

GST Procedures for STFT – FOR EXPORT POINTS ONLY

Pursuant to the Excise Tax Act, Canadian natural gas transporters are required to invoice the Goods and Services Tax (GST) on all services. GST on transportation charges for gas that is consumed in Canada is set at 5%. GST on transportation charges for gas that is consumed in the United States may qualify for zero-rating (0% GST).

For gas that is transported to export points for consumption in the United States, shippers may zero-rate GST on the associated transportation demand, commodity and pressure charges by making a Declaration on the nomination line in NrG Highway.

Shippers may also zero-rate GST on Unutilized Demand Charges (UDC) under firm contracts that have an export point as the primary delivery point in the contract. Note that UDC may only be zero-rated if the firm contract is intended for transportation of gas to, and consumption of gas in, the United States. UDC zero-rating for eligible firm contracts can be obtained by providing TransCanada with an executed Contract Declaration. A *proforma* Contract Declaration Form is available at the following link:

[STFT GST Declaration](#)

Some key points to note regarding Contract Declarations to zero-rate GST on UDC under firm export Contracts:

- A Contract Declaration cannot be applied retroactively.
- A separate STFT GST Declaration form must be used for each exhibit "A" eligible for zero-rating of UDC.

Please keep in mind that, even if 5% GST is applied on your transportation invoice, businesses will typically be eligible for rebates of GST from the Canadian Revenue Agency (CRA). Please refer to the following website for additional information on GST regulations and rebates:

<http://www.cra-arc.gc.ca/tax/business/topics/gst/corporation/menu-e.html>

For more information on TransCanada's GST practices, please contact Vincent Thebault at 403-920-5840 or vincent_thebault@transcanada.com