

**MARKET DRIVEN SERVICE TRANSPORTATION SERVICE CONTRACT
("MDS Contract")**

THIS MDS CONTRACT, made as of the ____ day of _____, 20__.

BETWEEN: TRANSCANADA PIPELINES LIMITED
a Canadian corporation
("TCPL")

OF THE FIRST PART

and

("Customer")

OF THE SECOND PART

WITNESSES THAT:

WHEREAS TCPL owns and operates a natural gas pipeline system extending from a point near the Alberta/Saskatchewan border where TCPL's facilities interconnect with the facilities of NOVA Gas Transmission Ltd. easterly to the Province of Quebec with branch lines extending to various points on the Canada/United States of America International Border; and

WHEREAS Customer has satisfied in full, or TCPL has waived the condition precedent set out in Section 2.1 (b) of TCPL's MDS Toll Schedule referred to in Section 8.1 hereof (the "MDS Toll Schedule"); and

WHEREAS Customer has requested and TCPL has agreed to transport quantities of gas, that are delivered by Customer or Customer's agent to TCPL at the Receipt Point referred to in Section 5.1 hereof (the "Receipt Point"), to the Delivery Point referred to in Section 5.2 hereof (the "Delivery Point") pursuant to the terms and conditions of this MDS Contract; and

WHEREAS the quantities of gas delivered hereunder by Customer or Customer's agent to TCPL are to be removed from the province of production of such gas by Customer and/or Customer's

suppliers and/or its (their) designated agent(s) pursuant to valid and subsisting permits and/or such other authorizations in respect thereof.

NOW THEREFORE THIS MDS CONTRACT WITNESSES THAT, in consideration of the covenants and agreement herein contained, the parties hereto covenant and agree as follows:

ARTICLE I – CONDITIONS PRECEDENT

- 1.1 If a complaint to the Commission of the Canada Energy Regulator (“CER”) is made within the timeframe specified in Subsection 6.5(c) of the Transportation Access Procedures (“Complaint”), TCPL’s obligations under this MDS Contract and the commencement of transportation service hereunder are subject to the fulfillment of the following condition precedent:
- (a) disposition of the Complaint by the CER on terms and conditions acceptable to TCPL in its sole discretion.
- 1.2 In the case of a Complaint, Customer shall support TCPL in any regulatory proceeding required to implement this MDS Contract.
- 1.3 Within thirty (30) days following the receipt of the Commission of the Canada Energy Regulator (“CER”) decision regarding the Complaint, TCPL shall provide notice to the Customer that: a) the condition precedent in Section 1.1 has been satisfied; or b) the condition precedent in Section 1.1 cannot be satisfied and the MDS Contract is terminated.
- 1.4 If other MDS Service Applicants do not execute MDS Contracts pursuant to Subsection 6.4(c) of the Transportation Access Procedures, TCPL’s obligations under this MDS Contract and the commencement of transportation service hereunder are subject to the following condition precedent:
- (a) TCPL, in its sole discretion, determines through its analysis that the MDS offering continues to achieve a net benefit to the Mainline System.
- 1.5 Within fourteen (14) days of Customer’s execution of this MDS Contract, TCPL shall provide notice to Customer that: a) the condition precedent in Section 1.4 has been satisfied; or b) the condition precedent in Section 1.4 cannot be satisfied and the MDS Contract is terminated.

(Insert A – Transportation by Others, if applicable)

ARTICLE II – COMMENCEMENT OF SERVICE

- 2.1 Subject to Sections 1.1, 1.3, 1.4 and 1.5, the date of commencement of transportation service hereunder shall be the first day of _____, 20__ or on a later date specified by TCPL in a notice (the "Date of Commencement").

ARTICLE III – TERM OF CONTRACT

- 3.1 Subject to Section 3.2, this MDS Contract shall end on the last day of the month that is _____ consecutive months following the Date of Commencement (the "MDS End Date").

(Insert B– Term Reduction, if applicable)

ARTICLE IV – GAS TO BE TRANSPORTED

- 4.1 Subject to the provisions of this MDS Contract, the MDS Toll Schedule, the List of Tolls, and the General Terms and Conditions referred to in Section 8.1 hereof, TCPL shall provide transportation service hereunder for Customer in respect of a quantity of gas which, in any one day from the Date of Commencement until the MDS End Date, shall not exceed _____ GJ (the "Contract Demand").

ARTICLE V – DELIVERY POINT AND RECEIPT POINT

- 5.1 The Receipt Point hereunder is located at _____.
- 5.2 The Delivery Point hereunder is located at _____.

(Insert C– Secondary Receipt Point(s) and/or Secondary Delivery Point(s), if applicable)

ARTICLE VI – TOLLS

- 6.1 Customer shall pay for all transportation service hereunder from the Date of Commencement in accordance with TCPL's MDS Toll Schedule, List of Tolls, and General Terms and Conditions set out in TCPL's Transportation Tariff as the same may be amended or approved from time to time by the CER.

6.2 Customer shall pay the applicable Monthly Demand Toll for MDS as specified in the List of Tolls and identified by the MDS Capacity Open Season to provide the transportation service hereunder.

(Insert D – Abandonment Surcharge, if applicable)

(Insert E –Term Reduction Tolls, if applicable)

(Insert F – Differential Charge, if applicable)

(Insert G – Delivery Pressure Charge, if applicable)

(Insert H – Secondary Receipt Charge and/or Secondary Delivery Charge, if applicable)

ARTICLE VII – NOTICES

7.1 Any notice, request, demand, statement or bill (for the purpose of this paragraph, collectively referred to as "Notice") to or upon the respective parties hereto shall be in writing and shall be directed as follows:

IN THE CASE OF TCPL: TransCanada PipeLines Limited

(i) mailing address: P.O. Box 1000
Station M
Calgary, Alberta
T2P 4K5

(ii) delivery address: TC Energy Tower
450 – 1st Street S.W.
Calgary, Alberta
T2P 5H1

Attention: _____
Fax: _____
Email: _____

(iii) nominations: Attention: _____
Fax: _____
Email: _____

(iv) bills: Attention: _____
Fax: _____
Email: _____

ARTICLE VIII – MISCELLANEOUS PROVISIONS

- 8.1 The MDS Toll Schedule, the List of Tolls, and the General Terms and Conditions set out in TCPL’s Transportation Tariff as amended or approved from time to time by the CER are all by reference made a part of this MDS Contract and operations hereunder shall, in addition to the terms and conditions of this MDS Contract, be subject to the provisions thereof. TCPL shall notify Customer at any time that TCPL files with the CER revisions to the MDS Toll Schedule, the List of Tolls, and/or the General Terms and Conditions (the "Revisions") and shall provide Customer with a copy of the Revisions.
- 8.2 The headings used throughout this MDS Contract, the MDS Toll Schedule, the List of Tolls, and the General Terms and Conditions are inserted for convenience of reference only and are not to be considered or taken into account in construing the terms or provisions thereof nor to be deemed in any way to qualify, modify or explain the effect of any such provisions or terms.
- 8.3 This MDS Contract shall be construed and applied, and be subject to the laws of the Province of Alberta, and, when applicable, the laws of Canada, and shall be subject to the rules, regulations and orders of any regulatory or legislative authority having jurisdiction.

(Insert I – Delivery Pressure by Point, if applicable)

IN WITNESS WHEREOF, the parties hereto have executed this MDS Contract as of the date first above written.

[Customer]

TransCanada PipeLines Limited

Signed: _____

Signed: _____

Name: _____

Name: _____

Title: _____

Title: _____

Signed: _____

Signed: _____

Name: _____

Name: _____

Title: _____

Title: _____

DIFFERENT CONTRACT VERSIONS

Insert A – Transportation by Others

- 1.6 If transportation service hereunder requires transportation service on other pipeline systems, TCPL's obligations under this MDS Contract and the commencement of transportation service hereunder are subject to the following condition precedent:
- (a) TCPL obtaining transportation service on other pipeline systems that it determines necessary to provide the transportation service hereunder on terms and conditions acceptable to TCPL in its sole discretion.
- 1.7 If the condition precedent in Section 1.6 cannot be satisfied or waived by TCPL prior to the Date of Commencement, TCPL will provide notice that this MDS Contract is terminated.

Insert B – Term Reduction

- 3.2 If Customer elects to reduce the term of this MDS Contract pursuant to Section 9 of the MDS Toll Schedule for all or a portion of the Contract Demand as defined in Section 4.1 hereof, TCPL shall provide Customer with an executed Exhibit "A" Addendum to this MDS Contract setting out an amended MDS End Date for the portion of the Contract Demand subject to such term reduction.

Insert C - Secondary Receipt Point(s) and Secondary Delivery Point(s)

I Contracts with Secondary Receipt Point(s)

- 5._ The following Secondary Receipt point(s) are available under this MDS Contract pursuant to Section 7.1 of the MDS Toll Schedule:

II Contracts with Secondary Delivery Point(s)

- 5._ The following Secondary Delivery point(s) are available under this MDS Contract pursuant to Section 7.1 of the MDS Toll Schedule:

Insert D – Inclusiveness of the Abandonment Surcharge

I Contracts Where the Demand Charge is Inclusive of the Abandonment Surcharge

6.3 The Monthly Demand Toll pursuant to Section 6.2 is inclusive of the Abandonment Surcharge.

II Contracts Where the Demand Charge is Not Inclusive of the Abandonment Surcharge

6.3 The Monthly Abandonment Surcharge from the Receipt Point to the Delivery Point pursuant to Article VI will be as specified in the List of Tolls, identified by the MDS Capacity Open Season to provide the transportation service hereunder, and in accordance with TCPL's MDS Toll Schedule.

Insert E – Term Reduction Tolls

6._ If Customer elects to reduce the term of this MDS Contract pursuant to Section 9.1 of the MDS Toll Schedule for all or a portion of the Contract Demand, the Monthly Demand Toll specified in Section 6.2 will cease to apply in the last twenty-four (24) months to the portion of the Contract Demand subject to such term reduction, and Customer shall pay the applicable Monthly Demand Toll pursuant to Section 4.1 of the MDS Toll Schedule, for such term reduction as specified in the List of Tolls pursuant to Section 6.2 of this Contract and identified by the MDS Open Season to provide the transportation service hereunder.

Insert F – Contracts Inclusive of the Differential Charge

6._ If, for any month, the Monthly Abandonment Surcharge pursuant to Section 6._ from the Receipt Point to the Delivery Point exceeds \$_____ /GJ/Month, MDS will be subject to a Monthly MDS Differential Surcharge as specified in the List of Tolls, identified by the MDS Capacity Open Season to provide the transportation service hereunder, and in accordance with TCPL's MDS Toll Schedule.

Insert G – Contracts Not Inclusive of the Delivery Pressure Charge

6._ Customer shall pay for all delivery pressure service hereunder from the Date of Commencement in accordance with TCPL's MDS Toll Schedule, List of Tolls, identified

by the MDS Capacity Open Season to provide the transportation service hereunder, and General Terms and Conditions set out in TCPL's Transportation Tariff as the same may be amended or approved from time to time by the CER.

Insert H –Secondary Receipt and/or Secondary Delivery Charge

I Contracts where the Demand Charge is Not Inclusive of the Secondary Receipt Charge

6._ The Secondary Receipt Charge pursuant to Subsection 4.1(e) of the MDS Toll Schedule will be as specified in the List of Tolls, identified by the MDS Capacity Open Season to provide the transportation service hereunder, and in accordance with TCPL's MDS Toll Schedule.

II Contracts where the Demand Charge is Not Inclusive of the Secondary Delivery Charge

6._ The Secondary Delivery Charge pursuant to Subsection 4.1(e) of the MDS Toll Schedule will be as specified in the List of Tolls, identified by the MDS Capacity Open Season to provide the transportation service hereunder, and in accordance with TCPL's MDS Toll Schedule.

Insert I – Delivery Pressure

(a) Emerson I (Viking) Delivery Point

ARTICLE IX – DELIVERY PRESSURE

9.1 TCPL shall increase the line pressure of the gas it delivers to Customer at the Delivery Point to the pressure necessary for Customer to have Viking Gas Transmission Company accept receipt of such gas from Customer for transportation from the Delivery Point, provided that, from the Date of Commencement until the termination of this Contract, TCPL shall not be obligated to provide a pressure greater than 5 170 kPa (g).

(b) Emerson II (Great Lakes) Delivery Point

ARTICLE IX – DELIVERY PRESSURE

9.1 TCPL shall increase the line pressure of the gas it delivers to Customer at the Delivery Point to the pressure necessary for Customer to have Great Lakes Gas Transmission Limited Partnership accept receipt of such gas from Customer for transportation from the Delivery Point, provided that, from the Date of Commencement until the termination of this Contract, TCPL shall not be obligated to provide a pressure greater than 5 460 kPa (g).

(c) Dawn Delivery Point

ARTICLE IX – DELIVERY PRESSURE

9.1 TCPL shall increase the line pressure of the gas it delivers to Customer at the Delivery Point to a pressure of not less than 4 850 kPa (g).

EXHIBIT "A" ADDENDUM
MDS Transportation Service Contract Addendum

This Exhibit "A" Addendum, made as of the _____ day of _____, 20____, to the MDS Transportation Service Contract made as of the _____ day of _____, 20____, between TransCanada PipeLines Limited ("TCPL") and _____ ("Customer"), and identified in TCPL's records as Contract # _____.

MDS Contract Start: _____

MDS Contract Demand: _____

Customer elects to reduce the term of this MDS Contract pursuant to Section 9 of the MDS Toll Schedule as follows:

(a) ¹	(b) ²	(c)	(d) ¹	(e) ¹	(f) ¹
Election Deadline	Portion of Contract Demand Subject to Reduced Term (GJ/Day)	Term Reduced by	First Day of Applicability of Higher Demand Toll for Portion of Contract Demand Subject to Reduced Term	MDS End Date for Portion of Contract Demand Subject to Reduced Term	Reduced Contract Demand Effective on First Day following Date Shown in (e) (GJ/Day)
		____ months			
		____ months			
		____ months			
		____ months			
		____ months			
		____ months			

1 – to be completed by TCPL

2 – to be completed by Customer

Dated this _____ day of _____, 20____.

Customer _____

TransCanada PipeLines Limited

Signed: _____

Signed: _____

Name: _____

Name: _____

Title: _____

Title: _____

Signed: _____

Signed: _____

Name: _____

Name: _____

Title: _____

Title: _____