

## DECLARATION

To Zero Rate Goods and Services Tax ("GST") and Harmonized Sales Tax ("HST") as applicable (the  
"Declaration") for Short Term Firm Transportation Service Contract Addendum  
dated the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_ and specific to  
Receipt Point \_\_\_\_\_ and Export Delivery Point \_\_\_\_\_  
having a Bid Price of \_\_\_\_\_% of the Firm Rate (the "Contract")  
between Foothills Pipe Lines Ltd. ("Foothills")  
and \_\_\_\_\_ (the "Shipper")  
on Foothills Pipeline System

In consideration of Foothills charging 0% GST or 0% HST on any gas transportation charges under the Contract, Shipper hereby represents, warrants and covenants during the term of such Contract, that:

1. All gas under such Contract shall be shipped for export to the United States, unless Shipper indicates otherwise on its daily nomination, and the gas transportation service to be supplied by Foothills is part of a continuous outbound freight movement (within the meaning of Part VII of Schedule VI to the *Excise Tax Act*) in respect of the gas. Shipper has arranged to either:
  - (a) transfer custody of the gas to an American pipeline carrier at the Canada-United States border, or
  - (b) while the gas is in the custody of Foothills or another Canadian pipeline carrier, transfer the gas to the account of another shipper who has undertaken in writing to transfer custody of the gas to an American pipeline carrier at the Canada-United States border.

Shipper acknowledges and agrees that Foothills will charge 0% GST or 0% HST on any gas transportation charges for gas shipped for export to the United States under such Contract including without limitation any unutilized demand charges;

2. Shipper shall be liable to and shall indemnify and hold harmless Foothills for any expenses, costs, (including legal costs on a solicitor and his own client basis) taxes, penalties or interest which may be incurred by or assessed against Foothills as a result of this Declaration or Foothills charging 0% GST or 0% HST on any gas transportation charges under the Contract including without limitation any unutilized demand charges;
3. If at any time during the Contract, Shipper no longer intends that the gas under the Contract is to be shipped to the United States, Shipper shall immediately provide written notice to Foothills of such change.
4. This Declaration is valid, binding upon and enforceable against the Shipper; and
5. This Declaration is made by the Shipper with full knowledge that Foothills is relying on it and Shipper acknowledges and agrees that absent such Declaration, Foothills would charge the current applicable GST or HST rate as set by the Canada Revenue Agency on all gas transportation charges under the Contracts including without limitation any unutilized demand charges.

IN WITNESS WHEREOF Declaration is made effective the \_ day of \_\_\_\_\_, 20\_\_\_\_.

\_\_\_\_\_

Per \_\_\_\_\_

Per \_\_\_\_\_

Successful Bid Reference # \_\_\_\_\_ (for Foothills use only)