
GENERAL TERMS AND CONDITIONS

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GENERAL TERMS AND CONDITIONS**1.0 DEFINITIONS**

In this Tariff:

- 1.1** “Act” shall mean the *National Energy Board Act*.
- 1.2** “Annual Plan” shall mean a document prepared by Company outlining the planned Facility additions and major modifications as determined by Company.
- 1.3** “ATCO Gas” shall mean ATCO Gas, a division of ATCO Gas and Pipelines Ltd.
- 1.4** “ATCO Pipelines” shall mean ATCO Pipelines, a division of ATCO Gas and Pipelines Ltd.
- 1.5** “ATCO Pipelines Franchise Fees” shall mean any fees, taxes and other charges approved by the Alberta Utilities Commission and its successors, payable by ATCO Pipelines pursuant to a franchise agreement with a municipality and set out in paragraph 15.13 of these General Terms and Conditions.
- 1.6** “Banking Day” shall mean any day that the Royal Bank of Canada, Main Branch, Calgary, Canada, or other financial institutions agreed to by Company, conducts business.
- 1.7** “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.
- 1.8** “Billing Month” shall mean that month which immediately precedes the month in which Company is required to provide a bill for Service.
- 1.9** “Board” shall mean the National Energy Board.

- 1.10** “Central Clock Time” or “CCT” shall mean the clock time in the Central Zone.
- 1.11** “Closing Date” shall mean the date an open season ends as posted by Company.
- 1.12** “CO₂ Volume” shall mean the portion of the total excess volume of carbon dioxide allocated by a CSO to a Customer at a particular Receipt Point for any month under a Schedule of Service for Service under Rate Schedule CO₂. The total excess volume of carbon dioxide at a Receipt Point for any month shall be determined by Company as follows:

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

Where:

- “A” = the total volume of gas received by Company at such Receipt Point;
- “B” = the percentage of carbon dioxide by volume of gas received as determined by Company at such Receipt Point; and
- “C” = two (2) percent.

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

- 1.13** “CO₂ Rate” shall mean the CO₂ Rate in the Table of Rates, Tolls and Charges which has been fixed by Company or the Board for Service under Rate Schedule CO₂.
- 1.14** “Common Stream Operator” or “CSO” shall mean the person who, with respect to a Receipt Point:
- (i) provides Company with the estimates of Flow at the Receipt Point;
 - (ii) provides Company with the allocation of the estimated Flow and Total Quantity for the Receipt Point to each Customer receiving Service at the Receipt Point; and
 - (iii) accepts Nominations made by Company on behalf of Customers and confirms the availability of gas to meet Customer’s Nominations.

- 1.15** “Company” shall mean NOVA Gas Transmission Ltd. and any successor to it.
- 1.16** “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 Billing Month multiplied by the average heating value of all physical gas received by Company for the Billing Month.
- 1.17** “Connecting Pipeline Operator” or “CPO” shall mean the person who, with respect to a Delivery Point, places Nominations with Company on behalf of Customers.
- 1.18** “Conversion Eligible Schedule of Service” shall mean any Schedule of Service Rate Schedule FT-D with a minimum Primary Term of five (5) consecutive years for any new Service or any renewed or extended Service under Rate Schedule FT-D.
- 1.19** “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.
- 1.20** “Customer” shall mean any Person named as a Customer in a Service Agreement or Schedule of Service.
- 1.21** “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.
- 1.22** “Customer’s Inventory” shall mean, for each Customer Account at a given time on a day, an estimated energy amount determined by Company as follows:

$$CI = (A + B) - (C + D) - E \pm F$$

Where:

“CI” = the Customer’s Inventory;

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- “A” = the gas received by Company from Customer at all of Customer’s Receipt Points;
- “B” = the gas received by Customer from another Customer through title transfers;
- “C” = the gas delivered by Company to Customer at all of Customer’s Delivery Points;
- “D” = the gas delivered by Customer to another Customer through title transfers;
- “E” = the gas allocated to Customer for Gas Used, Gas Lost, and Measurement Variance; and
- “F” = the daily recovery of Customer’s Inventory imbalance as a result of:
- (i) any differences in measurement or allocations between the daily estimated gas received by Company from Customer at all of Customer’s Receipt Points and the month end actual quantity of gas received by Company from Customer at such Receipt Points;
 - (ii) any differences in measurement or allocations between the daily estimated quantity of gas delivered by Company to Customer at all of Customer’s Delivery Points and the month end actual gas delivered by Company to Customer at such Delivery Points;
 - (iii) any corrections due to measurement or allocations of gas for any prior months; and

- (iv) Company's administration of Customer's Inventory at month end pursuant to paragraphs 8.2 and 8.3 in Appendix "D" of the Tariff.

- 1.23** "Daily Open Season" shall have the meaning attributed to it in subparagraph 2.6.1 of Appendix "A" of the Tariff.
- 1.24** "Daily Open Season Bid Form" shall have the meaning attributed to it in subparagraph 2.6.2(a) of Appendix "A" of the Tariff.
- 1.25** "Day" shall mean a period of twenty-four (24) consecutive hours, beginning and ending at eight hours (08:00) Mountain Standard Time.
- 1.26** "Delivery Contract Demand" shall mean the maximum quantity of gas, expressed in GJ, Company may be required to deliver to Customer at the Delivery Point on any Day, under a Schedule of Service.
- 1.27** "Delivery Demand Charge" shall have the meaning attributed to it in subparagraph 4.2.2 (ii) of Rate Schedule LRS.
- 1.28** "Delivery Design Area" or "DDA" shall mean each of:
- (i) the Northwest Alberta and Northeast B.C. Area;
 - (ii) the Northeast Alberta Area;
 - (iii) the Southwest Alberta Area;
 - (iv) the Southeast Alberta Area; and
 - (v) Edmonton and Area.

as described in Company's current Annual Plan. The Delivery Design Areas may be amended from time to time by Company in consultation with the Tolls, Tariff, Facilities and Procedures Committee (or any replacement of it), provided Company has given six (6) months Notice of such amendment to its Customers.

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- 1.29** “Delivery Point” shall mean the point where gas may be delivered to Customer by Company under a Service Agreement or Schedule of Service.
- 1.30** “EDO” shall mean an emergency diversion order, or direction, of the Energy Resources Conservation Board that requires Company to divert gas pursuant to Section 9 of the Gas Resources Preservation Act, RSA 2000, Chapter G-4, as amended, superseded or replaced from time to time.
- 1.31** “Effective LRS Rate” shall mean the Effective LRS Rate set forth in the Table of Rates, Tolls and Charges which has been fixed by Company or the Board for Service under Rate Schedule LRS.
- 1.32** “Eligible LRS Contract Demand” shall have the meaning attributed to it in subparagraph 4.2.1 of Rate Schedule LRS.
- 1.33** “Eligible LRS-3 Contract Demand” shall have the meaning attributed to it in subparagraph 4.2.1 of Rate Schedule LRS-3.
- 1.34** “Eligible LRS-2 Volume” shall have the meaning attributed to it in subparagraph 4.3.2 of Rate Schedule LRS-2.
- 1.35** “Eligible Points to Point Volume” shall mean for each Schedule of Service under Rate Schedule FT-P, the lesser of:
- (i) the sum of each Points to Point Contract Demand in effect for all or a portion of the Billing Month multiplied by the number of days that the Customer was entitled to such Points to Point Contract Demand under such Schedule of Service in such month;
 - (ii) the actual volume of gas received by Company from Customer at the Receipt Points under such Schedule of Service; or
 - (iii) the actual volume of gas delivered by Company to Customer at the Delivery Point under such Schedule of Service.

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- 1.36** “ERC Adjustment” shall have the meaning attributed to it in Appendix “G” of the tariff.
- 1.37** “ERC Event” shall have the meaning attributed to it in Appendix “G” of the Tariff.
- 1.38** “Existing Capacity” shall have the meaning attributed to it in paragraph 2.1 of Appendix “A” of the Tariff.
- 1.39** Existing Capacity Open Season” shall have the meaning attributed to it in paragraph 2.1 of Appendix “A” of the Tariff.
- 1.40** “Expansion Capacity” shall have the meaning attributed to it in paragraph 3.1 of Appendix “A” of the Tariff.
- 1.41** “Expansion Capacity Open Season” shall have the meaning attributed to it in paragraph 3.1 of Appendix “A” of the Tariff.
- 1.42** “Expansion Closing Date” shall have the meaning attributed to it in subparagraph 3.1(c) of Appendix “A” of the Tariff.
- 1.43** “Extraction Delivery Point” shall mean the point where gas may be delivered to the Extraction Plant by Company for Customer under a Schedule of Service.
- 1.44** “Extraction Plant” shall mean a facility connected to the Facilities where Gas liquids are extracted.
- 1.45** “Extraction Receipt Point” shall mean the point where gas may be received from the Extraction Plant by Company for Customer under a Schedule of Service.
- 1.46** “Facilities” shall mean Company’s pipelines and other facilities or any part or parts thereof for the receiving, gathering, treating, transporting, storing, distributing, exchanging, handling or delivering of gas.
- 1.47** “Financial Assurance” shall have the meaning attributed to it in paragraph 10.1.

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- 1.48** “Flow” shall mean, with respect to a Receipt Point, the rate in $10^3\text{m}^3/\text{d}$ or GJ/d, as the case may be, that gas is being delivered into Company’s Facilities through such Receipt Point at any point in time and means with respect to a Delivery Point, the rate in $10^3\text{m}^3/\text{d}$ or GJ/d, as the case may be, that gas is being delivered off Company’s Facilities through such Delivery Point at any point in time.
- 1.49** “FT-D Demand Rate” shall mean the FT-D Demand Rate for a particular 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-D.
- 1.50** “FT-D3 Sub-Group” shall mean a sub-group of Group 3 Delivery Points determined by Company and set forth in Customer’s Schedule of Service under Rate Schedule FT-D.
- 1.51** “FT-DW Bid Price” shall have the meaning attributed to it in article 3.0 of Rate Schedule FT-DW.
- 1.52** “FT-DW Capacity” shall have the meaning attributed to it in paragraph 4.1 of Appendix “A” of the Tariff.
- 1.53** “FT-DW Open Season” shall have the meaning attributed to it in paragraph 4.1 of Appendix “A” of the Tariff.
- 1.54** “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.
- 1.55** “FT-P Delivery Credit Rate” shall mean the applicable Delivery Credit Rate set out in the Table of Rates, Tolls and Charges which has been fixed by Company or the Board for Service under Rate Schedule FT-P.
- 1.56** “FT-P Demand Rate” shall mean the FT-P Demand Rate for the distance between the particular Receipt Points and the particular 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.

- 1.57** “FT-P Receipt Credit Rate” shall mean the applicable Receipt Credit Rate set out in the Table of Rates, Tolls and Charges which has been fixed by Company or the Board for Service under Rate Schedule FT-P.
- 1.58** “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.
- 1.59** “FT-RN Demand Rate” shall mean the FT-RN Demand Rate in the Table of Rates, Tolls and Charges which has been fixed by Company or the Board for Service under Rate Schedule FT-RN for a particular Receipt Point.
- 1.60** “G-14” shall mean Measurement Canada’s Bulletin G-14, as may be amended from time to time.
- 1.61** “Gas” or “gas” shall mean all natural gas both before and after it has been subjected to any treatment or process by absorption, purification, scrubbing or otherwise, and includes all fluid hydrocarbons other than hydrocarbons that can be recovered from a pool in liquid form by ordinary production methods.
- 1.62** “GIA” shall mean the Electricity and Gas Inspection Act, R.S.C. 1985, c. E-4, as amended, and all Regulations issued pursuant to it.
- 1.63** “Gas Lost” shall mean that quantity of gas determined by Company to be the aggregate of:
- (i) the total quantity of gas lost as a result of a Facilities rupture or leak; and
 - (ii) any Customer’s Inventory that Company reasonably determines to be unrecoverable.
- 1.64** “Gas Used” shall mean that quantity of gas determined by Company to be the total quantity of gas used by Company in the operation, maintenance and construction of the Facilities.

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- 1.65** “Gas Year” shall mean a period of time beginning at eight hours (08:00) Mountain Standard Time on the first day of November in any year and ending at eight hours (08:00) Mountain Standard Time on the first day of November of the next year.
- 1.66** “GJ” shall mean gigajoule, or one billion joules.
- 1.67** “Gross Heating Value” shall mean the total MJ obtained by complete combustion of one cubic metre of gas with air, the gas to be free of all water vapour and the gas, air and products of combustion to be at standard conditions of fifteen (15) degrees Celsius and one hundred one and three hundred twenty-five thousandths (101.325) kiloPascals (absolute) and all water vapour formed by the combustion reaction condensed to the liquid state.
- 1.68** “Group 1 Delivery Point” shall mean any Delivery Point that interconnects with the following major downstream pipelines:
- (i) TransCanada PipeLines Limited;
 - (ii) Foothills Pipe Lines Ltd. (B.C.);
 - (iii) Foothills Pipe Lines Ltd. (Saskatchewan);
 - (iv) Spectra Energy Transmission; and
 - (v) Alliance Pipeline Limited Partnership.
- 1.69** “Group 2 Delivery Point” shall mean any Delivery Point determined by Company that is not a Group 1 Delivery Point nor a Group 3 Delivery Point.
- 1.70** “Group 3 Delivery Point” shall mean any Delivery Point that is not a Group 1 Delivery Point and at which Service is subject to the provisions of paragraph 2.3 of Rate Schedule FT-D.
- 1.71** “Group 3 Peak Day Demand Requirement” shall mean the daily flow equivalent of Customer’s estimated highest four (4) consecutive hour demand during the contract term.
- 1.72** “Interconnecting Pipeline Open Season” shall have the meaning attributed to it in subparagraph 2.3.1 of Appendix “A” of the Tariff.

- 1.73** “IT-D Rate” shall mean the IT-D Rate for a particular Delivery Point in the Table of Rates, Tolls and Charges which has been fixed by Company or the Board for Service under Rate Schedule IT-D.
- 1.74** “IT-R Rate” shall mean the IT-R Rate for a particular Receipt Point in the Table of Rates, Tolls and Charges which has been fixed by Company or the Board for Service under Rate Schedule IT-R.
- 1.75** “J” or “Joule” shall mean the base unit for energy as defined by the International System of Units (SI).
- 1.76** “kPa” or “kiloPascals ” shall mean kiloPascals of pressure (gauge) unless otherwise specified.
- 1.77** “Line Pack Gas” shall mean at any point in time that quantity of gas determined by Company to be the total quantity of gas contained in the Facilities.
- 1.78** “Low Intervention Trade Transaction” shall have the meaning attributed to it in G-14, as may be amended from time to time.
- 1.79** “LRS Billing Adjustment” shall have the meaning attributed to it in subparagraph 4.2.4 of Rate Schedule LRS.
- 1.80** “LRS Charge” shall have the meaning attributed to it in subparagraph 4.2.3 of Rate Schedule LRS.
- 1.81** “LRS Contract Demand” shall mean the maximum daily volume of gas Company may be required to receive from Customer and deliver at the Empress or McNeill Delivery Point under Rate Schedule LRS.
- 1.82** “LRS Receipt Point Obligation” shall mean the period determined in subparagraph 6.2 or 6.3 of Rate Schedule LRS as the case may be.

- 1.83** “LRS-3 Contract Demand” shall mean the maximum daily volume of gas Company may be required to receive from Customer and deliver at the Empress Delivery Point under a Schedule of Service for Service under Rate Schedule LRS-3.
- 1.84** “LRS-3 Demand Rate” shall mean the LRS-3 Demand Rate in the Table of Rates, Tolls and Charges which has been fixed by Company or the Board for Service under Rate Schedule LRS-3.
- 1.85** “Maximum Carbon Dioxide Volume” shall mean the maximum total excess CO₂ Volume as determined by Company that the Company may be required to accept at a particular Receipt Point on any day, as set forth in a Schedule of Service under Rate Schedule CO₂.
- 1.86** “Maximum Delivery Pressure” shall mean relative to a Delivery Point the maximum pressure at which Company may deliver gas to Customer, as set forth in a Schedule of Service.
- 1.87** “Maximum Receipt Pressure” shall mean relative to a Receipt Point the maximum pressure at which Company may require Customer to deliver gas, as set forth in Schedule of Service.
- 1.88** “MC” shall mean Measurement Canada, an Agency of Industry Canada.
- 1.89** “Measurement Variance” shall mean, for any period, after taking into account any adjustment made in accordance with the provisions of paragraph 2.6 of these General Terms and Conditions, the energy equivalent of the amount determined as follows:

$$MV = (A + B + C) - (D + E)$$

Where:

“MV” = the Measurement Variance;

“A” = the energy equivalent of gas determined by Company to have been delivered to all Customers during the period;

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- “B” = the energy equivalent of the aggregate of the Gas Lost and Gas Used during the period;
- “C” = the energy equivalent of Line Pack Gas at the end of the period;
- “D” = the energy equivalent of gas determined by Company to have been received from all Customers during the period; and
- “E” = the energy equivalent of Line Pack Gas at the beginning of the period.
- 1.90** “MJ” shall mean megajoule, or one million joules.
- 1.91** “Month” or “month” shall mean a period of time beginning at eight hours (08:00) Mountain Standard Time on the first day of a calendar month and ending at eight hours (08:00) Mountain Standard Time on the first day of the next calendar month.
- 1.92** “Nomination” shall mean, with respect to a Receipt Point or a Delivery Point, a request for Flow made on behalf of a Customer.
- 1.93** “Notice” shall have the meaning attributed to it in the applicable Service Agreement.
- 1.94** “Officer’s Certificate” shall have the meaning attributed to it in subparagraph 4.2.1 of Rate Schedule LRS for Service under Rate Schedule LRS and subparagraph 4.3.1 of Rate Schedule LRS-2 for Service under Rate Schedule LRS-2.
- 1.95** “Open Season Bid Form” shall have the meaning attributed to it in subparagraph 2.2(a) of Appendix “A” of the Tariff.
- 1.96** “Over-Run Gas” shall mean, in respect of a Customer in a month, the aggregate quantity of gas for which an amount for over-run gas is payable by Customer in the Billing Month.
- 1.97** “OS Charge” shall mean an OS Charge in the Table of Rates, Tolls and Charges which has been fixed by Company or the Board for Service under Rate Schedule OS.

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- 1.98** “Person” shall mean and include Company, a Customer, a corporation, a company, a partnership, an association, a joint venture, a trust, an unincorporated organization, a government, or department of a government or a section, branch, or division of a department of a government.
- 1.99** “Points to Point Contract Demand” shall mean the maximum volume of gas Company may be required to receive from Customer at particular Receipt Points and deliver to Customer at a Delivery Point on any day under a Schedule of Service under Rate Schedule FT-P.
- 1.100** “Price Point” shall mean for the purposes of any Service provided under any Schedule of Service under:
- (i) Rate Schedule FT-R or Rate Schedule FT-P, Price Point “A”, Price Point “B”, or Price Point “C”, each as defined in paragraph 3.2 of Rate Schedule FT-R and Rate Schedule FT-P; and
 - (ii) Rate Schedule FT-D, Price Point “X”, Price Point “Y”, or Price Point “Z”, each as defined in paragraph 3.2 of Rate Schedule FT-D.
- 1.101** “Primary Term” shall mean for the purposes of any Service provided under any Schedule of Service under:
- (i) Rate Schedule FT-R, the term calculated in accordance with the Criteria for Determining Primary Term in Appendix “E” of the Tariff;
 - (ii) Rate Schedule FT-P, for receipt metering facilities, the term calculated in accordance with the Criteria for Determining Primary Term in Appendix “E” of the Tariff; and for other facilities, the term as defined in paragraph 5.1 of Rate Schedule FT-D; and
 - (iii) Rate Schedule FT-D, the term defined in paragraph 5.1 of Rate Schedule FT-D.

1.102 “Prime Rate” shall mean the rate of interest, expressed as an annual rate of interest, announced from time to time by the Royal Bank of Canada, Main Branch, Calgary, Alberta as the reference rate then in effect for determining interest rates on Canadian dollar commercial loans in Canada.

1.103 “Project Area” shall mean each of:

- (i) the Peace River Project Area;
- (ii) the North and East Project Area; and
- (iii) the Mainline Project Area,

as described in Company’s current Annual Plan. The Project Areas may be amended from time to time by Company in consultation with the Tolls, Tariff, Facilities and Procedures Committee (or any replacement of it), provided Company has given six (6) months Notice of such amendment to its Customers.

1.104 “PT Gas Rate” shall mean the PT Gas Rate in the Table of Rates, Tolls and Charges which has been fixed by Company or the Board for Service under Rate Schedule PT, based on the incremental gas requirements associated with the Facilities required to provide such Service.

1.105 “PT Rate” shall mean the PT Rate in the Table of Rates, Tolls and Charges which has been fixed by Company or the Board for Service under Rate Schedule PT, based on the incremental operating costs associated with providing such Service plus ten percent.

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

1.107 “Ready for Service Date” shall mean the Day designated as such by Company by Notice to Customer stating that Company has Facilities which are ready for and are capable of rendering the Service applied for by Customer.

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- 1.108** “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.
- 1.109** “Receipt Demand Charge” shall have the meaning attributed to it in subparagraph 4.2.2 (i) of Rate Schedule LRS.
- 1.110** “Receipt Point” shall mean the point at which gas may be received from Customer by Company under a Service Agreement or Schedule of Service.
- 1.111** “STFT Bid Price” shall have the meaning attributed to it in article 3.0 of Rate Schedule STFT.
- 1.112** “STFT Capacity” shall have the meaning attributed to it in paragraph 5.1 of Appendix “A” of the Tariff.
- 1.113** “STFT Capacity Open Season” shall have the meaning attributed to it in paragraph 5.1 of Appendix “A” of the Tariff.
- 1.114** “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.
- 1.115** “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.
- 1.116** “Service” shall have the meaning attributed to it in article 2.0 of the applicable Rate Schedule.
- 1.117** “Service Agreement” shall mean an agreement between Company and Customer respecting Service to be provided under any Rate Schedule.
- 1.118** “Service Commencement Date” shall mean the service commencement date requested by Customer on Customer bid.

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- 1.119** “Service Termination Date” shall mean the last Day in a month upon which Service shall terminate, as set forth in a Schedule of Service and subject to any renewal thereof.
- 1.120** “Storage Delivery Point” shall mean the point where gas may be delivered to the Storage Facility by Company for Customer for ultimate receipt from such Storage Facility at the Storage Receipt Point under a Schedule of Service.
- 1.121** “Storage Facility” shall mean any commercial facility where gas is stored, that is connected to the Facilities and is available to all Customers.
- 1.122** “Storage Receipt Point” shall mean the point where gas may be received from the Storage Facility by Company for Customer that was previously delivered to such Storage Facility at the Storage Delivery Point under a Schedule of Service.
- 1.123** “Surcharge” shall mean the ATCO Pipelines Franchise Fees and any other 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.
- 1.124** “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.
- 1.125** “Temporary Conversion” shall mean the ability to temporarily convert a Conversion Eligible Schedule of Service to a Schedule of Service Rate Schedule FT-P, in accordance with Article 11 of Rate Schedule FT-D.
- 1.126** “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.
- 1.127** “Tier” shall mean the Tier 1, Tier 2 or Tier 3 CO₂ Rate as set forth in the Table of Rates, Tolls and Charges.
- 1.128** “TJ” shall mean terajoule, or one trillion joules.

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

1.130 “Website” shall mean Company’s internet site operated by TransCanada PipeLines Limited for Company.

1.131 “Winter Season” shall mean the period commencing on November 1 of any year and ending on the next succeeding March 31.

2.0 MEASURING EQUIPMENT

2.1 Installation

Company, at its option, may furnish, install, maintain and operate all measuring equipment located at each Receipt Point, Delivery Point or other point where gas is measured.

2.2 Compliance with Standards

Company may use such measuring equipment as it deems appropriate provided that all measuring equipment shall comply with all applicable requirements under the GIA.

2.3 Check Measuring Equipment

Customer may install and operate check measuring equipment provided that such equipment does not interfere with the operation of the Facilities.

2.4 Pulsation Dampening

Customer shall provide or cause to be provided such pulsation dampening equipment as may be necessary to ensure that any facilities upstream of a Receipt Point do not interfere with the operation of the Facilities.

2.5 Verification

The accuracy of Company's measuring equipment shall be tested and verified by Company at such intervals as may be appropriate for such equipment. Reasonable Notice of the time and nature of each test shall be given to Customer to permit Customer to arrange for a representative to observe the test and any adjustments resulting from such test. If, after Notice, Customer fails to have a representative present, the results of the test shall nevertheless be considered accurate.

2.6 Correction

If at any time any of the measuring equipment is found to be out of service or registering inaccurately with the result that a significant measurement error has occurred, such equipment shall be adjusted as soon as practicable to read as accurately as possible and the readings of such equipment shall be adjusted to correct for such significant error for a period definitely known or agreed upon, or if not known or agreed upon, one-half (1/2) of the elapsed time since the last test. The measurement during the appropriate period shall be determined by Company on the basis of the best data available using the most appropriate of the following methods:

- (a) by using the data recorded by any check measuring equipment if installed and accurately registering;
- (b) by making the appropriate correction if the deviation from the accurate reading is ascertainable by calibration test or mathematical calculation;
- (c) by estimating based on producer measurements; or
- (d) by estimating based on deliveries under similar conditions during a period when the equipment was measuring accurately.

2.7 Expense of Additional Tests

If Customer requests a test in addition to the tests provided for by paragraph 2.5 and if upon testing the deviation from the accurate reading is found to be less than two (2) percent, Customer shall bear the expense of the additional test.

2.8 Inspection of Equipment and Records

Company and Customer shall have the right to inspect measuring equipment installed or furnished by the other, and the charts and other measurement or test data of the other at all times during normal business hours upon reasonable Notice, but the reading,

calibration and adjustment of such equipment and the changing of the charts shall be done only by the Person installing and furnishing same.

2.9 Quality Equipment and Tests

- (a) Company may furnish, install, maintain and operate such equipment as it considers necessary to ensure that gas received by Company conforms to the quality requirements set forth in the Tariff.
- (b) Company may establish and utilize such reasonable methods, procedures and equipment as Company determines are necessary in order to determine whether gas received by Company conforms with the quality requirements set forth in the Tariff.

3.0 GAS QUALITY

3.1 Quality Requirements

Gas received at a Receipt Point:

- (a) shall be free, at the pressure and temperature in the Facilities at the Receipt Point, from sand, dust, gums, crude oil, contaminants, impurities or other objectionable substances which will render the gas unmerchantable, cause injury, cause damage to or interfere with the operation of the Facilities;
- (b) shall not have a hydrocarbon dew point in excess of minus ten (-10) degrees Celsius at operating pressures;
- (c) shall not contain more than twenty-three (23) milligrams of hydrogen sulphide per one (1) cubic metre;
- (d) shall not contain more than one hundred and fifteen (115) milligrams of total sulphur per one (1) cubic metre;

- (e) shall not contain more than two (2) percent by volume of carbon dioxide unless a valid Service Agreement and Schedule of Service under Rate Schedule CO₂ is executed by Customer and in effect at such Receipt Point;
- (f) shall not contain more than:
 - (i) sixty-five (65) milligrams of water vapour per one (1) cubic metre; or
 - (ii) forty-eight (48) milligrams of water vapour per one (1) cubic metre if a valid Service Agreement and Schedule of Service under Rate Schedule CO₂ is executed and in effect at such Receipt Point;
- (g) shall not have a water dew point in excess of minus ten (-10) degrees Celsius at operating pressures greater than eight thousand two hundred seventy five (8275) kPa;
- (h) shall not exceed forty-nine (49) degrees Celsius in temperature;
- (i) shall be as free of oxygen as practicable and shall not in any event contain more than four-tenths of one (0.4) percent by volume of oxygen; and
- (j) shall have a Gross Heating Value of not less than thirty-six (36) megaJoules per cubic metre.

3.2 Nonconforming Gas

- (a) If gas received by Company fails at any time to conform with any of the quality requirements set forth in paragraph 3.1 above, then Company shall give Notice to Customer of such failure and Company may, at Company's option, refuse to accept such gas pending the remedying of such failure to conform to quality requirements. If the failure to conform is not promptly remedied, Company may accept such gas and may take such steps as Company determines are necessary to ensure that such gas conforms with the quality requirements and Customer shall reimburse Company for any reasonable costs and expenses incurred by Company.

- (b) Notwithstanding subparagraph 3.2 (a), if gas received by Company fails to conform to the quality requirements set forth in paragraph 3.1 above, Company may at its option immediately suspend the receipt of gas, provided however that any such suspension shall not relieve Customer from any obligation to pay any rate, toll, charge or other amount payable to Company.
- (c) Notwithstanding subparagraphs 3.2 (a) and 3.2 (b), if gas received by Company fails to conform to the quality requirements set forth in subparagraph 3.1(e) above, Company shall give Notice to Customer of such failure. If the failure to conform is not remedied by Customer within thirty (30) days, Company shall refuse to accept such gas pending the remedying of such failure, provided however that any such suspension shall not relieve Customer from any obligation to pay any rate, toll, charge or other amount payable to Company.

3.3 Quality Standard of Gas Delivered at Delivery Points

Gas which Company delivers at Delivery Points shall have the quality that results from gas having been transported and commingled in the Facilities.

4.0 MEASUREMENT

4.1 Method of Measurement

Company may make such measurements and calculations and use such procedures as it deems appropriate in determining volume, provided that the measurements and calculations made and the procedures used comply with any applicable requirements under the GIA.

4.2 Unit of Measurement

4.2.1 The unit of volume for purposes of measurement hereunder shall be a Thousand Cubic Metres.

4.2.2 The unit of quantity for purposes of measurement hereunder shall be a GJ.

4.3 Atmospheric Pressure

For the purpose of measurement atmospheric pressure shall be determined by a recognized formula applied to the nearest one hundredth (0.01) kPa absolute and deemed to be constant at the time and location of measurement.

4.4 Flowing Temperature

The temperature of flowing gas shall be determined by means of a recording thermometer or other equipment appropriate for the determination of temperature.

4.5 Determination of Gas Characteristics

The gas characteristics including, without limiting the generality of the foregoing, Gross Heating Value, relative density, nitrogen and carbon dioxide content, shall be determined by continuous recording equipment, laboratory equipment or through computer modeling.

4.6 Exchange of Measurement Information

Company and Customer shall make available to the other, as soon as practicable following written request, all measurement and test charts, measurement data and measurement information pertaining to the Service being provided to Customer.

4.7 Preservation of Measurement Records

Company and Customer shall preserve all measurement test data, measurement charts and other similar records for a minimum period of six (6) years or such longer period as may be required by record retention rules of any duly constituted regulatory body having jurisdiction.

4.8 Low Intervention Trade Transaction Level

If, pursuant to the GIA and G-14, Company has received from MC, conditional permission for the use of gas metering equipment without verification and sealing, at the Low Intervention Trade Transaction level, then the following shall apply:

- (a) The Low Intervention Trade Transactions shall be subject to the provisions and conditions listed in G-14, as published on MC's website (or any replacement thereof);
- (b) Customer agrees that the gas metering equipment has been initially calibrated and will be periodically recalibrated (and reprogrammed where necessary) in accordance with a process and procedures acceptable to Customer;
- (c) Any measurement disputes arising between Company and Customer shall be resolved in accordance with the provisions of paragraph 2.6 of these General Terms and Conditions;
- (d) Company and Customer acknowledge and agree that the conditional permission granted by MC may restrict MC's ability to successfully conclude a measurement dispute investigation, if MC involvement has been requested; and
- (e) Company and Customer agree to the implementation of Low Intervention Trade Transactions in accordance with G-14 and either Company or Customer has the right to request a revocation of the conditional permission for Low Intervention Trade Transactions in accordance with G-14.

5.0 BILLING AND PAYMENT

5.1 Billing

On or before the twenty-first day of each month, Company shall provide on the Website a bill to Customer for Service rendered during the Billing Month. Customer shall furnish such information to Company as Company may require for billing on or before the twenty-first day of the Billing Month.

5.2 Payment

Customer shall make payment to Company in Canadian dollars of its bill on or before the last day of the month following the Billing Month.

5.3 Late Billing

If Company provides a bill after the twenty-first day of a month, then the date for payment shall be that day which is ten (10) days after the day that such bill was provided.

5.4 Interest on Unpaid Amounts

Company shall have the right to charge interest on the unpaid portion of any bill commencing from the date payment was due and continuing until the date payment is actually received, at a rate per annum equal to the Prime Rate plus one (1) percent. The principal and accrued interest to date shall be due and payable immediately upon demand.

5.5 Adjustment Where Bill Estimated

Information used for billing may be actual or estimated. If actual information necessary for billing is unavailable to Company sufficiently in advance of the twenty-first day of the month to permit the use of such information in the preparation of a bill, Company shall use estimated information. In the month that actual information becomes available respecting a previous month where estimated information was used, the bill for the month in which the actual information became available shall be adjusted to reflect the

difference between the actual and estimated information as if such information related to such later month. Neither Company nor Customer shall be entitled to interest on any adjustment.

5.6 Corrections

Notwithstanding any provision contained in this Tariff to the contrary, the correction of an error in a bill for Service provided in a prior month, shall be made to the bill in accordance with the appropriate provision of this Tariff in effect at the time that the error was made. Company shall proceed with such correction in the month following the month that Company confirms the error. In the case of a disputed bill the provisions of paragraph 5.7 shall apply.

5.7 Disputed Bills

5.7.1 In the event Customer disputes any part of a bill, Customer shall nevertheless pay to Company the full amount of the bill when payment is due.

5.7.2 If Customer fails to pay the full amount of any bill when payment is due, Company may upon four (4) Banking Days Notice immediately suspend any or all Service being or to be provided to Customer provided however that such suspension shall not relieve Customer from any obligation to pay any rate, toll, charge or other amount payable to Company. If at any time during such suspension Customer pays the full amount payable to Company, Company shall within two (2) Banking Days recommence such suspended Service.

Following suspension, Company may, in addition to any other remedy that may be available to it, upon four (4) Banking Days Notice to Customer immediately:

- (i) terminate any or all Service being or to be provided to Customer; and
- (ii) declare any and all amounts payable now or in the future by Customer to Company for any and all Service to be immediately due and payable as liquidated damages and not as a penalty.

5.7.3 In the event that it is finally determined that Customer's monthly bill was incorrect and that an overpayment has been made, Company shall make reimbursement of such overpayment. Company shall pay interest on the overpayment to Customer, commencing from the date such overpayment was made and continuing until the date reimbursement is actually made, at a rate per annum equal to the Prime Rate plus one (1) percent.

6.0 POSSESSION AND CONTROL

6.1 Control

Gas received by Company shall be deemed to be in the custody and under the control of Company from the time it is received into the Facilities until it is delivered out of the Facilities.

6.2 Warranty

Customer warrants and represents it has the right to tender all gas delivered to Company.

7.0 GAS PRESSURES

7.1 The Gas Pressure At Receipt Points

The pressure of gas tendered by Customer to Company at any Receipt Point shall be the pressure, up to the Maximum Receipt Pressure, that Company requires such gas to be tendered, from time to time, at that Receipt Point.

7.2 Pressure Protection

Customer shall provide or cause to be provided suitable pressure relief devices, or pressure limiting devices, to protect the Facilities as may be necessary to ensure that the

pressure of gas delivered by Customer to Company at any Receipt Point will not exceed one hundred ten (110%) percent of the Maximum Receipt Pressure.

7.3 The Gas Pressure At Delivery Points

The pressure of gas delivered by Company at any Delivery Point shall be the pressure available from the Facilities at that Delivery Point, provided that such pressure shall not exceed the Maximum Delivery Pressure.

8.0 GAS USED, GAS LOST AND MEASUREMENT VARIANCE

8.1 Company's Gas Requirements

- (a) Company may, at its option, either:
 - (i) take from all Customers at Receipt Points a quantity of gas equal to the aggregate quantity of any or all Gas Used, Gas Lost and Measurement Variance for any period; or
 - (ii) arrange with a Customer or Customers or any other Persons at Receipt Points to take and pay for a quantity of gas equal to the aggregate quantity of any or all Gas Used, Gas Lost and Measurement Variance for any period.

8.2 Allocation of Gas Taken

If Company in any period exercises its option to take a quantity of gas as provided for in subparagraph 8.1 (a), each Customer's share of the quantity of such gas taken in such period will be a quantity equal to the product of the quantity of such gas taken in such period and a fraction, the numerator of which shall be the aggregate quantity of gas received by Company from Customer in such period at all of Customer's Receipt Points

and the denominator of which shall be the aggregate quantity of gas received by Company from all Customers in such period at all Receipt Points.

8.3 Gas Received from Storage Facilities

- (a) Notwithstanding anything contained in this article 8.0, any gas received into the Facilities from a gas storage facility that was previously delivered into the gas storage facility through the Facilities shall not be included in any calculation, and shall not be taken into account in any allocation, of Company's gas requirements.

9.0 DELIVERY OBLIGATION

9.1 Company's Delivery Obligation

Subject to paragraph 9.2:

- (a) Company's delivery obligation for any period where Company has exercised its option as provided for in subparagraph 8.1 (a), shall be to deliver to all Customers at all Delivery Points the quantity of gas Company determines was received from all Customers in such period at all Receipt Points, less all Customers share as determined under paragraph 8.2; and
- (b) Company's delivery obligation, for any period where Company has exercised its option to purchase gas as provided for in subparagraph 8.1 (b), shall be to deliver to all Customers at all Delivery Points the quantity of all gas received from all Customers, other than gas taken from such Customers and paid for pursuant to subparagraph 8.1 (b), in such period at all Receipt Points.

9.2 Variance

Due to variations in operating conditions, the aggregate daily and monthly quantities of gas delivered to all Customers at all Delivery Points, adjusted as provided for in

paragraph 9.1, will differ from the aggregate of the corresponding daily and monthly quantities of gas received from all Customers. Customers and Company shall co-operate to keep such differences to the minimum permitted by operating conditions and to balance out such differences as soon as practicable.

9.3 Operating Balance Agreements

Company may enter into agreements and other operating arrangements with any operator of a downstream pipeline facility interconnecting with the Facilities (“downstream operator”) respecting the balancing of gas quantities to be delivered by Company and to be received by the downstream operator on any Day at the interconnection of the downstream facility and the Facilities (the “interconnection point”). This may include agreements and operating arrangements providing that for any Day a quantity of gas nominated by a Customer for delivery at the interconnection point may be deemed to have been delivered by Company and received by the downstream operator regardless of the actual flow of gas at the interconnection point on the Day.

9.4 Energy Content and Gas Quality

Gas delivered by Company to Customer at any of Customer’s Delivery Points shall have the energy content and quality that results from the gas having been commingled in the Facilities.

9.5 Supply/Demand Balancing

The Terms and Conditions Respecting Customer’s Inventories and Related Matters in Appendix “D” of the Tariff apply to all Service provided under this Tariff. Each Customer receiving Service is responsible for ensuring that Customer’s Inventory is at all times within the Balanced Zone set out in Appendix “D”. If Company determines that Customer’s Inventory for any Customer is not within the Balanced Zone, Company may upon Notice suspend all or any portion of Service to Customer until Customer brings Customer’s Inventory within the Balanced Zone, provided however that no such

suspension shall relieve Customer of its obligation to pay any rate, toll, charge or other amount payable to Company.

9.6 Balancing Procedures

Company may from time to time establish procedures, consistent with the Terms and Conditions Respecting Customer's Inventories and Related Matters set forth in Appendix "D" of the Tariff.

9.7 Limitation on Delivery Obligation

Company shall be obligated to provide only such Service as can be provided through Company's operation of the existing Facilities pursuant to the terms and conditions of the Tariff.

9.8 Uniform Flow Rate

All deliveries of gas to Company at a Receipt Point shall be made in uniform hourly quantities to the extent practicable.

9.9 Emergency Response Compensation Event

If there is an ERC Event, Company shall determine Customer's Final ERC Adjustments in accordance with the Terms and Conditions Respecting Emergency Response Compensation set forth in Appendix "G" of the Tariff.

10.0 FINANCIAL ASSURANCES

10.1 Financial Assurance for Performance of Obligations

Company may request that Customer (or any assignee) at any time and from time to time provide Company with an irrevocable letter of credit or other assurance acceptable to

Company, in form and substance satisfactory to Company and in an amount determined in accordance with paragraph 10.3 (the “Financial Assurance”).

10.2 Failure to Provide Financial Assurance

Company may withhold the provision of new Service until Company has received a requested Financial Assurance.

If Customer fails to provide a requested Financial Assurance to Company within four (4) Banking Days of Company’s request, Company may upon four (4) Banking Days Notice immediately suspend any or all Service being or to be provided to Customer provided however that any such suspension shall not relieve Customer from any obligation to pay any rate, toll, charge or other amount payable to Company. If at any time during such suspension Customer provides such Financial Assurance to Company, Company shall within two (2) Banking Days recommence such suspended Service.

If Customer fails to provide such Financial Assurance during such suspension, Company may, in addition to any other remedy that may be available to it, upon four (4) Banking Days Notice to Customer immediately:

- (i) terminate any or all Service being or to be provided to Customer; and
- (ii) declare any and all amounts payable now or in the future by Customer to Company for any and all Service to be immediately due and payable as liquidated damages and not as a penalty.

10.3 Amount of Financial Assurance

The maximum amount of Financial Assurance Company may request from a Customer (or assignee) shall be as determined by Company an amount equal to:

- (i) for the provision of all Services, other than for Service referred to in paragraph (ii), the aggregate of all rates, tolls, charges or other amounts payable to Company for a period of seventy (70) Days. Provided however, the amount of Financial

Assurance for all rates, tolls and charges other than demand charges shall be based on the daily average of the actual charges billed for Service for the preceding twelve (12) Month period with the initial forecast to be provided by Customer; and

- (ii) for the provision of Service under subparagraphs 5.1(ii) and 5.1(iii) of Rate Schedule FT-D, the aggregate of all rates, tolls, charges or other amounts payable to Company for a period of seventy (70) Days plus one (1) Month for each remaining year of the term of such Service, up to a maximum of twelve (12) Months total.

The Financial Assurances for any new Facilities required to be installed or constructed by Company shall be determined in accordance with an agreement between Company and Customer for such Facilities.

11.0 INTERRUPTIONS AND CURTAILMENTS

11.1 Planned Interruptions

Provided that Company shall have given Customer at least forty-eight (48) hours Notice, Company may interrupt, curtail or reduce Service for such periods of time as it may reasonably require for the purpose of effecting any repairs, maintenance, replacement or upgrading or other work related to the Facilities.

11.2 Unplanned Interruptions

Notwithstanding paragraph 11.1, in the event of unforeseen circumstances Company may interrupt, curtail or reduce Service for such periods of time as it may reasonably require without giving Customer the Notice provided for in paragraph 11.1 provided that Company shall give Notice of such interruption, curtailment or reduction as soon as is reasonably possible.

11.3 Notice of Change in Operations

Customer and Company shall give each other as much Notice as is reasonably possible in the circumstances of expected temporary changes in the rates of delivery or receipt of gas, pressures or other operating conditions, together with the expected duration and the reason for such expected temporary changes.

11.4 Priority During Interruptions

11.4.1 At Receipt Points

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 prorata based on Nominations; and
- (ii) Secondly, Service under Rate Schedules FT-R, FT-RN, FT-X, FT-P, LRS, LRS-2 and LRS-3 prorata based on Receipt Contract Demand. Within the interrupted and curtailed area as determined by Company, Customer may, subject to Company's consent, nominate Customer's prorated Service at any Receipt Point or combination of Receipt Points within such area during the period of interruption and curtailment, provided that the total volume nominated at each Receipt Point does not exceed:
 - (a) the sum of Customer's Receipt Contract Demand for each Schedule of Service at such Receipt Point for Service under Rate Schedules FT-R, FT-RN, FT-X, LRS, LRS-2 and LRS-3; or
 - (b) the Customer's Receipt Contract Demand for each Receipt Point for Service under Rate Schedule FT-P.

11.4.2 At Delivery Points

Subject to paragraph 11.4.3, 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, IT-S and Service nominated in excess of the Delivery Contract Demand under Rate Schedule FT-D at Group 3 Delivery Points prorata based on Nominations; and
- (ii) Secondly, Service under Rate Schedules FT-D at Group 1 Delivery Points, FT-D at Group 2 Delivery Points, FT-DW, FT-P, LRS-2 and STFT prorata based on Delivery Contract Demand and Service under Rate Schedule FT-X prorata based on Nominations. Within the interrupted and curtailed area as determined by Company, Customer may, subject to Company's consent, nominate Customer's prorated Service at any Delivery Point or combination of Delivery Points within such area during the period of interruption and curtailment, provided that the total volume nominated at each Delivery Point does not exceed the sum of Customer's Delivery Contract Demand for each Schedule of Service at such Delivery Point for Service under Rate Schedules FT-D, FT-DW, LRS-2, STFT, FT-P and FT-X; and
- (iii) Thirdly, Service under Rate Schedule FT-D at Group 3 Delivery Points prorata based on Delivery Contract Demand. Within the interrupted and curtailed area as determined by Company, Customer may, subject to Company's consent, nominate Customer's prorated Service at any Delivery Point or combination of Delivery Points within such area during the period of interruption and curtailment, provided that the total volume nominated at each Delivery Point does not exceed the sum of Customer's Delivery Contract Demand for each Schedule of Service at such Delivery Point under Rate Schedule FT-D.

11.4.3 At Delivery Points If An EDO

In the event of an EDO, 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 prorata based on Nominations;
- (ii) Secondly, Service under Rate Schedules FT-D at Group 1 Delivery Points, FT-D at Group 2 Delivery Points, FT-DW, FT-P, LRS-2 and STFT prorata based on Delivery Contract Demand and Service under Rate Schedule FT-X prorata based on Nominations. Within the interrupted and curtailed area as determined by Company, Customer may, subject to Company's consent, nominate Customer's prorated Service at any Delivery Point or combination of Delivery Points within such area during the period of interruption and curtailment, provided that the total volume nominated at each Delivery Point does not exceed the sum of Customer's Delivery Contract Demand for each Schedule of Service at such Delivery Point for Service under Rate Schedule FT-D, FT-DW, LRS-2, STFT, FT-P and FT-X; and
- (iii) Thirdly, Service under Rate Schedule FT-D at Group 3 Delivery Points prorata based on Delivery Contract Demand. Within the interrupted and curtailed area as determined by Company, Customer may, subject to Company's consent, nominate Customer's prorated Service at any Delivery Point or combination of Delivery Points within such area during the period of interruption and curtailment.

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.

12.0 FORCE MAJEURE

12.1 Notice of Force Majeure

In the event that either Company or Customer is rendered unable by reason of force majeure to perform in whole or in part any covenant or obligation in the Tariff, the performance of such covenant or obligation shall be suspended during the continuance of such force majeure, except as provided for in paragraph 12.3, upon the following terms and conditions:

- (a) the party claiming suspension shall give Notice to the other party specifying full particulars of such force majeure as soon as is reasonably possible;
- (b) the party claiming suspension shall as far as possible remedy such force majeure as soon as is reasonably possible; and
- (c) the party claiming suspension shall give Notice to the other party as soon as is reasonably possible after such force majeure has been remedied.

12.2 Events of Force Majeure

For the purposes of these General Terms and Conditions, the term “force majeure” shall mean any cause not reasonably within the control of the party claiming suspension which by the exercise of due diligence such party is unable to prevent or overcome, including but without limiting the generality of the foregoing:

- (a) lightning, storms, earthquakes, landslides, floods, washouts, and other acts of God;
- (b) fires, explosions, ruptures, breakages of or accidents to the Facilities;

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- (c) freezing of pipelines or wells, hydrate obstructions of pipelines or appurtenances thereto, temporary failure of gas supply;
 - (d) shortages of necessary labour, strikes, lockouts or other industrial disturbances;
 - (e) civil disturbances, sabotage, acts of public enemies, war, blockades, insurrections, vandalism, riots, epidemics;
 - (f) arrests and restraints of governments and people;
 - (g) the order of any court, government body or regulatory body;
 - (h) an EDO;
 - (i) inability to obtain or curtailment of supplies of electric power, water, fuel or other utilities or services;
 - (j) inability to obtain or curtailment of supplies of any other materials or equipment;
 - (k) inability to obtain or revocation or amendment of any permit, licence, certificate or authorization of any governmental or regulatory body, unless the revocation or amendment of such permit, licence, certificate or authorization was caused by the violation of the terms thereof or consented to by the party holding the same;
 - (l) the failure for any reason of a supplier of gas to Customer or a purchaser of gas from Customer to supply and deliver gas to Customer or to purchase and take delivery of gas from Customer;
 - (m) any claim by any third party that any covenant or obligation of such third party is suspended by reason of force majeure, including without limiting the generality of the foregoing any such claim by any transporter of gas to, from or for Company or Customer; and

- (n) any other cause, whether herein enumerated or otherwise, not reasonably within the control of the party claiming suspension which by the exercise of due diligence such party is unable to prevent or overcome.

12.3 Customer's Obligations

Notwithstanding any other provision herein, Customer acknowledges and agrees that the occurrence of an event of force majeure shall not under any circumstances suspend or relieve Customer from the obligation to pay any rate, toll, charge or other amount payable to Company.

12.4 Lack of Funds not Force Majeure

Notwithstanding any other provision herein, Company and Customer agree that a lack of funds or other financial cause shall not under any circumstances be an event of force majeure.

12.5 Strikes and Lockouts

Notwithstanding any other provision herein, Company and Customer agree that the settlement of strikes, lockouts and other industrial disturbances shall be entirely within the discretion of the party involved.

12.6 Service During Force Majeure

In the event that the provision of Service is curtailed or interrupted by reason of force majeure, Company may during the continuance of such force majeure provide such Service as it deems appropriate.

13.0 INDEMNIFICATION

13.1 Customer's Liability

Customer shall be liable for and shall indemnify and save harmless Company from and against any and all claims, demands, suits, actions, damages, costs, losses and expenses of whatsoever nature arising out of or in any way connected, either directly or indirectly, with any act, omission or default arising out of the negligence of Customer.

13.2 Company's Liability

Company shall be liable for and shall indemnify and save harmless Customer from and against any and all claims, demands, suits, actions, damages, costs, losses and expenses of whatsoever nature arising out of or in any way connected, either directly or indirectly, with any act, omission or default arising out of the negligence of Company.

13.3 Limitations

Notwithstanding the provisions of paragraphs 13.1 and 13.2:

- (a) Company and Customer shall have no liability for, nor obligation to indemnify and save harmless the other from, any claim, demand, suit, action, damage, cost, loss or expense which was not reasonably foreseeable at the time of the act, omission or default;
- (b) Company shall have no liability to Customer, nor obligation to indemnify and save harmless Customer, in respect of Company's failure for any reason whatsoever, other than Company's wilful default, to provide Service pursuant to the provisions of Customer's Service Agreement;
- (c) the failure by Company for any reason whatsoever to receive gas from Customer or deliver gas to Customer shall not suspend or relieve Customer from the obligation to pay any rate, toll, charge or other amount payable to Company; and

- (d) Company shall have no liability to Customer, nor obligation to indemnify and save harmless Customer, in respect of Company providing Service to any Customer under Rate Schedule CO₂ and/or Rate Schedule PT.

14.0 EXCHANGE OF INFORMATION

14.1 Provision of Information

Company and Customer shall make available, on request by either made to the other, certificates, estimates and information as shall be in their possession, and as shall be reasonably required by the other.

14.2 Additional Information

Notwithstanding paragraph 14.1, Customer shall furnish Company with such estimated daily, monthly and annual quantities as Company may require, with respect to any Service provided or to be provided, together with any data that Company may require in order to design, operate and construct facilities to meet Customer's requirements.

15.0 MISCELLANEOUS PROVISIONS

15.1 Effect of Headings

The headings used throughout the Tariff are inserted for reference only and are not to be considered or taken into account in construing any terms or provision nor be deemed in any way to qualify, modify or explain any term or provision.

15.2 Words in Singular or Plural

In the interpretation of the Tariff words in the singular shall be read and construed in the plural and words in the plural shall be read and construed in the singular where the context so requires.

15.3 Preservation of Rights and Authority Under Act

Notwithstanding any of the provisions of the Tariff, Company and Customer reserve all their respective rights and authorities under the Act.

15.4 Governing Law

The Tariff shall be governed by and construed in accordance with the laws of the Province of Alberta and the applicable laws of Canada, and Company and Customers irrevocably submit to the jurisdiction of the courts of the Province of Alberta for the interpretation and enforcement of the Tariff.

15.5 Assignment

Customer shall not assign any Service Agreement, Schedule of Service or any Service without the prior written consent of Company.

15.6 No Interest in Facilities

Customer does not acquire any right to, title to or interest in the Facilities or any part thereof nor does Company dedicate any portion of the Facilities to Service for any Customer.

15.7 Forbearance

Forbearance to enforce any provision of the Tariff shall not be construed as a continuing forbearance to enforce any such provision.

15.8 Inconsistency

In the event that there is any inconsistency between any provision of these General Terms and Conditions, any provision of any Rate Schedule or any provision of any Service Agreement, the provision of the Service Agreement shall prevail over the Rate Schedule which in turn shall prevail over the General Terms and Conditions.

15.9 Amendment of Service Agreement

No amendment or variation of any term, condition or provision of any Schedule of Service or Service Agreement shall be of any force or effect unless in writing and signed by Company.

15.10 Priority for New or Additional Service

Company may from time to time establish procedures respecting priority of entitlement for Customers seeking new or additional Service.

15.11 Establishment of Procedures and Pilot Projects

Company may from time to time establish procedures, including procedures for carrying out and evaluating any pilot projects Company determines to be necessary or desirable, respecting or relating to or affecting any Service or any term, condition or provision contained within the Tariff.

15.12 Conversion of Service Agreements to Energy Units

Effective November 1, 2006, for any Service Agreements under Rate Schedules FT-D, FT-DW and STFT, the Delivery Contract Demand set out in each existing Schedule of Service shall be converted to GJ using the following Delivery Point energy conversion rates:

Alberta-British Columbia	37.98 MJ per m ³
Alberta-Montana	37.71 MJ per m ³
Empress	37.52 MJ per m ³
McNeill	37.57 MJ per m ³

15.13 ATCO Pipelines Franchise Fees

- (i) Each month, Company shall collect the ATCO Pipelines Franchise Fees on behalf of ATCO Pipelines from each Customer for service under any Rate Schedule

subject to such fees as set out in Company's Table of Rates, Tolls and Charges.

- (ii) ATCO Pipelines shall determine the ATCO Pipelines Franchise Fees in accordance with the methodology and rates set out in Rider "A" and Rider "E" of the ATCO Gas Tariff.

- (iii) Customer and Company acknowledge and agree that Company shall provide ATCO Pipelines with any information required to determine the ATCO Pipelines Franchise Fees.