GENERAL TERMS AND CONDITIONS

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I DEFINITIONS

Except where the context expressly states another meaning, the following terms, when used in these General Terms and Conditions, in any Contract and in any Toll Schedule into which these General Terms and Conditions are incorporated, shall be construed to have the following meanings:

- "Abandonment Charge" shall mean the charge payable by Customer to TCPL pursuant to the FT, FT-SN, FT-NR, MFP, Herbert LTFP, Dawn LTFP, NBJ LTFP, MDS, IT, STS, STS-L, STFT, ST-SN and EMB Contracts.
- "Alternate Receipt" shall mean the receipt of quantities of gas at a receipt point not specified in Customer's FT, FT-SN, FT-NR, or MFP Contract.
- "Banking Day" shall mean any day that the Royal Bank of Canada, Main Branch, Calgary, Canada or other financial institutions agreed to by TCPL for payment pursuant to Section XI herein, conducts business.
- "Biogas" shall mean gas produced through the fermentation of organic material in the absence of oxygen.
- "BNQ Standard" shall mean Bureau of normalisation du Quebec – BNQ 3672 – 100 Biomethane – Quality Specifications for Injection into Natural Gas Distribution and Transmissions Systems, as may be amended from time to time.
- "CCT" shall mean Central Clock Time, which is the standard time according to the North American Energy Standards Board.
- "CER" shall mean the Commission of the Canada Energy Regulator, or any regulatory or government authority hereafter having a similar jurisdiction in substitution therefor.
- "CER Act" shall mean the Canadian Energy Regulator Act.
- "Contract" shall mean a transportation service contract or a contract pursuant to the SNB Toll Schedule and shall also mean an Order of the CER pursuant to Section 239(2) of the CER Act, as amended from time to time requiring TCPL to provide transportation service.

- "Contract Demand" shall mean that quantity of gas expressed in GJ specified in Customer's transportation service contract as Customer's daily or seasonal entitlement, as the case may be, to transportation capacity.

- "Contract Year" shall mean a period of twelve (12) consecutive months beginning on the first day of November.

- "Cubic Metre" or "m^3" shall mean the volume of gas which occupies one cubic metre when such gas is at a temperature of fifteen degrees (15°) Celsius, and at a pressure of 101.325 kilopascals absolute.

- "Cumulative Storage Balance" for a Customer's STS or STS-L Contract on any Day shall be equal to: **A + B + C + D – E**

  Where:

  "A" = the cumulative Daily Injection Quantity on such Day;

  "B" = the cumulative Daily STFT Quantity on such Day;

  "C" = the cumulative Daily IT Quantity on such Day;

  "D" = the cumulative Daily Diversion Quantity on such Day; and

  "E" = the cumulative Daily Withdrawal Quantity on such Day;

  all as defined in Subsection 3.1(e) of the STS Toll Schedule for STS Contracts or Subsection 3.1(b) of the STS-L Toll Schedule for STS-L Contracts.

- "Customer" shall mean a customer of transportation service.

- "Customer's Authorized Quantity" shall be as defined in Subsection XXII(1).

- "Customer's Maximum Hourly Flow Rate" shall mean, on any Day, the maximum hourly rate of flow of Gas Customer may receive at a delivery point or area and which shall be equal to the sum of:

  a) 5% of the aggregate daily Contract Demand for all of Customer's service pursuant to, FT, FT-NR, STFT, STS, STS-L, MFP, Herbert LTFP, Dawn LTFP, NBJ LTFP, MDS and EMB Contracts which specify delivery of gas to such delivery point or area (excluding deliveries pursuant to STS, STS-L and EMB Contracts

that are on a best efforts basis) minus all Diversions and Secondary Deliveries under such Contracts on such Day; and

b) 5% of the aggregate Customer's Authorized Quantity for deliveries to such delivery point or area under all of Customer's IT Contracts, STS Overrun, Diversions and Secondary Deliveries on such Day and deliveries which are on a best effort basis pursuant to STS, STS-L and EMB Contracts.

- "Daily Abandonment Surcharge" shall mean the daily surcharge, as approved by the CER and as set forth in the List of Tolls referred to in Section III hereof, determined by multiplying the applicable Monthly Abandonment Surcharge by twelve (12) and dividing the result by the number of days in the Year.
- "Daily Contract Injection Quantity" shall, for the purposes of the STS-L Contracts, mean the quantity of gas specified in the STS-L Contract for delivery from the Market Point to the Storage Injection Point(s).
- "Daily Contract Withdrawal Quantity" shall, for the purposes of the STS-L Contracts, mean 75% of the Daily Contract Injection Quantity, for delivery from the Storage Withdrawal Point to the Market Point.
- "Daily Demand Toll" shall mean the toll determined by multiplying the Monthly Demand Toll for the applicable transportation service, as approved by the CER (as set forth in the List of Tolls referred to in Section III hereof), by twelve (12) and dividing the result by the number of days in the Year.
- "Daily Diversion Quantity" shall have the meaning ascribed in Subsection 3.1(e)(i) of the STS Toll Schedule.
- "Daily Excess Withdrawal Quantity" shall be as defined in Subsection 3.1(e) of the STS Toll Schedule for STS Contracts and Subsection 3.1(b) of the STS-L Toll Schedule for STS-L Contracts.
- "Daily Injection Quantity" shall be as defined in Subsection 2.2(a) of the STS Toll Schedule for STS Contracts or STS-L Toll Schedule for STS-L Contracts.
- "Daily IT Quantity" shall be as defined in Subsection 3.1(e) of the STS Toll Schedule for STS Contracts and in Subsection 3.1(b) of the STS-L Toll Schedule for STS-L Contracts.

- "Daily Operational Injection Quantity" shall, for the purposes of STS-L Contracts, mean the least of the aggregate of the Contract Demand(s) of the Linked FT Contract(s) and the Daily Contract Injection Quantity from the Market Point to the Storage Injection Point(s).
- "Daily Rate Rider" shall mean the daily credit or surcharge, as approved by the CER and as set forth in the List of Tolls referred to in Section III hereof, determined by multiplying the applicable Monthly Rate Rider by twelve (12) and dividing the result by the number of days in the Year.
- "Daily STFT Quantity" shall be as defined in Subsection 3.1 (e) of the STS Toll Schedule for STS Contracts and in Subsection 3.1(b) of the STS-L Toll Schedule for STS-L Contracts.
- "Daily Withdrawal Quantity" shall be as defined in Subsection 2.2(b) of the STS Toll Schedule for STS Contracts and Subsection 2.2(b) STS-L Toll Schedule for STS-L Contracts.
- "Day" shall mean a period of 24 consecutive hours, beginning and ending at 09:00 hours Central Clock Time, or at such other time as may be mutually agreed upon by Customer and TCPL. The reference date for any day shall be the calendar date upon which the 24 hour period shall commence.
- "Delivery Areas" shall mean the delivery areas set out in Section XX of the General Terms and Conditions.
- "Delivery Pressure Daily Demand Toll" shall mean the toll determined by multiplying the Delivery Pressure Monthly Demand Toll, as approved by the CER (as set forth in the List of Tolls referred to in Section III hereof), by twelve (12) and dividing the result by the number of days in the Year.
- "Diversion" shall mean the delivery of quantities of gas at a delivery point and/or delivery area not specified in Customer's FT, FT-SN, FT-NR, or MFP Contract.
- "EDI" means Electronic Data Interchange being the direct computer-to-computer transfer of information using ANSI ASC X12 protocol and a specific definition assigned by TCPL under standards agreed to by a consensus of the natural gas industry (through standard-setting committees).

- "EDI format" shall mean a file format compliant with the ANSI ASC X12 protocol used for EDI and according to the specific definition assigned by TCPL under standards agreed to by a consensus of the natural gas industry (through standard-setting committees).
- "Financial Assurance" shall have the meaning attributed to it in Subsection XXIII(1) hereof.
- "Fuel Quantity" shall mean the quantity of gas expressed in gigajoules which is to be used by TCPL as fuel for transporting Customer's Authorized Quantity.
- "Gas" shall mean: (i) any hydrocarbons or mixture of hydrocarbons that, at a temperature of 15° C and a pressure of 101.325 kPa, is in a gaseous state, or (ii) any substance designated as a gas product by regulations made under Section 390 of the CER Act.
- "GJ" shall mean gigajoule being 1,000,000,000 joules and include the plural as the context requires.
- "Gross Heating Value" shall mean the total joules expressed in megajoules per cubic metre (MJ/m^3) produced by the complete combustion at constant pressure of one (1) cubic metre of gas with air, with the gas free of water vapour and the temperature of the gas, air and products of combustion to be at standard temperature and all water formed by combustion reaction to be condensed to the liquid state.
- "Joule" (J) shall mean the work done when the point of application of a force of one (1) newton is displaced a distance of one (1) metre in the direction of the force.
- "Linked FT Contract" or "Linked MFP Contract" shall mean the FT or MFP Contract(s) identified in Exhibit "B" of Customer's STS-L Contract and such FT or MFP Contract shall satisfy the following:
    i. the delivery point shall be the same as the Market Point specified in Exhibit "A" of Customer's STS-L Contract;
    ii. is not identified in any other STS Contract or any Exhibit "B" of any other STS-L Contract;

iii. has a minimum Linked Term of 1 month, and shall commence on the first day of a month and shall end on the last day of a month; and

iv. has a receipt point that is Empress or in the province of Saskatchewan.

- "Linked Term" shall have the meaning ascribed in Exhibit "B" of the STS-L Toll Schedule.
- "Market Point" shall have the meaning ascribed in Exhibit "A" of the STS Contract or STS-L Contract as the case may be.
- "Month" shall mean the period beginning on the first day of the calendar month and ending at the beginning of the first day of the next succeeding calendar month.
- "Monthly Abandonment Surcharge" shall mean the monthly surcharge, as approved by the CER and set forth in the List of Tolls referred to in Section III hereof, for service from a particular receipt point to a particular delivery point.
- "Monthly Demand Toll" shall mean the toll for transportation service as approved by the CER and set forth in the List of Tolls referred to in Section III hereof.
- "Monthly Rate Rider" shall mean the monthly credit or surcharge, as approved by the CER and set forth in the List of Tolls referred to in Section III hereof, for service from a particular receipt point to a particular delivery point.
- "Natural Gas Interchangeability Indices" shall have the meaning ascribed in Section V(5).
- "NEB" shall mean the National Energy Board or any regulatory or government authority hereafter having a similar jurisdiction in substitution therefor, including the CER.
- "NGTL" shall mean NOVA Gas Transmission Ltd. and its successors.
- "Other Pipelines" shall mean the natural gas pipelines of Enbridge Gas Inc., Great Lakes Gas Transmission Limited Partnership, Great Lakes Pipeline Canada Ltd., and Trans Quebec & Maritimes Pipeline Inc.
- "Rate Rider Charge or Credit" shall mean the charge payable by Customer to TCPL or credit to Customer from TCPL pursuant to the FT, FT-SN, FT-NR, STS, STS-L, and EMB Contracts.

- "Refined Biogas" shall mean gas obtained from the purification of Biogas that meets the technical specifications required by TCPL.
- "Secondary Delivery" shall mean the delivery of quantities of gas at a delivery point on the Great Lakes Gas Transmission Limited Partnership pipeline system pursuant to Dawn LTFP Service or at an eligible delivery point other than the primary delivery point pursuant to MDS.
- "Secondary Receipt" shall mean the receipt of quantities of gas at an eligible receipt point other than the primary receipt point pursuant to NBJ LTFP Service or MDS.
- "Shipper" shall have the same meaning as Customer.
- "Short Notice Service" shall mean service pursuant to a FT-SN Toll Schedule, SNB Toll Schedule or ST-SN Toll Schedule.
- "Storage Injection Point" shall have the meaning ascribed in Exhibit "A" of the STS Contract or the STS-L Contract as the case may be.
- "Storage Withdrawal Point" shall have the meaning ascribed in Exhibit "A" of the STS Contract or the STS-L Contract as the case may be.
- "Subsidiary" shall mean a company in which 50% or more of the issued share capital (having full voting rights under all circumstances) is owned or controlled directly or indirectly by another company, by one or more subsidiaries of such other company, or by such other company and one or more of its subsidiaries.
- "TAPs" shall be as defined in Section 1.1 of the Transportation Access Procedures.
- "Tariff" shall mean TCPL's Transportation Tariff as may be amended or approved from time to time by the CER.
- "TCPL" shall mean TransCanada PipeLines Limited and its successors.
- "Title Transfer" shall mean the transfer of title to gas between two (2) Customers at a Title Transfer Point.
- "Title Transfer Point" shall be those points and areas where the quantity of gas allocated to each Customer is established each day and is not subject to reallocation.
- "TransCanada" shall mean TCPL.

- "Transportation Service Contract" shall mean "Firm Transportation Service Contract", "FT Contract", "Firm Transportation Short Notice Contract", "FT-SN Contract", "Non Renewable Firm Transportation Contract", "FT-NR Contract", "Herbert Long Term Fixed Price Contract", "Herbert LTFP Contract", "Dawn Long Term Fixed Price Transportation Service Contract", "Dawn LTFP Contract", "North Bay Junction Long Term Fixed Price Transportation Service Contract", "NBJ LTFP Contract", "Market Driven Service Transportation Contract", "MDS Contract", "Interruptible Service Transportation Contract", "IT Contract", "Storage Transportation Service Contract", "STS Contract", "Storage Transportation Service - Linked Contract", "STS-L Contract", "Short Term Firm Transportation Service Contract", "STFT Contract", "Short Term Short Notice Service Contract", "ST-SN Contract", "Multi-Year Fixed Price Service Contract", "MFP Contract", "Enhanced Market Balancing Service Contract" or "EMB Contract".
- "Union Dawn Receipt Point Daily Demand Toll" shall mean the toll determined by multiplying the Union Dawn Receipt Point Monthly Demand Toll by twelve (12) and dividing the result by the number of days in the Year.
- "Union Dawn Receipt Point Surcharge" shall mean a charge payable by Customer for service from the Union Dawn receipt point determined as follows:

  (a) for service under FT, FT-NR, FT-SN, MFP and EMB Transportation Service Contracts, by multiplying the Union Dawn Receipt Point Monthly Demand Toll by Customer's Contract Demand; provided however that 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; and

  (b) for service under all other Transportation Service Contracts, by multiplying the Union Dawn Receipt Point Daily Demand Toll by Customer's Authorized Quantity.

- "Wobbe Index" shall mean a measure of the thermal input through a fixed orifice, calculated by dividing the natural gas Gross Heating Value in mega joules per cubic meter by the square root of the natural gas specific gravity with respect to air,

based on a gross or higher heating value (HHV) at standard conditions 14.73 psi/60^{o} F, 101.325Kpa/15^{o} C real, dry basis.

- "Year" shall mean a period of 365 consecutive days commencing January 1st of any year; PROVIDED HOWEVER, that any such year which contains a date of February 29 shall consist of 366 consecutive days.

II APPLICABILITY AND CHARACTER OF SERVICE

1. (a) Subject to the provisions of the applicable Toll Schedule and these General Terms and Conditions, on each day for which service is requested by Customer, and authorized by TCPL pursuant to Section XXII hereof, Customer shall deliver and TCPL shall receive, at the receipt point set out in Customer's Contract (the "receipt point"), the Customer's Authorized Quantity and TCPL shall transport for Customer and Customer shall receive, at the delivery point set out in Customer's Contract (the "delivery point"), a quantity of gas equal thereto; PROVIDED HOWEVER, that under no circumstances shall TCPL be obligated to deliver to Customer in any one day, at the delivery point, a quantity of gas in excess of the Contract Demand.

   (b) If on any day Customer fails to accept all or any portion of the gas delivered at the delivery point by TCPL pursuant to the applicable Toll Schedule, TCPL shall have the right to curtail further receipts of gas from Customer at the receipt point in a quantity equal to that which Customer failed to accept from TCPL. If on any day Customer requests service hereunder but fails, for whatever reason, to deliver gas to TCPL at the receipt point, then TCPL shall have the right to curtail further deliveries of gas to Customer at the delivery point in a quantity equal to that which Customer failed to deliver to TCPL.

2. Customer's Authorized Quantity shall, where applicable, be delivered on such day by Customer to TCPL at the receipt point or taken on such day by Customer from TCPL at the delivery point or area, as the case may be, at hourly rates of flow as nearly constant as possible; PROVIDED HOWEVER, that Customer may not, without TCPL's consent, take delivery of such gas at the delivery point or area at an hourly rate of flow in excess of the Customer's Maximum Hourly Flow Rate.

3. Departures from scheduled daily deliveries due to the inability of TCPL or Customer to maintain precise control shall be kept to the minimum permitted by operating conditions.

4. From the time gas is delivered into the possession of TCPL at the receipt point TCPL shall have the unqualified right to commingle such gas with other gas in TCPL's pipeline system.

III TOLLS

1. The tolls applicable to service provided under any Contract into which these General Terms and Conditions are incorporated shall be determined:

   (i) in the case of all transportation services, except Storage Transportation Service ("STS") and Storage Transportation Service-Linked ("STS-L"), within Canada where the receipt and delivery points are located in different provinces, on the basis of the tolls approved by the CER in which the delivery point is located for gas which is delivered for consumption in Canada under a Contract in which the principal delivery point(s) specified therein do not include any export delivery points for gas destined for export to the United States; or

   (ii) as fixed and approved by the CER, on the basis of the receipt and delivery points for delivery of gas destined for export to the United States; or

   (iii) in the case of STS and STS-L contracts and contracts providing receipt and delivery points within one province of Canada, as fixed and approved by the CER, on the basis of the receipt point and delivery points set out therein; or

   (iv) in the case of service pursuant to the SNB Toll Schedule, the MFP Toll Schedule, the Herbert LTFP Toll Schedule, the Dawn LTFP Toll Schedule, the NBJ LTFP Toll Schedule or the MDS Toll Schedule, using a methodology approved by the CER.

2. The tolls applicable to services provided pursuant to the Toll Schedules of the Tariff are set out in the List of Tolls of the Tariff as same may be amended from time to time upon approval of the CER.

IV CUSTOMER PROVISION OF FUEL REQUIREMENTS

1. Daily Operations

(a) For each and every day in respect of which Customer's Authorized Quantity is accepted by TCPL for transportation, Customer shall, in addition to Customer's Authorized Quantity, nominate, pursuant to the provisions of Section 2 hereof, and make available to TCPL at any receipt point specified in the contract and/or Alternate Receipt point for FT, FT-NR, FT-SN or MFP Contracts and/or Secondary Receipt point for NBJ LTFP or MDS Contracts, the Fuel Quantity ("Qf"), which quantity shall be determined as follows:

$$Qf = Qd \times FR\% / 100 + \Sigma (Qdi \times fri\% / 100) + \Sigma (QdDawn \times frDawn\% / 100)$$

Where:

"FR%" is the applicable monthly fuel ratio respecting transportation service from the nominated receipt point to the nominated delivery point;

"fr_i%" is the applicable monthly fuel ratio for delivery pressure in excess of a gauge pressure of 4000 kilopascals at delivery point "i", both as set out in TCPL's notice to Customer delivered pursuant to Section 2 hereof;

"fr_{Dawn}%" is the applicable monthly fuel ratio respecting transportation service from the nominated Union Dawn Receipt Point to the nominated delivery point;

"Qd" is the Customer's Authorized Quantity;

"Qd_i"is the quantity to be delivered at delivery point "i", for which point a toll for delivery pressure services has been approved by the CER (as set forth in the List of Tolls referred to in Section III hereof);

"Qd_{Dawn} "is the quantity to be transported by Customer from the Union Dawn Receipt Point, for which a toll has been approved by the CER (as set forth in the List of Tolls referred to in Section III hereof);

"Σ (Qd_i x fr_i% / 100)" represents the sum of the fuel quantities required for delivery pressure in excess of a gauge pressure of 4000 kilopascals at all points applicable to Customer's Authorized Quantity; and

"Σ (Qd_{Dawn} x fr_{Dawn} % / 100)" is the sum of the fuel quantities required for the Union Dawn Receipt Point applicable to Customer's Authorized Quantity.

(b) TCPL shall not be required to accept or deliver gas on any day if the appropriate Fuel Quantity has not been nominated by Customer, or if TCPL is unable to confirm that a quantity of gas equal to Customer's Authorized Quantity plus the appropriate Fuel Quantity will, in fact, be made available on such day.

2. **Nominations and Authorizations**

Concurrent with nominating for transportation service for a given day, pursuant to Section XXII hereof, Customer shall also nominate the Fuel Quantity to be made available to TCPL on such day (the "fuel tender"). In the event TCPL is not prepared to authorize Customer's nomination or if TCPL determines that Customer's fuel tender is incorrect, TCPL shall advise Customer to revise its fuel tender, and Customer shall nominate such revised fuel tender. All fuel tenders shall be stated to the nearest one (1) GJ.

Customer's fuel tender shall be determined by Customer pursuant to the formula set out in Subsection 1(a) hereof. On or before the twenty-fifth day of each month, TCPL shall provide Customer with written notice of the monthly fuel ratio to be applied during the next succeeding month. In the absence of any notice as aforesaid Customer shall determine the fuel tender on the basis of the fuel ratio used in the immediately preceding month.

V QUALITY

1. The gas to be delivered hereunder shall be natural gas; provided however, that helium, natural gasoline, butane, propane and any other hydrocarbons except methane may be removed prior to delivery. TCPL may subject, or permit the subjection of the natural gas to compression, cooling, cleaning and other processes.

2. **Heating Value:** The minimum gross heating value of the gas to be received and delivered by TCPL shall be 36.00 MJ/ m^3. The maximum Gross Heating Value of the gas to be received and

delivered by TCPL shall be 41.34 MJ/m^3. TCPL shall have the right to refuse to accept Customer's gas if the Gross Heating Value of such gas remains below 36.00 MJ/ m^3 or above 41.34 MJ/m^3.

In the event that the Gross Heating Value of the gas to be delivered by TCPL is below 36.00 MJ/ m^3 or above 41.34 MJ/m^3 the Customer shall have the option to refuse to accept such gas so long as the Gross Heating Value remains below 36.00 MJ/ m^3 or above 41.34 MJ/m^3.

3. **Freedom from Objectionable Matter:** The gas to be received by TCPL from Customer and to be delivered by TCPL hereunder:

(a) Shall be commercially free (at prevailing pressure and temperature in TCPL's pipeline) from sand, dust, gums, oils, hydrocarbons liquefiable at temperatures in excess of minus ten degrees (-10°) Celsius at five thousand five hundred (5500) kPa absolute, impurities, other objectionable substances which may become separated from the gas, and other solids or liquids which will render it unmerchantable or cause injury to or interference with proper operations of the lines, regulators, meters or other appliances through which it flows; and shall not contain any substance not contained in the gas at the time the same was produced other than traces of those materials and chemicals necessary for the transportation and delivery of the gas and which do not cause it to fail to meet any of the quality specifications herein set forth.

(b) Shall contain no more than twenty-three (23) milligrams of hydrogen sulphide per cubic metre nor more than one hundred and fifteen (115) milligrams of total sulphur per cubic metre of gas as determined by standard methods of testing.

(c) Shall not contain more than two per cent (2%) by volume of carbon dioxide.

(d) Shall have been dehydrated, if necessary, for removal of water present therein in a vapour state, and in no event contain more than sixty-five (65) milligrams of water vapour per cubic metre of gas.

(e) Shall not exceed a temperature of fifty degrees (50°) Celsius.

(f) Shall be as free of oxygen as practicable and shall not in any event contain more than four tenths of one percent (0.4%) by volume of oxygen.

(g) Shall not have a total inert gas content in excess of 4% when used as a diluent to meet Natural Gas Interchangeability Indices.

(h) Shall be free of any microbiological organisms, active bacteria or bacterial agents, including but not limited to sulphate reducing bacteria, iron oxidizing bacteria, and/or acid producing bacteria.

4. **Failure to Conform to Specifications Re Objectionable Matter:** If the gas being received by TCPL from Customer or transported by TCPL to Customer fails at any time to conform to any of the specifications set forth in Subsection 3 of this Section, then the party receiving such gas (the "First Party") shall notify the party delivering such gas (the "Second Party") of such deficiency and thereupon the First Party may at the First Party's option refuse to accept delivery pending correction by the Second Party. Upon the Second Party's failure promptly to remedy any deficiency in quality as specified in Subsection 3 of this Section, the First Party may accept delivery of such gas and may make changes necessary to bring such gas into conformity with such specifications, and the Second Party shall reimburse the First Party for any reasonable expense incurred by the First Party in effecting such changes.

5. **Natural Gas Interchangeability Indices:** The natural gas received by TCPL shall conform to the following specifications (the "Natural Gas Interchangeability Indices");

i) Weaver Incomplete Combustion Index less than or equal to 0.05;

ii) AGA Yellow Tipping Index greater than or equal to 0.86;

iii) The minimum Wobbe Index of the gas shall be 47.23 MJ/m^3;

iv) The maximum Wobbe Index of the gas shall be 51.16 MJ/m^3; and

v) Shall not contain greater than 1.5 mole percent (%) Butanes Plus.

The Natural Gas Interchangeability Indices are based on the following historical supply gas composition:

Compound	Mole %
Methane	95.6734
Ethane	1.6241
Propane	0.1410
I-Butane	0.0180
N-Butane	0.0173
I-Pentane	0.0034
N-Pentane	0.0034
N-Hexane	0.0014
N-Heptane	0.0007
N-Octane	0.0002
Nitrogen	1.8419
Carbon Dioxide	0.6411
Helium	0.0339

6. Refined Biogas received at the following Receipt Points shall also comply with the BNQ Standard gas quality requirements:

   i. Lachenaie Receipt Point

   ii. Ste Genevieve de Berthier Receipt Point

   iii. Sainte-Sophie Receipt Point

VI MEASUREMENTS

1. **Unit of Volume and Unit of Quantity:** The unit of volume for the purpose of reporting shall be one thousand (1000) cubic metres (10^3m^3) of gas and the unit of quantity shall be GJ.

2. **Determination of Volume and Gross Heating Value:** The volume and the gross heating value of the gas received by TCPL from Customer and delivered to Customer shall be determined as follows:

   (a) The gas volumes shall be computed in accordance with the methodology prescribed in the Electricity and Gas Inspection Act (Canada) (R.S.C. 1985, c.E-4) as amended

from time to time including all regulations and specifications promulgated pursuant to such Act (collectively, the "Electricity and Gas Inspection Act").

(b) For the purpose of measurement of gas received into and delivered from the TCPL system, the parties agree that the average absolute atmospheric (barometric) pressure at such points shall be assumed to be constant during the term thereof, regardless of variations in actual barometric pressure from time to time, and shall be calculated based on the elevation of the measurement point. The formula used to calculate the atmospheric pressure shall be in accordance with the methodology prescribed in the Electricity and Gas Inspection Act (Canada) (R.S.C. 1985, c.E-4) amended from time to time including all regulations and specifications promulgated pursuant to such Act.

(c) The determination of the gross heating value of the gas received or delivered shall be performed in a manner approved under the Electricity and Gas Inspection Act or, if such specification is not set out in such Act, in accordance with industry accepted standards, and, in any event, in such manner as to ensure that the gross heating values so determined are representative of the gas received or delivered at the receipt or delivery point.

(d) The determination of the relative density of the gas received or delivered shall be performed in a manner approved under the Electricity and Gas Inspection Act or, if such specification is not set out in such Act, in accordance with industry accepted standards, and, in any event, in such manner as to ensure that the relative densities so determined are representative of the gas received or delivered at the receipt or delivery point.

VII DELIVERY POINT

1. For the purpose of Section VIII hereunder, unless otherwise specified in the Contract, the delivery point or points for all gas to be delivered by TCPL to Customer pursuant to any Contract into which these General Terms and Conditions are incorporated shall be on the outlet side of TCPL's measuring stations located at or near the point or points of connection with the facilities of Customer or Customer's agent in receiving the gas, as specified in the Contract.

2. If the total quantity of gas delivered at any delivery point is less than 3750 GJ during any contract year, then Customer shall pay TCPL at the end of such contract year, in addition to any amounts otherwise payable, an amount equal to:

$$\frac{\text{(3750 GJ minus "X") times "Y"}}{\text{3750 GJ}}$$

Where "X" is the total quantity (expressed in GJ) actually delivered by TCPL to all Customers at such delivery point during such contract year; and

Where "Y" is 18% of TCPL's actual original costs of installation of the delivery facilities at such delivery point.

VIII POSSESSION OF GAS

TCPL shall be deemed to be in control and possession of, and responsible for, all gas transported under the Contract from the time that such gas is received by it at the receipt point until such gas is delivered at the delivery point.

IX MEASURING EQUIPMENT

1. All meters and measuring equipment for the determination of gross heating value and/or relative density shall be approved pursuant to, and installed and maintained in accordance with, the Electricity and Gas Inspection Act.

   Notwithstanding the foregoing, all installation of equipment applying to or affecting deliveries of gas shall be made in such manner as to permit an accurate determination of the quantity of gas delivered and ready verification of the accuracy of measurement. Care shall be exercised by both parties in the installation, maintenance and operation of pressure regulating equipment so as to prevent any inaccuracy in the determination of the volume or quantity of gas delivered under the Contract.

   (a) **Measuring Station:** In accordance with the above, TCPL will install, maintain and operate, or will cause to be installed, maintained and operated, at or near each delivery point, a measuring station equipped with a meter or meters and other necessary equipment for accurate measurement of the gas delivered under the Contract.

2. **Calibration and Test of Measuring Equipment:** The accuracy of measuring equipment shall be verified by TCPL at reasonable intervals, and if requested, in the presence of representatives of Customer, but TCPL shall not be required to verify the accuracy of such equipment more frequently than once in any thirty (30) day period. In the event either party shall notify the other that it desires a special test of any measuring equipment the parties shall co-operate to secure a prompt verification of the accuracy of such equipment. The expense of any such special test, if called for by Customer, shall be borne by Customer if the measuring equipment is found to be in error by not more than the limits set out as follows:

   (a) 2% for measuring equipment utilized to determine volume;

   (b) 1% for any instrument utilized to determine relative density;

   (c) 0.5% for any instrument utilized to determine gross heating value.

   If upon test, any measuring equipment is found to be in error by not more than the limits specified above, the previous readings of such equipment shall be considered accurate in computing deliveries or receipts of gas but such equipment shall be adjusted at once to register accurately.

   If, for the period since the last preceding test, it is determined that:

   (a) any measuring equipment, except for those instruments specified in (b) and (c) below, shall be found to be inaccurate by an amount exceeding 2% at a recording corresponding to the average hourly rate of flow for such period; and/or

   (b) any instrument utilized to determine the relative density shall be found to be inaccurate by an amount exceeding 1%; and/or

   (c) any instrument utilized to determine the gross heating value shall be found to be inaccurate by an amount exceeding 0.5%, then the previous readings of measurement equipment and/or instruments utilized to determine the relative density or gross heating value, as the case may be, shall be corrected to zero error for any period which is known definitely but in any case where the period is not known or agreed upon such correction shall be for a period extending over 50% of the time elapsed since the date of the last test.

Notwithstanding the foregoing, when TCPL and Customer mutually agree that a measurement instrument inaccuracy occurred at a definite point in time, a quantity correction shall be made even though said inaccuracy is less than the limits specified in (a), (b) and (c) above.

3. **Correction of Metering Errors:** Failure of Meters: In the event a meter is out of service, or registering inaccurately, the volume or quantity of gas delivered shall be determined by the most equitable method. Such methods shall include but not be limited to:

   (a) mathematical calculations and comparisons including prevailing ratio with a parallel meter,

   (b) the use of Customer's check measuring equipment; and

   (c) comparison to deliveries under similar conditions when the meter was registering accurately.

4. **Preservation of Metering Records:** TCPL and Customer shall each preserve for a period of at least six (6) years all test data, charts and other similar records. Microfilms of the original documents shall be considered true records.

5. **Check Measuring Equipment:** Customer may install, maintain and operate at its own expense, such check measuring equipment as desired, provided that such equipment shall be so installed as not to interfere with the operation of TCPL's measuring equipment. Any pressure or volume control regulators installed by Customer shall be operated so as not to interfere with TCPL's measuring facilities.

6. **Rights of Parties:** The measuring equipment so installed by either party together with any building erected by it for such equipment, shall be and remain its property. However, TCPL and Customer shall have the right to have representatives present at the time of any installing, reading, cleaning, changing, repairing, inspecting, testing, calibrating or adjusting done in connection with the other's measuring equipment used in measuring or checking the measurement of the delivery of gas under the Contract. The records from such measuring equipment shall remain the property of their owner, but upon request each will submit to the other its records and charts, together with calculations therefrom, for inspection and verification, subject to return within ten days after receipt thereof.

X BILLING

1. **Monthly Billing Date:** TCPL shall render bills on or before the tenth (10th) day of each month for all transportation services provided by TCPL, including for gas taken by Customer in excess of the total daily quantity authorized by TCPL pursuant to Section XXII.

2. **Information:** Customer hereby undertakes to provide TCPL with all the information and material required by TCPL to calculate and verify the quantity of gas actually received by TCPL from Customer, and the quality specifications and components thereof.

   If such information is not received by TCPL in sufficient time prior to TCPL rendering bills to Customer pursuant to this Section X, such bills shall be calculated based on TCPL's best estimate of the quantity and quality of gas actually received by TCPL from Customer. Any overcharges or undercharges resulting from any differences between the above estimates and the actual amounts shall be adjusted in the subsequent bill without any interest thereon.

XI PAYMENTS

1. **Monthly Payment Date:** Customer shall pay to TCPL, at its address designated in the Contract, or shall pay to the Royal Bank of Canada, Main Branch, Calgary, Alberta, or at other institutions if agreed to by TCPL for deposit to the account of TCPL so that TCPL shall receive payment from Customer on or before the twentieth (20th) day of each month (the "Payment Date") for all transportation services provided by TCPL to Customer pursuant to the applicable toll schedules and for any charges made pursuant to Section XXII herein during the preceding month and billed by TCPL in a statement for such month according to the nominated and/or measured deliveries, computations, prices and tolls provided in the Contract. If the Payment Date is not a Banking Day, then payment must be received by TCPL on Customer's account or before the first (1st) Banking Day immediately prior to the Payment Date.

2. **Remedies for Non-Payment: Notwithstanding Section XVII,** if Customer fails to pay the full amount of any bill when payment is due, TCPL may upon four (4) Banking Days written notice immediately suspend any or all service being or to be provided to Customer provided however that such suspension shall not relieve Customer from any obligation to pay any rate, toll, charge or other amount payable to TCPL. If at any time during such suspension

Customer pays the full amount payable to TCPL, TCPL shall within two (2) Banking Days recommence such suspended service.

Notwithstanding Section XVII following suspension, TCPL may, in addition to any other remedy that may be available to it, upon four (4) Banking Days written notice to Customer immediately:

(a) terminate any or all service being or to be provided to Customer; and

(b) declare any and all amounts payable now or in the future by Customer to TCPL for any and all service to be immediately due and payable as liquidated damages and not as a penalty.

In the event Customer disputes any part of a bill, Customer shall nevertheless pay to TCPL the full amount of the bill when payment is due.

If Customer fails to pay all of the amount of any bill as herein provided when such amount is due, interest on the unpaid portion of the bill accrues daily at a rate of interest equal to the prime rate of interest of the Royal Bank of Canada as it may vary from time to time, plus one percent (1%) and the principle and accrued interest to date shall be payable and due immediately upon demand.

3. **Adjustment of Underpayment, Overpayment or Error in Billing:** If it shall be found that at any time or times Customer has been overcharged or undercharged in any form whatsoever under the provisions of the Contract and Customer shall have actually paid the bills containing such overcharge or undercharge, then within thirty (30) days after the final determination thereof, TCPL shall refund by cash or credit to an invoice the amount of any such overcharge, provided however the Abandonment Charge shall be refunded only by a credit on an invoice in any subsequent month that an Abandonment Charge would be payable. Any refund shall include interest which is equal to the prime rate of interest of the Royal Bank of Canada as it may vary from time to time from the time such overcharge was paid to the date of refund, plus one percent (1%) in addition thereto. If such refund is made by a credit on an invoice from TCPL to Customer, then the date of the refund shall be the date upon which the invoice reflecting such credit was rendered to Customer by TCPL. Customer shall pay the amount of any such undercharge, but without interest. Adjustments

to the amount billed in any statement rendered by TCPL shall be made within the following time frames:

(a) Measurement data corrections shall be processed within six (6) months of the production month with a three (3) month rebuttal period.

(b) The time limitation for disputes of allocations shall be six (6) months from the date of the initial month-end allocation with a three (3) month rebuttal period.

(c) Prior period adjustment time limits shall be six (6) months from the date of the initial transportation invoice with a three (3) month rebuttal period, excluding government-required rate changes.

These time limits shall not apply in the case of deliberate omission or misrepresentation or mutual mistake of fact. Parties' other statutory or contract rights shall not be otherwise diminished by these time limits.

4. **Time of Payment Extended if Bill Delayed:** If presentation of a bill to Customer is delayed after the tenth (10th) or the fifteenth (15th) day of the month, as applicable for domestic or export service respectively, then the time of payment shall be extended accordingly unless Customer is responsible for such delay.

XII DELIVERY PRESSURE

Subject to the provisions set out in Subsections a) and b), TCPL shall deliver gas to Customer at TCPL's line pressure at the delivery point or points designated in the Contract, but the minimum pressure at each delivery point shall be not less than a gauge pressure of 4000 kilopascals or such lesser pressure that is agreed to by the parties; provided, however, that:

(a) the parties shall not be required in any Contract into which these General Terms and Conditions are incorporated, to agree to delivery pressures less than the minimum contractual pressure theretofore applicable at existing delivery point; and

(b) if the deliveries to Customer at a delivery point or an agreed upon grouping of delivery points, exceeds the Customer's Maximum Hourly Flow Rate without the prior consent of TCPL, and the delivery pressure to Customer falls below the delivery pressure agreed to in the Contract, despite reasonable preventative

measures undertaken by TCPL, then TCPL shall, for the period of such excess deliveries, be relieved of its contractual obligation to such Customer to deliver gas at such delivery point or area affected by the excess deliveries at the delivery pressure stipulated in the Contract.

If the receipt point or points under Customer's Contract include that point on TCPL's system which is immediately east of the Alberta/Saskatchewan border ("Empress"), then Customer agrees to cause NGTL to design and construct sufficient facilities to allow Customer's Authorized Quantity to be delivered to TCPL at Empress at a gauge pressure of 4137 kPa or any greater pressure which may from time to time be specified by TCPL for all gas to be delivered into TCPL's system at Empress and to cause NGTL to deliver Customer's Authorized Quantity to TCPL at NGTL's line pressure provided that said pressure shall not be less than a gauge pressure of 3792 kPa.

For any receipt point downstream of Empress, Customer shall do or cause others to do all that is required to allow Customer's Authorized Quantity to be delivered to TCPL at a pressure no less than that prevailing in TCPL's pipeline at such receipt point at the time of delivery and no greater than the maximum allowable operating pressure of TCPL's pipeline at such point.

XIII WARRANTY OF TITLE TO GAS

Customer warrants that it owns or controls, has the right to:

1. deliver or have delivered, the gas that is delivered to TCPL under the Contract; and
2. transfer the gas pursuant to Section XXIV.

Customer shall indemnify and hold harmless TCPL against all claims, actions or damages arising from any adverse claims by third parties claiming an ownership or an interest in the gas delivered for transport to TCPL under the Contract or transferred pursuant to Section XXIV.

XIV FORCE MAJEURE

In the event of either Customer or TCPL being rendered unable, wholly or in part, by force majeure to perform or comply with any obligation or condition hereof or any obligation or condition in any Contract into which these General Terms and Conditions are incorporated,

such party shall give written notice and full particulars of such force majeure by email to the other party as soon as possible thereafter, and the obligations of the party giving such notice, other than obligations to make payments of money then due, so far as they are affected by such force majeure, shall be suspended during the continuance of any inability so caused but for no longer period, and such cause shall as far as possible be remedied with all reasonable dispatch. The term "force majeure" as used herein shall mean acts of God, strikes, lockouts or other industrial disturbances, acts of the public enemy, wars, blockades, insurrections, riots, epidemics, landslides, lightning, earthquakes, fires, storms, floods, washouts, arrests and restraints of governments and people, civil disturbances, explosions, breakage or accident to machinery or lines of pipe, the necessity for making repairs to or alterations of machinery or lines of pipe, freezing of wells or lines of pipe, temporary failure of TCPL's gas supply, inability to obtain materials, supplies, permits or labour, any laws, orders, rules, regulations, acts or restraints of any governmental body or authority, civil or military, any act or omission (including failure to deliver gas) of a supplier of gas to, or a transporter of gas to or for, TCPL which is excused by any event or occurrence of the character herein defined as constituting force majeure, any act or omission by parties not controlled by the party having the difficulty and any other similar causes not within the control of the party claiming suspension and which by the exercise of due diligence such party is unable to prevent or overcome.

The settlement of strikes, lockouts or other labour disputes shall be entirely within the discretion of the party having the difficulty. Under no circumstances will lack of finances be construed to constitute force majeure.

In the event of an occurrence of a force majeure, TCPL shall curtail delivery of gas to Customer in accordance with Section XV hereof.

XV IMPAIRED DELIVERIES

On each day TCPL shall determine in respect of all Contracts:

(i) the total quantities which all Customers have requested to be delivered on that day; and

(ii) its available system capacity, including the maximum transportation on TCPL's behalf under agreements that it has with Other Pipelines.

If due to any cause whatsoever TCPL is unable on any day to deliver the quantities of gas Customers would have received if such disability did not exist, then TCPL shall order curtailment by all Customers affected thereby in the following manner to the extent necessary to remove the effect of the disability.

If TCPL estimates that, notwithstanding its then inability to deliver, it nevertheless will be able to meet its total minimum obligations to deliver under all Contracts TCPL shall order daily curtailment in the following order of priority:

(a) First under interruptible service provided pursuant to the IT Toll Schedule.

The toll for STS Overrun is the Daily Demand Toll for STS service. STS Overrun will have a higher priority than IT when STS Overrun is tolled at an equal or higher price than IT.

STS Overrun will have a lower priority than IT when the STS Overrun Toll is at a lower price than IT.

(b) Second under any gas storage program of TCPL.

(c) Third under:

Alternate Receipts made pursuant to FT, FT-SN, FT-NR, or MFP Contracts, or Secondary Receipts made pursuant to NBJ LTFP or MDS Contracts, or Diversions made pursuant to FT, FT-SN, FT-NR, or MFP Contracts, or Secondary Deliveries made pursuant to Dawn LTFP or MDS Contracts, which:

A. cause the actual flow of gas on a lateral or extension to exceed the capability of the lateral or extension, and/or

B. cause the actual flow of gas through a metering facility to exceed the capability of the metering facility, and/or

C. cause the actual flow of gas on any segment of TCPL's integrated pipeline system (including those notional segments comprised of TCPL's maximum transportation entitlements under transportation agreements that it has with Other Pipelines) to exceed the capability of the affected segment by an

amount greater than that which would have occurred had the gas which is the subject of an Alternate Receipt and/or a Diversion or a Secondary Delivery or a Secondary Receipt, been received at the receipt point and delivered at the delivery point(s) or delivery area specified in the FT, FT-SN, FT-NR, MFP, Dawn LTFP, NBJ LTFP, or MDS Contract. Solely for the purpose of making the aforesaid determination, TCPL may, for certain quantities, treat the point of interconnection between TCPL's system and the system of Enbridge Gas Inc. at Parkway as a delivery point specified in those FT, FT-SN, FT-NR or MFP Contracts which have delivery points on the segment of TCPL's integrated system from Kirkwall to Niagara Falls.

(d) Fourth, quantities to be delivered on a best efforts basis under EMB Contracts during the period of April 1 of a year to October 31 of the same year and quantities to be delivered on a best efforts basis under STS and STS-L Contracts.

(e) Fifth proportionately under:

(i) FT, FT-SN, FT-NR, STFT, ST-SN, SNB, STS, STS-L, MFP, Herbert LTFP, Dawn LTFP, NBJ LTFP,EMB and MDS Contracts (other than, quantities to be delivered on a best efforts basis under EMB Contracts during the period of April 1 of a year to October 31 of the same year and quantities to be delivered on a best efforts basis under STS and STS-L Contracts) in amounts proportional to the Operating Demand Quantities minus the quantities to be delivered pursuant to an Alternate Receipt, a Diversion, a Secondary Delivery or a Secondary Receipt of such Contracts.

(ii) Alternate Receipts made pursuant to FT, FT-SN, FT-NR or MFP Contracts and/or Diversions made pursuant to FT, FT-SN, FT-NR, or MFP Contracts and/or Secondary Deliveries made pursuant to Dawn LTFP or MDS Contracts and/or Secondary Receipts made pursuant to NBJ LTFP or MDS Contracts, not already curtailed pursuant to Subsection (c) above in amounts to be delivered pursuant to such Alternate Receipt and/or Diversion and/or Secondary Delivery and/or Secondary Receipt.

For the purpose of this Subsection, the Operating Demand Quantity shall be:

(A) under FT Contracts, the Contract Demand;

(B) under FT-SN Contracts, the Contract Demand;

(C) under FT-NR Contracts, the Contract Demand;

(D) under MFP Contracts, the Contract Demand;

(E) under Herbert LTFP Contracts, the Contract Demand;

(F) under Dawn LTFP Contracts, the Contract Demand;

(G) under NBJ LTFP Contracts, the Contract Demand;

(H) under MDS Contracts, the Contract Demand;

(I) under EMB Contracts, the Contract Demand;

(J) under STS Contracts, the Daily Injection Quantity or the Daily Withdrawal Quantity, as the case may be;

(K) under STS-L Contracts, the Daily Contract Injection Quantity and the Daily Contract Withdrawal Quantity;

(L) under STFT Contracts, the Maximum Daily Quantity;

(M) under ST-SN Contracts, the Maximum Daily Quantity; and

(N) under SNB Contracts, the Contract Quantity.

XVI DETERMINATION OF DAILY DELIVERIES

1. A Customer taking delivery of gas under contracts and/or toll schedules for more than one class of service in one delivery area or one export delivery point shall be deemed on any day to have taken delivery of Customer's Authorized Quantity under the applicable contract and/or toll schedule in accordance with such agreement as may exist between TCPL and the downstream operator(s). Absent such agreement, Customer shall be deemed to have taken delivery of Customer's Authorized Quantities sequentially as follows:

(a) FT and MFP Contracts

(b) FT-SN Contracts

(c) FT-NR Contracts

(d) a Herbert LTFP Contract

(e) Dawn LTFP Contracts

(f) NBJ LTFP Contracts

(g) MDS Contracts

(h) STFT and ST-SN Contracts

(i) EMB Contracts

(j) STS and STS-L Contracts

(k) IT Contract, Delivery Quantity

XVII DEFAULT AND TERMINATION

Subject to the provisions of Section XI, Section XIV, Section XV and Section XXIII, if either TCPL or Customer shall fail to perform any of the covenants or obligations imposed upon it under any Contract into which these General Terms and Conditions are incorporated, then in such event the other party may, at its option, terminate such Contract by proceeding as follows: the party not in default shall cause a written notice to be served on the party in default stating specifically the default under the Contract and declaring it to be the intention of the party giving the notice to terminate such Contract; thereupon the party in default shall have ten (10) days after the service of the aforesaid notice in which to remedy or remove the cause or causes stated in the default notice and if within the said ten (10) day period the party in default does so remove and remedy said cause or causes and fully indemnifies the party not in default for any and all consequences of such default, then such default notice shall be withdrawn and the Contract shall continue in full force and effect.

In the event that the party in default does not so remedy and remove the cause or causes or does not indemnify the party giving the default notice for any and all consequences of such default within the said period of ten (10) days, then, at the option of the party giving such default notice, the Contract shall terminate. Any termination of the Contract pursuant to the provisions of this Section shall be without prejudice to the right of TCPL to collect any amounts then due to it for gas delivered or service provided prior to the date of termination, and shall be without prejudice to the right of Customer to receive any gas

which it has not received but the transportation of which has been paid prior to the date of termination, and without waiver of any other remedy to which the party not in default may be entitled for breaches of the Contract.

This Section shall not apply to any default and terminations pursuant to Section XI and Section XXIII.

XVIII NON-WAIVER AND FUTURE DEFAULT

No waiver by TCPL or Customer of any one or more defaults by the other in the performance of any provisions of the Contract shall operate or be construed as a waiver of any continuing or future default or defaults, whether of a like or different character.

XIX DELIVERY AREAS

Deliveries of gas within a delivery area shall be subject to sufficient capacity and facilities within such delivery area.

XX DELIVERY AREA BOUNDARIES

TCPL's delivery areas for purposes of determining the Contract Demand applicable to the points of delivery of TCPL's pipeline system are as follows:

Saskatchewan Southern Delivery Area or SSDA
extends from a point on TCPL's main pipeline at the Alberta - Saskatchewan border near Empress, Alberta to a point on TCPL's main pipeline at the Saskatchewan-Manitoba border.

Manitoba Delivery Area or MDA
extends from a point on TCPL's main pipeline at the Saskatchewan-Manitoba border to a point on TCPL's pipeline at the Manitoba-Ontario border to a point on TCPL's pipeline at the International Border near Emerson, Manitoba.

Western Delivery Area or WDA
extends from a point on TCPL's pipeline at the Manitoba - Ontario border to a point on TCPL's pipeline 24.99 kilometres east of TCPL's Station 80 near Geraldton, Ontario.

Northern Delivery Area or NDA

extends from a point on TCPL's pipeline 24.99 kilometres east of TCPL's Station 80 near Geraldton, Ontario to a point on TCPL's pipeline 23.09 kilometres south and east respectively of TCPL's Station 116 near North Bay, Ontario.

Sault Ste. Marie Delivery Area or SSMDA

any point on TCPL's Sault Ste. Marie pipeline.

North Central Delivery Area or NCDA

extends from a point on TCPL's pipeline 23.09 kilometres south of TCPL's Station 116 near North Bay Ontario, to a point on TCPL's pipeline 0.50 kilometres south of TCPL's Station 127 near Barrie, Ontario, provided that points of delivery to Enbridge Gas Inc. within this area are deemed for the purposes of this Tariff to be in the Central Delivery Area.

Central Delivery Area or CDA

extends from a point on TCPL's pipeline 0.50 kilometres south of TCPL's Station 127 near Barrie, Ontario to a point on TCPL's pipeline at the International Border near Niagara Falls, Ontario and to a point on TCPL's pipeline 24.99 kilometres east of TCPL's Station 134 near Bowmanville, Ontario.

Southwestern Delivery Area or SWDA

any point on Great Lakes Pipeline Canada Ltd.'s St. Clair to Dawn pipeline.

Eastern Delivery Area or EDA

extends from a point on TCPL's pipeline 24.99 kilometres east of TCPL's Station 134 near Bowmanville, Ontario and from a point on TCPL's North Bay Shortcut 23.09 kilometres east of TCPL's Station 116 near North Bay, Ontario to a point on TCPL's pipeline at the International Border near Philipsburg, Québec and to a point on the pipeline system of Trans Québec & Maritimes Pipeline Inc. near Québec City, Québec.

XXI INCORPORATION IN TOLL SCHEDULES AND CONTRACTS

1. These General Terms and Conditions are incorporated in and are a part of all of TCPL's Toll Schedules, Contracts and transportation service contracts.

2. These General Terms and Conditions are subject to the provisions of the CER Act or any other legislation passed in amendment thereto or substitution therefor.

XXII NOMINATIONS AND UNAUTHORIZED QUANTITIES

1. Nominations

(a) For service required on any day under each of Customer's transportation contracts (for the purposes of this Section XXII the "said Contract"), Customer shall provide TCPL with a nomination of the quantity of gas, expressed in GJ, it desires TCPL to deliver at the delivery point ("Customer's nomination") or Title Transfer pursuant to Section XXIV. Unless otherwise provided under the applicable Toll Schedule or as outlined under Subsection (c), such nominations are to be provided in writing or EDI format, or by other electronic means as determined by TCPL from time to time, so as to be received by TCPL's Gas Control Department pursuant to Subsection (c). Subject to the provisions of the applicable toll schedules and Sections XIV and XV, TCPL shall determine whether or not all or any portion of Customer's nomination will be accepted.

(b) In the event TCPL determines that it will not accept such nomination, TCPL shall advise Customer, pursuant to the timelines in Subsection (c), of the reduced quantity of gas, (if any) (the "quantity available") that TCPL is prepared to deliver under the said Contract. Forthwith after receiving such advice from TCPL but no later than 1 hour after receiving such notice on such day, Customer shall provide a revised nomination to TCPL which shall be no greater than the quantity available. If such revised nomination is not provided within the time allowed as required above or such revised nomination is greater than the quantity available, then the revised nomination shall be deemed to be the quantity available. If the revised nomination (delivered within the time allowed as required above) is less than the quantity available, then such lesser amount shall be the revised nomination. That portion of a Customer's nomination or revised nomination, which TCPL shall accept for delivery shall be known as "Customer's Authorized Quantity" which authorized quantity shall be limited, for firm services, to Customer's Contract Demand and, for other services, to such quantity permitted by the provisions of the Contract.

(c) Nomination timeline windows shall be in accordance with the North American Energy Standards Board (NAESB) cycles, and other cycles, if applicable, posted on TCPL's website, as may be amended from time to time.

Effective October 1, 1997 nominations for service must be received by TCPL through its website or EDI at the time specified pursuant to Section XXII of the General Terms and Conditions. TCPL shall not accept nominations by fax unless TCPL's website and EDI systems are inoperative, except in the case of FT-SN and SNB Service. Nominations for FT-SN and SNB Service shall be submitted to TCPL via fax or by other electronic means as determined from time to time by TCPL.

2. Definitions in Section XXII

In this Section XXII, the following terms shall be construed to have the following meanings:

(a) "Total Allocated Quantity":

(i) for any receipt point, means the total quantity of gas which TCPL determines has been received during any time period under all transportation service contracts with a Customer; and

(ii) for any delivery point or delivery area, means the total quantity of gas which TCPL determines has been delivered during any time period under all transportation service contracts with a Customer.

(b) "Total Authorized Quantity" or "TAQ" for any day:

(i) for any receipt point, means the sum of the Customer's Authorized Quantities under all transportation service contracts at that receipt point**.**

(ii) for any delivery point or delivery area, means the sum of the Customer's Authorized Quantities under all transportation service contracts at a delivery point or for that delivery area.

(c) "Daily Variance" for a Customer at any receipt or delivery point or delivery area means the absolute difference between the Total Authorized Quantity and the Total Allocated Quantity.

(d) "FT Daily Demand Charge" or "FTD" means the Daily Demand Toll for FT service from Empress to KPUC EDA, as set out in the List of Tolls.

(e) "Average Authorized Quantity" or "AAQ" for a Customer at any receipt or delivery point or delivery area means the average Total Authorized Quantity during the preceding 30 days.

(f) "Cumulative Variance" is the absolute value accumulation of the daily differences between the Total Authorized Quantity and the Total Allocated Quantity for a Customer at any delivery point, delivery area or receipt point.

3. **Emergency Operating Conditions**

(a) EOC Definition

"Emergency Operating Conditions" ("EOC") means that TCPL determines, in the exercise of its reasonable judgement, that its ability to fulfill its obligations under firm contracts is at risk due, in whole or in part, to Customer variances during periods of extreme weather changes, and/or supply, market, pipeline interruptions, and TCPL issues an EOC notice pursuant to Subsection 3(b).

(b) EOC Notices

If TCPL determines an EOC exists, TCPL shall issue notice to all Customers via High Priority Bulletin on its website setting out the following information related to the EOC:

i) EOC effective time;

ii) anticipated duration of the EOC; and

iii) delivery points, receipt points and delivery areas where EOC is in effect

In addition to such notice, TCPL will use reasonable efforts to contact by phone those Customers directly impacted by the EOC.

(c) EOC Effective Times

If TCPL issues notice of EOC prior to 13:00 Central Clock Time (CCT), then the EOC takes effect on that day. If TCPL issues notice of EOC after 13:00 CCT, then the EOC takes effect on the next day. The EOC will remain in effect until the operational condition has been remedied.

4. **Daily Balancing Fee**

On each day Customer shall pay a "Daily Balancing Fee" equal to:

(Tier 1 Quantity times Tier 1 Fee); plus

(Tier 2 Quantity times Tier 2 Fee); plus

(Tier 3 Quantity times Tier 3 Fee); plus

(Tier 4 Quantity times Tier 4 Fee).

Where:

(a) Tier 1, 2, 3, 4 Fees and Quantities are set out in the following table:

	Tier 1	**Tier 2**	**Tier 3**	**Tier 4**
Minimum Quantity	Greater of: 2% of TAQ, or 2% of AAQ or 75 GJ	Greater of: 4% if TAQ, or 4% of AAQ, or 150 GJ	Greater of: 8% of TAQ, or 8% of AAQ, or 302 GJ	Greater of: 10% of TAQ, or 10% of AAQ, or 377 GJ
Maximum Quantity	Greater of: 4% of TAQ, or 4% of AAQ, or 150 GJ	Greater of: 8% of TAQ, or 8% of AAQ, or 302 GJ	Greater of: 10% of TAQ, or 10% of AAQ, or 377 GJ	∞ (Infinity)
Standard Fee	0.2 times FTD	0.5 times FTD	0.75 times FTDC	1.0 times FTD
EOC Draft Fee	1.0 times Index	1.25 times Index	1.50 times Index	2.0 times Index
EOC Pack Fee	0	0	0	0

(b) Quantity for each Tier equals that portion of the Daily Variance which is greater than the Minimum Quantity and less than the Maximum Quantity.

(c) The applicable Fee for each Tier equals:

(i) Standard Fee for days and locations where EOC are not in effect;

(ii) EOC Draft Fee for days and locations where EOC are in effect and where Customer's Total Authorized Quantity is less than Customer's Total Allocated Quantity; and

(iii) EOC Pack Fee for days and locations where EOC are in effect and where Customer's Total Authorized Quantity is greater than Customer's Total Allocated Quantity.

(d) No Daily Balancing Fee is payable on the portion of a Daily Variance which is less than 75 GJ.

(e) The Daily Balancing Fee is added to the bill for the month in which the day is included.

(f) "Index" means the highest price of gas on the day among all receipt and delivery points on the TCPL pipeline system as published by S&P Global Gas Daily or such other recognized industry publication.

5**. Cumulative Balancing Fee**

On each day Customer shall pay a "Cumulative Balancing Fee" equal to:

(Tier 1 Quantity times Tier 1 Fee); plus

(Tier 2 Quantity times Tier 2 Fee).

Where:

(a) Tier 1, 2 Fees and Quantities are set out in the following table:

	Tier 1	**Tier 2**
Minimum Quantity	Greater of: 4% of TAQ, or 4% of AAG, or 150 GJ	Greater of: 6% of TAQ, or 6% of AAQ, or 225 GJ
Maximum Quantity	Greater of: 6% of TAQ, or 6% of AAQ, or 225 GJ	∞ (Infinity)
Standard Fee	0.15 times FTD	0.25 times FTD
EOC Draft Fee	0.15 times FTD	0.25 times FTD
EOC Pack Fee	0	0

(b) Quantity for each Tier equals that portion of the Cumulative Variance which is greater than the Minimum Quantity and less than the Maximum Quantity.

(c) The applicable Fee for each Tier equals:

(i) Standard Fee for days and locations where EOC are not in effect;

(ii) EOC Draft Fee for days and locations where EOC are in effect and where Customer's accumulated Total Authorized Quantity is less than Customer's accumulated Total Allocated Quantity; and

(iii) EOC Pack Fee for days and locations where EOC are in effect and where Customer's accumulated Total Authorized Quantity is greater than Customer's accumulated Total Allocated Quantity.

(d) No Cumulative Balancing Fee is payable on the portion of an Absolute Cumulative Variance which is less than 150 GJ.

(e) The Cumulative Balancing Fee is added to the bill for the month in which the day is included.

(f) A Cumulative Balancing Fee is in addition to Daily Balancing Fees payable under Subsection XXII(4), and an additional Cumulative Balancing Fee is payable on each day where there is an Absolute Cumulative Variance.

6. Payback Provisions

(a) Customers may reduce Cumulative Variances through nomination of "Payback Quantities" which shall be nominated and authorized in accordance with these General Terms and Conditions.

TCPL is not obligated to provide additional transportation capacity to deliver Payback Quantities.

(b) If, on any day, a Customer nominates a Payback Quantity under Subsection (a), and TCPL is unable to deliver or receive a quantity ("Minimum Payback Quantity") equal to the lesser of:

(i) Customer's nominated Payback Quantities, or

(ii) the greater of:

(a) two percent of the Total Authorized Quantity;

(b) two percent of the Average Authorized Quantity; and

(c) 75 GJ

then Customer is relieved from the Cumulative Balancing Fee by a quantity ("Payback Relief Quantity") equal to the difference between:

(iii) the Minimum Payback Quantity; and

(iv) The level of Payback Quantities which TCPL was able to deliver or receive.

The relief from Cumulative Balancing Fees shall apply for each day until TCPL delivers or receives the Payback Relief Quantity. No Payback Relief will be granted as a result of TCPL not authorizing a transportation service.

(c) If TCPL determines, in its sole discretion, that its ability to meet firm obligations is at risk due to Customer variances, and after curtailment of all discretionary transportation services that are hindering TCPL's ability to meet its firm obligations, TCPL may, without further notice, adjust Customer's nominations for any day in order to reduce Customer's Cumulative Variance to zero.

7. **Obligation to Balance Accounts**

Payments of balancing fees under this Section XXII do not give Customer the right to receive or deliver unauthorized quantities, or incur Cumulative or Daily Variances, nor shall payment of the balancing fees be a substitute for other remedies available to TCPL.

8. **Energy Imbalance Recovery**

(a) Cumulative energy imbalances that result from energy in transit, accumulated fuel imbalances and imbalances held under other applicable accounts, shall be recovered in the following manner:

(i) on the 20th Day of each month, TCPL shall advise Customer in writing of all cumulative energy imbalances attributed to Customer arising up to the end of the 19th Day of such month and carried forward or arising from previous months, provided however that such cumulative energy imbalances for

export delivery points referred to in Subsection 8(b) shall be the amount by which the cumulative energy imbalance at such points exceed 50 GJ;

(ii) the cumulative energy imbalance reported to Customer shall be aggregated at each applicable location from all of Customer's Contracts, nomination groups and other applicable accounts;

(iii) on or before the 3rd last Day of each month, Customer may reduce the cumulative energy imbalances reported by TCPL;

(iv) The cumulative energy imbalance after giving effect to applicable offsetting transactions (the "Net Imbalance"), shall be determined on:

(A) the end of the 3rd last Day of such month if the cumulative energy imbalance is less than the cumulative energy imbalance on the 19th Day of such month; or

(B) the 19th Day of such month if the cumulative energy imbalance on the 3rd last Day of such month is greater than the energy balance on the 19th Day of such month.

The Net Imbalance shall be scheduled and recovered in equal amounts on each Day over the first 15 Days, or a lesser number of Days as mutually agreed to by Customer and TCPL, of next month (the "Recovery Period"). The amount of the Net Imbalance to be recovered each Day of the Recovery Period (the "Daily Imbalance Recovery") will be determined by TCPL and verbally communicated to Customer on the 2nd last Day of each month. Customer shall nominate the Daily Imbalance Recovery on each Day of the Recovery Period as an "Imbalance Payback" under the Customer account (nomination group) with the largest energy imbalance as determined by TCPL based on the most recent monthly statements available;

(vi) in nominating the Daily Imbalance Recovery, Customer will ensure that all nominations remain in balance. Any nomination received from Customer which does not include the required Daily Imbalance Recovery will, at TCPL's sole discretion, be either rejected or forced to balance by TCPL. TCPL is authorized to

curtail Customer's gas supply and market, as necessary, to balance the nomination after accounting for the Daily Imbalance Recovery;

(vii) where applicable, deliveries of the Daily Imbalance Recovery shall be the first deliveries made under the nomination on each Day of the Recovery Period; and

(viii) any imbalance shall be deemed to have occurred and shall be held at the primary receipt point specified in the transportation service agreement.

(b) Cumulative energy imbalances at export delivery points that result from rounding when converting between energy units used for daily scheduling purposes shall be subject to the following:

(i) Each Day Customer shall be entitled to an energy imbalance of up to 5 GJ provided however, Customer's cumulative energy imbalance at any time shall not exceed 50 GJ; and

(ii) Customer may reduce its cumulative energy imbalance on any Day by up to 10 GJ provided however, such reduction shall not result in the cumulative energy imbalance moving from a positive imbalance to a negative imbalance, or from a negative imbalance to a positive imbalance.

XXIII FINANCIAL ASSURANCES

1. **Financial Assurance for Performance of Obligations:** TCPL may request that Customer (or any assignee) at any time from time to time prior to and during service, provide TCPL with an irrevocable letter of credit or other assurance acceptable to TCPL, in form and substance satisfactory to TCPL and in an amount determined in accordance with Subsection XXIII(3) hereof (the "Financial Assurance").

2. **Failure to Provide Financial Assurance:** TCPL may withhold the provision of new service until TCPL has received a requested Financial Assurance.

Notwithstanding Section XVII, if Customer fails to provide a requested Financial Assurance to TCPL within four (4) Banking Days of TCPL's request, TCPL may upon four (4) Banking Days written notice immediately suspend any or all service being or to be provided to Customer provided however that any such suspension shall not relieve Customer from any obligation

to pay any rate, toll, charge or other amount payable to TCPL. If at any time during such suspension Customer provides such Financial Assurance to TCPL, TCPL shall within two (2) Banking Days recommence such suspended service.

Notwithstanding Section XVII, if Customer fails to provide such Financial Assurance during such suspension, TCPL may, in addition to any other remedy that may be available to it, upon four (4) Banking Days written notice to Customer immediately:

a) Terminate any or all service being or to be provided to Customer; and

b) Declare any and all amounts payable now or in the future by Customer to TCPL for any and all service to be immediately due and payable as liquidated damages and not as a penalty.

Any notice provided by TCPL to Customer to withhold, suspend or terminate service pursuant to Subsection XXIII(2) shall be filed concurrently with the CER.

3. **Amount of Financial Assurance:** The maximum amount of Financial Assurance TCPL may request from a Customer (or assignee) shall be as determined by TCPL an amount equal to:

a) for the provision of all gas transportation and related services, other than such services referred to in Subsection XXIII(3)(b), the aggregate of all rates, tolls, charges or other amounts payable to TCPL for a period of seventy (70) days. Provided however, the amount of the Financial Assurance for all rates, tolls and charges other than demand charges shall be based on the daily average of the actual charges billed for service for the preceding twelve (12) month period with the initial forecast to be provided by Customer; and

b) for the provision of any gas transportation and related services where TCPL determines it must construct facilities, the aggregate of all rates, tolls, charges or other amounts payable to TCPL for a period of seventy (70) days plus one (1) month for each remaining year of the term of such service, up to a maximum of twelve (12) months total.

Nothing in this Section XXIII shall limit Customer's right to request the CER to issue an order, under Subsection 239(2) of the CER Act, requiring TCPL to receive, transport and deliver gas

offered by Customer for transmission, or to grant such other relief as Customer may request under the circumstances, notwithstanding Customer's default under this Section XXIII.

XXIV TITLE TRANSFERS

Customers may request and TCPL shall authorize Title Transfers subject to the following:

a. TCPL receives a nomination satisfactory to TCPL from each Customer that is a party to a Title Transfer; and

b. If TCPL determines at any time that any title transfer account of a Customer is out of balance, TCPL may, without notice to the title transfer account holder, curtail transfers up to such amounts as TCPL deems necessary to bring all affected title transfer accounts into balance. In so doing, TCPL shall have no liability whatsoever to Customer or any third party claiming through Customer for any claims, actions or damages of any nature arising out of or in any way related to such curtailment

XXV LIABILITY AND LIMITATION OF LIABILITY

TCPL's and Customer's liability to each other is limited to direct damages only. In no event, other than in the case of gross negligence or wilful default, shall either TCPL or Customer be liable for loss of profits, consequential, incidental, punitive, or indirect damages, in tort, contract or otherwise.