

FIRM SERVICE TENDERED

FST TOLL SCHEDULE

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1. AVAILABILITY

1.1 Any Shipper shall be eligible to receive service pursuant to this Toll Schedule provided such Shipper:

- (a) has entered into a Firm Service Tendered ("FST") Contract for transportation service with TransCanada having a minimum term of ten years commencing on a November 1 (the "Contract") wherein TransCanada agrees to tender to Shipper during the contract year sufficient capacity (the "ACQ Capacity") to provide for the transportation for Shipper of an annual quantity of gas designated in the Contract as the Annual Contract Quantity or the ACQ and subject to reduction pursuant to Section 2.3 hereof, or has obtained an Order of the NEB pursuant to subsection 71(2) of the National Energy Board Act as amended from time to time (the "71(2) Order") requiring TransCanada to transport gas for Shipper subject to the provisions of this Toll Schedule and to the terms and conditions contained in the 71(2) Order; and
- (b) has pipeline facilities interconnecting with TransCanada's facilities at the delivery point(s) specified in the Contract or the 71(2) Order, or has provided TransCanada with adequate assurances that arrangements have been made to have an authorized gas distribution or transmission company act as Shipper's agent in receiving from TransCanada at such delivery points the gas to be delivered pursuant to this Toll Schedule; and
- (c) has provided TransCanada with financial assurances as required by TransCanada pursuant to Section XXIII of the General Terms and Conditions of TransCanada's Transportation Tariff as referred to in Section 8.1 hereof (the "General Terms and Conditions").

1.2 Subject to Section 1.3 hereof, the total transportation capacity available for tender to all Shippers under this Toll Schedule is currently limited to the transportation capacity required by TransCanada to transport a quantity of 46,564,200 GJ in the contract year and service shall only be available to the Central and Southwestern Delivery Areas, subject to diversions to other delivery areas pursuant to Article 5 hereof.

1.3 Facilities Construction Policy

In order to provide service pursuant to this Toll Schedule, TransCanada utilizes transportation capacity available from its own gas transmission system and from its firm transportation service entitlements on the Great Lakes Gas Transmission Company system and the Union Gas Limited system (the "Combined Capacity"). If a request for service pursuant to this 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
- (b) the NEB and/or other agencies having jurisdiction approve the additional facilities and/or transportation services necessary to increase the Combined Capacity; and
- (c) the availability provisions of Section 1.1 hereof are satisfied with respect to the Requested Service.

2. APPLICABILITY AND CHARACTER OF SERVICE

- 2.1 Forty percent (40%) of the ACQ Capacity shall be designated as the "Winter Capacity". Sixty percent (60%) of the ACQ Capacity shall be designated as the "Summer Capacity". The average daily winter capacity available for transportation shall be determined by dividing the Winter Capacity by the number of days in the Winter Period, and the average daily summer capacity available for transportation shall be determined by dividing the Summer Capacity by the number of days in the Summer Period. For the purposes of this FST Toll Schedule, the "Winter Period" shall be the period from November 1 to March 31 in any contract year, and the "Summer Period" shall be the period from April 1 to October 31 in any contract year.

If tenders hereunder commence on any day other than a November 1, then the ACQ Capacity for the period from the date of first tender until the next occurring October 31 (the "First Year") shall be determined by multiplying the ACQ Capacity agreed on in the Contract for the first full contract year by a fraction, the numerator of which is the total ACQ Capacity remaining to be tendered in the First Year under all other of TransCanada's then existing FST contracts, and the denominator of which is the total ACQ Capacity in effect under such FST contracts for the contract year commencing the November 1 immediately preceding such date of first tender.

- 2.2 Subject to Section 2.10 hereof, the tendering of transportation capacity on a daily basis within the daily, seasonal, and annual limits herein provided and the scheduling of deliveries hereunder between the applicable delivery areas shall be at the sole discretion of TransCanada. TransCanada shall notify Shipper in writing not less than twelve (12) months prior to the commencement of each contract year of TransCanada's best estimate of the percentage of the Winter Capacity and Summer Capacity which TransCanada will make available in the Winter and Summer Periods, respectively, in each delivery area in such contract year.
- 2.3 If a Shipper's Contract has a term of three (3) years or more, Shipper shall have the right to revise its ACQ Capacity for any contract year by reducing its ACQ for the contract year by up to ten percent (10%) by giving TransCanada written notice to that effect at least eighteen (18) months prior to the commencement of the contract year.
- 2.4 TransCanada may curtail or interrupt at any time the tender of transportation capacity hereunder:
- (i) for any day by up to fifty percent (50%) of the applicable average daily seasonal capacity calculated pursuant to Section 2.1 hereof, and
 - (ii) during the period from May 1 to September 30 but for not more than twenty (20) days in any contract year by up to one hundred percent (100%) of the average daily summer capacity calculated pursuant to Section 2.1 hereof;
- PROVIDED that such curtailments or interruptions shall not operate to create cumulative deficiencies in transportation capacity tendered hereunder within any contract year in excess of the following:
- (a) at any point in time during the Winter Period: an amount of not more than ten percent (10%) of the Winter Capacity; and
 - (b) at any point in time during the Summer Period: an amount of not more than five percent (5%) of the ACQ Capacity.
- 2.5 Notwithstanding Section 2.4 hereof, any curtailments or interruptions of the tender of transportation capacity hereunder shall not operate to create a cumulative deficiency in transportation capacity tendered hereunder at any point in time in excess of nine percent (9%) of the then effective ACQ Capacity and, as of the end of any contract year, such

- cumulative deficiency in transportation capacity tendered hereunder shall not be in excess of one percent (1%) of the ACQ Capacity effective in such contract year (the "ACQ Shortfall"). Any ACQ Shortfall shall be completely tendered by TransCanada within the two months immediately following the end of the contract year in which it occurred (the "Deficiency Year") unless otherwise agreed by both TransCanada and Shipper. If the Contract otherwise terminates at the end of a Deficiency Year, the term thereof shall be extended for two months for purposes only of making up any ACQ Shortfall as aforesaid, and any limits as to the minimum amount that TransCanada must tender to Shipper that are otherwise required hereunder are waived.
- 2.6 On a day to day basis, the extent of curtailment or interruption under Sections 2.4 and 2.5 hereof shall be based on TransCanada's final quantity tendered for delivery that day, whether that be the Daily Tender, revised Daily Tender, or Revised Tender (unless cancelled) of transportation capacity pursuant to Section 4.1 hereof (including any quantities diverted by Shipper under Article 5) and not based on the quantity of gas actually received from or delivered to Shipper by TransCanada; PROVIDED, however, that where a variance between actual deliveries as determined for billing purposes at each month end and Daily Tenders or revised Daily Tenders or Revised Tenders of transportation capacity is a result of TransCanada's operations and not the actions of the Shipper, the actual deliveries of gas to the Shipper at the scheduled delivery points shall determine the extent of curtailment or interruption under Sections 2.4 and 2.5 hereof; PROVIDED that where such an operational variance determined at each month end is within a reasonable operating margin from accepted tenders, Shipper's remedies will be limited to payback of any volumes that are deficient from the accepted tenders.
- 2.7 Subject to Section 2.5 hereof, TransCanada shall tender capacity hereunder during the contract year sufficient to provide for the transportation of Shipper's ACQ. For the purpose of discharging its obligations to tender capacity hereunder, TransCanada shall be entitled to tender on any day in both delivery areas provided for herein (or to any delivery area or delivery point requested by Shipper pursuant to Article 5 hereof), a capacity not exceeding one hundred and thirty-five percent (135%) of the applicable average daily seasonal capacity calculated pursuant to Section 2.1 hereof; PROVIDED that TransCanada shall not be entitled for such purpose to tender without Shipper's agreement, capacity which would result in the cumulative capacity tendered:

- (i) by any day in a seasonal period exceeding the sum of fifteen percent (15%) of the applicable seasonal capacity plus the applicable average daily seasonal capacity calculated pursuant to Section 2.1 hereof multiplied by the number of days elapsed from the beginning of such seasonal period to such day ,
- (ii) as at the end of any Winter Period exceeding one hundred and ten percent (110 %) of the Winter Capacity for that Winter Period, and
- (iii) as at the end of any Summer Period exceeding one hundred and nine percent (109 %) of the Summer Capacity for that Summer Period;

and PROVIDED further that, notwithstanding the foregoing, TransCanada shall not be entitled to tender capacity that, for any contract year as at the end thereof on a total cumulative basis, would exceed one hundred and one percent (101%) of the ACQ Capacity after offsetting any ACQ Shortfall.

- 2.8 Shipper shall not be obligated to utilize the capacity tendered by TransCanada pursuant to Section 4 hereof in a delivery area at hourly rates of flow in excess of one hundred and twenty percent (120%) of the average hourly rate based upon the maximum daily quantity that Shipper is obligated to accept or utilize in such delivery area; PROVIDED that TransCanada shall give at least four (4) hours notice to Shipper of any cumulative increase in the hourly flow rate in any delivery area of more than thirty-five percent (35%) from the prevailing hourly flow rate in such delivery area, and PROVIDED that Shipper shall use its best efforts to utilize the capacity tendered at such greater rates of flow on such shorter notice as TransCanada may request.
- 2.9 If, on any day of the contract year, TransCanada tenders and makes available capacity in accordance with the terms hereof up to the maximum daily quantity which it is entitled to tender as provided in Section 2.7, but Shipper fails to deliver to TransCanada at the receipt point or to receive from TransCanada at the delivery point Shipper's authorized gas, then Shipper shall, in addition to the provisions of Section 4.2 hereof, be subject to the provisions of paragraph 2 of Section XXII of the General Terms and Conditions. For this purpose, Shipper's authorized gas shall mean and be the same as Shipper's nomination pursuant to Section 4.1 hereof.
- 2.10 Daily capacity tendered to each Shipper hereunder in each delivery area shall, unless all Shippers and TransCanada otherwise agree, be made in the proportion that each Shipper's ACQ Capacity bears to the sum of all Shippers' ACQ Capacities.

- 2.11 TransCanada agrees not to curtail or interrupt tenders of capacity to Shipper hereunder in order to transport gas under TransCanada's IS Toll Schedule, if transportation under the IS Toll Schedule would interfere with or restrict TransCanada's ability to tender the maximum annual capacity TransCanada is entitled to tender under this Toll Schedule.
- 2.12 Shipper shall provide, on an ongoing and timely basis to TransCanada, satisfactory evidence of its right to remove from the province(s) of production the ACQ at daily rates of take equal to one hundred and thirty-five percent (135%) of the applicable average daily seasonal capacity. If Shipper fails to do so, Shipper shall be in default hereunder (the "Default") to the extent of that part of the ACQ not authorized for removal from the province of production as aforesaid (the "Default Quantity"), and TransCanada shall be entitled to immediately suspend service for a quantity equal to the Default Quantity until such time as Shipper remedies the Default. TransCanada shall terminate any such suspension and resume service as to that part of the Default Quantity in respect of which the Default has been remedied.

3. MONTHLY BILL

- 3.1 The monthly bill payable by Shipper to TransCanada for transportation service made available at the delivery points set forth in Shipper's Contract in any month hereunder, including any capacity utilized by Shipper in excess of the ACQ Capacity in a given contract year, shall be equal to the applicable toll as approved by the NEB and set forth in the List of Tolls referred to in Section 7.1 hereof (the "List of Tolls") in effect at the time such service is rendered (or where the applicable toll is not set forth in the List of Tolls, the applicable toll as calculated using the methodology approved by the NEB) multiplied by the total quantity actually delivered to Shipper by TransCanada in such month. The toll applicable to the tender of ACQ Shortfall capacity shall be as specified in Section 4.3(c) hereof. The monthly bill payable by Shipper to TransCanada for transportation service made available at delivery points or delivery areas other than those set forth in Shipper's Contract pursuant to Article 5 hereof shall be calculated pursuant to Section 5.4 hereof.
- 3.2 Shipper shall also pay to TransCanada monthly a charge for delivery pressure provided that the Contract to which this FST Toll Schedule is applicable includes Dawn as a delivery point. The charge each month shall equal the ACQ divided by the number of days in the contract year multiplied by the Monthly Demand Toll for delivery pressure at Dawn as set out in the List of Tolls. However, if any gas hereunder is transported and

delivered in the Central Delivery Area (the "CDA Quantity"), this charge shall be reduced by an amount equal to the CDA Quantity during such month multiplied by the Delivery Pressure Daily Demand Toll for Dawn. Shipper shall also pay any applicable delivery pressure charges which become payable in connection with any quantities diverted pursuant to Article 5 hereof, which charges shall be calculated in accordance with Section 5.4 hereof.

- 3.3 For each month a Shipper shall provide, on a daily basis, a quantity of fuel based on a monthly fuel ratio to be established by TransCanada.

4. MINIMUM ANNUAL BILL AND DEFERRAL

- 4.1 Prior to 14:00 hours CCT on each day, TransCanada shall furnish Shipper with TransCanada's tender of the transportation capacity that TransCanada will make available to each Shipper in the next day (the "Delivery Day"), specifying the tendered capacity applicable to the receipt point(s) and the delivery point(s) in the scheduled delivery area(s) (the "Daily Tender"), which tender shall include any requested diversions which have been accepted by TransCanada pursuant to Article 5. TransCanada shall advise Shipper in the Daily Tender of any portion that relates to the make-up of the ACQ Shortfall (if any) from the previous contract year (the "Make-up Estimate"). In the event the Daily Tender changes after 14:00 hours CCT as a result of nominations for service received by TransCanada pursuant to Section XXII of the General Terms and Conditions or as a result of the actual performance of shippers pursuant to such nominations, or resulting from variations in the capacity available hereunder as a result of changes in the operational characteristics not expected at the time of the Daily Tender, TransCanada shall furnish Shipper with a revised Daily Tender prior to 17:30 hours CCT.

Within thirty (30) minutes following receipt of the Daily Tender and the revised Daily Tender (if any) for the Delivery Day, Shipper shall provide TransCanada with Shipper's written nomination, and revised nomination if applicable, setting out that portion of the capacity tendered by TransCanada which Shipper accepts for the applicable receipt point(s) and for the applicable delivery point(s) set forth in the Daily Tender or the revised Daily Tender, as the case may be .

At other times during a Delivery Day TransCanada may provide a revised Daily Tender of the capacity to be tendered to Shipper for the remainder of that Delivery Day and/or the following Delivery Day (the "Revised Tender"), PROVIDED that the change in the

capacity tendered to Shipper shall come into effect no earlier than four (4) hours from the time the Revised Tender is provided to Shipper. Shipper shall provide TransCanada within 30 minutes of receipt of the Revised Tender with a written nomination setting out that portion of the revised capacity tendered by TransCanada which Shipper accepts for the applicable receipt point(s) and for the applicable delivery point(s) set forth in the Revised Tender. Shipper shall be under no obligation to accept a Revised Tender unless that Revised Tender is a curtailment under Section XV of the General Terms and Conditions, and if Shipper rejects the Revised Tender, then the Revised Tender shall be cancelled, and the Daily Tender (or previously accepted Revised Tender) shall remain in effect.

Notwithstanding any above changes in tenders of capacity by TransCanada hereunder during the gas day, Shipper may for that Delivery Day, hold its nominations for deliveries by its suppliers at the Receipt Points constant at the level which corresponds to TransCanada's last tender for the Delivery Day made before 16:00 hours CCT on the immediately preceding day. TransCanada and Shipper will use reasonable efforts to ensure that any resultant imbalance (the "Intransit Quantity") is cleared during the following Delivery Day without exceeding toll schedule limitations.

For each Delivery Day, TransCanada shall calculate the "Supplemental Charge Quantity" which shall be equal to the amount by which the Daily Tender (or Revised Tender where applicable), including any Make-up Estimate, exceeds Shipper's Quantity, which is defined as the lesser of (i) the quantity of gas that Shipper actually made available to TransCanada at the receipt point(s) plus any Intransit Quantity tendered by TransCanada's Gas Control Department for that gas day notwithstanding any failure by Shipper on such day, for any reason whatsoever including force majeure or a suspension of receipts and deliveries by TransCanada under Section 2.12 hereof, to deliver Shipper's gas to TransCanada at the receipt point(s) and (ii) the quantity of gas that Shipper actually accepted from TransCanada at the applicable delivery point(s) in the scheduled delivery area(s) in the Delivery Day (including quantities diverted pursuant to Article 5 hereof); PROVIDED that if TransCanada tenders and actually makes available a capacity for the Delivery Day which is less than the Daily Tender as revised as aforesaid (or Revised Tender where applicable) including any Make-up Estimate then the Supplemental Charge Quantity for the Delivery Day shall be the amount by which the available capacity exceeds Shipper's Quantity. TransCanada shall notify Shipper when rendering the monthly bill hereunder of the Supplemental Charge Quantity for each day

- during the preceding month. When TransCanada's Daily Estimate includes a Make-up Estimate, then the capacity first used by Shipper on such day will be taken as meeting the Make-up Estimate. If the actual capacity utilized by Shipper on any day is less than the Make-up Estimate then this difference shall be the "Make-up Supplemental Charge Quantity" for such day.
- 4.2 After the end of each contract year Shipper shall pay TransCanada a supplemental amount equal to the sum of the Supplemental Charge Quantities for each day of such year less any Make-up Supplemental Charge Quantities in such year and plus any Make-up Supplemental Charge Quantities in the following year calculated pursuant to subsection 4.1 hereof, multiplied by an amount (the "Supplemental Charge") determined by subtracting the weighted average Firm Service Commodity Toll for such year from the weighted average FST Commodity Toll for such year, both tolls as approved by the NEB. For each contract year, the "weighted average" of a toll shall be the quotient of the sum of the products obtained by multiplying each of the Supplemental Charge Quantities for each day by such toll in effect on such day divided by the total Supplemental Charge Quantity for such year. The supplemental amount shall be due and payable at the same time as the regular monthly bill for the last month of such contract year unless at the end of such contract year there was an ACQ Shortfall. In such case the supplemental charge quantity shall be due and payable at the same time as the regular monthly bill for the month in which the shortfall has been completely made up.
- 4.3 Shipper may elect by written notice to TransCanada to defer a portion of the ACQ Capacity ("Shipper's Deferral") to the following contract year, PROVIDED that Shipper's Deferral has not been tendered already to Shipper. TransCanada shall tender Shipper's Deferral in the following contract year pursuant to the following conditions:
- (a) The tendering and delivery by TransCanada of the make-up quantities in the subsequent year shall have the lowest priority of service of all of the classes of service under TransCanada's Transportation Tariff and TransCanada shall not be obligated to tender any portion of Shipper's Deferral ("Shipper's Make-up") if in its sole discretion it would have insufficient capacity to meet TransCanada's other commitments.
 - (b) Shipper shall pay the Supplemental Charge on Shipper's Deferral in effect during the contract year from which the quantities were deferred as if Shipper's Deferral were included as part of the Supplemental Charge Quantities for such year.

- (c) In addition, Shipper shall pay at the time any Shipper's Make-up is transported, a commodity charge equal to TransCanada's marginal cost of transporting Shipper's Make-up, based on the appropriate cost components then approved by the NEB, multiplied by the quantity of Shipper's Make-up transported. If the toll for FST service is unchanged at the time the Shipper's Make-up is transported (but only within the same toll year as the finish of the contract year from which the Shipper's Deferral was made) from the FST Toll which was in place at the finish of the contract year from which the Shipper's Deferral was made, then the marginal cost of transporting Shipper's Make-up shall be deemed to be equal to FST commodity charge less the Supplemental Charge.

5. DIVERSION OF GAS

- 5.1 (a) Subject to the provisions herein, Shipper shall have the right to request a diversion under Shipper's Contract in the manner provided herein.
- (b) Shipper shall not be entitled to request a diversion which would cause the actual flow of gas on any segment of TransCanada's integrated pipeline system (including three segments comprised of TransCanada's maximum transportation entitlements under transportation agreements with Great Lakes Gas Transmission, L.P., Union Gas Limited and Trans Quebec and Maritimes Pipeline Inc.) to exceed the capacity of the affected segment.
- (c) Shipper shall not be entitled to request a diversion to a delivery point or delivery area which is upstream of the receipt point(s) specified in Shipper's Contract.
- (d) Shipper shall not be entitled to request a diversion for a quantity greater than 50% of the average daily winter capacity during the Winter Period. Requests for diversions during the Summer Period shall be subject to the quantity to be tendered by TransCanada on each day and shall be at TransCanada's sole discretion, but in any event shall not be greater than 50% of the average daily summer capacity.
- (e) For the purpose of Section XVI of the General Terms and Conditions, diversions shall be equivalent to service under an STS Contract.
- 5.2 Any request by Shipper for a diversion under Shipper's Contract shall be made pursuant to Section XXII of the General Terms and Conditions.

5.3 TransCanada shall have the right to not accept a request made pursuant to Section 5.2 hereof or to accept only a portion of the quantity so requested if the diversion requested would negatively impact TransCanada's ability to provide those transportation services which, pursuant to Section XV of the General Terms and Conditions, have a priority of service which is higher than that of the diversion requested by Shipper or if such diversion would otherwise be immediately curtailed pursuant to Paragraph 1(d) or 2(d) of Section XV of the General Terms and Conditions. TransCanada shall have the right to curtail diversions in accordance with Section XV of the General Terms and Conditions.

5.4 (a) Shipper shall pay TransCanada for diversions to delivery points or delivery areas other than those set forth in Shipper's Contract (the "Diverted Capacity") an amount each month equal to the total of the product(s) obtained by multiplying the Diverted Capacity at each such delivery point or delivery area during such month by a toll corresponding to the greater of:

- (i) the sum of the FT Daily Demand Toll plus the FT Commodity Toll for the delivery point or delivery area to which the gas was diverted, less the Total FST Differential, and
- (ii) the Eastern Zone FST Toll.

Notwithstanding the foregoing, Shipper shall pay TransCanada for diversions to the St.Clair export delivery point an amount equal to the product obtained by multiplying the Diverted Capacity at the St. Clair export delivery point by the Eastern Zone FST Toll.

(b) Shipper shall provide fuel to TransCanada based on the fuel gas ratio applicable at the delivery point to which the gas was diverted.

(c) If the gas is diverted hereunder to a Delivery Point at which a delivery pressure charge has been approved by the NEB and no delivery pressure charge exists for the delivery point specified in Shipper's Contract, then Shipper shall pay TransCanada, in addition to the charges provided above, an amount equal to the applicable Delivery Pressure Toll multiplied by Shipper's total diversion quantities at such Delivery Point for such month (a "Point Diversion Delivery Pressure Charge"). If a delivery pressure charge exists at the delivery point specified in Shipper's Contract, then Shipper shall pay TransCanada, in addition to the delivery pressure charge described in Section 3.2 above, an amount (a "Point

Diversion Delivery Charge") equal to the product obtained by multiplying Shipper's total diversion quantity at the delivery point which is the subject of the diversion multiplied by that amount, if any, by which the Delivery Pressure Toll at the delivery point which is the subject of the diversion exceeds the delivery pressure toll at the delivery point specified in Shipper's Contract.

The total delivery pressure charge for diversion quantities shall be the sum of the Point Diversion Delivery Pressure Charges at all applicable Delivery Points plus the delivery pressure charge, if any, payable pursuant to Section 3.2 above.

6. ASSIGNMENT

6.1 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. Either Shipper or TransCanada may, without relieving itself of its obligations under any such Contract (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 ACQ Capacity shall entitle such distributor to any further reduction in its ACQ Capacity.

6.2 Assignments at a discount negotiated between assignors and assignees are permitted, provided that the approved toll continues to be paid to TransCanada.

6.3 Save as herein provided, assignments of any Contracts into which this Toll Schedule is incorporated are expressly prohibited.

7. RENEWAL RIGHTS

7.1 Pursuant to any Contract into which this FST 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 ACQ to a level no greater than the ACQ set out in the contract (the "Renewal ACQ") 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 ACQ 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 meets the availability provisions of this FST 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 capacity available after providing capacity for all of TransCanada's obligations pursuant to prior outstanding requests from Shipper and/or others, such that the renewal will not adversely affect TransCanada's system operations and that all of the costs for providing this service will be covered by TransCanada's tolls.

7.2 PROVIDED that TransCanada has either received timely notice as provided in Section 6.1(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 FST Toll Schedule in respect of the Renewal Provisions, the Contract shall be amended as follows:

- (a) the Annual Contract Quantity 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 Provisions, effective as of the expiry of the Existing Term.

7.3 Shipper may exercise the Renewal Option more than one time, PROVIDED that the conditions found in this Section 6.1 and in Section 6.2 hereof are met upon each and every exercise of the Renewal Option.

8. MISCELLANEOUS PROVISIONS

- 8.1 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.
- 8.2 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.