

ENHANCED CAPACITY RELEASE SERVICE

ECR TOLL SCHEDULE

INDEX

Section		Sheet No.
1.	AVAILABILITY.....	1
2.	DESCRIPTION OF SERVICE.....	1
3.	MONTHLY BILL.....	4
4.	ASSIGNMENT.....	6
5.	MISCELLANEOUS PROVISIONS.....	6

1. AVAILABILITY

1.1 A Shipper shall be eligible to receive service pursuant to this ECR Toll Schedule provided that Shipper:

- (a) is party or an assignee under a Temporary Assignment (as defined in the Enhanced Capacity Release Service Contract) to a firm transportation service contract with TransCanada with a delivery point(s) in the Eastern Toll Zone or having a delivery point located on the international border between Canada and the United States downstream of St. Clair, Michigan (the "FT Contract"); and
- (b) has entered into an Enhanced Capacity Release Service Contract (the "ECR Contract"), incorporating this ECR Toll Schedule.

2. DESCRIPTION OF SERVICE

2.1 (a) A Shipper receiving service under this ECR Toll Schedule is hereinafter referred to as "Replacement Shipper";

- (b) Service provided under this ECR Toll Schedule allows Replacement Shipper to elect to receive natural gas quantities delivered to the Great Lakes Gas Transmission Limited Partnership pipeline system (the "Great Lakes System") at Emerson, Manitoba, provided that Replacement Shipper shall, on the same day, be required to redeliver the equivalent quantities of natural gas to TransCanada at Dawn, Ontario or at the Canadian side of the Canada/United States international border at St. Clair, Michigan (each a "Redelivery Point").

- (c) Subject to all limitations contained in the FT Contract, which limitations shall also apply to the service to be provided to Replacement Shipper hereunder, Replacement Shipper shall submit to TransCanada a written request for the release and assignment to Replacement Shipper or to such other party as designated by Replacement Shipper, (the "Designate") of a specified portion of TransCanada's capacity (the "Released Capacity") on the Great Lakes System held under the firm natural gas transportation service agreement with Great Lakes Gas Transmission Limited Partnership ("Transporter") dated April 13, 1994, as amended or superseded from time to time (the "FT004 Service Agreement"); provided however, Released Capacity shall not, on any day on which service is requested, exceed Replacement Shipper's entitlement for

natural gas nominations made by Replacement Shipper to TransCanada on such date under the FT Contract;

- (d) TransCanada shall only release capacity to Replacement Shipper or its Designate, as the case may be, from TransCanada's primary receipt point located at Emerson, Manitoba to its primary delivery point located at St. Clair, Michigan under the FT004 Service Agreement; provided however, Replacement Shipper or its Designate shall be entitled to segment the Released Capacity in the manner permitted by Transporter under Transporter's FERC Gas Tariff, Second Revised Volume No. 1, as amended or superseded from time to time (the "Transporter's FERC Gas Tariff");
 - (e) Replacement Shipper or its Designate, as the case may be, is prohibited from changing TransCanada's primary points of receipt and delivery under the FT004 Service Agreement but may utilize secondary receipt and delivery points in accordance with Transporter's FERC Gas Tariff;
 - (f) On each day that Replacement Shipper or its Designate, as the case may be, utilizes Released Capacity Replacement Shipper shall redeliver to TransCanada at the designated Redelivery Point the quantities of natural gas equivalent to the natural gas quantities delivered by Replacement Shipper to the Great Lakes System at Emerson, Manitoba on such day, and
 - (g) If Replacement Shipper, for any reason, fails to redeliver or anticipates it will be unable to redeliver the required quantities of natural gas at the designated Redelivery Point, Replacement Shipper shall immediately notify TransCanada by facsimile of such failure or inability.
- 2.2 Requests for service hereunder shall be in writing and submitted by Replacement Shipper by facsimile and must be received by TransCanada's Customer Service Department in Calgary, Alberta on or before 09:00 hours CCT on the day immediately preceding the day for which the capacity release is requested.
- 2.3 Upon acceptance by TransCanada of Replacement Shipper's request for Released Capacity, TransCanada will forward to Replacement Shipper an ECR Contract with a completed Exhibit "A" Addendum setting out the term, quantities, rates, designated Redelivery Point and other provisions of the capacity release.

- 2.4 Upon execution and delivery of the ECR Contract by Replacement Shipper to TransCanada, Replacement Shipper or its Designate, as the case may be, shall enter into a firm transportation service agreement with Transporter (the "Replacement FT Service Agreement") in respect of the Released Capacity, pursuant to Transporter's FERC Gas Tariff. Prior to obtaining service under this ECR Toll Schedule, Replacement Shipper shall provide TransCanada with a fully executed copy of the Replacement FT Service Agreement.
- 2.5 Replacement Shipper shall not and Replacement Shipper shall ensure that its Designate (if any) shall not receive service under the Replacement FT Service Agreement which is superior to the service available to TransCanada under the FT004 Service Agreement.
- 2.6 Replacement Shipper's or its Designate's quantities are subject to curtailment pursuant to TransCanada's Transportation Tariff provisions in the event of a force majeure.
- 2.7 Replacement Shipper shall and Replacement Shipper shall ensure that its Designate (if any) shall supply Transporter's Use gas (as defined in the ECR Contract) to Transporter as required by Transporter to transport on its system the quantities of natural gas that are subject of any capacity release.
- 2.8 If on any day Replacement Shipper fails to redeliver to TransCanada all or any portion of the required quantities of natural gas at the designated Redelivery Point, TransCanada shall, in its sole discretion and in addition to any other remedies available to it, have the right to curtail deliveries to Replacement Shipper and Replacement Shipper's agents at the delivery point(s) stipulated in the Replacement Shipper's FT Contract; provided however, TransCanada shall exercise reasonable efforts to curtail such deliveries in the manner requested by Replacement Shipper.
- 2.9 In this ECR Toll Schedule the rights and obligations of TransCanada, Replacement Shipper or its Designate are subject to all valid and applicable present and future laws, statutes, ordinances, rules, regulations, and orders of any governmental authority having jurisdiction or control over the service contemplated in this ECR Toll Schedule.

3. MONTHLY BILL

3.1 The monthly bill payable to TransCanada for service under this ECR Toll Schedule shall include:

(a) **Transportation Service**

(i) Demand Charge

For each month, the demand charge toll for the firm transportation service rendered to the delivery point(s) under the FT Contract shall apply pursuant to the terms and conditions of TransCanada's Transportation Tariff, FT Toll Schedule, and

(ii) Commodity Charge

For each month, the commodity charge toll for the transportation service rendered hereunder shall include the commodity charge toll under TransCanada's Transportation Tariff, FT Toll Schedule multiplied by the natural gas quantities delivered at Emerson, Manitoba (for the transportation service provided upstream of the Great Lakes System) plus, the applicable commodity charge toll for the natural gas quantities redelivered to TransCanada at the designated Redelivery Point for delivery to Replacement Shipper's delivery point(s) under its FT Contract (for the transportation service provided downstream of the Great Lakes System).

(b) **Delivery Pressure Service**

For each month, the demand charge toll(s) for the delivery pressure service provided for hereunder shall be levied on the capacity released quantities of natural gas that are subject of any capacity release based on the greater of the delivery pressure toll at Emerson II, Manitoba, and the delivery pressure toll(s) applicable under the FT Contract, pursuant to the terms and conditions of TransCanada's Transportation Tariff, FT Toll Schedule.

(c) **Fuel**

For each month, Replacement Shipper shall provide, on a daily basis, a quantity of fuel, based on a monthly fuel gas ratio to be established by TransCanada, for the transportation services rendered hereunder from Empress, Alberta to Emerson, Manitoba, and from the designated Redelivery Point to the delivery point(s) described in the FT Contract.

(d) **Demand Charge Adjustment**

TransCanada shall credit Replacement Shipper's monthly bill for transportation service hereunder by the dollar amount credited to TransCanada in the monthly bill received from Transporter under the FT004 Service Agreement pursuant to Transporter's FERC Gas Tariff which is attributable to the Released Capacity.

(e) **ECR Surcharge**

Replacement Shipper shall pay to TransCanada an Enhanced Capacity Release surcharge equal to the surcharge as approved by the National Energy Board (the "NEB") and set forth in the List of Tolls (the "List of Tolls") contained in TransCanada's Transportation Tariff and in effect at the time the service is rendered multiplied by the quantity of natural gas which Replacement Shipper is hereunder obligated to redeliver to TransCanada at the designated Redelivery Point for such billing month, whether or not Replacement Shipper actually redelivers such quantity of natural gas.

3.2 TransCanada shall determine Replacement Shipper's demand charge adjustment credit under Section 3.1 (d) by converting from United States dollars to Canadian dollars the reservation fee(s) for the Released Capacity that are credited on TransCanada's monthly bill by Transporter. TransCanada shall determine the credit using the Bank of Canada "noon spot rate" applicable on the last day of the month in which transportation service for the Released Capacity is rendered. The difference between the credit calculated using the Bank of Canada noon spot rate and the credit calculated using the actual rate incurred by TransCanada for payment of its bill from Transporter will be credited or charged to the Replacement Shipper on the Replacement Shipper's transportation

- service bill with TransCanada in the second month following the month in which transportation service for the Released Capacity is rendered.
- 3.3 In the event Replacement Shipper, its Designate, or any party to whom the Replacement Shipper or its Designate has re-released all or a portion of the Released Capacity (the "Re-Releasee") fails to pay Transporter for all amounts of any bill received regarding the Released Capacity pursuant to the Replacement FT Service Agreement, TransCanada shall have, in addition to any other remedies, the right, at any time, to adjust the credit provided to Replacement Shipper under Section 3.1 (d) by an amount equal to the rates and charges which Replacement Shipper, its Designate or Re-Releasee has failed to pay Transporter. Further, TransCanada shall have the right to collect from Replacement Shipper all unpaid amounts concerning the Released Capacity through a billing adjustment to Replacement Shipper under the FT Contract; provided, however, that TransCanada shall not be prohibited from collecting all unpaid amounts concerning the Released Capacity through any other lawful remedy it deems necessary.

4. ASSIGNMENT

- 4.1 Assignments of any contracts, in whole or in part, into which this ECR Toll Schedule is incorporated are expressly prohibited without TransCanada's prior written consent, which consent may, in TransCanada's sole discretion, be withheld or granted subject to any conditions which TransCanada deems necessary.

5. MISCELLANEOUS PROVISIONS

- 5.1 Prior to obtaining service under this ECR Toll Schedule, Replacement Shipper shall have obtained all consents and authorizations necessary to enter into and perform its obligations under the ECR Contract and shall, at TransCanada's request, provide TransCanada with copies of all such consents and authorizations.
- 5.2 Replacement Shipper or its Designate, as the case may be, shall be responsible to Transporter for all rates, charges, surcharges and penalties in effect from time to time under Rate Schedule FT of Transporter's FERC Gas Tariff, respecting the transportation service rendered under the Replacement FT Service Agreement between Replacement Shipper or its Designate, as the case may be, and Transporter.

- 5.3 Replacement Shipper shall be liable to TransCanada for all charges which may be levied or ordered by the NEB in respect of any transaction described herein, including without limitation, any charge for quantities of gas transported by TransCanada for the account of Replacement Shipper's or its Designate's tendered quantities of natural gas required by Transporter pursuant to Transporter's FERC Gas Tariff to transport such tendered quantities ("Transporter's Use").
- 5.4 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 ECR Toll Schedule and are hereby made a part hereof. If there is any conflict between the provisions of this ECR Toll Schedule and the General Terms and Conditions, the provisions of this ECR Toll Schedule shall prevail.
- 5.5 The provisions of the FT Contract and the FT Toll Schedule incorporated therein by reference, insofar as they relate to the quantities of natural gas which from time to time shall constitute Released Capacity, are hereby amended to give effect to the provisions of this ECR Toll Schedule and the provisions of any ECR Contract which incorporates this ECR Toll Schedule.
- 5.6 This ECR 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.