
**RATE SCHEDULE IT-R
INTERRUPTIBLE - RECEIPT**

1.0 DEFINITIONS

1.1 The capitalized terms used in this Rate Schedule have the meanings attributed to them in the General Terms and Conditions of the Tariff unless otherwise defined in this Rate Schedule.

2.0 SERVICE DESCRIPTION AND AVAILABILITY

2.1 Subject to the stated terms and conditions, service under Rate Schedule IT-R shall mean the receipt of gas within Alberta from Customer at Receipt Points as listed in the Table of Rates, Tolls and Charges (the “Service”) which includes the transportation of gas Company determines necessary to provide services under the Tariff.

2.2 The Service is available to any Customer that has executed a Service Agreement under this Rate Schedule IT-R provided that capacity exists in the Facilities that is not required by any Customer entitled to receive service under Rate Schedule FT-R, Rate Schedule FT-RN, Rate Schedule FT-P, Rate Schedule LRS, Rate Schedule LRS-2, , Rate Schedule LRS-3, Rate Schedule FT-X, Rate Schedule IT-S and Rate Schedule IT-R. Company shall not be required to construct or install Facilities for any Service under Rate Schedule IT-R. A standard form Service Agreement for Service under this Rate Schedule IT-R is attached.

3.0 PRICING

3.1 The rate used in calculating Customer's monthly charge for Service under Rate Schedule IT-R at a Receipt Point is the IT-R Rate at such Receipt Point.

4.0 CHARGE FOR SERVICE

4.1 Aggregate of Customer's Monthly Charge

The aggregate of Customer's monthly charges for a Billing Month for Service under Rate Schedule IT-R shall be equal to the sum of the monthly charges calculated for each Receipt Point under Rate Schedule IT-R determined as follows:

$$MC = A \times (B - C)$$

Where:

"MC" = the monthly charge applicable to such Receipt Point;

"A" = the IT-R Rate at such Receipt Point;

"B" = the sum of the volume of gas received by Company from Customer at such Receipt Point under Rate Schedule IT-R in the month preceding such Billing Month; and

"C" = the volume of gas allocated to Customer as determined by Company for Gas Used and Gas Lost for the month preceding such Billing Month under Rate Schedule IT-R.

4.2 Aggregate of Customer's Surcharges

The aggregate of Customer's Surcharges for a Billing Month shall be equal to the sum of all Surcharges set forth in the Table of Rates, Tolls and Charges applicable to each of Customer's Receipt Points under Rate Schedule IT-R.

4.3 Aggregate Charge For Service

Customer shall pay for each Billing Month the sum of the amounts calculated in accordance with paragraphs 4.1 and 4.2.

4.4 Allocation of Gas Received

Notwithstanding any other provision of this Rate Schedule, any Service Agreement or the General Terms and Conditions of the Tariff, and without regard to how gas may have been nominated, the aggregate volume of gas received from Customer at a Receipt Point shall be allocated for billing purposes as follows:

- (i) first to service to Customer under Rate Schedule LRS, LRS-2 and LRS-3 to a maximum of such Customer's LRS Contract Demand for such Receipt Point under such Rate Schedule LRS, to a maximum of such Eligible LRS-2 Volumes for the Coleman Receipt Point under such Rate Schedule LRS-2 and to a maximum of such Customer's LRS-3 Contract Demand for such Receipt Point under such Rate Schedule LRS-3;
- (ii) secondly to service to Customer under Rate Schedule FT-R to a maximum of such Customer's Receipt Contract Demand for such Receipt Point under such Rate Schedule FT-R;

- (iii) thirdly to service to Customer under Rate Schedule FT-RN to a maximum of such Customer's Receipt Contract Demand for such Receipt Point under Rate Schedule FT-RN; and
- (iv) fourthly to Service to Customer under Rate Schedule IT-R at such Receipt Point.

5.0 TERM OF SERVICE

5.1 Term of Service Agreement

Customer's Service Agreement shall be in full force and effect until terminated by Customer in accordance with paragraph 5.2.

5.2 Termination Notice

Customer shall be entitled to terminate Service under Rate Schedule IT-R if Customer gives Company at least one (1) month prior written notice of such termination. Any such termination of Service shall not relieve Customer from any obligation to pay any rate, toll, charge or other amount payable to Company.

6.0 TITLE TRANSFERS

- 6.1** A Customer entitled to receive Service under Rate Schedule IT-R may transfer all or a portion of Customer's Inventory to another Customer or may accept a transfer of all or a portion of Customer's Inventory from another Customer provided such Customer is entitled to receive service under any Rate Schedule that permits title transfers and such title transfer is in accordance with the Terms and Conditions of Service Respecting Title Transfers in Appendix "C" of the Tariff.

7.0 APPLICATION FOR SERVICE

7.1 Applications for Service under this Rate Schedule IT-R shall be in such form as Company may prescribe from time to time.

8.0 GENERAL TERMS AND CONDITIONS

8.1 The General Terms and Conditions of the Tariff and the provisions of any Service Agreement for Service under Rate Schedule IT-R are applicable to Rate Schedule IT-R to the extent that such terms and conditions and provisions are not inconsistent with this Rate Schedule.

SERVICE AGREEMENT
RATE SCHEDULE IT-R

BETWEEN:

NOVA Gas Transmission Ltd., a body corporate having an office
in Calgary, Alberta (“Company”)

and

•, a body corporate having an office in •, • (“Customer”)

IN CONSIDERATION of the premises and the covenants and agreements herein contained, the parties covenant and agree as follows:

1. Customer acknowledges receipt of a current copy of the Tariff.
2. The capitalized terms used in this Service Agreement have the meanings attributed to them in the General Terms and Conditions of the Tariff, unless otherwise defined in this Service Agreement.
3. Customer requests and Company agrees to provide Service pursuant to Rate Schedule IT-R. The Service will commence on the Billing Commencement Date and will terminate, subject to the provisions of this Service Agreement.

4. Customer agrees to pay to Company each Billing Month, for all Service rendered under this Service Agreement, an amount equal to the aggregate charges for Service described in Rate Schedule IT-R.

5. Customer shall:
 - (a) provide such assurances and information as Company may reasonably require respecting any Service to be provided pursuant to this Rate Schedule IT-R including, without limiting the generality of the foregoing, an assurance that all necessary arrangements have been made among Customer, producers of gas for Customer, purchasers of gas from Customer and any other Person relating to such Service, including all gas purchase, gas sale, operating, processing and common stream arrangements; and

 - (b) at Company's request provide Company with an assurance that Customer has provided the Person operating facilities upstream of any Receipt Point in respect of which Customer has the right to receive service with all authorizations necessary to enable such Person to provide Company with all data and information reasonably requested by Company for the purpose of allocating volumes of gas received by Company among Company's Customers and to bind Customer in respect of all such data and information provided.

If Customer fails to provide such assurances and information forthwith following request by Company, from time to time, Company may at its option, to be exercised by notice to Customer, suspend the Service to which such assurances and information relate until such time as Customer provides the assurances and information requested, provided however that any such suspension of Service shall not relieve Customer from any obligation to pay any rate, toll, charge or other amount payable to Company.

6. Every notice, request, demand, statement, bid or bill (for the purpose of this paragraph, collectively referred to as "Notice") provided for in Rate Schedule IT-R, this Service

Agreement and the General Terms and Conditions, or any other Notice which either Company or Customer may desire to give to the other, shall be in writing and each of them and every payment provided for shall be directed to the Person to whom given, made or delivered at such Person's address as follows:

Customer:

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-
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Attention: •

Fax: •

Company:

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-
-

Attention: Customer Account Representative

Fax: •

Notice may be given by fax or other telecommunication and any such Notice shall be deemed to be given four (4) hours after transmission. Notice may also be given by personal delivery or by courier and any such Notice shall be deemed to be given at the time of delivery. Any Notice may also be given by prepaid mail and any such Notice shall be deemed to be given four (4) business days after mailing, Saturdays, Sundays and statutory holidays excepted. In the event of disruption of regular mail, every payment not made electronically shall be personally delivered, and any other Notice shall be given by one of the other stated means.

Any Notice for the matters listed in the Notice Schedule for Electronic Commerce in Appendix "F" of the Tariff shall be given via Company's electronic bulletin board

(“EBB”). Company shall not accept any such Notice for those matters listed in Appendix “F” via any other alternative means, unless the EBB is inoperative or Customer is unable to establish connection with the EBB, in which case Notice shall be given by any other alternative means set out herein. Any Notice given by the EBB shall be deemed to be given one (1) hour after transmission.

Any Notice may also be given by telephone followed immediately by EBB, fax, personal delivery, courier or prepaid mail, and any Notice so given shall be deemed to have been given as of the date and time of the telephone notice.

- 7. The terms and conditions of Rate Schedule IT-R, the General Terms and Conditions and Schedule of Service under Rate Schedule IT-R are by this reference incorporated into and made a part of this Service Agreement.

IN WITNESS WHEREOF the parties have executed this Service Agreement by their proper signing officers duly authorized in that behalf all as of the • day of •, •.

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Per: _____

NOVA Gas Transmission Ltd.
Per : _____

Per: _____

Per : _____