

RATE SCHEDULE FT-D
FIRM TRANSPORTATION - DELIVERY

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 FT-D shall mean the delivery of gas to Customer at Customer's Export Delivery Points (the "Service"), which includes transportation of gas that Company determines necessary to provide services under the Tariff..

2.2 The Service is available to any Customer that has executed a Service Agreement and Schedule of Service under Rate Schedule FT-D. A standard form Service Agreement for Service under this Rate Schedule FT-D is attached.

3.0 PRICING

3.1 The rate used in calculating Customer's monthly demand charge under each of Customer's Schedules of Service for Service under Rate Schedule FT-D is the FT-D Demand Rate.

4.0 CHARGE FOR SERVICE**4.1 Aggregate of Customer's Monthly Demand Charge**

The aggregate of Customer's monthly demand charges for a Billing Month for Service under Rate Schedule FT-D shall be equal to the sum of the monthly demand charges for each of Customer's Schedules of Service under Rate Schedule FT-D, determined as follows:

$$\text{MDC} = \sum F \times \left(A \times \frac{B}{C} \right)$$

Where:

"MDC" = the aggregate of the demand charges applicable to such Schedule of Service for such Billing Month;

"F" = the FT-D Demand Rate;

"A" = each Export Delivery Contract Demand in effect for all or a portion of such Billing Month for such Schedule of Service;

"B" = the number of days in such Billing Month that Customer was entitled to such Export Delivery Contract Demand under such Schedule of Service; and

"C" = the number of days in such Billing Month.

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 Schedules of Service under Rate Schedule FT-D.

4.3 Aggregate of Customer's Over-Run Gas Charges

The aggregate of Customer's charges for Over-Run Gas in a Billing Month for Service under Rate Schedule FT-D shall be equal to the sum of the monthly charges for Over-Run Gas for each Export Delivery Point at which Customer is entitled to Service under Rate Schedule FT-D, determined as follows:

$$\text{MOC} = Q \times Z$$

Where:

"MOC" = the monthly charge for Over-Run Gas at the Export Delivery Point;

"Q" = total quantity of gas allocated to Customer by Company as Over-run Gas in accordance with paragraph 4.6 for Service under all Rate Schedules at such Export Delivery Point for such Billing Month;

"Z" = the IT-D Rate at such Export Delivery Point.

4.4 The calculation of Customer's charge for Over-Run Gas in paragraph 4.3 shall not take into account Customer's Inventory on the last day of the Billing Month.

4.5 FT-D Alternate Access

4.5.1. Calculation of Customer's FT-D Unutilized Contract Demand

For each Export Delivery Point Customer's FT-D Unutilized Contract Demand for a Billing Month for Service under Rate Schedule FT-D shall be a quantity determined as follows:

$$UCD = \left(\sum (A \times B) \right) - C$$

Where:

- “UCD” = the FT-D Unutilized Contract Demand applicable to such Export Delivery Point for such Billing Month;
- “A” = each Export Delivery Contract Demand in effect for all or a portion of such Billing Month for each Schedule of Service at such Export Delivery Point; and
- “B” = the number of days in such Billing Month that Customer was entitled to such Export Delivery Contract Demand under such Schedule of Service at such Export Delivery Point; and
- “C” = the total quantity of gas allocated pursuant to paragraph 4.7(iii) to Customer by Company under each Schedule of Service at such Export Delivery Point in such Billing Month.

4.5.2. Calculation of Customer's FT-D Alternate Access Quantity

Customer's Alternate Access Quantity for a Billing Month for Service under Rate Schedule FT-D shall be determined as the lesser of:

- (a) the sum of the quantity of gas allocated pursuant to paragraph 4.7(iv) by Company to such Customer at each Export Delivery Point under Rate Schedule IT-D in such Billing Month; or
- (b) the sum of Customer's FT-D Unutilized Contract Demand applicable to each Export Delivery Point for such Billing Month;

4.5.3. Calculation of Customer's FT-D Alternate Access Credit

Customer's credit for FT-D Alternate Access for a Billing Month shall be an amount equal to Customer's FT-D Alternate Access Quantity multiplied by the IT-D Rate.

4.6 Aggregate Charge For Service

Customer shall pay for each Billing Month the sum of the amounts calculated in accordance with paragraphs 4.1, 4.2, and 4.3 less the amount calculated in 4.5.3.

4.7 Allocation of Gas Delivered

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 quantity of gas delivered to Customer at an Export Delivery Point shall be allocated for billing purposes as follows:

- (i) first to service to Customer under Rate Schedule LRS-2 to a maximum of such Eligible LRS-2 Volumes for the A/BC Export Delivery Point under such Rate Schedule LRS-2;

- (ii) secondly to Service to Customer under Rate Schedule FT-DW and Rate Schedule STFT to a maximum of such Customer's allocated FT-DW Capacity and STFT Capacity for such Export Delivery Point under each such Rate Schedule FT-DW and Rate Schedule STFT;
- (iii) thirdly to Service to Customer under Rate Schedule FT-D to a maximum of such Customer's Export Delivery Contract Demand for such Export Delivery Point under such Rate Schedule FT-D; and
- (iv) fourthly to service to Customer under Rate Schedule IT-D at such Export Delivery Point. If Customer is not entitled to service under Rate Schedule IT-D at such Export Delivery Point, gas shall be allocated as Over-Run Gas and charged in accordance with paragraph 4.3.

5.0 TERM OF SERVICE

5.1 Term of a Schedule of Service

If, in the provision of new Service, Company determines that:

- (i) no new Facilities are required that are directly attributable (generally mainline facilities) to Customer's request for such Service, the term of the Schedule of Service shall be a term equal to the term requested by Customer with the minimum term being one (1) year; or
- (ii) new Facilities are required that are directly attributable (generally mainline facilities) to Customer's request for such Service, the term of the Schedule of Service shall be equal to ten (10) years or such longer period that Company and Customer agree to.

5.2 Term of Service Agreement

Customer's Service Agreement shall terminate on the latest Service Termination Date of Customer's Schedules of Service for Service under Rate Schedule FT-D.

6.0 CAPACITY RELEASE

6.1 If Customer desires a reduction of Customer's Export Delivery Contract Demand for all or any portion of its Service under a Schedule of Service under Rate Schedule FT-D, Customer shall notify Company of its request for such reduction specifying the particular Export Delivery Point, Schedule of Service and the Export Delivery Contract Demand available to any other Person who requires Service under Rate Schedule FT-D. Company shall not have any obligation to find any Person to assume the Export Delivery Contract Demand Customer proposes to make available. If after notice is given to Company a Person is found who agrees to assume the Export Delivery Contract Demand Customer proposes to make available, together with any applicable Surcharge, Company may reduce Customer's Export Delivery Contract Demand under such Schedule of Service, on terms and conditions satisfactory to Company, by an amount equal to the Export Delivery Contract Demand specified in a new Schedule of Service, executed by Company and such Person. Notwithstanding such reduction, Customer shall at Company's sole option either:

- (i) continue to pay any Surcharge until the Service Termination Date as described in the applicable Schedule of Service (unless any other Person acceptable to Company has agreed to pay such Surcharge); or
- (ii) in the event that Company retires any Facilities required to provide such Service, pay to Company within the time determined by Company, an amount equal to the net book value of such Facilities adjusted for all costs and expenses associated with such retirement.

7.0 TRANSFER OF SERVICE

7.1 If Customer desires to transfer all or any portion of Service under a Schedule of Service from a Customer's current Export Delivery Point to a different Export Delivery Point, Customer shall submit a transfer request to Company specifying the Export Delivery Points, the Schedule of Service, the portion of the Export Delivery Contract Demand that Customer wishes to transfer and the minimum Export Delivery Contract Demand that Customer will accept for transfer.

7.2 All transfer requests shall be irrevocable and must be received by Company prior to the deadline specified on the EBB.

7.3 Company is under no obligation to permit the transfer requested in paragraph 7.1 but may permit such transfer provided that:

- (i) Company determines that sufficient capacity exists in the Facilities to accommodate the transfer, after allocating any requests for new service;
- (ii) Company determines that the construction or installation of new Facilities directly attributable to the transfer is not required; and
- (iii) Customer's transfer request contains all the information specified in paragraph 7.1.

8.0 TERM SWAPS

8.1 A Customer entitled to receive Service under Rate Schedule FT-D shall not be entitled to swap the Service Termination Date of any Schedules of Service under Rate Schedule FT-D with the Service Termination Date under any Schedule of Service.

9.0 TITLE TRANSFERS

9.1 A Customer entitled to receive Service under Rate Schedule FT-D 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.

10.0 RENEWAL OF SERVICE

10.1 Renewal Notification

Customer shall be entitled to renew all or any portion of Service under a Schedule of Service under Rate Schedule FT-D, if Customer gives notice to Company of such renewal at least one (1) year prior to the Service Termination Date. If Customer does not provide such notice, the Service shall expire on the Service Termination Date.

10.2 Irrevocable Notice

Customer's notice to renew pursuant to paragraph 10.1 shall be irrevocable one (1) year prior to the Service Termination Date.

Any renewal of Service is subject to the Financial Assurances provisions in Article 10 of the General Terms and Conditions.

10.3 Renewal Term

Customer's notice shall specify a renewal term of not less than one (1) year consisting of increments of whole months.

11.0 APPLICATION FOR SERVICE

11.1 Applications for Service under this Rate Schedule FT-D shall be in such form as Company may prescribe from time to time.

12.0 GENERAL TERMS AND CONDITIONS

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

SERVICE AGREEMENT
RATE SCHEDULE FT-D

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 in this Service Agreement, 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 FT-D in accordance with the attached Schedules of Service. The Service will commence on the Billing Commencement Date and will terminate, subject to the provisions of this Service Agreement, on the Service Termination Date.

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 FT-D.

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 FT-D including, without limiting the generality of the foregoing, an assurance that 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 downstream of any Delivery 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 quantities of gas delivered 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. Customer acknowledges that the Facilities have been designed based on certain assumptions and forecasts described each year in Company's Annual Plan, and that interruption and curtailment of Service may occur if the aggregate gas quantity actually received or the aggregate gas quantity actually delivered at the Facilities is different than forecast.

7. Every notice, request, demand, statement, bid or bill (for the purpose of this paragraph, collectively referred to as "Notice") provided for in Rate Schedule FT-D, 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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- 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 EBB. Company shall not accept or provide 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.

- 8.** The terms and conditions of Rate Schedule FT-D, the General Terms and Conditions and Schedule of Service under Rate Schedule FT-D 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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NOVA Gas Transmission Ltd.

Per:

Per :

Per:

Per :
