

NON RENEWABLE FIRM TRANSPORTATION SERVICE

FT-NR TOLL SCHEDULE

INDEX

Section	Sheet No.
1. AVAILABILITY	1
2. APPLICABILITY AND CHARACTER OF SERVICE	2
3. MONTHLY BILL	2
4. MINIMUM BILL	3
5. DEMAND CHARGE ADJUSTMENTS	3
6. ALTERNATE RECEIPT AND DIVERSION OF GAS	4
7. ASSIGNMENT	6
8. RENEWAL RIGHTS	7
9. TEMPORARY RECEIPT AND/OR DELIVERY POINT(S)	7
10. MISCELLANEOUS PROVISIONS	10

1. AVAILABILITY**1.1 Availability of Service**

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

- (a) has entered into a Non-Renewable Firm Transportation Service Contract with TransCanada having a minimum term of one (1) year; or has obtained an Order of the NEB, pursuant to sub-section 71(2) of the National Energy Board Act as amended from time to time ("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 which 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 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 referred to in Section 10 hereof.

1.2 Capacity Available for FT-NR

Capacity made available for Shippers under this Toll Schedule is capacity that is available on a firm basis for a specific period of time as a result of:

- (a) such capacity being previously contracted to other Shippers to commence on a future specified date; or
- (b) TransCanada determines in its sole discretion that such capacity may not be available after such future specified date.

This capacity shall be offered in respect of certain segments of TransCanada's Combined Capacity, each such segment being defined by reference to the receipt point and the delivery point or delivery area applicable thereto.

2. APPLICABILITY AND CHARACTER OF SERVICE

- 2.1 On each day during the term of the Contract Shipper shall be entitled to request service hereunder. Nominations for service shall be made pursuant to Section XXII of the General Terms and Conditions. Service hereunder shall not be subject to curtailment or interruption except as provided in Section XI, XIV and XV of the General Terms and Conditions; PROVIDED HOWEVER, that if Shipper fails to provide on an ongoing and timely basis to TransCanada satisfactory evidence of its right to remove from the province of production all or any part of the quantities of gas to be transported by TransCanada under the Contract, Shipper shall be in default hereunder (the "Default") to the extent of the daily quantity 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 up to, and including, 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 to TransCanada for service hereunder shall include the demand charge and the commodity charge in effect during the billing month for transportation service and, where applicable, for delivery pressure service and shall be calculated by applying, as follows, the applicable tolls as approved by the NEB (as set forth in the List of Tolls referred to in Section 10 hereof):

(a) Transportation Service**(i) Demand Charge**

For each month, the demand charge for transportation service shall be equal to the applicable Monthly FT Demand Toll multiplied by Shipper's Contract Demand. If Shipper's Contract Demand changes during a month, then a weighted average daily Contract Demand shall be determined for such month and shall be used to calculate the demand charge for such month. The said demand charge is payable by Shipper notwithstanding any failure by Shipper during such month, for any reason whatsoever including force majeure or a default by Shipper under sub-section 2.1 hereof, to deliver Shipper's Authorized Quantity to TransCanada at the receipt point.

(ii) **Commodity Charge**

For each month the commodity charge for transportation service shall be equal to the applicable FT Commodity Toll multiplied by Shipper's Authorized Quantities for transportation service between each authorized receipt point and delivery point or area.

(b) **Delivery Pressure Service**

For each month, the demand charge for delivery pressure service at each delivery point at which a toll for delivery pressure has been set shall be equal to the applicable Delivery Pressure Monthly Demand Toll multiplied by Shipper's Contract Demand in effect at each such delivery point. If Shipper's Contract Demand changes during a month, then a weighted average daily Contract Demand shall be determined for such month and shall be used to calculate the demand charge for such month. The said demand charge is payable by Shipper notwithstanding any failure by Shipper during such month, for any reason whatsoever including force majeure or a default by Shipper under sub-section 2.1 hereof, to deliver Shipper's Authorized Quantity to TransCanada at the receipt point.

(c) **Fuel**

For each month, a Shipper shall provide, on a daily basis, a quantity of fuel in accordance with Section IV (1) (a) of the General Terms and Conditions.

4. MINIMUM BILL

4.1 The minimum monthly bill for service hereunder shall be the demand charges determined in sub-sections 3.1 (a) (i) and (if applicable) 3.1 (b) hereof, after giving effect to any adjustment pursuant to Section 5 hereof.

5. DEMAND CHARGE ADJUSTMENTS

5.1 If during any day, TransCanada fails to deliver the quantity of gas requested by Shipper up to the Contract Demand, for any reason related solely to TransCanada's operations, including an event of Force Majeure occurring on any of the pipeline systems of TransCanada, Great Lakes Gas Transmission Company ("GLGT"), Union Gas Limited ("Union") and Trans Quebec & Maritimes Pipeline Inc. ("TQM"), then the monthly demand charge shall be reduced by an amount equal to the applicable FT Daily Demand

Toll multiplied by the difference between the quantity of gas which TransCanada actually delivered to Shipper on such day, and the quantity of gas which such Shipper in good faith nominated hereunder on such day. If TransCanada refuses to accept deliveries of Shipper's gas or curtails receipts from or deliveries to Shipper pursuant to Section 8 (Energy Imbalance Recovery) of Section XXII of the General Terms and Conditions, then there shall be no corresponding reduction in the monthly demand charge to Shipper. Notwithstanding the foregoing, if the quantity of gas which TransCanada fails to deliver is the subject of an accepted nomination for a Diversion and/or an Alternate Receipt, then TransCanada shall only be obligated to reduce the monthly demand charge if such Diversion and/or such Alternate Receipt is of the nature described in sub-section 1(h)(ii) or 2(h)(ii) in Section XV of the General Terms and Conditions and in all other cases there shall be no reduction in the monthly demand charge.

6. ALTERNATE RECEIPT AND DIVERSION OF GAS

- 6.1 (a) Subject to the provisions herein, Shipper shall have the right to nominate an Alternate Receipt and/or a Diversion under Shipper's Contract in the manner provided herein.
- (b) The aggregate of all nominations for delivery hereunder shall not exceed the Contract Demand under Shippers Contract.
- (c) Shipper shall not be entitled to nominate a Diversion to a delivery point or delivery area which is upstream of the receipt point specified in Shipper's Contract or upstream of the Alternate Receipt point.
- (d) Shipper shall not be entitled to nominate an Alternate Receipt from a receipt point that is upstream of the receipt point specified in Shipper's Contract or is downstream of the delivery point or delivery area specified in Shipper's Contract.
- (e) For the purpose of Section XVI of the General Terms and Conditions, Alternate Receipts and Diversions shall be equivalent to service under an STS Contract.
- 6.2 Any nomination by Shipper for an Alternate Receipt and/or a Diversion under Shipper's Contract must be received by TransCanada's Gas Control Department in Calgary at the time specified pursuant to Section XXII of the General Terms and Conditions.

6.3 TransCanada shall have the right to not accept a nomination made pursuant to sub-section 6.2 hereof or to accept only a portion of the quantities so nominated if the Alternate Receipt and/or Diversion nominated 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 Alternate Receipt and/or the Diversion nominated by Shipper or if such Alternate Receipt and/or Diversion would otherwise be immediately curtailed pursuant to sub-section 1(e) or 2(e) of Section XV of the General Terms and Conditions. TransCanada shall have the right to curtail Alternate Receipts and/or Diversions in accordance with Section XV of the General Terms and Conditions.

6.4. **Alternate Receipt and Diversions Return Home**

In the event that TransCanada does not accept a nomination for an Alternate Receipt and/or a Diversion pursuant to sub-sections 6.2 and 6.3 hereof, or accepts only a portion of the quantity so nominated, then TransCanada shall exercise reasonable efforts to allow Shipper to renominate the receipt point and/or delivery point or delivery area specified in Shipper's Contract. TransCanada shall have the right to reject any such renomination, or to accept only a portion of the quantity so renominated, if the renomination would negatively impact any other authorized transportation service.

In any event, Shipper shall pay the Daily Demand Toll based on the receipt point and delivery point or area specified in Shipper's Contract for the entire quantity set out in an Alternate Receipt and/or a Diversion nomination which was rejected by TransCanada pursuant to sub-section 6.3 hereof.

(a) In addition to the charges payable pursuant to sub-section 3.1(a) and (c) above, Shipper shall pay TransCanada for all Alternate Receipts and Diversions, a charge equal to the aggregate of:

(i) the product obtained by multiplying the amount, if any, by which the Daily Demand Toll, applicable from the Alternate Receipt point to the delivery point or delivery area specified in Shipper's Contract, exceeds the applicable Daily Demand Toll from the receipt point to the delivery point or area which are specified in Shipper's Contract, by shipper's Authorized Quantity; and

- (ii) the product obtained by multiplying the amount, if any, by which the Daily Demand Toll, applicable from the receipt point specified in the Shipper's Contract to the Diversion point, exceeds the applicable Daily Demand Toll from the receipt point to the delivery point or area which are specified in Shipper's Contract, by Shipper's Authorized Quantity.
- (b) 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 quantity 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 sub-section 3.1(b) 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 sub-section 3.1(b) above.

7. ASSIGNMENT

- 7.1 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 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.

- 7.2 Assignments at a discount negotiated between assignors and assignees are permitted, provided that the approved toll continues to be paid to TransCanada.
- 7.3 Save as herein provided, assignments of any Contracts into which this Toll Schedule is incorporated are expressly prohibited.

8. RENEWAL RIGHTS

- 8.1 Shipper shall not be entitled to renew any Non-Renewable Firm Transportation Service Contract or any portion of service thereunder.

9. TEMPORARY RECEIPT AND/OR DELIVERY POINT(S)

- 9.1 Upon receipt of a written request from Shipper, TransCanada may, in its sole discretion, allow Shipper to temporarily change the receipt and/or delivery point(s) under a Contract. Such a temporary change in receipt and/or delivery point(s), once authorized by TransCanada, shall apply for a minimum duration of three (3) months and shall not exceed the remaining term of the Contract.
- 9.2 Shipper's limited entitlement to obtain temporary receipt and/or delivery point(s) may apply to the full Contract Demand specified in the Contract, or any portion thereof.
- 9.3 For transportation service from a temporary receipt point and/or to a temporary delivery point, Shipper shall pay the following:
- (a) the greater of the FT Monthly Demand Toll payable for transportation from the original receipt point to the original delivery point specified in the Contract, and the Demand Toll which applies:
 - (i) from the original receipt point to the temporary delivery point;
 - (ii) from the temporary receipt point to the original delivery point; or

(iii) from the temporary receipt point to the temporary delivery point;

as the case may be:

- (b) the applicable FT Commodity Toll for the quantity of gas delivered after giving effect to the temporary receipt and/or delivery point(s); and
- (c) the greater of the Delivery Pressure Monthly Demand Toll applicable to the original delivery point specified in the Contract and the Delivery Pressure Monthly Demand Toll which applies to the temporary delivery point, plus any fuel related to the delivery pressure.

9.4 The Demand charges set out in sub-sections 9.3 a) and c) above are payable by Shipper notwithstanding any failure by Shipper during such month, for any reason whatsoever, including force majeure or a default by Shipper under sub-section 2.1 hereof, to deliver Shipper's Receipt Gas to TransCanada at the temporary receipt point.

9.5 Shipper shall pay for or provide, on a daily basis, a quantity of fuel based on the applicable monthly fuel ratio established by TransCanada for transportation for the quantity of gas delivered after giving effect to the temporary receipt and/or delivery point(s).

9.6 Upon acceptance by TransCanada of Shipper's request for a temporary receipt or delivery point, transportation service hereunder shall be firm in accordance with sub-section 2.1 of this FT-NR Toll Schedule.

10. MISCELLANEOUS PROVISIONS

10.1 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.

10.2 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.

- 10.3 This Toll Schedule together with the provisions of the General Terms and Conditions supercedes and replaces all previous Toll Schedules applicable to the Contract.