

STS-L TOLL SCHEDULE

**STORAGE TRANSPORTATION SERVICE-LINKED**

**STS-L TOLL SCHEDULE**

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STS-L TOLL SCHEDULE**1. AVAILABILITY**

1.1 Any Shipper shall be eligible to receive service pursuant to this Storage Transportation Service-Linked ("STS-L") Toll Schedule, provided such Shipper:

- (a) has entered into a STS-L Contract having a minimum term of one (1) year with TransCanada incorporating this STS-L Toll Schedule and providing for transportation service between the Market Point and the Storage Injection Point(s) and for transportation service between the Storage Withdrawal Point and the Market Point
- (b) has not executed a STS Contract with the same Market Point as specified in the STS-L Contract;
- (c) has its own gas storage facilities, or has entered into a gas storage contract with any company having gas storage facilities which are connected by gas transmission pipeline facilities to TransCanada's gas transmission system at the Storage Injection Point(s) and the Storage Withdrawal Point located downstream of the Alberta/Saskatchewan border;
- (d) has entered into a gas transportation contract(s) with the company(ies) operating gas transmission pipeline facilities connecting such gas storage facilities with TransCanada's gas transmission system at the Storage Injection Point(s) and the Storage Withdrawal Point (the "other Transporters"); and
- (e) has provided TransCanada with financial assurances as required by TransCanada pursuant to Section XXIII of the General Terms and Conditions referred to in Section 7 hereof.

**1.2 Facilities Construction Policy**

In order to provide service pursuant to this STS-L Toll Schedule, TransCanada utilizes capacity available from its own gas transmission system and from its firm transportation service entitlement on the Great Lakes Gas Transmission Company system, the Union Gas Limited system, and the Trans Quebec & Maritimes Pipeline Inc. system (the "Combined Capacity"). If a request for service pursuant to this STS-L Toll Schedule (the "Requested Service") requires an increase to the Combined Capacity, TransCanada is prepared to use all reasonable efforts to enable it to increase the Combined Capacity to the extent necessary provided that:

- (a) there is reasonable expectation of a long term requirement for the increase in the Combined Capacity; and

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- (b) the NEB approves the additional facilities and/or transportation services necessary to increase the Combined Capacity; and
- (c) the availability provisions of sub-Section 1.1 hereof are satisfied with respect to the Requested Service.

**2. APPLICABILITY AND CHARACTER OF SERVICE**

2.1 On each day during the term of the STS-L Contract, Shipper shall be entitled to request service hereunder by placing a nomination with TransCanada. Nominations shall be made pursuant to Section XXII of the General Terms and Conditions referred to in Section 7 hereof. Service hereunder shall not be subject to curtailment or interruption except as provided in Sections XI, XIV, and XV of the General Terms and Conditions.

Subject to the foregoing, TransCanada shall provide firm transportation service hereunder consistent with the provisions of the General Terms and Conditions; PROVIDED HOWEVER, that

- (a) deliveries hereunder by TransCanada to Shipper on any day from the Market Point to the Storage Injection Point(s) shall not exceed the Daily Operational Injection Quantity;
- (b) deliveries hereunder by TransCanada to Shipper on any day from the Storage Withdrawal Point to the Market Point shall not exceed the Daily Contract Withdrawal Quantity; ;
- (c) Daily Operational Injection Quantity shall be established on a monthly basis provided that new or revised Exhibit "B" of the STS-L Contract are received 10 business days prior to the 1<sup>st</sup> day of the applicable month; and
- (d) if there is more than one Storage Injection Point under Shipper's STS-L Contract and these points are also included under any other Shippers STS-L and/or STS Contracts, deliveries on any day to Shipper at each such Storage Injection Point shall be Shipper's pro rata share of the total STS-L and STS deliveries at such Storage Injection Point for all STS-L and STS Shippers on such day determined on the basis of the fraction which Shipper's STS-L nomination bears to the total STS-L and STS nominations of all STS-L and STS Shippers', unless TransCanada, Shipper and all the other STS-L and STS Shippers at each such Storage Injection Point otherwise agree.

2.2 For the purpose of the application of the provisions of Sections II, III, and IV of the General Terms and Conditions to service hereunder:

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- (a) when Shipper requests transportation service hereunder from the Market Point for delivery to the Storage Injection Point, the terms "delivery point", "receipt point", and "Shipper's Authorized Quantity" in TransCanada's General Terms & Conditions shall mean herein, respectively, the 'Storage Injection Point(s)', 'the Market Point', and 'the quantity of gas which Shipper requests and that TransCanada has agreed to deliver to the Storage Injection Point(s) subject to sub-Section 2.1 hereof (the "Daily Injection Quantity")';
- (b) when Shipper requests transportation service hereunder from the Storage Withdrawal Point for delivery to the Market Point, the terms "delivery point", "receipt point", and "Shipper's Authorized Quantity" shall mean, respectively, 'the Market Point', 'the Storage Withdrawal Point', and 'the quantity of gas which Shipper requests and TransCanada has agreed to deliver to the Market Point subject to sub-Section 2.1 hereof (the "Daily Withdrawal Quantity")'; and
- (c) if the STS-L Contract specifies a Storage Withdrawal Point located upstream of the Market Point, the Contract Demand shall be the Daily Contract Withdrawal Quantity; and, if the STS-L Contract specifies a Storage Injection Point(s) located downstream of the Market Point, the Contract Demand shall be the Daily Contract Injection Quantity.

### 3. MONTHLY BILL

3.1 The monthly bill payable by Shipper to TransCanada for service hereunder shall include the demand charge and the commodity charge for transportation service, plus, where applicable, an excess withdrawal charge, a delivery pressure charge in effect during the billing month; such charges shall be calculated by applying the applicable tolls as approved by the NEB (as set forth in the List of Tolls referred to in Section 7 hereof), as follows:

(a) **Demand Charge**

For each month of a Contract Year, the demand charge for transportation service hereunder shall be equal to the applicable Monthly Demand Toll multiplied by Shipper's Contract Demand. The said demand charge is payable by Shipper notwithstanding any failure by Shipper during such month, for any reason whatever, including an event of force majeure, to receive or deliver Shipper's full Contract Demand.

(b) **Commodity Charge**

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For each month of a Contract Year, the commodity charge payable shall be equal to the Commodity Toll multiplied by the sum of Shipper's total Daily Injection Quantity and total Daily Withdrawal Quantity for such month.

(c) Excess Withdrawal Charge

The "Daily Excess Withdrawal Quantity" shall mean, for any Day, the quantity by which Shipper's cumulative Daily Withdrawal Quantity, determined from the Date of Commencement (as defined in the STS-L Contract) exceeds the sum of the cumulative Daily Injection Quantity from the Date of Commencement, the cumulative Daily STFT Quantity from the Date of Commencement, and the cumulative Daily IT Quantity from the Date of Commencement.

**Where:**

Shipper's cumulative Daily Withdrawal Quantity shall not include any Daily Excess Withdrawal Quantities from any previous Day;

"Daily STFT Quantity" shall mean the quantity of gas that is delivered each Day by the STS Shipper pursuant to such Shipper's STFT Contract from the Market Point to the Storage Injection Point; and

"Daily IT Quantity" shall mean the quantity of gas that is delivered each Day by the STS Shipper pursuant to such Shipper's IT Contract from the Market Point to the Storage Injection Point.

On any Day, the sum of the Daily STFT Quantity and the Daily IT Quantity shall not exceed the Shipper's pro-rata share of the total Contract Demand, on that Day, of FT Contracts that:

- (i.) are not identified in a STS or STS-L Contract;
- (ii.) have a receipt point that is Empress or a receipt point in the province of Saskatchewan; and
- (iii.) have a delivery point which is the same as the Market Point in the Shipper's STS-L Contract.

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The pro-rata share shall be based on Shipper's STS-L Contract Demand at that Market Point, relative to the total STS and STS-L Contract Demand applicable to that Market Point.

For each month Shipper shall pay to TransCanada an excess withdrawal charge as follows:

- i. If the STS-L Contract specifies a Storage Withdrawal Point located downstream of the Market Point, the excess withdrawal charge shall be:
  - the total Daily Excess Withdrawal Quantity for such month; multiplied by
  - 1.25 x 100% load factor FT Toll from the Storage Withdrawal Point to the Market Point ; or
- ii. If the STS-L Contract specifies a Storage Withdrawal Point located upstream of the Market Point, the excess withdrawal charge shall be:
  - the total Daily Excess Withdrawal Quantity for such month; multiplied by
  - the difference between 1.25 x 100% load factor FT Toll from the Storage Withdrawal Point to the Market Point and the 100% load factor STS-L Toll,

(d) **Delivery Pressure Charge**

A delivery pressure charge shall be due if a portion or all of Shipper's Daily Injection Quantity or Daily Withdrawal Quantity for such month was delivered at a Storage point(s) having a delivery pressure charge for deliveries thereto. The monthly delivery pressure charge at each point having a delivery pressure charge shall be the product of the applicable Delivery Pressure Toll (expressed in \$/GJ) and the total of such quantities delivered at that point during such month. The total monthly delivery pressure charge shall be the sum of the monthly delivery pressure charges at all applicable points.

(e) **Fuel**

For each month, a Shipper shall provide, on a daily basis, a quantity of fuel in accordance with Section IV of the General Terms and Conditions.

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- 4.1 The minimum monthly bill for service hereunder shall be the demand charge determined in paragraph 3.1(a) hereof.

**5 ASSIGNMENT**

- 5.1 Subject to sub-Section 5.2, any company which shall succeed by purchase, merger or consolidation to the properties, substantially or in entirety, of Shipper or of TransCanada, as the case may be, shall be entitled to the rights and shall be subject to the obligations of its predecessor in title under any Contract into which this Toll Schedule is incorporated and any related contracts. Further, either Shipper or TransCanada may, without relieving itself of its obligations under any Contract into which this Toll Schedule is incorporated (unless consented to by the other party which consent shall not be unreasonably withheld), assign any of its rights and obligations thereunder to another party. Nothing herein shall in any way prevent either party to such Contract from pledging or mortgaging its rights thereunder as security for its indebtedness. Such Contract shall be binding upon and shall inure to the benefit of the respective successors and assigns of the parties thereto. No assignment hereunder in respect of a service which has already resulted in a reduction of the affected distributor's Contract Demand shall entitle such distributor to any further reduction in its Contract Demand.

- 5.2 Any assignment by Shipper is subject to the following conditions:

- (a) the assignment shall be for the remaining term of the STS-L Contract;
- (b) Shipper shall provide TransCanada with at least 60 days written notice of such assignment prior to the requested assignment date, which shall be the first day of a calendar month;
- (c) assignee and assignor shall execute TransCanada's assignment agreement; and
- (d) if the assignment is for total Contract Demand, assignor's cumulative Daily Injection Quantity, cumulative Daily STFT Quantity, cumulative Daily IT Quantity, cumulative Daily Withdrawal Quantity and aggregate Daily Excess Withdrawal Quantity shall as of the effective date of the assignment be transferred to the assignee; or

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if the assignment is for a portion of the Contract Demand, assignor's cumulative Daily Injection Quantity, cumulative Daily STFT Quantity, cumulative Daily IT Quantity, cumulative Daily Withdrawal Quantity, and aggregate Daily Excess Withdrawal Quantity shall as of the effective date of the assignment shall be transferred to the assignee on a pro-rata basis relative to the STS-L Contract Demand prior to such assignment.

- 5.3 Assignments at a discount negotiated between assignors and assignees are permitted, provided that the approved toll continues to be paid to TransCanada.
- 5.4 Save as herein provided, assignments of any Contracts into which this Toll Schedule is incorporated are expressly prohibited.
- 5.5 Prior to the effective date of any assignment of any Contract subject to sub-Section XXIII (3)(b) of the General Terms and Conditions of TransCanada's Tariff, assignee shall as requested by TransCanada, execute an assignment of any related Financial Assurances Agreements (as defined in Section 4.4(c)(ii) of the Transportation Access Procedure) or execute a new Financial Assurances Agreement.

**6. RENEWAL RIGHTS**

- 6.1 Pursuant to any Contract into which this STS-L Toll Schedule is incorporated and which contract has been determined by TransCanada to be serving a long term market, and subject to the following conditions, Shipper shall have the option (the "Renewal Option") of extending the existing term (the "Existing Term") of the Contract for a period of no less than one (1) year (the "Renewal Term") and revising the Contract Demand to a level no greater than the Contract Demand set out in the Contract provided that the following conditions are met:

- (a) TransCanada receives written notice from Shipper of Shipper's election to exercise the Renewal Option which sets out the term and Contract Demand of such renewal (the "Renewal Provisions" no less than six (6) months before the termination date which would otherwise prevail under the Contract; and
- (b) Shipper supplies TransCanada at the time of such notice with evidence satisfactory to TransCanada that Shipper will meet the availability provisions of the STS-L Toll Schedule in respect of the Renewal Provisions prior to the commencement of the Renewal Term.

TransCanada may accept late notice of Shipper's election to exercise the Renewal Option if TransCanada, in its sole discretion, determines that TransCanada will have the required

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capacity available after providing capacity for all of TransCanada's obligations pursuant to prior outstanding requests from Shipper and/or others, that such renewals will not adversely impact TransCanada's system operations and that all of the costs for providing this service will be covered by TransCanada's tolls. Contracts may be revised as of the effective renewal date to adhere to the then contract Pro Forma STS-L Contract.

Shipper may exercise the Renewal Option more than one time provided that the conditions found in this Section 5.1 and in Section 5.2 hereof are met upon each and every exercise of the Renewal Option.

6.2 Provided TransCanada has either received time notice as provided in Section 5.1(a) above from Shipper of Shipper's election to exercise the Renewal Option, or accepted late notice from Shipper of his election to exercise the Renewal Option, and provided that Shipper has met the availability provisions of the STS-L Toll Schedule in respect of the Renewal Provision, the Contract shall be amended as follows:

- (a) the Contract Demand set out in the Contract shall be revised to the level specified in the Renewal Provisions, effective as of the commencement of the Renewal Term; and
- (b) the term of the contract shall be extended to that specified in the Renewal Provision, effective as of the expiry of the Existing Term.

## 7. MISCELLANEOUS PROVISIONS

7.1 The General Terms and Conditions and the List of Tolls of TransCanada's Transportation Tariff as amended from time to time are applicable to this Toll Schedule and are hereby made a part hereof. If there is any conflict between the provisions of this Toll Schedule and the General Terms and Conditions, the provisions of this Toll Schedule shall prevail.

7.2 This Toll Schedule the List of Tolls and the General Terms and Conditions are subject to the provisions of the National Energy Board Act or any other legislation passed in amendment thereof or substitution therefor.