

ENHANCED CAPACITY RELEASE SERVICE CONTRACT

THIS ENHANCED CAPACITY RELEASE SERVICE CONTRACT made as of the ____
day of _____, 20__.

BETWEEN:

TRANSCANADA PIPELINES LIMITED
a Canadian Corporation ("TransCanada")
OF THE FIRST PART

AND:

_____,

_____, ("Replacement 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 TransCanada and Replacement Shipper are parties to the firm transportation service agreement as identified in each Exhibit "A" appended hereto from time to time as the same may be extended, renewed, amended or superseded from time to time (the "FT Contract") or Replacement Shipper is the assignee under a temporary assignment of all or a portion of the FT Contract (the "Temporary Assignment");

AND WHEREAS TransCanada and Great Lakes Gas Transmission Limited Partnership ("Transporter") are parties to a firm natural gas transportation service agreement, dated April 13, 1994, as the same may be extended, renewed, amended or superseded from time to time (the "FT004 Service Agreement");

AND WHEREAS Transporter's FERC Gas Tariff, Second Revised Volume No. 1, as the same may be amended or superseded from time to time ("Transporter's FERC Gas Tariff"),

permits firm transportation shippers under Transporter's Rate Schedule FT to release and assign some or all of their capacity under the terms and conditions described therein;

AND WHEREAS Replacement Shipper has requested and TransCanada has agreed to release and assign to Replacement Shipper or to such other party as designated by Replacement Shipper, (hereinafter the "Designate"), a portion of its capacity on Transporter's system pursuant to the terms and conditions of this Contract;

Now therefore, in consideration of the premises and the mutual covenants and agreements herein contained, TransCanada and Replacement Shipper covenant and agree as follows:

ARTICLE I - TERM OF CONTRACT

1.1 This Contract shall be effective from the date hereof and shall continue in force until terminated by either party in accordance with Section 1.2 hereof or the General Terms and Conditions set out in the Transportation Tariff.

1.2 In addition to the termination provisions set out in the General Terms and Conditions of the Transportation 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 II - CAPACITY TO BE RELEASED AND REPLACED

2.1 Subject to the provisions of this Contract, the ECR Toll Schedule, the List of Tolls and the General Terms and Conditions set out in TransCanada's Transportation Tariff, as the same may be amended from time to time, TransCanada shall release and assign to Replacement Shipper or its Designate, as the case may be, such portion of its capacity (the "Released Capacity") on Transporter's system held pursuant to the FT004 Service Agreement, excluding overrun rights, for such period and in accordance with the details set out in each addendum to this Contract executed from time to time, which addendum shall be in the form attached hereto as Exhibit "A".

2.2 In consideration of the release and assignment of the Released Capacity, Replacement Shipper covenants and agrees that it or its Designate shall:

- (a) enter into a firm transportation service agreement with Transporter (the "Replacement FT Service Agreement"), pursuant to Transporter's FERC Gas Tariff and Rate Schedule FT, for a term identical to the releasing period identified in each Exhibit "A" (the "Releasing Period") entered into between TransCanada and Replacement Shipper; and
- (b) perform and observe all covenants and obligations of TransCanada under the FT004 Service Agreement regarding the Released Capacity.

2.3 On the same day that capacity is released under this Contract, Replacement Shipper shall redeliver to TransCanada at the designated Redelivery Point (as defined in TransCanada's ECR Toll Schedule) the quantities of natural gas equivalent to the natural gas quantities delivered by Replacement Shipper to Transporter's system at Emerson II, Manitoba.

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

3.1 TransCanada agrees to release capacity and Replacement Shipper agrees to accept on behalf of itself or its Designate, as the case may be, the Released Capacity at Transporter's primary receipt point at Emerson II, Manitoba (the "Great Lakes Primary Receipt Point") and Replacement Shipper agrees to redeliver equivalent natural gas quantities to TransCanada at the designated Redelivery Point as identified in each Exhibit "A" entered into by TransCanada and Replacement Shipper from time to time.

ARTICLE IV - TOLLS

4.1 Replacement Shipper shall pay for all transportation service hereunder in accordance with TransCanada's ECR 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"). Until set forth in the List of Tolls and approved by the NEB, the applicable toll for transportation service hereunder shall be as set out in the List of Tolls then in effect; PROVIDED however, in the event that the NEB does not approve the toll set out therein and approves another toll, then Replacement Shipper agrees to pay the toll approved by the NEB.

ARTICLE V - NOTICES

5.1 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 VI- MISCELLANEOUS PROVISIONS

6.1 Notwithstanding any provision of this Contract or the provisions of Transporter's FERC Gas Tariff, Replacement Shipper shall not and Replacement Shipper shall ensure that its Designate (if any) shall not change TransCanada's primary receipt point(s) and primary delivery point(s) under the FT004 Service Agreement without the prior written consent of TransCanada, whose consent may be withheld at TransCanada's discretion. Replacement Shipper or its Designate, as the case may be, may utilize secondary receipt point(s) and secondary delivery point(s) in accordance with the Transporter's FERC Gas Tariff.

6.2 If on any day Replacement Shipper fails to redeliver all or any portion of the required quantities of natural gas at the designated Redelivery Point, TransCanada shall, in its sole discretion, have the right to curtail deliveries to Replacement Shipper and/or Replacement Shipper's agents at the delivery point(s) stipulated in the FT Contract in amounts equivalent in quantity to the portion of such natural gas not received by TransCanada from Replacement Shipper at the Redelivery Point; provided however, TransCanada shall exercise reasonable efforts to curtail such deliveries in the manner requested by Replacement Shipper.

6.3 Replacement Shipper shall indemnify and hold harmless TransCanada, its directors, officers, employees and agents of and from any and all debts, demands, claims, charges, actions, or damages which may be asserted, claimed or brought by any person resulting from or related in any way to the curtailment of deliveries made by TransCanada as a result of Replacement Shipper's failure to deliver all or any portion of the natural gas to be redelivered by Replacement Shipper to TransCanada at the designated Redelivery Point.

6.4 Replacement Shipper shall indemnify and hold harmless TransCanada, its directors, officers, employees and agents of and from any and all debts, demands, claims, charges, actions, fees, tolls and penalties that: (I) Transporter may be entitled to collect from Replacement Shipper or its Designate pursuant to the Replacement FT Service Agreement or any transportation service agreement which Replacement Shipper or its Designate may enter into with Transporter in respect of the Released Capacity; or (II) may be incurred by or made against TransCanada as a result of any act or omission of the Designate.

6.5 Replacement Shipper hereby acknowledges and agrees that it shall be solely responsible for seeking and obtaining all regulatory authorizations, approvals and orders necessary to exercise its or its Designate's rights with respect to the Released Capacity, including, but not limited to, authorizations from the NEB and the United States Department of Energy for importing and exporting of gas. Notwithstanding the foregoing, Replacement Shipper acknowledges and agrees that its obligations hereunder shall remain in full force and effect upon commencement of this Contract and that its obligations hereunder are not conditional upon the granting or issuing of any such regulatory authorizations, approvals or orders.

6.6 This Contract, including the Exhibit "A" attached hereto, each Exhibit "A" entered into from time to time, and all terms, conditions and provisions incorporated herein by reference, constitute the entire agreement between the parties pertaining to the subject matter hereof and supersedes all prior agreements, representations and understandings, written or oral, pertaining thereto. Except as otherwise provided for herein, no modification, amendment or variation to this Contract shall be effective unless such modification, amendment or variation is in writing and signed by both parties hereto.

6.7 The ECR 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 transportation services hereunder shall, in addition to the terms and conditions of this Contract, be subject to the provisions thereof. TransCanada shall notify Replacement Shipper at any time that TransCanada files with the NEB revisions to the ECR Toll Schedule, the List of Tolls, and/or the General Terms and Conditions (the "Revisions") and shall provide Replacement Shipper with a copy of the Revisions.

6.8 Replacement Shipper shall be liable to TransCanada for all charges which may hereafter be determined by the NEB to arise from the transaction set forth herein, including, but not limited to, charges for quantities of gas transported on TransCanada's pipeline system (as that term is defined in TransCanada's Transportation Tariff) for the account of Replacement

Shipper's or its Designate's tendered quantities of gas required ("Transporter's Use") by Transporter pursuant to Transporter's FERC Gas Tariff.

6.9 TransCanada and Replacement Shipper agree that the terms and conditions of the Replacement FT Service Agreement entered into between Transporter and Replacement Shipper or its Designate, as the case may be, for the Released Capacity, as well as Transporter's FERC Gas Tariff, shall govern the rights and obligations of Replacement Shipper or its Designate in regard to the Released Capacity except as otherwise provided for in the ECR Toll Schedule and this Contract.

6.10 The headings used throughout this Contract, the ECR 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.

6.11 This Contract shall be construed and governed by 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.

6.12 Replacement Shipper hereby represents and warrants that it or its Designate, as the case may be, complies with and shall continue to comply with all valid and applicable present and future laws, statutes, ordinances, rules, regulations and orders of any governmental authority having jurisdiction or control over the Replacement Shipper, its Designate, either of them or this Agreement and/or the Replacement FT Service Agreement.

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 "A"

Enhanced Capacity Release Service Contract Addendum

This is Exhibit A, made as of the ____ day of _____, _____, to the Enhanced Capacity Release Service Contract ("the Contract") dated as of the ____ day of _____, _____, between TransCanada PipeLines Limited ("TransCanada") and _____ ("Replacement Shipper"). For purposes of this Contract, Replacement Shipper's Delivery Point on TransCanada's system shall be Emerson II, Manitoba.

Is the Replacement FT Service Agreement being signed by a Designate? Yes No

Designate Name: _____

This capacity release is made in conjunction with the following FT Contract:

Nom. Group Number	FT Contract Number	Date of FT Contract	FT Contract Delivery Point/Area	Qty. of Released Capacity (DT/day)	Qty. of Released Capacity (GJ/day)

Note: 1,000,000 DT = 1,055,056 GJ

Is Replacement Shipper's FT Service pursuant to a Temporary Assignment? Yes No

Temporary Assignment Number	Start Date of Temporary Assignment	End Date of Temporary Assignment

Great Lakes Reservation Fee: _____(\$US/DT/Month)

Great Lakes Primary Receipt Point: Emerson II, Manitoba

Great Lakes Primary Delivery Point: St. Clair , Ontario

Redelivery Point(s): St. Clair , Ontario Dawn, Ontario

Duration of Release in Days: _____

Releasing Period:

Commencing from and including _____ up to and including _____.

TRANSCANADA PIPELINES LIMITED:

per: _____
name: _____
title: _____
per: _____
name: _____
title: _____

- _____:

per: _____
name: _____
title: _____
per: _____
name: _____
title: _____