

NON-RENEWABLE FIRM TRANSPORTATION SERVICE

FT-NR TOLL SCHEDULE

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1. AVAILABILITY

1.1 Availability of Service

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

- (a) has entered into a Non-Renewable Firm Transportation Service Contract with TCPL having a minimum term of one (1) year; 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 which 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 10 hereof.

1.2 Capacity Available for FT-NR

Capacity made available for Customers under this Toll Schedule is capacity that is available on a firm basis for a specific period of time as a result of:

- (a) such capacity being previously contracted to other Customers to commence on a future specified date; or
- (b) TCPL determines in its sole discretion that such capacity may not be available after such future specified date.

This capacity shall be offered in respect of certain segments of TCPL's Combined Capacity, each such segment being defined by reference to the receipt point and the delivery point or delivery area applicable thereto.

2. APPLICABILITY AND CHARACTER OF SERVICE

- 2.1 On each day during the term of the Contract Customer shall be entitled to request service hereunder. Nominations for service shall be made pursuant to Section XXII of the General Terms and Conditions. Service hereunder shall not be subject to curtailment or interruption except as provided in Section XI, XIV and XV of the General Terms and Conditions; PROVIDED HOWEVER, that if Customer fails to provide on an ongoing and timely basis to TCPL satisfactory evidence 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, Customer shall be in default hereunder (the "Default") to the extent of the daily quantity not authorized for removal from the province of production as aforesaid (the "Default Quantity"), and TCPL shall be entitled to immediately suspend service for a quantity up to, and including, the Default Quantity until such time as Customer remedies the Default. TCPL shall terminate any such suspension and resume service as to that part of the Default Quantity in respect of which the Default has been remedied.

3. MONTHLY BILL

- 3.1 The monthly bill payable to TCPL for service hereunder shall include the aggregate of the demand charge in effect during the billing month for transportation service, the Abandonment Charge and, where applicable, the demand charge for delivery pressure service and the Union Dawn Receipt Point Surcharge shall be calculated by applying, as follows, the applicable tolls as approved by the CER (as set forth in the List of Tolls referred to in Section 10 hereof):

(a) **Demand Charge**

For each month, the demand charge for transportation service shall be equal to the applicable Monthly FT Demand Toll multiplied by Customer's Contract Demand. If Customer's Contract Demand changes during a month, then a weighted average daily Contract Demand shall be determined for such month and shall be used to calculate the demand charge for such month. The said demand charge is payable by Customer notwithstanding any failure by Customer during such month, for any reason whatsoever including force majeure or a default by Customer under Section 2.1 hereof, to deliver Customer's Authorized Quantity to TCPL at the receipt point.

(b) **Delivery Pressure Service**

For each month, the demand charge for delivery pressure service at each delivery point at which a toll for delivery pressure has been set shall be equal to the applicable Delivery Pressure Monthly Demand Toll multiplied by Customer's Contract Demand in effect at each such delivery point. If Customer's Contract Demand changes during a month, then a weighted average daily Contract Demand shall be determined for such month and shall be used to calculate the demand charge for such month. The said demand charge is payable by Customer notwithstanding any failure by Customer during such month, for any reason whatsoever including force majeure or a default by Customer under Section 2.1 hereof, to deliver Customer's Authorized Quantity to TCPL at the receipt point.

(c) **Union Dawn Receipt Point Surcharge**

Each month, Customer shall pay the Union Dawn Receipt Point Surcharge for service from the Union Dawn receipt point notwithstanding any failure by Customer during such month, for any reason whatsoever including force majeure or a default by Customer under Section 2.1 hereof, to deliver Customer's Authorized Quantity to TCPL at the Union Dawn receipt point.

(d) **Fuel**

For each month, a Customer shall provide, on a daily basis, a quantity of fuel in accordance with Section IV (1) (a) of the General Terms and Conditions.

(e) **Abandonment Charge**

Each month, Customer shall pay to TCPL an Abandonment Charge determined by multiplying Customer's Contract Demand by the applicable Monthly Abandonment Surcharge. If Customer's Contract Demand changes during a month, then a weighted average daily Contract Demand shall be determined for such month and shall be used to calculate the Abandonment Charge for such month. The Abandonment Charge is payable by Customer notwithstanding any failure by Customer during such month, for any reason whatsoever including force majeure or

a default by Customer under Section 2.1 hereof, to deliver Customer's Authorized Quantity to TCPL at the receipt point.

4. MINIMUM BILL

4.1 The minimum monthly bill for service hereunder shall be the sum of the charges determined in Subsections 3.1 (a), 3.1 (e) and (if applicable) Subsections 3.1 (b) and 3.1 (c) hereof, after giving effect to any adjustment pursuant to Section 5 hereof.

5. DEMAND CHARGE ADJUSTMENTS

5.1 If during any day, TCPL fails to deliver the quantity of gas requested by Customer up to the Contract Demand, for any reason related solely to TCPL's operations, including an event of Force Majeure occurring on any of the pipeline systems of TCPL and Other Pipelines, then the monthly demand charge shall be reduced by an amount equal to the applicable FT Daily Demand Toll multiplied by the difference between the quantity of gas which TCPL actually delivered to Customer on such day, and the quantity of gas which such Customer in good faith nominated hereunder on such day. If TCPL refuses to accept deliveries of Customer's gas or curtails receipts from or deliveries to Customer pursuant to Section 8 (Energy Imbalance Recovery) of Section XXII of the General Terms and Conditions, then there shall be no corresponding reduction in the monthly demand charge to Customer.

Notwithstanding the foregoing, if the quantity of gas which TCPL fails to deliver is the subject of an accepted nomination for a Diversion and/or an Alternate Receipt, then TCPL shall only be obligated to reduce the monthly demand charge if such Diversion and/or such Alternate Receipt is of the nature described in Subsection (e)(ii) in Section XV of the General Terms and Conditions and in all other cases there shall be no reduction in the monthly demand charge.

5.2 For any day on which transportation service charges are adjusted pursuant to Section 5.1 above, the delivery pressure charge, the Union Dawn Receipt Point Surcharge and the Abandonment Charge payable by Customer pursuant to Subsections 3.1(b), 3.1(c) and 3.1(e) hereof shall also be adjusted.

The delivery pressure charge shall be reduced by an amount equal to the applicable Delivery Pressure Daily Demand Toll multiplied by the difference between the quantity of gas which

TCPL actually delivered to Customer on such day and the quantity which such Customer in good faith nominated for delivery on such day.

The Union Dawn Receipt Point Surcharge shall be reduced by an amount equal to the applicable Union Dawn Receipt Point Daily Demand Toll multiplied by the difference between the quantity of gas which TCPL actually transported from the Union Dawn receipt point on such day and the quantity which such Customer in good faith nominated for transport on such day.

The Abandonment Charge shall be reduced by an amount equal to the applicable Daily Abandonment Surcharge multiplied by the difference between the quantity of gas which TCPL actually delivered to Customer on such day, and the quantity of gas which such Customer in good faith nominated for delivery on such day.

6. ALTERNATE RECEIPT AND DIVERSION OF GAS

- 6.1 (a) TCPL will post on its website the eligible Alternate Receipt and/or Diversion point(s) or delivery area(s) for System Segments, which may be updated from time to time for new receipt and delivery point combinations.
- (b) Subject to the provisions herein, Customer shall have the right to nominate an Alternate Receipt and/or a Diversion from/to points or delivery areas posted pursuant to Subsection 6.1(a) in the manner provided herein.
- (c) The aggregate of all nominations for delivery hereunder shall not exceed the Contract Demand under Customer's Contract.
- (d) Customer shall not be entitled to nominate a Diversion to a delivery point or delivery area which is upstream of the receipt point specified in Customer's Contract or upstream of the Alternate Receipt point.
- (e) Customer shall not be entitled to nominate an Alternate Receipt from a receipt point that is upstream of the receipt point specified in Customer's Contract or is downstream of the delivery point or delivery area specified in Customer's Contract.
- (f) For the purpose of Section XVI of the General Terms and Conditions, Alternate Receipts and Diversions shall be equivalent to service under an STS Contract.

6.2 Any nomination by Customer for an Alternate Receipt and/or a Diversion under Customer's Contract must be received by TCPL's Gas Control Department at the time specified pursuant to Section XXII of the General Terms and Conditions.

6.3 TCPL shall have the right to not accept a nomination made pursuant to Section 6.2 hereof or to accept only a portion of the quantities so nominated if the Alternate Receipt and/or Diversion nominated would negatively impact TCPL's ability to provide those transportation services which, pursuant to Section XV of the General Terms and Conditions, have a priority of service which is higher than that of the Alternate Receipt and/or the Diversion nominated by Customer or if such Alternate Receipt and/or Diversion would otherwise be immediately curtailed pursuant to Subsection (c) of Section XV of the General Terms and Conditions. TCPL shall have the right to curtail Alternate Receipts and/or Diversions in accordance with Section XV of the General Terms and Conditions.

6.4. Alternate Receipt and Diversions Return Home

In the event that TCPL does not accept a nomination for an Alternate Receipt and/or a Diversion pursuant to Sections 6.2 and 6.3 hereof, or accepts only a portion of the quantity so nominated, then TCPL shall exercise reasonable efforts to allow Customer to renominate the receipt point and/or delivery point or delivery area specified in Customer's Contract. TCPL shall have the right to reject any such renomination, or to accept only a portion of the quantity so renominated, if the renomination would negatively impact any other authorized transportation service.

In any event, Customer shall pay the Daily Demand Toll based on the receipt point and delivery point or area specified in Customer's Contract for the entire quantity set out in an Alternate Receipt and/or a Diversion nomination which was rejected by TCPL pursuant to Section 6.3 hereof.

(a) In addition to the charges payable pursuant to Subsections 3.1(a) and (d) above, Customer shall pay TCPL for all Alternate Receipts and Diversions, a charge equal to the aggregate of:

(i) the product obtained by multiplying the amount, if any, by which the Daily Demand Toll, applicable from the Alternate Receipt point to the delivery point or delivery area specified in Customer's Contract, exceeds the

applicable Daily Demand Toll from the receipt point to the delivery point or area which are specified in Customer's Contract, by Customer's Authorized Quantity; and

- (ii) the product obtained by multiplying the amount, if any, by which the Daily Demand Toll, applicable from the receipt point specified in the Customer's Contract to the Diversion point, exceeds the applicable Daily Demand Toll from the receipt point to the delivery point or area which are specified in Customer's Contract, by Customer's Authorized Quantity.
- (b) If the gas is diverted hereunder to a delivery point at which a delivery pressure charge has been approved by the CER and no delivery pressure charge exists for the delivery point specified in Customer's Contract, then Customer shall pay TCPL, in addition to the charges provided above, an amount equal to the applicable Delivery Pressure Toll multiplied by Customer's total Diversion quantity at such delivery point for such month (a "Point Diversion Delivery Pressure Charge"). If a delivery pressure charge exists at the delivery point specified in Customer's Contract, then Customer shall pay TCPL, in addition to the delivery pressure charge described in Subsection 3.1(b) above, an amount (a "Point Diversion Delivery Charge") equal to the product obtained by multiplying Customer's total Diversion quantity at the delivery point which is the subject of the Diversion multiplied by that amount, if any, by which the Delivery Pressure Toll at the delivery point which is the subject of the Diversion exceeds the delivery pressure toll at the delivery point specified in Customer's Contract.

The total delivery pressure charge for Diversion quantities shall be the sum of the Point Diversion Delivery Pressure Charges at all applicable delivery points plus the delivery pressure charge, if any, payable pursuant to Subsection 3.1(b) above.

- (c) If Customer nominates the Union Dawn receipt point as an Alternate Receipt point, then Customer shall pay to TCPL, in addition to any other applicable charges, the Union Dawn Receipt Point Surcharge for service from the Union Dawn receipt point.
- (d) In addition to the charges payable pursuant to Subsection 3.1(e), Customer shall pay to TCPL for all Alternate Receipts and Diversions, a charge equal to the aggregate of:

- (i) the product obtained by multiplying the amount, if any, by which the Daily Abandonment Surcharge, applicable from the Alternate Receipt point to the delivery point or area specified in Customer's Contract, exceeds the applicable Daily Abandonment Surcharge from the receipt point to the delivery point or area which are specified in Customer's Contract, by Customer's Authorized Quantity, and
- (ii) the product obtained by multiplying the amount, if any, by which the Daily Abandonment Surcharge, applicable from the receipt point specified in the Customer's Contract to the Diversion point, exceeds the applicable Daily Abandonment Surcharge from the receipt point to the delivery point or area which are specified in the Customer's Contract, by Customer's Authorized Quantity.

7. ASSIGNMENT

- 7.1 Any company which shall succeed by purchase, merger or consolidation to the properties, substantially or in entirety, of Customer or of TCPL, as the case may be, shall be entitled to the rights and shall be subject to the obligations of its predecessor in title under any Contract into which this Toll Schedule is incorporated and any related contracts. Further, either Customer or TCPL may, without relieving itself of its obligations under any Contract into which this Toll Schedule is incorporated (unless consented to by the other party which consent shall not be unreasonably withheld), assign any of its rights and obligations thereunder to another party. Nothing herein shall in any way prevent either party to such Contract from pledging or mortgaging its rights thereunder as security for its indebtedness. Such Contract shall be binding upon and shall inure to the benefit of the respective successors and assigns of the parties thereto. No assignment hereunder in respect of a service which has already resulted in a reduction of the affected distributor's Contract Demand shall entitle such distributor to any further reduction in its Contract Demand.
- 7.2 Assignments at a discount negotiated between assignors and assignees are permitted, provided that the approved toll continues to be paid to TCPL.
- 7.3 Save as herein provided, assignments of any Contracts into which this Toll Schedule is incorporated are expressly prohibited.

8. RENEWAL RIGHTS

8.1 Customer shall not be entitled to renew any Non-Renewable Firm Transportation Service Contract or any portion of service thereunder.

9. TEMPORARY RECEIPT AND/OR DELIVERY POINT(S)

9.1 Upon receipt of a written request from Customer, TCPL may, in its sole discretion, allow Customer to temporarily change the receipt and/or delivery point(s) under a Contract. Such a temporary change in receipt and/or delivery point(s), once authorized by TCPL, shall apply for a minimum duration of three (3) months and shall not exceed the remaining term of the Contract.

9.2 Customer's limited entitlement to obtain temporary receipt and/or delivery point(s) may apply to the full Contract Demand specified in the Contract, or any portion thereof.

9.3 For transportation service from a temporary receipt point and/or to a temporary delivery point, Customer shall pay the following:

(a) the greater of each of the FT Monthly Demand Toll and the Monthly Abandonment Surcharge, that apply from the:

- (i) original receipt point to the original delivery point specified in the Contract;
- (ii) original receipt point to the temporary delivery point;
- (iii) temporary receipt point to the original delivery point; or
- (iv) temporary receipt point to the temporary delivery point;

as the case may be.

(b) the greater of the Delivery Pressure Monthly Demand Toll applicable to the original delivery point specified in the Contract and the Delivery Pressure Monthly Demand Toll which applies to the temporary delivery point, plus any fuel related to the delivery pressure; and

(c) the Union Dawn Receipt Point Monthly Surcharge, provided however:

- (i) if Customer temporarily changes all or a portion of its Contract Demand from the Union Dawn receipt point to any other receipt point, the Contract

Demand for the purposes of determining the Union Dawn Receipt Point Surcharge shall be Customer's original Contract Demand at the Union Dawn receipt point notwithstanding any temporary changes of all or a portion of such Contract Demand to any other receipt point; and

- (ii) if Customer temporarily changes all or a portion of its Contract Demand from a receipt point other than the Union Dawn receipt point to the Union Dawn receipt point, the Contract Demand for the purposes of determining the Union Dawn Receipt Point Surcharge shall be the portion of such Contract Demand temporarily changed to the Union Dawn receipt point.

9.4 The Demand charges set out in Subsections 9.3a), b) and c) above are payable by Customer notwithstanding any failure by Customer during such month, for any reason whatsoever, including force majeure or a default by Customer under Section 2.1 hereof, to deliver Customer's Receipt Gas to TCPL at the temporary receipt point.

9.5 Customer shall pay for or provide, on a daily basis, a quantity of fuel based on the applicable monthly fuel ratio established by TCPL for transportation for the quantity of gas delivered after giving effect to the temporary receipt and/or delivery point(s).

9.6 Upon acceptance by TCPL of Customer's request for a temporary receipt or delivery point, transportation service hereunder shall be firm in accordance with Section 2.1 of this FT-NR Toll Schedule.

10. MISCELLANEOUS PROVISIONS

10.1 The General Terms and Conditions and the List of Tolls of the Tariff, as amended from time to time, are applicable to this Toll Schedule and are hereby made a part hereof. If there is any conflict between the provisions of this Toll Schedule and the General Terms and Conditions, the provisions of this Toll Schedule shall prevail.

10.2 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 thereof or substitution therefor.

10.3 This Toll Schedule together with the provisions of the General Terms and Conditions supercedes and replaces all previous Toll Schedules applicable to the Contract.