

**SERVICE AGREEMENT
SMALL GENERAL SERVICE
FOR TRANSPORTATION OF GAS**

This AGREEMENT made _____, 20__

BETWEEN:

FOOTHILLS PIPE LINES LTD., a body corporate having an office and carrying on business in the City of Calgary in the Province of Alberta (herein referred to as “Company”)

OF THE FIRST PART

AND:

TransGas Limited, a body corporate having an office and carrying on business in the City of _____ in the Province of _____ (herein referred to as “Shipper”)

OF THE SECOND PART

**SERVICE AGREEMENT
SMALL GENERAL SERVICE**

WHEREAS, Shipper wishes to obtain service relating to the transportation of gas through Company's transportation system; and

WHEREAS, Company is willing to provide such service;

In consideration of the premises and of the mutual covenants herein contained, the parties do covenant and agree as follows:

SERVICE AGREEMENT
SMALL GENERAL SERVICE**ARTICLE 1**Scope of Agreement

1.1 Company agrees to receive from Shipper at each Receipt Point herein specified, the quantity of gas up to the Maximum Daily Delivery Quantity and to transport and deliver to Shipper at each Delivery Point herein specified in the quantity from time to time nominated by Shipper up to the Maximum Daily Delivery Quantity, and Shipper agrees to accept such gas deliveries from Company, subject to the terms and conditions of this Service Agreement, Small General Service.

1.2 If Shipper desires to tender to Company on any day a quantity of gas in excess of Shipper's Daily Delivery Quantity for Shipper's Delivery Point for such day, it shall notify Company of such desire. If Company, in its sole judgement, determines that it has the necessary capacity available to receive and transport all or any part of such excess quantity and make deliveries in respect thereof, and that the performance of Company's obligations to other Shippers under their Service Agreements will not be adversely affected thereby, Company may elect to deliver to Shipper said excess quantity or part thereof, and so notify Shipper.

ARTICLE 2Rate Schedule and Rates

2.1 This Service Agreement, Small General Service is subject to the provisions of Rate Schedule SGS, Small General Service and the General Terms and Conditions of this Gas Transportation Tariff as they may be amended or superseded from time to time, which Rate Schedule and General Terms and Conditions of this Gas Transportation Tariff are by this reference incorporated herein and made a part hereof.

2.2 Shipper shall pay Company for all gas transportation services during the term of this Service Agreement, Small General Service in accordance with Rate Schedule SGS, Small General Service as filed with the National Energy Board as may hereafter be amended or superseded pursuant to the National Energy Board Act.

ARTICLE 3**Term of Agreement**

3.1 This Service Agreement, Small General Service shall become effective on the date of execution and shall continue in effect until _____, 20___ and thereafter as agreed between Shipper and Company subject to at least six months notice of termination by either party.

3.2 Notwithstanding the provisions of subsection 3.1, if at any time during the term hereof, Foothills Pipe Lines Ltd. Gas Transportation Tariff with Shippers transporting U.S. Gas from the Prudhoe Bay area of Alaska through all or any part of the Phase I facilities takes effect, Shipper and Company agree to forthwith execute a Gas Transportation Tariff identical in form and substance to the aforementioned Gas Transportation Tariff which shall be identical in form and substance to that attached as Appendix B hereto. Upon execution of such new Gas Transportation Tariff this Gas Transportation Tariff shall terminate.

ARTICLE 4**Receipt and Delivery Points and Pressures**

4.1 All receipts of gas from Shipper shall be at the Receipt Point of such gas, as identified in Appendix A attached to this Service Agreement, Small General Service, as the same may be in effect from time to time.

4.2 Should measuring equipment not be provided by Company at either the Receipt Point or the Delivery Point, Shipper shall be responsible for measurement in accordance with Company's obligation under the General Terms and Conditions of this Gas Transportation Tariff and Company shall, in such circumstances, have the same rights as Shipper as under section 3 of the General Terms and Conditions of this Gas Transportation Tariff.

4.3 The Delivery Points for gas to be transported hereunder shall be the points set forth in Appendix A attached to this Service Agreement, Small General Service as the same may be in effect from time to time.

4.4 The delivery pressure of the gas tendered by Shipper to Company for transportation shall be at a pressure sufficient to enter Company's system at the Receipt Point, up to that specified for such Receipt Point in Appendix A attached to this Service Agreement, Small General Service.

4.5 The delivery pressure of the gas delivered by Company to Shipper shall be at the pressure available from Company's system at the Delivery Point as specified for such Delivery Point in Appendix A attached to this Service Agreement, Small General Service.

ARTICLE 5

Title and Custody

5.1 Although Company does not acquire title of the gas transported under this Service Agreement, Small General Service gas received by Company from Shipper hereunder shall be deemed to be in the custody and under the control of Company from the time such gas is accepted for transportation at the Receipt Points until it is delivered to Shipper at the Delivery Points.

ARTICLE 6

Address of Parties

6.1 Any notice or any request, demand, statement, bid or bill (for the purpose of this subsection, collectively referred to as "Notice") provided for by the Rate Schedules, the Service Agreements and the General Terms and Conditions, or any other Notice which either Shipper or Company may wish to give to the other, shall be in writing and shall be directed as follows:

Shipper: •

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Attention: •

Fax: •

E-mail: •

Company: Foothills Pipe Lines Ltd.

450 First Street S.W.

Calgary, AB

T2P 5H1

Attention: Manager, Western Markets and Interconnects

Fax: •

E-mail •

6.2 Any Notice may be given by telecopier 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) Banking Days after mailing. In the event regular mail service, courier service, telecopier or other telecommunication shall be interrupted by a cause beyond the control of the parties hereto, then the party sending the Notice shall utilize any service that has not been so interrupted to deliver such Notice. Each party shall provide Notice to the other of any changes of address for the purposes hereof. Any Notice may also be given by telephone followed immediately by personal delivery, courier, prepaid mail, telecopier, or other telecommunication, and any such Notice so given shall be deemed to be given as of the date and time of the telephone Notice.

ARTICLE 7

Miscellaneous Provisions

7.1 The Tariff shall be governed by and construed in accordance with the laws of the Province of Alberta and the applicable laws of Canada, and Company and Customers irrevocably submit to the jurisdiction of the courts of the Province of Alberta for the interpretation and enforcement of the Tariff.

ARTICLE 8

Agreements Being Superseded

8.1 This agreement supersedes as of _____, 20____, the following agreements between parties hereto for the transportation of gas by Company for Shipper:

(Not Applicable)

ARTICLE 9

Amendment of Appendix A

9.1 Shipper and Company may at any time and from time to time amend Appendix A to Shipper’s Service Agreement, Small General Service by executing new Appendix A to Shipper’s Service Agreement, Small General Service which shall be given effect as of the effective date designated by the National Energy Board and shall thereupon be deemed to be incorporated in Shipper’s Service Agreement, Small General Service.

IN WITNESS WHEREOF the parties hereto have hereunto executed these presents all as of the day, month and year first above written.

FOOTHILLS PIPE LINES LTD.

Per:

Per:

Per:

Per:

APPENDIX A
to the Service Agreement, Small General Service
Dated _____ Between

Foothills Pipe Lines Ltd.

AND

(Shipper)

- 1. Receipt Point: _____
- 2. Delivery Point: _____
- 3. Shipper's Haul Distance _____ Km
- 4. Applicable Company Zone _____
- 5. Maximum Day Delivery Quantity (MDDQ) _____ GJ/d
- 6. Service Commencement Date _____
- 7. Appendix A Effective Date _____

Shipper

TransCanada PipeLines Limited

(signature)

(signature)

(name/title)

(name/title)

(signature)

(signature)

(name/title)

(name/title)

APPENDIX B

FOOTHILLS PIPE LINES LTD.
PRO FORMA
GAS TRANSPORTATION TARIFF

FOOTHILLS PIPE LINES LTD.
PRO FORMA
GAS TRANSPORTATION TARIFF

The aforementioned Pro Forma Tariff will be applicable to the transportation of Alaska, Alberta, and Northern Canada source gas through the completed Foothills Pipe Lines Ltd. system in Canada. This Gas Transportation Tariff is provided under separate cover.