

**RATE SCHEDULE SGS
SMALL GENERAL SERVICE****1. AVAILABILITY**

This Rate Schedule SGS, Small General Service is available to Transgas Limited (herein referred to as “Shipper”) upon execution by Shipper of a Service Agreement, Small General Service for the transportation by Company of gas to be sold to customers on a farm or in small communities or, to a customer that distributes to customers on farms or in small communities, provided that:

- (a) The gas is being ultimately consumed primarily for residential and commercial space heating purposes; and
- (b) Such customers are not being served under any other gas transportation agreement between Shipper and Company.

2. APPLICABILITY

This Rate Schedule SGS, Small General Service shall apply to the transportation service under Shipper’s Service Agreement, Small General Service.

3. SERVICE DESCRIPTION

Service rendered by Company for Shipper under this Rate Schedule SGS, Small General Service consists of:

- (a) The receipt of gas from Shipper (or for Shipper’s account) at each Receipt Point as specified in the Service Agreement, Small General Service;

- (b) The transportation of gas by Company in its facilities between the Alberta/Saskatchewan border near Empress to the Saskatchewan/ United States border near Monchy (“Zone 9”); and
- (c) The delivery by Company to Shipper of gas nominated by Shipper at each Delivery Point specified in the Service Agreement, Small General Service.

4. SERVICE AGREEMENT, SMALL GENERAL SERVICE

This Rate Schedule SGS, Small General Service is subject to all terms, conditions, stipulations and provisions of the Service Agreement, Small General Service.

5. GENERAL TERMS AND CONDITIONS

This Rate Schedule SGS, Small General Service is subject to all terms, conditions, stipulations and provisions of the General Terms and Conditions of this Gas Transportation Tariff as may be amended from time to time, with the exception of sections 8.7 and 16.

6. CHARACTER OF SERVICE

6.1 Small General Service

Gas transported by Company for Shipper under this Rate Schedule SGS, Small General Service shall not be subject to curtailment or interruption except as provided in the General Terms and Conditions of this Gas Transportation Tariff.

6.2 Receipt and Delivery Obligations

- 6.2.1** At each Delivery Point, Company and Shipper shall establish the Maximum Daily Delivery Quantity and shall specify the portion of such Maximum Daily Delivery Quantity to be received at each Receipt Point. The aforementioned Maximum Daily Delivery Quantity and portions thereof shall be specified in Appendix A to the Service Agreement, Small General Service.
- 6.2.2** At each Delivery Point, identified in Appendix A to the Service Agreement, Small General Service, Company is obligated to deliver to Shipper a daily quantity of gas which has an aggregate energy content of all gas received from Shipper at each Receipt Point destined for such Delivery Point, less Shipper's share of the energy content of Company Use Gas used in the transportation of such gas on such day.
- 6.2.3** For the purpose of calculating Shipper's share of Company Use Gas pursuant to subsection 8.3 of the General Terms and Conditions of this Gas Transportation Tariff, all of Shipper's quantities received into Zone 9 shall be deemed to have been transported 1/2 of the total distance in Zone 9 (130 km).

6.3 Daily Gas Nominations

- 6.3.1** Shipper shall advise Company of the total daily quantity of gas nominated by it for each Delivery Point. Such total daily quantity of gas shall not, subject to Article 1.2 of Shipper's Service Agreement, Small General Service, exceed the Maximum Daily Delivery Quantity for each such Delivery Point.
- 6.3.2** Out of such total daily quantity of gas nominated for each Delivery Point, Shipper shall advise Company of the daily quantity of gas nominated by it for transportation from each Receipt Point.

7. CHARGE FOR SERVICE

The rate used in calculating Shipper's monthly bill for service under this Rate Schedule SGS, Small General Service is the FT Rate in Zone 9.

7.1 Shipper's Obligation to Pay

Shipper shall be obligated to pay to Company in respect of each Billing Month, a charge for services rendered hereunder being the aggregate of Shipper's monthly commodity charges determined in accordance with subsection 7.2 hereof. Shipper's obligation to pay is not subject to any adjustment or abatement under any circumstances and such obligation shall be billed by Company to Shipper in accordance with section 5 of the General Terms and Conditions of this Gas Transportation Tariff.

7.2 Monthly Commodity Charge

Shipper's monthly commodity charge for a Billing Month shall be the product of:

- (a) the actual quantity of gas delivered by Company from Shipper under Rate Schedule SGS, Small General Service during such month;
- (b) 1/2 the total distance in Zone 9 (130 km); and
- (c) the FT Rate.