

**SERVICE AGREEMENT  
SHORT TERM FIRM TRANSPORTATION SERVICE  
FOR TRANSPORTATION OF GAS**

This AGREEMENT made \_\_\_\_\_, 20\_\_

BETWEEN:

FOOTHILLS PIPE LINES LTD., a body corporate having an office and carrying on business in the City of Calgary in the Province of Alberta (herein referred to as "Company")

OF THE FIRST PART

AND:

\_\_\_\_\_, a body corporate having an office and carrying on business in the City of \_\_\_\_\_ in the Province of \_\_\_\_\_ (herein referred to as "Shipper")

OF THE SECOND PART

**SERVICE AGREEMENT**  
**SHORT TERM FIRM TRANSPORTATION SERVICE**

WHEREAS, Shipper wishes to obtain service relating to the transportation of gas through Company's transportation system; and

WHEREAS, Company is willing to provide such service;

In consideration of the premises and of the mutual covenants herein contained, the parties do covenant and agree as follows:

**SERVICE AGREEMENT**  
**SHORT TERM FIRM TRANSPORTATION SERVICE****ARTICLE 1**Scope of Agreement

1.1 Company agrees to receive from Shipper at each Receipt Point herein specified, the quantity of gas up to the Maximum Daily Delivery Quantity and to transport and deliver to Shipper at the Delivery Point herein specified in the quantity from time to time nominated by Shipper up to the Maximum Daily Delivery Quantity, and Shipper agrees to accept such gas deliveries from Company, subject to the terms and conditions of this Service Agreement, Short Term Firm Transportation Service.

1.2 If Shipper desires to tender to Company on any day a quantity of gas in excess of Shipper's Maximum Daily Delivery Quantity for Shipper's Delivery Point for such day, it shall notify Company of such desire. If Company, in its sole judgement, determines that it has the necessary capacity available to receive and transport all or any part of such excess quantity and make deliveries in respect thereof, and that the performance of Company's obligations to other Shippers under their Service Agreements will not be adversely affected thereby, Company may elect to deliver to Shipper said excess quantity or part thereof, and so notify Shipper.

**ARTICLE 2**Rate Schedule and Rates

2.1 This Service Agreement, Short Term Firm Transportation Service is subject to the provisions of Rate Schedule STFT, Short Term Firm Transportation Service and the General Terms and Conditions of this Gas Transportation Tariff, as they may be amended or superseded from time to time, which Rate Schedule and General Terms and Conditions of this Gas Transportation Tariff are by this reference incorporated herein and made a part hereof.

2.2 Shipper shall pay Company for all gas transportation services during the term of this Service Agreement, Short Term Firm Transportation Service in accordance with such Rate Schedules as are filed with the National Energy Board as the same may hereafter be amended or superseded pursuant to the National Energy Board Act.

## ARTICLE 3

Term of Agreement

3.1 Shippers Service Agreement, Short Term Firm Transportation Service shall remain in full force and effect until terminated in accordance with subsection 3.2.

3.2 Either Company or Shipper shall be entitled to terminate Shipper's Service Agreement, Short Term Firm Transportation Service by providing the other with at least 60 days prior written notice of such termination. The Service Agreement shall terminate and be of no further force or effect upon expiration of such notice period, provided however that nothing herein shall relieve any party from any obligations which arose prior to the effective date of such termination, including all obligations under Appendix A to Shippers Service Agreement, Short Term Firm Transportation Service.

3.3 Notwithstanding the provisions of subsection 3.1, if at any time during the term hereof Foothills Pipe Lines Ltd. Gas Transportation Tariff with Shippers transporting U.S. Gas from the Prudhoe Bay area of Alaska through all or any part of the Phase I facilities takes effect, Shipper and Company agree to forthwith execute a Gas Transportation Tariff identical in form and substance to the aforementioned Gas Transportation Tariff which shall be identical in form and substance to that attached as Appendix B hereto. Upon execution of such new Gas Transportation Tariff this Gas Transportation Tariff shall terminate.

## ARTICLE 4

Receipt and Delivery Points and Pressures

4.1 All receipts of gas from Shipper shall be at the Receipt Point of such gas, as identified in Appendix A attached to this Service Agreement, Short Term Firm Transportation Service, as the same may be in effect from time to time.

4.2 Should measuring equipment not be provided at either the Receipt Point or the Delivery Point, Shipper shall be responsible for measuring the gas volume and quality as specified in the General Terms and Conditions of this Gas Transportation Tariff subject to approval by Company.

4.3 The Delivery Point for gas to be transported hereunder shall be the point set forth in Appendix A attached to this Service Agreement, Short Term Firm Transportation Service as the same may be in effect from time to time.

4.4 The delivery pressure of the gas tendered by Shipper to Company for transportation shall be at a pressure sufficient to enter Company's system at the Receipt Point, up to that specified for such Receipt Point in the General Terms and Conditions of this Gas Transportation Tariff.

4.5 The delivery pressure of the gas delivered by Company to Shipper shall be at the pressure available from Company’s system at the Delivery Point as specified for such Delivery Point in the General Terms and Conditions of this Gas Transportation Tariff.

ARTICLE 5

Title and Custody

5.1 Although Company does not acquire title of the gas transported under this Service Agreement, Short Term Firm Transportation Service gas received by Company from Shipper hereunder shall be deemed to be in the custody and under the control of Company from the time such gas is accepted for transportation at the Receipt Point until it is delivered to Shipper at the Delivery Point.

ARTICLE 6

Address of Parties

6.1 Any notice or any request, demand, statement, bid or bill (for the purpose of this subsection, collectively referred to as “Notice”) provided for by the Rate Schedules, the Service Agreements and the General Terms and Conditions, or any other Notice which either Shipper or Company may wish to give to the other, shall be in writing and shall be directed as follows:

- Shipper: •
- 
- 
- Attention: •
- Fax: •
- E-mail: •

Company: Foothills Pipe Lines Ltd.  
 450 First Street S.W.  
 Calgary, AB  
 T2P 5H1

Attention: Manager, Commercial West, Markets Team

Fax: •

E-mail •

6.2 Any Notice may be given by telecopier 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) Banking Days after mailing. In the event regular mail service, courier service, telecopier or other telecommunication shall be interrupted by a cause beyond the control of the parties hereto, then the party sending the Notice shall utilize any service that has not been so interrupted to deliver such Notice. Each party shall provide Notice to the other of any changes of address for the purposes hereof. Any Notice may also be given by telephone followed immediately by personal delivery, courier, prepaid mail, telecopier, or other telecommunication, and any such Notice so given shall be deemed to be given as of the date and time of the telephone Notice.

## ARTICLE 7

### Miscellaneous Provisions

7.1 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.

ARTICLE 8

Agreements Being Superseded

8.1 This agreement supersedes as of \_\_\_\_\_, 20\_\_ the following agreements between parties hereto for the transportation of gas by Company for Shipper:

(Not Applicable)

ARTICLE 9

Amendment of Appendix A

9.1 Shipper and Company may at any time and from time to time amend Appendix A to Shipper’s Service Agreement, Short Term Firm Transportation Service by executing new Appendix A to Shipper’s Service Agreement, Short Term Firm Transportation Service which shall be given effect as of the effective date and shall thereupon be deemed to be incorporated in Shipper’s Service Agreement, Short Term Firm Transportation Service.

IN WITNESS WHEREOF the parties hereto have hereunto executed these presents all as of the day, month and year first above written.

SHIPPER

FOOTHILLS PIPE LINES LTD.

\_\_\_\_\_  
(signature)

\_\_\_\_\_  
(signature)

\_\_\_\_\_  
(name/title)

\_\_\_\_\_  
(name/title)

\_\_\_\_\_  
(signature)

\_\_\_\_\_  
(signature)

\_\_\_\_\_  
(name/title)

\_\_\_\_\_  
(name/title)

**APPENDIX A**  
**to the Service Agreement, Short Term Firm Transportation Service**  
**Dated \_\_\_\_\_ Between**

**Foothills Pipe Lines Ltd.**

**AND**

**(Shipper)**

- 1. Receipt Point: \_\_\_\_\_
- 2. Delivery Point: \_\_\_\_\_
- 3. Shipper's Haul Distance \_\_\_\_\_ Km
- 4. Applicable Company Zone \_\_\_\_\_
- 5. Maximum Day Delivery Quantity (MDDQ) \_\_\_\_\_ GJ/d
- 6. Minimum Day Delivery Quantity (MDDQ) \_\_\_\_\_ GJ/d
- 7. Service Commencement Date \_\_\_\_\_
- 8. Service Termination Date \_\_\_\_\_
- 9. STFT Bid Price \_\_\_\_\_ (% of FT Rate)

SHIPPER

Foothills Pipe Lines Ltd.

\_\_\_\_\_  
(signature)

\_\_\_\_\_  
(signature)

\_\_\_\_\_  
(name/title)

\_\_\_\_\_  
(name/title)

\_\_\_\_\_  
(signature)

\_\_\_\_\_  
(signature)

\_\_\_\_\_  
(name/title)

\_\_\_\_\_  
(name/title)



APPENDIX B

FOOTHILLS PIPE LINES LTD.  
PRO FORMA  
GAS TRANSPORTATION TARIFF

FOOTHILLS PIPE LINES LTD.  
PRO FORMA  
GAS TRANSPORTATION TARIFF

The aforementioned Pro Forma Tariff will be applicable to the transportation of Alaska, Alberta, and Northern Canada source gas through the completed Foothills Pipe Lines Ltd. system in Canada. This Gas Transportation Tariff is provided under separate cover.