

**T-1 TOLL SCHEDULE**  
**FIRM SERVICE**

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**1. AVAILABILITY AND APPLICABILITY OF SERVICE**

This T-1 Toll Schedule is available to any Customer that has:

- (a) executed a T-1 Service Agreement with Company, substantially in the form provided in this Gas Transportation Tariff, for Transportation of natural gas up to specified maximum daily quantities between specified points of receipt and delivery; and
- (b) provided Company with Financial Assurances as required pursuant to Section 15 of the T-1 GT&C.

This T-1 Toll Schedule applies to any Customer for firm service Transportation hereunder. Any uppercased term not defined herein shall have the meaning given to it in the T-1 Service Agreement or T-1 GT&C.

**2. SERVICE DESCRIPTION**

Service rendered by Company for Customer under this T-1 Toll Schedule consists of:

- (a) the receipt of gas tendered by Customer (or for Customer's account) at the Receipt Point(s) as designated in Part I of the Index of Service Obligations of the T-1 Service Agreement;
- (b) the transportation of gas by Company through its Transportation System; and
- (c) the delivery by Company of gas to Customer (or for Customer's account) at the Delivery Point(s) as designated in Part II of the Index of Service Obligations of the T-1 Service Agreement, which Delivery Point(s) shall be points of interconnection with: (a) the gas distribution system(s) of such company (or companies) duly enfranchised for the distribution of gas; or (b) a pipeline system.

**3. T-1 SERVICE AGREEMENT**

This T-1 Toll Schedule is subject to all terms, conditions, stipulations and provisions of the T-1 Service Agreement.

**4. GENERAL TERMS AND CONDITIONS**

The T-1 GT&C and the List of Tolls, as amended from time to time, are applicable to this T-1 Toll Schedule and are hereby made part hereof. If there is any conflict between the provisions of this T-1 Toll Schedule and the T-1 GT&C, the provision of this Toll Schedule shall prevail.

**5. CHARACTER OF SERVICE**

**5.1 Firm Service**

Gas transported by Company for Customer under this T-1 Toll Schedule shall not be subject to curtailment or interruption except as provided in the T-1 GT&C.

**5.2 Receipt and Delivery Volumes**

Company agrees to receive from Customer and transport the daily volumes of gas delivered by Customer, subject to Company not being obligated to receive from Customer at the Receipt Point(s) during any one Day more than the Maximum Daily Receipt Volume as specified in Part I of the Index of Service Obligations of the T-1 Service Agreement and further subject to Company not being obligated to deliver to Customer at the Delivery Points during any one Day more than the Maximum Daily Delivery Volume as specified in Part II of the Index of Service Obligations of the T-1 Service Agreement or the volume actually received from Customer on such Day whichever is the lesser. If gas is to be delivered hereunder by Company to Customer at more than one Delivery Point in a delivery area, the tolls provided herein shall be applied as though such Delivery Points were one Delivery Point and as if the gas delivered was measured by one meter.

**6. TOLLS AND CHARGES**

Customer's monthly charge for transportation service hereunder for each Billing Month beginning with Customer's First Billing Month shall be the sum of (i) Customer's Allocable Share of the T-1 Toll and (ii) the Customer's Allocable Share of the Monthly Abandonment Surcharge ("Monthly Charge"). The Monthly Charge is payable notwithstanding any failure by Customer during such month, for any reason whatsoever including Force Majeure, to deliver or to cause to be delivered any portion of the gas to be delivered to Company at the Receipt Point(s).

**7. MONTHLY CHARGE ADJUSTMENTS**

**7.1** If the volumes of gas received for transportation in any month exceeds the sum of

(a) the Maximum Daily Receipt Volume multiplied by the number of days in said month and

(b) the volume received for Transportation under OT-1 Toll Schedule, then Customer shall pay in addition to the Monthly Charge an amount equal to the sum of

(i) the volume of such excess volumes multiplied by a rate equal to  
(1) Customer's Allocable Share of the T-1 Toll divided by  
(2) Customer's Maximum Daily Receipt Volume multiplied by  
30.416 days

and

(ii) the excess volumes multiplied by the Daily Abandonment Surcharge.

**7.2** Notwithstanding the provisions of subsection 7.1, if on any Day, pursuant to subsection 8.2 herein, the volumes of gas received for transportation exceeds the Maximum Daily Receipt Volume, Customer shall be required to pay for such excess volumes in accordance with subsection 9.2 herein.

**8. RECEIPT DEFICIENCIES AND MAKE-UP GAS**

**8.1 Applicability**

If in any Day in any Billing Month Company is unable, through fault of Company, to receive from Customer the volume of gas nominated by Customer for such Day (the volume of gas which Company so failed to receive in such Day being hereinafter referred to as "Receipt Deficiencies"), the provisions of subsection 8.2 shall apply.

**8.2 Procedures**

Receipt Deficiencies arising in any month will be transported to the extent gas is received by Company from Customer and to the extent that Company has the capacity to do so, on any Day during such month whether before or after the Day or Days on which such Receipt Deficiencies arose. To the extent that Receipt Deficiencies are not so transported during such month, Receipt Deficiencies will be transported only by the receipt of Make-Up Gas (as defined below) in subsequent months. If in any month the volume of gas received by Company pursuant to Article 1, Subsection 1.2 of Customer's T-1 Service Agreement exceeds the aggregate of Customer's Receipt Deficiencies arising in the month, the excess shall be Make-Up Gas to the extent of Customer's Receipt Deficiencies not transported in prior months and the remainder, if any, shall be governed by OT-1 Toll Schedule.

If Company is, on any Day, required to allocate service under Article 1, Subsection 1.2 of the T-1 Service Agreements of two or more Customers, it shall allocate the quantities of gas nominated in respect of Receipt Deficiencies in the same proportion that each Customer's cumulative Receipt Deficiencies not transported to such Day bears to the total of all Customers' cumulative Receipt Deficiencies not transported to such Day.

**9. BILLING ADJUSTMENT**

Each Billing Month Company shall, if applicable, provide a credit to Customer (“Billing Adjustment”) in accordance with Subsection 9.1 herein or require a payment from Customer (“Make-Up Gas Transportation Payment”) in accordance with Subsection 9.2 herein.

**9.1** If, through fault of Company, except for provisions under section 7.5 of the T-1 GT&C, in any Billing Month the aggregate volume of gas received by Company from Customer at all Receipt Points is less than 90 per cent of the aggregate volume of gas nominated by Customer to Company pursuant to Article 1, subsection 1.1 of Customer’s T-1 Service Agreement at all Receipt Points in such Billing Month, Customer shall be entitled to Billing Adjustment in respect of such Billing Month which shall be equal to the sum of

(i) the “Billing Adjustment Volume”, which is equal to the difference between the aggregate volume of gas nominated by Customer to Company in such Billing Month at all Receipt Points and the aggregate volume of gas actually taken receipt of by Company from Customer during such Billing Month, multiplied by a rate (“Billing Adjustment Rate”) determined by dividing

(1) Customer’s Allocable Share of the T-1 Toll by

(2) an amount equal to the sum of all Customer’s Maximum Daily Receipt Volumes for such month multiplied by 30.416 days,

and

(ii) the Billing Adjustment Volume multiplied by the Daily Abandonment Surcharge.

If  $\frac{MV_A}{NV_A} < 90\%$ , then

$$V_{BA} = NV_A - MV_A$$

$$R_{BA} = \frac{Toll_{T1}}{(V_{MDR} \times 30.416)}$$

$$BA_M = (V_{BA} \times R_{BA}) + (V_{BA} \times AS_D)$$

Where:

AS <sub>D</sub>	is the Daily Abandonment Surcharge
BA <sub>M</sub>	is the Billing Adjustment for the month
MV <sub>A</sub>	aggregate volume of gas received by Company from Customer during such Billing Month
NV <sub>A</sub>	is the aggregate volume of gas nominated by Customer to Company in such Billing Month at all Receipt Points
R <sub>BA</sub>	is the Billing Adjustment Rate
Toll <sub>T1</sub>	Customer's Allocable Share of the T-1 Toll
V <sub>BA</sub>	is the Billing Adjustment Volume
V <sub>MDR</sub>	is the Maximum Daily Receipt Volume

**9.2** To the extent that Make-Up Gas received by Company from Customer in any Billing Month relates to a prior Billing Adjustment, Customer shall be obligated to pay to Company for such Make-Up Gas when such Make-Up Gas is transported, an amount equal to the sum of

- (i) Make-Up Gas multiplied by the Billing Adjustment Rate and
- (ii) Make-Up Gas multiplied by the Daily Abandonment Surcharge.

**9.3** Receipt Deficiencies which will have been the subject of Billing Adjustments pursuant to subsection 9.1 herein shall be considered made-up when either of the following conditions has been met:

- (a) all such Receipt Deficiencies, on a volumetric basis, shall have been the subject of a Make-Up Gas Transportation Payment pursuant to subsection 9.2 herein; or
- (b) the total amount of charges made pursuant to subsection 9.2 herein shall equal the total amount of credits given pursuant to subsection 9.1 herein.

**10. RENEWAL RIGHTS**

**10.1** Customer may extend the Existing Term of its T-1 Service Agreement for all or a portion of the Maximum Daily Receipt Volume and Maximum Daily Delivery Volume for annual periods consisting of twelve (12) consecutive full months by providing Company with no less than twenty-four (24) months prior written notice (“Renewal Notice”) for each annual renewal.

Company may accept a late Renewal Notice if Company, in its sole discretion, determines that Company will have the required capacity available after providing capacity for all of Company’s obligations pursuant to prior outstanding requests from Customer or others and that such renewal will not adversely impact Company’s Transportation System operations.

**10.2** Provided Company has either received a timely Renewal Notice from Customer, or accepted a late Renewal Notice from Customer, the T-1 Service Agreement shall be amended as follows:

- (a) the Maximum Daily Receipt Volume and Maximum Daily Delivery Volume shall be revised to the volume specified in the Renewal Notice, effective as of the expiry of the Existing Term; and
- (b) the term of the T-1 Service Agreement shall be extended to that specified in the Renewal Notice, effective as of the expiry of the Existing Term.



**10.3** All renewals shall be stated in  $10^3\text{m}^3$ .

**10.4** If at any time Company determines, acting reasonably, that:

(a) new or additional pipeline facilities are required to increase the Company's Transportation System ("Expansion Facilities"); and

(b) the estimated cost of such Expansion Facilities will exceed \$20 million;

Company will provide Notice of a term-up requirement ("Term-up Notice") to Customer if Company determines Customer's T-1 Service Agreement may impact the design of the Expansion Facilities.

**10.5** Upon receipt of the Term-up Notice Customer may elect, within sixty (60) days of receipt of the Term-up Notice, to extend the Existing Term of the T-1 Service Agreement for all or a portion of the Maximum Daily Receipt Volume and the Maximum Daily Delivery Volume for an additional period such that the new service termination date of the T-1 Service Agreement shall be no less than five (5) years after the date the Expansion Facilities are expected to be first offered for service. If a Customer does not elect to extend its Existing Term within such sixty (60) day period, the Customer shall no longer be entitled to renew the T-1 Service Agreement pursuant to subsection 10.1 and the T-1 Service Agreement shall expire at the end of the Existing Term.