

TRANS QUÉBEC & MARITIMES PIPELINE INC.

INDEX TO SGT-SCGM TOLL SCHEDULE

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EFFECTIVE DATE : 1 JANUARY 1998

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1. INTRODUCTION

1.1 Gaz Métropolitain and Company, Limited Partnership (herein called "Gaz Métropolitain") has entered into a storage gas transportation contract with Trans Québec & Maritimes Pipeline Inc. (herein called "TQM Pipeline").

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

2. APPLICABILITY AND CHARACTER OF SERVICE

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

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2.2 Gas delivered by TQM Pipeline to Gaz Métropolitain 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, Gaz Métropolitain may request TQM Pipeline to receive at the receipt points a volume of gas 'V_t', for transportation to the delivery points, and shall cause this quantity to be delivered to TQM Pipeline. TQM Pipeline shall deliver to Gaz Métropolitain at the delivery points, and in accordance with the nominations made by Gaz Métropolitain, a corresponding volume of gas 'V_i', calculated as follows:

$$V_i = V_t \times \frac{PCS_t}{PCS_i}$$

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- where: 'V_i' is the volume of gas to be delivered by TQM Pipeline to Gaz Métropolitain at the delivery points;
- 'V_t' is the volume of gas received from Gaz Métropolitain by TQM Pipeline at the receipt points;
- 'PCS_i' is the gross heating value per cubic metre (MJ/m³), of the gas delivered by TQM Pipeline at delivery points; and
- 'PCS_t' is the gross heating value per cubic metre (MJ/m³), of the gas delivered by Gaz Métropolitain 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_i' 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_t" greater than the total volume of gas delivered to Gaz Métropolitain at the delivery points.

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(b) Gaz Métropolitain 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 7 000 kPa.

2.4 Any volume of gas withdrawn by Gaz Métropolitain from the storage facilities and 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 Gaz Métropolitain to that authorized volume except if TQM Pipeline, beforehand and at its sole discretion, notifies Gaz Métropolitain to the contrary.

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- 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 Gaz Métropolitain 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 Section XIII of the General Terms and Conditions.

3. TOLL

- 3.1 The applicable toll for service hereunder is as follows :

Transportation Charge		
Commodity Toll		
\$/10³m³		
<u>Trois-Rivières</u>	<u>Delivery Points Downstream of Trois-Rivières</u>	<u>Delivery Points Upstream of St-Nicolas</u>
1.48	7.05	2.48

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- 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 Gaz Métropolitain and transported by TQM Pipeline as provided hereunder.

Each month, the gas volume effectively received from Gaz Métropolitain at the Pointe-du-Lac receipt point and transported by TQM Pipeline to the Trois-Rivières delivery point is equal to the sum of daily volumes received at the Pointe-du-Lac receipt point which are less or equal to the corresponding daily deliveries at the Trois-Rivières delivery point.

Each month, the gas volume effectively received from Gaz Métropolitain at the Pointe-du-Lac receipt point and transported by TQM Pipeline to delivery points downstream of the Trois-Rivières delivery point is equal to the sum of daily volumes received at the Pointe-du-Lac receipt point which exceed the corresponding daily deliveries at the Trois-Rivières delivery point.

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Each month, the gas volume effectively received from Gaz Métropolitain at the Saint-Nicolas receipt point and transported by TQM Pipeline to delivery points upstream of the Saint-Nicolas delivery point is equal to the sum of daily volumes received at the Saint-Nicolas receipt point which exceed the corresponding daily deliveries at the Saint-Nicolas delivery point.

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 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 $\$/10^3\text{m}^3$.

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'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 10³m³-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 SGT contract, defined in Articles 3.3, 3.4 and 3.6 below.

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

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

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- 3.3 For volumes received from the Pointe-du-Lac receipt point and delivered to the Trois-Rivières delivery point, the transportation distance 'D' of the gas pursuant to the SGT contract is 14.2 km.
- 3.4 For daily volumes received from the Pointe-du-Lac receipt point exceeding the total daily deliveries at the Trois-Rivières delivery point, the transportation distance 'D' of the gas pursuant to the SGT contract, shall be equal to the distance between the Pointe-du-Lac receipt point and the load center of TQM Pipeline's delivery points downstream of this receipt point, excluding the Trois-Rivières delivery point. This load center in km shall be calculated for the volumes to be delivered at each of these delivery points during the test year.
- 3.5 Any volume of gas received during any day from the Pointe-du-Lac receipt point, which exceeds the total deliveries at the Trois-Rivières delivery point and which, at the sole discretion of

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TQM Pipeline, is designated to be related to an emergency situation, shall be charged at the commodity toll set forth in Article 3.1 and calculated by using the distance 'D' defined in Article 3.3.

- 3.6 For daily volumes received from the Saint-Nicolas receipt point exceeding the total daily deliveries at the Saint-Nicolas delivery point, the transportation distance 'D' of the gas pursuant to the SGT contract, shall be equal the distance between the Saint-Nicolas receipt point and the load center of TQM Pipeline's delivery points upstream of this receipt point, excluding the Saint-Maurice delivery point and delivery points located upstream of Saint-Maurice. This load center in km shall be calculated for the volumes to be delivered at each of these delivery points during the test year.

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- 3.7 The minimum annual bill for the transportation of volumes received at Pointe-du-Lac shall be equal to the commodity toll set forth in Article 3.1, calculated pursuant to the distance 'D', defined in Article 3.3, multiplied by $38\,698.3\ 10^3\text{m}^3$ (average of the total volume of gas received from Gaz Métropolitain and transported for service hereunder in 1992, 1993 and 1994). When the minimum bill exceeds the transportation charges invoiced for a year, this excess shall be added to the last invoice of that year.

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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 rate schedule shall constitute the total authorized volume. Gas taken by Gaz Métropolitain 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, Gaz Métropolitain 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, Gaz Métropolitain 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 Gaz Métropolitain. The payment for an authorized overrun volume shall not, under any circumstances, be considered as giving Gaz Métropolitain 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 Gaz Métropolitain which fails to conform to any of the specifications set forth in 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.