

INTERRUPTIBLE BACKHAUL TRANSPORTATION SERVICE CONTRACT

THIS INTERRUPTIBLE BACKHAUL 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 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) authorized in accordance with Section 2.1 hereof (the "Receipt Point(s)"), from the Receipt Point(s) to the delivery point(s) authorized in accordance with Section 2.1 hereof (the "Delivery Point(s)") pursuant to the terms and conditions of this Contract; and

WHEREAS Shipper has satisfied in full the conditions precedent in Sections 1.1 (b), (c), (d), and (e) of TransCanada's Interruptible Backhaul Service Toll Schedule (the "IT Backhaul Toll Schedule") referred to in Section 7.1 hereof; and

WHEREAS Shipper agrees to protect TransCanada against any failure by Shipper or Shipper's agents to deliver to TransCanada at the Receipt Point(s) that quantity of gas equal to the quantity that TransCanada delivers to Shipper at the Delivery Point(s) during the same day.

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

1.1 The date of commencement ("Date of Commencement") of service hereunder shall be the date for which Shipper first nominates and TransCanada authorizes service hereunder.

ARTICLE II - DELIVERY POINT AND RECEIPT POINT

2.1 Shipper shall be entitled to nominate service to any combination of Receipt Point(s) and (Export/Domestic) Delivery Point(s) acceptable to TransCanada which, in TransCanada's sole judgment, would not result in the transportation of gas between such points constituting a forward haul service.

ARTICLE III - TOLLS

3.1 Shipper shall pay for all transportation service hereunder from the Date of Commencement in accordance with TransCanada's IT Backhaul Service Toll Schedule, List of Tolls and General Terms and Conditions as described in Section 7.1 hereof set out in TransCanada's Transportation Tariff as same may be amended or approved from time to time (the "Tariff") by the National Energy Board ("NEB"). If the toll payable from IT Backhaul transportation service between the Receipt Point(s) and the Delivery Point(s) is not set forth in the List of Tolls, then TransCanada shall calculate such toll using the methodology approved by the NEB and thereafter such toll shall apply to such service (subject to amendment by TransCanada from time to time to reflect decisions of the NEB).

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

ARTICLE IV – TERM OF CONTRACT

4.1 This Contract shall be effective from the date hereof and shall continue in force until terminated by either party in accordance with Section 4.2 hereof or the General Terms and Conditions set out in the Tariff.

4.2 In addition to the termination provisions set out in the General Terms and Conditions of the Tariff, either party shall have the right to terminate this Contract at any time by giving the other party 30 days prior notice in writing. Upon the expiration of the aforesaid 30 day period, this Contract shall thereupon terminate and be of no further force or effect provided that nothing herein shall relieve either party from any obligation which arose prior to the effective date of such termination.

ARTICLE V - SHIPPER TO SUPPLY GAS

5.1 On each day for which service is requested by Shipper and authorized by TransCanada hereunder in accordance with Sections 2.1 and 2.2 of the IT Backhaul Toll Schedule, Shipper or Shipper's agent shall deliver or make available to TransCanada at the Receipt Point(s) a quantity of gas equal to Shipper's Authorized Quantity in accordance with Section II - "Applicability and Character of Service" of the General Terms and Conditions.

5.2 Shipper shall forthwith notify TransCanada of any break, stoppage, interruption or delay of any cause or form, which may result in Shipper failing to comply with Section 5.1 hereto.

5.3 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, 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, Shipper's agents or any third party, due to failure by Shipper or Shipper's agents to deliver to TransCanada, on any day, a quantity of gas at the Receipt Point(s) which is equivalent to the quantity of gas delivered by TransCanada to Shipper at the Delivery Point(s) on such day.

5.4 For all purposes under this Contract, Shipper agrees that the GHVd shall equal the GHVt as those terms are defined in the General Terms and Conditions.

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: _____

(iv) bills: Attention: _____
Telecopy: _____
E-mail address: _____

(v) other matters: Attention: _____
Telecopy: _____

Notice may be given by telecopier or other telecommunication device and any such Notice shall be deemed to be given four (4) hours after transmission. Notice may also be given by personal delivery or

by courier and any such Notice shall be deemed to be given at the time of delivery. Any Notice may also be given by prepaid mail and any such Notice shall be deemed to be given four (4) days after mailing, Saturdays, Sundays and statutory holidays excepted. In the event regular mail service, courier service, telecopier or other telecommunication service shall be interrupted by a cause beyond the control of the parties hereto, then the party sending the Notice shall utilize any service that has not been so interrupted to deliver such Notice. Each party shall provide Notice to the other of any change of address for the purposes hereof. Any Notice may also be given by telephone followed immediately by personal delivery, courier, prepaid mail, telecopier or other telecommunication, and any Notice so given shall be deemed to be given as of the date and time of the telephone notice.

ARTICLE VII - MISCELLANEOUS PROVISIONS

7.1 The IT Backhaul Toll Schedule, the List of Tolls, and the General Terms and Conditions set out in TransCanada's Transportation Tariff as amended or approved from time to time by the NEB are all by reference made a part of this Contract and operations hereunder shall, in addition to the terms and conditions of this Contract, be subject to the provisions thereof. TransCanada shall notify Shipper at any time that TransCanada files with the NEB revisions to the IT Backhaul Toll Schedule, the List of Tolls, and/or the General Terms and Conditions (the "Revisions") and shall provide Shipper with a copy of the Revisions.

7.2 The headings used throughout this Contract, the IT Backhaul Toll Schedule, the List of Tolls, and the General Terms and Conditions are inserted for convenience of reference only and are not to be considered or taken into account in construing the terms or provisions thereof nor to be deemed in any way to qualify, modify or explain the effect of any such provisions or terms.

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.

ARTICLE VIII – DELIVERY PRESSURE

8.1 TransCanada shall increase the line pressure of the gas it delivers to Shipper to the pressure necessary to have the interconnecting pipeline accept receipt of such gas from Shipper for transportation, provided that, from the Date of Commencement until the termination of this Contract, TransCanada shall not be obligated to provide pressure beyond the limits listed in the table following.

Delivery Point	Interconnecting Pipeline	Pressure Requirement kPa(g)
Emerson I	Viking Gas Transmission Company	Not greater than 5 170
Emerson II	Great Lakes Gas Transmission Limited	Not greater than 5 460
Dawn	Union Gas Transmission Ltd, Enbridge Gas Distribution Ltd.	Not less than 4 850
Niagara Falls	Tennessee Gas Pipeline Company	Not less than 4 830
Iroquois	Iroquois Gas Transmission System, L.P.	Not greater than 9 895
Chippawa	Empire State Pipeline	Not greater than 8 450

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

TRANSCANADA PIPELINES LIMITED

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per _____

per _____

per _____

per _____