

**INTERRUPTIBLE TRANSPORTATION BACKHAUL
TOLL SCHEDULE**

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1. DEFINITIONS

- 1.1. For the purposes of the ITB Toll Schedule, the following terms shall be defined as:
- (a) "Excess Capacity" shall have the meaning attributed to it in sub-section 3.2;
 - (b) "ITB" shall mean Interruptible Transportation Backhaul;
 - (c) "ITB Contract" shall have the meaning attributed to it in sub-section 2.1(a);
 - (d) "Shipper Nomination" shall have the meaning attributed to it in Section 1 of Section XXII of the General Terms and Conditions of TransCanada's Tariff.

2. AVAILABILITY

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

- (a) has entered into an interruptible backhaul service contract (the "ITB Contract") with TransCanada 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 ("71(2) Order"), requiring TransCanada to transport natural 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) nominated pursuant to the provisions of the ITB Contract, or has provided TransCanada with adequate assurances that arrangements have been made to have an authorized natural gas distribution or transmission company act as Shipper's agent in receiving from TransCanada the natural gas to be delivered pursuant to this Toll Schedule; and
- (c) has pipeline facilities interconnecting with TransCanada's facilities at the receipt point(s) nominated pursuant to the provisions of the ITB Contract, or has provided TransCanada with adequate assurances that arrangements have been made to have an authorized natural gas distribution or transmission company act as Shipper's agent in delivering to TransCanada the natural gas to be delivered pursuant to this Toll Schedule; and

- (d) provides on an ongoing and timely basis to TransCanada satisfactory evidence of its right to remove from the jurisdiction of production, origin and/or storage (as the case may be), and its right to import and/or export (as may be applicable), all or any part of the quantities of natural gas to be transported by TransCanada under the ITB Contract or the 71(2) Order; 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 5 hereof.

3. APPLICABILITY AND CHARACTER OF SERVICE

- 3.1 Service hereunder shall be subject to curtailment or interruption at any time that TransCanada determines in its sole discretion that deliveries hereunder would in any way interfere with or restrict TransCanada's ability to make deliveries of natural gas under any and all transportation services having a higher priority on TransCanada's system pursuant to Section XV of the General Terms and Conditions than the service requested hereunder, or any time that Shipper fails to comply, to TransCanada's satisfaction, with the conditions referred to in paragraphs 2.1 (b), (c), (d) or (e) herein.
- 3.2 On each day during the term of the ITB Contract Shipper shall be entitled to request service hereunder ("Shipper Nomination"). Nominations for service shall be made pursuant to Section XXII of the General Terms and Conditions with the exception that TransCanada's Gas Control Department must be in receipt of nominations for service hereunder at the time specified pursuant to Section XXII of the General Terms and Conditions. Shipper, when submitting a backhaul nomination, shall include in writing, the effective start and end time for the requested service.

On each day that Shipper makes a nomination for service hereunder TransCanada shall advise Shipper as to the quantities which TransCanada expects to be able to deliver for Shipper for the day for which service is being requested. If the capacity remaining available in TransCanada's system on such day, as determined by TransCanada in its sole discretion after having made provision for deliveries on such day of natural gas under all services having a higher priority on TransCanada's system pursuant to Section XV of the General Terms and Conditions (the "Excess Capacity") than the service provided hereunder, is insufficient to provide for delivery of all Shippers' nominated quantities, then the quantity available for each Shipper nominating service hereunder

- shall not exceed Shipper's allocated share of the Excess Capacity for such day. Shipper's allocated share of Excess Capacity on such day shall be the product of Excess Capacity on such day multiplied by a fraction the numerator of which shall be Shipper's nomination of such day, and the denominator of which shall be the total of all Shipper nominations for such day, under all ITB Contracts incorporating this Toll Schedule.
- 3.3 Notwithstanding Section XXII of the General Terms and Conditions each Shippers' authorized quantity hereunder shall be deemed to be equal to the quantity available for each such Shipper. Shipper shall not be entitled to submit a revised nomination after being advised of the quantity available unless such revised nomination reduces Shipper's nomination to zero (0).

4. MONTHLY BILL

- 4.1 The monthly bill payable by Shipper to TransCanada for transportation service hereunder shall be equal to the applicable toll as approved by the NEB (as set forth in the List of Tolls referred to in Section 5 hereof) multiplied by Shipper's total Authorized Quantity for the month to which this bill relates.
- 4.2 Shipper shall also pay monthly to TransCanada a charge for delivery pressure when deliveries hereunder are made to a delivery point at which a charge for delivery pressure has been approved by the NEB; provided however, no delivery pressure charge shall be payable when both of the following circumstances apply:
- (a) the delivery is made pursuant to a ITB Contract where gas is to be received from and delivered to the same point; and
 - (b) a delivery pressure charge has been assessed in connection with a TransCanada transportation service contract under which the gas was originally transported to the delivery point.

The monthly delivery pressure charge at each such delivery point shall be the product of the applicable daily equivalent Delivery Pressure Demand Toll and the total of Shipper's Authorized Quantity delivered hereunder to such delivery point for each day during such month. The total monthly delivery pressure charge shall be the sum of the monthly delivery pressure charges at all applicable delivery points.

5. MISCELLANEOUS PROVISIONS

- 5.1 Notwithstanding anything in Section XIV of the General Terms and Conditions to the contrary, and in addition to charges that TransCanada may assess under Section XXII of the General Terms and Conditions and the toll to be paid by Shipper pursuant to Section 4 of this Toll Schedule, Shipper shall hold TransCanada harmless for all losses, expenses, monetary or other damages, and costs of any kind incurred by TransCanada or for which TransCanada becomes liable to Shipper's agents or any third party hereto, due to failure of Shipper or Shipper's agents to deliver to TransCanada an amount of natural gas at the receipt point(s) specified in the ITB Contract, equivalent to that delivered by TransCanada to Shipper.
- 5.2 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.
- 5.3 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 thereto or substitution thereof.