SHORT NOTICE BALANCING SERVICE

(SNB) TOLL SCHEDULE

I N D E X

Section **Sheet No.**

1. DEFINITIONS 1
2. AVAILABILITY 2
3. APPLICABILITY AND CHARACTER OF SERVICE 3
4. MONTHLY BILL 3
5. DEMAND CHARGE ADJUSTMENTS 4
6. RENEWAL RIGHTS 4
7. ASSIGNMENT 6
8. MISCELLANEOUS PROVISIONS 7

1. DEFINITIONS

1.1 For the purposes of this SNB Toll Schedule the following terms shall be defined as follows:

(a) "Combined Capacity" shall mean capacity available from TCPL's gas transmission system, from TCPL's firm transportation entitlement on Other Pipelines, and through other agreements with other parties;

(b) "Contract" shall mean an SNB Contract;

(c) "Contract Quantity" shall mean the quantity authorized by TCPL pursuant to the Transportation Access Procedures of the Tariff for service pursuant to this SNB Toll Schedule which shall not exceed the Contract Demand of the FT-SN Contract;

(d) "Contract Term" shall mean the term of the Contract which shall not to be less than one (1) year in length;

(e) "Deposit" shall mean the quantity expressed in GJs nominated by Customer as a credit to Customer's SNB Account;

(f) "FT-SN Contract" shall mean Customer's executed Firm Transportation Short Notice Contract that is identified in Exhibit "A" of the Contract;

(g) "Renewal Option" shall have the meaning attributed to it in Section 6.1 herein;

(h) "Renewal Term" shall have the meaning attributed to it in Section 6.1 herein;

(i) "SNB Account" shall mean the account that holds the cumulative balance of Withdrawals and Deposits beginning from the Date of Commencement specified in the Contract where the absolute value of the cumulative balance of the SNB Account shall not at any time exceed 50% of the Contract Quantity;

(j) "SNB Demand Toll" shall mean the applicable monthly demand toll as approved by the CER and as set forth in the List of Tolls referred to in Section 8 herein; and

(k) "Withdrawal" shall mean the quantity expressed in GJs nominated by Customer as a debit from Customer's SNB Account.

2. AVAILABILITY

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

(a) there is only one (1) FT-SN Contract identified in Exhibit "A" of the Contract and such FT-SN Contract is not identified in any other Contract; and

(b) Customer:

(i) has entered into a Contract with TCPL 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;

(ii) has a Contract Term or Renewal Term equal to or less than the remaining term of the FT-SN Contract;

(iii) has pipeline facilities interconnecting with TCPL's facilities at the receipt and delivery point specified in the Contract, or 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 delivering to or receiving from TCPL the gas to be received or delivered pursuant to this Toll Schedule; and

(iv) prior to commencement and at any time during the term of the Contract, Customer shall provide TCPL with sufficient financial information to assess their creditworthiness. Based on its assessment, TCPL, in its sole discretion, may request from Customer financial assurances in an amount, form and on terms satisfactory to TCPL prior to commencement or continuation of service pursuant to this SNB Toll Schedule. TCPL will not be obligated to provide and Customer shall not be entitled to receive service pursuant to this SNB Toll Schedule until the requested financial assurances are received by TCPL.

2.2 **Facilities Construction Policy**

In order to provide service pursuant to this SNB Toll Schedule, TCPL utilizes its Combined Capacity. If a request for service pursuant to this SNB Toll Schedule requires an increase to the Combined Capacity, TCPL is prepared to use all reasonable efforts to enable it to increase the Combined Capacity to the extent provided that:

(a) there is a reasonable expectation of a long term requirement for the increase in the Combined Capacity;

(b) the Contract term shall be as specified in Section 5.1 of TAPs from the New Service Start Date as defined in Section 1.1 of TAPs;

(c) the CER approves the additional facilities and/or services necessary to increase the Combined Capacity; and

(d) the availability provisions of Section 2.1 herein are satisfied.

3. APPLICABILITY AND CHARACTER OF SERVICE

3.1 Customer shall be entitled to nominate a Deposit from the FT-SN Contract to Customer's SNB Account or a Withdrawal from Customer's SNB Account to the FT-SN Contract.

3.2 Customer shall only be entitled to nominate a Deposit or a Withdrawal through a nomination pursuant to the FT-SN Contract and such nomination will be in accordance with Section XXII of the General Terms and Conditions.

4. MONTHLY BILL

4.1 The monthly bill payable to TCPL for service pursuant to this SNB Toll Schedule shall be the demand charge and shall be equal to the applicable monthly SNB Demand Toll multiplied by Customer's Contract Quantity. The demand charge is payable by Customer notwithstanding any failure by Customer during such month, for any reason whatsoever including Force Majeure, to deliver or receive quantities of gas authorized by TCPL.

5. DEMAND CHARGE ADJUSTMENTS

5.1 If during any Day, TCPL curtails the Contract Quantity for any reason related solely to TCPL's operations, including an event of force majeure occurring on any of the pipeline systems of TCPL's Combined Capacity, then the monthly demand charge shall be reduced by an amount equal to the Daily Demand Toll for service pursuant to this SNB Toll Schedule multiplied by the amount the Contract Quantity has been curtailed by TCPL on such Day.

6. RENEWAL RIGHTS

6.1 Subject to Sections 6.3 and 6.4 and if TCPL determines in its sole discretion that the Contract is serving a long term market, Customer shall have the option to renew (the "Renewal Option") the Contract for a period of either (the "Renewal Term"): i) one or more annual periods ending on the same calendar date as the expiry of the Contract Term; or ii) if Customer requests a service termination date of October 31, one or more annual periods of twelve (12) consecutive full months plus the number of consecutive days necessary to extend the Contract Term to the requested October 31. The Renewal Option shall be subject to the following conditions:

(a) the Contract Quantity for the Renewal Term shall not be greater than, but may be less than, the Contract Quantity set out in the Contract;

(b) TCPL receives written notice from Customer of Customer's election to exercise the Renewal Option which specifies the Renewal Term and Contract Quantity no less than twenty-four (24) consecutive months prior to the termination of the Contract; and

Temporary Subsection 6.1(b):

Until December 31, 2030, subsection 6.1(b) above will temporarily be suspended and will be replaced with the following subsection 6.1(b):

(b) TCPL receives written notice from Customer of Customer's election to exercise the Renewal Option which specifies the Renewal Term and Contract Quantity no less than twelve (12) consecutive months prior to the termination of the Contract; and

For clarity, this paragraph 6.1(b) is only applicable to Customer's Contract for which the ability to exercise the Renewal Option has not previously expired prior to the effective date of this temporary subsection as a result of the application of Section 6.1 and Section 6.4.

(c) Customer supplies TCPL at the time of such notice with evidence satisfactory to TCPL that Customer will meet the availability provisions of Section 2 herein.

TCPL may accept late notice of Customer's election to exercise the Renewal 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 renewal 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. Contracts may be revised as of the effective renewal date to adhere to the then current pro forma Intra Day Balancing Service Contract.

Customer may exercise the Renewal Option each year provided the conditions set out in Sections 6.1 and 6.2 herein have been satisfied.

6.2 Provided TCPL has either received timely notice as provided in Subsection 6.1(b) herein from Customer of Customer's election to exercise the Renewal Option, or accepted late notice from Customer of its election to exercise the Renewal Option, and provided that Customer has met the availability provisions of Section 2 herein, the Contract shall be amended as follows:

(a) the Contract Quantity set out in the Contract shall be revised to the level specified in Customer's written notice, effective as of the commencement of the Renewal Term; and

(b) the term of the Contract shall be extended to that specified in Customer's written notice, effective as of the commencement of the Renewal Term.

6.3 If at any time TCPL determines, acting reasonably, that:

(a) new or additional pipeline facilities are required to increase the Combined Capacity or capabilities of the system ("Expansion Facilities"); and

(b) the estimated cost of such Expansion Facilities will exceed $20 million;

TCPL will provide notice of a term-up requirement ("Term-up Notice") to Customer if TCPL determines Customer's Contract may impact the design of the Expansion Facilities.

6.4 Upon receipt of the Term-up Notice Customer may elect, within sixty (60) days of receipt of the Term-up Notice, to extend the Existing Term of the Contract for all or a portion of the Contract Demand for an additional period such that the new service termination date of the Contract shall be no less than five (5) years after the expected New Service Start Date (as defined in Section 1.1 of TAPs) of the Expansion Facilities. If a Customer does not elect to extend its Existing Term within such sixty (60) day period, the Customer shall no longer be entitled to renew the Contract pursuant to Section 6.1 and the Contract shall expire at the end of the Existing Term.

7. ASSIGNMENT

7.1 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 Quantity shall entitle such distributor to any further reduction in its Contract Quantity.

7.2 Any assignment by Customer is subject to the following conditions:

(a) the assignment shall be for the remaining term of the Contract;

(b) Customer shall provide TCPL with at least 60 days written notice of such assignment prior to the requested assignment date, which shall be the first day of a calendar month;

(c) the FT-SN Contract has also been assigned to the same assignee as the Contract; and

(d) assignee and assignor shall execute TCPL's assignment agreement.

7.3 Assignments at a discount negotiated between assignors and assignees are permitted, provided that the approved toll continues to be paid to TCPL.

7.4 Save as herein provided, assignments of any Contracts into which this Toll Schedule is incorporated are expressly prohibited.

8. MISCELLANEOUS PROVISIONS

8.1 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.

8.2 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 therefore.

8.3 This Toll Schedule together with the provisions of the General Terms and Conditions supersedes and replaces all previous Toll Schedules applicable to the Contract.