

MULTI-YEAR FIXED PRICE SERVICE

MFP TOLL SCHEDULE

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1. DEFINITIONS

1.1 For the purpose of the MFP Toll Schedule, the following terms shall be defined:

- (a) “Conversion Date” shall have the meaning attributed to it in Subsection 9.1(c);
- (b) “Conversion Option” shall have the meaning attributed to it in Section 9.1;
- (c) “Conversion Provisions” shall have the meaning attributed to it in Subsection 9.1(b);
- (d) “Conversion Term” shall have the meaning attributed to it in Section 9.1;
- (e) “Date of Commencement” shall mean the date Customer’s MFP contract begins, as set out in subparagraph 1.1 of Customer’s MFP Contract, which must occur within the MFP Commencement Period;
- (f) “MFP Bid Period” shall mean the period of time during which Customer may bid for service for an MFP Block(s), and shall be set out by TCPL in an Existing Capacity Open Season posting that includes MFP service;
- (g) “MFP Block” shall mean a period of three (3), four (4) or five (5) calendar years for which MFP service may be made available;
- (h) “MFP Commencement Period” shall mean the first calendar year of an MFP Block;
- (i) “MFP End Date” shall mean the date Customer’s MFP Contract ends, as set out in subparagraph 5.1 of Customer’s MFP Contract, which must occur within the MFP End Period; and
- (j) “MFP End Period” shall mean the period of time between October 31 up to and including December 31 of the last calendar year of an MFP Block.

2. AVAILABILITY

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

- (a) has entered into a Multi-Year Fixed Price Transportation Service Contract with TCPL as established by TCPL through an open season process; 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 12 hereof.

2.2 Facilities Construction Policy

In order to provide service pursuant to this MFP Toll Schedule, TCPL utilizes capacity available from its System Capacity. It is understood that TCPL shall not construct additional facilities for providing service hereunder.

3. APPLICABILITY AND CHARACTER OF SERVICE

3.1 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.

- 3.2 The term of the Customer's MFP Contract shall start on the Date of Commencement and shall end on the MFP End Date,

4. MONTHLY BILL

- 4.1 The monthly bill payable to TCPL for service hereunder shall include the the aggregate of monthly demand charge for MFP Service 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 and 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 11 hereof):

(a) **Demand Charge**

For each month, the demand charge for transportation service shall be equal to the applicable Monthly Demand Toll for MFP Service 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 3.1 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 3.1 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 3.1 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 3.1 hereof, to deliver Customer's Authorized Quantity to TCPL at the receipt point.

5. MINIMUM BILL

- 5.1 The minimum monthly bill for service hereunder shall be the sum of the charges determined in Subsections 4.1 (a), 4.1 (e) and (if applicable) Subsections 4.1 (b) and 4.1 (c) hereof, 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. 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 Diversion and/or an Alternate Receipt, then TCPL shall only be obligated to reduce the monthly demand charge if such Diversion is a Diversion and/or such Alternate Receipt is of the nature described in Subsection 1(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 Union Dawn Receipt Point Surcharge and the Abandonment Charge payable by Customer pursuant to Subsections 4.1(b), 4.1(c) and 4.1(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 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.

7. ALTERNATE RECEIPT AND DIVERSION OF GAS

- 7.1 (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 7.1(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.
- 7.2 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.

- 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 Alternate Receipt and/or the 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 Paragraph 1(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.

7.4. 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 7.2 and 7.3 hereof, or accepts only a portion of the quantity so nominated, then TCPL shall exercise reasonable efforts to allow Customer to re-nominate the receipt point and/or delivery point or delivery area specified in Customer's Contract. TCPL shall have the right to reject any such re-nomination, or to accept only a portion of the quantity so re-nominated, if the re-nomination 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 Diversion nomination which was rejected by TCPL pursuant to Section 7.3 hereof.

- (a) In addition to the charges payable pursuant to Subsections 4.1(a), (b) and (c) 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 for FT service, applicable from the Alternate Receipt point to the delivery point or area specified in Customer's Contract, exceeds the applicable Daily Demand Toll for FT service 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 for FT service, applicable from the receipt point specified in the Customer's Contract to the Diversion point, exceeds the applicable Daily Demand Toll for FT service from the receipt point to the delivery point or area which are specified in the 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 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 4.1(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.

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 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.
- 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, assignments of any Contracts into which this Toll Schedule is incorporated are expressly prohibited.

9. CONVERSION RIGHTS

- 9.1 Pursuant to any Contract into which this MFP Toll Schedule is incorporated and which Contract has been determined by TCPL to be serving a long term market, and subject to the following conditions, Customer shall have the option to convert all or a portion of its MFP service to FT service (the "Conversion Option") for a period of no less than one (1) year (the "Conversion Term") provided that the following conditions are met:
- (a) the FT Contract Demand shall not be greater than the MFP Contract Demand set out in the MFP Contract (the "Conversion CD");
 - (b) TCPL receives written notice from Customer of Customer's election to exercise the Conversion Option which sets out the Conversion Term and Conversion CD of such conversion (the "Conversion Provisions") no less than six (6) months before the MFP End Date which would otherwise prevail under the MFP Contract;
 - (c) The effective date of such conversion shall be the day after the MFP End Date ("Conversion Date"); and
 - (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 the Conversion Term.
- 9.2 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.
- 9.3 Provided TCPL has either received timely notice as provided in Subsection 9.1(b) above from Customer of Customer's election to exercise the Conversion Option, or accepted late notice from Customer of its election to exercise the Conversion Option, and provided that Customer has met the availability provisions of the FT Toll Schedule in respect of the Conversion Provisions, a new FT Contract shall be executed by Customer incorporating the Conversion Provisions.

9.4 Notwithstanding the foregoing, the Conversion Option is not available to a Customer who has MFP service and Subsection 10.1(b)(v) of the FT Toll Schedule applies.

9.5 All conversions shall be stated in GJ.

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.