

RATE SCHEDULE**1. AVAILABILITY**

This Rate Schedule is available to Shipper under its Service Agreement.

2. APPLICABILITY

This Rate Schedule shall apply to all transportation services under Shipper's Service Agreement as of the Billing Commencement Date, whether or not gas is actually transported.

3. SERVICE DESCRIPTION AND SHIPPER'S OBLIGATION TO PAY

Service rendered by Company for Shipper under this Rate Schedule consists of:

- (a) The receipt of gas from Shipper (or for Shipper's account) at the Receipt Point as specified in the Service Agreement;
- (b) The transportation of gas by Company through its transportation system described in section 6 hereof; and
- (c) The delivery by Company to Shipper (or for Shipper's account) of gas nominated by Shipper at the Delivery Point specified in the Service Agreement.

Shipper shall be obligated to pay to Company for the aforementioned service a transportation charge determined in accordance with section 8 hereof. Shipper's obligation to pay Company's Cost of Service is not subject to adjustment under any circumstances, except as provided in subsection 8.1 hereof.

4. SERVICE AGREEMENT

This Rate Schedule is subject to all terms, conditions, stipulations and provisions of the Service Agreement.

5. GENERAL TERMS AND CONDITIONS

This Rate Schedule is subject to all of the terms, conditions, stipulations and provisions of the General Terms and Conditions of this Gas Transportation Tariff.

6. ZONE**6.1 General**

Company's transportation system shall be one Zone in accordance with Schedule I, Annex II of the Northern Pipeline Act and described in subsection 6.2 hereof. Shipper, through its Service Agreement with Company, shall contract to have its gas transported through this Zone.

6.2 Description

Company's Zone shall be that portion of the Canadian Segments extending from the Alberta/Saskatchewan border near Empress to the Saskatchewan/United States border near Monchy.

7. CHARACTER OF SERVICE**7.1 Firm Transportation Service**

Gas transported by Company for Shipper under this Rate Schedule shall not be subject to curtailment or interruption except as provided in the General Terms and Conditions of this Gas Transportation Tariff.

7.2 Receipt and Delivery Obligations

7.2.1 At the Delivery Point, Company and Shipper shall establish a Maximum Daily Delivery Quantity. The aforementioned Maximum Daily Delivery Quantity shall be specified in Appendix A to the Service Agreement.

7.2.2 At the Delivery Point, identified in Appendix A to the Service Agreement, Company is obligated to deliver to Shipper a daily quantity of gas which has an aggregate energy content of all gas received from Shipper at the Receipt Point, less the energy content of Company Use Gas used in the transportation of such gas on such day.

7.3 Daily Gas Nominations

Shipper shall advise Company of the total daily quantity of gas nominated by it for the Delivery Point. Such total daily quantity of gas shall not, subject to Article 1.2 of Shipper's Service Agreement, exceed the Maximum Daily Delivery Quantity.

8. PAYMENT FOR SERVICE

Shipper shall be obligated to pay to Company in respect of each billing month, a charge for services rendered hereunder being Company's Cost of Service determined in accordance with Company's annual rate filing. Shipper's obligation to pay Company's Cost of Service is not subject to any adjustment or abatement under any circumstances except as specifically provided for in subsection 8.1 hereof, and such obligation shall be

billed by Company to Shipper in accordance with section 5 of the General Terms and Conditions of this Gas Transportation Tariff.

8.1 Billing Adjustment for Failure to Deliver Gas or Make-Up Gas

8.1.1 If Company shall, in any Billing Month, fail for any reason to deliver to Shipper of the whole or any portion of the quantity of gas nominated by Shipper to Company in accordance with Shipper's Service Agreement, Shipper shall nevertheless be liable to Company for, and shall pay to Company in accordance with section 5 of the General Terms and Conditions of this Gas Transportation Tariff, Shipper's monthly charge for such Billing Month and all other amounts invoiced to Shipper pursuant to its Service Agreement, subject only to the provisions of this subsection 8.1.

8.1.2 In any Billing Month in which Shipper is required pursuant to section 9 of Rate Schedule FT, Firm Transportation Service of its Gas Transportation Tariff to make an adjustment for failure to accept gas or for receipt of Make-Up Gas, Shipper shall be entitled to reflect such adjustment in Shipper's payment of the monthly bill. Shipper shall provide Company with all pertinent data relating to the calculation of these adjustments with the monthly payment.