

**RATE SCHEDULE CO<sub>2</sub>**  
**CO<sub>2</sub> MANAGEMENT SERVICE**

**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 CO<sub>2</sub> shall mean the receipt of gas by Company which contains more than two (2) percent by volume of carbon dioxide from Customer at Customer's Receipt Point (the "Service").

**2.2** Subject to paragraph 5.2, the Service is available to any Customer that has executed a Service Agreement and Schedule of Service under Rate Schedule CO<sub>2</sub>. A standard form Service Agreement for Service under this Rate Schedule CO<sub>2</sub> is attached.

**3.0 PRICING**

**3.1** Subject to paragraphs 3.2 and 3.3, the rate used in calculating Customer's monthly charge under each of Customer's Schedules of Service for Service under Rate Schedule CO<sub>2</sub> is the CO<sub>2</sub> Rate.

**3.2** If the sum of the volume of gas received by Company at a Receipt Point under all Schedules of Service for Service under any Rate Schedule for a Billing Month divided by the number of days in such Billing month is:

- (i) less than 704.3 10<sup>3</sup>m<sup>3</sup>/d the CO<sub>2</sub> Rate shall be the Tier 1 CO<sub>2</sub> Rate;
- (ii) at least 704.3 10<sup>3</sup>m<sup>3</sup>/d but no greater than 1,408.7 10<sup>3</sup>m<sup>3</sup>/d the CO<sub>2</sub> Rate shall be the Tier 2 CO<sub>2</sub> Rate; and
- (iii) greater than 1,408.7 10<sup>3</sup>m<sup>3</sup>/d the CO<sub>2</sub> Rate shall be the Tier 3 CO<sub>2</sub> Rate.

**3.3** Notwithstanding paragraph 3.2, if at any time prior to providing the Service or upon any renewal of such Service Company determines that the applicable Tier 2 or Tier 3 CO<sub>2</sub> Rate is insufficient to cover the cost of providing such Service to Customer, Company shall be entitled to provide such Service at a higher Tier CO<sub>2</sub> Rate. If the Tier 1 CO<sub>2</sub> Rate is insufficient to cover the cost of providing such Service to Customer, Company shall be entitled to charge a Surcharge, as determined by Company, applicable to each of Customer's Schedules of Service under Rate Schedule CO<sub>2</sub> in addition to the Tier 1 CO<sub>2</sub> Rate.

**4.0 CHARGE FOR SERVICE**

**4.1 Aggregate of Customer's Monthly Charges**

The aggregate of Customer's monthly charges for a Billing Month for Service under Rate Schedule CO<sub>2</sub> shall be equal to the sum of the monthly charges for each of Customer's Schedules of Service under Rate Schedule CO<sub>2</sub>, determined as follows:

$$MC = A \times B$$

Where:

“MC” = the monthly charge applicable to such Schedule of Service;

“A” = the CO<sub>2</sub> Rate applicable to such Schedule of Service for such Billing Month; and

“B” = the CO<sub>2</sub> Volume for such Billing month applicable to such Schedule of Service.

#### **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 CO<sub>2</sub>.

#### **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.

### **5.0 TERM OF SERVICE**

#### **5.1 Term of a Schedule of Service**

The term of any Schedule of Service for Service under Rate Schedule CO<sub>2</sub> shall be the term agreed to by Company and Customer provided that the term shall be a minimum of one (1) year and shall terminate on the last day of March in any such year.

#### **5.2 Suspension of Schedule of Service**

Company may in its sole discretion suspend Customer’s Service under any Schedule of Service for Service under Rate Schedule CO<sub>2</sub> if Company determines at any time that:

- (i) continuation of such Service may cause injury, damage to or interfere with the operation or integrity of the Facilities; or
- (ii) carbon dioxide extraction service is no longer available to Company on terms and conditions satisfactory to Company; or
- (iii) the gas received by Company from Customer at Customer's Receipt Point exceeds the Maximum Carbon Dioxide Volume applicable to such Schedule of Service.

### **5.3 Notification of Suspension of Service**

If Company determines to suspend Customer's Service under any Schedule of Service for Service under Rate Schedule CO<sub>2</sub> pursuant to paragraph 5.2, Company shall provide to Customer at least seven (7) days prior Notice of such suspension, 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.

### **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 CO<sub>2</sub>.

## **6.0 TRANSFER OF SERVICE**

- 6.1** A Customer entitled to receive Service under Rate Schedule CO<sub>2</sub> shall not be entitled to transfer all or any portion of Service under Rate Schedule CO<sub>2</sub> to any other Receipt Point.

**7.0 RENEWAL OF SERVICE**

**7.1** Company may in its sole discretion allow Customer to renew Service under Rate Schedule CO<sub>2</sub> on terms and conditions mutually satisfactory to Company and Customer.

**7.2 Renewal Notification**

Customer shall advise Company of its desire to renew all or any portion of Service under a Schedule of Service under Rate Schedule CO<sub>2</sub> by providing Notice to Company of such desire for renewal at least six (6) months prior to the Service Termination Date. If Customer does not provide such Notice, the Service shall expire on the Service Termination Date.

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

**8.0 APPLICATION FOR SERVICE**

**8.1** Applications for Service under this Rate Schedule CO<sub>2</sub> shall be in such form as Company may prescribe from time to time.

**9.0 GENERAL TERMS AND CONDITIONS**

The General Terms and Conditions of the Tariff and the provisions of any Service Agreement for Service under Rate Schedule CO<sub>2</sub> are applicable to Rate Schedule CO<sub>2</sub> to the extent that such terms and conditions and provisions are not inconsistent with this Rate Schedule.

**SERVICE AGREEMENT  
RATE SCHEDULE CO<sub>2</sub>**

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 CO<sub>2</sub> 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 CO<sub>2</sub>.
  
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 CO<sub>2</sub> 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 upstream of any Receipt 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 received 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 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 provided for in Rate Schedule CO<sub>2</sub>, 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 (collectively referred to as “Notice”) 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:

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- Attention: •
- Fax: •

Company:

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- 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.

- (a) Notwithstanding the foregoing:
  - (i) Company may give any Notice on the Website; and
  - (ii) Company and Customer shall give Notice for the matters listed in the Notice Schedule for Electronic Commerce in Appendix “F” of the Tariff via the Website unless the Website is inoperative, in which case Notice shall be given by any other alternative means set out herein.

Any Notice posted on the Website shall be deemed to be given one (1) hour after posting.

- (b) Notice may also be given by telephone followed immediately by fax, personal delivery, courier or prepaid mail, and in the case of Company, by posting on the Website, and any Notice so given shall be deemed to have been given as of the date and time of the telephone Notice.
7. The terms and conditions of Rate Schedule CO<sub>2</sub>, the General Terms and Conditions and Schedule of Service under Rate Schedule CO<sub>2</sub> 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:

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Per :

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Per:

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Per :

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**SCHEDULE OF SERVICE  
RATE SCHEDULE CO<sub>2</sub>**

CUSTOMER: •

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Schedule of Service Number	Receipt Point Number and Name	Legal Description	Maximum Carbon Dioxide Volume	Service Termination Date	Additional Conditions
•	• •	•	•	•	•

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

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Per: \_\_\_\_\_

NOVA Gas Transmission Ltd.  
Per : \_\_\_\_\_

Per: \_\_\_\_\_

Per : \_\_\_\_\_