

**PARKING AND LOAN SERVICE (PALS) CONTRACT**

THIS CONTRACT, made for PARKING AND LOAN SERVICE as of the \_\_\_\_ day of \_\_\_\_\_, 20\_\_.

BETWEEN: TRANSCANADA PIPELINES LIMITED  
a Canadian corporation  
("TransCanada")

OF THE FIRST PART

and

\_\_\_\_\_  
\_\_\_\_\_

\_\_\_\_\_  
("PALS Account Holder")

OF THE SECOND PART

WITNESSES THAT:

WHEREAS PALS Account Holder has requested and TransCanada has agreed to allow PALS Account Holder to maintain and operate a PALS Account at PALS points in accordance with the PALS General Terms and pursuant to the PALS Toll Schedule; and

WHEREAS PALS Account Holder has satisfied in full, or TransCanada has waived, each of the conditions precedent set out in Subsections 1.1(a) of the PALS Toll Schedule.

NOW THEREFORE this PALS contract witnesses that, in consideration of the covenants and agreement herein contained, the parties hereto covenant and agree as follows:

**ARTICLE I - DEFINITIONS**

1.1 Capitalized terms used but not defined in this PALS Contract shall have the meanings ascribed to such terms in the PALS General Terms and the PALS Toll Schedule, as each may be amended from time to time.

**ARTICLE II - NATURE OF SERVICE**

2.1 Subject to the provisions of this PALS Contract, the PALS Toll Schedule, and the PALS General Terms, TransCanada shall provide PALS hereunder.

2.2 PALS Account Holder shall be solely responsible for securing faithful performance by its gas supplier(s) and/or Transporter(s) in all matters that may affect TransCanada's performance hereunder. TransCanada shall not be liable to PALS Account Holder or any third party as a result of the failure of any gas supplier(s) and/or Transporter(s) to so perform. Furthermore, PALS Account Holder shall indemnify and hold harmless TransCanada for any and all claims resulting from non-performance by PALS Account Holder's gas supplier(s) and Transporter(s).

**ARTICLE III - PALS ACCOUNTS**

3.1 PALS Account Holder may operate one PALS Account at each PALS point. From time to time, when PALS Account Holder and TransCanada agree to a PALS Transaction, an Exhibit "A", substantially in the form attached hereto as Exhibit "A" shall be executed by both parties prior to PALS Transaction commencing.

3.2 Each Exhibit "A" will be delivered by telecopier and will set out the PALS point, Duration, Toll, Injection Rate, Withdrawal Rate, Total Quantity, PALS Reference Number and any other term or condition specific to the Transaction.

3.3 More than one Exhibit "A" may be in effect at any time.

**ARTICLE IV - TERM OF CONTRACT**

4.1 This PALS Contract shall be effective from the date hereof and shall continue in force and effect unless terminated in accordance with Section 4.2 hereof, the provisions of the PALS Toll Schedule or the PALS General Terms.

4.2 In addition to the termination provisions set out in the PALS Toll Schedule and the PALS General Terms, either party shall have the right to terminate this PALS Contract at any time by giving thirty (30) days notice to the other party. Subject to Section 4.3 hereof, upon expiration of the aforesaid thirty (30) day period, this PALS Contract shall terminate and be of no further force or effect; provided that nothing herein shall relieve either party from any obligations which arose prior to the effective date of such termination.

4.3 Notwithstanding the provisions of Sections 4.1 and 4.2 hereof, this PALS Contract shall not terminate before all Exhibit "A" agreements then in effect have expired.

**ARTICLE V - TOLLS**

5.1 PALS Account Holder shall pay the Toll listed on each Exhibit "A" entered into pursuant to this PALS Contract and all surcharges assessed in accordance with the provisions of the PALS Toll Schedule.

**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 – 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 VII - MISCELLANEOUS PROVISIONS**

7.1 The PALS Toll Schedule, the PALS General Terms, and each Exhibit "A", as amended or approved from time to time, are all by reference made a part of this PALS Contract and service hereunder shall, in addition to the terms and conditions of this PALS Contract, be subject to the provisions thereof. TransCanada shall notify PALS Account Holder at any time that TransCanada files with the NEB revisions to the PALS Toll Schedule, or the PALS General Terms (the "Revisions") and shall provide PALS Account Holder with a copy of the Revisions.

7.2 The headings used throughout this PALS Contract, the PALS Toll Schedule, the PALS List of Tolls and the PALS General Terms 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 PALS 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.

7.4 This PALS Contract, including 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 PALS 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 PALS Contract as of the date first above written.

TRANSCANADA PIPELINES LIMITED

PALS ACCOUNT HOLDER

per \_\_\_\_\_

per \_\_\_\_\_

per \_\_\_\_\_

per \_\_\_\_\_

EXHIBIT "A"

"Parking and Loan Deal Sheet"

Dated \_\_\_\_\_

This EXHIBIT "A," made under Contract # \_\_\_\_\_ sets forth our binding agreement to Park or Loan gas on the following terms and conditions. These terms and conditions will be final and binding unless you advise TransCanada PipeLines Limited, at (403) 920-5500, of any inaccuracy within 24 hours of receiving this exhibit.

PALS Account Holder:

PALS Reference Number: \_\_\_\_\_

PALS Point:

Total Quantity (GJ):

Toll (\$/GJ):

Injection Terms:

Maximum Daily Quantity (GJ):  Start Date/Time:  End Date/Time:

Withdrawal Terms:

Maximum Daily Quantity (GJ):  Start Date/Time:  End Date/Time:

Other Terms and Conditions:

PALS ACCOUNT HOLDER

TRANSCANADA PIPELINES LIMITED

per \_\_\_\_\_

per \_\_\_\_\_

per \_\_\_\_\_

per \_\_\_\_\_

PALS Account holder hereby waives the need to submit any nominations beyond this Exhibit "A" as the terms and conditions of gas flow are fully described in this Exhibit "A"  
per: