

DECLARATION

To Zero Rate Goods and Services Tax (“GST”) and Harmonized Sales Tax (“HST”) as applicable (the “Declaration”) for Service Agreements listed in Schedule “A” (collectively the “Contracts” and individually the “Contract”) between Foothills Pipe Lines Ltd. (“Foothills”) and Shipper Name (the “Shipper”) on Foothills Pipeline System

In consideration of Foothills charging 0% GST or 0% HST on any gas transportation charges under the Contracts, Shipper hereby represents, warrants and covenants for each Contract during the term of such Contract, that:

1. All gas under such Contract shall be shipped for export to the United States and the gas transportation service to be supplied by Foothills is part of a continuous outbound freight movement (within the meaning of Part VII of Schedule VI to the *Excise Tax Act*) in respect of the gas. Shipper has arranged to either:
 - (a) transfer custody of the gas to an American pipeline carrier at the Canada-United States border, or
 - (b) while the gas is in the custody of Foothills, transfer the gas to the account of another shipper who has undertaken in writing to transfer custody of the gas to an American pipeline carrier at the Canada-United States border.

Shipper acknowledges and agrees that Foothills will charge 0% GST or 0% HST on any gas transportation charges for gas shipped to the United States under such Contract including without limitation any unutilized demand charges;

2. Shipper shall be liable to and shall indemnify and hold harmless Foothills for any expenses, costs, (including legal costs on a solicitor and his own client basis) taxes, penalties or interest which may be incurred by or assessed against Foothills as a result of this Declaration or Foothills charging 0% GST or 0% HST on any gas transportation charges under the Contracts including without limitation any unutilized demand charges;
3. Shipper shall immediately advise Foothills of any addition or deletion to the Contracts listed in Schedule “A” by providing Foothills with a new Declaration duly executed by Shipper. This new Declaration shall supersede and replace any prior Declarations except to the extent of any obligations and liabilities that have arisen or accrued under such prior Declarations.
4. This Declaration is valid, binding upon and enforceable against the Shipper; and

5. This Declaration is made by the Shipper with full knowledge that Foothills is relying on it and Shipper acknowledges and agrees that absent such Declaration, TransCanada would charge the current applicable GST or HST rate as set by the Canada Revenue Agency on all gas transportation charges under the Contracts including without limitation any unutilized demand charges.

IN WITNESS WHEREOF Declaration is made effective the _____ day of

_____, 20____.

Per _____

Per _____

SCHEDULE "A"
to the Declaration to Zero Rate GST and Zero Rate HST as applicable
made effective the 1st day of July, 2010

THE CONTRACTS

Service Agreement

Date

Contract Number