

TRANS QUÉBEC & MARITIMES PIPELINE INC.

INDEX TO TS-SCGM TOLL SCHEDULE

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1. INTRODUCTION

- 1.1 Gaz Métropolitain and Company, Limited Partnership (herein called « Gaz Métropolitain ») has entered into a transportation and storage contract with Trans Québec & Maritimes Pipeline Inc. (herein called « TQM Pipeline »).
- 1.2 This Toll Schedule is available for the transportation and storage of gas from the receipt point to the delivery points.

2. DEFINITIONS

In this TS-SCGM Toll Schedule and except where the context expressly states another meaning, the following terms shall be construed to have the following meaning:

- 2.1 Injection: each day, the volume of gas equal to the difference between the volume of gas measured at the receipt point and the total deliveries measured at the delivery points when the volume of gas measured at the receipt point is greater than the total deliveries measured at the delivery points and during the period of time when the valve No. 15 of TQM Pipeline's Saint-Maurice delivery point is closed and Gaz Métropolitain's valve V202 is open.

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- 2.2 Withdrawal : each day, the volume of gas equal to the difference between the volume of gas measured at the receipt point and the total deliveries measured at the delivery points when the volume of gas measured at the receipt point is less than the total deliveries measured at the delivery points and during the period of time when the valve No. 15 of TQM Pipeline's Saint-Maurice delivery point is closed.
- 2.3 Volume in storage : the volume of gas equal to the cumulative balance of injections and withdrawals established at 08:00 hours of each day.
- 2.4 Normal delivery : each day and during a storage cycle, the lesser of the volume of gas measured at the receipt point and the total deliveries measured at the delivery points.
- 2.5 Storage cycle : the period commencing at the time when the valve No. 15 of TQM Pipeline's Saint-Maurice delivery point is closed and Gaz Métropolitain's valve V202 is open, and ending at the time when TQM Pipeline's valve No. 15 is open.

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3. APPLICABILITY AND CHARACTER OF SERVICE

- 3.1 The Transportation and Storage service will be billed pursuant to Article 4 hereafter. When gas is delivered hereunder by TQM Pipeline to Gaz Métropolitain at more than one delivery point in the same delivery area, the tolls provided herein shall be applied as though such delivery points were one point and as if the gas were measured by one meter.
- 3.2 Gas delivered by TQM Pipeline to Gaz Métropolitain under this Toll Schedule shall not be subject to curtailment or interruption except as provided in Articles 3.4 and 3.5 hereof and in Section XI - Force Majeure of the General Terms and Conditions as specified in Exhibit 2 attached hereto and made a part hereof.
- 3.3 (a) At any time during the Year, Gaz Métropolitain may request TQM Pipeline to receive at the receipt point a volume of gas ' V_t ', for storage and 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 :

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

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 point;

'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 point.

PROVIDED ALWAYS, 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 stored in its gas pipeline system.

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- (b) The values of gas withdrawn and injected which are delivered and received during the same month will be presumed to have the same heating value ('PCS_i' equals to 'PCS_r').
 - (c) The volumes of gas withdrawn and injected which are delivered and received during different months shall recognize the heating value of gas received and delivered respectively. In this case, the thermal adjustment is required.
 - (d) Gaz Métropolitain shall cause deliveries to TQM Pipeline at the receipt point, to be at a pressure sufficient for those deliveries to be made; PROVIDED THAT, the said pressure shall never exceed 7 000 kPa.
- 3.4 TQM Pipeline shall not be obligated to deliver gas in storage when its pipeline system is in equilibrium, which means that when the valve No. 15 of TQM Pipeline's Saint-Maurice delivery point is open. At the ending of a storage cycle by the opening of the said valve, Gaz Métropolitain's valve V202 shall be closed and the volume of gas in storage shall be reduced to zero.

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- 3.5 Gaz Métropolitain shall notify TQM Pipeline of the exact time when it wants to start the storage cycle, of the operation mode of the compressor on a daily basis, of the volumes expected for delivery at the receipt point, and of the exact time when he will terminate its storage cycle.
- 3.6 The lesser of the final volume required by Gaz Métropolitain or the volume that TQM Pipeline makes available to Gaz Métropolitain for storage purposes, shall constitute the volume authorized by TQM Pipeline for service hereunder.
- 3.7 The daily volume of gas so authorized, shall be taken at a 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.
- 3.8 Determination of daily deliveries to delivery points is provided in Section XIII of the General Terms and Conditions attached to the transportation and storage contract.

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4. TOLLS

4.1 The applicable tolls for service hereunder are as follows :

Storage Fees	Injection Fees
Monthly Toll	Commodity Toll
\$/month	¢/10 ³ m ³
-----	-----
3,875	88.25

4.2 The monthly bill for deliveries for service hereunder shall be the sum of the storage fees and the injection fees for the billing month, calculated by applying the applicable tolls set forth in paragraph 4.1 as follows :

(a) Storage fees

For each month, the storage fees shall be equal to the monthly toll approved by the National Energy Board as of December 31, 1995.

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(b) Injection fees

For each month, the injection fees shall be equal to the commodity toll multiplied by the volume of gas actually injected by Gaz Métropolitain for service hereunder.

4.3 The minimum monthly bill shall be equal to the monthly toll of the storage fees.

5. 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

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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.

6. 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 2 attached hereto.

7. GENERAL TERMS AND CONDITIONS

The General Terms and Conditions as specified in Exhibit 2 attached hereto apply to this Toll Schedule and are by reference made part hereof.

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8. APPROVAL BY NATIONAL ENERGY BOARD

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