

FIRM BACKHAUL TRANSPORTATION SERVICE CONTRACT

THIS FIRM BACKHAUL TRANSPORTATION SERVICE CONTRACT FOR FIRM TRANSPORTATION SERVICE, 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 to Shipper or Shipper's agent to TransCanada at each receipt point referred to in Section 3.2 hereof (the "Receipt Point(s)") to each delivery point referred to in Section 3.1 hereof (the "Delivery Point(s)") pursuant to the terms of this Contract.

WHEREAS Shipper has satisfied in full, or TransCanada has waived, each of the conditions precedent set out in Sections 1.1 (b), (c) (d) and (e) of TransCanada's FBT Toll Schedule referred to in Section 8.1 hereof; and

WHEREAS the quantities of gas delivered hereunder by Shipper or Shipper's agent to TransCanada are to be removed from the province or country 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, in consideration of the premises and the mutual covenants and agreements herein contained, TransCanada and Shipper covenant and agree as follows:

ARTICLE I - DEFINITIONS

1.1 Capitalized terms used but not defined in this Contract shall have the meaning ascribed to such terms in the FBT Toll Schedule and in TransCanada's Transportation Tariff, as they may be amended from time to time.

ARTICLE II - GAS TO BE TRANSPORTED

2.1 Subject to the provisions of this Contract, the FBT Toll Schedule, the List of Tolls, and the General Terms and Conditions referred to in Section 8.1 hereof, TransCanada shall provide firm backhaul transportation service hereunder for Shipper in respect of a quantity of gas not in excess of the Maximum Daily Quantity specified in each Addendum to this Contract executed from time to time, which Addendum shall be in the form attached hereto as Exhibit "A".

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

3.1 The Delivery Point(s) hereunder are those points specified as such in each Exhibit "A" entered into by the parties.

3.2 The Receipt Point(s) hereunder are those points specified as such in each Exhibit "A" entered into by the parties.

ARTICLE IV - TOLLS

4.1 Shipper shall pay for all transportation service hereunder in accordance with TransCanada's FBT 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 ("NEB").

ARTICLE V - TERM OF CONTRACT

5.1 This Contract shall be effective from the date hereof and shall continue in force unless terminated in accordance with Section 5.2 hereof or the provisions of the General Terms and Conditions set out in TransCanada's Transportation Tariff.

5.2 In addition to the termination provisions set out in the General Terms and Conditions of TransCanada's 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 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 - DELIVERY PRESSURE

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

7.2 TransCanada shall increase the line pressure of the gas it delivers to Shipper at the Emerson II 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 Emerson II Delivery Point, provided that TransCanada shall not be obligated to provide a pressure greater than 5 460 kPa (g).

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

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

7.5 TransCanada shall increase the line pressure of the gas it delivers to Shipper at the Iroquois 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 Iroquois Delivery Point, provided that such pressure is not greater than 9 895 kPa (g).

7.6 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).

7.7 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).

ARTICLE VIII - MISCELLANEOUS PROVISIONS

8.1 The FBT 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 FBT 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.

8.2 The headings used throughout this Contract, the FBT 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.

8.3 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.

8.4 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.

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

TRANSCANADA PIPELINES LIMITED

per _____

per _____

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per _____

per _____

EXHIBIT "A" ADDENDUM

Firm Backhaul Transportation Service Contract Addendum

This is Exhibit "A" Addendum, made as of the ____ day of _____, 20__, to the Firm Backhaul Service Contract made as of the ____ day of _____, 20__, between TransCanada PipeLines Limited ("TransCanada") and _____ ("Shipper").

The Delivery Point hereunder is the point of interconnection between the pipeline facilities of TransCanada and _____ which is located at: _____.

The Receipt Point hereunder is the point of interconnection between the pipeline facilities of TransCanada and _____ which is located at: _____.

Duration: ____ days (minimum one (1) month) commencing at 0900h CCT on _____ and ending at 0900h CCT on _____.

Maximum Daily Quantity: _____ GJ

..... TRANSCANADA PIPELINES LIMITED

By: _____ By: _____

Title: _____ Title: _____

By: _____ By: _____

Title: _____ Title: _____