.98 "Volume Multiplier" to reflect renumbered articles and paragraphs in Rate Schedule STFT; and
 - (d) Renumber definitions as required
- (ii) Subparagraph 11.4.2(ii) [Priority during Interruptions at Delivery Points] – amend to include Service under Rate Schedule FT-DW.

Attachment to Resolution T2003-07(T)
Rate Schedule FT-DW and FT-DW Service Agreement

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 that has executed a Service Agreement and Schedule of Service under Rate Schedule FT-DW and Company has determined capacity shall be made available. Company shall not be required to construct or install Facilities for any Service under Rate Schedule FT-DW. A standard form Service Agreement for Service under this Rate Schedule FT-DW 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-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:

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

Where:

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

"F" = the FT-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;

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

- (iv) fourthly to Service to Customer under Rate Schedule FT-DW to a maximum of such Customer's Export Delivery Contract Demand for such Export Delivery Point under such Rate Schedule FT-DW; and
- (v) fifthly 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) 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.

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 Information and Security provisions in Article 10 of the General Terms and Conditions.

5.4 Term of Service Agreement

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

•

NOVA Gas Transmission Ltd.

Per:

Per :

Per:

Per :

**SCHEDULE OF SERVICE
 RATE SCHEDULE FT-DW**

CUSTOMER: •

Schedule of Service Number	Export Delivery Point Number and Name	Legal Description	Maximum Delivery Pressure kPa	Service Termination Date	Export Delivery Contract Demand 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.

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

Attachment to Resolution T2003-07(T)

Tariff Amendments – Blacklined copy

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TABLE OF RATES TOLLS AND CHARGES

Service	Rates, Tolls and Charges	
1. Rate Schedule FT-R	Refer to Attachment "1" for the applicable FT-R Demand Rate per month and Surcharge for each Receipt Point Average Firm Service Receipt Price (AFSRP) \$188.41/10 ³ m ³	
2. Rate Schedule FT-RN	Refer to Attachment "1" for the applicable FT-RN Demand Rate per month and Surcharge for each Receipt Point	
3. Rate Schedule FT-D	FT-D Demand Rate per month	\$188.41/10 ³ m ³
4. Rate Schedule FT-DW	FT-DW Demand Rate per month	\$329.72/10³m³
4.5. Rate Schedule STFT	STFT Bid Price Minimum bid of 135% of FT-D Demand Rate	
4.6. Rate Schedule FT-A	FT-A Commodity Rate	\$0.57/10 ³ m ³
4.7. Rate Schedule FT-P	Refer to Attachment "2" for the applicable FT-P Demand Rate per month.	
4.8. Rate Schedule LRS	<u>Contract Term</u>	<u>Effective LRS Rate (\$/10³m³/day)</u>
	1-5 years	9.31
	6-10 years	7.78
	15 years	6.98
	20 years	6.20
4.9. Rate Schedule LRS-2	LRS-2 Rate per month	\$50,000
4.10. Rate Schedule LRS-3	LRS-3 Demand Rate per month	\$188.71/10 ³ m ³
4.11. Rate Schedule IT-R	Refer to Attachment "1" for the applicable IT-R Rate and Surcharge for each Receipt Point	
4.12. Rate Schedule IT-D	IT-D Rate	\$6.81/10 ³ m ³
4.13. Rate Schedule FCS	The FCS Charge is determined in accordance with Attachment "1" to the applicable Schedule of Service	
4.14. Rate Schedule OS	<u>Schedule No.</u>	<u>Charge</u>
	2003-00452-2	\$ 83,333.00 / month
	2003-03435-9	\$ 899.00 / month
	2003-03734-7	\$ 698.00 / month
	2003-058091-2	\$ 2,568.00 / month
	2003-03624-9	\$ 27.00 / month
	2003-07178-3	\$ 150.00 / month
	2003-07179-5	\$ 1,391.00 / month
	2003-07113-5	\$ 8.00 / month
	2003-05812-6	\$ 118.00 / month
	2003-05809-6	\$ 163.00 / month
	2003-03747-9	\$ 1,707.00 / month

Service	Rates, Tolls and Charges	
<u>4.15.</u> Rate Schedule CO ₂	<u>Tier</u>	<u>CO₂ Rate (\$/10³m³)</u>
	1	532.41
	2	425.92
	3	283.95

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 period commencing on November 1 of any year and ending on the next succeeding March 31~~ (the "Winter Season") provided that:

- (a) Customer has executed a Service Agreement and Schedule of Service under Rate Schedule STFT;
- (b) Customer, prior to the commencement of the bidding process set out in article ~~54.0~~, 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 54.0.

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

~~3.0~~ PRIORITY OF SERVICE

~~3.1 Notwithstanding any other provision contained in the Tariff, Service provided under this Rate Schedule is considered to be equal in priority to Service provided under Rate Schedules FT-D, FT-A, FT-X and LRS-2.~~

4.03.0 STFT CAPACITY AVAILABILITY DURING THE WINTER SEASON

4.13.1 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.

4.23.2 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".

5.04.0 THE BID PROCESS AND ALLOCATION OF STFT SERVICE

5.14.1 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.

5.24.2 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.

5.34.3 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 76.0, 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.

5.44.4 Customer shall submit a separate Customer Bid for each separate combination of Export Delivery Point, STFT Bid Price, as defined in article [65.0](#), 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.

6.05.0 STFT BID PRICE

6.15.1 Each Customer Bid shall set out the bid price (the "STFT Bid Price") expressed in Canadian dollars and cents per Thousand Cubic Meters per Month (\$CDN/10³ m³ /Month). 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.

7.06.0 ALLOCATION OF AVAILABLE STFT CAPACITY

7.16.1 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"):

$$VM = A \times B$$

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 76.1(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 76.1(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 76.1 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.

8.07.0 CHARGE FOR SERVICE**8.17.1 Aggregate of Customer's Monthly Demand Charge**

Customer's monthly demand charge for a Billing Month for Service made available under Rate Schedule STFT shall be equal to the aggregate 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:

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

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.

8.27.2 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.

8.37.3 Aggregate Charge for Service

Customer shall pay for each Billing Month the sum of the amounts calculated in accordance with paragraphs 8.7.1 and 8.7.2.

8.47.4 Allocation of Gas Delivered

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

been nominated, the aggregate volume of gas delivered to Customer at an Export Delivery Point shall be allocated for billing purposes as follows:

- (i) first to service to Customer under Rate Schedule LRS-2 to a maximum of such Eligible LRS-2 Volumes for the A/BC Export Delivery Point under such Rate Schedule LRS-2;
- (ii) secondly to Service to Customer under Rate Schedule STFT to a maximum of such Customer's allocated STFT Capacity for such Export Delivery Point under such Rate Schedule STFT;
- (iii) thirdly to service to Customer under Rate Schedule FT-D to a maximum of such Customer's Export Delivery Contract Demand for such Export Delivery Point under such Rate Schedule FT-D
- (iv) fourthly to service to Customer under Rate Schedule FT-DW to a maximum of such Customer's Export Delivery Contract Demand for such Export Delivery Point under such Rate Schedule FT-DW; and
- ~~(iv)~~(v) 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 87.2.

9.08.0 TERM OF SERVICE AGREEMENT

9.18.1 The term of a 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 on the latest Service Termination Date set forth in Customer's Schedules of Service under such Service Agreement.

10.09.0 ASSIGNMENTS

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

11.010.0 TITLE TRANSFERS

11.110.1 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.

12.011.0 GENERAL TERMS AND CONDITIONS

12.111.1 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.

4.5 Aggregate Charge For Service

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

4.6 Allocation of Gas Delivered

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

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

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

~~(iv)~~(v) fifthly 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

- (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) 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;

(iv) fourthly to service to LRS-2 Customer under Rate Schedule FT-DW to a maximum of such Customer's Export Delivery Contract demand for such A/BC Export Delivery Point under such Rate Schedule FT-DW; and

(iv)(v) fourthly-fifthly 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 STFT to a maximum of such Customer's allocated STFT Capacity for such Export Delivery Point under such Rate Schedule STFT;
- (iii) thirdly to service to Customer under Rate Schedule FT-D to a maximum of such Customer's Export Delivery Contract Demand for such Export Delivery Point under such Rate Schedule FT-D;

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

(iv)(v) fifthly 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** “Billing Commencement Date” shall mean the earlier of:
- (a) the Ready for Service Date; and
 - (b) the date Company commences to provide Service to Customer pursuant to a Service Agreement or Schedule of Service.
- 1.5** “Billing Month” shall mean that month which immediately precedes the month in which Company is required to send a bill for Service.
- 1.6** “Block Period” shall have the meaning attributed to it in paragraph 43.2 of Rate Schedule STFT.
- 1.7** “Board” shall mean the Alberta Energy and Utilities Board.
- 1.8** “CO₂ Volume” shall mean the portion of the total excess volume of carbon dioxide

availability of gas to meet Customer's Nominations.

- 1.11** "Company" shall mean NOVA Gas Transmission Ltd. and any successor to it.
- 1.12** "Company's Gas Use Price" shall mean the monthly weighted average of the "AECO/NGX Intra-Alberta Same Day Index Values" for every day of the month recorded by the Natural Gas Exchange Inc. (or its successor) as published on its website (or any replacement thereof) for the month preceding the Billing Month multiplied by the average heating value of all physical gas received by Company for the month preceding the Billing Month.
- 1.13** "Criteria for Determining Primary Term" shall mean the procedure for determining the Primary Term, as set out in Appendix "E" of the Tariff.
- 1.14** "CSO" shall mean Common Stream Operator.
- 1.15** "Cubic Metre of Gas" shall mean that quantity of gas which, at a temperature of fifteen (15) degrees Celsius and at an absolute pressure of one hundred one and three hundred twenty-five thousandths (101.325) kiloPascals occupies a volume of one cubic metre.
- 1.16** "Customer" shall mean any Person named as a Customer in a Service Agreement or Schedule of Service.
- 1.17** "Customer Account" shall mean an account established by Company for Customer to record Customer's transactions related to Service under one or more Rate Schedules.
- 1.18** "Customer Bid" shall have the meaning attributed to it in paragraph ~~54~~.2 of Rate Schedule STFT.
- 1.19** "Customer's Inventory" shall mean, for each Customer Account at a given time on a day,

such Delivery Point at any point in time.

- 1.37** “FT-A Rate” shall mean the FT-A Rate in the Table of Rates, Tolls and Charges which has been fixed by Company or the Board for Service under Rate Schedule FT-A.
- 1.38** “FT-D Demand Rate” shall mean the FT-D Demand Rate in the Table of Rates, Tolls and Charges which has been fixed by Company or the Board for Service under Rate Schedule FT-D.
- 1.39** “FT-DW Demand Rate” shall mean the FT-DW Demand Rate in the Table of Rates, Tolls and Charges which has been fixed by Company or the Board for Service under Rate Schedule FT-DW.
- 1.391.40** “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.
- 1.401.41** “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.
- 1.411.42** “FT-R Demand Rate” shall mean the FT-R Demand Rate for a particular Receipt Point in the Table of Rates, Tolls and Charges which has been fixed by Company or the Board for Service under Rate Schedule FT-R.
- 1.421.43** “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.

from time to time by Company in consultation with the Facility Liaison Committee (or any replacement of it), provided Company has given six (6) months notice of such amendment to its Customers.

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

1.761.77 “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.

1.771.78 “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.

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

1.791.80 “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.

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

1.811.82 “STFT Bid Price” shall have the meaning attributed to it in article ~~65~~.0 of Rate Schedule STFT.

1.821.83 “STFT Capacity” shall have the meaning attributed to it in paragraph ~~43~~.1 of Rate Schedule STFT.

1.831.84 “Schedule of Service” shall mean the attachment(s) to a Service Agreement for

1.911.92 “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.

1.921.93 “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.

1.931.94 “T-4 Charge” shall mean a T-4 Charge in the Table of Rates, Tolls and Charges which has been fixed by Company or the Board for Service under Rate Schedule T-4.

1.941.95 “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.

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

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

1.971.98 “Volume Multiplier” shall have the meaning attributed to it in subparagraph ~~76.1~~ (a) of Rate Schedule STFT.

1.981.99 “Winter Season” shall ~~mean the period commencing on November 1 of any year and ending on the next succeeding March 31~~ have the meaning attributed to it in ~~paragraph 2.2 of Rate Schedule STFT.~~

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

- (i) Firstly, Service under Rate Schedules IT-R and IT-S based on the priority provisions of the applicable Service Agreement until such Service has been reduced to zero (0); and
- (ii) Secondly, Service under Rate Schedules FT-R, FT-RN, FT-X, FT-P, LRS, LRS-2 and LRS-3 on a prorata basis.

11.4.2 At Delivery Points

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

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

11.5 Customer's Obligations

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

Attachment to Resolution T2003-07(T)

Tariff Amendments – Clean copy

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TABLE OF RATES TOLLS AND CHARGES

Service	Rates, Tolls and Charges	
1. Rate Schedule FT-R	Refer to Attachment "1" for the applicable FT-R Demand Rate per month and Surcharge for each Receipt Point Average Firm Service Receipt Price (AFSRP) \$188.41/10 ³ m ³	
2. Rate Schedule FT-RN	Refer to Attachment "1" for the applicable FT-RN Demand Rate per month and Surcharge for each Receipt Point	
3. Rate Schedule FT-D	FT-D Demand Rate per month	\$188.41/10 ³ m ³
4. Rate Schedule FT-DW	FT-DW Demand Rate per month	\$329.72/10 ³ m ³
5. Rate Schedule STFT	STFT Bid Price Minimum bid of 135% of FT-D Demand Rate	
6. Rate Schedule FT-A	FT-A Commodity Rate	\$0.57/10 ³ m ³
7. Rate Schedule FT-P	Refer to Attachment "2" for the 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	9.31
	6-10 years	7.78
	15 years	6.98
	20 years	6.20
9. Rate Schedule LRS-2	LRS-2 Rate per month	\$50,000
10. Rate Schedule LRS-3	LRS-3 Demand Rate per month	\$188.71/10 ³ m ³
11. Rate Schedule IT-R	Refer to Attachment "1" for the applicable IT-R Rate and Surcharge for each Receipt Point	
12. Rate Schedule IT-D	IT-D Rate	\$6.81/10 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 OS	<u>Schedule No.</u>	<u>Charge</u>
	2003-00452-2	\$ 83,333.00 / month
	2003-03435-9	\$ 899.00 / month
	2003-03734-7	\$ 698.00 / month
	2003-058091-2	\$ 2,568.00 / month
	2003-03624-9	\$ 27.00 / month
	2003-07178-3	\$ 150.00 / month
	2003-07179-5	\$ 1,391.00 / month
	2003-07113-5	\$ 8.00 / month
	2003-05812-6	\$ 118.00 / month
	2003-05809-6	\$ 163.00 / month
	2003-03747-9	\$ 1,707.00 / month
15. Rate Schedule CO ₂	<u>Tier</u>	<u>CO₂ Rate (\$/10³m³)</u>
	1	532.41
	2	425.92
	3	283.95

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;
- (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 4.0.

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.

5.0 STFT BID PRICE

5.1 Each Customer Bid shall set out the bid price (the "STFT Bid Price") expressed in Canadian dollars and cents per Thousand Cubic Meters per Month ($\$/\text{CDN}/10^3 \text{ m}^3$ /Month). 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"):

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

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.

7.0 CHARGE FOR SERVICE**7.1 Aggregate of Customer's Monthly Demand Charge**

Customer's monthly demand charge for a Billing Month for Service made available under Rate Schedule STFT shall be equal to the aggregate 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:

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

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.

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.

7.3 Aggregate Charge for Service

Customer shall pay for each Billing Month the sum of the amounts calculated in accordance with paragraphs 7.1 and 7.2.

7.4 Allocation of Gas Delivered

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

been nominated, the aggregate volume of gas delivered to Customer at an Export Delivery Point shall be allocated for billing purposes as follows:

- (i) first to service to Customer under Rate Schedule LRS-2 to a maximum of such Eligible LRS-2 Volumes for the A/BC Export Delivery Point under such Rate Schedule LRS-2;
- (ii) secondly to Service to Customer under Rate Schedule STFT to a maximum of such Customer's allocated STFT Capacity for such Export Delivery Point under such Rate Schedule STFT;
- (iii) thirdly to service to Customer under Rate Schedule FT-D to a maximum of such Customer's Export Delivery Contract Demand for such Export Delivery Point under such Rate Schedule FT-D
- (iv) fourthly to service to Customer under Rate Schedule FT-DW to a maximum of such Customer's Export Delivery Contract Demand for such Export Delivery Point under such Rate Schedule FT-DW; and
- (v) fifthly 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 7.2.

8.0 TERM OF SERVICE AGREEMENT

8.1 The term of a 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 on the latest Service Termination Date set forth in Customer's Schedules of Service under such Service Agreement.

9.0 ASSIGNMENTS

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

10.0 TITLE TRANSFERS

10.1 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.

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

4.5 Aggregate Charge For Service

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

4.6 Allocation of Gas Delivered

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

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

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

- (iv) fourthly to service to Customer under Rate Schedule FT-DW to a maximum of such Customer's Export Delivery Contract Demand for such Export Delivery Point under such Rate Schedule FT-DW; and
- (v) fifthly 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** “Billing Commencement Date” shall mean the earlier of:
- (a) the Ready for Service Date; and
 - (b) the date Company commences to provide Service to Customer pursuant to a Service Agreement or Schedule of Service.
- 1.5** “Billing Month” shall mean that month which immediately precedes the month in which Company is required to send a bill for Service.
- 1.6** “Block Period” shall have the meaning attributed to it in paragraph 3.2 of Rate Schedule STFT.
- 1.7** “Board” shall mean the Alberta Energy and Utilities Board.
- 1.8** “CO₂ Volume” shall mean the portion of the total excess volume of carbon dioxide

availability of gas to meet Customer's Nominations.

- 1.11** "Company" shall mean NOVA Gas Transmission Ltd. and any successor to it.
- 1.12** "Company's Gas Use Price" shall mean the monthly weighted average of the "AECO/NGX Intra-Alberta Same Day Index Values" for every day of the month recorded by the Natural Gas Exchange Inc. (or its successor) as published on its website (or any replacement thereof) for the month preceding the Billing Month multiplied by the average heating value of all physical gas received by Company for the month preceding the Billing Month.
- 1.13** "Criteria for Determining Primary Term" shall mean the procedure for determining the Primary Term, as set out in Appendix "E" of the Tariff.
- 1.14** "CSO" shall mean Common Stream Operator.
- 1.15** "Cubic Metre of Gas" shall mean that quantity of gas which, at a temperature of fifteen (15) degrees Celsius and at an absolute pressure of one hundred one and three hundred twenty-five thousandths (101.325) kiloPascals occupies a volume of one cubic metre.
- 1.16** "Customer" shall mean any Person named as a Customer in a Service Agreement or Schedule of Service.
- 1.17** "Customer Account" shall mean an account established by Company for Customer to record Customer's transactions related to Service under one or more Rate Schedules.
- 1.18** "Customer Bid" shall have the meaning attributed to it in paragraph 4.2 of Rate Schedule STFT.
- 1.19** "Customer's Inventory" shall mean, for each Customer Account at a given time on a day,

such Delivery Point at any point in time.

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

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- 1.77** “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.
- 1.78** “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.
- 1.79** “Receipt Demand Charge” shall have the meaning attributed to it in subparagraph 4.2.2 (i) of Rate Schedule LRS.
- 1.80** “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.
- 1.81** “Responding Plant” shall have the meaning attributed to it in Appendix “G” of the Tariff.
- 1.82** “STFT Bid Price” shall have the meaning attributed to it in article 5.0 of Rate Schedule STFT.
- 1.83** “STFT Capacity” shall have the meaning attributed to it in paragraph 3.1 of Rate Schedule STFT.
- 1.84** “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.
- 1.85** “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.
- 1.86** “Service” shall have the meaning attributed to it in article 2.0 of the applicable Rate

General Terms and Conditions and the Appendices.

- 1.96** “Tier” shall mean the Tier 1, Tier 2 or Tier 3 CO₂ Rate as set forth in the Table of Rates, Tolls and Charges.
- 1.97** “Thousand Cubic Metres” or “10³ m³” shall mean one thousand (1000) Cubic Metres of Gas.
- 1.98** “Volume Multiplier” shall have the meaning attributed to it in subparagraph 6.1 (a) of Rate Schedule STFT.
- 1.99** “Winter Season” shall mean the period commencing on November 1 of any year and ending on the next succeeding March 31.

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

- (i) Firstly, Service under Rate Schedules IT-R and IT-S based on the priority provisions of the applicable Service Agreement until such Service has been reduced to zero (0); and
- (ii) Secondly, Service under Rate Schedules FT-R, FT-RN, FT-X, FT-P, LRS, LRS-2 and LRS-3 on a prorata basis.

11.4.2 At Delivery Points

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

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

11.5 Customer's Obligations

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