

SHORT TERM FIRM TRANSPORTATION SERVICE

TOLL SCHEDULE

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1. DEFINITIONS

1.1. For the purposes of the STFT Toll Schedule, the following terms shall be defined as:

- (a) “Available Short Term Capacity” shall have the meaning attributed to it in Section 2.3;
- (b) “Block Period” shall have the meaning attributed to it in Section 2.3;
- (c) “Maximum Daily Quantity” shall mean for any Customer the Maximum Daily Quantity set out on such Customer’s bid or the Maximum Daily Quantity as amended by TCPL pursuant to Subsection 3.3(d);
- (d) “Minimum Daily Quantity” shall mean for any Customer the Minimum Daily Quantity set out on such Customer’s bid;
- (e) “Posting Period” shall have the meaning attributed to it in Section 3.2;
- (f) “Remaining Capacity” shall have the meaning attributed to it in Section 2.3;
- (g) “Service Period” shall have the meaning attributed to it in Section 2.3;
- (h) “STFT” shall mean Short Term Firm Transportation;
- (i) “STFT Allocation Price” shall mean the daily weighted average of the product obtained by multiplying the STFT Bid Percentage by the applicable Daily Demand Tolls for FT service for the requested term;
- (j) “STFT Bid Floor” shall have the meaning attributed to it in Subsection 3.3(b);
- (k) “STFT Bid Percentage” shall have the meaning attributed to in Subsection 3.3(b);
- (l) “STFT Contract” shall have the meaning attributed to it in Subsection 2.1(a);
- (m) “STFT Price” shall have the meaning attributed to it in Section 4.1;
- (n) “Summer Period” shall mean the period of time from April 1 of a calendar year to October 31 of the same calendar year;
- (o) “System Capacity” shall mean capacity available from TCPL’s pipeline facilities, from TCPL’s contractual entitlement on Other Pipelines, and through other agreements with other parties, all of which TCPL relies on to provide firm service;
- (p) “System Segment” shall have the meaning attributed to it in Section 2.3; and
- (q) “Winter Period” shall mean the period of time from November 1 of a calendar year to March 31 of the following calendar year.

2. AVAILABILITY

2.1 Availability of Service

Any Customer shall be eligible to receive service pursuant to this STFT Toll Schedule provided such Customer:

- (a) has entered into a Short Term Firm Transportation service contract (the "STFT 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 STFT Toll Schedule and to the terms and conditions contained in the 239(2) Order; and
- (b) has provided TCPL with financial assurances as required by TCPL pursuant to Section XXIII of the General Terms and Conditions referred to in Section 7 hereof.

2.2 Facilities Construction Policy

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

2.3 Capacity Available for STFT

The total capacity available to Customers under this STFT Toll Schedule shall be TCPL's transportation capacity remaining, as determined by TCPL in its sole discretion, after having made provision for all firm obligations with Customer and all other Customers (the "Remaining Capacity").

Remaining Capacity made available for Customers under this STFT Toll Schedule shall be offered in respect of certain segments of TCPL's System Capacity, each such segment being defined by reference to the receipt point and the delivery point or delivery area applicable thereto (a "System Segment"). Service under this STFT Toll Schedule shall be offered for a specific period of time (a "Service Period") which may consist of a specified number of days not less than seven (7) consecutive days, a separate monthly period or any combination of consecutive monthly periods (such combination of consecutive monthly periods hereinafter called a "Block Period"). TCPL shall notify Customers of the Remaining Capacity offered for

each combination of System Segments and Service Periods (the "Available Short Term Capacity").

2.4 Short Term Availability Periods

TCPL, in its sole discretion, may offer Available Short Term Capacity in any combination of System Segments, for a specified number of days not less than seven (7) consecutive days, monthly periods and Block Periods for a period extending up to one (1) year less one (1) day.

3. APPLICABILITY AND CHARACTER OF SERVICE

3.1 Definition of STFT Service

On each day during the term of the STFT Contract that Customer has been allocated Available Short Term Capacity, Customer shall be entitled to nominate for 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 this STFT Toll Schedule, the STFT Contract, and Section XI, Section XIV and Section 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 or country of production all or any part of the quantities of gas to be transported by TCPL under the STFT Contract, Customer shall be in default hereunder (a "Default") to the extent of the daily quantity not authorized for removal from the province or country of production as aforesaid (the "Default Quantity"). 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, when 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 Notification of Available Short Term Capacity

TCPL shall post Available Short Term Capacity for a minimum period of twenty-four (24) hours (the "Posting Period"). If some or all of the Available Short Term Capacity has not been allocated at the end of a Posting Period, TCPL may, in its sole discretion, continue to post Available Short Term Capacity on a daily basis. At the end of the Posting Period and any

daily posting, TCPL shall allocate Available Short Term Capacity among Customer bids received by TCPL.

The Available Short Term Capacity shall be posted on TCPL's website as follows:

- (a) During the period of January 1-15 for the Summer Period and during the period of July 1-15 for the Winter Period;
- (b) During the period of January 16-31 for the individual monthly blocks of the Summer Period and during the period of July 16-31 for the individual monthly blocks of the Winter Period;
- (c) If Available Short Term Capacity is not posted on a daily basis, TCPL will post Available Short Term Capacity on or before the 7th day of each month; or
- (d) At any time TCPL determines in its sole discretion that there is Available Short Term Capacity.

Available Short Term Capacity shall be allocated in accordance with Section 3.3 hereunder.

3.3 Allocation of Available Short Term Capacity

(a) Customer Bids

For each combination of System Segment and Service Period in which Customer wishes to request service under this STFT Toll Schedule, Customer shall submit a written bid to TCPL's Contracts and Billing Department through TCPL's website or by other electronic means, as determined by TCPL and set out on TCPL's website, during the bid period. No Customer bid shall be accepted by TCPL if received after the bid deadline specified in the posting of Available Short Term Capacity. Each Customer bid shall be in the form of an Exhibit "A" Addendum to the STFT Contract, duly completed with the information described below and executed by Customer.

Each Customer bid shall contain the following information:

- Customer name and address
- Customer contact, telephone number and fax number

- System Segment for which bid is being made pursuant to Subsection 3.3 (b)
- Receipt point and delivery point or delivery area
- Service Period
- Maximum Daily Quantity (in GJ)
- Minimum Daily Quantity pursuant to Subsection 3.3 (c) (ii)
- STFT Bid Percentage determined pursuant to Subsection 3.3 (b)
- A statement whether such bid is conditional on another STFT bid being accepted by TCPL

Customer must submit separate Customer bids for each separate combination of System Segment and Service Period. Customer shall be entitled to submit more than one Customer bid for any combination of System Segment and Service Period, but Customer bids for the same System Segment shall not have the same STFT Bid Percentage. Customer shall not be entitled to submit multiple Customer bids for any System Segment where the aggregate Maximum Daily Quantity of the multiple Customer bids is greater than the Available Short Term Capacity being offered for that System Segment. Customer bids which do not conform to these requirements shall be rejected and TCPL shall be under no obligation to notify Customer of any such rejection or to provide Customer with any opportunity to correct or complete its Customer bid.

(b) STFT Bid Percentage

The bid floor for Available Short Term Capacity under this STFT Toll Schedule shall be a percentage determined by TCPL in its sole discretion and posted by TCPL from time to time on TCPL's website ("STFT Bid Floor"). Provided however, the STFT Bid Floor shall not be less than 100 percent of the Daily Demand Toll for FT service over the applicable System Segment listed in the List of Tolls referred to in Section 7 hereof in effect at the time service is provided for the Service Period and/or Block Period determined by TCPL.

Bids for Available Short Term Capacity shall be expressed as a percentage of the Daily Demand Toll for FT service in effect at the time service is provided. Bids shall not be less than the STFT Bid Floor for the applicable System Segment and shall be subject to minimum increments of 0.01% per bid (each a "STFT Bid Percentage").

Bids for Available Short Term Capacity must identify the System Segment offered by TCPL for which the Customer is bidding. The Customer's requested receipt point and delivery point for Available Short Term Capacity must be contained wholly within the requested System Segment.

(c) Allocation of Available Short Term Capacity

All Available Short Term Capacity for each combination of System Segment and Service Period offered by TCPL shall be allocated among Customer bids pursuant to this STFT Toll Schedule and Customer bids pursuant to the ST-SN Toll Schedule. For purposes of allocation hereunder the ST-SN Allocation Price as defined in ST-SN Toll Schedule for bids for service pursuant to the ST-SN Toll Schedule shall be divided by 1.1. Such allocation process is as follows:

- (i) Subject to Subsection 3.3(c)(ii), for all Customer bids for System Segments which compete for the same capacity and:
 - A. have the same Service Period, TCPL shall rank Customer bids in descending order from the highest to lowest STFT Allocation Price and TCPL shall allocate Available Short Term Capacity to the Customer bids resulting in the highest aggregate transportation revenue; or
 - B. have a different Service Period, for each different Service Period, TCPL shall rank Customer bids Available Short Term Capacity in descending order from the highest to lowest STFT Allocation Price and TCPL shall allocate Available Short Term Capacity to the Customer bids resulting in the highest aggregate transportation revenue.
- (ii) If 2 or more Customer bids result in the same aggregate transportation revenue and the Available Short Term Capacity is not sufficient to provide service for the quantities requested in such Customer bids, the Available Short Term Capacity shall be allocated pro-rata among such Customer bids.

If such pro-rata share falls below the Minimum Daily Quantity specified by a Customer in its Customer bid, such pro-rata share allocated shall be deemed to be rejected, and TCPL will reallocate among the remaining Customer bids.

(d) Notification to Customers

Within three (3) Banking Days of the end of any applicable bid period for Available Short Term Capacity TCPL shall notify, in the manner set forth in the STFT of ST-SN Contract or through TCPL's website, all Customers who have been allocated any of the Available Short Term Capacity. The daily capacity allocated to each Customer shall be such Customer's allocated Maximum Daily Quantity. If Customer is allocated service hereunder, TCPL will, if necessary, and is hereby authorized to, amend the Exhibit "A" Addendum submitted by Customer as its Customer bid to reflect the allocation of Available Short Term Capacity to such Customer. The Exhibit "A" Addendum shall then be executed by TCPL and forwarded to Customer. Each executed Exhibit "A" Addendum shall be binding on TCPL and Customer.

4. MONTHLY BILL

4.1 Transportation Service

The monthly bill payable by Customer to TCPL for transportation service hereunder shall be equal to the STFT Bid Percentage set out in each Exhibit "A" Addendum multiplied by the Daily Demand Toll for FT service in effect at the time the service is provided ("STFT Price"), multiplied by Customer's STFT allocated Maximum Daily Quantity and the number of days of STFT Service during the month. These transportation service charges are payable by Customer notwithstanding any failure by Customer during such month, for any reason whatsoever, including force majeure or Default by Customer under Section 3.1 hereof, to deliver Customer's receipt volume to TCPL at the receipt point.

4.2 Delivery Pressure Service

Customer shall also pay monthly to TCPL a charge for delivery pressure provided that deliveries hereunder are made to a delivery point at which a charge for delivery pressure

has been approved by the CER (and set forth in the List of Tolls referred to in Section 8 hereof). The monthly delivery pressure charge at each such delivery point shall be the product of the applicable Delivery Pressure Daily Demand Toll and the total of Customer's quantities to be delivered hereunder at that delivery point during such month determined as the STFT allocated Maximum Daily Quantity multiplied by the number of days of STFT Service during such month. The said delivery pressure 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.

4.3 Union Dawn Receipt Point Surcharge

Each month, Customer shall pay the Union Dawn Receipt Point Surcharge for service from the Union Dawn receipt point.

4.4 Fuel

For each month, Customer shall provide, on a daily basis, a quantity of fuel based on a monthly fuel ratio to be established by TCPL from time to time.

4.5 Abandonment Charge

Each month, Customer shall pay an Abandonment Charge equal to the applicable Daily Abandonment Surcharge multiplied by Customer's STFT allocated Maximum Daily Quantity and the number of days of STFT Service during the 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. TRANSPORTATION AND DELIVERY PRESSURE CHARGE ADJUSTMENTS

5.1 Transportation Charge Adjustments

If during any day, TCPL fails to deliver the quantity of gas requested by Customer up to the Maximum Daily 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 and Other

Pipelines, then the transportation service charges payable pursuant to Section 4.1 hereof shall be reduced by an amount equal to the STFT Price 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.

For any day on which transportation service charges are adjusted pursuant to the above, the Union Dawn Receipt Surcharge and the Abandonment Charge payable by Customer pursuant to Sections 4.3 and 4.5 hereof shall also be adjusted.

The Union Dawn Receipt Point 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.

5.2 Delivery Pressure Charge Adjustments

For any day on which transportation service charges are adjusted pursuant to Section 5.1 above, the delivery pressure charge payable by Customer pursuant to Section 4.2 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.

5.3 Customer's Receipt or Delivery Failure

If TCPL refuses to accept deliveries of Customer's gas or curtails receipts from or deliveries to Customer pursuant to Subsection 1(b) of Section II of the General Terms and Conditions, then there shall be no corresponding reduction in transportation service charges, Union Dawn Receipt Point Surcharges, Abandonment Charges or delivery pressure charges to Customer.

6. ASSIGNMENTS

- 6.1 Assignments of any STFT Contracts into which this STFT Toll Schedule is incorporated are expressly prohibited without TCPL's prior written consent.

7. MISCELLANEOUS PROVISIONS

- 7.1 The General Terms and Conditions and the List of Tolls of the Tariff, as amended from time to time, are applicable to this STFT Toll Schedule and are hereby made a part hereof. If there is any conflict between the provisions of this STFT Toll Schedule and the General Terms and Conditions, the provisions of this STFT Toll Schedule shall prevail.
- 7.2 This STFT 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.