

Attachment 3

Tariff Amendments – Clean copy



RATE SCHEDULE T-1
FIRM SERVICE (Cont'd)

7.2 Receipt and Delivery Obligations

7.2.1 At each Receipt Point, Company and Shipper shall establish the Maximum Daily Receipt Quantity and shall specify the portion of such Maximum Daily Receipt Quantity to be delivered to each Delivery Point. The aforementioned Maximum Daily Receipt Quantity and portions thereof shall be specified in Appendix A to the Service Agreement, Firm Service.

7.2.2 At each Delivery Point, identified in Appendix B to the Service Agreement, Firm 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 sum for each Zone used in the transportation of such gas on such day the energy content of;

- (a) Company Use Gas, and
- (b) Unaccounted for Gas, and
- (c) Line Pack Changes except in Zone 6, Zone 7 and Zone 9 where Company owns Line Pack.

7.2.3 Notwithstanding subsection 7.2.2 herein, Shipper shall not be allocated a share of Company Use Gas in respect of Backhaul service.

7.2.4 Company will provide Backhaul service under this Rate Schedule T-1, Firm Service to Shipper on Zone 9 only in circumstances where such service is requested by Shipper and, in Company's judgement, there is sufficient quantity of gas being received into Company's system to enable such service to be provided.



GENERAL TERMS AND CONDITIONS (Cont'd)

8. DELIVERIES OF GAS AND SUPPLY OF LINE PACK

8.1 Commingled Gas

Shipper and Company agree that the gas received by Company from Shipper under Shipper's Service Agreement, shall be commingled in Company's transportation system with gas received by Company from other Shippers under their Service Agreements. The gas which Company shall deliver to Shipper shall not be the identical gas which Company shall receive from Shipper. If the gas delivered by Company to Shipper meets the specifications set forth in the General Terms and Conditions, then such gas may be gas from other sources in lieu of all or any part of said gas delivered by Shipper to Company.

8.2 Company Use Gas

Company shall have the right but shall not be obligated to use gas being transported for Shipper for the operation, maintenance and construction of Company's facilities, such use to include among other things:

- (a) Fuel used in the operation of compressor stations;
- (b) Fuel used in buildings;
- (c) Purging and testing; and
- (d) In Zone 8, Line Pack for Company's facilities or any part thereof.

8.3 Unaccounted for Gas

Company shall not be responsible for Unaccounted for Gas, such as gas lost by explosion, fire or other calamities, and line losses, but shall keep account of any such gas.



GENERAL TERMS AND CONDITIONS (Cont'd)

8.6 Provision of Line Pack Gas for Zone 8

For each Zone Shipper's gas is transported through, Shipper shall provide Company with a volume of gas equal to the sum of Shipper's share of the Line Pack Requirements, Company Use Gas and Unaccounted for Gas. Shipper's share of the Line Pack Requirements for any Zone shall be that Zone's Line Pack Requirements multiplied by Shipper's Zone Allocable Share for that Zone. Line pack gas provided to Company by Shipper shall remain the property of Shipper but Company shall not be obliged to make deliveries to Shipper in respect of such gas except as provided in subsection 8.7 hereof.

8.6.1 Prior to Shipper's Billing Commencement Date, Shipper shall, to the extent it is able to do so, deliver to Company each day, for the purpose of supplying line pack gas, such volume of gas at such points on Company's transportation system as Company may request.

8.6.2 If, at any time following Shipper's Billing Commencement Date, there is an increase in the Line Pack Requirements, gas first received thereafter by Company from Shipper shall, up to Shipper's share of such increase, be deemed to be received on account of Shipper's obligation to furnish line pack gas and relative to such Line Pack Requirements, Company Use Gas and Unaccounted for Gas under this subsection 8.6, and not pursuant to Article 1 of Shipper's Service Agreement, provided that the volume of gas which Shipper is entitled to nominate on any day pursuant to such Article 1 shall not be increased as a result.

8.6.3 If Company is on any day required to allocate service under Article 2 of the Service Agreements of two or more Shippers, it shall, after giving effect to the provisions of section 9 of Rate Schedule T-1, Firm Service, give priority in such allocation to quantities of gas desired to be tendered in fulfillment of Shipper's obligation under this subsection 8.6; provided that, except for the purposes of such allocation, such gas shall be deemed not to be received pursuant to Article 1 of Shipper's Service Agreement.



GENERAL TERMS AND CONDITIONS (Cont'd)

8.7 Return of Line Pack Gas for Zone 8

If at any time Shipper's share calculated in accordance with subsection 8.4 hereof, of the Line Pack Requirements became less than the volume of gas which Shipper has delivered to Company as line pack gas, Company shall deliver to Shipper, as soon thereafter as is practicable and consistent with Company's obligations to all Shippers and Shipper's obligations under subsection 8.6 hereof, a volume of gas having an energy content equal to the difference between the energy content of the past and present Line Pack Requirements.

8.8 Provision of Line Pack Gas for Zone 6, Zone 7 and Zone 9

Company shall provide and own Line Pack for Company's facilities or any part thereof in Zone 6, Zone 7 and Zone 9 and such Line Pack gas shall remain the property of Company.

8.9 Scheduling of Alteration and Repairs

Company shall have the right to interrupt or reduce service to Shipper when necessary for any alterations, modifications, enlargements or repairs to any facilities or property comprising a part of Company's pipeline system or otherwise related to the operation thereof. Except in the event of an unforeseen emergency, Company shall provide Shipper with as much notice as practicable under the circumstances, and Company shall endeavour to schedule such alterations, modifications, enlargements or repairs in cooperation with Shipper so that Shipper may arrange for alternate supply or otherwise accommodate its operations to such reduction or interruption of service.

9. COOPERATIVE EXCHANGE OF INFORMATION

Company and Shipper shall, on request by either made to the other, cooperate in providing such certificates, estimates and information as shall be in its possession, and as shall be reasonably required by the other for the purpose of financing, for the purpose of operations, for obtaining any permits required for the construction of additional facilities, or for the purpose of complying with the provisions of any Deed of Trust and Mortgage to which it is a party.

10. SERVICE AGREEMENT

10.1 Service Rendered

Service rendered by Company for Shipper shall be pursuant to the terms of the Service Agreement between Company and Shipper.

RATE SCHEDULE (Cont'd)

7.2.2 At each Delivery Point, identified in Appendix B to the Service Agreement, 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 the sum for each Zone used in the transportation of such gas on such day of the energy content of;

- (a) Lost and Otherwise Unaccounted for Gas, plus
- (b) Company Use Gas.

7.3 Daily Gas Nominations

7.3.1 Shipper shall advise Company of the total daily quantity of gas nominated by it for each Receipt Point. Such total daily quantity of gas shall not, subject to Article 1.2 of Shipper's Service Agreement, exceed the Daily Receipt Quantity for each such Receipt Point.

7.3.2 Out of such total daily quantity of gas nominated for each Receipt Point, Shipper shall advise Company of the daily quantity of gas nominated by it for transportation to each Delivery Point.

8. PAYMENT FOR SERVICE

Shipper shall be obligated to pay to Company in respect of each billing month, commencing with Shipper's First Billing Month, a charge for services rendered hereunder being Company's Cost of Service determined in accordance with subsection 8.1 hereof. Shipper's obligation to pay Company's Cost of Service is not subject to any adjustment or abatement under any circumstances except as specifically provided for in subsection 8.10 hereof, 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.

RATE SCHEDULE (Cont'd)

Pc is the weighted average cost of preferred shares obtained by multiplying the amount of dividends on preferred shares outstanding from time to time during the billing month that would be accrued during the billing month at their stated annual rate, by 12 and dividing the product by P; and

Ec is the return allowed on common equity which shall be that return as approved by the National Energy Board.

8.8.2 The Zone rate base for the billing month shall be the total of (a) less (b) plus (c) below.

(a) The sum of the billing month balances of:

(i) Actual original investment in Gas Plant In Service including, but not limited to, such balances as recorded in Accounts 401 through 498;

(ii) Gas plant leased to others (Account 101);

(iii) Preliminary survey and investigation charges (Account 172);

(iv) Public improvements related to gas transmission operations (Account 176);

(v) Organization expense (Account 178);

(vi) Other deferred debits related to gas transmission operations (Account 179 and specific subdivision thereof to account for the adjustment pertaining to the National Energy Board's Proposed Approach to Incentive Rate of Return for the Northern Pipeline as approved by the National Energy Board); and

(vii) Transmission line pack gas (Account 153).



GENERAL TERMS AND CONDITIONS (Cont'd)

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7.2 Company Use Gas

Company shall have the right but shall not be obligated to use gas being transported for Shipper for the operation, maintenance and construction of Company's facilities; such use to include among other things:

- (a) Fuel used in the operation of compressor stations;
- (b) Fuel used in buildings; and
- (c) Purging and testing for Company's facilities or any part thereof.

7.3 Lost and Otherwise Unaccounted for Gas

Company shall not be responsible for Lost and Otherwise Unaccounted for Gas, such as, gas lost by explosion, fire or other calamities, line losses, and other unaccounted for gas.

7.4 Beginning of Delivery Obligation

Company shall have no obligation to deliver gas to Shipper prior to Shipper's Billing Commencement Date.

7.5 Provision of Line Pack Gas for Zone 6 and Zone 7

Company shall provide and own Line Pack for Company's facilities or any part thereof in Zone 6 and Zone 7 and such Line Pack gas shall remain the property of Company.



GENERAL TERMS AND CONDITIONS (Cont'd)

7.6 Allocation

The total number of Joules of Lost and Otherwise Unaccounted for Gas in either Shipper's West Leg or East Leg of Shipper's total transportation system shall be allocated to each of Company Zones in such West Leg or East Leg by multiplying the total number of Joules of Lost and Otherwise Unaccounted for Gas determined for the West Leg or East Leg by a fraction, the numerator of which shall be the product of Maximum Daily Receipt Quantity applicable to the Zone and the distance in kilometres such quantity is transported through the Zone, and the denominator of which shall be the sum of such products for all Zones in the applicable West Leg or East Leg.

7.7 Scheduling of Alteration and Repairs

Company shall have the right to interrupt or reduce service to Shipper when necessary for any alterations, modifications, enlargements or repairs to any facilities or property comprising a part of Company's pipeline system or otherwise related to the operation thereof. Except in the event of an unforeseen emergency, Company shall provide Shipper with as much notice as practicable under the circumstances, and Company shall endeavour to schedule such alterations, modifications, enlargements or repairs in cooperation with Shipper so that Shipper may arrange for alternate supply or otherwise accommodate its operations to such reduction or interruption of service.

8. COOPERATIVE EXCHANGE OF INFORMATION

Company and Shipper shall, on request by either made to the other, cooperate in providing such certificates, estimates and information as shall be in its possession, and as shall be reasonably required by the other for the purpose of financing, for the purpose of operations, for obtaining any permits required for the construction of additional facilities, or for the purpose of complying with the provisions of any Deed of Trust and Mortgage to which it is a party.

9. SERVICE AGREEMENT

9.1 Service Rendered

Service rendered by Company for Shipper shall be pursuant to the terms of the Service Agreement between Company and Shipper.