

**4.5 RATE SCHEDULE PAL  
PARK AND LOAN SERVICES****4.5.1 AVAILABILITY**

This rate schedule is available to any person, corporation, partnership or any other party (hereinafter referred to as "Shipper") for Park and Loan Service by Great Lakes Pipeline Canada Ltd. (hereinafter referred to as "Transporter"), when:

- (a) Transporter has determined that it has the capability to provide PAL Service pursuant to Section 4.5.2 of this rate schedule; and
- (b) Shipper and Transporter have executed a Park and Loan Service Agreement (PAL Service Agreement) in the form prescribed under this Rate Schedule PAL of Transporter's Gas Tariff, for PAL Service under this rate schedule.

**4.5.2 APPLICABILITY AND CHARACTER OF SERVICE**

The following services shall be provided under this Rate Schedule PAL:

- (a) Parking Service is an interruptible service which provides for:
  - (1) the receipt by Transporter of Gas quantities that have been delivered by Shipper to any PAL Point; provided that Transporter and Shipper may agree to a schedule of the quantities to be parked, which may include a requirement for Shipper to park quantities ratably;
  - (2) the holding of the parked Gas quantities by Transporter at such PAL Point; and
  - (3) the return of the Gas quantities to the Shipper at the same PAL Point at which the Gas was parked by Shipper; provided that Transporter and Shipper may agree to a schedule of the quantities to be returned, which may include a requirement for Shipper to receive such quantities ratably. However, Transporter may authorize the return of parked Gas quantities to the Shipper at a point other than the PAL Point where the Gas was originally parked.
  - (4) At no time shall Transporter be deemed to have taken title to Gas delivered into its system for Parking Service.

- (b) Loan Service is an interruptible service which provides for:
- (1) the receipt of Gas quantities by Shipper from Transporter at any PAL Point; provided that Transporter and Shipper may agree to a schedule of the quantities to be loaned, which may include a requirement for Shipper to receive such quantities ratably; and
  - (2) the subsequent return of the loaned Gas quantities to the Transporter at the same PAL Point at which the Gas was loaned to Shipper; provided that Transporter and Shipper may agree to a schedule of the quantities to be returned, which may include a requirement for Shipper to return such quantities ratably. However, Transporter may authorize the return of loaned Gas quantities at a point other than the PAL Point where the Gas was originally loaned.
- (c) The total quantity of Gas parked by and/or loaned to Shipper on any given Gas Day shall not exceed the Maximum Daily Quantity in Shipper's PAL Service Agreement and the total outstanding parked or loaned balance shall not exceed the Maximum Quantity in Shipper's PAL Service Agreement.
- (d) Gas quantities must be parked and/or loaned for a minimum of one (1) day. Such gas must be removed from or returned to Transporter's system as set forth in Shipper's PAL Service Agreement or as otherwise agreed between Transporter and Shipper.
- (1) Unless otherwise agreed to by Transporter, in the event that Shipper does not remove parked Gas from, or return loaned Gas to, Transporter's system within the period agreed upon, Shipper shall pay a penalty equal to the product of the quantity of parked Gas which has not been removed, or loaned Gas which has not been returned, and twice the average of the daily midpoint prices reported for Dawn, Ontario, in the Daily price survey as published by Platts in Gas Daily for the month invoiced.
  - (2) If Shipper's inability to remove parked Gas or return loaned Gas within the period agreed upon is due to Transporter's failure to schedule a nomination that would allow Shipper to meet the deadline, the penalties described above shall be suspended for those Gas Days that Transporter does not schedule such nomination.
- (e) Transporter shall only be obligated to park Gas or loan Gas for receipts or deliveries to the extent Transporter solely determines that such actions are not detrimental to Transporter's ability to satisfy any of its obligations to provide

service under Transporter's Transportation rate schedules or to meet system operational needs. PAL capacity shall be allocated along with other interruptible services according to Shipper nominations, beginning with highest Confirmed Price to lowest Confirmed Price. Available capacity will be allocated pro rata among the nominations with equal Confirmed Price.

- (f) PAL Service shall be provided on an interruptible basis. Therefore, Transporter may, at its sole discretion, interrupt or curtail the continuation of any or all of the services hereunder. Interruption or curtailment of service includes, without limitation, decreasing, suspending, or discontinuing the receipt and/or delivery of Gas. PAL Service shall be interrupted or curtailed in the manner necessary to provide scheduled Transportation Service.
- (g) Shipper shall tender its nomination to Transporter in accordance with Section 5.3 of the General Terms and Conditions and Transporter shall allocate PAL Service among Shippers requesting such service pursuant to Section 4.5.2, paragraph (e), above.
- (h) If Transporter and Shipper agree that Shipper may receive parked gas quantities or return loaned gas quantities at a point that is different from Shipper's originally specified PAL Point, then Shipper and Transporter must utilize a separate Transportation Service Agreement to effectuate receipt or delivery of such Gas at the new point.
- (i) Notification from Transporter
  - (1) In the event that Transporter determines, in its sole discretion, that some or all PAL Service must be interrupted or curtailed, Transporter will notify any affected Shippers receiving PAL Service that they are required to eliminate or reduce their existing parked and/or loaned balances. Such notice(s) shall first be provided by telephone, and then by fax, by e-mail, or on Transporter's Web site. Transporter's notice shall specify the time frame within which parked balances must be removed and/or loaned balances must be returned, consistent with Transporter's operating conditions, but in no event shall the specified time frame be less than three (3) Gas Days from the date of Transporter's notification.
  - (2) In the event that Shipper does not remove parked Gas, or return loaned Gas, as applicable, within the time frame specified by Transporter, Shipper shall pay a penalty equal to the product of the quantity of parked Gas which has not been removed, or loaned Gas which has not been returned, and twice the average of the daily midpoint prices reported for Dawn, Ontario, in the Daily price survey as published by Platts in Gas Daily for the month invoiced.

- (3) Failure by Shipper to comply with notice from Transporter to remove and/or return Gas within the time frame specified may result in the termination of Shipper's PAL Service Agreement.
- (4) If Shipper's inability to remove parked Gas or return loaned Gas within the time frame specified by Transporter is due to Transporter's failure to schedule a nomination that would allow Shipper to meet the deadline, the penalties described above shall be suspended for those Gas Days that Transporter does not schedule such nomination.
- (j) PAL Point. Any receipt or delivery point on Transporter's system may be nominated as a PAL Point.

#### 4.5.3 GENERAL TERMS AND CONDITIONS

The General Terms and Conditions of this Gas Tariff, are applicable and hereby made part of this rate schedule.

#### 4.5.4 RATES AND CHARGES

##### 4.5.4.1 Rates.

The rate for services under this Rate Schedule PAL is listed in Section 3 of Transporter's Gas Tariff. Transporter may adjust, in its sole discretion, and not on an unduly discriminatory basis, this rate for any Gas Day.

##### 4.5.4.2 PAL Charges.

- (a) The monthly charges for PAL Service shall be the sum of the product of (a) the quantities of Gas received or loaned by Transporter on any Gas Day during the Month and (b) the applicable Daily Fee as listed in Section 3 of Transporter's Gas Tariff, or as otherwise mutually agreed between Transporter and Shipper.
- (b) If on a given Gas Day Transporter is unable to schedule a Shipper's nomination that would have reduced Shipper's outstanding Park and/or Loan balance on a given day, solely for the purpose of assessing a Daily Fee under Section 4.5.4.2, paragraph (a) above, Shipper shall not be charged a Daily Fee for the quantity of Gas Transporter was unable to schedule in response to Shipper's nomination.

4.5.4.3 Changes in Rates.

The rates specified in this Gas Tariff, for the service performed by Transporter for Shipper under this Rate Schedule PAL will be in effect until replaced or superseded by some other legally effective rate applicable to that service.

4.5.5 ADDITIONAL CHARGES

Shipper shall reimburse Transporter for all fees required by any regulatory body that are separately assessed and directly related to the service provided under this rate schedule.

4.5.6 CREDITWORTHINESS

Any Shipper or potential Shipper under this Rate Schedule shall be subject to the creditworthiness requirements of Section 5.17 of the General Terms and Conditions of this Gas Tariff.