

**SHORT NOTICE BALANCING SERVICE CONTRACT**

THIS SHORT NOTICE BALANCING 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 sub-section 2.1 of TransCanada's Short Notice Balancing Toll Schedule referred to in Section 6 hereof (the "SNB Toll Schedule"); and

WHEREAS Shipper has requested and TransCanada has agreed to receive quantities of gas, that are delivered by Shipper or Shipper's agent to TransCanada to Pack the SNB Account or Draft quantities of gas that are received by Shipper or Shipper's agent from the SNB Account hereof 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 - CONTRACT QUANTITY**

2.1 Subject to the provisions of this Contract, the SNB Toll Schedule, the List of Tolls, and the General Terms and Conditions referred to in Section 6.1 hereof, TransCanada shall provide service hereunder for Shipper in respect of a quantity of gas which, from the Date of Commencement until the \_\_\_ day of \_\_\_\_\_, \_\_\_\_\_, shall not exceed \_\_\_\_\_ GJ (the "Contract Quantity").

**ARTICLE III - TOLLS**

3.1 Shipper shall pay for all service hereunder from the Date of Commencement in accordance with TransCanada's SNB 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 IV - TERM OF CONTRACT**

4.1 This Contract shall be effective from the date hereof and shall continue until the \_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.

**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 – 1<sup>st</sup> 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 The SNB 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 SNB 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.

6.2 The headings used throughout this Contract, the SNB 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.

6.3 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.

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"**

This is EXHIBIT "A" to the SHORT NOTICE BALANCING SERVICE CONTRACT made as of the \_\_\_\_\_ day of \_\_\_\_\_, 20 \_\_ between TRANSCANADA PIPELINES LIMITED ("TransCanada") and \_\_\_\_\_ ("Shipper")

This SNB Contract is linked to is the FT-SN Contract dated \_\_\_\_\_ between TransCanada and Shipper \_\_\_\_\_ and identified by the TransCanada contract identifier as \_\_\_\_\_

Such FT-SN Contract has a Contract Demand of \_\_\_\_\_ GJ/Day

The Delivery Point for such FT-SN Contract is the point of interconnection between the pipeline facilities of TransCanada and \_\_\_\_\_ which is located at:

The Receipt Point for such FT-SN Contract is the point of interconnection between the pipeline facilities of TransCanada and \_\_\_\_\_ which is located at:

**DIFFERENT CONTRACT VERSIONS**

**I For a Short Notice Balancing 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 arrangements on other gas transmission systems) as may be required to effect the provision of service 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 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 Short Notice Balancing Service Contract Not Following a Precedent Agreement:**

**Insert A**

(nothing)

**Insert B**

1.1 The date of commencement of service hereunder (the "Date of Commencement") shall be the \_\_\_\_ day of \_\_\_\_\_, 20\_\_.