

4.2 RATE SCHEDULE EFT EXPEDITED FIRM TRANSPORTATION SERVICE

4.2.1 AVAILABILITY

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

- (a) Transporter has determined that it has sufficient available and uncommitted capacity to perform expedited firm Transportation Service requested by Shipper; and
- (b) Shipper and Transporter have executed a Transportation Service Agreement (Agreement), in the form prescribed under this Rate Schedule EFT for expedited firm Transportation Service under this rate schedule; and
- (c) Shipper has made arrangements acceptable to Transporter for service on upstream and downstream transporter(s); and
- (d) The primary point of delivery under the Agreement is a point on Transporter's system that:
 - (i) Connects directly with the applicable end user and:
 - (1) is equipped with a flow control device and electronic gas measurement equipment capable of verifying changes in gas flow on a real-time basis, and
 - (2) Transporter has not entered into an Agreement with any other shipper at the delivery point; or
 - (ii) Does not connect directly with the applicable end user, and Transporter is able to confirm nomination changes relating to applicable end user deliveries directly with any interconnecting downstream transporter(s).

4.2.2 APPLICABILITY AND CHARACTER OF SERVICE

- (a) Transporter shall accept for the account of Shipper at the point of receipt on any Gas Day the quantity of gas tendered by or for the account of Shipper; provided, however, that Transporter shall not be obligated to receive on any Gas Day a

quantity of gas in excess of the applicable MDQ specified in the Agreement, nor in any Hour of the Gas Day a quantity in excess of the applicable MHQ specified in the Agreement, plus applicable Transporter's Use as determined in Section 5.18 of the General Terms and Conditions of this Gas Tariff. Upon receipt of such gas for Shipper's account, Transporter shall transport and deliver for the account of Shipper an Equivalent Quantity of gas at the point of delivery; provided, however, that Transporter shall not be obligated to deliver at any point of delivery in any Hour and on any Gas Day a quantity of gas in excess of the hourly and daily quantities specified in the Agreement applicable for such delivery point.

- (b) Shipper's MDQ and MHQ shall be a uniform quantity throughout the term of the Agreement, except that Transporter may, on a not unduly discriminatory basis, agree to certain differing levels in Shipper's MDQ and/or MHQ for specified periods throughout the term of the Agreement. Shipper's MDQ and MHQ, along with the effective period of such differing MDQ and/or MHQ levels, shall be specified in Appendix A of the Agreement.
- (c) Service shall commence under this rate schedule on the earlier of: (i) the date Shipper first tenders gas to Transporter for Transportation under the Agreement; or (ii) the first Gas Day of the Month following the Shipper's execution of the Agreement; or (iii) such other date as is mutually agreed to by the parties, but in no event prior to Transporter's receipt and acceptance of any necessary regulatory authorization to provide firm Transportation Service to Shipper in accordance with the terms of this rate schedule and the Agreement.
- (d) Transporter and Shipper may agree, on a not unduly discriminatory basis, to contract extensions, including bilateral evergreens, rollovers and other extensions. Any such contract extension provision shall be specified in the Agreement.
- (e) Transportation Service rendered under this rate schedule shall be firm, up to the MDQ on any Gas Day and up to the MHQ in any Hour, and shall not be subject to interruption except as provided for elsewhere in this Gas Tariff. The MDQ and the MHQ shall be a quantity sufficient to avoid measurement difficulties relative to small amounts of gas. The MHQ shall be no less than 1/20th and no greater than 1/4th of the MDQ under the Agreement.
- (f) In addition to the nomination timeline provisions of Section 5.3.2 of the General Terms and Conditions of this Gas Tariff, Shipper may nominate to Transporter, by fax or e-mail, at quarter-hour intervals prior to the actual gas flow at the primary delivery point. Quarter-hour intervals shall be at the top of the Hour, e.g. 9:00, at 15 minutes past the top of the Hour, e.g. 9:15, at 30 minutes past the top of the Hour, e.g. 9:30, and at 45 minutes past the top of the Hour, e.g. 9:45. At no time shall Transporter be required to provide service under this rate schedule until

Transporter has received appropriate confirmation of receipts, deliveries, and hourly rate of gas flow from the upstream and downstream operators at the respective primary receipt and delivery point(s) and from any downstream interconnecting transporter(s) at the end user delivery location.

- (g) Deliveries to a secondary delivery point shall be made pursuant to Section 5.3.6 of the General Terms and Conditions of this Gas Tariff.
- (h) Nominations to a secondary point shall be made pursuant to the nomination timeline provisions of Section 5.3.2 of the General Terms and Condition of this Gas Tariff.
- (i) For any Gas Day, Shipper shall cause quantities provided at the receipt point to approximate those scheduled to the delivery point. It is recognized that daily imbalances between scheduled and actual quantities may occur. For purposes of this Rate Schedule EFT, a daily imbalance shall be defined as the difference between quantities received at the receipt point and the quantities delivered at the delivery point during a given Gas Day. Such daily imbalances shall be treated in the following manner:
 - (1) During a given Gas Day, Shipper shall be permitted a daily imbalance not exceeding the lesser of 5% of the scheduled daily deliveries or 2,000 GJ (permissible daily imbalance). Such permissible daily imbalance shall be reduced to zero by the end of the next Gas Day. In the event that Shipper makes a timely and valid nomination to reduce the permissible daily imbalance to zero on the next Gas Day, Shipper shall be deemed to have complied with the requirement to zero-out the permissible daily imbalance.

Unless otherwise agreed to by Shipper and Transporter, any permissible daily imbalance quantities not nominated by Shipper for receipt into or delivery out of Transporter's system on the next Gas Day shall be assessed a penalty equal to 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. Any such assessed penalty shall be paid to Transporter by Shipper in dollars (CAN).

- (2) If Shipper exceeds the permissible daily imbalance specified above during a given Gas Day (unauthorized daily imbalance), Shipper may be required, upon notification from Transporter by phone, and fax or e-mail, to cease deliveries from, or reduce tenders to Transporter hereunder, consistent with Transporter's operating conditions. Transporter's notification shall specify the time frame within which deliveries or tenders must cease or be reduced, consistent with Transporter's operating conditions, but in no event shall the specified time be earlier than two (2) hours from the notification time.

Further, Shipper may be required to tender or remove quantities upon notification by Transporter by phone, and fax or e-mail. Transporter's notification shall specify the time frame within which the unauthorized daily imbalance shall be corrected, consistent with Transporter's operating conditions, but in no event shall the specified time be earlier than twelve (12) hours from the notification time.

In the event that Shipper makes a timely and valid nomination in response to the above notification(s) by Transporter, Shipper shall be deemed to have complied with Transporter's notification(s).

Unless otherwise agreed to by Shipper and Transporter, any unauthorized daily imbalance quantities not nominated by Shipper for receipt into or delivery out of Transporter's system within the time frame specified by Transporter's notice shall be assessed a penalty equal to 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. Any such assessed penalty shall be paid to Transporter by Shipper in dollars (CAN).

(j) Service Extension Rights

- (1) Service provided under this rate schedule terminates upon the expiration of the primary term of the Agreement, unless:
 - (i) Transporter and Shipper have mutually agreed to continue service pursuant to a contractual bilateral evergreen right;
 - (ii) Shipper has renewed service pursuant to the provisions of Section 5.13 of the General Terms and Conditions of Transporter's Gas Tariff; or
 - (iii) Transporter and Shipper have mutually agreed to early termination of the Agreement.
- (2) For Agreements subject to a right of first refusal under Section 5.13 of the General Terms and Conditions of this Gas Tariff, Shipper and Transporter may mutually agree to extend the Agreement in accordance with Section 5.13.1, paragraph (c), of the General Terms and Conditions of Transporter's Gas Tariff.

4.2.3 GENERAL TERMS AND CONDITIONS

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

4.2.4 RATES AND CHARGES

Shipper shall pay Transporter each month, for service provided pursuant to this rate schedule, the sum of the amounts due under the subsections of this Section 4.2.4. Such amounts shall be computed by use of the applicable rate and reservation rate formula as set forth in Section 3 of this Gas Tariff, provided, however, that Transporter shall have the ability to discount the rate as set forth in Section 3 in consideration for a volume or term commitment by Shipper, for competitive reasons, or for reasons otherwise mutually agreed upon between Transporter and Shipper. Such rate shall be set forth in writing in Shipper's Agreement.

4.2.4.1 Expedited Firm Transportation Service.**(a) Monthly Reservation Fees:**

Reservation fees shall be paid based upon the Agreement's MDQ and the currently effective reservation rate based on the formula as set forth in Section 3 of this Gas Tariff, or as otherwise negotiated between Transporter and Shipper.

4.2.4.2 Changes in Rates.

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

4.2.5 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.

4.2.6 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.

4.2.7 ASSIGNMENT

1. Shipper may assign to third parties rights to transport contracted capacity, or any portion thereof, as provided under an EFT Firm Transportation Agreement on a temporary or permanent basis, provided, however, Shipper and third party assignee execute an assignment agreement. Any rights assigned hereunder are subject to all terms and provisions of this Gas Tariff, including the General Terms and Conditions and this Rate Schedule EFT.
2. All assignments between shippers and assignees shall be at the Rate Schedule EFT rate(s) that are applicable to assignor's EFT Firm Transportation Agreement. Permanent assignments shall be for the same contract term as assignor's EFT Firm Transportation Agreement. Notwithstanding any assignment hereunder, the assignor shall remain responsible for payment of the assignee's contracted charges applicable to any Rate Schedule EFT firm transportation service contracted capacity that has been temporarily assigned. The assignor shall receive a credit equaling the dollars that Transporter receives from the assignee concurrent with Transporter's invoice to the assignee for the temporarily assigned capacity. If the assignee defaults and Transporter must seek payment from the assignor, Transporter may charge the assignor interest on the unpaid balance.