

MDS

MARKET DRIVEN SERVICE TOLL SCHEDULE

INDEX

| Section | Sheet No. |
|--|------------------|
| 1. DEFINITIONS | 1 |
| 2. AVAILABILITY | 2 |
| 3. APPLICABILITY AND CHARACTER OF SERVICE | 3 |
| 4. MONTHLY BILL..... | 3 |
| 5. MINIMUM BILL | 7 |
| 6. DEMAND CHARGE ADJUSTMENTS | 7 |
| 7. SECONDARY RECEIPT AND SECONDARY DELIVERY POINTS | 8 |
| 8. ASSIGNMENT | 9 |
| 9. TERM REDUCTION RIGHTS | 9 |
| 10. CONVERSION RIGHTS | 10 |
| 11. MISCELLANEOUS PROVISIONS | 11 |

1. DEFINITIONS

- 1.1 Capitalized terms utilized herein, but not otherwise defined, shall have the meanings attributed to such terms in the General Terms and Conditions. For the purpose of this Toll Schedule, the following terms shall be defined:
- (a) "Conversion Option" shall have the meaning attributed to it in Section 10.1;
 - (b) "Conversion Provisions" shall have the meaning attributed to it in Subsection 10.1(c);
 - (c) "Daily MDS Differential Surcharge" shall mean the daily surcharge determined by multiplying the Monthly MDS Differential Surcharge by twelve (12) and dividing the result by the number of days in the Year;
 - (d) "Date of Commencement" shall mean the date that Service under Customer's MDS Contract begins, as set out in Section 2.1 of Customer's MDS Contract;
 - (e) "Default" shall have the meaning attributed to it in Section 3.1;
 - (f) "Default Quantity" shall have the meaning attributed to it in Section 3.1;
 - (g) "Early Conversion and Term-up Notice" shall have the meaning attributed to it in Section 10.3;
 - (h) "Expansion Facilities" shall have the meaning attributed to it in Subsection 10.3(a);
 - (i) "FT Contract" shall mean a Firm Transportation Service Contract;
 - (j) "FT Service" shall mean firm transportation Service provided pursuant to the FT Toll Schedule;
 - (k) "General Terms and Conditions" means the General Terms and Conditions of the Tariff;
 - (l) "List of Tolls" means the List of Tolls of the Tariff;
 - (m) "MDS" shall mean Market Driven Service;
 - (n) "MDS Contract" shall have the meaning attributed to it in Subsection 2.1(a);

- (o) “MDS Differential Charge” shall have the meaning attributed to it in Subsection 4.1(d);
- (p) “MDS End Date” shall mean the date Customer’s MDS Contract ends, as set out in Article III of Customer’s MDS Contract or as may be amended for all or a portion of the Contract Demand pursuant to Section 4.1 of Customer’s MDS Contract, as applicable;
- (q) “MDS Open Season” shall have the meaning attributed to it in Section 2.1(a);
- (r) “Monthly MDS Differential Surcharge” shall have the meaning attributed to it in Subsection 4.1(d);
- (s) “New Service Start Date” shall have the meaning attributed to it in Section 1.1 of the Transportation Access Procedures;
- (t) “Secondary Delivery” shall have the meaning attributed to it in Section 1 of the General Terms and Conditions;
- (u) “Secondary Delivery Charge” shall have the meaning attributed to it in Subsection 4.1(e);
- (v) “Secondary Receipt” shall have the meaning attributed to it in Section 1 of the General Terms and Conditions; and
- (w) “Secondary Receipt Charge” shall have the meaning attributed to it in Subsection 4.1(e).

2. AVAILABILITY

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

- (a) has entered into an MDS Transportation Service Contract (“MDS Contract”) with TCPL through an MDS open season process (“MDS Open Season”) that closes on or before December 31, 2026 and is held in accordance with Section 6 of the Transportation Access Procedures; and
- (b) has provided TCPL with financial assurances as required by TCPL pursuant to Section XXIII of the General Terms and Conditions.

2.2 Facilities Construction Policy

In order to provide Service pursuant to this MDS Toll Schedule, TCPL utilizes capacity available from its System Capacity. It is understood that TCPL shall not construct additional facilities, other than interconnection or measurement facilities, for providing Service hereunder.

3. APPLICABILITY AND CHARACTER OF SERVICE

3.1 On each day during the term of the MDS 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 MDS 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.

4. MONTHLY BILL

4.1 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 and any applicable surcharge, and shall be calculated by applying, as follows, the applicable tolls as approved by the CER (as set forth in the List of Tolls):

(a) **Demand Charge**

The Demand Charge for MDS will consist of one of the following, as offered in the MDS Open Season and specified in Article VI of Customer's MDS Contract:

(i) Demand Charge Not Inclusive of the Abandonment Charge

For each month, the demand charge for transportation service shall be equal to the sum of the products of the applicable Monthly Demand Toll for MDS multiplied by Customer's Contract Demand, subject to each applicable Monthly Demand Toll pursuant to Section 6.2 of Customer's MDS Contract, or, if applicable, each applicable Monthly Demand Toll pursuant to Customer's MDS Contract for term reductions pursuant to Section 9. 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 3.1 hereof, to deliver Customer's Authorized Quantity to TCPL at the receipt point.

(ii) Demand Charge Inclusive of the Abandonment Charge

For each month, the demand charge for transportation Service shall be equal to the sum of the products of the applicable Monthly Demand Toll for MDS multiplied by Customer's Contract Demand, subject to each applicable Monthly Demand Toll pursuant to Section 6.2 of Customer's MDS Contract, or, if applicable, each applicable Monthly Demand Toll pursuant to Customer's MDS Contract for term reductions pursuant to Section 9. 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 3.1 hereof, to deliver Customer's Authorized Quantity to TCPL at the receipt point.

(b) Delivery Pressure Service

For each month, if applicable and if not inclusive in the Demand Charge pursuant to Subsection 4.1(a) and Customer's MDS Contract, 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. The said Delivery Pressure Monthly Demand Toll 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 3.1 hereof, to deliver Customer's Authorized Quantity to TCPL at the receipt point.

c) **Abandonment Charge**

Where the Demand Charge is not inclusive of the Abandonment Charge pursuant to Subsection 4(a)(i) and Customer's MDS Contract, 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 3.1 hereof, to deliver Customer's Authorized Quantity to TCPL at the receipt point.

Where MDS has Secondary Delivery and/or Secondary Receipt points that are authorized for use pursuant to Section 7, Customer shall pay to TCPL for all Secondary Receipt and/or Secondary Delivery points, a charge equal to the product obtained by multiplying the amount, if any, by which the Daily Abandonment Surcharge, applicable from the receipt point or Secondary Receipt point, as applicable, to the delivery point or delivery area or Secondary Delivery Point, as applicable, 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.

(d) **Differential Charge**

Where the Demand Charge is inclusive of the Abandonment Charge pursuant to Subsection 4(a)(ii) and Customer's MDS Contract, if for any month the Monthly Abandonment Surcharge from the Receipt Point specified in Customer's MDS Contract to the Delivery Point specified in Customer's MDS Contract exceeds the value specified in Customer's MDS Contract, if applicable, MDS Customer will be subject to a surcharge equal to the difference between the applicable Monthly Abandonment Surcharge and the value specified in Customer's MDS Contract ("Monthly MDS Differential Surcharge"). In such case, Customer shall pay for such

month a charge determined by multiplying Customer's Contract Demand by the applicable Monthly MDS Differential Surcharge ("MDS Differential Charge"). The MDS Differential 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 3.1 hereof, to deliver Customer's Authorized Quantity to TCPL at the receipt point.

(e) **Secondary Receipt and/or Secondary Delivery Charge**

For each month, if applicable and if not inclusive in the Demand Charge pursuant to Subsection 4.1(a) and Customer's MDS Contract, Customer shall also pay a demand charge for authorized quantities of Secondary Receipt and/or Secondary Delivery points pursuant to Section 7 determined by multiplying the Customer's Authorized Quantity by the applicable Secondary Receipt Charge and/or Secondary Delivery Charge ("Secondary Receipt Charge" or "Secondary Delivery Charge").

For any MDS Contract that includes Secondary Receipt point(s) or Secondary Delivery point(s), any applicable Secondary Receipt Charge and/or Secondary Delivery Charge for the use of such Secondary Receipt point(s) or Secondary Delivery point(s) located outside the primary contract path of the MDS Contract will be the difference between the Daily Demand Toll for FT service for the nominated points and the Daily Demand Toll for FT service applicable to the primary contract path of the MDS Contract.

(f) **Other Surcharges**

For each month, Customer shall pay any surcharge authorized by the CER to account for the costs of complying with domestic or foreign laws, rules or regulations that were not in effect or applicable to TCPL on the date of the commencement of the MDS Open Season.

(g) **Fuel**

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

5. MINIMUM BILL

5.1 The minimum monthly bill for Service hereunder shall be the sum of the charges determined in the following Subsections hereof, as applicable, and as identified in Customer's MDS Contract:

- (a) 4.1(a)(i) or 4.1(a)(ii);
- (b) 4.1(b);
- (c) 4.1(c);
- (d) 4.1(d);
- (e) 4.1(e); and
- (f) 4.1(f).

after giving effect to any adjustment pursuant to Section 6 hereof.

6. DEMAND CHARGE ADJUSTMENTS

6.1 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 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. Both of these quantities shall be deemed to have occurred in the same proportion as that of the portion of the Contract Demand at each applicable Daily Demand Toll. If TCPL refuses to accept deliveries of Customer's gas or curtails receipts from or deliveries to Customer pursuant to Paragraph 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 Secondary Receipt and/or Secondary Delivery, then TCPL shall only be obligated to reduce the monthly demand charge if such Secondary Receipt and/or Secondary Delivery 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.

6.2 For any day on which transportation Service charges are adjusted pursuant to Section 6.1 above the Abandonment Charge and the MDS Differential Charge payable by Customer

pursuant to Subsections 4.1(c) and 4.1(d) hereof shall also be adjusted, as applicable.

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 hereunder on such day.

The MDS Differential Charge shall be reduced by an amount equal to the Daily MDS Differential 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 hereunder on such day.

7. SECONDARY RECEIPT AND SECONDARY DELIVERY POINTS

- 7.1 (a) Eligible Secondary Receipt point(s) and/or Secondary Delivery point(s), as applicable, will be identified in Customer's MDS Contract.
- (b) Subject to the provisions herein, Customer shall have the right to nominate to Secondary Receipt point(s) and/or Secondary Delivery point(s) pursuant to Subsection 7.1(a).
- (c) The aggregate of all nominations for receipt and/or delivery hereunder shall not exceed the Contract Demand under Customer's MDS Contract.
- (d) For the purpose of Section XVI of the General Terms and Conditions, Service to Secondary Receipt point(s) and/or Secondary Delivery point(s) shall be equivalent to Service under an STS Contract.
- 7.2 Any nomination by Customer from a Secondary Receipt point(s) and/or to a Secondary Delivery point(s) under Customer's MDS Contract must be received by TCPL's Gas Control Department by the times posted on TCPL's website.
- 7.3 TCPL shall have the right to not accept a nomination made pursuant to Section 7.2 hereof or to accept only a portion of the quantities so nominated if the Secondary Receipt and/or Secondary Delivery 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 Secondary Receipt and/or Secondary Delivery nominated by Customer or if such Secondary Receipt and/or Secondary

Delivery would otherwise be immediately curtailed pursuant to Paragraph (c) of Section XV of the General Terms and Conditions. TCPL shall have the right to curtail Secondary Receipt and/or Secondary Delivery in accordance with Section XV of the General Terms and Conditions.

8. ASSIGNMENT

- 8.1 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 MDS 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 MDS 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 MDS Contract from pledging or mortgaging its rights thereunder as security for its indebtedness. Such MDS Contract shall be binding upon and shall inure to the benefit of the respective successors and assigns of the parties thereto.
- 8.2 Assignments at a discount negotiated between assignors and assignees are permitted, provided that the approved toll continues to be paid to TCPL.
- 8.3 Save as herein provided, assignment of an MDS Contract into which this Toll Schedule is incorporated is expressly prohibited.

9. TERM REDUCTION RIGHTS

- 9.1 If available through the terms of the MDS Open Season and as specified in Customer's MDS Contract, Customer may, for all or a portion of the Contract Demand, elect to reduce the term of the Service set out in the MDS Contract by the number of months available for term reduction as also specified in the MDS Open Season. Customer's election must be provided to TCPL by way of an executed Exhibit "A" Addendum to Customer's MDS Contract setting out the amended MDS End Date for the portion of the Contract Demand subject to a reduction in term. Customer's election must be provided to TCPL a minimum of twenty-four (24) months prior to such amended MDS End Date. Upon receipt of Customer's election, TCPL shall provide Customer with a counter-executed Exhibit "A" Addendum to the MDS Contract.

10. CONVERSION RIGHTS

10.1 Subject to Sections 10.3 and 10.4, Customer shall have the option of converting its Contract Demand under MDS to an FT Contract (the "Conversion Option") provided that:

- (a) the conversion shall be effective the first day after the applicable MDS End Date for a period of either: i) one or more annual periods ending on the same calendar date as the applicable MDS End Date or ii) if Customer requests a Service termination date of October 31, one or more annual periods of twelve (12) consecutive full months plus the number of consecutive days necessary to the requested October 31;
- (b) the requested FT Service Contract Demand shall be at a level no greater than the portion of Contract Demand eligible for conversion at the applicable MDS End Date;
- (c) TCPL receives written notice from Customer of Customer's election to exercise the Conversion Option which sets out the term and Contract Demand of such conversion (the "Conversion Provisions") no less than twelve (12) consecutive months before the applicable MDS End Date;
- (d) Customer supplies TCPL at the time of such notice with evidence satisfactory to TCPL that Customer will meet the availability provisions of the FT Toll Schedule in respect of the Conversion Provisions prior to the commencement of FT Service; and
- (e) TCPL may accept late notice of Customer's election to exercise the Conversion Option if TCPL, in its sole discretion, determines that TCPL will have the required capacity available after providing capacity for all of TCPL's obligations pursuant to prior outstanding requests from Customer and/or others, that such conversion will not adversely impact TCPL's system operations and that all of the costs for providing this Service will be covered by TCPL's tolls.

10.2 All conversions shall be stated in GJ.

10.3 If at any time TCPL determines, acting reasonably, that:

- (a) new or additional pipeline facilities are required to increase the Combined Capacity or capabilities of the system ("Expansion Facilities"); and
- (b) the estimated cost of such Expansion Facilities will exceed \$20 million;

TCPL will provide an early conversion and term-up notice (“Early Conversion and Term-up Notice”) to Customer entitled to the Conversion Option if TCPL determines Customer’s MDS Contract may impact the design of the Expansion Facilities.

- 10.4 Upon receipt of the Early Conversion and Term-up Notice, Customer may elect, within sixty (60) days of receipt of the Early Conversion and Term-up Notice, to exercise its Conversion Option for all or a portion of the applicable Contract Demand, subject to the FT Contract having a termination date no earlier than five (5) years after the expected New Service Start Date (as defined in Subsection 1.1 of TAPs) of the Expansion Facilities. If Customer does not elect to exercise its Conversion Option for the required term set out in the Early Conversion and Term-up Notice within such sixty (60) day period, then Customer shall no longer be entitled to a Conversion Option for the applicable Contract Demand.

11. MISCELLANEOUS PROVISIONS

- 11.1 The General Terms and Conditions and the List of Tolls, 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.
- 11.2 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.
- 11.3 This Toll Schedule together with the provisions of the General Terms and Conditions supercedes and replaces all previous Toll Schedules applicable to the MDS Contract.