

APPENDIX “B”
TO
GAS TRANSPORTATION TARIFF
OF
NGTL GP LTD.,
AS GENERAL PARTNER OF BEHALF OF
NGTL LIMITED PARTNERSHIP

TERMS AND CONDITIONS RESPECTING
RELIEF FOR MAINLINE CAPACITY RESTRICTIONS

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1.0 DEFINITIONS

1.1 Capitalized terms used in this Appendix have the meanings attributed to them in the Tariff unless otherwise defined in this Appendix.

2.0 RELIEF AVAILABILITY

2.1 Relief for mainline capacity restrictions will be made available to Customers in accordance with these terms and conditions.

2.2 A Customer entitled to service under Rate Schedule FT-R, Rate Schedule FT-RN, Rate Schedule LRS or Rate Schedule LRS-3 will be granted relief in respect of the monthly demand charge applicable to a Schedule of Service (the “Relief”) in circumstances where Company determines that service cannot be made available as a result of a mainline capacity restriction, provided Company has determined that:

- (i) the capacity restriction has occurred as a result of actual gas supply varying from Company’s assumptions and forecasts of gas supply that were relied upon in designing mainline Facilities required to provide service to which Customer is entitled at a Receipt Point; and
- (ii) Company has received an amount equal to 50% or less of Customer's aggregate Receipt Contract Demand, Eligible LRS Contract Demand or Eligible LRS-3 Contract Demand under all Customer’s Schedules of Service at a Receipt Point each day for a period of greater than thirty (30) consecutive days.

3.0 DETERMINATION OF RELIEF

3.1 The aggregate relief granted to Customer for the duration of the restriction and applied to Customer’s monthly demand charge at the end of such restriction for all Schedules of Service at Receipt Points qualifying for relief shall be the sum of the Relief granted to Customer for each Schedule of Service determined as follows:

$$R = \left[(A \times B \times C) \times \frac{D}{E} \right] + \left[(A \times B \times C) \times \frac{F}{E} \right]$$

Where:

- “R” = the Relief granted to Customer under a Schedule of Service under Rate Schedule FT-R, Rate Schedule FT-RN, Rate Schedule LRS or Rate Schedule LRS-3;
- “A” = the aggregate Receipt Contract Demand, Eligible LRS Contract Demand or Eligible LRS-3 Contract Demand in such Schedule of Service;
- “B” = the number of days that Company determines qualify for Relief;
- “C” = the amount of restriction, expressed as a percentage, that Company determines is applicable to such Schedule of Service;
- “D” = the FT-R Demand Rate multiplied by the Price Point applicable to such Schedule of Service under Rate Schedule FT-R, the FT-RN Demand Rate applicable to such Schedule of Service under Rate Schedule FT-RN, the Effective LRS Rate or LRS-3 Demand Rate; and
- “E” = the average number of days in a month.
- “F” = the Monthly Abandonment Surcharge

3.2 Any volume of gas received during the period of the restriction at a Receipt Point, in excess of the aggregate of all Customer's Receipt Contract Demand, Eligible LRS Contract Demand or Eligible LRS-3 Contract Demand multiplied by the amount of restriction, expressed as a percentage, that Company determines is applicable, shall be allocated as Over-Run Gas and charged in accordance with paragraph 4.3 of Rate Schedule FT-R and/or paragraph 4.3 of Rate Schedule FT-RN and/or paragraph 4.3 of Rate Schedule LRS and/or paragraph 4.3 of Rate Schedule LRS-3.

3.3 These terms and conditions are subject to the terms and conditions of Service set forth in the Tariff.