

INTERRUPTIBLE TRANSPORTATION SERVICE

IT TOLL SCHEDULE

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1. AVAILABILITY

1.1 Any Customer shall be eligible to receive service pursuant to this Toll Schedule provided such Customer:

- (a) has entered into an interruptible service contract (the "Contract") with TCPL or, has obtained an order of the CER, pursuant to Subsection 239(2) of the CER Act as amended from time to time ("239(2) Order"), requiring TCPL to transport gas for Customer subject to the provisions of this Toll Schedule and to the terms and conditions contained in the 239(2) Order;
- (b) has pipeline facilities interconnecting with TCPL's facilities at the delivery point(s) specified in the Contract or, has provided TCPL with adequate assurances that arrangements have been made to have an authorized gas distribution or transmission company act as Customer's agent in receiving from TCPL the gas to be delivered pursuant to this Toll Schedule; and
- (c) has provided TCPL with financial assurances as required by TCPL pursuant to Section XXIII of the General Terms and Conditions referred to in Section 5 hereof.

2. APPLICABILITY AND CHARACTER OF SERVICE

2.1 Definition of Interruptible Transportation Service

Service hereunder shall be subject to curtailment or interruption at any time that TCPL determines in its sole discretion that deliveries hereunder would in any way interfere with or restrict TCPL's ability to make deliveries of gas under any and all transportation services having a higher priority on TCPL's system pursuant to Section XV of the General Terms and Conditions than service requested hereunder or, any time that Customer fails to provide on an ongoing and timely basis evidence satisfactory to TCPL of its right to remove from the province of production all or any part of the quantities of gas to be transported by TCPL under the Contract. It is understood that TCPL shall not construct additional facilities for the purpose of providing service hereunder.

TCPL shall have the sole discretion to set the "IT Floor Price" for Interruptible Transportation service under this IT Toll Schedule. The IT Floor Price shall equal the price determined and

posted by TCPL from time to time on TCPL's website for service over the applicable System Segment listed in the List of Tolls referred to in Section 5 hereof.

Nominations for Interruptible Transportation service will be expressed in dollars per gigajoule (\$/GJ) and be subject to minimum increments of \$0.0001/GJ per bid. Each bid increment shall hereafter be referred to as a "nominated toll level".

Nominations for Interruptible Transportation Service shall not be less than the IT Floor Price for the applicable System Segment.

2.2 Request for Available Interruptible Transportation Service

During the term of the Contract, Customer shall be entitled to request Interruptible Transportation service in the manner hereafter set forth.

2.3 Forecasting of Available Interruptible Service

TCPL shall notify the Customer, in the manner set forth in the Contract or by inclusion on TCPL's website of TCPL's estimate of the quantity of available Interruptible Transportation Service which TCPL expects to be able to render to Customers during the succeeding month.

2.4 Allocation of Available Interruptible Transportation Service

(a) Nominations

Capacity available for Interruptible Transportation service will be allocated in accordance with the provisions of Sections 2.4, 2.6 and 2.7 hereof. In addition to the information required from Customers for nominations for other services, all nominations for Interruptible Transportation service shall contain the following information:

- (i) the nominated toll level
- (ii) the nominated quantity; and
- (iii) if applicable, a minimum quantity acceptable to the Customer.

A Customer may not submit more than one nomination per unique combination of effective period, receipt point, delivery point or area, and nominated toll level.

Nominations for service must be received by TCPL through its website at the time specified pursuant to Section XXII of the General Terms and Conditions. TCPL shall not accept nominations by fax unless TCPL's website and EDI systems are inoperative.

(b) Allocation of Interruptible Service

Subject to the provisions set out in this IT Toll Schedule, TCPL shall authorize available Interruptible Transportation service as part of its regular authorization process (see Section XXII of the General Terms and Conditions) in the following manner. Nominations will be authorized in descending order from highest to lowest nominated toll level. The total nominated quantity at each nominated toll level will be authorized before any nominations are authorized in the next lowest nominated toll level. If the remaining available Interruptible Transportation service is insufficient to provide service for all nominated quantities at a nominated toll level, the remaining available Interruptible Transportation service will be authorized on a pro rata basis amongst all IT Nominations, at such nominated toll level.

2.5 Notification to Customers of Allocated Available Interruptible Transportation Service

TCPL shall post, via TCPL's website on a weekly basis, a summary of IT nominations authorized by Toll Level.

2.6 Nominations of Allocated Available Interruptible Transportation Service

Nominations and Renominations

A Customer shall confirm its intention to use the transportation service authorized by TCPL either by allowing its original nomination to stand, if the full nominated quantity has been authorized by TCPL, or by renomination, if only a portion of the nominated transportation service is authorized by TCPL. If Customer fails to renominate the available quantity within one hour after Customer has been notified of the authorized quantity, Customer shall be deemed to have renominated the available quantity.

A Customer may include as part of its nomination, a minimum quantity that will be acceptable to the Customer. In the event that TCPL cannot authorize at least the minimum

quantity specified by the Customer in its nomination, no service will be authorized to that Customer under that nomination.

2.7 Priority of Curtailment of Interruptible Transportation Service

Curtailments will be based upon the quantity nominated by the Customers. Priority of curtailment will start at the lowest nominated toll level up to the highest nominated toll level. If the total nominated quantity at a nominated toll level is not entirely curtailed, curtailment at such nominated toll level shall be allocated on a prorata basis among all nominations at such nominated toll level.

3. PENALTY PROVISIONS

3.1 Penalty if Utilization is Less Than Authorized

If a Customer nominates or renominates for transportation service hereunder pursuant to Section 2.6 hereof but subsequently does not utilize all of the transportation authorized by TCPL for that nomination or renomination, as the case may be, the Customer will be subject to a penalty as set forth below. The penalty shall be equal to 25% of the difference between the value of the transportation service authorized by TCPL for that gas day and the value of the transportation service that the Customer renominated that gas day. Such values shall be determined by multiplying the applicable nominated toll level price by the quantities authorized by TCPL and renominated by the Customer; provided however, if:

- a) the transportation service authorized by TCPL and not utilized by Customer would not have been used by another Customer with a nomination for service hereunder;
or
- b) the Customer can demonstrate to the satisfaction of TCPL that its inability to use the authorized quantity was due to the refusal of a duly tendered nomination on an interconnecting pipeline;

the foregoing penalty will not be applied.

4. MONTHLY BILL

- 4.1 The monthly bill payable by Customer to TCPL for transportation service hereunder at each nominated toll level in which Customer has been allocated Interruptible Transportation service shall be equal to the nominated toll level multiplied by Customer's total quantities delivered at such nominated toll level for the month to which this bill relates. Customers which have been allocated service in more than one nominated toll level shall be deemed to have been provided service in the highest nominated toll level first.
- 4.2 Customer shall also pay monthly to TCPL a charge for delivery pressure provided that deliveries hereunder are made to a delivery point at which a charge for delivery pressure has been approved by the CER (and set forth in the List of Tolls referred to in Section 5 hereof). The monthly delivery pressure charge at each such delivery point shall be the product of the applicable Delivery Pressure Daily Demand Toll and the total of the Customer's quantities delivered hereunder at that delivery point during such month. The total monthly delivery pressure charge shall be the sum of the monthly delivery pressure charges at all applicable delivery points.
- 4.3 Each month, Customer shall pay the Union Dawn Receipt Point Surcharge for service from the Union Dawn receipt point.
- 4.4 Customer shall also pay monthly to TCPL any penalty arising from the provisions set out in Section 3.1 above.
- 4.5 Penalty revenue received by TCPL pursuant to Section 4.4 above, shall be included in the Interruptible Transportation Service revenue disposition.
- 4.6 For each month, a Customer shall provide, on a daily basis, a quantity of fuel based on a monthly fuel ratio to be established by TCPL.
- 4.7 Each month, Customer shall also pay to TCPL an Abandonment Charge determined by multiplying the Customer's total quantities delivered by the applicable Daily Abandonment Surcharge.

5. MISCELLANEOUS PROVISIONS

- 5.1 The General Terms and Conditions and the List of Tolls of the Tariff as amended from time to time are applicable to this IT Toll Schedule and are hereby made a part hereof. If there is any conflict between the provisions of this IT Toll Schedule and the General Terms and Conditions, the provisions of this IT Toll Schedule shall prevail.
- 5.2 This Toll Schedule, the List of Tolls and the General Terms and Conditions are subject to the provisions of the CER Act or any other legislation passed in amendment thereto or substitution therefor.