

TRANS QUÉBEC & MARITIMES PIPELINE INC.

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EFFECTIVE DATE : 1 JANUARY 2002

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BIOGAS TRANSPORTATION

1. INTRODUCTION

1.1 EBI Bio – Environnement Inc. (herein called "EBI") has entered into a biogas transportation contract with Trans Québec & Maritimes Pipeline Inc. (herein called "TQM Pipeline").

1.2 This Toll Schedule is available for the transportation of biogas from the receipt points to the delivery points.

2. APPLICABILITY AND CHARACTER OF SERVICE

2.1 The Biogas Transportation service will be billed pursuant to Article 3 hereafter.

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2.2 Gas delivered by TQM Pipeline for EBI or for a third party under this Toll Schedule shall not be subject to curtailment or interruption except as provided in Article 2.3 hereof and in Section XI - Force Majeure of the General Terms and Conditions as specified in Exhibit 3 attached hereto and made a part hereof.

2.3 (a) At any time during the year, EBI may request TQM Pipeline to receive at the receipt points a volume of biogas ' V_t ', for transportation to the delivery points, and shall cause this quantity to be delivered to TQM Pipeline. TQM Pipeline shall deliver for EBI or for a third party at the delivery points, and in accordance with the nominations made by EBI, a corresponding volume of gas ' V_l ', calculated as follows:

$$V_l = V_t \times \frac{PCS_t}{PCS_l}$$

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- where: 'V_d' is the volume of gas to be delivered by TQM Pipeline for EBI or for a third party at the delivery points;
- 'V_r' is the volume of gas received from EBI by TQM Pipeline at the receipt points;
- 'PCS_d' is the gross heating value per cubic metre (MJ/m³), of the gas delivered by TQM Pipeline at the delivery points; and
- 'PCS_r' is the gross heating value per cubic metre (MJ/m³), of the gas delivered by EBI to TQM Pipeline at the receipt points.

PROVIDED THAT, TQM Pipeline will not be obligated at any time to accept to deliver at the delivery points a volume of gas 'V_d' greater than the volume of gas received by TQM Pipeline at the receipt points; ALSO, TQM Pipeline shall not be obligated at any time to receive at the receipt points a volume of gas "V_r" greater than the total volume of gas delivered for EBI or for a third party at the delivery points.

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- (b) EBI shall cause deliveries to TQM Pipeline at the receipt points, to be at a pressure sufficient for those deliveries to be made; PROVIDED THAT, the said pressure shall never exceed 7 067 kPa.
- 2.4 Any volume of biogas delivered to TQM Pipeline at the receipt points, and for which TQM Pipeline is notified on a daily basis, shall constitute the volume authorized by TQM Pipeline, except as provided in Article 2.3 hereof and in Section XI - Force Majeure of the General Terms and Conditions, as specified in Exhibit 3 attached hereto and made a part hereof; PROVIDED HOWEVER, that TQM Pipeline will agree to any modification made by EBI to that authorized volume except if TQM Pipeline, beforehand and at its sole discretion, notifies EBI to the contrary.
- 2.5 The daily volume of gas shall be taken at rates of flow as nearly constant as possible. Departures from scheduled daily deliveries due to the inability of TQM Pipeline or EBI to maintain precise control shall be kept to the minimum permitted by operating conditions.
- 2.6 Determination of daily deliveries to delivery points is provided in Article XIII of the General Terms and Conditions.

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3. TOLL

3.1 The applicable toll for service hereunder is as follows :

Transportation Charge
Commodity Toll
\$/10³m³

0.86

3.2 The monthly bill for deliveries for service hereunder shall be equal to the transportation charge for the billing months, calculated by multiplying the commodity toll set forth in Article 3.1 by the gas volume effectively received from EBI and transported by TQM Pipeline as provided hereunder.

The commodity toll is calculated on the basis of the total revenue requirement of TQM Pipeline, as authorized by the National Energy Board or pursuant to the methodology applicable, by dividing this revenue requirement by the volume-distance of all gas to be delivered

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by TQM Pipeline during the test year and by multiplying the result by the effective transportation distance for service hereunder :

$$t = \frac{BR}{VD_R} \times D$$

- where:
- 't' is the commodity toll in $\$/10^3\text{m}^3$.
 - 'BR' is the total annual revenue requirement of TQM Pipeline, as authorized by the National Energy Board or pursuant to the methodology applicable.
 - 'VD_R' is the total "volume-distance" in $10^3\text{m}^3\text{-km}$ of the TQM Pipeline system, calculated as follows :
$$VD_R = (V_R \times CC_R)$$
 - 'D' is the transportation distance of the gas pursuant to the BGT contract, defined in Articles 3.3 below.

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'V_R' is the total volume of gas to be delivered by TQM Pipeline during the test year .

'CC_R' is the load centre in km of the TQM Pipeline system, calculated for the volumes of gas to be delivered during the test year.

3.3 For volumes received from the receipt points and delivered for EBI or for a third party, the transportation distance 'D' of the gas pursuant to the BGT contract, shall be equal to the distance between the receipt points and the load centre of TQM Pipeline's delivery points for the Société en commandite Gaz Métropolitain ("load centre of Gaz Métropolitain"). This load centre in km shall be calculated for the volumes to be delivered at each of these delivery points during the test year.

3.4 Any volume of gas received during any day from the receipt points, which exceeds the total deliveries at the load centre of Gaz Métropolitain and which, at the sole discretion of TQM Pipeline, is designated to be related to an emergency situation, shall be charged at the commodity toll set forth in Article 3.1.

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- 3.5 The minimum annual bill for the transportation of biogas volumes shall be equal to the annual toll calculated on the basis of the total cost of the facilities required by TQM Pipeline pursuant to Article III of the biogas transportation contract, as approved by the National Energy Board and amortized over a period of years equivalent to the term of the said contract, at an interest rate equal to the overall rate of return on rate base of TQM Pipeline. This toll shall be adjusted from year to year pursuant to the overall rate of return of TQM Pipeline as approved by the National Energy Board. When the minimum bill exceeds the transportation charges invoiced for a year, this excess shall be added to the last invoice of that year. However, in the event of TQM Pipeline being rendered unable to perform with its obligations to receive the biogas, the said excess will be adjusted by the monetary value of the daily volume which would be otherwise transported by TQM Pipeline for EBI.

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4. UNAUTHORIZED OVERRUN GAS

The sum of all volumes authorized for delivery by TQM Pipeline on any day in the same delivery area under this and any other toll schedule shall constitute the total authorized volume. Gas taken by EBI in a delivery area in excess of 102% of the total authorized volume on any day will be considered as unauthorized overrun. For any unauthorized overrun volume on any such day between 102% and 104% of the total authorized volume, EBI shall pay a charge of \$175.00/10³m³ in addition to all charges payable pursuant to paragraph 3.2 herein. For any unauthorized overrun volume on any such day exceeding 104% of the total authorized volume, EBI shall pay a charge of \$525.00/10³m³ in addition to all charges payable pursuant to paragraph 3.2 herein. Such additional charges payable are in addition to all charges otherwise payable by EBI. The payment for an authorized overrun volume shall not, under any circumstances, be considered as giving EBI the right to take such deliveries and be considered as a substitute for any other remedies available to TQM Pipeline.

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5. QUALITY

TQM Pipeline may refuse to receive, for service hereunder, gas from EBI which fails to conform to any of the specifications set forth in Article II – Technical specifications of the biogas transportation contract, modifying Article II – Quality of the General Terms and Conditions as specified in Exhibit 3 attached hereto.

6. GENERAL TERMS AND CONDITIONS

The General Terms and Conditions as specified in Exhibit 3 attached hereto apply to this Toll Schedule and are by reference made part hereof.

7. APPROVAL BY NATIONAL ENERGY BOARD

This Toll Schedule and the General Terms and Conditions are subject to the approval of the National Energy Board.