

FIRM TRANSPORTATION SERVICE CONTRACT

THIS FIRM TRANSPORTATION SERVICE CONTRACT, made as of the ____ day of _____, 20__.

BETWEEN:

TRANSCANADA PIPELINES LIMITED
a Canadian corporation
("TransCanada")

OF THE FIRST PART

and

("Shipper")

OF THE SECOND PART

WITNESSES THAT:

WHEREAS TransCanada owns and operates a natural gas pipeline system extending from a point near the Alberta/Saskatchewan border where TransCanada's facilities interconnect with the facilities of NOVA Gas Transmission Ltd. easterly to the Province of Quebec with branch lines extending to various points on the Canada/United States of America International Border; and

WHEREAS Shipper has satisfied in full, or TransCanada has waived, each of the conditions precedent set out in Sections 1.1 (b) and (c) of TransCanada's Firm Transportation Service Toll Schedule referred to in Section 7.1 hereof (the "FT Toll Schedule"); and

WHEREAS Shipper has requested and TransCanada has agreed to transport quantities of gas, that are delivered by Shipper or Shipper's agent to TransCanada at the Receipt Point(s) referred to in Section 3.2 hereof (the "Receipt Point(s)"), to the Delivery Point(s) referred to in Section 3.1 hereof (the "Delivery Point(s)") pursuant to the terms and conditions of this Contract; and

(Insert A)

WHEREAS the quantities of gas delivered hereunder by Shipper or Shipper's agent to TransCanada are to be removed from the province of production of such gas by Shipper and/or Shipper's suppliers and/or its (their) designated agent(s) pursuant to valid and subsisting permits and/or such other authorizations in respect thereof.

NOW THEREFORE THIS CONTRACT WITNESSES THAT, in consideration of the covenants and agreement herein contained, the parties hereto covenant and agree as follows:

ARTICLE I - COMMENCEMENT OF SERVICE**(Insert B)****ARTICLE II - GAS TO BE TRANSPORTED**

2.1 Subject to the provisions of this Contract, the FT Toll Schedule, the List of Tolls, and the General Terms and Conditions referred to in Section 7.1 hereof, TransCanada shall provide transportation service hereunder for Shipper in respect of a quantity of gas which, in any one day from the Date of Commencement until the ___ day of _____, ____, shall not exceed _____ GJ (the "Contract Demand").

ARTICLE III - DELIVERY POINT(S) AND RECEIPT POINT(S)

3.1 The Delivery Point(s) hereunder are those points specified as such in Exhibit "1" which is attached hereto and made a part hereof.

3.2 The Receipt Point(s) hereunder are those points specified as such in Exhibit "1" hereof.

ARTICLE IV - TOLLS

4.1 Shipper shall pay for all transportation service hereunder from the Date of Commencement in accordance with TransCanada's FT Toll Schedule, List of Tolls, and General Terms and Conditions set out in TransCanada's Transportation Tariff as the same may be amended or approved from time to time by the National Energy Board (the "NEB").

(Insert C)

ARTICLE V - TERM OF CONTRACT

5.1 This Contract shall be effective from the date hereof and shall continue until the ___ day of _____, ____.

ARTICLE VI - NOTICES

6.1 Any notice, request, demand, statement or bill (for the purpose of this paragraph, collectively referred to as "Notice") to or upon the respective parties hereto shall be in writing and shall be directed as follows:

IN THE CASE OF TRANSCANADA: TransCanada PipeLines Limited

(i) mailing address: P.O. Box 1000
Station M
Calgary, Alberta
T2P 4K5

(ii) delivery address: TransCanada Tower
450 - 1st Street S.W.
Calgary, Alberta
T2P 5H1

Attention: Director, Customer Service
Telecopy: _____

(iii) nominations: Attention: Manager, Nominations & Allocations
Telecopy: _____

(iv) bills: Attention: Manager, Contracts & Billing
Telecopy: _____

(v) other matters: Attention: Director, Customer Service
Telecopy: _____

IN THE CASE OF SHIPPER:

(i) mailing address: _____

(ii) delivery address: _____

(iii) nominations: Attention: _____
Telecopy: _____

7.3 This Contract shall be construed and applied, and be subject to the laws of the Province of Alberta, and, when applicable, the laws of Canada, and shall be subject to the rules, regulations and orders of any regulatory or legislative authority having jurisdiction.

(Insert D)

IN WITNESS WHEREOF, the parties hereto have executed this Contract as of the date first above written.

TRANSCANADA PIPELINES LIMITED

per _____

per _____

.....

per _____

per _____

EXHIBIT "1"

This is EXHIBIT "1" to the FIRM TRANSPORTATION SERVICE CONTRACT made as of the _____ day of _____, 20 __ between TRANSCANADA PIPELINES LIMITED ("TransCanada") and _____ ("Shipper").

The Delivery Point(s) hereunder is (are) the (those) point(s) of interconnection between the pipeline facilities of TransCanada and _____ which is (are) located at:

The Receipt Point(s) hereunder is (are) the (those) point(s) of interconnection between the pipeline facilities of TransCanada and _____ which is (are) located at:

DIFFERENT CONTRACT VERSIONS

I For a Firm Transportation Service Contract Executed Following Completion of a Precedent Agreement:

Insert A

WHEREAS the parties hereto have heretofore entered into an agreement dated as of the ____ day of _____, 20__, (the "Precedent Agreement") which bound them, subject to the fulfillment or waiver of the conditions precedent therein set forth, to enter into a Contract substantially upon the terms and conditions hereinafter described; and

WHEREAS the conditions precedent of the Precedent Agreement have been satisfied or waived; and

Insert B

1.1 TransCanada shall use reasonable efforts to have the additional facilities (and/or obtain such transportation arrangements on other gas transmission systems) as may be required to effect the transportation of the gas hereunder (the "Necessary Capacity") in place by the ____ day of _____, 20__, or as soon as possible thereafter. TransCanada's ability to provide service by the ____ day of _____, 20__, will be subject to, inter alia:

(a) the timing of receipt by Shipper and TransCanada of the authorizations referred to in paragraphs 1 and 2 of the Precedent Agreement which are required prior to the commencement of construction of TransCanada's facilities and the timing of the commencement of the services required by TransCanada (if any) on the systems of Great Lakes Gas Transmission Limited Partnership, TransQuebec and Maritimes Pipeline Inc., and Union Gas Limited; and

(b) the lead time required for the acquisition, construction and installation of those facilities required by TransCanada.

TransCanada shall use reasonable efforts to provide Shipper with ten (10) days advance Notice of the anticipated availability of the Necessary Capacity (the "Advance Notice"). TransCanada shall give Shipper Notice of the actual date of availability of the Necessary Capacity ("TransCanada's Notice"), and service hereunder shall not commence prior to the actual date of availability of the Necessary Capacity.

1.2 The date of commencement of service hereunder (the "Date of Commencement") shall be the earlier of:

- (a) the date for which Shipper first nominates and TransCanada authorizes service hereunder; or
- (b) the tenth (10th) day following the day on which Shipper received TransCanada's Notice;

PROVIDED that Shipper shall not be obligated to a Date of Commencement which is earlier than the ____ day of _____, 20__, unless mutually agreed upon by both parties.

II Firm Transportation Service Contract Requiring Displacement of a Firm Transportation Service Contract:

Insert A

(nothing)

Insert B

1.1 As TransCanada does not otherwise have sufficient pipeline capacity on its system to offer this service, another shipper who has a long term Firm Transportation Service contract(s) for the purpose of delivering gas to the same Delivery Point(s) (the "Other Contract") must agree to reductions in the Contract Demand under the Other Contract equal to the Contract Demand hereunder effective as of the Date of Commencement.

1.2 The date of commencement of service hereunder (the "Date of Commencement") shall be the date for which Shipper first nominates, and TransCanada authorizes deliveries hereunder, pursuant to the provisions of this Contract.

1.3 Notwithstanding Section 5.1 hereof, if the Date of Commencement has not occurred on or before the ___ day of _____, 20__, then either party may at any time thereafter, provided that service shall not have commenced hereunder, terminate this Contract forthwith by Notice to the other party.

III Firm Transportation Service Contract Not Following a Precedent Agreement and Not Requiring Displacement of a Firm Transportation Service Contract:

Insert A

(nothing)

Insert B

1.1 The date of commencement of service hereunder (the "Date of Commencement") shall be the ___ day of _____, 20__.

IV Contracts with Emerson I and II, Dawn, Niagara Falls, Iroquois, Chippawa or East Hereford as Delivery Points

Insert C

4.2 Shipper shall pay for all delivery pressure service hereunder from the Date of Commencement in accordance with TransCanada's FT Toll Schedule, List of Tolls and General Terms and Conditions set out in TransCanada's Transportation Tariff as the same may be amended or approved from time to time by the NEB.

(a) Emerson I (Viking) Delivery Point

Insert D

ARTICLE VIII - DELIVERY PRESSURE

8.1 TransCanada shall increase the line pressure of the gas it delivers to Shipper at the Point to the pressure necessary for Shipper to have Viking Gas Transmission Company accept receipt of such gas from Shipper for transportation from the Delivery Point, provided that, from the Date of Commencement until the termination of this Contract, TransCanada shall not be obligated to provide a pressure greater than 5 170 kPa (g).

(b) Emerson II (Great Lakes) Delivery Point

Insert D

ARTICLE VIII - DELIVERY PRESSURE

8.1 TransCanada shall increase the line pressure of the gas it delivers to Shipper at the Delivery Point to the pressure necessary for Shipper to have Great Lakes Gas Transmission Limited Partnership accept receipt of such gas from Shipper for transportation from the Delivery Point, provided that, from the Date of Commencement until the termination of this Contract, TransCanada shall not be obligated to provide a pressure greater than 5 460 kPa (g).

(c) Dawn Delivery Point

Insert D

ARTICLE VIII - DELIVERY PRESSURE

8.1 TransCanada shall increase the line pressure of the gas it delivers to Shipper at the Delivery Point to a pressure of not less than 4 850 kPa (g).

(d) Niagara Falls Delivery Point

Insert D

ARTICLE VIII - DELIVERY PRESSURE

8.1 TransCanada shall increase the line pressure of the gas it delivers to Shipper at the Delivery Point to a pressure of not less than 4 830 kPa (g).

(e) Iroquois Delivery Point

Insert D

ARTICLE VIII - DELIVERY PRESSURE

8.1 TransCanada shall increase the line pressure of the gas it delivers to Shipper at the Delivery Point to the pressure necessary for Shipper to have Iroquois Gas Transmission System, L.P. accept receipt of such gas from Shipper for transportation from the Delivery Point, provided that, from the Date of Commencement until the termination of this Contract, such pressure is not greater than 9 895 kPa (g).

(f) Chippawa Delivery Point

Insert D

ARTICLE VIII - DELIVERY PRESSURE

8.1 TransCanada shall increase the line pressure of the gas it delivers to Shipper at the Chippawa Delivery Point to the pressure necessary for Shipper to have Empire State Pipeline accept receipt of such gas from Shipper for transportation from the Chippawa Delivery Point, provided that such pressure is not greater than 8 450 kPa (g).

(g) East Hereford Delivery Point

Insert D

ARTICLE VIII - DELIVERY PRESSURE

8.1 TransCanada shall increase the line pressure of the gas it delivers to Shipper at the East Hereford Delivery Point to the pressure necessary for Shipper to have Portland Natural Gas Transmission System accept receipt of such gas from Shipper for transportation from the East Hereford Delivery Point, provided that such pressure is not greater than 8 650 kPa (g).