

**GENERAL TERMS AND CONDITIONS
APPLICABLE TO SGT AND BGT2 SERVICES**

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1. DEFINITIONS

Except where the context expressly states another meaning, the following terms, when used in these General Terms and Conditions applicable to SGT and BGT2 Services (Other Services GT&C), in any Gas Service Contract and in any Toll Schedule into which these Other Services GT&C are incorporated, shall be construed to have the following meanings:

10³m³ shall mean one thousand (1000) Cubic Metres of Gas. (*10³m³*)

Abandonment Charge shall mean the abandonment charge(s) payable by Customer to Company determined pursuant to the SGT Toll Schedule and the BGT2 Toll Schedule.
(*Supplement de cessation d'exploitation*)

Banking Day shall mean any day that the Royal Bank of Canada, Main Branch, Calgary, Canada conducts business. (*Jour ouvré*)

Biogas shall mean gas produced through the fermentation of organic material in the absence of oxygen. (*Biogaz*)

BNQ Standard shall mean Bureau de normalisation du Québec – BNQ 3672 – 100 Biomethane – Quality Specifications for Injection into Natural Gas Distribution and Transmissions Systems, as may be amended from time to time. (*Norme BNQ*)

CCT shall mean the standard time according to the North American Energy Standards Board, Central Clock Time. (*HDC*)

CER shall mean the Commission of the Canadian Energy Regulator or any regulatory or government authority hereafter having a similar jurisdiction in substitution therefor. (*REC*)

CER Act shall mean the Canadian Energy Regulator Act (Canada), as amended from time to time. (*Loi sur la Régie canadienne de l'énergie*)

Company shall mean Trans Québec & Maritimes Pipeline Inc. and its successors. (*Société*)

Contract Demand shall mean the maximum volume of gas specified in Gas Service Contract into which the applicable Toll Schedule is incorporated which Company obligates itself to be ready to transport on a daily basis for Customer. (*Demande contractuelle*)

Contract year shall mean a period of 12 consecutive months beginning on the first day of November. (*Année contractuelle*)

Cubic Metre of Gas shall mean the volume of gas which, at a temperature of 15 degrees Celsius and at a pressure of 101.325 kPa absolute, occupies one cubic metre. (*Mètre cube de gaz*)

Customer shall mean the party which has entered into a Gas Service Contract with Company. (*Client*)

Daily Abandonment Surcharge shall mean the daily abandonment surcharge set out in the List of Tolls. (*Supplément journalier de cessation d'exploitation*)

Day shall mean a period of 24 consecutive hours, beginning and ending at 09:00 hours CCT, or at such other time as may be mutually agreed upon by Customer and Company. The reference date for any Day shall be the calendar date upon which the 24-hour period shall commence. (*Jour*)

Delivery Point shall mean the point at or adjacent to the outlet side of a measuring station on Company's Transportation System, or at a point of interconnection with another party's facilities where gas is delivered from the Transportation System as specified in the Gas Service Contract. (*Point de livraison*)

Electricity and Gas Inspection Act shall mean the Electricity and Gas Inspection Act (Canada) (R.S.C. 1985, c.E-4) as amended from time to time including all regulations and specifications promulgated pursuant to such Act (Electricity and Gas Inspection Act). (*Loi sur l'inspection de l'électricité et du gaz*)

Energy shall mean the Gross Heating Value of gas multiplied by the volume of gas delivered by Customer. (*Pouvoir*)

Financial Assurances shall be as defined in Article 16 hereof. (*Garantie financière*)

Force Majeure shall be as defined in Article 9 hereof. (*Force majeure*)

Gas Service Contract shall mean a contract concluded with Company into which these Other Services GT&C are incorporated whereby Company obligates itself to receive and to deliver the gas and into which any relevant toll which is then in effect is applicable. (*Contrat de service de gaz*)

Governmental Authority shall mean any domestic or foreign federal, provincial, state, territorial, county, regional district, borough, city, municipal or other government or any agency, board, bureau, commission, court, department, or other instrumentality of any such government, in each case having jurisdiction or authority in regard to the applicable Person or thing. (*Autorité gouvernementale*)

Gross Heating Value shall mean the total Joules expressed in MJ/m³ produced by the complete combustion at constant pressure, of one (1) Cubic Metre of Gas with air, with the gas free of water vapour, and the temperature of the gas, air, and products of combustion to be at 15 degrees Celsius and all water formed by combustion reaction to be condensed to the liquid state. (*Pouvoir calorifique supérieur*)

Joule (J) shall mean the work done when the point of application of a force of one (1) newton is displaced a distance of one (1) metre in the direction of the force. (*Joule*)

List of Tolls shall mean the list setting out the tolls and charges applicable for each service, as amended and approved from time to time by the CER. (*Liste de droits*)

MJ/m³ shall mean megajoules per cubic metre. (*MJ/m³*)

Month shall mean the period beginning at 09:00 hours CCT, on the first day of the calendar month and ending at 09:00 hours CCT, on the first day of the next succeeding month. (*Mois*)

Monthly Abandonment Surcharge shall mean the monthly abandonment surcharge set out in the List of Tolls. (*Supplément mensuel de cessation d'exploitation*)

Natural Gas Interchangeability Indices shall be as defined in Subsection 2.6 hereof. (*Indices d'interchangabilité du gaz naturel*)

NEB shall mean the National Energy Board of Canada or any other tribunal which may hereafter exercise jurisdiction over this Gas Transportation Tariff, including the CER. (*ONE*)

person an individual, limited or general partnership, limited liability company, limited liability partnership, trust, joint venture, association, body corporate, unlimited liability corporation, trustee, executor, administrator, legal representative, government (including any Governmental Authority) or any other entity, whether or not having legal status. (*personne*)

Receipt Point shall mean any point on Company's Transportation System at or adjacent to the outlet of a measuring station or at the point of interconnect with another party's

facilities where gas is received into the Transportation System as specified in the Gas Service Contract. (*Point de réception*)

Refined Biogas shall mean gas obtained from the purification of Biogas that meets the technical specifications required by Company and shall be subject to the BNQ Standard. (*Biogaz raffiné*)

Subsidiary shall mean a company in which 50% or more of the issued share capital (having full voting rights under all circumstances) is owned or controlled directly or indirectly by another company, by one or more subsidiaries of such other company, or by such other company and one or more of its subsidiaries. (*Filiale*)

Transportation shall mean the receipt of gas at the Receipt Point(s) and delivery of gas at any of the Delivery Point(s) on Company's Transportation System and may include storage gas. (*Transport*)

Transportation System shall mean the pipelines, storage and related facilities registered in the name of Company and required in the Transportation of gas from the Receipt Points to various Delivery Points. (*Réseau de transport*)

Year shall mean a period of 365 consecutive days; PROVIDED HOWEVER, that any such year which contains a date of February 29 shall consist of 366 consecutive days. (*Année*)

2. QUALITY OF GAS

The following specifications shall apply to (i) the gas which Customer delivers or causes to be delivered to Company for Transportation, and (ii) the gas Company delivers to Customer or for Customer's account; provided, however, that gas which Company delivers at the Delivery Points shall have the constituent parts that result from the commingling of the gas in Company's facilities.

2.1 Natural Gas

Natural gas shall be the gas obtained either from wells or from residue remaining after the natural gas has been treated for the removal of any of its constituent parts other than methane, and for the removal of methane to such extent as is necessary in removing such other constituents.

2.2 Freedom from impurities

The gas to be received and delivered by Company hereunder:

- (a) Shall be commercially free from sand, dust, gums, oils, hydrocarbons liquefiable at temperatures in excess of minus ten degrees (-10°) Celsius at five thousand five hundred (5500) kPa absolute, impurities, other objectionable substances which may become separated from the gas, and other solids or liquids which will render it unmerchantable or cause injury to or interference with proper operations of the lines, regulators, meters or other appliances through which it flows and shall not contain any substance not contained in the gas at the time the same was produced other than traces of those materials and chemicals necessary for the transportation and delivery of the gas and which do not cause it to fail to meet any of the quality specifications herein set forth.
- (b) Shall not contain more than twenty-three (23) milligrams of hydrogen sulphide per cubic metre.
- (c) Shall not contain more than one hundred and fifteen (115) milligrams of total sulphur per cubic metre.
- (d) Shall not contain more than two per cent (2%) by volume of carbon dioxide.
- (e) Shall have been dehydrated, if necessary, for removal of water present therein in a vapour state, and in no event contain more than sixty-five (65) milligrams of water vapour per cubic metre.
- (f) Shall not exceed a temperature of fifty degrees (50°) Celsius.

- (g) Shall be as free of oxygen as practicable and shall not in any event contain more than four tenths of one percent (0.4%) by volume of oxygen.
- (h) Shall not have a total inert gas content in excess of 4% when used as a diluent to meet Natural Gas Interchangeability Indices.
- (i) Shall be free of any microbiological organisms, active bacteria or bacterial agents, including but not limited to sulphate reducing bacteria, iron oxidizing bacteria, and/or acid producing bacteria.
- (j) Volumes of Refined Biogas Customer delivers or causes to be delivered to Company for Transportation shall also comply with the BNQ Standard gas quality requirements.

2.3 Heating Value

The gas shall have a minimum Gross Heating Value to be received and delivered of 36.00 MJ/m³. The maximum Gross Heating Value of the gas to be received and delivered to Company shall be 41.34 MJ/m³.

2.4 Failure to Conform to Specifications

- (a) If the gas tendered for Transportation shall fail at any time to conform to any part of the specifications set forth in this Article 2, then Company shall notify Customer of such deficiency and may, at its option, refuse to accept receipts pending correction. If the deficiency in quality is not promptly remedied, Company may accept receipt of such gas and make changes necessary to bring such gas into conformity with such quality specifications and Company shall be reimbursed for any reasonable expenses incurred in effecting such changes.
- (b) Company shall have the right to discontinue receipt of gas from Customer without notice should the gas fail to meet the specifications set forth in Subsection 2.2.

2.5 Quality Tests

Company shall establish reasonable methods and procedures, including instrumentation, for making tests to determine whether gas tendered by Customer to Company for Transportation or delivered by Company to Customer, meets the specifications set forth in this Section 2, or such other test methods as is mutually agreeable to Company and Customer.

2.6 Natural Gas Interchangeability Indices

The natural gas received by Company shall conform to the following specifications (“Natural Gas Interchangeability Indices”):

- i) Weaver Incomplete Combustion Index less than or equal to 0.05;
- ii) AGA Yellow Tipping Index greater than or equal to 0.86;
- iii) The minimum Wobbe Index of the gas shall be 47.23 MJ/m³;
- iv) The maximum Wobbe Index of the gas shall be 51.16 MJ/m³; and
- v) Shall not contain greater than 1.5 mole per cent (%) Butanes Plus.

The Natural Gas Interchangeability Indices are based on the following historical supply gas composition:

| Compound | Mole % |
|-----------|---------|
| Methane | 95.6734 |
| Ethane | 1.6241 |
| Propane | 0.1410 |
| I-Butane | 0.0180 |
| N-Butane | 0.0173 |
| I-Pentane | 0.0034 |
| N-Pentane | 0.0034 |
| N-Hexane | 0.0014 |
| N-Heptane | 0.0007 |

| | |
|----------------|--------|
| N-Octane | 0.0002 |
| Nitrogen | 1.8419 |
| Carbon Dioxide | 0.6411 |
| Helium | 0.0339 |

3. DELIVERY POINT

3.1 For the purpose of Article 3 hereunder, unless otherwise specified in the Gas Service Contract, the delivery point or points for all gas to be delivered by Company to Customer pursuant to any Gas Service Contract into which these General Terms and Conditions are incorporated shall be on the outlet side of Company's measuring stations located at or near the point of connection between the respective facilities of the Company and of Customer, as specified in the Gas Service Contract.

3.2 If the total volume of gas delivered at any delivery point is less than $100\ 10^3\text{m}^3$ during any contract year, then Customer shall pay Company at the end of such contract year, in addition to any amounts otherwise payable, an amount equal to:

$$\frac{(100\ 10^3\text{m}^3 - X) \times Y}{100\ 10^3\text{m}^3}$$

Where "X" is the total volume actually delivered at such delivery point during such contract year; and

"Y" is 18% of Company's actual costs of installation of the delivery facilities at such delivery point.

4. TITLE TO GAS

4.1 Title and indemnification:

Customer represents and warrants that it has good title to and the right to deliver the gas or cause the gas to be delivered to Company for transportation, and such gas shall be free and clear from all liens, encumbrances and claims whatsoever.

Customer will indemnify and save harmless Company from and against all claims of

every nature and description whatsoever, including Company's costs of disputing such claims or defending any actions in respect thereof, made against Company by any person or persons claiming title to or any interest in the gas which Customer delivers or causes to be delivered to Company.

4.2 Transfer of the control and the custody of gas:

Gas delivered to Company by Customer for transportation shall be deemed to be in the custody and under the control of Company from the time such gas is accepted for transportation at the receipt points and until delivered by Company to Customer at the delivery points. Company will not assume any liability for such gas once it is delivered to the installations of Customer, nor for any reason whatsoever which could happen after such delivery. Company will have no liability for consequential damages. Furthermore, Company will have no liability in damages to Customer in respect of a failure, for any reason whatsoever, other than Company's willful default, to accept receipt of or deliver gas pursuant to the provisions of Customer's Gas Service Contract.

5. MEASUREMENT AND MEASURING EQUIPMENT

5.1 Measurement

Measuring equipment, measuring gas delivered by Customer to Company for Transportation, or delivered by Company to Customer shall be subject to the following unless otherwise agreed upon.

- (a) Customer shall be responsible for the measurements and measuring equipment at the Receipt Points while Company shall be responsible for such measurements and measuring equipment at the Delivery Points.
- (b) Company and Customer will – in conjunction with affected parties – establish necessary metering, dispatch, and operating procedures to provide information required by Company, Customer, or such affected parties.

5.2 Compliance with Standards

All measuring equipment, devices and material used for custody transfer shall be approved by Measurement Canada as authorized under the Electricity and Gas Inspection Act. When orifice meters are used, such meters shall be installed and maintained, and gas volumes shall be computed in accordance with the specifications prescribed in the Electricity and Gas Inspection Act. When ultrasonic and Coriolis meters are used, such meters shall be installed and maintained, and gas volumes shall be computed in accordance with Measurement Canada specifications for such meter.

All meter types shall be equipped with Measurement Canada approved integrating devices (e.g., flow computer or electronic volume corrector) for reporting standard volumetric flow rates used for custody billing. When positive displacement and turbine meters are used, they shall be equipped with a counting device for indicating the actual volume of gas passing through the meter and gauges for properly recording the pressure and temperature relative to time of such gas. The data recorded by such a device shall be sufficient to allow the determination of receipt of delivery volumes relative to time. They may also be equipped with a device for recording flow rate and/or a device for integrating the product of the volume of gas measured and the pressure and temperature corrections and indicating the volume of gas delivered or received. If an integrating device is used, correction for the deviation from Boyle's Law may be built into the device; otherwise such correction shall be applied to the volume of gas indicated.

5.3 Check Measuring Equipment

Customer or Company may install, maintain and operate at the expense of the party installing such check measuring equipment as desired, provided that such equipment shall be so installed as not to interfere with the operation of Customer or Company's measuring equipment as the case may be. Any pressure or volume

control regulators installed by Customer or Company shall be operated so as not to interfere with Customer or Company's measuring facilities.

5.4 Rights of Parties

The measuring equipment so installed by either party together with any building erected by either party for such equipment, shall be and remain property of the party installing equipment or erecting a building. However, Customer and Company shall have the right to have representatives present at the time of any installing, reading, cleaning, changing, repairing, inspecting, testing, calibrating or adjusting done in connection with the other's measuring equipment used in measuring or checking the measurement of receipt or delivery of gas. The records from such measuring equipment shall remain the property of their owner, but upon request each will submit to the other its records and charts, together with calculations therefrom, for inspection and verification, subject to return within ten days after receipt thereof.

5.5 Care Required

All installation of equipment applying to or affecting receipts or deliveries of gas shall be made in such manner as to permit an accurate determination of the volume of gas received or delivered and ready verification of the accuracy of measurement. Care shall be exercised by both parties in the installation, maintenance and operation of pressure regulating equipment so as to prevent any inaccuracy in the determination of the volume of gas received or delivered.

5.6 Calibration and Test of Measuring Equipment

The accuracy of measuring equipment shall be verified by the responsible party at reasonable intervals, and if requested, in the presence of representatives of other party, but Company or Customer shall not be required to verify the accuracy of such equipment more frequently than once in any thirty-day period. In the event either

party shall notify the other that it desires a special test of any measuring equipment the parties shall co-operate to secure a prompt verification of the accuracy of such equipment. The expense of any such special test, if called for by either party, shall be borne by party requesting same if the measuring equipment, except for recording gravimeters and calorimeters, tested is found to be in error by not more than 2%; and with regard to gravimeters if found to be in error by not more than 1%; and with regard to recording calorimeters if found to be in error by not more than 0.5%.

If upon test:

- (a) any measuring equipment, except for recording gravimeters and calorimeters, is found to be in error by not more than 2%, or
 - (b) any gravimeter is found to be in error by not more than 1%, or
 - (c) any recording calorimeter is found to be in error by not more than 0.5%,
- then previous recordings of such equipment shall be considered accurate in computing receipts or deliveries of gas but such equipment shall be adjusted at once to record accurately.

If, for the period since the last preceding test, it is determined that:

- (a) any measuring equipment, except for gravimeters and recording calorimeters, shall be found to be inaccurate by an amount exceeding 2% at a recording corresponding to the average hourly rate of flow for such period,
- (b) any gravimeter shall be found to be inaccurate by an amount exceeding 1%, or
- (c) for recording calorimeters, the MJ content measurement is in error in any amount exceeding 0.5%, then the previous readings of measurement equipment and/or recording calorimeters, as the case may be, shall be corrected to zero error for any period which is known definitely but in case the period is not known or agreed upon such correction shall be for a period

extending over 50% of the time elapsed since the date of the last test, not exceeding a correction period of 16 days.

Notwithstanding the foregoing, when the parties mutually agree that a measurement instrument inaccuracy occurred at a definite point in time, a volume correction shall be made even though said inaccuracy is less than the limits specified in (a), (b) and (c) above.

5.7 Correction of Metering Errors - Failure of Meters

In the event a meter is out of service, or registering inaccurately, the volume of gas received or delivered shall be determined by the most equitable method. Such methods shall include but not be limited to:

- (a) mathematical calculations and comparisons including prevailing ratio with a parallel meter,
- (b) the use of Customer's check measuring equipment, or
- (c) comparison to receipts or deliveries under similar conditions when the meter was registering accurately.

5.8 Preservation of Metering Records

Each party shall each preserve for a period of at least six (6) years all its test data, charts and other similar records. Electronic copies of the original documents shall be considered accurate records.

5.9 Atmospheric Pressure

For the purposes of measurement, the atmospheric pressure at the Receipt Points or any Delivery Point shall be established by a recognized formula applied to the nearest 0.001 kPa increment and deemed to be a constant for that point. This formula shall be in accordance with the methodology prescribed in the Electricity and Gas Inspection Act.

5.10 Gas Characteristics

The gas characteristics, including heat content, specific gravity, nitrogen and carbon dioxide content of the gas tendered by Customer to Company for Transportation or delivered by Company at a Delivery Point shall be determined in a manner approved under the Electricity and Gas Inspection Act, or if such specification is not set out in such Act, in accordance with industry accepted standards, and, in any event, in such manner as to ensure that the gas characteristics so determined are representative of the gas received or delivered at the Receipt Point or Delivery Point.

The gas characteristics used in computing gas measurement, depending upon the method utilized, shall be (i) the arithmetical average recorded each Day or part thereof if continuous recording equipment is used or (ii) where sampling is utilized, determinations available from analyses of such samples.

5.11 Flowing Temperature

The flowing temperature used in computing gas measurement shall be the arithmetical average of temperature measured during periods when gas is being received or delivered.

5.12 Access to and Exchange of Metering Records

Company and Customer shall exchange, upon request of either party, copies of all measuring and testing charts, data and information as soon as practicable for any such request.

6. BILLING

6.1 Monthly Billing Date

Company shall render a bill on or before the tenth (10th) day of each month for all gas delivered and all services provided during the prior month. When information necessary for billing by Company is in control of Customer, Customer shall furnish such information to Company on or before the fifth (5th) day of the month in connection with services rendered during the prior month.

6.2 Right of Examination

Both Company and Customer shall have the right to examine at any reasonable time the books, records and charts of the other to the extent necessary to verify the accuracy of any statement, chart or computation made under or pursuant to the provisions of the Gas Service Contract.

7. PAYMENTS

7.1 Monthly Payment Date

Customer shall pay Company at the address designated hereto, on or before the twentieth (20th) day of each month, for the gas delivered during the precedent month and billed by Company in a statement for such month according to the Contract Demand, measured deliveries, computations, prices and tolls provided in the Gas Service Contract.

7.2 Remedies for non-payment

Should Customer fail to pay all of the amount of any bill as herein provided when such amount is due, Company may charge unpaid portion of the bill an interest equal to the prime rate of interest of the Canadian Imperial Bank of Commerce on the date such payment is due, plus one percent (1%) in addition thereto and shall be payable on the date of payment. If such failure to pay continues for thirty (30) days after payment is due, Company, in addition to any other remedy it may have under the Gas Service Contract, may suspend its deliveries of gas until such amount is paid; PROVIDED HOWEVER, that if Customer in good faith shall dispute the amount of any such bill or part thereof and shall pay to Company such amounts as it concedes to be correct and at any time thereafter within twenty (20) days of a demand made by Company shall furnish good and sufficient surety bond satisfactory to Company, guaranteeing payment to Company of the amount ultimately found due upon such bill after a final determination which may be reached either by agreement or judgment of the courts, as may be the case, then Company shall not

be entitled to suspend further delivery of gas because of such non-payment unless and until default be made in the conditions of such bond.

7.3 Adjustment of Underpayment, Overpayment or Error in Billing

If it shall be found that Customer has been overcharged or undercharged in any form whatsoever and Customer shall have actually paid the bills containing such overcharge or undercharge, then within thirty (30) days after the final determination thereof, Company shall refund the amount of any such overcharge with interest which is equal to the prime rate of interest of the Canadian Imperial Bank of Commerce from the time such overcharge was paid to the date of refund, plus one percent (1%) in addition thereto, and Customer shall pay the amount of any such undercharge, but without interest. However, an overcharge of the Abandonment Charge shall be corrected solely through an adjustment to any future bill for which an Abandonment Charge is payable. In the event an error is discovered in the amount billed in any statement rendered by Company, such error shall be adjusted within thirty (30) days of the determination thereof provided that claim therefor shall have been made within sixty (60) days from the date of discovery of such error, but, in any event, within twelve (12) months from the date of payment.

7.4 Time of Payment Extended if Bill Delayed

If Company presents its bill after the tenth (10th) day of the month, then the time of payment shall be extended accordingly unless Customer is responsible for such delay.

8. DELIVERY PRESSURE

Gas delivered by Company to Customer shall be at the existing pressure in the pipes of Company, which shall not be less than a gauge pressure of 4 000 kPa at each of the delivery points stipulated in the Gas Service Contract.

9. FORCE MAJEURE

In the event of either Customer or Company being rendered unable, wholly or in part, by force majeure to perform or comply with any obligation or condition hereof or any obligation or condition in any Gas Service Contract into which these Other Services GT&C are incorporated, such party shall give notice and full particulars of such force majeure in writing or by telecopy to the other party as soon as possible after the occurrence of the cause relied on. The obligations of the party giving such notice, other than obligations to make payments of money then due, so far as they are affected by such force majeure, shall be suspended as long as such party is unable to comply with its obligation, and such party calling upon force majeure shall, as far as possible, try to remedy to the situation with all reasonable dispatch. The term "force majeure" as used herein shall mean acts of God, strikes, lockouts or other industrial disturbances, acts of the public enemy, wars, blockades, insurrections, riots, epidemics, landslides, lightning, earthquakes, fires, storms, floods, washouts, arrests and restraints of governments and people, civil disturbances, explosions, breakage or accident to machinery or lines of pipe, the necessity for making repairs to or alterations of machinery or lines of pipe, freezing of wells or lines of pipe, temporary failure of gas supply, inability to obtain materials, supplies, permits or labour, any laws, orders, rules, regulations, acts or restraints of any governmental body or authority, civil or military, any act or omission by parties not controlled by the party having the difficulty and any other similar causes not within the control of the party claiming suspension and which by the exercise of due diligence such party is unable to prevent or overcome.

The settlement of strikes, lockouts or other labour disputes shall be entirely within the discretion of the party having the difficulty. Under no circumstances will lack of finances be construed to constitute force majeure.

If as a result of an occurrence of a force majeure on the pipeline system of Customer, Customer does not take delivery of volumes of gas that Customer would otherwise have taken and, subsequently, Company is able to deliver excess volumes of gas over and above

its obligations during the same contract year, then Company will offer such excess volumes of gas to such Customer in an amount up to the volume Customer so failed to take.

In the event of a force majeure called upon by Company, Company shall curtail delivery of gas to Customer in accordance with the Article 10 hereof.

10. INTERRUPTION OR REDUCTION OF SERVICE

When Company is required to interrupt or reduce service hereunder as a result of any of the causes set out in the Article 9, or for any other cause, then such interruption or reduction will be apportioned among the customers receiving services from Company in the same proportion as each Customer's allocable share.

11. DELIVERIES AT MORE THAN ONE POINT FOR ONE CUSTOMER

If Customer has more than one delivery point, it shall each day designate the portion of the gas to be delivered to it on such day which it desires to receive at each delivery point and Company shall endeavour to make deliveries in accordance with such designation; provided that Company shall not be obliged to deliver to Customer, at any such delivery point on any day a volume of gas in excess of Customer's maximum daily delivery volume or Contract Demand.

12. DEFAULT AND TERMINATION

If either Company or Customer shall fail to perform any of the covenants or obligations imposed upon it by the Gas Service Contract into which these Other Services GT&C are incorporated, then the other party may at its option terminate said Contract by proceeding as follows: the party not in default shall cause a written notice to be served on the other party stating specifically the cause for terminating the Contract and declaring it to be the intention of the party giving the notice to terminate the same. Thereupon the party in default shall have thirty (30) days after the service of the aforesaid notice to remedy or remove the cause or causes stated in the notice for terminating the Contract; if within said period of thirty (30) days the party in default does so remove and remedy said cause or

causes and fully indemnify the party not in default for any and all consequences of such breach, then such notice shall be withdrawn and the Contract shall continue in full force and effect. In case the party in default does not so remedy and remove the cause or causes or does not indemnify the party giving the notice for any and all consequences of such breach, within said period of thirty (30) days, then, at the option of the party giving such notice, the contract shall terminate. Any cancellation of the Contract pursuant to the provisions of this paragraph shall be without prejudice to the right of Company to collect any amounts then due to it for gas delivered prior to the time of cancellation and shall be without prejudice to the right of Customer to receive any gas which it has not received but of which it has paid prior to the time of cancellation. The party not in default is not reputed to waive any remedy to which he may be entitled for violations of the Contract.

13. NON-WAIVER AND FUTURE DEFAULT

No waiver by either Company or Customer of any one or more defaults by the other in the performance of any provision of a Gas Service Contract shall operate or be construed as a waiver of any continuing or future default or defaults whether of a like or different character.

14. OPERATING INFORMATION AND ESTIMATES

Not less than eighteen (18) months prior to the commencement of the second (2nd) contract year and thereafter for each succeeding contract year, Customer shall furnish to Company estimates of Customer's daily, monthly and annual requirements for gas, and estimates of Customer's maximum daily requirements for gas at each delivery point provided in any Gas Service Contract into which these Other Services GT&C are incorporated. Such estimates shall be for five (5) consecutive contract years in the future. Company's obligation to deliver daily volumes of gas after the first contract year to each such delivery point shall be limited to those estimates last received in accordance with the provisions hereof.

15. INCORPORATION IN SGT AND BGT2 TOLL SCHEDULES AND GAS SERVICE CONTRACTS

These Other Services GT&C and the List of Tolls are incorporated in and are a part of Company's SGT and BGT2 Toll Schedules and applicable Gas Service Contracts.

16. FINANCIAL ASSURANCES

16.1 Financial Assurances for Performance of Obligations

Company may request that Customer (or any assignee) at any time from time to time prior to and during service, provide Company with an irrevocable standby letter of credit or other assurance acceptable to Company, in form and substance satisfactory to Company and in an amount determined in accordance with Subsection 3 hereof (the "Financial Assurances").

16.2 Failure to Provide Financial Assurances

Company may withhold the provision of service until Company has received a requested Financial Assurance.

If Customer fails to provide a requested Financial Assurance to Company within four (4) Banking Days of Company's request, Company may upon four (4) Banking Days written Notice immediately suspend any or all service being or to be provided to Customer provided however that any such suspension shall not relieve Customer from any obligation to pay any rate, toll, charge, or other amount payable to Company. If at any time during such suspension Customer provides such Financial Assurance to Company, Company shall within two (2) Banking Days recommence such suspended service.

If Customer fails to provide Financial Assurance during such suspension, Company may, in addition to any other remedy that may be available to it, upon four (4) Banking Days written Notice to Customer immediately:

- (a) terminate any or all service being or to be provided to Customer; and

- (b) declare any and all amounts payable now or in the future by Customer to Company for any and all service to be immediately due and payable as liquidated damages and not as a penalty.

Any Notice provided by Company to Customer to withhold, suspend, or terminate service pursuant to Subsection 2 hereof shall be filed concurrently with the CER.

16.3 Amount of Financial Assurance

The maximum amount of Financial Assurance Company may request from Customer (or assignee) for existing capacity and the provision of all Transportation and related services shall be as determined by Company an amount equal to:

- (a) for the provision of any gas transportation other than Subsection 16.3 b), for services subject to a demand charge, the aggregate of all tolls, charges or other amounts payable to Company for a period of seventy (70) days. For services not subject to a demand charge, the amount of the Financial Assurance for all tolls, charges, or other amounts payable to Company, shall be based on the daily average of the actual charges billed for service for the preceding twelve (12) month period with the initial forecast to be provided by Customer.
- (b) for the provision of any gas transportation and related services where Company determines it must construct facilities the aggregate of all rates, tolls, charges or other amounts payable to Company for a period of seventy (70) days plus one (1) month for each remaining year of the term of such service, up to a maximum of twelve (12) months total.

Nothing in this Article 16 shall limit Customer's right to request the CER to issue an order, under Subsection 239(2) of the CER Act, requiring Company to receive, transport and deliver gas offered by Customer for transmission, or to grant such other relief as Customer may request under the circumstances, notwithstanding Customer's default under this Article 16.