

**Transportation**  
**Tariff**  
**of**  
**Vector Pipeline Limited Partnership**  
**(Effective April 1, 2004 Unless Indicated Otherwise)**

**Communications Concerning this Tariff  
Should be Addressed to:**

**Vector Pipeline Limited**

**38705 Seven Mile Road, Suite 490  
Livonia, Michigan 48152  
United States**

**Attention: President**

**Phone: (734) 462-0230**

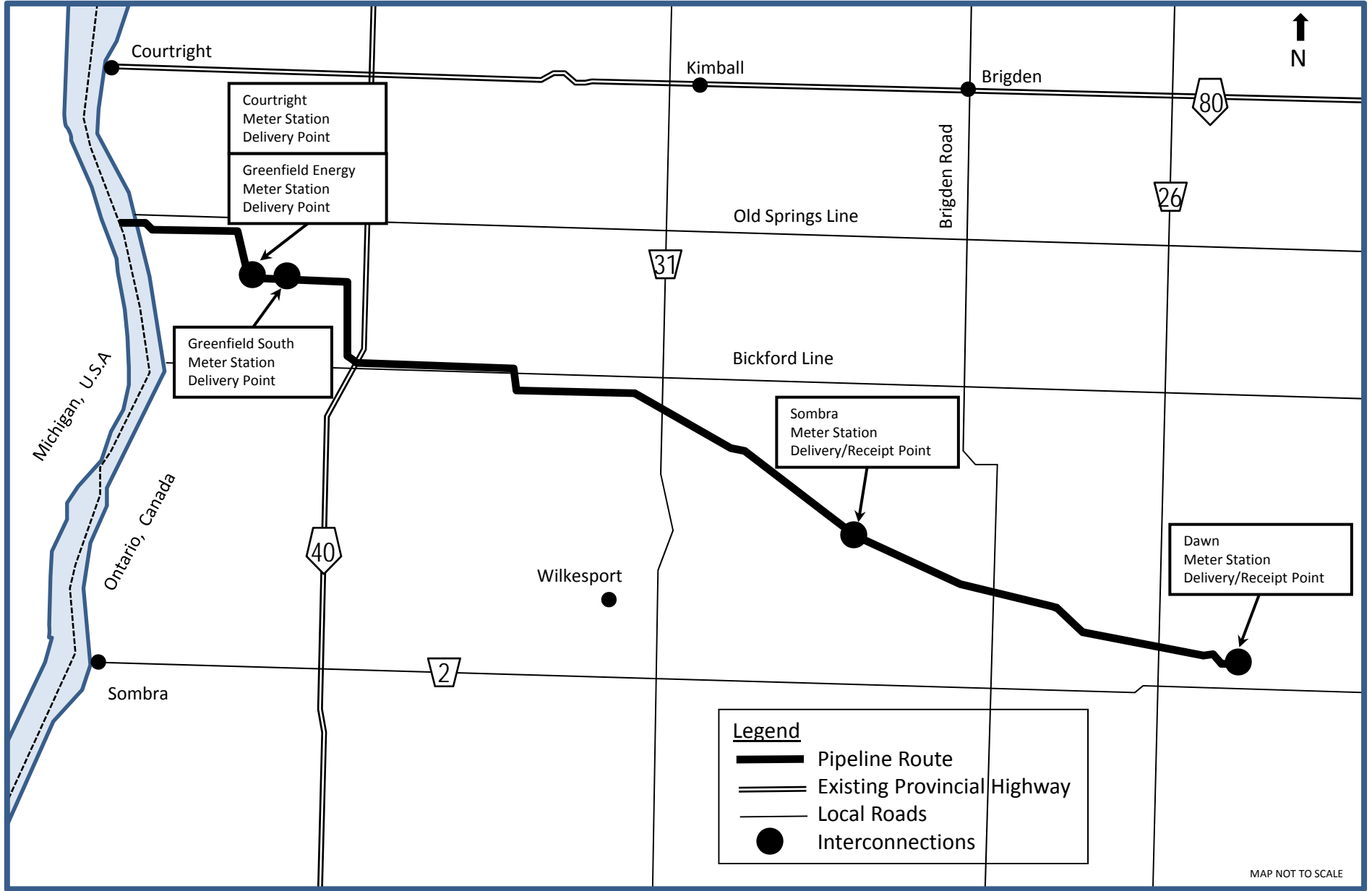
**Fax: (734) 462-0231**

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# Vector Pipeline Limited Partnership - System Map



Sheet Revision Date December 1, 2016 Effective January 1, 2017

Vector Pipeline Limited Partnership

Transportation Tariff

MAP NOT TO SCALE

**[SYSTEM MAP]**

**TOLL SCHEDULE FT-1**  
**FIRM TRANSPORTATION SERVICE**

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**FT-1 FIRM TRANSPORTATION SERVICE**

**ARTICLE 1: AVAILABILITY**

- 1.1** Any Shipper shall be eligible to receive service hereunder provided that:
- (a) Transporter determines it has sufficient system capacity to render the firm transportation service and is able to provide said Transportation.
  - (b) Any construction, acquisition, or expansion of facilities necessary to commence and provide the firm transportation service has been completed.
  - (c) Shipper has executed the FT-1 Firm Transportation Agreement in the form contained in Tab 9 Appendix 1 to the Tariff.
  - (d) Shipper has made arrangements acceptable to Transporter for service on upstream and downstream transporters if applicable.
  - (e) Shipper has satisfied the creditworthiness criteria in section 26 of the General Terms and Conditions ("GT&C") of this Tariff.

**ARTICLE 2: APPLICABILITY AND CHARACTER OF SERVICE**

- 2.1** Transportation service under this Toll Schedule, through all or any portion of Transporter's system, will be firm, subject to: (a) the availability of capacity; (b) to the provisions of an effective FT-1 Firm Transportation Agreement; and (c) to the GT&C.
- 2.2** On each Day during the term of a FT-1 Firm Transportation Agreement the Shipper shall be entitled to request service hereunder subject to this Toll Schedule and the GT&C. Nominations for service shall be made pursuant to section 5 of the GT&C. Service hereunder shall not be subject to curtailment or interruption except as provided for herein and in section 6 of the GT&C.
- 2.3** Transporter may refuse to render service hereunder if and for so long as Shipper is in default under any Transportation Agreement or the GT&C.
- 2.4** Transporter will receive for Shipper's account for Transportation hereunder daily quantities of Gas up to Shipper's Contracted Capacity, plus an amount reflecting a Fuel Requirement as determined in GT&C section 11, at the Receipt Points(s) on Transporter's system available to Shipper pursuant to Shipper's FT-1 Firm Transportation Agreement and the GT&C. Such Contracted Capacity shall be specified in Shipper's FT-1 Firm Transportation Agreement.

Transporter will deliver for Shipper's account, at the Delivery Point(s) nominated by Shipper from the Delivery Point(s) listed in Exhibit A to Shipper's FT-1 Firm Transportation Agreement less Fuel Requirements, GJs equivalent to the amount of GJs received by Transporter at the Receipt Point(s).

- 2.5** Transporter shall not be obligated to add any facilities or expand the capacity of its pipeline system in any manner in order to provide transportation service to Shipper pursuant to this Toll Schedule.

**ARTICLE 3: TOLLS AND CHARGES**

- 3.1** The applicable tolls for FT-1 firm transportation service hereunder are set forth in the Statement of Tolls as found in Tab 8 of this Tariff and are incorporated herein.
- 3.2** Unless Transporter and Shipper agree to a Negotiated Toll for service provided hereunder, the tolls applicable to Shipper for service hereunder shall be the toll set forth in the Statement of Tolls as found in Tab 8. In negotiating tolls with a Shipper, Transporter will negotiate tolls in a manner that is not unduly discriminatory and that treat similarly situated shippers alike.
- 3.3** Effective as of the date of commencement of service, as provided for in the FT-1 Firm Transportation Agreement, Transporter shall charge and Shipper shall pay for Transportation under this Toll Schedule each Month, or part thereof, if applicable, the sum of the following:
- I. the applicable Reservation Charge (as stated in the Statement of Tolls or as otherwise negotiated between Shipper and Transporter) multiplied by Shipper's Contracted Capacity;
  - II. the applicable Usage Charge, (as stated in the Statement of Tolls or as otherwise negotiated between Shipper and Transporter) multiplied by either (i) the total quantity of Gas actually delivered for Shipper's account if OBAs are not in effect for Shipper's Receipt and Delivery Points, or (ii) the scheduled quantity of Gas for Shipper's account where OBAs are in effect for Shipper's Receipt and Delivery Points, within Contracted Capacity during the month, pursuant to Shipper's FT-1 Firm Transportation Agreement, less the Fuel Requirement during the Month.
- 3.4** Nothing in this section 3 shall be construed as in any way relieving Shipper from its obligation to pay any adjustments or other charges calculated in accordance with the GT&C.



**ARTICLE 4: POINTS OF RECEIPT AND DELIVERY**

- 4.1** The Receipt Point(s) at which Transporter shall receive Gas for Transportation hereunder shall be those points listed in Exhibit A to Shipper's FT-1 Firm Transportation Agreement. Shipper's FT-1 Firm Transportation Agreement shall designate Shipper's Primary Receipt Points. Shipper shall have the right to utilize all other Receipt Points as Alternate Receipt Points, subject to availability and at a toll equal to the applicable maximum toll, unless otherwise agreed to by the parties, where applicable, and subject to the provisions of the GT&C.
- 4.2** The Delivery Point(s) at which Transporter shall deliver Gas for Shipper's account under this Toll Schedule shall be those points listed in Exhibit A to Shipper's Transportation Agreement. Shipper's FT-1 Firm Transportation Agreement shall designate Shipper's Primary Delivery Point(s). Shipper shall have the right to utilize all other Delivery Point(s) as Alternate Delivery Point(s), subject to availability at a toll equal to the applicable maximum toll, unless otherwise agreed to by the parties, where applicable, and subject to and the provisions of the GT&C.
- 4.3** Transporter and Shipper may, from time to time and by mutual agreement, add, change, or delete Primary Receipt Point(s) or Primary Delivery Point(s) as designated in Exhibit A to Shipper's FT-1 Firm Transportation Agreement.
- (a) Transporter shall agree to a change in Primary Receipt Point(s) or Primary Delivery Point(s) subject to the availability of mainline firm capacity and firm capacity at the requested points, subject to prior-in-time pending requests for firm service at the requested new point(s), and to the extent Transporter and Shipper agree on an appropriate toll for such service.
  - (b) Changes allowed to Primary Receipt Point(s) or Primary Delivery Point(s) will not increase or decrease Shipper's Contracted Capacity. Once a change in Primary Receipt Point(s) or Primary Delivery Point(s) has been authorized by Transporter, Shipper's rights at specific Primary Receipt Point(s) or Primary Delivery Point(s) will be adjusted to reflect the authorized change.
  - (c) Transporter shall not accept any requested change in Primary Receipt or Delivery Point(s) if to do so would, in Transporter's sole judgment, impair Transporter's ability to satisfy existing firm obligations.
  - (d) To request a change in the Primary Receipt Point(s) and/or the Primary Delivery Point(s), Shipper must provide Transporter with two (2) Business Days prior notice in the form of a written request accompanied by an amended Exhibit A to Shipper's FT-1 Firm Transportation Agreement. Transporter will provide Shipper with written notice within one (1) Business Day after receipt whether the requested change has been

accepted, in whole or in part. All such changes, once accepted by Transporter, shall be effective on the later of the next Day after acceptance by Transporter of the amended Exhibit A or the Day requested by Shipper.

- 4.4** A Shipper may segment its Contracted Capacity between the Primary Receipt Point(s) and Primary Delivery Point(s) set forth in Exhibit A to the FT-1 Firm Transportation Agreement, whether for Shipper's own use or that of another party, provided that service using any segmented Receipt and Delivery Point(s) (i) does not exceed Shipper's Contracted Capacity, and (ii) segmented service otherwise complies with Transporter's Tariff. Shippers using segmented capacity may not make nominations in which the total of the segmentation nominations on any overlapping segment exceeds the firm entitlements of the underlying segmented Transportation Agreement.

**ARTICLE 5: NOMINATIONS AND SCHEDULING OF RECEIPTS AND DELIVERIES**

- 5.1** If Shipper desires Transportation of Gas on any Day under this Toll Schedule, Shipper must nominate and schedule such Gas in accordance with sections 5 and 7 of the GT&C.

**ARTICLE 6: OVERRUN QUANTITIES AND IMBALANCES**

- 6.1** Imbalances associated with Transportation under this Toll Schedule and FT-1 Firm Transportation Agreements under this Toll Schedule shall be governed by and resolved pursuant to section 9 of the GT&C.

**ARTICLE 7: RESERVATION CHARGE CREDITS**

- 7.1** Reservation Charge credits shall be provided by Transporter to a Shipper consistent with the terms of GT&C section 34.

**ARTICLE 8: RESERVATIONS**

- 8.1** Transporter reserves the right to take such actions as may be required to preserve the integrity of Transporter's system, including maintenance of service to other firm customers, or enhance Transporter's system.

**ARTICLE 9: ASSIGNMENT**

- 9.1** Shipper may assign to third parties rights to transport Contracted Capacity, or any portion thereof, as provided under a FT-1 Firm Transportation Agreement on a temporary or permanent basis, provided however Shipper and third party assignee execute an assignment agreement in the form attached in Tab 9 Appendix 2 (Permanent Assignment) or Appendix 8 (Temporary Assignment) to the Tariff. Any rights assigned hereunder are subject to all terms and provisions of Transporter's Gas Tariff, including the GT&C and the applicable Toll Schedule(s).
- 9.2** Assignments may be negotiated between shippers and assignees at or below Transporter's currently effective maximum FT-1 reservation toll applicable to the term of the assignment. Notwithstanding any assignment hereunder, the assignor shall remain responsible for payment of the assignor's contracted reservation charge applicable to the FT-1 firm transportation service Contracted Capacity that has been assigned. The assignor shall receive a reservation credit equaling the reservation dollars that Transporter receives from the assignee concurrent with Transporter's invoice to the assignee for the assigned capacity. If the assignee defaults and Transporter must seek payment from the assignor, Transporter may charge the assignor interest at the rate provided for in Section 13 of the GT&C.

**ARTICLE 10: GENERAL TERMS AND CONDITIONS**

- 10.1** All of the GT&C of Transporter's Tariff of which this Toll Schedule is a part are applicable to this Toll Schedule and are made a part hereof to the extent that such terms and conditions are not contradicted by any provision herein. In the event of a conflict between the GT&C and the provisions of this Toll Schedule or a FT-1 Firm Transportation Agreement the GT&C shall prevail.
- 10.2** All defined terms in this Toll Schedule, being terms with their initial letters capitalized, when not otherwise defined in this Toll Schedule, will have the meaning ascribed to that term in the GT&C.

**TOLL SCHEDULE FT-L**  
**LIMITED FIRM TRANSPORTATION**  
**SERVICE**

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**FT-L LIMITED FIRM TRANSPORTATION SERVICE**

**ARTICLE 1: AVAILABILITY**

- 1.1** Any Shipper shall be eligible to receive service hereunder subject to Section 2.6, provided that:
- (a) Transporter determines it has sufficient system capacity to render the firm transportation service and is able to provide said Transportation.
  - (b) Any construction, acquisition, or expansion of facilities necessary to commence and provide the firm transportation service has been completed.
  - (c) Shipper has executed the FT-L Limited Firm Transportation Agreement in the form contained in Tab 9 Appendix 1 to the Tariff.
  - (d) Shipper has made arrangements acceptable to Transporter for service on upstream and downstream transporters if applicable.
  - (e) Shipper has satisfied the creditworthiness criteria in section 26 of the General Terms and Conditions ("GT&C") of this Tariff.

**ARTICLE 2: APPLICABILITY AND CHARACTER OF SERVICE**

- 2.1** Transportation service under this Toll Schedule, through all or any portion of Transporter's system, will be firm, subject to Transporter's right to not schedule service in whole or in part on any Day but not more than ten (10) Days in each Month, the availability of capacity, the provisions of an effective FT-L Limited Firm Transportation Agreement, and the GT&C.
- 2.2** On each Day during the term of a FT-L Limited Firm Transportation Agreement the Shipper shall be entitled to request service hereunder subject to this Toll Schedule and the GT&C. Nominations for service shall be made pursuant to section 5 of the GT&C. Service hereunder shall not be subject to curtailment or interruption except as provided for herein and in section 6 of the GT&C.
- 2.3** Transporter may refuse to render service hereunder if and for so long as Shipper is in default under any Transportation Agreement or the GT&C.
- 2.4** Transporter will receive for Shipper's account for Transportation hereunder daily quantities of Gas up to Shipper's Contracted Capacity, plus an amount reflecting a Fuel Requirement as determined in GT&C section 11, at the Receipt Point(s) on Transporter's system available to Shipper pursuant to Shipper's FT-L Limited Firm Transportation Agreement and the GT&C. Such Contracted Capacity shall be specified in Shipper's FT-L Limited Firm Transportation Agreement.

- by Shipper from the Delivery Point(s) listed in Exhibit A to Shipper's FT-L Limited Firm Transportation Agreement less Fuel Requirements, GJs equivalent to the amount of GJs received by Transporter at the Receipt Point(s).
- 2.5** Transporter shall not be obligated to add any facilities or expand the capacity of its pipeline system in any manner in order to provide transportation service to Shipper pursuant to this Toll Schedule.
- 2.6** If Transporter receives an acceptable request for firm Transportation Service pursuant to Toll Schedule FT-1 or FT-H that can only be provided by reducing the Contract Quantity under this Toll Schedule, Transporter shall notify the Shipper(s) that has the lowest net value of service, as computed per GT&C section 25.2, under this Toll Schedule of the reductions in its or their Contract Quantity under this Toll Schedule which are necessary to furnish Transportation Service under Toll Schedule FT-1 or FT-H. Such reduction(s) shall be made on the date(s) specified in such notification, which date(s) shall be no less than thirty (30) Days after the date of such notification. Such notified Shipper(s) under this Toll Schedule may, within said thirty (30) Days, convert that portion of service provided under this Toll Schedule which is equal to such reduction to service under Toll Schedule FT-1 or FT-H by executing a Transportation Agreement under Toll Schedule FT-1 or FT-H, which conversion shall have priority over the pending request for service under Toll Schedule FT-1 or FT-H that caused such notification, assuming such Toll Schedule FT-L Shipper agrees to service under Toll Schedule FT-1 or FT-H that will have a net present value that equals or exceeds the net present value of the Toll Schedule FT-1 or FT-H pending request, or such notified Shipper(s) may convert that portion of service provided under this Toll Schedule which is equal to such reduction to service under Toll Schedule IT-1 by executing a Transportation Agreement for such service, or such notified Shipper(s) may terminate any remaining portion of service provided under this Toll Schedule.

**ARTICLE 3: TOLLS AND CHARGES**

- 3.1** The applicable tolls for firm transportation service hereunder are set forth in the Statement of Tolls as found in Tab 8 of this Tariff and are incorporated herein.
- 3.2** Unless Transporter and Shipper agree to a Negotiated Toll for service provided hereunder, the tolls applicable to Shipper for service hereunder shall be the toll set forth in the Statement of Tolls found in Tab 8. In negotiating tolls with a Shipper, Transporter will negotiate tolls in a manner that is not unduly discriminatory and that treats similarly situated shippers alike.
- 3.3** Effective as of the date of commencement of service provided for in the FT-L Limited Firm Transportation Agreement, Transporter shall charge and Shipper shall pay for Transportation under this Toll Schedule each Month, or part thereof, if applicable, the sum of the following:

- I. the applicable Reservation Charge (as stated in the Statement of Tolls or as otherwise negotiated between Shipper and Transporter) multiplied by Shipper's Contracted Capacity;
  - II. the applicable Usage Charge, (as stated in the Statement of Tolls or as otherwise negotiated between Shipper and Transporter) multiplied by either (i) the total quantity of Gas actually delivered for Shipper's account if OBAs are not in effect for Shipper's Receipt and Delivery Points, or (ii) the scheduled quantity of Gas for Shipper's account where OBAs are in effect for Shipper's Receipt and Delivery Points, within Contracted Capacity during the month, pursuant to Shipper's FT-L Limited Firm Transportation Agreement, less the Fuel Requirement during the Month.
- 3.4** Nothing in this section 3 shall be construed as in any way relieving Shipper from its obligation to pay any adjustments or other charges calculated in accordance with the GT&C.

**ARTICLE 4: POINTS OF RECEIPT AND DELIVERY**

- 4.1** The Receipt Point(s) at which Transporter shall receive Gas for Transportation hereunder shall be those points listed in Exhibit A to Shipper's FT-L Limited Firm Transportation Agreement. Shipper's FT-L Limited Firm Transportation Agreement shall designate Shipper's Primary Receipt Points. Shipper shall have the right to utilize all other Receipt Points as Alternate Receipt Points, subject to availability and at a toll equal to the applicable maximum toll, unless otherwise agreed to by the parties, where applicable, and subject to the provisions of the GT&C.
- 4.2** The Delivery Point(s) at which Transporter shall deliver Gas for Shipper's account under this Toll Schedule shall be those points listed in Exhibit A to Shipper's Transportation Agreement. Shipper's FT-L Limited Firm Transportation Agreement shall designate Shipper's Primary Delivery Point(s). Shipper shall have the right to utilize all other Delivery Point(s) as Alternate Delivery Point(s), subject to availability and at a toll equal to the applicable maximum toll, unless otherwise agreed to by the parties, where applicable, and subject to the provisions of the GT&C.
- 4.3** Transporter and Shipper may, from time to time and by mutual agreement, add, change, or delete Primary Receipt Point(s) or Primary Delivery Point(s) as designated in Exhibit A to Shipper's FT-L Limited Firm Transportation Agreement.
- (a) Transporter shall agree to a change in Primary Receipt Point(s) or Primary Delivery Point(s) subject to the availability of mainline firm capacity and firm capacity at the requested points, subject to prior-in-time pending



requests for firm service at the requested new point(s), and to the extent Transporter and Shipper agree on an appropriate toll for such service.

- (b) Changes allowed to Primary Receipt Point(s) or Primary Delivery Point(s) will not increase or decrease Shipper's Contracted Capacity. Once a change in Primary Receipt Point(s) or Primary Delivery Point(s) has been authorized by Transporter, Shipper's rights at specific Primary Receipt Point(s) or Primary Delivery Point(s) will be adjusted to reflect the authorized change.
- (c) Transporter shall not accept any requested change in Primary Receipt or Delivery Point(s) if to do so would, in Transporter's sole judgment, impair Transporter's ability to satisfy existing firm obligations.
- (d) To request a change in the Primary Receipt Point(s) and/or the Primary Delivery Point(s), Shipper must provide Transporter with two (2) Business Days prior notice in the form of a written request accompanied by an amended Exhibit A to Shipper's FT-L Limited Firm Transportation Agreement. Transporter will provide Shipper with written notice within one (1) Business Day after receipt whether the requested change has been accepted, in whole or in part. All such changes, once accepted by Transporter, shall be effective on the later of the next Day after acceptance by Transporter of the amended Exhibit A or the Day requested by Shipper.

**4.4** A Shipper may segment its Contracted Capacity between the Primary Receipt Point(s) and Primary Delivery Point(s) set forth in Exhibit A to the FT-L Limited Firm Transportation Agreement, whether for Shipper's own use or that of another party, provided that service using any segmented Receipt and Delivery Point(s) (i) does not exceed Shipper's Contracted Capacity, and (ii) segmented service otherwise complies with Transporter's Tariff. Shippers using segmented capacity may not make nominations in which the total of the segmentation nominations on any overlapping segment exceeds the firm entitlements of the underlying segmented Transportation Agreement.

**ARTICLE 5: NOMINATIONS AND SCHEDULING OF RECEIPTS AND DELIVERIES**

**5.1** If Shipper desires Transportation of Gas on any Day under this Toll Schedule, Shipper must nominate and schedule such Gas in accordance with sections 5 and 7 of the GT&C.

**ARTICLE 6: OVERRUN QUANTITIES AND IMBALANCES**

**6.1** Imbalances associated with Transportation under this Toll Schedule and FT-L Limited Firm Transportation Agreements under this Toll Schedule shall be governed by and resolved pursuant to section 9 of the GT&C.

**ARTICLE 7: RESERVATION CHARGE CREDITS**

- 7.1** If, after exceeding the ten (10) Days in a Month where Transporter has the right not to schedule service in whole or in part, Gas Reservation Charge credits shall be provided by Transporter to a Shipper consistent with the terms of GT&C section 34.

**ARTICLE 8: RESERVATIONS**

- 8.1** Transporter reserves the right to take such actions as may be required to preserve the integrity of Transporter's system, including maintenance of service to other firm customers, or enhance Transporter's system.

**ARTICLE 9: ASSIGNMENT**

- 9.1** Shipper may assign to third parties rights to transport Contracted Capacity, or any portion thereof, as provided under a FT-L Limited Firm Transportation Agreement on a temporary or permanent basis, provided however Shipper and third party assignee execute an assignment agreement in the form attached in Tab 9 Appendix 2 (Permanent Assignment) or Appendix 8 (Temporary Assignment) to the Tariff. Any rights assigned hereunder are subject to all terms and provisions of Transporter's Gas Tariff, including the GT&C and the applicable Toll Schedule(s).
- 9.2** Assignments may be negotiated between shippers and assignees at or below Transporter's currently effective maximum FT-L reservation toll applicable to the term of the assignment. Notwithstanding any assignment hereunder, the assignor shall remain responsible for payment of the assignor's contracted reservation charge applicable to the FT-L firm transportation service Contracted Capacity that has been assigned. The assignor shall receive a reservation credit equaling the reservation dollars that Transporter receives from the assignee concurrent with Transporter's invoice to the assignee for the assigned capacity. If the assignee defaults and Transporter must seek payment from the assignor, Transporter may charge the assignor interest at the rate provided for in Section 13 of the GT&C.

The assignee shall be responsible for payment of Transporter's FT-L maximum usage charge.

**ARTICLE 10: GENERAL TERMS AND CONDITIONS**

**10.1** All of the GT&C of Transporter's Tariff of which this Toll Schedule is a part are applicable to this Toll Schedule and are made a part hereof to the extent that such terms and conditions are not contradicted by any provision herein. In the event of a conflict between the GT&C and the provisions of this Toll Schedule or a FT-L Limited Firm Transportation Agreement the GT&C shall prevail.

**10.2** All defined terms in this Toll Schedule, being terms with their initial letters capitalized, when not otherwise defined in this Toll Schedule, will have the meaning ascribed to that term in the GT&C.

**TOLL SCHEDULE FT-H**  
**HOURLY FIRM TRANSPORTATION**  
**SERVICE**

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**FT-H HOURLY FIRM TRANSPORTATION SERVICE****ARTICLE 1: AVAILABILITY**

- 1.1** Any Shipper shall be eligible to receive service hereunder provided that:
- (a) Transporter determines it has sufficient system capacity to render the firm transportation service and is able to provide said Transportation.
  - (b) Any construction, acquisition, or expansion of facilities necessary to commence and provide the firm transportation service has been completed.
  - (c) Shipper has executed the FT-H Hourly Firm Transportation Agreement in the form contained in Tab 9 Appendix 1 to the Tariff.
  - (d) Shipper has made arrangements acceptable to Transporter for service on upstream and downstream transporters if applicable.
  - (e) Shipper has satisfied the creditworthiness criteria in section 26 of the General Terms and Conditions ("GT&C") of this Tariff.
  - (f) Shipper receives Gas from Transporter at a physical Delivery point, which is directly connected to Transporter's system, equipped with a flow control device and electronic gas measurement equipment capable of verifying changes in gas flow on a real-time basis.
  - (g) Transporter has not entered into a FT-H Hourly Firm Transportation Agreement with any other shipper at the Delivery Point.

**ARTICLE 2: APPLICABILITY AND CHARACTER OF SERVICE**

- 2.1** Transportation service under this Toll Schedule, through all or any portion of Transporter's system, will be firm, subject to the availability of capacity, to the provisions of an effective FT-H Hourly Firm Transportation Agreement, and to the GT&C.
- 2.2** On each Day during the term of a FT-H Hourly Firm Transportation Agreement the Shipper shall be entitled to request service hereunder subject to this Toll Schedule and the GT&C and/or Section 2.7 of this Toll Schedule, as applicable. Nominations for service shall be made pursuant to section 5 of the GT&C. Service hereunder shall not be subject to curtailment or interruption except as provided for herein and in section 6 of the GT&C.
- 2.3** Transporter may refuse to render service hereunder if and for so long as Shipper is in default under any Transportation Agreement or the GT&C.

- 2.4** Transporter will receive for Shipper's account for Transportation hereunder daily quantities of Gas up to Shipper's Contracted Capacity, plus an amount reflecting a Fuel Requirement as determined in GT&C section 11, at the Receipt Point(s) on Transporter's system available to Shipper pursuant to Shipper's FT-H Hourly Firm Transportation Agreement and the GT&C. Such Contracted Capacity shall be specified in Shipper's FT-H Hourly Firm Transportation Agreement.

Transporter will deliver for Shipper's account, at the Delivery Point(s) nominated by Shipper from the Delivery Point(s) listed in Exhibit A to Shipper's FT-H Hourly Firm Transportation Agreement less Fuel Requirements, GJs equivalent to the amount of GJs received by Transporter at the Receipt Point(s).

- 2.5** Transporter shall not be obligated to add any facilities or expand the capacity of its pipeline system in any manner in order to provide transportation service to Shipper pursuant to this Toll Schedule.

- 2.6** Shipper may elect to deliver and receive up to the Maximum Hourly Delivery Quantity of its Contracted Capacity. Shipper's "Hourly Delivery Quantity" shall be the Contracted Capacity divided by the specified Hourly Delivery Period set forth in the Firm Transportation Agreement. The "Hourly Delivery Period" shall be not less than four (4) hours or greater than twenty (20) hours. Unless agreed otherwise by Transporter, Shipper shall concurrently provide and take the Gas per the confirmed nomination profile stated on an hourly basis but not to exceed either the Maximum Hourly Delivery Quantity or is Contracted Capacity.

- 2.7** At such time as Shipper either desires to initiate service on any Day under the Agreement or requires a change in the quantity of deliveries during a part of any Gas Day, Shipper will either notify Transporter via QuickNom™ at least one (1) hour prior to the time requested for such initiation or change in service this Toll Schedule or use the nomination timeline provisions of section 5.2 of the GT&C, unless agreed otherwise by Transporter. Transporter shall provide its confirmation of the nomination within one (1) hour after receipt of Shipper's nomination, unless agreed otherwise by Shipper. At no time shall Transporter be required to provide service under this Toll Schedule until Transporter has received appropriate confirmation from the upstream and/or downstream operators at the respective Receipt Point(s) and Delivery Point(s), provided that Transporter may elect to do so to the extent operational conditions permit and no other Shippers are adversely affected.

- 2.8** To the extent Transporter provides service hereunder by displacement of gas received downstream of the Delivery Point(s), Transporter's obligation shall be

limited to the displacement capability of Transporter's system during the specified hourly period.

**ARTICLE 3: TOLLS AND CHARGES**

- 3.1** The applicable tolls for FT-H firm transportation service hereunder are set forth in the Statement of Tolls as found in Tab 8 of this Tariff and are incorporated herein.
- 3.2** Unless Transporter and Shipper agree to a Negotiated Toll for service provided hereunder, the toll applicable to Shipper for service hereunder shall be



the toll set forth in the Statement of Tolls found in Tab 8. In negotiating tolls with a Shipper, Transporter will negotiate tolls in a manner that is not unduly discriminatory and that treats similarly situated shippers alike.

- 3.3** Effective as of the date of commencement of service, as provided for in the FT-H Hourly Firm Transportation Agreement, Transporter shall charge and Shipper shall pay for Transportation under this Toll Schedule each Month, or part thereof, if applicable, the sum of the following:
- I. the applicable Reservation Charge (as stated in the Statement of Tolls or as otherwise negotiated between Shipper and Transporter) multiplied by Shipper's Contracted Capacity, with the product multiplied by an hourly factor equal to Twenty-four (24) divided by the Hourly Delivery Period as set forth in the FT-H Hourly Firm Transportation Agreement;
  - II. the applicable Usage Charge, (as stated in the Statement of Tolls or as otherwise negotiated between Shipper and Transporter) multiplied by either (i) the total quantity of Gas actually delivered for Shipper's account if OBAs are not in effect for Shipper's Receipt and Delivery Points, or (ii) the scheduled quantity of Gas for Shipper's account where OBAs are in effect for Shipper's Receipt and Delivery Points, within Contracted Capacity during the month, pursuant to Shipper's FT-H Hourly Firm Transportation Agreement, less the Fuel Requirement during the Month.
- 3.4** Nothing in this section 3 shall be construed as in any way relieving Shipper from its obligation to pay any adjustments or other charges calculated in accordance with the GT&C.

#### **ARTICLE 4: POINTS OF RECEIPT AND DELIVERY**

- 4.1** The Receipt Point(s) at which Transporter shall receive Gas for Transportation hereunder shall be those points listed in Exhibit A to Shipper's FT-H Hourly Firm Transportation Agreement. Shipper's FT-H Hourly Firm Transportation Agreement shall designate Shipper's Primary Receipt Points. Shipper shall have the right to utilize all other Receipt Points as Alternate Receipt Points, subject to availability and at a toll equal to the applicable maximum toll, unless otherwise agreed to by the parties, where applicable, and subject to the provisions of the GT&C.
- 4.2** The Delivery Point(s) at which Transporter shall deliver Gas for Shipper's account under this Toll Schedule shall be those points listed in Exhibit A to Shipper's Transportation Agreement. Shipper's FT-H Hourly Firm Transportation Agreement shall designate Shipper's Primary Delivery Point(s). Shipper shall have the right to utilize all other Delivery Point(s) as Alternate

Delivery Point(s), subject to availability and at a toll equal to the applicable maximum toll, unless otherwise agreed to by the parties, where applicable, and subject to the provisions of the GT&C.

- 4.3** Transporter and Shipper may, from time to time and by mutual agreement, add, change, or delete Primary Receipt Point(s) or Primary Delivery Point(s) as designated in Exhibit A to Shipper's FT-H Hourly Firm Transportation Agreement.
- (a) Transporter shall agree to a change in Primary Receipt Point(s) or Primary Delivery Point(s) subject to the availability of mainline firm capacity and firm capacity at the requested points, subject to prior-in-time pending requests for firm service at the requested new point(s), and to the extent Transporter and Shipper agree on an appropriate toll for such service.
  - (b) Changes allowed to Primary Receipt Point(s) or Primary Delivery Point(s) will not increase or decrease Shipper's Contracted Capacity. Once a change in Primary Receipt Point(s) or Primary Delivery Point(s) has been authorized by Transporter, Shipper's rights at specific Primary Receipt Point(s) or Primary Delivery Point(s) will be adjusted to reflect the authorized change.
  - (c) Transporter shall not accept any requested change in Primary Receipt or Delivery Point(s) if to do so would, in Transporter's sole judgment, impair Transporter's ability to satisfy existing firm obligations.
  - (d) To request a change in the Primary Receipt Point(s) and/or the Primary Delivery Point(s), Shipper must provide Transporter with two (2) Business Days prior notice in the form of a written request accompanied by an amended Exhibit A to Shipper's FT-H Hourly Firm Transportation Agreement. Transporter will provide Shipper with written notice within one (1) Business Day after receipt whether the requested change has been accepted, in whole or in part. All such changes, once accepted by Transporter, shall be effective on the later of the next Day after acceptance by Transporter of the amended Exhibit A or the Day requested by Shipper.
- 4.4** A Shipper may segment its Contracted Capacity between the Primary Receipt Point(s) and Primary Delivery Point(s) set forth in Exhibit A to the FT-H Hourly Firm Transportation Agreement, whether for Shipper's own use or that of another party, provided that service using any segmented Receipt and Delivery Point(s) (i) does not exceed Shipper's Contracted Capacity, and (ii) segmented service otherwise complies with Transporter's Tariff. Shippers using segmented capacity may not make nominations in which the total of the segmentation nominations on any overlapping segment exceeds the firm entitlements of the underlying segmented Transportation Agreement.

**ARTICLE 5: NOMINATIONS AND SCHEDULING OF RECEIPTS AND DELIVERIES**

- 5.1** If Shipper desires Transportation of Gas on any Day under this Toll Schedule, Shipper must nominate and schedule such Gas in accordance with section 2.7 of this Toll Schedule and/or sections 5 and 7 of the GT&C.

**ARTICLE 6: OVERRUN QUANTITIES AND IMBALANCES**

- 6.1** Imbalances associated with Transportation under this Toll Schedule and FT-H Hourly Firm Transportation Agreements under this Toll Schedule shall be governed by and resolved pursuant to section 9 of the GT&C. Overrun quantities shall be calculated as the greater of (i) daily quantities transported in excess of Contract Capacity, or (ii) hourly quantities transported in excess of the Maximum Hourly Delivery Quantity shown in Exhibit A to Shipper's FT-H Hourly Firm Transportation Agreement.

**ARTICLE 7: RESERVATION CHARGE CREDITS**

- 7.1** Reservation Charge credits shall be provided by Transporter to a Shipper consistent with the terms of GT&C section 34.

**ARTICLE 8: RESERVATIONS**

- 8.1** Transporter reserves the right to take such actions as may be required to preserve the integrity of Transporter's system, including maintenance of service to other firm customers, or enhance Transporter's system.

**ARTICLE 9: ASSIGNMENT**

- 9.1** Shipper may assign to third parties rights to transport Contracted Capacity, or any portion thereof, as provided under a FT-H Hourly Firm Transportation Agreement

on a temporary or permanent basis, provided however Shipper and third party assignee execute an assignment agreement in the form attached in Tab 9 Appendix 2 (Permanent Assignment) or Appendix 8 (Temporary Assignment) to the Tariff. Any rights assigned hereunder are subject to all terms and provisions of Transporter's Gas Tariff, including the GT&C and the applicable Toll Schedule(s).

- 9.2** Assignments may be negotiated between shippers and assignees at or below Transporter's currently effective maximum FT-H reservation toll applicable to the term of the assignment. Notwithstanding any assignment hereunder, the assignor shall remain responsible for payment of the assignor's contracted reservation charge applicable to the FT-H firm transportation service Contracted Capacity that has been assigned. The assignor shall receive a reservation credit equaling the reservation dollars that Transporter receives from the assignee concurrent with Transporter's invoice to the assignee for the assigned capacity. If the assignee defaults and Transporter must seek payment from the assignor, Transporter may charge the assignor interest at the rate provided for in Section 13 of the GT&C.

#### **ARTICLE 10: GENERAL TERMS AND CONDITIONS**

- 10.1** All of the GT&C of Transporter's Tariff of which this Toll Schedule is a part are applicable to this Toll Schedule and are made a part hereof to the extent that such terms and conditions are not contradicted by any provision herein. In the event of a conflict between the GT&C and the provisions of this Toll Schedule or a FT-H Hourly Firm Transportation Agreement the GT&C shall prevail.
- 10.2** All defined terms in this Toll Schedule, being terms with their initial letters capitalized, when not otherwise defined in this Toll Schedule, will have the meaning ascribed to that term in the GT&C.

**TOLL SCHEDULE IT-1**  
**INTERRUPTIBLE TRANSPORTATION**  
**SERVICE**

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**IT-1 INTERRUPTIBLE TRANSPORTATION SERVICE****ARTICLE 1: AVAILABILITY**

- 1.1** Any Shipper shall be eligible to receive interruptible transportation service hereunder provided:
- (a) Transporter determines it has sufficient system capacity to render the interruptible transportation service and is able to provide said Transportation.
  - (b) Any construction, acquisition, or expansion of facilities necessary to commence and provide the interruptible transportation service has been completed.
  - (c) Shipper has executed the Interruptible Transportation Agreement in the form contained in Tab 9 Appendix 3 of this Tariff.
  - (d) Shipper has made arrangements acceptable to Transporter for service on upstream and downstream transporters if applicable.
  - (e) Shipper has satisfied the creditworthiness criteria in section 26 of the General Terms and Conditions ("GT&C") of this Tariff.

**ARTICLE 2: APPLICABILITY AND CHARACTER OF SERVICE**

- 2.1** Service hereunder is available on any Day during a Year, and will be interruptible, as provided herein, and pursuant to the Shipper's Interruptible Transportation Agreement and Transporter's GT&C, subject to the availability of capacity, Transporter's operating conditions and system requirements.
- 2.2** Transporter may refuse to render service hereunder if and for so long as Shipper is in default under any Transportation Agreement or the GT&C.
- 2.3** Transporter will receive for Shipper's account for Transportation hereunder daily quantities of Gas nominated by Shipper and as scheduled by Transporter, plus an amount reflecting the Fuel Requirement as determined under GT&C section 11, at the Receipts Point(s) on Transporter's system available to Shipper pursuant to Shipper's Interruptible Transportation Agreement and the GT&C. Transporter will deliver for Shipper's account, at the Delivery Point(s) nominated by Shipper GJs equivalent to the amount of GJs received by Transporter at the Receipt Point(s), as adjusted for the Fuel Requirement.
- 2.4** Transporter shall not be obligated to add any facilities or expand the capacity of its pipeline system in any manner in order to provide transportation service to Shipper pursuant to this Toll Schedule.

- 2.5** Service hereunder shall be subject to curtailment or interruption at any time that Transporter determines in its sole discretion that deliveries hereunder would in any way interfere with or restrict Transporter's ability to make deliveries of Gas under Firm Transportation Agreements. Transporter is free to contract at any time with other parties for new Transportation services (whether firm or interruptible or otherwise) without liability to Shipper for any resulting interruption or reduction of Transportation service hereunder.

**ARTICLE 3: TOLL AND CHARGES**

- 3.1** The applicable maximum tolls for interruptible transportation service hereunder are set forth in the Statement of Tolls as found in Tab 8 of this Tariff and are incorporated herein.
- 3.2** Unless Transporter and Shipper agree upon a negotiated toll for service provided hereunder, the toll applicable to Shipper for service hereunder shall be the applicable maximum interruptible toll as set forth in the Statement of Tolls as found in Tab 8 in this Tariff.
- 3.3** Effective as of the date of commencement of service as provided for in the Interruptible Transportation Agreement, Transporter shall charge and Shipper shall pay Transporter for Transportation service under this Toll Schedule and Shipper's Interruptible Transportation Agreement each Month the applicable toll under the Shipper's Interruptible Transportation Agreement, multiplied by either (i) the total quantity of Gas actually delivered for Shipper's account if OBAs are not in effect for Shipper's Receipt and Delivery Point(s), or (ii) the scheduled quantity of Gas for Shipper's account where OBAs are in effect for Shipper's Receipt and Delivery Point(s), less the applicable Fuel Requirement, during the Month.
- 3.4** Nothing in this Article 3 shall be construed as in any way relieving Shipper from its obligations to pay any adjustments, or charges calculated in accordance with the GT&C.

**ARTICLE 4: RECEIPT AND DELIVERY POINTS**

- 4.1** The Receipt Point(s) at which Transporter shall receive Gas for Transportation hereunder shall be all Receipt Points on Transporter's system.
- 4.2** The Delivery Point(s) at which Transporter may deliver Gas for Shipper's account under this Toll Schedule shall be all Delivery Points on Transporter's system.

**ARTICLE 5: NOMINATION AND SCHEDULING OF RECEIPTS AND DELIVERIES**

- 5.1** If Shipper desires Transportation of Gas on any Day under this Toll Schedule, Shipper must nominate and schedule service in accordance with sections 5 and 7



of the GT&C. If nominations exceed available interruptible transportation service, the available service shall be apportioned, by price from highest to lowest, however a pro rata apportionment (based on the ratio of the confirmed quantity nominated by each individual Shipper and the total confirmed quantity nominated by all Shippers seeking interruptible transportation service) will be used for Shippers paying the same toll.

**ARTICLE 6: OVERRUN QUANTITIES AND IMBALANCES**

- 6.1** Overrun quantities and imbalances associated with Transportation under this Toll Schedule are governed by and resolved pursuant to section 9 of the GT&C.

**ARTICLE 7: RESERVATIONS**

- 7.1** Transporter reserves the right to take such actions as may be required to preserve the integrity of Transporter's system, including maintenance of service to firm transportation Shipper's, or enhance Transporter's system.

**ARTICLE 8: GENERAL TERMS AND CONDITIONS**

- 8.1** All of the GT&C of Transporter's Tariff of which this Toll Schedule is a part are applicable to this Toll Schedule and are made a part hereof to the extent that such terms and conditions are not contradicted by any provision herein. In the event of a conflict between the GT&C and the provisions of this Toll Schedule or an Interruptible Transportation Agreement under this Toll Schedule, the GT&C shall prevail.
- 8.2** All defined terms in this Toll Schedule, being terms with their initial letters capitalized, when not otherwise defined in this Toll Schedule, will have the meaning ascribed to that term in the GT&C.

**TOLL SCHEDULE PALS-1**  
**PARK AND LOAN SERVICE**

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**PARK AND LOAN SERVICE****ARTICLE 1: AVAILABILITY**

- 1.1** Any Shipper shall be eligible to receive service hereunder ("Park and Loan Service") provided that:
- (a) Transporter determines it has sufficient system capacity to render the authorized service and is able to provide said service.
  - (b) Any construction, acquisition, or expansion of facilities necessary to commence and provide the authorized service has been completed.
  - (c) Shipper has executed the Park and Loan Service Agreement in the form contained in Tab 9 Appendix 4 of this Tariff.
  - (d) Shipper has satisfied the creditworthiness criteria in section 26 of the GT&C of this Tariff.
  - (e) Shipper has made a valid request for Park and Loan Service hereunder by providing the information required in section 25 of the GT&C in writing to Transporter as well as the following:
  - (f) Requested Receipt/Delivery Point(s), which must be the same point, identified by NAESB Common Code, and by legal description.

**ARTICLE 2: APPLICABILITY AND CHARACTER OF SERVICE**

- 2.1** This Toll Schedule shall apply to Park and Loan Service performed by Transporter. This service is interruptible in nature. Service rendered under this Toll Schedule will be provided for a minimum of one (1) Day.
- 2.2** Transporter shall establish and maintain a park and loan account for each Shipper utilizing this service.
- 2.3** Transportation of Gas quantities for or on behalf of a Shipper to or from the designated points of service under this Toll Schedule shall not be performed under this Toll Schedule. Shipper shall make any necessary arrangements with Transporter and/or third parties to receive or deliver Gas quantities at the designated points of service.
- 2.4** Transporter will authorize service hereunder for any Shipper only if, within Transporter's best operating judgment and discretion, such service is not otherwise expected to prevent Transporter from meeting all of its firm and interruptible Transportation service obligations, including Transporter's system needs.

- 2.5 Park and Loan Service hereunder shall be subject to priority of service and curtailment priority of service pursuant to GT&C section 6 and scheduling pursuant to GT&C section 7, on the same basis as interruptible transportation service.
- 2.6 Park Service hereunder shall consist of the following:
- (a) Service hereunder shall consist of the receipt of Gas by Transporter ("Parked Gas" or "Parked") upon nomination and subsequent confirmation of such daily quantities of Gas as specified in the executed Park and Loan Service Agreement. Quantities of Parked Gas with Transporter shall be credited to Shipper's park and loan account .
  - (b) Gas may be Parked for a period up to one calendar month, and such period may be extended with Transporter's permission.
  - (c) Shipper and Transporter shall agree to a delivery schedule stating the daily quantities of Gas Transporter will deliver to Shipper at the location where Parked Gas was originally tendered to Transporter by Shipper for the purpose of reducing Shipper's park and loan account to zero. If Transporter, upon nomination by Shipper, fails to schedule quantities of Gas for withdrawal from Shipper's park and loan account for a period of thirty (30) days, Transporter will be obligated to purchase the quantity of Parked Gas remaining in Shipper's park and loan account at a price equal to 100% of the monthly contract index as published in Gas Daily for "Alliance, into interstates" applicable for the month in which the thirtieth (30<sup>th</sup>) Day of curtailment occurs. If Gas Daily is no longer available to Transporter, Transporter shall use Intercontinental Exchange's ICE for "Alliance Delivered".
  - (d) Transporter may require Shipper to withdraw all, or any portion, of the Parked Gas within thirty (30) Days of Transporter's notice to Shipper. If Shipper fails to arrange for the withdrawal of the Parked Gas quantities specified by Transporter in its notice, despite the availability of capacity for the withdrawal of Shipper's Gas under its Park and Loan Service Agreement, Transporter shall take title to that portion of the Gas in Shipper's park and loan account that Shipper was instructed to withdraw, free and clear of any adverse claims. Transporter's notice to Shipper may be verbal and in such case shall be followed by a written confirmation.
  - (e) In those circumstances where it is deemed necessary by Transporter, in its sole discretion, to protect system line pack levels, Transporter may require the withdrawal of quantities of Gas in Shipper's park and loan account within twenty-four (24) hours of notification. In the event Shipper does not cause the withdrawal of Gas within twenty-four (24) hours, Transporter shall have the right to take title to those quantities of Gas in Shipper's park and loan account free and clear of any adverse claims.

- 2.7** Loan service hereunder shall consist of the following:
- (a) Advancement of Gas to Shipper by Transporter ("Loaned Gas" or "Loan") upon nomination and subsequent confirmation of such daily quantities of Gas as specified in the executed Park and Loan Service Agreement between Transporter and Shipper. Quantities of Loaned Gas advanced to Shipper shall be debited to Shipper's park and loan account.
  - (b) Shipper and Transporter will agree to a redelivery schedule setting out the daily quantities of Loaned Gas Shipper will deliver to Transporter at the location where Loaned Gas originally was delivered to Shipper for the purpose of reducing the Loaned Gas in Shipper's park and loan account to zero.
  - (c) Unless Shipper and Transporter mutually agree to an alternative redelivery schedule, if Shipper fails to deliver quantities of Gas as set out in the redelivery schedule, Shipper shall be obligated to purchase such quantities of Gas from Transporter at the highest price, determined as 200% of the daily contract index for "Alliance, into interstates" as published in Gas Daily. If Gas Daily is no longer available to Transporter, Transporter shall use Intercontinental Exchange's ICE for "Alliance Delivered".
- 2.8** Not more than thirty (30) Days after the termination of the Park and Loan Service Agreement executed by Shipper under this Toll Schedule, Transporter will notify Shipper of Shipper's park and loan account balance. If there is a balance remaining, Shipper will nominate for withdrawal such quantities within thirty (30) Days of the date of Transporter's notice.
- 2.9** In those circumstances where it is deemed necessary by Transporter, in its sole discretion, to protect system line pack levels, Transporter may require the injection of quantities of Gas in Shipper's park and loan account within twenty-four (24) hours. In the event Shipper does not cause the injection of Gas within twenty-four (24) hours, Shipper shall be obligated to purchase such quantities of Gas from Transporter at the price determined as two hundred percent (200%) of the daily contract index for "Alliance, into interstates" as published in Gas Daily. If Gas Daily is no longer available to Transporter, Transporter shall use Intercontinental Exchange's ICE for "Alliance Delivered".

**ARTICLE 3: TOLLS AND CHARGES**

- 3.1** The applicable toll payable by Shipper under this Toll Schedule are set forth in the Statement of Tolls found in Tab 8 of this Tariff. These tolls are incorporated herein by reference.
- 3.2** Transporter may elect to provide service at a toll that is less than the maximum but no less than the minimum toll applicable to this Toll Schedule. However, Transporter is not obligated to offer to provide service at any toll less than the maximum toll, each month, for services provided under this Toll Schedule.
- 3.3** Shipper shall pay Transporter each month the product of the quantities of Gas in Shipper's park and loan account, at the end of each Day, times the toll set forth in the effective Park and Loan Service Agreement. If on any Day, Shipper nominates either Parked Gas to be withdrawn or Loaned Gas to be delivered, but Transporter is unable to schedule all such confirmed quantities as nominated on that Day, Transporter will suspend any applicable toll charges until such time as Transporter schedules the confirmed quantities nominated.

**ARTICLE 4: OVERRUN AND IMBALANCE QUANTITIES**

- 4.1** Overrun quantities and imbalances associated with service under this Toll Schedule are governed by and resolved pursuant to section 9 of the GT&C.

**ARTICLE 5: RESERVATIONS**

- 5.1** Transporter reserves the right to take such actions as may be required to preserve the integrity of Transporter's system, including maintenance of service to firm transportation Shippers, or enhance Transporter's system.

**ARTICLE 6: GENERAL TERMS AND CONDITIONS**

- 6.1** All of the GT&C of Transporter's Tariff of which this Toll Schedule is a part are applicable to this Toll Schedule and are made a part hereof to the extent that such terms and conditions are not contradicted by any provision herein. In the event of a conflict between the GT&C and the provisions of this Toll Schedule or a Park and Loan Service Agreement under this Toll Schedule, the GT&C shall prevail.
- 6.2** GT&C section 9 shall apply to the Park and Loan Service Agreement, except that for purposes of this service the applicable tolerance shall be 10 GJ.
- 6.3** All defined terms in this Toll Schedule, being terms with their initial letters capitalized, when not otherwise defined in this Toll Schedule, will have the meaning ascribed to that term in the GT&C.

- 6.4** Transporter may refuse to render service hereunder if and for so long as Shipper is in default under any Transportation Agreement or the GT&C.



**TOLL SCHEDULE TTS**  
**TITLE TRANSFER SERVICE**

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**TITLE TRANSFER SERVICE****ARTICLE 1: AVAILABILITY**

- 1.1** Service provided under this Toll Schedule ("TTS Service") is available to any Person or entity ("Customer") provided that:
- (a) Customer and Transporter have executed a Title Transfer Service Agreement ("TTS Agreement") in the form contained in Tab 9 Appendix 5 to this Tariff.
  - (b) Customer, or its customers, must arrange for Transportation service in accordance with Transporter's Gas Tariff under separate Transportation Agreements ("Subject Service Agreements") for physical delivery of Gas quantities subsequent to title transfers that are tracked pursuant to nomination under this Toll Schedule.
- 1.2** TTS will be made available pursuant to the scheduling provisions of the General Terms and conditions ("GT&C") section 7 of Transporter's Tariff, and to any Customer that is willing and able to pay either the maximum tolls hereunder or such other toll to which Transporter and Customer mutually agree, in accordance with the GT&C.
- 1.3** Transporter is not required to provide any requested TTS Service under this Toll Schedule that would interfere with Transporter's performance of its Firm Transportation Service obligations.

**ARTICLE 2: APPLICABILITY AND CHARACTER OF SERVICE**

- 2.1** This Toll Schedule shall apply to quantities of Gas for which Transporter performs TTS Service on behalf of Customer under an executed TTS Agreement. TTS is an administrative service, under which Transporter provides Customer with locations for nomination of title transfers on Transporter's system ("Eligible Points"). Upon nomination by Customer, Transporter will facilitate and document the transfer of title of a quantity of gas at the Eligible Point as directed by Customer.
- 2.2** Deliveries downstream from the Eligible Points identified in the TTS Agreement shall be performed in accordance with provisions of Subject Service Agreements and the terms of this Tariff. In this regard, TTS service hereunder shall be subject to the character and priority of service that pertains to the Transportation services, as reflected in the applicable Transportation Agreements.
- 2.3** The procedures established under this Toll Schedule do not entitle Customer to Transportation or any other service under Transporter's Tariff, nor do they entitle Customer to maintain physical imbalances on Transporter's system.

**ARTICLE 3: TOLLS**

- 3.1 The applicable tolls payable by Customer under this Toll Schedule are set forth in the Statement of Tolls found in Tab 8 to this Tariff. These tolls are incorporated herein by reference.
- 3.2 Transporter may elect to offer service at a toll that is less than the maximum but no less than the minimum tolls applicable to this Toll Schedule. However, Transporter is not obligated to offer to provide service at any toll less than the maximum toll.

**ARTICLE 4: MONTHLY BILL**

- 4.1 Customer shall pay Transporter each month the following amount for TTS Service provided under this Toll Schedule:
  - (a) A charge per GJ for the TTS quantity, as defined in section 6.1(b), nominated by Customer at any Eligible Point.
  - (b) Any other applicable charges including those as set forth in section 9 of the GT&C of this Tariff, except that for the purposes of section GT&C the applicable tolerance shall be 10 GJ.

**ARTICLE 5: ELIGIBLE POINTS**

- 5.1 Transporter's web site shall specify Eligible Points at which Transporter will permit Customer to nominate title transfers resulting from the purchase and sale of quantities of Gas, subject to adequate corresponding rights under the Subject Service Agreement.

**ARTICLE 6: TITLE TRANSFER SERVICE PROCEDURES**

- 6.1 General Procedure.
  - (a) For any Day when Customer desires Transporter to track a title transfer for Customer's account under this Toll Schedule, Customer shall nominate to Transporter in accordance with section 5 of the GT&C of this Tariff, specifying:
    - (1) the quantity of Gas subject to the title transfer,
    - (2) the selling and/or purchasing parties,
    - (3) the desired Eligible Point; and
    - (4) such other information as may be required by Transporter to effect the TTS Service .

- (b) When Customer's nomination is confirmed as required by section 5 of the GT&C, subject to the limitations set forth in this Toll Schedule, such quantity shall constitute a TTS Quantity at that Eligible Point.
- 6.2** Customer may deliver or receive its TTS Quantity, as defined in section 6.1(b) above, from Transporter at a location other than the applicable Eligible Point, by nominating any other transportation service entitlements Customer may have with Transporter.
- 6.3** Customer is required to nominate an equal quantity of Gas for sale and for purchase for TTS Service at each Eligible Point, on each and every Day per transaction.

**ARTICLE 7: GENERAL TERMS AND CONDITIONS**

- 7.1** All of the GT&C of Transporter's Tariff of which this Toll Schedule is a part are applicable to this Toll Schedule and are made a part hereof to the extent that such terms and conditions are not contradicted by any provision herein. In the event of a conflict between the GT&C and the provisions of this Toll Schedule or a TTS Agreement under this Toll Schedule, the GT&C shall prevail.
- 7.2** All defined terms in this Toll Schedule, being terms with their initial letters capitalized, when not otherwise defined in this Toll Schedule, will have the meaning ascribed to that term in the GT&C.
- 7.3** Transporter may refuse to render service hereunder if and for so long as Shipper is in default under any Transportation Agreement or the GT&C.

**TOLL SCHEDULE**  
**MANAGEMENT OF BALANCING**  
**AGREEMENT SERVICE**

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**MANAGEMENT OF BALANCING AGREEMENT SERVICE****ARTICLE 1. AVAILABILITY**

**1.1** This Toll Schedule is available to any Person (hereafter called the "Balancing Provider") who contracts with a Shipper or another Person (hereafter called the "Balancing Customer") for the purpose of providing the Balancing Customer with balancing services. At the request and under the direction of the Balancing Provider, Transporter will manage the balancing service provided that:

- (a) Balancing Provider has entered into a Management of Balancing Agreement ("MBA Agreement") in the form contained in Tab 9 Appendix 6 to this Tariff.
- (b) Balancing Provider has entered into a balancing agreement with Balancing Customer and has provided the same to Transporter for it to determine that the terms and conditions are (i) not inconsistent with Transporter's Gas Tariff, except as may be noted herein, (ii) operationally and administratively feasible for Transporter to manage, and (iii) are otherwise acceptable to Transporter.
- (c) Balancing Provider can provide Transporter with the receipt of Gas or the delivery of Gas at point(s) (hereafter called "Balancing Point(s)"), which are at or downstream of the point that is balanced (hereafter called "Market Point") on behalf of Balancing Customer. Such Balancing Points(s) may include points(s) in the United States on Transporter's interconnected affiliate pipeline, Vector Pipeline L.P.
- (d) Balancing Provider has entered into a Transportation Agreement(s) under the Transportation Service Toll Schedules FT-1, FT-L, FT-H, or IT-1 (hereafter called "Associated Transportation Agreement(s)") and represents and undertakes to tender to Transporter for Transportation pursuant to that Associated Transportation Agreement(s) such quantities of Gas as may be required for purposes of performing the requested balancing service at an hourly quantity that is equal to or greater than the hourly Gas quantities required under the MBA Agreement. Such Gas quantities tendered for Transportation by Balancing Provider under the Associated Transportation Agreement(s) will be designated for delivery at a Delivery Point(s) that is at or beyond the Balancing Point(s) under the MBA Agreement. Such Delivery Points(s) may include points(s) in the United States on Transporter's interconnected affiliate pipeline, Vector Pipeline L.P.



- (e) Balancing Provider provides Transporter with (i) written proof of its access to and/or control of the Balancing Point(s) and Market Point at which the balancing will take place, (ii) the names and methods of communicating with persons who are authorized to act for Balancing Provider and whom Transporter can contact for purposes of managing the balancing service.
- (f) Balancing Provider has satisfied the creditworthiness criteria in section 26 of the General Terms and Conditions ("GT&C") of Transporter's Gas Tariff.
- (g) Where Tolls schedule PALS-1 is to be used as a Balancing Point, Balancing Provider must have in effect a PALS-1 Park and Loan Service Agreement, which will operate pursuant to section 2.7 of Tolls Schedule MBA.

**ARTICLE 2. APPLICABILITY AND CHARACTER OF SERVICE**

- 2.1** This Toll Schedule shall apply to Management of Balancing Service where Transporter manages a balancing agreement that a Balancing Provider has entered into with a Balancing Customer.
- 2.2** Balancing Provider shall either itself be physically connected to Transporter's system or have contractual rights to capacity on Transporter's system or at an interconnect with Transporter's system.
- 2.3** Because Balancing Provider cannot control the physical flow of Gas both into and off Transporter's system, Transporter will manage the physical flow of Gas receipts and deliveries on its system at the Balancing Point(s) and Market Point for the purpose of maintaining acceptable line pack within Transporter's system.
- 2.4** Balancing Provider is responsible for ensuring it has sufficient quantities of Gas scheduled under its Associated Transportation Agreement(s) at or beyond the Market Point and Balancing Point(s) at any point in time during the Day on Transporter's system to meet or exceed the balancing requirements under the MBA Agreement. The Management of Balancing Service under this MBA Agreement will be limited to a maximum hourly quantity not to exceed the hourly rates of flow under the Associated Transportation Agreement(s).
- 2.5** Balancing Provider must designate Receipt and Delivery Point(s) under its Associated Transportation Agreement(s) that will allow the physical flow of Gas sufficient to satisfy the requirements of the MBA Agreement.
- 2.6** The terms of GT&C section 16 shall apply to the Associated Transportation Agreement(s).
- 2.7** The balancing service pursuant to this Toll Schedule will operate as follows:
- (a) Balancing Provider shall first make a nomination pursuant to GT&C section 5 under its Associated Transportation Agreement(s) prior to initiating service on any Day under its MBA Agreement.
  - (b) At such time as Balancing Customer either desires to initiate service on any Day under the MBA Agreement or requires a change in the quantity of deliveries during a part of any Gas Day, Balancing Provider will nominate to Transporter via QuickNom™ no less than one (1) hour prior to the time requested for service or change unless agreed otherwise by Transporter, of (i) the time when such change in deliveries should take place, (ii) the amount of deliveries requested, and (iii) the duration in hours of the requested service or change.

Transporter shall provide its confirmation of the nomination within one (1) hour after receipt of Balancing Provider's nomination, unless agreed otherwise by Balancing Provider. At no time shall Transporter be required to provide service under this Toll Schedule until Transporter has received appropriate confirmation from the upstream and/or downstream operators at the respective Balancing Point(s) and Market Point. Any change requested by Balancing Provider in the quantity of Gas to be delivered during part of a Gas Day shall not result in deliveries to a Market Point (i) in excess of the hourly rates of flow under its Associated Transportation Agreement(s) and (ii) in excess of Balancing Provider's Contracted Capacity under its Transportation Agreement(s).

- (c) When Balancing Provider requests a change in the quantity of Gas to be delivered to a Market Point during part of a Gas Day, Balancing Provider also shall request the appropriate change to the quantities of Gas received or delivered to the Balancing Point(s), unless alternative scheduling arrangements have been agreed to by Transporter. At no time shall Transporter be required to provide service under this Toll Schedule until Transporter has received appropriate confirmation of a change in the quantity of Gas to be received at the Balancing Point(s), provided that Transporter may elect to do so to the extent operational conditions permit and no other Shippers are adversely affected.
- 2.8** Any quantity change to deliveries requested at a Market Point will be designated as a delivery to an Alternate Delivery Point, and at a Balancing Point(s) shall be designated as a receipt to an Alternate Receipt Point, for purposes of Priority of Service and Curtailment pursuant to section 6 of the GT&C and will comply with all applicable NAESB Standards.
- 2.9** In the event more than one Balancing Provider is providing balancing service at the same Market Point, the point operator of that Market Point shall provide Transporter with a predetermined allocation.
- 2.10** Where Balancing Provider fails, after confirmation by Transporter in section 2.7(b), to provide for the receipt or delivery of sufficient quantities of Gas to effect a requested balancing service at a Market Point, Balancing Provider will be deemed responsible for any resultant charges under the GT&C. To the extent Balancing Provider causes an imbalance quantity in excess of the maximum imbalance coverage per Day set forth in the MBA Agreement, Transporter may terminate the MBA Agreement without further notice. Such termination will not relieve Balancing Provider of its liabilities under this Toll Schedule, or such other lawful remedies as Transporter may pursue.

**ARTICLE 3. TOLLS AND CHARGES**

- 3.1** The tolls and charges payable by Balancing Provider to Transporter under this Toll Schedule shall include all applicable tolls and charges set forth in the Statement of Tolls found in Tab 8 to this Tariff. These tolls and charges are incorporated herein by reference.
- 3.2** The tolls for this service shall be applied to all quantities managed under this service.
- 3.3** Transporter may elect to offer to provide service at a toll that is less than the maximum, but no less than the minimum, tolls applicable to this Toll Schedule. However, Transporter is not obligated to offer to provide service at any toll less than the maximum toll.

**ARTICLE 4. NOMINATIONS AND SCHEDULING OF RECEIPTS AND DELIVERIES**

- 4.1** Service under this Toll Schedule requires that Balancing Provider nominate deliveries under its Associated Transportation Agreement(s) consistent with the requirements of GT&C section 5.
- 4.2** Requested changes by Balancing Provider to the delivery of Gas quantities under this MBA Agreement during a Day need not be nominated under GT&C section 5. Such requests will be managed and coordinated by Transporter with Balancing Provider according to the procedures in section 2.7(b-c) of this Toll Schedule.

**ARTICLE 5. GENERAL TERMS AND CONDITIONS**

- 5.1** All of the GT&C of Transporter's Tariff of which this Toll Schedule is a part are applicable to this Toll Schedule and are made a part hereof to the extent that such terms and conditions are not contradicted by any provision herein. In the event of a conflict between the GT&C and the provisions of this Toll Schedule or the executed MBA Agreement under this Toll Schedule, the GT&C shall prevail.
- 5.2** Balancing Provider is solely responsible for obtaining and maintaining any and all statutory or regulatory authorizations, permits, or licenses required to undertake and perform pursuant to the MBA Agreement between Transporter and Balancing Provider and/or the balancing agreement between Balancing Provider and Balancing Customer.
- 5.3** Transporter shall have no liability or obligation, other than as stated in this Toll Schedule and the MBA Agreement, to Balancing Provider and Balancing Customer. Balancing Provider and Balancing Customer independently indemnify Transporter from and against all losses, damages, expenses, claims, actions or proceedings threatened, incurred, or initiated in connection with service rendered

under the MBA Agreement as a result of Transporter's reliance on Balancing Provider to perform under the MBA Agreement.

- 5.4** All defined terms in this Toll Schedule, being terms with their initial letters capitalized, when not otherwise defined in this Toll Schedule, will have the meaning ascribed to that term in the GT&C.
- 5.5** Transporter may refuse to render service hereunder if and for so long as Shipper is in default under any Transportation Agreement or the GT&C.

**TOLL SCHEDULE OVS**  
**OPERATIONAL VARIANCE SERVICE**

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**OPERATIONAL VARIANCE SERVICE****ARTICLE 1. AVAILABILITY**

- 1.1** Any Shipper shall be eligible to receive service hereunder provided that:
- (a) Transporter determines it has sufficient system capacity to render the service and is able to provide the service.
  - (b) Any construction, acquisition, or expansion of facilities necessary to commence and provide the service has been completed.
  - (c) Shipper has executed the OVS Operational Variance Service Agreement in the form contained in Tab 9 Appendix 9 to the Tariff.
  - (d) Shipper has entered into FT-H Hourly Firm Transportation Agreement(s) with Transporter. Said FT-H Agreement(s) shall be known as the "Associated FT-H" as identified in Exhibit A of Shipper's OVS Operational Variance Service Agreement.
  - (e) Shipper has made arrangements acceptable to Transporter for balancing services with a third-party at the Receipt Point that match the criteria of this Toll Schedule and has provided Transporter with acceptable written proof of these balancing services.
  - (f) Shipper has satisfied the creditworthiness criteria in section 26 of the General Terms and Conditions ("GT&C") of this Tariff.
  - (g) Shipper receives Gas from Transporter at a physical delivery point that is directly connected to Transporter's system and that is equipped with a flow control device and electronic gas measurement equipment capable of verifying changes in Gas flow in real-time.

**ARTICLE 2. APPLICABILITY AND CHARACTER OF SERVICE**

- 2.1** Service under this Toll Schedule, through all or any portion of Transporter's system, shall be subject to the terms and conditions of an effective OVS Operational Variance Service Agreement, the terms and conditions of the GT&C, and the provision of service with the third-party at the Receipt Point.
- 2.2** Service hereunder shall be subject to curtailment or interruption as provided for in this Toll Schedule or in section 6 of the GT&C.
- 2.3** Transporter may refuse to render service hereunder if and for so long as Shipper is in default under any Transportation Agreement or the GT&C.



- 2.4 Transporter will allow, to the extent pipeline capability allows, the Scheduled Volumes under the Associated FT-H to vary up to a daily and hourly amount as defined in Section 2.6 of this Toll Schedule.
- 2.5 Transporter shall not be obligated to add any facilities or expand the capacity of its pipeline system in any manner in order to provide transportation service to Shipper pursuant to this Toll Schedule.
- 2.6 Shipper shall have a "Daily Variance Quantity" ("DVQ"), which is the maximum difference allowed on a daily basis between the scheduled receipts and the actual deliveries under the Associated FT-H and shall be set forth in Exhibit A to Shipper's OVS Operational Variance Service Agreement. Shipper shall also have an "Hourly Variance Quantity" ("HVQ") which is the maximum difference allowed on an hourly basis between the scheduled receipts and the actual deliveries under the Associated FT-H. DVQ and HVQ shall be set forth in Exhibit A to the Shipper's OVS Operational Variance Service Agreement.
- 2.7 The absolute value of the difference between the total quantity of Gas actually delivered for Shipper's account and the total quantity of Gas scheduled under the Associated FT-H shall be known as the "End of Day Variance" ("Variance"). Transporter shall deem that the Variance shall be allocated at the Receipt Point under this OVS Operational Variance Service Agreement and that on the second Gas Day following the Gas Day on which a Variance was created, the Variance shall be transferred to or from the Receipt Point.
- 2.8 To the extent Transporter provides service hereunder by displacement of Gas received downstream of the Delivery Point(s), Transporter's obligation shall be limited to the displacement capability of Transporter's system during the specified hourly period.

### **ARTICLE 3. TOLLS AND CHANGES**

- 3.1 Unless Transporter and Shipper agree to a Negotiated Toll for service provided hereunder, the toll applicable to Shipper for service hereunder shall be the toll set forth in the Statement of Tolls found in Tab 8. In negotiating tolls with each Shipper, Transporter will negotiate tolls in a manner that is not unduly discriminatory and that treats similarly situated shippers alike.
- 3.2 Effective as of the date of commencement of service, as provided for in the OVS Operational Variance Service Agreement, Transporter shall charge and Shipper shall pay for service hereunder each Month, or part thereof, if applicable, the sum of the following:
- (a) the applicable Monthly Service Charge (as stated in the Statement of Tolls or as otherwise negotiated between Shipper and Transporter) multiplied by Shipper's DVQ; and

- (b) the applicable Daily Usage Charge, (as stated in the Statement of Tolls or as otherwise negotiated between Shipper and Transporter) multiplied by the sum of the Shipper's daily Variances (not to exceed DVQ on any day) for the Month during which Shipper received service hereunder.
- 3.3** Nothing in this section 3 shall be construed as in any way relieving Shipper from its obligation to pay any adjustments or other charges calculated in accordance with the GT&C.

#### **ARTICLE 4. POINTS OF RECEIPT AND DELIVERY**

- 4.1** The Receipt Point at which Transporter shall receive Gas for Shipper's account under this Toll Schedule shall be the point listed in Exhibit A to Shipper's OVS Operational Variance Service Agreement, and will be the same point at which the third party providing balancing services is interconnected.
- 4.2** The Delivery Point at which Transporter shall deliver Gas for Shipper's account under this Toll Schedule shall be the point listed in Exhibit A to Shipper's OVS Operational Variance Agreement.

#### **ARTICLE 5. DAILY OVERRUN QUANTITIES AND CHARGES**

- 5.1** "Daily Overrun Quantities" shall be calculated for each Day of the Month for service hereunder as the sum of (i) daily quantities transferred at the end of the Day hereunder in excess of Shipper's DVQ, and (ii) for a particular Day, the sum of the absolute value of all of the hourly variances hereunder in excess of the HVQ shown in Exhibit A to Shipper's OVS Operational Variance Service Agreement. Each Month Transporter shall charge and Shipper shall pay for "Daily Overrun Charges" under this Toll Schedule and OVS Operational Variance Services Agreements under this Toll Schedule and shall be calculated as the product of the 100% load factor equivalent per GJ of the maximum Monthly Service Charge applied to sum of the Daily Overrun Quantities for the Month, unless Transporter and Shipper agree to otherwise.

#### **ARTICLE 6. SERVICE CHARGE CREDITS**

- 6.1** If, on any Day during any Month, Transporter's ability to perform OVS Operational Variance Service hereunder shall be diminished due to Force Majeure (as provided in section 18 of the GT&C), Shipper's bill for the subsequent Month shall be reduced by a service charge credit in an amount equal to the applicable Monthly Service Charge specified in the Firm Transportation Agreement, calculated on a daily basis, multiplied by the DVQ times the number of days so affected.

**ARTICLE 7. RESERVATIONS**

- 7.1** Transporter reserves the right to take such actions as may be required to preserve the integrity of Transporter's system, including maintenance of service to other firm customers.

**ARTICLE 8. GENERAL TERMS AND CONDITIONS**

- 8.1** The GT&C are applicable to this Toll Schedule and are made a part hereof to the extent that such terms and conditions are not contradicted by any provision herein. In the event of a conflict between the GT&C and the provisions of this Toll Schedule or an OVS Operational Variance Service Agreement the GT&C shall prevail.
- 8.2** All defined terms in this Toll Schedule, being terms with their initial letters capitalized, have the meaning ascribed to that term in the GT&C when not otherwise defined in this Toll Schedule.

**GENERAL TERMS AND CONDITIONS**

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## GENERAL TERMS AND CONDITIONS ("GT&C")

### 1. DEFINITIONS

Except where the context expressly states another meaning, the following terms when used in this Tariff and in any Transportation Agreement or Toll Schedule incorporating this Tariff, shall be construed to have the following meanings:

- 1.1 "Affiliate", when used to indicate a relationship with a specific Person, means another Person that directly, or indirectly through one or more intermediaries or otherwise, controls, is controlled by, or is under common control with, such specific Person. A corporation shall be deemed to be an Affiliate of another corporation if one of them is directly or indirectly controlled by the other or if each of them is directly or indirectly controlled by the same Person.
- 1.2 "Alternate Delivery Point(s)" means all Delivery Points on Transporter's system that are not designated as Primary Delivery Points in an effective Firm Transportation Agreement where quantities of Gas may be delivered by Transporter for the account of Shipper, under an effective Firm Transportation Agreement, as nominated by Shipper.
- 1.3 "Alternate Receipt Point(s)" means all Receipt Points on Transporter's system that are not designated as Primary Receipt Points in an effective Firm Transportation Agreement where quantities of Gas may be delivered by Transporter for the account of Shipper, under an effective Firm Transportation Agreement, as nominated by Shipper.
- 1.4 "Authorized Overrun" means a nomination made by a Shipper that exceeds its applicable Contracted Quantity which is accepted by Transporter. Authorized Overrun quantities are subject to an Authorized Overrun Charge as provided for in section 9.2.
- 1.5 "Available Capacity" means the capacity in Transporter's system that is not subscribed or scheduled for service under the terms of Transporter's Toll Schedules.
- 1.6 "Balancing Provider" means a party performing a balancing service pursuant to the Management of Balancing Agreement Toll Schedule.
- 1.7 "Balancing Customer" means a party receiving balancing services from a Balancing Provider under the Management of Balancing Agreement Toll Schedule.

- 1.8** "Balancing Point(s)" means the point(s) where a Balancing Provider under the Management of Balancing Agreement Toll Schedule can provide Transporter with the receipt of Gas or the delivery of Gas, which are at or downstream of the Market Point that is balanced.
- 1.9** "Board" or "NEB" means the National Energy Board of Canada, or any successors thereto.
- 1.10** "Business Day" means Monday through Friday, excluding Federal Banking Holidays for transactions in Canada and similar holidays for transactions occurring in the United States.
- 1.11** "Central Clock Time" or "CCT" means Central Daylight Time when Daylight Savings time is in effect and Central Standard Time otherwise.
- 1.12** "Contracted Capacity" means for customers receiving service pursuant to the Firm Transportation Agreements, the daily quantity of Gas contracted by a Shipper and for which Shipper has agreed to pay a Reservation Charge in accordance with the terms and conditions of Shipper's Transportation Agreement. For customers receiving service pursuant to Interruptible Transportation Service or Title Transfer Service or Park and Loan Service Toll Schedules, "Contracted Capacity" shall mean the quantity of Gas Transporter schedules and confirms for delivery on any given Day.
- 1.13** "Cubic Meter" or "m<sup>3</sup>" shall mean the volume of gas which occupies one cubic meter when such gas is at a temperature of fifteen degrees Celsius, and at a pressure of 101.325 kilopascals absolute.
- 1.14** "Day" means a twenty-four (24) hour period of time from 9:00 am to 9:00 am Central Clock Time.
- 1.15** "Dekatherm" or "Dth" means the quantity of heat energy which is 1,000,000 British thermal units ("Btus").
- 1.16** "Delivery Point(s)" means the point(s) where Transporter delivers Gas to Shipper, or for Shipper's account, that has been transported by Transporter.
- 1.17** "Electronic Delivery Mechanism" or "EDM" means the NAESB Model Trading Partner Agreement adopted by Transporter for electronic data interchange purposes.
- 1.18** "Firm Transportation Agreement" means an agreement pursuant to the Tariff under which Transporter provides firm Transportation to a Shipper.
- 1.19** "Force Majeure" means any act of God, war, civil insurrection or disobedience, acts of public enemy, strikes, lockouts or other industrial disturbances, accidents,



- blockades, riots, epidemics, landslides, lightning, earthquakes, explosions, fires, storms, floods, washouts, civil disturbance, arrests and restraints of governments and people, breakage or accident to machinery or lines of pipe resulting in the necessity for making unexpected repairs to or alterations of machinery or lines of pipe, freezing of lines of pipe, failure of electronic data capability, 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, or other cause whether of the kind enumerated or otherwise which is beyond the control of the party claiming suspension and which results in the failure of a party to perform its obligations. 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 the following events constitute Force Majeure: (i) routine, nonemergency maintenance, including as required by governmental authority or as deemed necessary by Transporter for safe operations or (ii) curtailment or disruption of service for any reason whatsoever on facilities upstream of Receipt Points on Transporter or downstream of the Delivery Points with which Transporter connects. Notwithstanding the foregoing, a Force Majeure event on the U.S. Pipeline shall constitute a Force Majeure event on Transporter.
- 1.20** "Fuel and Lost and Unaccounted for Gas" means Gas (a) used or lost in the construction, operation and maintenance of Transporter's system; (b) variances in the measurement of quantities of Gas received and delivered on Transporter's system; and (c) variations from time to time of the linepack contained in Transporter's system.
- 1.21** "Fuel Requirement" means the quantity of Gas required for Fuel and Lost and Unaccounted for Gas associated with rendering transportation service to the Shipper, calculated in accordance with section 11 of the GT&C.
- 1.22** "Gas" means methane and such other hydrocarbon constituents, or a mixture of two or more of them which, in any case, meets the quality specifications of the Tariff.
- 1.23** "Gas Imbalance" has the meaning ascribed to it in section 9 of the GT&C.
- 1.24** "Gigajoule" or "GJ" means the same as 1,000,000,000 joules and include the plural as the context requires.
- 1.25** "Gross Heating Value" means the total megajoules obtained by the complete combustion of one cubic metre of gas and air under conditions where the combustion reaction is at a constant absolute pressure of 101.325 kPa; the gas is free of all water vapour; the gas, the air, and the products of combustion are at a temperature of 15 degrees Celsius; and water formed by the combustion reaction is condensed to a liquid state.

- 1.26** "Interruptible Transportation Agreement" means an agreement pursuant to which Transporter is obligated to provide interruptible Transportation service to a Shipper.
- 1.27** "Intraday Nomination" is a nomination submitted after the nomination deadline whose effective time is as stated in section 5 of the GT&C.
- 1.28** "Joule" or "J" shall mean the work done when the point of application of a force of one newton is displaced a distance of one meter in the direction of force.
- 1.29** "kPa" means kilopascals of gauge pressure, unless absolute pressure is specified.
- 1.30** "Management of Balancing Agreement" means an agreement pursuant to which Transporter is obligated to provide management of balancing service to a Balancing Provider.
- 1.31** "Market Point," in connection with the Management of Balancing Agreement Toll Schedule, means the Delivery Point that is being balanced by a Balancing Provider on behalf of a Balancing Customer.
- 1.32** "Maximum Daily Quantity" is the maximum daily quantity of Gas Transporter will receive or deliver at each Receipt or Delivery Point in accordance with the terms of an effective Transportation Agreement.
- 1.33** "Mcf" means one thousand (1,000) Cubic Feet.
- 1.34** "MMcf" means one million (1,000,000) Cubic Feet.
- 1.35** "Month" means the period from 9:00 am CCT on the first Day of the calendar month and ending at 9:00 am CCT on the first Day of the next succeeding calendar month.
- 1.36** "NAESB" means the North American Energy Standards Board.
- 1.37** "NAESB Standards" means any and all such standards issued by NAESB and adopted by the Federal Energy Regulatory Commission.
- 1.38** "Negotiated Toll" means a toll or toll formula for computing a toll for service under a single toll schedule under which, for some portion of the contract term, one or more of the individual toll components may exceed the maximum or be less than the minimum component charge of the applicable toll, but shall not in any event exceed any overall maximum toll as set forth on Transporter's Statement of Tolls as found at Tab 8. A Negotiated Toll must be mutually agreed upon by Transporter and Shipper.
- 1.39** "OBA" or "Operational Balancing Agreement" means a contract between parties which specifies the procedures to manage operating variances at an interconnect.

- 1.40** "Operator" means the corporation(s) or other Person(s) retained by Transporter to operate its pipeline system, or portions thereof, in an efficient and coordinated manner, including but not restricted to, the management of facilities, receipt and disposition of nominations, scheduling of receipts and deliveries, administration of Service Agreements and Transportation Agreements and accounting. Where appropriate, references to Transporter herein may include Operator acting on behalf of Transporter.
- 1.41** "Park and Loan Service Agreement" means an agreement pursuant to which Transporter is obligated to provide park and loan service to a Shipper.
- 1.42** "Payment Due Date" means the 10th calendar day after receipt of an invoice sent pursuant to section 12 of the GT&C. If the Payment Due Date is not a Business Day, then payment must be received by Transporter or by the financial institution so designated by Transporter for payment, on or before the first Business Day immediately following the Payment Due Date.
- 1.43** "Person" means a natural person, sole proprietorship, firm, trust, trustee, executor, administrator or other legal personal representative, partnership, limited partnership, joint venture, syndicate, company or corporation with or without share capital, unincorporated association, regulatory body or agency, government or governmental agency, authority or entity however designated or constituted.
- 1.44** "Prepayment", with respect to creditworthiness, means the advance payment for transportation services rendered by Transporter.
- 1.45** "Primary Delivery Point(s)" means those Delivery Point(s) on Transporter's system where quantities of Gas may be delivered by Transporter for the account of Shipper, as described in an effective Transportation Agreement between Shipper and Transporter.
- 1.46** "Primary Receipt Point(s)" means those Receipt Point(s) on Transporter's system where quantities of Gas may be received by Transporter for the account of Shipper, as described in an effective Transportation Agreement between Shipper and Transporter.
- 1.47** "Prime Rate" means, at any time, the per annum rate of interest then designated by the main branch of The Bank of Nova Scotia in Toronto, Ontario as its reference rate of interest for Canadian dollar commercial loans in Canada and which is announced by such Bank as its Prime Rate. A rate of interest payable pursuant hereto shall change automatically without notice to any party on each occasion upon which the Prime Rate is varied.
- 1.48** "QuickNom™" means Transporter's electronic communication system which is available to any Shipper who has executed a Web Access Agreement. In the event of a failure of electronic nomination/scheduling communication

equipment, the Internet, or a third party service provider, or any other similar emergency event, the term "QuickNom™" shall also incorporate a mutually agreed upon means of alternate communication between Shipper and Transporter.

- 1.49** "Receipt Point" is any point on Transporter's system where quantities of Gas may be received by Transporter.

- 1.50** "Reservation Charge" means the reservation charge component of the toll applicable to firm transportation service as specified in Transporter's Tariff and the Firm Transportation Agreement between such Shipper and Transporter.
- 1.51** "Scheduled Daily Delivery" means the quantity of Gas which during any one day Shipper has nominated and Transporter has confirmed for delivery.
- 1.52** "Scheduled Quantity" is the quantity of Gas a Shipper nominates for receipt by Transporter at a Receipt Point and for redelivery by Transporter for Shipper at a Delivery Point, and that Transporter schedules for Transportation.
- 1.53** "Shipper" means a Person who uses the services of Transporter pursuant to the Tariff.
- 1.54** "System Capacity" is the quantitative ability of Transporter's existing system to provide maximum Gas Transportation service. The ability of Transporter's system to maintain Gas Transportation service may be limited by changes in prevailing operating pressures, temperatures, Gas flow rates and Gas flow directions within any portion(s) of Transporter's system, including any Receipt Point(s) or Delivery Point(s); physical capacity limitations of regulators, valves, pipelines or pipeline segments, measuring facilities or appurtenances to Transporter's system; and necessary testing, maintenance, repair, overhaul, alternation, modification, replacement, enlargement, or construction of pipelines, metering, regulating, and other transmission facilities and equipment appurtenant to Transporter's system.
- 1.55** "Tariff" means Transporter's NEB Transportation Tariff, as amended and filed from time to time with the Board.
- 1.56** "Title Transfer Service Agreement" means an agreement pursuant to which Transporter is obligated to provide title transfer service, pursuant to the Title Transfer Service Toll Schedule.
- 1.57** "Transportation" means the receipt of Gas for Shipper's account at Receipt Points on Transporter's pipeline system that are available to Shipper pursuant to Shipper's Transportation Agreement and the delivery, for Shipper's account, of Gas to Transporter at the Delivery Point(s) set forth in Exhibit A of Shipper's Transportation Agreement, including service as available via displacement of Gas received downstream of the Delivery Point(s).
- 1.58** "Transportation Agreement" means an agreement pursuant to the Tariff under which Transporter provides Transportation or other contract services to a Shipper.
- 1.59** "Transporter" means Vector Pipeline Limited Partnership.
- 1.60** "U.S. Pipeline" means Vector Pipeline L.P.

- 1.61** "Unauthorized Overrun" means quantities of Gas transported by Transporter on behalf of a Shipper in excess of Shipper's Contracted Quantity without Transporter's advance approval.
- 1.62** "Volume" shall mean the number of Cubic Meters adjusted for heat content in Gigajoules.
- 1.63** "Web Site" means Transporter's interactive Internet web site through which Transporter will post all information and conduct business electronically. Third party connections using Transporter's Web Site shall be accomplished under the terms of an EDM. Transporter's web site is [www.vector-pipeline.com](http://www.vector-pipeline.com).
- 1.64** "Year" means a period of 365 consecutive days, except that any year which contains the date February 29 shall consist of 366 consecutive days.

## **2. QUALITY OF GAS**

- 2.1** All Gas to be received by Transporter from Shipper shall conform to the following specifications:
- (a) A minimum Gross Heating Value of 36 megajoules per Cubic Metre and a maximum Gross Heating Value of 41 megajoules per Cubic Metre.
  - (b) Commercially free, at the prevailing pressure and temperature in Transporter's pipeline, from objectionable odors, sand, dust, gums, oils, hydrocarbons liquefiable at temperatures in excess of minus ten degrees Celsius ( $-10^{\circ}$  C) at the prevailing operating pressure, 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.
  - (c) Contain no more than 6 milligrams of hydrogen sulphide per Cubic Metre of Gas nor more than 460 milligrams of total sulphur per Cubic Metre of Gas as determined by standard methods of testing.
  - (d) Not contain more than 4% by volume of a combined total of carbon dioxide and nitrogen components; provided, however, that the total carbon dioxide content shall not exceed 2% by volume.
  - (e) Have been dehydrated, if necessary, for removal of water present therein in a vapour state, and shall in no event contain more than 64 milligrams of

entrained water per Cubic Metre of Gas as determined by standard methods of testing.

- (f) Not exceed a temperature of 49° Celsius.
  - (g) Be free of oxygen as is practicable and shall not in any event contain more than 0.4% by volume of oxygen.
  - (h) In no event contain any mix of components that will cause the presence of any liquids in the pipeline under normal operating conditions.
- 2.2** The Person measuring Gas quality shall use approved standard methods in general use in the natural gas industry, and shall cause adequate tests to be made to determine the quality of the Gas delivered. Such tests shall be made at intervals frequent enough to determine that the Gas conforms to these specifications.
- 2.3** If the Gas being received by Transporter from Shipper or on behalf of Shipper fails at any time to conform to any of the specifications set forth in section 2.1, Transporter may refuse to receive the Gas, in which case Transporter shall notify the Person delivering such Gas of such deficiency in quality to allow such Person to remedy any deficiency. Upon such Person's failure to promptly remedy any deficiency in quality as specified in section 2.1, Transporter may terminate all receipts under the Transportation Agreement or accept delivery of such Gas and may make changes necessary to bring such Gas into conformity with such specifications, and the Shipper shall reimburse Transporter for any reasonable expense incurred in effecting such changes or for any injury or damages resulting from deliveries of non-conforming Gas.
- 2.4** The design and construction of any facilities to be installed by Shipper in order to comply with the quality specifications in section 2.1 shall be approved by Transporter prior to such facilities being placed in service, such approval not to be unreasonably withheld.

### **3. MEASUREMENT**

- 3.1** The volume and the total heating value of Gas received and delivered by Transporter shall be determined as follows:
- (a) The unit of Gas received and delivered by Transporter shall be a Gigajoule.
  - (b) The unit of volume, for the purpose of measurement, shall be one Cubic Metre of Gas. The readings and registrations of the measuring equipment provided for herein and determinations of Gross Heating Value shall be computed in terms of such volumes.

- 3.2** The factors required to determine the quantity of Gas received, such as pressure, temperature, specific gravity and deviations from Boyle's Law shall be calculated in accordance with the *Electricity and Gas Inspection Act (Canada)* and the Regulations thereunder and any modifications and amendments thereof, and applied in a practical manner.
- 3.3** A unit of volume for purposes of reporting shall be one thousand (1000) cubic metres ( $10^3\text{m}^3$ ) of Gas.
- 3.4** The volume of the Gas received from Shipper shall be determined in accordance with the *Electricity and Gas Inspection Act (Canada)* and the Regulations thereunder.
- 3.5** The absolute atmospheric pressure used for volume calculations shall be assumed to be a specific pressure determined by calculations based on the actual elevation above sea level at the site of the meter, regardless of variations in actual barometric pressure. The formula used to calculate the atmospheric pressure shall be in accordance with the methodology prescribed pursuant to the *Electricity and Gas Inspection Act (Canada)* and the Regulations thereunder.
- 3.6** The determination of Gross Heating Value of Gas received or delivered shall be performed in a manner approved under the *Electricity and Gas Inspection Act (Canada)* and the Regulations thereunder or, if a manner for such determination is not set out in that Act, in accordance with industry accepted standards, and, in any event, in a manner to ensure that the Gross Heating Value so determined is representative of the Gas received or delivered at the Receipt or Delivery Point.

#### **4. MEASURING EQUIPMENT**

- 4.1** With respect to Gas received or delivered under a Transportation Agreement, unless otherwise mutually agreed upon, all measuring facilities shall be installed, if necessary, owned, maintained and operated by Transporter or Transporter's designee near the Receipt Point(s) and Delivery Point(s).
- 4.2** All meters and measuring equipment for the determination of volume, Gross Heating Value and relative density shall be approved pursuant to, and installed and maintained in accordance with the *Electricity and Gas Inspection Act (Canada)* and Regulations thereunder. Notwithstanding the foregoing, all installation of equipment applying to or affecting deliveries of Gas shall be made in such manner as to permit an accurate determination of the quantity and Gross Heating Value of Gas delivered and ready verification of the accuracy of measurement. Care shall be exercised by all parties in the installation, maintenance and operation of pressure regulating equipment so as to prevent any inaccuracy in the determination of the energy of Gas delivered under the Transportation Agreement.



**4.3** The accuracy of measuring equipment shall be verified by Transporter or other party at reasonable intervals at the expense of the party performing the verification, and if requested, in the presence of representatives of the other party, but either party shall not be required to verify the accuracy of such equipment more frequently than once in any 30 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 shall be borne by the requesting party if the measuring equipment is found to be in error by not more than the limits set out as follows:

- (a) 2% for measuring equipment utilized to determine volume;
- (b) 1% for any measuring equipment utilized to determine relative density; and
- (c) 0.5% for any measuring equipment utilized to determine Gross Heating Value.

If upon test, any measuring equipment is found to be in error by not more than the limits specified above, the previous readings of such equipment shall be considered accurate in computing deliveries or receipts of Gas, but such equipment shall be adjusted at once to register accurately.

If, for the period since the last test, it is determined for a recording corresponding to the average hourly rate of flow for such period that:

- (a) Any measuring equipment shall be found to be inaccurate by an amount exceeding 2%; or
- (b) Any measuring equipment utilized to determine the relative density shall be found to be inaccurate by an amount exceeding 1%; or
- (c) Any measuring equipment utilized to determine the Gross Heating Value shall be found to be inaccurate by an amount exceeding 0.5%;

then the previous readings of the measurement equipment shall be corrected to zero error for any period which can be agreed upon, but if the period is not agreed upon such correction shall be for a period extending over the last half of the time elapsed since the date of the last test, not exceeding a correction period of 16 days.

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

- 4.4** Either Transporter or Shipper may install, maintain and operate at its own expense, such check measuring equipment as desired, provided that such equipment shall be so installed as not to interfere with the operation of the other's measuring equipment. Any pressure or volume control regulators installed by one party shall be operated so as not to interfere with the other party's measuring equipment.
- 4.5** The measuring equipment so installed by either party, together with any building erected by it for such equipment, shall remain the property of the party that performed the installation. However, either party 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 the 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 30 days after receipt thereof.
- 4.6** Transporter and Shipper shall each preserve for a period of at least 3 years all test data, charts and other similar records or such longer period as may be required by the Board. Microfilms of the original documents shall be considered true records.
- 4.7** In the event a meter is out of service or registering inaccurately, the quantity of Gas delivered during the period that such meter is out of service or registering inaccurately shall be determined:
- (a) By using the registration of any check meter or meters, if installed and accurately registering; or, in the absence of (a);
  - (b) By correcting the error if the percentage of error is ascertainable by calibration, tests, or mathematical calculation; or, in the absence of both (a) and (b);
  - (c) By estimating the quantity of delivery by deliveries during periods under similar conditions when the meter was registering accurately.
- 4.8** Prior Period Adjustments - Pursuant to NAESB Standards 2.3.7, 2.3.11, 2.3.12, 2.3.13, 2.3.14: The cutoff for the closing of measurement is 5 Business Days after the business month. For treatment of measurement prior period adjustments, Transporter shall treat the adjustment by taking it back to the production month. A meter adjustment becomes a prior period adjustment after the fifth Business Day following the business month. For reporting measurement prior period adjustments, Transporter shall report it with the restated line item with new total quantity for the Day and the month. Transporter shall estimate missing or late measurement data and treat actual as a prior period adjustment, with the measuring party to provide the estimate.

Measurement data corrections will be processed within 6 months of the production month with a 3 month rebuttal period. This standard shall not apply in the case of deliberate omission or misrepresentation or mutual mistake of fact. Parties' other statutory or contractual rights shall not otherwise be diminished by this standard. Mutual agreement between parties, legal decisions, and regulatory guidance may be necessary to determine if the event qualifies for an extension of the above time periods.

## 5. NOMINATIONS

**5.1** For service required on any Day under each of Shipper's Transportation Agreements, Shipper shall provide Transporter with a nomination providing the Shipper's requested Receipt Point(s), contract numbers, the applicable service, the quantity of Gas to be delivered, the requested Delivery Point(s), and such additional information as Transporter determines to be necessary.

**5.2** Nominations are to be communicated to Transporter via QuickNom™, so as to be received by Transporter in accordance with the timelines established in conjunction with U.S. Pipeline, which reflect the NAESB Standard nomination cycles. Any firm service already scheduled (whether primary or secondary) cannot be bumped or displaced by another nomination. Already scheduled interruptible service can be bumped by a firm nomination at the Evening Nomination Cycle and the intraday cycles, but cannot be bumped at the last intraday (or no-bump) cycle. For greater certainty, such nomination cycle timelines are as follows:

(a) Transporter supports nominations pursuant to NAESB Standard 1.3.2(i-vi): All Transportation Service Providers (TSPs) should support the following standard nomination cycles (all times are CCT pursuant to NAESB WGQ Standard No. 0.3.17):

(i) The Timely Nomination Cycle

On the day prior to gas flow:

- 1:00 p.m. Nominations leave control of the Service Requester (SR);
- 1:15 p.m. Nominations are received by the TSP (including from Title Transfer Tracking Service Providers (TTTSPs));
- 1:30 p.m. TSP sends the Quick Response to the SR;
- 4:30 p.m. TSP receives completed confirmations from Confirming Parties;
- 5:00 p.m. SR and Point Operator receive scheduled quantities from the TSP.

Scheduled quantities resulting from Timely Nominations should be effective at the start of the next Gas Day.

## (ii) The Evening Nomination Cycle

On the day prior to gas flow:

- 6:00 p.m. Nominations leave control of the SR;
- 6:15 p.m. Nominations are received by the TSP (including from TTTSPs);
- 6:30 p.m. TSP sends the Quick Response to the SR;
- 8:30 p.m. TSP receives completed confirmations from Confirming Parties;
- 9:00 p.m. TSP provides scheduled quantities to the affected SR and Point Operator, including bumped parties (notice to bumped parties).

Scheduled quantities resulting from Evening Nominations should be effective at the start of the next Gas Day.

## (iii) The Intraday 1 Nomination Cycle

On the current Gas Day:

- 10:00 a.m. Nominations leave control of the SR;
- 10:15 a.m. Nominations are received by the TSP (including from TTTSPs);
- 10:30 a.m. TSP sends the Quick Response to the SR;
- 12:30 p.m. TSP receives completed confirmations from Confirming Parties;
- 1:00 p.m. TSP provides scheduled quantities to the affected SR and Point Operator, including bumped parties (notice to bumped parties).

Scheduled quantities resulting from Intraday 1 Nominations should be effective at 2:00 p.m. on the current Gas Day.

## (iv) The Intraday 2 Nomination Cycle

On the current Gas Day:

- 2:30 p.m. Nominations leave control of the SR;
- 2:45 p.m. Nominations are received by the TSP (including from TTTSPs);
- 3:00 p.m. TSP sends the Quick Response to the SR;
- 5:00 p.m. TSP receives completed confirmations from Confirming Parties;
- 5:30 p.m. TSP provides scheduled quantities to the affected SR and Point Operator, including bumped parties (notice to bumped parties).

Scheduled quantities resulting from Intraday 2 Nominations should be effective at 6:00 p.m. on the current Gas Day.

## (v) The Intraday 3 Nomination Cycle

On the current Gas Day:

- 7:00 p.m. Nominations leave control of the SR;
- 7:15 p.m. Nominations are received by the TSP (including from TTTSPs);
- 7:30 p.m. TSP sends the Quick Response to the SR;
- 9:30 p.m. TSP receives completed confirmations from Confirming Parties;
- 10:00 p.m. TSP provides scheduled quantities to the affected SR and Point Operator.

Scheduled quantities resulting from Intraday 3 Nominations should be effective at 10:00 p.m. on the current Gas Day. Bumping is not allowed during the Intraday 3 Nomination Cycle.

(vi) For purposes of NAESB WGQ Standard No. 1.3.2 (ii), (iii), (iv), and (v), the word "provides" shall mean, for transmittals pursuant to NAESB WGQ Standards 1.4.x, receipt at the designated site, and for purposes of other forms of transmittal, it shall mean send or post.

- (b) Pursuant to NAESB Standards 1.3.3, 1.3.5, 1.3.6, 1.3.20, 1.3.21: At the end of each Gas Day, the Transportation Service Provider (TSP) should provide the final scheduled quantities for the just completed Gas Day. With respect to the implementation of this process via the EDI/EDM, the TSP should send an end of Gas Day Scheduled Quantity (NAESB WGQ Standard No. 1.4.5) and Scheduled Quantity for Operator (NAESB WGQ Standard No. 1.4.6). A receiver of either of these documents can waive the TSP's requirement to send such documents. All nominations shall include Shipper defined begin dates and end dates. All nominations excluding intraday nominations shall have roll-over options. Specifically, Shippers shall have the ability to nominate for several Days, Months, or Years, provided the nomination begin and end dates are within the term of Shipper's contract. Nominations received after the nomination deadline shall be scheduled after nominations received before the nomination deadline. The receiver of the nomination initiates confirmation with the caveat that the receiver of the confirmation may relieve the obligation of sender to send. The sending party shall adhere to nomination, confirmation, and scheduling deadlines. It is the party receiving the request who has the right to waive the deadline.

- 5.3** Any change in a daily Scheduled Quantity implemented during the Day shall only be recognized pro rata to the fraction of the Day remaining at the time the change is implemented. Changed daily scheduled quantity shall not exceed an amount equal to Shipper's Contracted Capacity multiplied by the fraction of the Day remaining at the time the changes are implemented. Transporter shall be under no obligation to accept such revisions for Shipper nominations made under Transporter's Interruptible Transportation Service.

- 5.4** Pursuant to NAESB Standards 1.3.9, 1.3.11, 1.3.13: All nominations, including Intraday Nominations, shall be based on a daily quantity; thus, an intraday nominator need not submit an hourly nomination. Intraday Nominations shall include an effective date and time. The interconnected parties shall agree on the hourly flows of the Intraday Nomination, if not otherwise addressed in Transporter's contract or Tariff. Intraday Nominations can be used to request increases or decreases in total flow, changes to Receipt Points, or changes to Delivery Points of scheduled Gas. Intraday Nominations do not rollover (i.e., Intraday Nominations span one Day only). Intraday Nominations do not replace the remainder of a standing nomination. There is no need to re-nominate if an Intraday Nomination modifies an existing nomination.

- 5.5** If Shipper elects to nominate quantities of Gas to be received by Transporter from one or more upstream parties at one or more Receipt Points for delivery by Transporter to one or more downstream parties at one or more Delivery Points for the account of Shipper, Shipper shall provide the priority, method, and extent to which each nominated receipt quantity from a particular upstream party at a particular Receipt Point should be reduced in the event that any downstream Operator verifies and confirms deliveries that are less than the Shipper's nominated deliveries, or in the event that, due to Transporter's allocation of Available Capacity for Transportation services, all nominated receipts cannot be scheduled. Likewise, if Shipper elects to nominate quantities of Gas to be delivered by Transporter to one or more downstream parties at one or more Delivery Points for the account of Shipper, Shipper shall provide the priority, method, and extent to which each nominated delivery quantity to a particular downstream party at a particular Delivery Point should be reduced in the event that any upstream Operator verifies and confirms receipts that are less than the Shipper's nominated receipts, or in the event that, due to Transporter's allocation of Available Capacity for Transportation services, all nominated deliveries cannot be scheduled.

Shipper prioritization of nominated quantities must be consistent with the terms of this Gas Tariff and such prioritization will be honored to the extent that Transporter reasonably determines such prioritization is operationally feasible.

- 5.6** A Shipper may delegate to any third party the responsibility for submitting nominations and receiving confirmations or performing other administrative duties under any Transportation Agreement, subject to the following conditions:
- (a) Any designation of a third party as agent, or any change in such designation, must be provided in writing to Transporter at least two (2) Business Days prior to the requested effective date of the designation.
  - (b) The written designation must specify any limits on the authority of the agent, including any time limit for the designation. Transporter may reject any Shipper's request to delegate responsibilities if the limitations on the designation would impose undue administrative burdens on Transporter.
  - (c) Transporter will rely on communications from a Shipper's agent for all nomination purposes, except to the extent the designation is expressly limited. Communications by Transporter to such agent will be deemed notice to Shipper.
  - (d) Any third party may administer multiple Transportation Agreements as the agent for one or more Shippers, but the agent must make nominations and otherwise administer and account separately for each Transportation Agreement.

- 5.7** Standard Quantity - As stated in NAESB Standard 1.3.14: The standard quantity for nominations, confirmation and scheduling is dekatherms per Gas Day in the United States, gigajoules per Gas Day in Canada and gigacalories per Gas Day in Mexico. (For reference 1 dekatherm = 1,000,000 Btu's; 1 gigajoule = 1,000,000,000 joules; and 1 gigacalorie = 1,000,000,000 calories.) For commercial purposes, the standard conversion factor between dekatherms and gigajoules is 1.055056 gigajoules per dekatherm and between dekatherms and gigacalories is 0.251996 gigacalories per dekatherm. The standard Btu is the International Btu, which is also called the Btu(IT); the standard joule is the joule specified in the SI system of units.
- 5.8** To the extent Transporter is unable to complete a nomination confirmation pursuant to this section 5 due to inaccurate, untimely or incomplete data, Transporter shall undertake reasonable efforts to confirm the transaction on a non-discriminatory basis until such time that the transaction is adequately verified by the parties, rectified by other means such as utilization of a PALS-1 service, or Transporter determines that the nomination is invalid and it is then rejected.

## **6. PRIORITY OF SERVICE AND CURTAILMENT**

- 6.1** Transporter shall have the right to curtail or discontinue transportation services, in whole or in part, on all or a portion of its system at any time for reasons of Force Majeure or when, in Transporter's sole discretion, capacity or operating conditions so require. Transporter shall provide Shipper such notice of such curtailment as is reasonable under the circumstances. Routine repair and maintenance is not deemed an emergency situation or an unexpected loss of capacity and will be scheduled by Transporter in a manner to avoid, wherever possible, the disruption of confirmed service.
- 6.2** If due to any cause whatsoever Transporter is unable on any day to deliver the quantities of Gas that Shippers would have received if such disability did not exist, then Transporter shall order curtailment by all Shippers affected in the following manner to the extent necessary to remove the effect of the disability. In effecting a curtailment, Transporter may, at its discretion, allow lower priority Gas to remain flowing in any instance where that would result in a lesser impact on the curtailment of higher priority Gas than would otherwise occur. In all other instances, curtailment shall be:
- (a) First, Shippers whose service was scheduled pursuant section 7.1(c). Transporter will curtail by price from lowest to highest, except curtailment will be pro rata on scheduled quantities among Shippers paying the same toll, and recognizing that Shippers paying the maximum toll will be curtailed last; and



- (b) Second, Shippers whose service was scheduled pursuant to sections 7.1(a) and 7.1(b). Transporter will curtail on a pro rata basis on scheduled quantities among all other similarly situated Shippers.
- 6.3** If the need for curtailment is caused by an event affecting only a specific Receipt/Delivery Point, curtailment will be (i) limited to Shippers scheduled at such Receipt/Delivery Point; and (ii) applied to those Shippers in accordance with the priorities set forth in section 6.2 above except that Shippers for which such point is a Primary Point will have priority over Shippers for which such point is an Alternate Point.
- 6.4** If system capacity or the need for curtailment is affected by Shipper imbalances, the supply or delivery of such Shipper having an imbalance will be curtailed first to reduce such imbalance.

## **7. SCHEDULING**

- 7.1** Transporter shall schedule all Transportation quantities as nominated by Shippers in accordance with the operationally available capacity, as determined by Transporter on any Gas Day, and in accordance with the following priorities:
- (a) Firm transportation quantities within Shipper's Contracted Capacity flowing in the contractual direction and within the path from the Primary Receipt Point(s) and Primary Delivery Point(s) under the Firm Transportation Toll Schedules FT-1, FT-L, or FT-H, pro rata based on each Shipper's Contracted Capacity; provided a Shipper's Scheduled Quantity shall not exceed such Shipper's nomination;
- (b) Firm transportation quantities within Shipper's Contracted Capacity under Firm Transportation Toll Schedules FT-1, FT-L, or FT-H, where such quantities flow outside the path between Primary Receipt and Primary Delivery points or not in the contractual direction of Shipper's Contracted Capacity, pro rata based on each Shipper's Contracted Capacity; provided a Shipper's Scheduled Quantity shall not exceed such Shipper's nomination; and
- (c) Authorized Overrun and interruptible transportation service provided pursuant to the Interruptible Transportation Service Toll Schedule and Park and Loan Service provided pursuant to the Park and Loan Toll Schedule, by price from highest to lowest, except scheduling will be pro rata based on confirmed quantities among Shippers paying the same toll.

- 7.2** Scheduling at a specific Receipt/Delivery Point will be (i) limited to Shipper's nominations at such Receipt/Delivery Point; and (ii) applied to those Shipper's in accordance with the priorities set forth in section 7.1 above, except that Shipper(s) for which such point is a Primary Point will have priority over Shipper(s) for which such point is an Alternate Point.
- 7.3** Pursuant to NAESB Standard 1.3.23: Ranking should be included in the list of data elements. Transportation Service Providers should use service requester provided rankings when making reductions during the scheduling process when this does not conflict with Tariff-based rules. Pursuant to NAESB Standard 2.3.26: The time limitation for disputes of allocations shall be 6 months from the date of the initial month-end allocation with a 3-month rebuttal period. This standard shall not apply in the case of deliberate omission or misrepresentation or mutual mistake of fact. Parties' other statutory or contractual rights shall not otherwise be diminished by this standard. Mutual agreement between parties, legal decisions, and regulatory guidance may be necessary to determine if the event qualifies for an extension of the above time periods.

## 8. ALLOCATION OF DAILY QUANTITIES

Receipts and deliveries of Gas under more than one Transportation Agreement and/or Toll Schedules shall be allocated in accordance with any agreement as may exist between Transporter and the downstream or upstream operator(s). Absent such agreement, Shipper(s) shall be deemed to have taken receipt or delivery of Shipper's Scheduled Quantities sequentially and in the same priority order as Transportation is scheduled under section 7 of the GT&C. Any difference between the allocated and Scheduled Gas Quantities at a location will result in the allocation of an imbalance equal to that difference to the Shipper. Such imbalances will be the basis on which any imbalance charges will be calculated.

## 9. OVERRUN QUANTITIES AND IMBALANCES

### 9.1 Imbalance Charge

(a) Where Shipper has created an imbalance on Transporter's pipeline which is not offset by the net of all other system imbalances, and to the extent Shipper has not eliminated the imbalance through netting and trading and/or by use of an imbalance service and when Shipper imbalance exceeds 105 GJ, Shipper shall pay Transporter an imbalance charge each day (except as provided in the Title Transfer Service Toll Schedule section 4.1(b) and Park and Loan Service Toll Schedule section 5.2) in the following amounts:

- (1) During normal operating conditions, \$0.14 per GJ of Net Imbalance for that portion of Shipper's Net Imbalance equal to or in excess of the greater of 5% (when expressed as a percentage of Contracted Capacity) or 105 GJ.
- (2) When a curtailment is made by Transporter pursuant to section 6, Shipper's Net Imbalance and Imbalance charge as set forth in the applicable bracket:

Net Imbalance	Imbalance Charge per GJ
>3%-7%	\$ 38.00 plus the Daily Index Price
>7%-15%	\$ 76.00 plus the Daily Index Price
>15%	\$152.00 plus the Daily Index Price

The "Daily Index Price" shall equal the midpoint in the range of prices reported each day for "Alliance, into interstates" as published by Gas Daily. If Gas Daily is no longer available to Transporter, Transporter shall use Intercontinental Exchange's ICE for "Alliance Delivered".

- (b) Shipper's Net Imbalance shall be the net sum of Shipper's Daily Imbalances and any imbalance make up quantities. When expressed as a percentage, it shall be a percentage of the net imbalance to Shipper's Contracted Capacity. The Daily Imbalance for each Shipper will be the difference between the aggregate of Shipper's scheduled quantities and the aggregate quantities of Gas delivered by Transporter to Shipper at Delivery Point(s) for the Day.

## 9.2 Overrun Charge

- (a) Authorized Overrun Charge

If Shipper requests Transporter to deliver quantities of Gas in excess of Shipper's applicable Contracted Capacity, and Transporter agrees, Shipper shall be subject to an overrun charge in addition to the applicable reservation and usage tolls for service within Contracted Capacity and any imbalance charges pursuant to this section, equal to the 100% load factor maximum toll (the applicable maximum Reservation Charge multiplied by 12 then divided by 365 plus the applicable maximum usage charge) applicable to the service Shipper receives as specified in Shipper's Transportation Agreement per each GJ of Gas taken in excess of Shipper's Contracted Capacity.

- (b) Unauthorized Overrun Charge

If Shipper exceeds its Contracted Capacity without the approval of Transporter, Shipper shall be subject to an Overrun Charge in addition to the applicable toll charges and any imbalance charges pursuant to this section, equal to \$14.00 per GJ for each GJ of Gas taken in excess of Shipper's Contracted Capacity.

## 9.3 Imbalance Offsets

- (a) Shippers may trade imbalances, provided such trade(s) will not have an adverse impact on Transporter's operations and transportation revenues. All imbalances incurred by a Shipper will be aggregated and netted at Shipper's most upstream Primary Receipt Point.
- (b) Shippers must nominate imbalance trades. Such nominations will be processed seven (7) days a week, but may only be processed between 9:00 am and 5:00 pm Central Clock Time. Transporter will assist imbalance trades by posting imbalances on its Web Site. Imbalances will be posted only at the request of Shipper and remain posted for the lesser of ten (10) days or until Shipper requests its removal. Transporter shall not be liable

for any losses incurred by a Shipper if a Shipper is unable to complete an imbalance trade once it has been nominated.

## **10. OPERATIONAL BALANCING AGREEMENTS ("OBAs")**

For the purposes of minimizing operational conflicts between various Gas facilities with respect to the delivery of Gas to and from Transporter's facilities, Transporter shall negotiate and execute OBAs with appropriate Persons that operate Gas facilities interconnecting with Transporter's system (any such Person will be referred to herein as the "OBA Party"). Such OBAs shall specify the Gas custody transfer procedures to be followed by Transporter and the OBA Party for the confirmation of Scheduled Quantities to be received by Transporter at Receipt Point(s) and delivered by Transporter at Delivery Point(s). A pro forma OBA is attached as Tab 9 Appendix 7 hereto.

## **11. FUEL REQUIREMENT**

**11.1** Shipper shall furnish the quantity of Gas required by Transporter to satisfy the Fuel Requirement at a metered receipt point acceptable to Transporter. The quantity of Gas retained by Transporter to meet the Fuel Requirement shall be a percentage of the total quantity of Gas received from or for the account of Shipper and will be calculated by:

- (a) Determining the total forecast quantity of the Fuel Requirement needed for the succeeding month by adding the difference between actual Gas used for fuel, system operation and losses and the actual Gas retained for system Gas use and losses for prior months to the forecast requirement of Gas for fuel, system use and losses for the succeeding month;
- (b) Dividing the total forecast quantity of the Fuel Requirement by the total forecast quantity of Gas to be transported on the system during the succeeding month; and
- (c) Multiplying the quantity of Gas received for Transportation during each month from or for the account of each Shipper by the percentage determined in section 11.1; provided, however, for service that is rendered entirely by the backhaul or displacement, the Fuel Requirement shall not include compressor fuel. Pursuant to NAESB Standard 1.3.15: When the Fuel Requirement method is fuel in-kind, the results of the fuel requirement calculations for the nomination process should be rounded to the nearest dekatherm, Gigajoule (Canada), or Gigacalorie (Mexico). The mathematical effect of rounding can yield a result of zero.

**11.2** Separate fuel ratios will apply to each of backhauls and forward hauls.

**11.3** The fuel ratios will be posted by Transporter on its Web Site, at least seven (7) days prior to the month to which it applies.

- 11.4** Where the U.S. Pipeline provides Shipper with upstream connecting transportation service, Transporter may delegate the responsibility of collecting Shipper's Fuel Requirement to the U.S. Pipeline.

## **12. BILLING**

Transporter shall render an invoice to Shipper for each Month for (i) all services provided pursuant to the Tariff during the preceding Month; and (ii) any other charges for which Shipper is liable under the Tariff or Shipper's other obligations. Pursuant to NAESB Standards 3.3.4, 3.3.14, 3.3.15, 3.3.16: Unless otherwise agreed, Transportation invoices shall state the net billing toll, rather than the maximum discount Tariff toll and the discount amount. The imbalance statement shall be rendered prior to or with the invoice, and the invoice shall be rendered on or before the 9th Business Day after the end of the production month. Rendered is defined as postmarked, time-stamped, and delivered (made available) to the designated site. Prior period adjustment time limits shall be 6 months from the date of the initial invoice and 7 months from date of initial invoice with a 3-month rebuttal period, excluding government-required toll changes. This standard shall not apply in the case of deliberate omission or misrepresentation or mutual mistake of fact. Parties' other statutory or contractual rights shall not otherwise be diminished by this standard. Mutual agreement between parties, legal decisions, and regulatory guidance may be necessary to determine if the event qualifies for an extension of the above time periods. Prior period adjustments shall be reported by production date, but do not have to be invoiced separately by production month, nor is each production month a separate paper invoice page.

## **13. PAYMENTS**

- 13.1** All payment for invoices due to Transporter by Shipper shall be made to a depository designated by Transporter via electronic funds transfer on or before the Payment Due Date. Pursuant to NAESB Standards 3.3.17 and 3.3.18: Party making payment shall submit supporting documentation; party receiving payment shall apply payment per supporting documentation provided by the paying party, and if payment differs from the invoiced amount, remittance detail shall be provided with the payment except when payment is made by electronic funds transfer (EFT), in which case, the remittance detail is due within two Business Days of the Payment Due Date. Invoice number(s) shall be identified on all payments. If presentation of an invoice to Shipper is delayed after the 9th Business Day of the month, the Payment Due Date shall be extended by an equal number of Business Days, unless Shipper is responsible for such delay.

- 13.2** Should Shipper fail to pay all of the amount of any invoice as herein provided on or before the Payment Due Date, Shipper shall pay a charge for late payment which shall be included by Transporter on the next regular monthly bill rendered to Shipper under this section 13. Such charge for late payment shall be determined by multiplying (a) the unpaid portion of the invoice, by (b) the ratio of the number of Days from the Payment Due Date to the date of actual payment to 365, by (c) the interest rate equal to the daily equivalent of the Prime Rate plus one hundred basis points. If such failure to pay continues for 30 Days after the Payment Due Date, Transporter, in addition to any other remedy it may have under the Transportation Agreement, may terminate the Transportation Agreement and/or suspend further delivery of Gas without further notice. Transporter may waive any interest due hereunder for late payment to the extent Transporter determines that extenuating circumstances caused late payment of an invoice by a Shipper.
- 13.3** In the event an error is discovered in the amount billed in any statement rendered by Transporter, such error shall be adjusted within 30 Days of the determination of the error; provided that any claim therefore shall have been made within 60 Days of discovery of such error and, in any event, within 12 months from the date of the statement claimed to be in error. Billing errors shall be corrected as follows:
- (a) Where Shipper has been overcharged and has paid the statement, in the event the overcharge is not the result of Transporter's negligence or bad faith, fraud or willful misconduct, the amount of the overpayment will be refunded to Shipper without interest, provided the overpayment is refunded within 30 days of the determination of the error. Overpayments not refunded within 30 days will be subject to interest charges at the interest rate equal to the daily equivalent of the Prime Rate plus one hundred basis points from the date of the overpayment to the date of the refund. Where the refund is provided to Shipper by way of credit on another Transporter invoice, the overpayment will be deemed to have been refunded on the date the credited invoice was received by the Shipper.
  - (b) Where Shipper has been undercharged by Transporter, Shipper will pay the amount of the undercharge without interest, provided the undercharge is paid within 30 Days of the determination of the error. Undercharge amounts not paid within 30 days will be subject to interest charges at the interest rate equal to the daily equivalent of the Prime Rate plus one hundred basis points from the date of the statement.

Shipper shall have the right to review all records pertaining to its performance under Shipper's Transportation Agreement to verify the amount payable by Shipper to Transporter under the Transportation Agreement in any month, so long as such review shall be completed within two years following the end of the calendar year in which such amount is payable. Such review shall be conducted

during normal business hours, upon written request to Transporter and at Shipper's own expense.

**13.4** Pursuant to NAESB Standard 3.3.19, if an invoice is in dispute Shipper shall pay the portion not in dispute and provide documentation identifying the basis for the dispute. If Shipper in good faith:

- (a) Disputes the amount of any such bill or part thereof;
- (b) Pays to Transporter such amounts as it concedes to be correct;
- (c) Provides Transporter with a written notice including a full description of the reasons for the dispute, together with copies of supporting documents; and
- (d) At any time thereafter within 20 days of a demand made by Transporter furnishes good and sufficient surety bond, guaranteeing payment to Transporter 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 Transporter shall not be entitled to suspend further transportation services because of such non-payment pursuant to section 13.2 unless and until default be made in the conditions of such bond.

**13.5** Transporter, without prejudice to any other rights or remedies it may have, shall have the right to withhold and set off payment of any amounts of monies due or owing by Transporter to Shipper, against any and all amounts or monies due or owing by Shipper to Transporter for services provided.

**13.6** Any payments received under this section 13 shall first be applied to accrued interest, then to additional charges due, then to the previously outstanding principal, and lastly, to the most current principal due.

**13.7** Transporter may waive any de minimis payment obligations or late payment charges accruing under this section 13 to the extent Transporter determines that the administrative costs associated with collecting such charges exceed the amount(s) due.

#### **14. POSSESSION OF GAS**

Unless otherwise provided in a service agreement or applicable Toll Schedule, as between Transporter and Shipper, Shipper shall be deemed to be in exclusive control and possession of the Gas (i) prior to receipt by Transporter at the Receipt Point(s) and (ii) after delivery by Transporter at the Delivery Point(s); otherwise, Transporter shall be in exclusive control and possession of the Gas. The party



which shall be in exclusive control and possession of the Gas shall be responsible for all injury or damage caused thereby to any third party except any injury or damage caused by Gas provided by Shipper that fails to conform with the specifications set forth in section 2 of the GT&C. In the absence of negligence, bad faith, fault or willful misconduct on the part of Transporter, Shipper waives any and all claims and demands against Transporter, its officers, employees or agents, arising out of or in any way connected with (i) the quality, use or condition of the Gas after delivery from Transporter for the account of such Shipper, and (ii) any losses or shrinkage of Gas during or resulting from Transportation hereunder.

## **15. DELIVERY PRESSURE**

**15.1** All Gas tendered by or on behalf of Shipper to Transporter shall be tendered at the Receipt Point(s) at Transporter's prevailing pressure at that Receipt Point, or at such pressure as Transporter and an interconnecting party may agree to.

**15.2** All Gas delivered by Transporter to Shipper or on Shipper's behalf to the facilities of an interconnecting party shall be delivered at Transporter's line pressure at the Delivery Point(s), or as agreed to by Transporter and the interconnecting party.

## **16. UNIFORM HOURLY FLOWS**

**16.1** At each Receipt Point and Delivery Point, Shippers and operators of a point of interconnection shall use reasonable efforts to deliver, or cause to be delivered, Gas at reasonably uniform hourly and daily rates of flow, except as provided in Toll Schedules FT-H and OVS; provided, however, an operator of a point of interconnect may request that Transporter change the rates of delivery or receipt. Transporter may do so to the extent that it determines in its sole discretion that such requested may be granted without adversely affecting its service on, or the operations of, Transporter's system.

**16.2** Transporter shall, to the extent reasonable, deliver volumes for Shipper's account concurrently with its receipt of volumes at the Receipt Point. It is recognized that the parties may be unable to control exactly the quantities of Gas received and delivered on any Day, or during any hour thereof for Toll Schedules FT-H, OVS and MBA, and that the quantities received by Transporter may vary from the quantities delivered on any Day, or during any hour thereof for Toll Schedules FT-H, OVS and MBA.

Such variations shall be kept to a minimum and shall be balanced as soon as practicable. Unless agreed otherwise by Transporter, Shipper and Transporter shall manage the receipts and deliveries so that the difference between receipt quantities and delivery quantities shall be kept as near zero as practicable, taking into account fuel reimbursement and other deductions. Further, Transporter shall be under no obligation to accept from Shipper, Gas in excess of the Scheduled

Quantity for the Receipt Point for that Day.

**17. WARRANTY OF TITLE**

Shipper warrants that it owns or controls, has the right to deliver or have delivered for its account, the Gas that is delivered to Transporter under the applicable service agreement. Shipper shall indemnify and hold harmless Transporter against all claims, actions or damages arising from any adverse claims by third parties claiming an ownership interest in the Gas delivered for transport to Transporter under the applicable service agreement.

**18. FORCE MAJEURE**

**18.1** If either Transporter or Shipper fails to perform any obligations under the Tariff due to an event of Force Majeure as defined in section 1.19, such failure shall be deemed not to be a breach of such obligations and neither party shall be liable in damages or otherwise as a result of an event of Force Majeure. A party that fails to perform any obligations under the Tariff where such failure is caused by an event of Force Majeure shall promptly remedy the cause of the Force Majeure insofar as it is reasonably able to do so.

**18.2** Notwithstanding the above provisions, no event of Force Majeure shall:

- (a) Relieve any party from any obligation or obligations pursuant to the Tariff unless such party gives notice with reasonable promptness of such event to the other party;
- (b) Relieve any party from any obligation or obligations pursuant to the Tariff after the expiration of a reasonable period of time within which, by the use of its due diligence, such party could have remedied or overcome the consequences of such event of Force Majeure; or
- (c) Relieve either party from its obligations to make payments of amounts as provided in the applicable Toll Schedule, subject to any credit provided for in the applicable Toll Schedule and GT&C section 34.

**18.3** In the event of Force Majeure, Transporter shall curtail delivery of Gas to Shippers in accordance with section 6 hereof.

**18.4** When the failure by either party to perform any obligation under the Tariff is, by virtue of the provision of section 18.1, deemed not to be a breach of such obligation, then the time for the performance of such obligation shall be extended by a number of days equal to the number of days during which the relevant event of Force Majeure existed.

**19. NOTICES**

Unless otherwise provided in this Tariff, all communications and notices shall be via Transporter's Web Site and/or through internet e-mail. If notice or communication is made in writing, it shall be considered as duly presented, rendered, or delivered when received.

**20. MODIFICATION**

No modification of the terms and provisions of a Transportation Agreement shall be made except in writing executed by Transporter and Shipper.

**21. NON-WAIVER AND FUTURE DEFAULT**

No waiver by either Transporter or Shipper of any one or more defaults by the other in the performance of any provisions of the Transportation Agreement shall operate or be construed as a waiver of any future default or defaults, whether of a like or of a different character.

**22. SCHEDULES AND CONTRACT SUBJECT TO REGULATION**

This Tariff, including these General Terms and Conditions and the respective obligations of the parties under a Transportation Agreement, are subject to valid laws, orders, rules, and regulations of duly constituted authorities having jurisdiction and are subject to change from time to time by addition, amendment, or substitution as provided by law. Shipper shall account for all importations of natural gas and shall pay all duties and taxes thereon within the time and manner required by the Customs Act, the Customs Tariff, and the Excise Tax Act of Canada and all other such applicable laws.

**23. OPERATING INFORMATION AND ESTIMATES**

At Transporter's request, any Shipper which has executed a Transportation Agreement with Transporter shall furnish to Transporter estimates of the daily, monthly, or annual volumes of Gas that Shipper desires Transporter to transport for Shipper.

**24. NEW FACILITIES POLICY**

Transporter will build, acquire and/or install service lateral pipelines, taps and metering facilities necessary to provide transportation service to any new or existing Shipper, provided:

- (a) Transporter determines in its sole discretion it has sufficient mainline transportation capacity to provide the service requested by the Shipper without impairing the operational integrity of its system, or Transporter has obtained all required certificate authorizations to expand its mainline capacity by an amount sufficient to allow Transporter to provide the requested service; and
- (b) Transporter has or obtains any authorizations necessary to build, acquire and/or install the service lateral pipeline(s), tap(s) and/or meter facilities; and
- (c) Unless otherwise agreed to by Transporter, Shipper will reimburse or compensate Transporter, on mutually agreeable terms, for 100% of Transporter's construction, acquisition and/or installation costs (including any associated tax effects), as defined below, for facilities required to

effect the service requested by Shipper. Transporter may waive this requirement at its discretion, on a non-discriminatory basis.

For the purposes of this section, Transporter's construction, acquisition, and/or installation costs shall include, but shall not be limited to: Transporter's design costs, equipment costs, labour costs, material costs, supervision costs, construction financing costs (including a return on equity), taxes (whether income or otherwise), filing fees, right of way costs and permitting costs. Nothing in this section shall be construed to require Transporter to seek authorization to construct any facilities.

## **25. REQUEST FOR SERVICE AND ALLOCATION OF CAPACITY**

Subject to any conditions set forth in the applicable Toll Schedules, this section shall govern: requests for service under all of Transporter's Toll Schedules; accommodating requests for firm service; posting and awarding of firm capacity; and capacity reserved for expansion projects.

**25.1** All Shippers requesting service from Transporter must provide the following information in writing to Transporter. Completed requests should be sent electronically or by mail to:

Vector Pipeline Limited Partnership  
c/o Vector Pipeline Limited  
38705 Seven Mile Road, Suite 490  
Livonia, Michigan 48152  
United States  
Attention: President  
Fax: (734) 462-0231  
Email: Vector@vector-pipeline.com

Any request shall include the following information:

- (a) Shipper information:
  - (i) Shipper's legal name in full and DUNS number.
  - (ii) Shipper's mailing address for notices and billing.
  - (iii) Shipper's street address if different from above.
  - (iv) The name(s), telephone number(s) and fax number(s) of Shipper employees responsible for nominations and/or dispatching.
  - (v) The name(s), telephone number(s) and fax number(s) of Shipper employees responsible for payment of invoices.

- (vi) The name(s), telephone number(s) and fax number(s) of Shipper employees responsible for other matters.
- (vii) Whether the Shipper is affiliated with Transporter.
- (b) Type of service requested.
- (c) Requested Contract Quantity, including any variable or seasonal contract quantities, for Toll Schedules FT-1, FT-L or FT-H service stated in GJ per day and Hourly Delivery Period (4 to 20 hours) and Hourly Delivery Quantity (GJ per hour) for Toll Schedule FT-H service (if applicable).
- (d) Requested date of commencement of service (if applicable).
- (e) Requested term of service (if applicable).
- (f) Requested Receipt Point(s) and Delivery Point(s), identified by NAESB Common Code, together with the name of the entity delivering Gas to Transporter and the name of the entity to receive Gas from Transporter (if applicable).
- (g) A copy of a signed Agency Notification Form, available on Transporter's Web Site, from Shipper authorizing agent to act on behalf of the Shipper to secure the service requested. If agent requests service on behalf of a Shipper, the agent shall provide the name, address, telephone number and primary business of the Shipper (if applicable).

## 25.2 Accommodating Requests for Firm Service

- (a) Subject to the provisions of GT&C section 32, requests for firm services shall be fulfilled with the requested service offering the greatest economic value for the capacity available as defined in GT&C section 25.2(b). If the economic values, as determined below, of separate service requests are equal, then service shall be offered in sequence starting with the request for such service with the earliest date. If separate service requests have equal economic values and the same date of request, service shall be offered to such requests on a pro-rata basis.

- (b) The economic value of a request(s) for service shall be the net present value of the reservation and/or fixed charges per GJ that Shipper would pay at the tolls Shipper has requested, which shall not be less than the minimum toll nor greater than the maximum tolls as stated on the currently effective Tariff sheet governing such services over the term of service specified in the request(s), utilizing as the annual discount factor an interest rate equal to the rate currently being utilized for such purpose by Transporter's interconnected affiliate pipeline, Vector Pipeline L.P., and shall incorporate such factors as service commencement date, days of service and term (not to exceed a ten (10) year contract term unless such a contract term would create a higher economic value for a bid(s) where competing bids have otherwise equal economic value). For the purpose of economic evaluation, Transporter may aggregate two or more bids and award the available capacity to the combination of bids that results in the highest net present value. Transporter may specify economic evaluation criterion, including any minimum bid requirements, which differ from this section 25.2(b) as part of an open season expansion announcement.
- (c) Transporter shall tender Transportation Agreements to potential Shipper(s) whose request(s) for firm service can be accommodated through the capacity that becomes available in accordance with the order established under section 25.2(a). Executed Transportation Agreements shall be returned to Transporter within five (5) business days, but in any event must be received prior to the nomination deadline for the new service. Transporter may specify an alternative requirement for returning executed Transportation Agreements as part of an open season expansion announcement.

### 25.3 Posting and Awarding of Firm Capacity

Transporter shall post on its Web Site and award firm transportation capacity that is currently available, will become available on its system, and/or expansion capacity, in accordance with this section 25.3. Transporter shall have the right to conduct open seasons for expansion projects. Any posting of available or expansion capacity will be conducted for a period of five (5) business days, except where: (i) the available capacity has a start date nomination deadline that is less than the five (5) business days that would otherwise apply, or (ii) Transporter elects to specify a longer bid period with a begin date and end date for an identified amount of available capacity or in an open season for expansion capacity. Any existing capacity that is not awarded at the end of the initial posting shall remain posted as available capacity and shall be awarded on a first come, first served basis on terms acceptable to Transporter and consistent with the applicable Toll Schedule. The posting will include the following:

- (a) The location of capacity that is currently available or will become available and/or proposed expansion capacity;
- (b) The total quantity;
- (c) The date capacity is available or proposed to be available if expansion capacity; and
- (d) Such other terms and conditions that may be appropriate in an open season that includes expansion capacity.

The award(s) of capacity shall be made in accordance with GT&C section 25.2, unless otherwise stated in an expansion open season announcement.

#### 25.4 Capacity Reserved for Expansion Projects

- (a) Notwithstanding any other provision of this section 25, Transporter may, but shall not be obligated, to reserve for expansion projects capacity which is currently available or will become available. For purposes of this Section 25.4, there are four types of capacity that Transporter may reserve subject to the conditions detailed below:
  - (i) Capacity posted on Transporter's Web Site as currently available capacity that has been posted for the initial five (5) day bid period pursuant to GT&C section 25.3;
  - (ii) Capacity which has been posted for bidding pursuant to the provisions of GT&C section 27 and for which no acceptable bids have been received;
  - (iii) Capacity which is turned back to Transporter in response to a direct solicitation from Transporter to existing capacity holders for permanent releases of capacity to serve an expansion project; and
  - (iv) Capacity which is to be returned to Transporter in the future by an existing capacity holder at the expiration of that capacity holder's contract term(s), where specific contract renewal rights or those renewal rights provided for in GT&C section 27 do not apply or have expired. Prior to reserving such future expiring contract capacity Transporter must post such capacity on its Web Site in accordance with GT&C section 25.3.
- (b) Any capacity reserved by Transporter must be posted on its Web Site as reserved. The posting may be updated to reflect: additional capacity which becomes available pursuant to section GT&C 25.4(a); or decreased capacity due to the level of acceptable bids obtained during an expansion



open season. The reservation posting shall include, but not be limited to, the following information:

- (i) A description of the expansion project for which the capacity is being reserved;
- (ii) The quantity of capacity being reserved;
- (iii) The location of the reserved capacity on the pipeline system, including applicable points of receipt and delivery; and
- (iv) The estimated in-service date of the expansion project.

Transporter may only reserve capacity for an expansion project for which an open season has been held or will be held within one (1) year of the date that Transporter posts such capacity on Transporter's Web Site as being reserved. Transporter will not, absent NEB approval, accept advance payments to reserve capacity under this section 25.4. In the event capacity reserved via GT&C section 25.4(a) is sufficient to satisfy all acceptable binding open season bids without the need to file for an expansion, Transporter will continue to reserve capacity equal to such Shipper(s)' bids until the agreed upon effective date(s), pending the execution of Transportation Agreement(s). Any capacity reserved pursuant to this section 25.4 which is no longer needed to meet open season binding bids shall be removed from the posting of reserved capacity and shall be posted, subject to the provisions of GT&C section 25.3, as generally available within thirty (30) days of the date the capacity becomes available, subject to then existing commitments for the capacity.

- (c) Any capacity reserved under this section 25.4 shall be made available for transportation service on a limited-term basis up to the later of the actual (or proposed if not built) in-service date of the expansion project(s) or the effective date(s) of acceptable binding open season bid(s). Transporter shall post and award such capacity pursuant to GT&C section 25.3. For such limited-term agreements, GT&C section 27 (ROFR) shall not apply and shall be noted on Exhibit A to the Transportation Agreement, as applicable. Transporter will indicate in the posting of the limited-term capacity that GT&C section 27 (ROFR) does not apply. Reservation of capacity shall not in any way modify or limit existing capacity holders' rights under GT&C section 27.

**26. CREDITWORTHINESS**

**26.1** Shipper shall provide to Transporter and maintain at all times to the satisfaction of Transporter proof of creditworthiness as follows:

- (a) Shipper (or an Affiliate which guarantees Shipper's obligations under a Transportation Agreement) has an investment grade rating for its long term senior unsecured debt from a recognized rating agency. The minimum acceptable rating from each of the indicated rating agencies is:

Moody's	Baa3 or better
S&P	BBB- or better
DBRS	BBB or better
CBRS	B++ or better

## NAIC

## NAIC 1 or NAIC 2

or other equivalent rating from agencies as determined by Transporter. A Shipper who qualifies under this category initially but is later downgraded below investment grade will be required to qualify under another category below.

- 26.2** A Shipper whose long term senior unsecured debt is not rated will be accepted as creditworthy if Transporter determines that, notwithstanding the absence of a rating, the financial position of Shipper (or an Affiliate who guarantees Shipper's obligations under a Transportation Agreement) is acceptable to Transporter. Application for recognition may be made at any time.
- 26.3** A Shipper who does not meet the requirements of sections 26.1 or 26.2 must provide security for its obligations at least thirty (30) days prior to commencement of transportation service, where practicable, but in any event no later than at the time of the first nomination for service under any newly executed Transportation Agreement, or within thirty (30) days that it ceases to be eligible at any time thereafter while it is bound thereby, by either:
- (a) Posting a Letter of Credit from a major banking institution with an investment grade rating or pledging a cash deposit, in either case in an amount equal to twelve (12) months of the tolls payable under the Firm Transportation Agreement or the Interruptible Transportation Agreement or other Transportation Agreement an irrevocable letter of credit or other such equivalent financial guarantees in an amount equal to thirty (30) days of service at the agreed to tolls. Such security shall be adjusted annually to reflect any change in the tolls for the succeeding twelve (12) months; or
  - (b) Providing other security acceptable to Transporter.
- 26.4** Transporter reserves the right to require any Shipper who does not qualify under section 26.1, and who has not been accepted pursuant to section 26.2, to provide evidence reasonably satisfactory to Transporter that Shipper has and will have the capability of providing the security required by section 26.3 above. Any Shipper who qualifies under sections 26.1 or 26.2 by virtue of an Affiliate guaranteeing the obligations of Shipper shall provide an irrevocable agreement of said Affiliate guaranteeing Shipper's obligations and shall provide such guarantee to Transporter concurrently with its Transportation Agreement in such form as is satisfactory to Transporter.
- 26.5** In all instances of assignment of a Shipper's right to Firm Transportation service pursuant to Transporter's Tariff, Shipper's assignee shall be required to establish creditworthiness to Transporter's reasonable satisfaction pursuant to this section 26 prior to Transporter having any obligation to provide Transportation service. If Shipper's assignee cannot establish creditworthiness to Transporter's reasonable satisfaction, Shipper may provide security in lieu of the assignee's provision of

security to satisfy such requirements. Regardless of the nature and source of the security provided to Transporter, Shipper shall at all times remain

wholly liable to Transporter for Shipper's total Contracted Capacity through the term of Shipper's Transportation Agreement and Transporter may seek payment from Shipper if Shipper's assignee fails to meet its obligations under the Transportation Agreement or Transporter's Tariff.

**27. SERVICE AGREEMENT EXTENSION AND RIGHT OF FIRST REFUSAL**

**27.1** If a Shipper, prior to the expiration of a Firm Transportation Agreement which is at the maximum applicable toll (as per Tab 8 of the Tariff) and such toll has been charged for a term of twelve (12) or more consecutive months of service, or for a negotiated toll contract in effect as of March 27, 2000, elects to extend the Firm Transportation Agreement for less than the automatic extension period provided therein, or if the Firm Transportation Agreement applies the applicable maximum toll for a term of twelve (12) or more consecutive months of service (or, if the service is not available for twelve (12) consecutive months, the Firm Transportation Agreement provides for service for more than one year at the maximum recourse rate applicable to the service) and contains no automatic extension provision, Transporter at its option shall either accept Shipper's requested extension period, or shall require Shipper to exercise its right of first refusal ("ROFR") by making the capacity under the Firm Transportation Agreement available in accordance with the following procedures. Transporter shall post the capacity for bidding on its Web Site no later than 180 days prior to the expiration of Shipper's Firm Transportation Agreement. The capacity will remain posted on the Web Site for a minimum of 20 days ("ROFR Bidding Period") with such posting containing the following information with respect to the capacity:

- (a) Daily and other applicable quantity limitations of capacity available;
- (b) Receipt and Delivery Points;
- (c) Maximum reservation charge;
- (d) Any applicable restrictions; and
- (e) The last day of the ROFR Bidding Period.

Transporter may require bidders to ensure that offers are bona fide by providing financial assurances satisfactory to Transporter.

A Shipper's ROFR rights may be exercised for all or a portion of the contracted MDQ for its full primary path of transport as delineated in the Firm Transportation Agreement.

Transporter, in a not unduly discriminatory manner, may agree to an extension of the term underlying a Shipper's Firm Transportation Agreement with respect to all or part of the underlying capacity, so long as such extension is effectuated by an executed amendment no later than fifteen (15) months prior to the expiration of such Shipper's Firm Transportation Agreement.

- 27.2** Upon conclusion of the ROFR Bidding Period, Transporter shall evaluate the bids in a manner consistent with NAESB Standard 5.3.3 as amended from time to time provided that the term used for purposes of the formula will be the lesser of the term proposed by the bidder or five years; and provided further that any bid toll higher than the maximum toll for firm Transportation service for a term less than 15 years shall be deemed for the purposes of the formula to be equal to the maximum applicable toll. Transporter shall not be required to accept any bid at less than Transporter's firm Transportation service toll for a term of less than 15 years as specified in Tab 8 of this Tariff.

- 27.3** If Transporter receives no bids, or if Transporter receives no bids at its 15 year term firm Transportation service toll, and Transporter determines not to accept any bids below its 15 year firm Transportation service toll, Transporter shall notify Shipper of the bid having the highest value to Transporter ("Highest Bid"), or that no bids were received. If Transporter receives a bid at its 15 year term firm Transportation service toll, or if it accepts any bid below this toll level, Transporter shall, within 5 days of the close of the Bidding Period, inform Shipper of the offer to purchase capacity solicited pursuant to section 27.1 herein that Transporter intends to accept. Shipper shall have 5 days after receiving notice to notify Transporter as to whether it will match the highest Bid in terms of price, quantity and duration. If the Shipper elects to match the Highest Bid, it must execute a new Firm Transportation Agreement that contains the terms of the Highest Bid; provided, however, that Shipper shall not be required to pay any toll higher than the 15 year term firm Transportation service toll. If the Shipper fails to match the offer presented by Transporter, Transporter shall enter into a Firm Transportation Agreement with the Person submitting the competing offer.
- 27.4** Transporter shall post any matched offer below the 15 year term firm Transportation service toll on its Web Site for an additional 5 days, during which time bids may be submitted at a higher price. Shipper will be given an opportunity to match any higher bid. This process will repeat until Shipper agrees to pay Transporter's 15 year term firm Transportation service toll, the Shipper fails to match an offer, or no higher bid is submitted. The iterative process shall not extend for greater than 30 days from the initial posting of a matched offer pursuant to this section 27.4. At the expiration of such 30 day period, the most recent offer shall be accepted.
- 27.5** If Transporter receives no bids at the 15 year term firm Transportation service toll and Transporter refuses to accept a lower bid, Transporter may abandon service to Shipper, unless Shipper agrees to pay the 15 year term firm Transportation service toll for a period of one year, or if Transporter and Shipper negotiate the terms and conditions of a Firm Transportation Agreement extension.

**28. INCORPORATION IN TOLL SCHEDULES AND TRANSPORTATION AGREEMENTS**

These General Terms and Conditions are incorporated in and are a part of Transporter's Toll Schedules and Transportation Agreements. To the extent there is any inconsistency between terms in these General Terms and Conditions and terms in Transporter's Toll Schedule or Transportation Agreements, these General Terms and Conditions shall govern.

**29. NORTH AMERICAN ENERGY STANDARDS BOARD (NAESB) STANDARDS**

All NAESB Standards are incorporated in and form a part of these General Terms and Conditions. To the extent there is any inconsistency between any NAESB Standard and any approval, order, rule, or regulation established by the National Energy Board ("NEB Standard"), the NEB Standard shall prevail. Incorporated NAESB language has been reproduced subject to a limited copyright waiver from NAESB with all rights reserved. © 1996 - 2014 NAESB, all rights reserved

**30. DEFAULT AND TERMINATION**

- 30.1** Except where different procedures for termination of a Transportation Agreement are expressly provided in the GT&C, if Transporter or Shipper shall fail to perform any of the covenants or obligations imposed upon it under any Transportation Agreement into which these General Terms and Conditions are incorporated, then in such event the other party may, at its option, terminate such Transportation Agreement by proceeding as follows: The party not in default shall cause a written notice to be served on the party in default stating specifically the default under the Transportation Agreement and declaring it to be the intention of the party giving the notice to terminate such Transportation Agreement; thereupon the party in default shall have 10 days after the service of the aforesaid notice in which to remedy or remove the cause or causes stated in the default notice, and if within said 10 day period the party in default does so remove and remedy said cause or causes and fully indemnifies the party not in default, such default notice shall be withdrawn and the Transportation Agreement shall continue in full force and effect.
- 30.2** In the event the party in default does not so remedy and remove the cause or causes, or does not indemnify the party giving the default notice for any and all consequences of such default within the said period of 10 days, then, at the option of the party giving such default notice, the Transportation Agreement shall terminate.
- 30.3** Any termination of the Transportation Agreement pursuant to the provisions of this section 30 shall be without prejudice to the right of Transporter to collect any amounts then due to it for Gas delivered or service provided prior to the date of termination, and shall be without prejudice to the right of Shipper to receive any Gas which it has not received but the transportation of which has been paid prior to the date of termination, and without waiver of any other remedy to which the party not in default may be entitled for breaches of the Transportation Agreement.
- 30.4** A Shipper shall indemnify and save harmless the Transporter from any damage, loss, costs or consequential loss incurred by the Transporter or any other party as a result of such Shipper's failure to comply with any provision of this Tariff or as a result of such Shipper's failure to comply with any provision of a Transportation Agreement.



**31. LINE PACK AND TEST GAS**

Notwithstanding any other provision contained in this Tariff, Transporter shall be exempt from all contracting requirements and shall not be subject to any toll or charge otherwise applicable for the transmission of Gas that is owned by the Transporter and used for the purposes of line pack or for the testing of Transporter's facilities and operations.

**32. NEB REGULATION**

These General Terms and Conditions and all Toll Schedules and service agreements which comprise Transporter's Tariff are subject to the provisions of the National Energy Board Act.

The tolls of Transporter are regulated by the NEB on a complaint basis. Transporter is required to make copies of its Tariff and supporting financial information readily available to interested persons. Persons who cannot resolve traffic, toll and Tariff issues with Transporter may file a complaint with the NEB. In the absence of a complaint, the NEB does not normally undertake a detailed examination of Transporter's tolls.

**33. ASSIGNMENT AND SUCCESSION**

Any person which shall succeed by purchase of all or substantially all of the assets, and assumption of all or substantially all of the liabilities of, or merger or consolidation, with either Transporter or Shipper, as the case may be, shall be entitled to the rights and shall be subject to the obligation of its predecessor in title under any Firm Transportation Agreement, Interruptible Transportation Agreement, Park and Loan Service Agreement, Management of Balancing Agreement, Title Transfer Service Agreement, or Operating Balancing Agreement. In addition, subject to Transporter's approval, which shall not be unreasonably withheld, Shipper may assign all of its above listed Agreements to an affiliate in the limited circumstances where, after Shipper obtains such Agreements, a corporate reorganization results in a transfer of the functions for which the Agreements were obtained to another company within the same corporate family. Any entity that succeeds by consolidation or otherwise to the properties of Shipper, substantially as an entity, shall be entitled to the rights and shall be subject to the obligations of its predecessors under Transporter's Service Agreement, including the satisfaction of the criteria in section 26.

**34. RESERVATION CHARGE CREDITING MECHANISM****34.1** General Rule and Applicability

- (a) Unless GT&C section 34.2 applies, in the event Transporter is unable to make deliveries of the quantities of Gas to which Shipper has firm entitlements on any day and which Shipper has nominated for delivery from a Primary Receipt Point to a Primary Delivery Point under a firm Toll Schedule, Transporter shall provide a credit applicable to the quantity of Gas that was nominated and confirmed by Shipper's supplier but not delivered by Transporter; provided however, Transporter shall not be relieved of the obligation to provide credits for failure to confirm a nomination for reasons within its control. Such credit shall be calculated using Shipper's daily Reservation Charge, subject to the provisions of GT&C 34.3 for a Shipper receiving assigned Contracted Capacity. The quantity of Gas to which the credit shall apply shall be the following:
- (i) the quantity Shipper has nominated, and which has been confirmed, for the Gas Day less the quantity scheduled for delivery at Shipper's Primary Delivery Point; or
  - (ii) when Transporter has given advance notice of the unavailability of service, the average of the preceding seven (7) days' daily quantities nominated and confirmed to the Shipper's Primary Delivery Point immediately preceding the service interruption; less the quantity scheduled for delivery at Shipper's Primary Delivery Point; provided, however, that if Transporter's notice of a non-Force Majeure service interruption is not provided until after the Timely Nomination cycle deadline then the seven (7) days' average will not be applicable. To the extent the preceding seven (7) days of history are not available due to the underlying service agreement being new or seasonal in nature, Transporter shall use the number of days of history available for such service in calculating the average, with a minimum of one (1) day; provided, however, if no history exists then GT&C section 34.1(a)(i) shall apply.

**34.2** Exceptions. Transporter shall not be obligated to credit the Reservation Charge when Transporter's failure to deliver Gas to Shipper is:

- (a) due to the conduct or operations of the downstream point operator of the facilities at a Primary Delivery Point including, but not limited to:
  - (i) damage or malfunction of the downstream point operator's facilities; or

- (ii) the inability of the downstream point operator to receive gas at Shipper's contract delivery pressure (if any) or Transporter's prevailing mainline pressure; provided, however, that if damage or malfunction of the point operator's facilities is at the same location as Transporter's facilities which also incurred damage and are inoperable, and such damage or inoperability results in an inability to deliver, a credit shall apply under the terms hereof, except as provided in (c) below, until such time as Transporter's facilities are placed back in service;
- (b) due to the conduct of the upstream operator of the facilities at the applicable Point(s) of Receipt, including, without limitation, the refusal to deliver any quantity of Gas into Transporter's pipeline that was available to receive;
- (c) due to the installation of new facilities that are designed, in whole or in part, to provide service to a specific Shipper, and as a result deliveries to such Shipper through such facilities are not made;
- (d) due to the Shipper being unable to take the Scheduled Quantity for any reason including, without limitation, an outage on Shipper's system, whether planned or unplanned;
- (e) due to the Shipper nominating for the same Gas Day all or a portion of the Timely Cycle restricted Gas quantities, resulting in the scheduling of such restricted Gas quantities during any subsequent nomination cycle by use of an Alternate Receipt Point and/or an Alternate Delivery Point, at the Shipper's option;
- (f) due to such failure occurring within ten (10) days following a Force Majeure event under GT&C section 19; or
- (g) due to mutual agreement by Transporter and Shipper to allow Transporter to schedule transportation, in excess of such Shipper's contracted MDQ, of some or all of the quantity otherwise eligible for a Reservation Charge credit within an agreed-upon period of time, in which event Transporter shall be relieved of its obligation to provide Reservation Charge credits for such quantity.

With respect to exceptions (a), (b), and (d), any exemption from crediting reservation charges for amounts not delivered is limited to events not within the control of Transporter and solely due to the conduct of other parties, including a Shipper or a third party, *i.e.*, an upstream or downstream facilities operator.

**34.3** Reservation Charge credits applicable to assigned Contracted Capacity. To the extent that a Shipper, which has received either a temporary or permanent Contracted Capacity assignment, is to receive a Reservation Charge credit pursuant to GT&C section 34.1, such Reservation Charge credit shall be calculated using the lesser of the assignee's daily Reservation Charge or the original assignor's daily Reservation Charge. The credit to an assignor in such Month applicable to the assigned capacity as provided for in Article 9 to the applicable firm service toll schedule shall be unaffected by any such GT&C section 34 credits to the assignee.

**35. LIMITED LIABILITY**

Except as otherwise provided herein, in no event shall Transporter or Shipper be liable to the other for special, indirect, consequential (including loss of profits), incidental or punitive damages whether or not such damages arise out of breach of contract, negligence, tort, strict liability; provided, however, unless otherwise agreed to by Transporter and Shipper. The foregoing shall not limit Transporter's liability, if any, to Shipper, nor Shipper's liability, if any, to Transporter, arising out of gross negligence, willful misconduct, or bad faith actions. Nothing herein shall limit Transporter's liability, if any, to Shipper, nor Shipper's liability, if any, to Transporter, for direct damages.

**36. ABANDONMENT COST SURCHARGE (ACS Charge)**

Transporter shall include a separate non-discountable commodity charge on its monthly invoices for an Abandonment Cost Surcharge (ACS Charge) per GJ of Gas scheduled for transportation that is incremental to the contractual tolls stated in the Transportation Agreements for service under Toll Schedules FT-1, FT-L, FT-H and IT-1. The current ACS Charge per GJ and related percentage split in the ACS Charge recovery between the portion applicable to the monthly funding of Transporter's abandonment cost trust and the portion to be retained by Transporter for payment of corporate income taxes by its partners are shown on the Statement of Tolls.

**STATEMENT OF TOLLS****FIRM TRANSPORTATION SERVICE TOLLS****15 Year Term Firm Transportation Service Tolls\***                      **FT-1/FT-H\*\***    **FT-L**

• Reservation Charge for Transportation Service between the International Boundary and Dawn, Ontario (GJ per month)	\$0.5705	\$0.3829
• Usage Charge for Transportation Service between the International Boundary and Dawn, Ontario (Per GJ) <sup>***</sup>	\$0.0000	\$0.0062

\*\* For FT-H service, Shipper will be billed the Reservation Charge agreed to with Transporter multiplied by Shipper's Contracted Capacity times an hourly factor equal to 24 divided by the Hourly Delivery Period stated in the Transportation Agreement.

**10 Year Term Firm Transportation Service Tolls**

All tolls for 10 year term firm Transportation service shall be negotiated between Shipper and Transporter. The maximum negotiated toll for such service is capped at 115% of the stated Maximum 15 Year Term firm Transportation service toll.

**Firm Transportation Service Tolls For A Term Less Than 10 Years**

All tolls for firm Transportation service for a term of less than 10 years shall be negotiated between Shipper and Transporter. The maximum negotiated toll for such service is capped at 300% of the stated Maximum 15 Year firm Transportation service Toll.

**INTERRUPTIBLE TRANSPORTATION SERVICE**

All tolls for Interruptible Service shall be negotiated between Shipper and Transporter. The maximum negotiated Base Toll for such service is capped at 300% of the stated Maximum 15 Year firm Transportation service Toll.<sup>\*\*\*</sup>

**PARK AND LOAN SERVICE**

Tolls Applicable to Park and Loan Service:\*

Maximum Toll (Per GJ)	Minimum Toll (Per GJ)
\$0.369	\$0.00

**TITLE TRANSFER SERVICE**

Tolls applicable to Title Transfer Service\*

Maximum Toll (Per GJ)	Minimum Toll (Per GJ)
\$0.014	\$0.00

**MANAGEMENT OF BALANCING AGREEMENT SERVICE**

Tolls applicable to Management of Balancing Agreement Service\*

Maximum Toll (Per GJ)	Minimum Toll (Per GJ)
\$0.029	\$0.00

**OPERATIONAL VARIANCE SERVICE**

Tolls applicable to Operational Variance Service\*

	Maximum Toll (Per GJ)	Minimum Toll (Per GJ)
Monthly Service Charge	\$11.2238	\$0.00
Daily Usage Charge	\$ 0.0563	\$0.00

\* All tolls charged by Transporter to Shipper are subject to negotiation based upon prevailing market conditions; provided however, all such negotiated tolls shall not exceed stated maximum levels.

\*\*\* An Abandonment Cost Surcharge (ACS Charge) of \$0.0004 per GJ shall be assessed in addition to the above stated Usage Charges for Toll Schedules FT-1, FT-L, and FT-H and to the Base Toll for Toll Schedule IT-1 on all quantities of Gas scheduled for transportation, in accordance with section 36 of the GT&C. The portion of the ACS Charge revenues applicable to funding of the abandonment cost trust is 98.44% and the portion to be retained by Transporter for payment of corporate taxes by its partners is 1.56%.

**FORM OF FT-\_\_ FIRM TRANSPORTATION AGREEMENT**  
**TRANSPORTATION AGREEMENT**  
**FOR FT-\_\_ FIRM TRANSPORTATION OF NATURAL GAS**  
**VECTOR PIPELINE LIMITED PARTNERSHIP**

Firm Transportation Agreement No. \_\_\_\_\_

This TRANSPORTATION AGREEMENT FOR FT-\_\_ FIRM TRANSPORTATION OF NATURAL GAS ("FT-\_\_ Firm Transportation Agreement" or "Agreement") is made and entered into this \_\_ day of \_\_\_\_\_, \_\_, between:

**VECTOR PIPELINE LIMITED PARTNERSHIP, ("Transporter"),**

and

\_\_\_\_\_, ("Shipper").

Witnesseth: That in consideration of the mutual covenants contained herein the parties agree as follows:

**Section 1. Service to be Rendered**

Transporter shall perform and Shipper shall receive service in accordance with the provisions of Transporter's effective Toll Schedule FT-\_\_ and the applicable General Terms and Conditions of Transporter's Gas Tariff on file with the National Energy Board ("NEB") as the same may be amended or superseded in accordance with the rules, regulations and legislation of the NEB.

**Section 2. Term**

**2.1** This Agreement shall be effective from the date hereof (the "Effective Date"). Transporter's obligation to provide Transportation Services and Shipper's obligation to accept and pay for such services, shall commence on \_\_\_\_\_ for a term of \_\_\_\_\_, unless otherwise agreed to by mutual agreement of the parties.

**2.2** Shippers paying negotiated tolls may extend the term of this Agreement under terms acceptable to Transporter.

**Section 3. Tolls**

[Shipper shall pay the maximum toll in accordance with Transporter's currently effective Toll Schedule FT-\_\_.]

OR

[Shipper shall pay negotiated toll in accordance with Transporter's currently effective Toll Schedule FT-\_\_.]

**Section 4. Notices**

Unless herein provided to the contrary, any notice called for in this Agreement shall be in writing and shall be considered as having been given if delivered by certified mail or fax with all postage or charges prepaid, to either Transporter or Shipper at the location designated herein. Written communications shall be considered as duly delivered when received by ordinary mail. Unless otherwise notified in writing, the addresses of the parties are as set forth herein.

Notices to Transporter under this Agreement shall be addressed to Vector@vector-pipeline.com, or to:

Vector Pipeline Limited Partnership  
c/o Vector Pipeline Limited  
38705 Seven Mile Road, Suite 490  
Livonia, Michigan 48152  
United States  
Attention: President  
Fax: (734) 462-0231

Notices to Shipper under this Agreement shall be addressed to:

Company  
Address  
City, State, Zip  
Attention: \_\_\_\_\_  
Telephone: (xxx) xxx-xxxx  
Fax: (xxx) xxx-xxxx

Wire transfer payments to Transporter shall be accompanied with the instructions "to credit the account of Vector Pipeline Limited Partnership." and shall be sent to the following bank and account number:

Vector Pipeline Limited Partnership  
TD Canada Trust - Main Branch, Edmonton  
Edmonton, AB  
Account Number: 0701 0572337  
Bank Code/Transit Number: 004-82389  
SWIFT: TDOMCATTOR

Remittance detail supporting wire transfer payments to Transporter, and any notice, request or demand regarding statements, bills, or payments shall be mailed to the following address:



Vector Pipeline Limited Partnership  
c/o Vector Pipeline Limited  
38705 Seven Mile Road, Suite 490  
Livonia, Michigan 48152  
Attention: President

**Section 5. Superseded Agreements**

This FT-\_\_ Firm Transportation Agreement supersedes and cancels as of the effective date hereof the following agreements:

\_\_\_\_\_, \_\_\_\_\_

**Section 6. Miscellaneous**

**6.1** This Agreement shall be interpreted according to the laws of the Province of Ontario.

**6.2** Performance of this Agreement shall be subject to all valid laws, orders, decisions, rules and regulations of duly constituted governmental authorities having jurisdiction or control of any matter related hereto. Should either of the parties, by force of any such law, order decision, rule or regulation, at any time during the term of this Agreement be ordered or required to do any act inconsistent with the provisions hereof, then for the period during which the requirements of such law, order, decision, rule or regulation are applicable, this Agreement shall be deemed modified to conform with the requirement of such law, order, decision, rule or regulation; provided, however, nothing in this section 6.2 shall alter, modify or otherwise affect the respective rights of the parties to cancel or terminate this Agreement under the terms and conditions hereof.

**6.3** A waiver by either party of any one or more defaults by the other hereunder shall not operate as a waiver of any future default or defaults, whether of a like or of a different character.

**6.4** This Agreement may only be amended by an instrument in writing executed by both parties hereto.

**6.5** Nothing in this Agreement shall be deemed to create any rights or obligations between the parties hereto after the expiration of the term set forth herein, except that termination of this Agreement shall not relieve either party of the obligation to correct any quantity imbalances or Shipper of the obligation to pay any amounts due hereunder to Transporter.

**6.6** Exhibit A attached hereto is incorporated herein by reference and made a part hereof for all purposes.

**6.7** The parties hereby agree, subject to the primary jurisdiction of the National Energy Board, that any dispute arising out of or relating to this Agreement, or any breach thereof shall be submitted to final and binding arbitration in Toronto, Ontario in accordance with the Commercial Arbitration Rules and Mediation Procedures of the American Arbitration Association (AAA) then in effect. The dispute shall be decided by a panel of three neutral arbitrators, qualified by education, training, and experience to hear the dispute, chosen as follows. The party initiating the arbitration proceeding shall name one arbitrator at the time it notifies the other party of its intention to arbitrate their dispute, and the responding party shall name an arbitrator within fifteen (15) days of receiving the above notification. Within twenty (20) days of the appointment of the second arbitrator, the two arbitrators shall select a third arbitrator to act as chairman of the tribunal. If either party fails to appoint an arbitrator within the allotted time or the two party-appointed, neutral arbitrators fail to appoint a third arbitrator as provided above, the AAA shall appoint the arbitrator(s). Any vacancies will be filled in accordance with the above procedure. The parties expressly agree to the consolidation of separate arbitral proceedings for the resolution in a single proceeding of all disputes that arise from the same factual situation, and the parties further expressly agree that any issue of arbitrability or the existence, validity, and scope of the agreement to arbitrate shall be decided by the arbitrators. The parties further agree that either party may apply to a court of competent jurisdiction, pending arbitration, for injunctive relief to preserve the status quo, to preserve assets, or to protect documents from loss or destruction, and such application will not be deemed inconsistent with or operate as a waiver of the party's right to arbitration. The arbitrators shall apply as the substantive law to the dispute the laws of Ontario, as specified in section 6.1 of this Agreement.

**IN WITNESS WHEREOF**, the parties hereto have duly executed this Agreement in one or more counterparts, which counterparts shall constitute one integrated agreement, by their duly authorized officers effective as of the day first above written.

**VECTOR PIPELINE LIMITED PARTNERSHIP**  
**By VECTOR PIPELINE LIMITED**  
**As General Partner**  
**(Transporter)**

\_\_\_\_\_  
Date

By: \_\_\_\_\_

Title: \_\_\_\_\_

**(Shipper)**

\_\_\_\_\_   
Date

By: \_\_\_\_\_

Title: \_\_\_\_\_

**Exhibit A**  
**To**  
**FT-\_\_ Firm Transportation Agreement No. \_\_\_\_\_**  
**Under Toll Schedule FT-\_\_**  
**Between**  
**Vector Pipeline Limited Partnership and \_\_\_\_\_**

Primary Term: \_\_\_\_\_  
Contracted Capacity: \_\_\_\_\_ GJ/Day  
Primary Receipt Points: \_\_\_\_\_  
Primary Delivery Points: \_\_\_\_\_  
Toll Election (maximum or negotiated): \_\_\_\_\_  
Hourly Delivery Period (FT-H only): \_\_\_\_\_ hours  
Maximum Hourly Delivery Quantity (FT-H only): \_\_\_\_\_ GJ/hour

**FORM OF FT- FIRM TRANSPORTATION AGREEMENT**  
**PERMANENT ASSIGNMENT AGREEMENT**

**PERMANENT ASSIGNMENT AGREEMENT**  
**FOR FT- FIRM TRANSPORTATION OF NATURAL GAS**  
**VECTOR PIPELINE LIMITED PARTNERSHIP**

**Number:** \_\_\_\_\_

This PERMANENT ASSIGNMENT AGREEMENT FOR THE PERMANENT ASSIGNMENT OF A FIRM TRANSPORTATION AGREEMENT ("Assignment") is made and entered into this \_\_\_ day of \_\_\_\_\_, \_\_\_\_\_ between:

**[NAME OF SHIPPER]** \_\_\_\_\_ ("ASSIGNOR"),

OF THE FIRST PART

- and -

\_\_\_\_\_  
("Assignee")

OF THE SECOND PART

Witnesseth: That in consideration of the mutual covenants contained herein the parties agree as follows:

WHEREAS, Vector Pipeline Limited Partnership ("Vector") and Assignor are parties to a contract for firm transportation of natural gas by Vector to the Dawn, Ontario Delivery Point, made as of \_\_\_\_\_, \_\_\_\_\_, as amended, (the "FT-\_\_ Firm Transportation Agreement"); and

WHEREAS, Assignor and Assignee are parties to an agreement concerning the transportation of natural gas, Number \_\_\_\_\_, dated \_\_\_\_\_, \_\_\_\_\_ (the "Gas Agreement"); and

WHEREAS, Assignee has requested that Assignor assign part of Assignor's service entitlement as shipper under the FT-\_\_ Firm Transportation Agreement with Vector, and Assignor has agreed to do so subject to the terms and conditions of this Assignment.

NOW THEREFORE, in consideration of the premises and the mutual covenants and agreements herein set forth, the parties hereto mutually covenant, agree, and declare as follows:

1. Assignor hereby assigns to Assignee, and Assignee accepts from Assignor, such portion of Assignor's service entitlement as Shipper under the FT-\_\_ Firm Transportation Agreement

with Vector equal to \_\_\_\_\_ gigajoules per day (the "Assigned Volume"), together with the corresponding rights and obligations of Assignor as Shipper under the FT-\_\_ Firm Transportation Agreement, the Firm Transportation Service (FT-\_\_ ) Toll Schedule and the General Terms and Conditions contained in Vector's Tariff, filed with the National Energy Board, as the same may be hereafter revised or superseded (collectively, the "FT-\_\_ Tariff").

Term of Assignment: Commencing \_\_\_\_\_, \_\_\_\_\_ and terminating \_\_\_\_\_, \_\_\_\_\_.

Toll: \_\_\_\_\_.

2. During the term of this Assignment, Assignee shall perform and observe the covenants and obligations of Assignor as Shipper contained in the FT-\_\_ Firm Transportation Agreement and the FT-\_\_ Tariff in so far as they pertain to the Assigned Volume, to the same extent as Assignee would be obligated so to do were Assignee a party to the FT-\_\_ Firm Transportation Agreement, as Shipper, with a service entitlement thereunder equal to the Assigned Volume.

3. This Assignment shall be in full force and effect as of and from the day before the "Date of First Deliveries" as defined in the Gas Agreement for the purposes of Assignee nominating Transportation service for that date, and for all other purposes on that date, and subject to paragraph 4 hereof, shall be for a term equal to the remaining term of the FT-\_\_ Firm Transportation Agreement, as the same may be renewed or otherwise extended by Assignor in accordance with the FT-\_\_ Tariff and Vector's contractual practice and procedure in that regard.

4. In the event that Assignee does not comply with paragraph 2 hereof, Assignor shall have the right to terminate this Assignment by following the termination procedure set forth in the FT-\_\_ Tariff as if Assignor were Vector, Assignee were Shipper and this Assignment were the FT-\_\_ Firm Transportation Agreement for this purpose.

5. Assignor will request that Vector acknowledge this Assignment and treat Assignee as a Shipper with a service entitlement under the FT-\_\_ Firm Transportation Agreement equal to the Assigned Volume during the term of this Assignment. Assignee hereby consents to such request and to such treatment, and for this purpose Assignee declares that all notices, nominations, requests, invoices, and other written communications may be given by Vector to Assignee as follows or to such other persons or addresses of Assignee that Assignee may designate in writing to Assignor and Vector:

(i) Mailing address:

(ii) Delivery address:

(iii) Nominations:                      Attention:  
   Telephone:  
   Fax:

- (iv) Legal and Other:           Attention:  
  Telephone:  
  Fax:
- (v) Billing and Payment:       Attention:  
  Telephone:  
  Fax:

6. Assignee acknowledges that Assignor will not seek Vector's consent to this Assignment and that Assignee will be required to satisfy Vector's creditworthiness standards contained in its Tariff in order to obtain Transportation service under the FT-\_\_ Firm Transportation Agreement. Pursuant to the FT- \_\_ Tariff, Assignor will remain obligated to Vector to perform and observe the covenants and obligations of the Shipper that are contained in the FT-\_\_ Firm Transportation Agreement and the FT-\_\_ Tariff in regard to the Assigned Volume insofar as Vector is concerned. Consequently, Assignee shall indemnify Assignor for and hold Assignor harmless from all charges that Vector may be entitled to collect from Assignor under the assigned portion of the FT-\_\_ Firm Transportation Agreement and the FT-\_\_ Tariff in regard to the Assigned Volume in the event that Assignee fails to satisfy its obligations to Vector thereunder.

7. Notwithstanding anything to the contrary herein set forth or implied, Assignor reserves and retains for itself exclusively the option or right to renew or otherwise extend the term of the FT-\_\_ Firm Transportation Agreement as relates to all volumes to which Assignor is entitled thereunder, including those volumes assigned to Assignee, in accordance with the FT-\_\_ Tariff and Vector's contractual practice and procedure in that regard.

8. This Assignment and the rights and obligations of the parties hereunder are subject to all valid and applicable present and future laws, rules, regulations, and orders of any governmental or regulatory authority having jurisdiction or control over the parties hereto or either of them, or over the FT-\_\_ Firm Transportation Agreement, the FT-\_\_ Tariff, and the assignment of the service entitlement thereunder.

9. Assignee acknowledges receipt from Assignor of a true copy of the FT-\_\_ Firm Transportation Agreement and declares that it has (or will obtain directly from Vector) a copy of the FT-\_\_ Tariff.

10. This Assignment shall be construed in accordance with and governed by the laws of the province of Ontario and the laws of Canada applicable therein.

11. This Assignment shall enure to the benefit of and be binding upon the parties hereto and their respective successors and permitted assigns.

**IN WITNESS WHEREOF**, the parties hereto have duly executed this Agreement in one or more counterparts, which counterparts shall constitute one integrated agreement, by their duly authorized officers effective as of the day first above written.

**(Assignor)**

\_\_\_\_\_  
Date

By: \_\_\_\_\_

Title: \_\_\_\_\_

**(Assignee)**

\_\_\_\_\_  
Date

By: \_\_\_\_\_

Title: \_\_\_\_\_



**FORM OF INTERRUPTIBLE TRANSPORTATION AGREEMENT**  
**TRANSPORTATION AGREEMENT FOR**  
**IT-1 INTERRUPTIBLE TRANSPORTATION OF NATURAL GAS**  
**VECTOR PIPELINE LIMITED PARTNERSHIP**

Interruptible Transportation Agreement No. \_\_\_\_\_

This TRANSPORTATION AGREEMENT FOR IT-1 INTERRUPTIBLE TRANSPORTATION OF NATURAL GAS ("**IT-1 Interruptible Transportation Agreement**" or "**Agreement**") is made and entered into this \_\_ day of \_\_\_\_\_, \_\_, between:

**VECTOR PIPELINE LIMITED PARTNERSHIP, ("Transporter"),**

and

\_\_\_\_\_, ("**Shipper**").

Witnesseth: That in consideration of the mutual covenants contained herein the parties agree as follows:

**Section 1. Service to be Rendered**

Transporter shall perform and Shipper shall receive service in accordance with the provisions of Transporter's effective Toll Schedule IT-1 and the applicable General Terms and Conditions of Transporter's Tariff on file with the National Energy Board ("NEB") as the same may be amended or superseded in accordance with the rules and regulations of the NEB.

**Section 2. Term**

The term of this Agreement shall commence as of \_\_\_\_\_ and shall continue in full force and effect until terminated by either party at any time upon ten (10) days prior written notice; provided, however, that neither termination nor notice thereof shall relieve either party of the obligation to perform pursuant to the terms of this Agreement as relates to any transaction commencing prior to termination. Pregranted abandonment shall apply upon termination of this agreement.

**Section 3. Tolls**

Shipper shall pay the maximum Interruptible Transportation toll in accordance with Transporter's currently effective Toll Schedule IT-1, unless Transporter and Shipper mutually agree upon a lower toll.

**Section 4. Notices**

Unless herein provided to the contrary, any notice called for in this Agreement shall be in writing and shall be considered as having been given if delivered by certified mail or fax with all postage or charges prepaid, to either Transporter or Shipper, at the location designated herein. Written communications shall be considered as duly delivered when received by ordinary mail. Unless otherwise notified in writing, the addresses of the parties are as set forth herein.

Notices to Transporter under this Agreement shall be addressed to Vector@vector-pipeline.com, or to:

Vector Pipeline Limited Partnership  
c/o Vector Pipeline Limited  
38705 Seven Mile Road, Suite 490  
Livonia, Michigan 48152  
United States  
Attention: President  
Fax: (734) 462-0231

Notices to Shipper under this Agreement shall be addressed to:

Company  
Address  
City, State, Zip  
Attention: \_\_\_\_\_  
Telephone: (xxx) xxx-xxxx  
Fax: (xxx) xxx-xxxx

Wire transfer payments to Transporter shall be accompanied with the instructions "to credit the account of Vector Pipeline Limited Partnership." and shall be sent to the following bank and account number:

Vector Pipeline Limited Partnership  
TD Canada Trust - Main Branch, Edmonton  
Edmonton, AB  
Account Number: 0701 0572337  
Bank Code/Transit Number: 004-82389  
SWIFT: TDOMCATTOR

Remittance detail supporting wire transfer payments to Transporter, and any notice, request or demand regarding statements, bills, or payments shall be mailed to the following address:

Vector Pipeline Limited Partnership  
c/o Vector Pipeline Limited  
38705 Seven Mile Road, Suite 490  
Livonia, Michigan 48152  
Attention: President

### **Section 5. Superseded Agreements**

This Interruptible Transportation Agreement supersedes and cancels as of the effective date hereof the following agreements:

\_\_\_\_\_, \_\_\_\_\_,

### **Section 6. Miscellaneous**

**6.1** This Agreement shall be interpreted according to the laws of the Province of Ontario.

**6.2** Performance of this Agreement shall be subject to all valid laws, orders, decisions, rules and regulations of duly constituted governmental authorities having jurisdiction or control of any matter related hereto. Should either of the parties, by force of any such law, order decision, rule or regulation, at any time during the term of this Agreement be ordered or required to do any act inconsistent with the provisions hereof, then for the period during which the requirements of such law, order, decision, rule or regulation are applicable, this Agreement shall be deemed modified to conform with the requirement of such law, order, decision, rule or regulation; provided, however, nothing in this section 6.2 shall alter, modify or otherwise affect the respective rights of the parties to cancel or terminate this Agreement under the terms and conditions hereof.

**6.3** A waiver by either party of any one or more defaults by the other hereunder shall not operate as a waiver of any future default or defaults, whether of a like or of a different character.

**6.4** This Agreement may only be amended by an instrument in writing executed by both parties hereto.

**6.5** Nothing in this Agreement shall be deemed to create any rights or obligations between the parties hereto after the expiration of the term set forth herein, except that termination of this Agreement shall not relieve either party of the obligation to correct any quantity imbalances or Shipper of the obligation to pay any amounts due hereunder to Transporter.

**6.6** The parties hereby agree, subject to the primary jurisdiction of the National Energy Board, that any dispute arising out of or relating to this Agreement, or any breach thereof shall be submitted to final and binding arbitration in Toronto, Ontario in accordance with the Commercial Arbitration Rules and Mediation Procedures of the American Arbitration Association (AAA) then in effect. The dispute shall be decided by a panel of three neutral arbitrators, qualified by education, training, and experience to hear the dispute, chosen as follows. The party initiating the arbitration proceeding shall name one arbitrator at the time it notifies the other party of its intention to arbitrate their dispute, and the responding party shall name an arbitrator within fifteen (15) days of receiving the above notification. Within twenty (20) days of the appointment of the second arbitrator, the two arbitrators shall select a third arbitrator to act as chairman of the tribunal. If either party fails to appoint an arbitrator within the allotted time or the two party-appointed, neutral arbitrators fail to appoint a third arbitrator as provided above, the AAA shall appoint the arbitrator(s). Any vacancies will be filled in accordance with the above procedure. The parties expressly agree to the consolidation of separate arbitral proceedings for the resolution in a single proceeding of all disputes that arise from the same factual situation, and the parties further expressly agree that any issue of arbitrability or the existence, validity, and scope of the agreement to arbitrate shall be decided by the arbitrators. The parties further agree that either party may apply to a court of competent jurisdiction, pending arbitration, for injunctive relief to preserve the status quo, to preserve assets, or to protect documents from loss or destruction, and such application will not be deemed inconsistent with or operate as a waiver of the party's right to arbitration. The arbitrators shall apply as the substantive law to the dispute the laws of Ontario, as specified in section 6.1 of this Agreement.

**IN WITNESS WHEREOF**, the parties hereto have duly executed this Agreement in one or more counterparts, which counterparts shall constitute one integrated agreement, by their duly authorized officers effective as of the day first above written.

**VECTOR PIPELINE LIMITED PARTNERSHIP**  
**By VECTOR PIPELINE LIMITED**  
**As General Partner**  
**(Transporter)**

\_\_\_\_\_ By: \_\_\_\_\_  
Date

Title: \_\_\_\_\_

**(Shipper)**

\_\_\_\_\_   
Date

By: \_\_\_\_\_

Title: \_\_\_\_\_

**FORM OF PARK AND LOAN SERVICE AGREEMENT**

**AGREEMENT FOR PARK AND LOAN SERVICE  
UNDER TOLL SCHEDULE PALS-1  
VECTOR PIPELINE LIMITED PARTNERSHIP**

Park and Loan Service Agreement No. \_\_\_\_\_

This AGREEMENT FOR PARK AND LOAN SERVICE OF NATURAL GAS ("PALS Agreement" or "Agreement") is made and entered into as of this \_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_ by and between:

**VECTOR PIPELINE LIMITED PARTNERSHIP, ("Transporter"),**

and

\_\_\_\_\_, ("Shipper").

Witnesseth: That in consideration of the mutual covenants herein the parties agree as follows:

**Section 1. Governmental Authority**

This PALS Agreement is subject to all valid legislation with respect to the subject matters hereof and to all valid present and future decisions, orders, rules, regulations and ordinances of all duly constituted governmental authorities having jurisdiction.

**Section 2. Quantity of Gas And Priority of Service**

**2.1** Transporter is willing to park and/or loan, on an interruptible basis, certain quantities of Gas for or to Shipper beginning on the date specified in Section 3 and continuing for the remaining term specified in Section 3 in accordance with the provisions of Transporter's effective Toll Schedule PALS-1 and the applicable General Terms and Conditions of Transporter's Tariff.

**2.2** The service under this Agreement shall be conditioned upon the availability of capacity sufficient to provide the service without detriment or disadvantage to those customers of Transporter that have a higher priority of service.

**2.3** Prior to initiation of service, Shipper shall provide Transporter with all information identified in Transporter's General Terms and Conditions ("GT&C")

applicable to Toll Schedule PALS-1 or as otherwise required by the National Energy Board.

### **Section 3. Term of Agreement**

This Agreement shall become effective as of \_\_\_\_\_, and shall continue in full force and effect until terminated by either party at any time upon ten (10) days prior written notice; provided, however, that neither termination nor notice thereof shall relieve either party of the obligation to perform pursuant to the terms of this Agreement as relates to any transaction commencing prior to termination.

### **Section 4. Points of Receipt**

**4.1** The point(s) of receipt and delivery of Gas deliveries to Transporter is (are) as designated by the parties.

**4.2** Shipper shall deliver or cause to be delivered to Transporter any Gas to be parked or loaned to be repaid hereunder at pressures sufficient to deliver such Gas into Transporter's system at the point(s) of receipt.

### **Section 5. Operating Procedure**

**5.1** Shipper shall conform to the operating procedures set forth in Transporter's GT&C.

**5.2** Nothing in Section 5.1 shall compel Transporter to park or loan, as applicable, Gas pursuant to Shipper's request on any given Day. Transporter shall have the right to interrupt or curtail the advancement and return of Gas for the account of Shipper pursuant to Transporter's Toll Schedule PALS-1.

### **Section 6. Toll(s), Toll Schedules and General Terms and Conditions of Service**

**6.1** Shipper shall pay Transporter each month for services rendered pursuant to this Agreement in accordance with Transporter's Toll Schedule PALS-1, or superseding toll schedule(s), on file with and subject to the jurisdiction of National Energy Board.

**6.2** Unless otherwise mutually agreed to, Shipper shall pay Transporter for services nominated hereunder the maximum applicable tolls and charges, as established under Toll Schedule PALS-1 and set forth on the Statement of Tolls in Transporter's effective National Energy Board Gas Tariff, including any applicable surcharges.

**6.3** Transporter shall have the unilateral right from time to time to propose and file with the National Energy Board such changes in the tolls and charges applicable to Park and Loan Service pursuant to this Agreement, the toll schedule(s) under which this service is hereunder provided, or any provisions of Transporter's GT&C applicable to

such services. Shipper shall have the right to protest any such changes proposed by Transporter and to exercise any other rights that Shipper may have with respect thereto.

## **Section 7. Miscellaneous**

**7.1** This Agreement shall be interpreted according to the laws of the Province of Ontario.

**7.2** Shipper agrees to indemnify and hold Transporter harmless for refusal to park or loan Gas hereunder in the event any downstream transporter fails to receive Gas as contemplated by this Agreement.

**7.3** Unless herein provided to the contrary, any notice called for in this Agreement shall be in writing and shall be considered as having been given if delivered by certified mail or fax with all postage or charges prepaid, to either Transporter or Shipper, at the location designated herein. Written communications shall be considered as duly delivered when received by ordinary mail. Unless otherwise notified in writing, the addresses of the parties are as follows:

Transporter: Vector Pipeline Limited Partnership  
c/o Vector Pipeline Limited  
Attention: President  
38705 Seven Mile Road, Suite 490  
Livonia, Michigan 48152  
United States

Shipper: Company  
Address  
City, State, Zip  
Attention:  
Telephone: (xxx) xxx-xxxx  
Fax (xxx) xxx-xxxx

Wire transfer payments to Transporter shall be accompanied with the instructions "to credit the account of Vector Pipeline Limited Partnership." and shall be sent to the following bank and account number:

Vector Pipeline Limited Partnership  
TD Canada Trust - Main Branch, Edmonton  
Edmonton, AB  
Account Number: 0701 0572337  
Bank Code/Transit Number: 004-82389  
SWIFT: TDOMCATTOR

Remittance detail supporting wire transfer payments to Transporter, and any notice, request or demand regarding statements, bills, or payments shall be mailed to the following address:



Vector Pipeline Limited Partnership  
c/o Vector Pipeline Limited  
38705 Seven Mile Road, Suite 490  
Livonia, Michigan 48152  
Attention: President

**7.4** A waiver by either party of any one or more defaults by the other hereunder shall not operate as a waiver of any future default or defaults, whether of a like or of a different character.

**7.5** This Agreement may only be amended by an instrument in writing executed by both parties hereto.

**7.6** Nothing in this Agreement shall be deemed to create any rights or obligations between the parties hereto after the expiration of the term set forth herein, except that termination of this Agreement shall not relieve either party of the obligation to correct

**7.7** Performance of this Agreement shall be subject to all valid laws, orders, decisions, rules and regulations of duly constituted governmental authorities having jurisdiction or control of any matter related hereto. Should either of the parties, by force of any such law, order, decision, rule or regulation, at any time during the term of this Agreement be ordered or required to do any act inconsistent with the provisions hereof, then for the period during which the requirements of such law, order, decision, rule or regulation are applicable, this Agreement shall be deemed modified to conform with the requirement of such law, order, decision, rule or regulation; provided, however, nothing in this section 7.7 shall alter, modify or otherwise affect the respective rights of the parties to cancel or terminate this Agreement under the terms and conditions hereof.

**7.8** The parties hereby agree, subject to the primary jurisdiction of the National Energy Board, that any dispute arising out of or relating to this Agreement, or any breach thereof shall be submitted to final and binding arbitration in Toronto, Ontario in accordance with the Commercial Arbitration and Mediation Procedures of the American Arbitration Association (AAA) then in effect. The dispute shall be decided by a panel of three neutral arbitrators, qualified by education, training, and experience to hear the dispute, chosen as follows. The party initiating the arbitration proceeding shall name one arbitrator at the time it notifies the other party of its intention to arbitrate their dispute, and the responding party shall name an arbitrator within fifteen (15) days of receiving the above notification. Within twenty (20) days of the appointment of the second arbitrator, the two arbitrators shall select a third arbitrator to act as chairman of the tribunal. If either party fails to appoint an arbitrator within the allotted time or the two party-appointed, neutral arbitrators fail to appoint a third arbitrator as provided above, the AAA shall appoint the arbitrator(s). Any vacancies will be filled in accordance with the above procedure. The parties expressly agree to the consolidation of separate arbitral proceedings for the resolution in a single proceeding of all disputes that arise from the same factual situation, and the parties further expressly agree that any issue of arbitrability or the existence, validity, and scope of the agreement to arbitrate shall be

decided by the arbitrators. The parties further agree that either party may apply to a court of competent jurisdiction, pending arbitration, for injunctive relief to preserve the status quo, to preserve assets, or to protect documents from loss or destruction, and such application will not be deemed inconsistent with or operate as a waiver of the party's right to arbitration. The arbitrators shall apply as the substantive law to the dispute the laws of Ontario, as specified in section 7.1 of this Agreement.

**IN WITNESS WHEREOF**, the parties hereto have duly executed this Agreement in one or more counterparts, which counterparts shall constitute one integrated agreement, by their duly authorized officers effective as of the day first above written.

**VECTOR PIPELINE LIMITED PARTNERSHIP**  
**By VECTOR PIPELINE LIMITED**  
**As General Partner**  
**(Transporter)**

\_\_\_\_\_ By: \_\_\_\_\_  
Date

Title: \_\_\_\_\_

**(Shipper)**

\_\_\_\_\_ By: \_\_\_\_\_  
Date

Title: \_\_\_\_\_

**FORM OF TITLE TRANSFER SERVICE AGREEMENT**  
**AGREEMENT FOR TITLE TRANSFER SERVICE**  
**UNDER TOLL SCHEDULE TTS**  
**VECTOR PIPELINE LIMITED PARTNERSHIP**

Title Transfer Service Agreement No. \_\_\_\_\_

This AGREEMENT FOR TITLE TRANSFER SERVICE ("**TTS Agreement**" or "**Agreement**") is made and entered into this \_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_, by and between:

**VECTOR PIPELINE LIMITED PARTNERSHIP, ("Transporter"),**

and

\_\_\_\_\_, ("**Customer**").

Witnesseth: That in consideration of the mutual covenants herein the parties agree as follows:

WHEREAS, from time to time, Customer, its customers and principals obtain rights for transportation service from Transporter under which these parties have the right to deliver natural gas into, move gas through, or receive gas from, various Transporter facilities, in accordance with service agreements that have been entered into in accordance with Transporter's National Energy Board Tariff (the "Subject Service Agreements"); and,

WHEREAS, Customer, on behalf of itself, its customers and principals, arranges for various services in conjunction with the performance required or permitted by Transporter under the Subject Service Agreements; and,

WHEREAS, in the course of performing such services, Customer may identify and obtain sources and/or markets on behalf of other customers under the Subject Service Agreements, the identity of which Customer seeks to protect for commercial purposes; and,

WHEREAS, to that end, Transporter and Customer have agreed to procedures that will accommodate Customer's nomination of quantities of gas at points of interconnection between Transporter and other parties for the limited purpose of title transfers among buyers and sellers of such quantities, which procedures do not entitle Customer to receive any transportation service under Transporter's National Energy Board Tariff separate

from the entitlements under the Subject Service Agreements, nor do they entitle Customer to maintain physical imbalances on Transporter's system.

## **Section 1. Quantities**

**1.1** During the term of this TTS Agreement, Transporter will accept nominations for Title Transfer Service ("TTS") from Customer, in accordance with the procedures set forth in section 5, below. All accounting receipt data provided by Customer to Transporter at each Eligible Point must be accompanied by a corresponding nomination for accounting delivery at such Eligible Point; otherwise, Transporter shall be entitled to reject nomination data provided by Customer for any Eligible Point at which accounting receipts do not equal accounting deliveries. This equalization requirement shall apply to TTS Service hereunder every Day, regardless of any capacity constraint, curtailment requirement, or operating limitation that may be imposed on the Subject Service Agreements.

**1.2** Transporter's obligation to accept nominations hereunder shall be limited to the contractual entitlements of Customer, its customers, or its principals -- as Customers under the Subject Service Agreements -- to receive service from Transporter as confirmed under this Agreement. The service under this Agreement shall be conditioned upon the availability of capacity sufficient to provide the service without detriment or disadvantage to those customers of Transporter that have a higher priority of service.

**1.3** Nothing under this Agreement shall convey to Customer any right to Transportation by Transporter. The Transportation of gas nominated for TTS Service in accordance with this Agreement requires that the Customer, its customers, or its principals obtain entitlement to service from Transporter under another service agreement, in accordance with all applicable provisions of Transporter's National Energy Board Gas Tariff.

## **Section 2. Term of Agreement**

**2.1** This TTS Agreement shall be effective as of the date first written above, and shall continue in effect for a term through and including \_\_\_\_\_ and from month to month thereafter, until either party terminates this TTS Agreement by giving 10 days prior written notice to the other. Transporter shall also have the unilateral right to terminate this Agreement within 24 hours in the event Transporter determines Customer has failed to comply with the terms of Toll Schedule TTS.

## **Section 3. Toll**

**3.1** Customer shall pay Transporter, each month for which TTS is provided, for services rendered pursuant to this Agreement in accordance with Transporter's Toll Schedule TTS, or superseding Toll Schedule(s), on file with and subject to the jurisdiction of the National Energy Board.

**3.2** Unless otherwise mutually agreed to, Customer shall pay Transporter for services nominated hereunder the maximum applicable tolls and charges, as established under Toll Schedule TTS and set forth on the Statement of Tolls in Transporter's effective National Energy Board Gas Tariff, including any applicable surcharges. Customer may also incur charges under the associated Subject Service Agreements.

**3.3** Transporter shall have the right to propose, file and make effective with the National Energy Board or any other body having jurisdiction, revisions to any applicable Toll Schedule, or to propose, file and make effective superseding toll schedules for the purpose of changing the tolls, charges and other provisions thereof effective as to Customer. Said Toll Schedule or superseding toll schedule and any revisions thereof which shall be filed and made effective shall apply to and become a part of this TTS Agreement. The filing of such changes and revisions to any applicable toll schedule shall be without prejudice to the right of Customer to contest or oppose such filing and its effectiveness.

#### **Section 4. Eligible Points**

**4.1** Nominations for subsequent physical delivery downstream from each Eligible Point established hereunder must be performed under a valid Subject Service Agreement. Transporter's confirmation of TTS Service at Eligible Points shall be subject to Transporter's determination:

(a) That sufficient capacity is available to accommodate the nominated service(s), consistent with scheduling priorities otherwise applicable to the affected Subject Service Agreement(s); and

(b) That Customer(s) has/have nominated corresponding services under effective Subject Service Agreement(s) with Transporter that include receipt point or delivery point entitlements as necessary to accommodate TTS Service nominated hereunder.

**4.2** Transporter shall provide to Customer one meter identification for each site at which Customer elects to effect title transfers. This meter identification will be used exclusively for nominations of accounting receipts and deliveries on Transporter's system through the procedures established in this TTS Agreement. The sites identified by Customer for this purpose and the appropriate meter identifications appear in Exhibit A.

#### **Section 5. Procedures**

**5.1** Customer and Transporter shall perform TTS Services hereunder pursuant to the procedures set forth in Transporter's Toll Schedule TTS, as that Toll Schedule may be amended from time to time.

**Section 6. Incorporation by Reference of Tariff Provisions**

**6.1** To the extent not inconsistent with the terms and conditions of this TTS Agreement, the following provisions of Transporter's effective National Energy Board Gas Tariff, and any revisions thereof that may be made effective hereafter are hereby made applicable to and a part hereof by reference:

(a) All of the provisions of Toll Schedule TTS, or any effective superseding toll schedule or otherwise applicable toll schedule; and

(b) All of the provisions of the General Terms and Conditions, as they may be revised or superseded from time to time.

**Section 7. Miscellaneous**

**7.1** This Agreement shall be interpreted according to the laws of the Province of Ontario.

**7.2** No change, modification or alteration of this TTS Agreement shall be or become effective until executed in writing by the parties hereto.

**7.3** Any notice, request or demand provided for in this TTS Agreement, or any notice that either party may desire to give the other, shall be in writing and sent to the following addresses:

Transporter:

Vector Pipeline Limited Partnership  
c/o Vector Pipeline Limited  
38705 Seven Mile Road, Suite 490  
Livonia, Michigan 48152  
United States  
Attn: President

Customer:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
Attn: \_\_\_\_\_

or at such other address as either party shall designate by formal written notice to the other.

Wire transfer payments to Transporter shall be accompanied with the instructions "to credit the account of Vector Pipeline Limited Partnership." and shall be sent to the following bank and account number:

Vector Pipeline Limited Partnership  
TD Canada Trust - Main Branch, Edmonton  
Edmonton, AB  
Account Number: 0701 0572337  
Bank Code/Transit Number: 004-82389  
SWIFT: TDOMCATTOR

Remittance detail supporting wire transfer payments to Transporter, and any notice, request or demand regarding statements, bills, or payments shall be mailed to the following address:

Vector Pipeline Limited Partnership  
c/o Vector Pipeline Limited  
38705 Seven Mile Road, Suite 490  
Livonia, Michigan 48152  
Attention: President

**7.4** Performance of this Agreement shall be subject to all valid laws, orders, decisions, rules and regulations duly constituted governmental authorities having jurisdiction or control of any matter related hereto. Should either of the parties, by force of any such law, order, decision, rule or regulation, at any time during the term of this Agreement be ordered or required to do any act inconsistent with the provisions hereof, then for the period during which the requirements of such law, order, decision, rule or regulation are applicable, this Agreement shall be deemed modified to conform with the requirement of such law, order, decision, rule or regulation; provided, however, nothing in this section 7.4 shall alter, modify or otherwise affect the respective rights of the parties to cancel or terminate this Agreement under the terms and conditions hereof.

**7.5** A waiver by either party of any one or more defaults by the other hereunder shall not operate as a waiver of any future default or defaults, whether of a like or of a different character.

**7.6** Each party to this TTS Agreement bears responsibility for all of its own breaches, tortious acts, or tortious omissions connected in any way with the TTS Agreement causing damages or injuries of any kind to the other party or to any third party, unless otherwise expressly agreed in writing between the parties. The offending party as a result of such offense shall hold harmless and indemnify the non-offending party against any claim, liability, loss or damage whatsoever suffered by the non-offending party or by any third party, including without limitation actual damages, litigation expenses, court costs, and attorneys' fees; and the phrase "tortious acts or tortious omissions" shall include without limitation sole or concurrent simple negligence, gross negligence, recklessness, and intentional acts or omissions. This TTS Agreement does not contemplate any third party beneficiaries.

**7.7** Nothing in this Agreement shall be deemed to create any rights or obligations between the parties hereto after the expiration of the term set forth herein, except that termination of this Agreement shall not relieve either party of the obligation to correct any quantity imbalances or Customer of the obligation.

**7.8** Exhibit A attached hereto is incorporated herein by reference and made a part hereof for all purposes.

**7.9** The parties hereby agree, subject to the primary jurisdiction of the National Energy Board, that any dispute arising out of or relating to this Agreement, or any breach thereof shall be submitted to final and binding arbitration in Toronto, Ontario in accordance with the Commercial Arbitration and Mediation Procedures of the American Arbitration Association (AAA) then in effect. The dispute shall be decided by a panel of three neutral arbitrators, qualified by education, training, and experience to hear the dispute, chosen as follows. The party initiating the arbitration proceeding shall name one arbitrator at the time it notifies the other party of its intention to arbitrate their dispute, and the responding party shall name an arbitrator within fifteen (15) days of receiving the above notification. Within twenty (20) days of the appointment of the second arbitrator, the two arbitrators shall select a third arbitrator to act as chairman of the tribunal. If either party fails to appoint an arbitrator within the allotted time or the two party-appointed, neutral arbitrators fail to appoint a third arbitrator as provided above, the AAA shall appoint the arbitrator(s). Any vacancies will be filled in accordance with the above procedure. The parties expressly agree to the consolidation of separate arbitral proceedings for the resolution in a single proceeding of all disputes that arise from the same factual situation, and the parties further expressly agree that any issue of arbitrability or the existence, validity, and scope of the agreement to arbitrate shall be decided by the arbitrators. The parties further agree that either party may apply to a court of competent jurisdiction, pending arbitration, for injunctive relief to preserve the status quo, to preserve assets, or to protect documents from loss or destruction, and such application will not be deemed inconsistent with or operate as a waiver of the party's right to arbitration. The arbitrators shall apply as the substantive law to the dispute the laws of Ontario, as specified in section 7.1 of this Agreement.

**IN WITNESS WHEREOF**, the parties hereto have duly executed this Agreement in one or more counterparts, which counterparts shall constitute one integrated agreement, by their duly authorized officers effective as of the day first above written.

**VECTOR PIPELINE LIMITED PARTNERSHIP**  
**By VECTOR PIPELINE LIMITED**  
**As General Partner**  
**(Transporter)**

\_\_\_\_\_  
Date

By: \_\_\_\_\_

Title: \_\_\_\_\_



**(Customer)**

\_\_\_\_\_   
Date

By: \_\_\_\_\_

Title: \_\_\_\_\_

**EXHIBIT A  
TO  
TITLE TRANSFER SERVICE AGREEMENT  
UNDER TOLL SCHEDULE TTS**

Title Transfer Point

Meter Identification Number

As identified on the Vector web site.

As identified on the Vector web site.

**FORM OF AGREEMENT FOR MANAGEMENT OF  
BALANCING AGREEMENT SERVICES**

**AGREEMENT FOR MANAGEMENT OF BALANCING AGREEMENT  
SERVICES  
VECTOR PIPELINE LIMITED PARTNERSHIP**

Management of Balancing Agreement Services Agreement No. \_\_\_\_\_

This AGREEMENT FOR MANAGEMENT OF BALANCING AGREEMENT SERVICES ("**Management of Balancing Agreement**" or "**Agreement**") is made and entered into this \_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_, by and between:

**VECTOR PIPELINE LIMITED PARTNERSHIP, ("Transporter"),**

and

\_\_\_\_\_, ("**Balancing Provider**").

Witnesseth: That in consideration of the mutual covenants herein the parties agree as follows:

**Section 1. Government Authority**

**1.1** This Agreement is subject to all valid legislation with respect to the subject matters hereof, and to all valid present and future decisions, orders, rules, regulations and ordinances of all duly constituted governmental authorities having jurisdiction.

**Section 2. Quantity of Gas and Priority of Service**

**2.1** Quantities of Gas and points to be balanced under Toll Schedule MBA will be as specified in Balancing Provider's schedule to be provided to Transporter.

**2.2** The service under this Agreement shall be conditioned upon the availability of capacity sufficient to provide the service without detriment or disadvantage to those customers of Transporter that have a higher priority of service.

**2.3** Prior to initiation of service, Balancing Provider shall provide Transporter with all information identified in Transporter's General Terms and Conditions ("GT&C") and as set forth in Toll Schedule MBA or as otherwise required by the National Energy Board.

### **Section 3. Term of Agreement**

**3.1** This Agreement shall be effective as of the date hereof and shall continue in full force and effect until \_\_\_\_\_, subject to cancellation by Transporter, at its discretion, in the event Balancing Provider does not utilize the MBA service in any twelve (12) consecutive months.

### **Section 4. Balancing Points and Market Point**

**4.1** The Balancing Point(s) of receipt and delivery of Gas and the Market Point to be balanced by Transporter are as designated in Exhibit A, attached hereto.

### **Section 5. Operating Procedure**

**5.1** Balancing Provider shall conform to the operating procedures set forth in Transporter's GT&C.

### **Section 6. Toll(s), Toll Schedules and General Terms and Conditions of Service**

**6.1** Balancing Provider shall pay Transporter, each month for which the MBA service is provided, for services rendered pursuant to this Agreement in accordance with Transporter's Toll Schedule MBA, or superseding toll schedule(s), on file with and subject to the jurisdiction of the National Energy Board.

**6.2** Unless otherwise mutually agreed to, Balancing Provider shall pay Transporter for services hereunder the maximum applicable tolls and charges, as established under Toll Schedule MBA and set forth on the Statement of Tolls in Transporter's effective National Energy Board Gas Tariff, including any applicable surcharges.

**6.3** Transporter shall have the unilateral right from time to time to propose and file with the National Energy Board such changes in the tolls and charges applicable to Management of Balancing Agreement service pursuant to this Agreement, the toll schedule(s) under which this service is hereunder provided, or any provisions of Transporter's GT&C applicable to such services. Balancing Provider shall have the right to protest any such changes proposed by Transporter and to exercise any other rights that Balancing Provider may have with respect thereto.

### **Section 7. Miscellaneous**

**7.1** This Agreement shall be interpreted according to the laws of the Province of Ontario.

**7.2** Unless herein provided to the contrary, any notice called for in this Agreement shall be in writing and shall be considered as having been given if delivered by certified mail or fax with all postage or charges prepaid, to either Transporter or Shipper, at the

location designated herein. Written communications shall be considered as duly delivered when received by ordinary mail. Unless otherwise notified in writing, the addresses of the parties are as follows:

Transporter: Vector Pipeline, Limited Partnership  
c/o Vector Pipeline Limited  
Attention: President  
38705 Seven Mile Road, Suite 490  
Livonia, Michigan 48152  
United States

Balancing Provider: Company  
Address  
City, State, Zip  
Attention:  
Telephone: (xxx) xxx-xxxx  
Fax: (xxx) xxx-xxxx

Wire transfer payments to Transporter shall be accompanied with the instructions "to credit the account of Vector Pipeline Limited Partnership." and shall be sent to the following bank and account number:

Vector Pipeline Limited Partnership  
TD Canada Trust - Main Branch, Edmonton  
Edmonton, AB  
Account Number: 0701 0572337  
Bank Code/Transit Number: 004-82389  
SWIFT: TDOMCATTOR

Remittance detail supporting wire transfer payments to Transporter, and any notice, request or demand regarding statements, bills, or payments shall be mailed to the following address:

Vector Pipeline Limited Partnership  
c/o Vector Pipeline Limited  
38705 Seven Mile Road, Suite 490  
Livonia, Michigan 48152  
Attention: President

**7.3** A waiver by either party of any one or more defaults by the other hereunder shall not operate as a waiver of any future default or defaults, whether of a like or of a different character.

**7.4** This Agreement may only be amended by an instrument in writing executed by both parties hereto.

**7.5** Nothing in this Agreement shall be deemed to create any rights or obligations between the parties hereto after the expiration of the term set forth herein, except that

termination of this Agreement shall not relieve either party of the obligation to correct any quantity imbalances or Balancing Provider of the obligation to pay any amounts due hereunder to Transporter.

**7.6** Exhibit A attached hereto is incorporated herein by reference and made a part hereof for all purposes.

**7.7** Performance of this Agreement shall be subject to all valid laws, orders, decisions, rules and regulations duly constituted governmental authorities having jurisdiction or control of any matter related hereto. Should either of the parties, by force of any such law, order, decision, rule or regulation, at any time during the term of this Agreement be ordered or required to do any act inconsistent with the provisions hereof, then for the period during which the requirements of such law, order, decision, rule or regulation are applicable, this Agreement shall be deemed modified to conform with the requirement of such law, order, decision, rule or regulation; provided, however, nothing in this section 7.7 shall alter, modify or otherwise affect the respective rights of the parties to cancel or terminate this Agreement under the terms and conditions hereof.

**7.8** The parties hereby agree, subject to the primary jurisdiction of the National Energy Board, that any dispute arising out of or relating to this Agreement, or any breach thereof shall be submitted to final and binding arbitration in Toronto, Ontario in accordance with the Commercial Arbitration and Mediation Procedures of the American Arbitration Association (AAA) then in effect. The dispute shall be decided by a panel of three neutral arbitrators, qualified by education, training, and experience to hear the dispute, chosen as follows. The party initiating the arbitration proceeding shall name one arbitrator at the time it notifies the other party of its intention to arbitrate their dispute, and the responding party shall name an arbitrator within fifteen (15) days of receiving the above notification. Within twenty (20) days of the appointment of the second arbitrator, the two arbitrators shall select a third arbitrator to act as chairman of the tribunal. If either party fails to appoint an arbitrator within the allotted time or the two party-appointed, neutral arbitrators fail to appoint a third arbitrator as provided above, the AAA shall appoint the arbitrator(s). Any vacancies will be filled in accordance with the above procedure. The parties expressly agree to the consolidation of separate arbitral proceedings for the resolution in a single proceeding of all disputes that arise from the same factual situation, and the parties further expressly agree that any issue of arbitrability or the existence, validity, and scope of the agreement to arbitrate shall be decided by the arbitrators. The parties further agree that either party may apply to a court of competent jurisdiction, pending arbitration, for injunctive relief to preserve the status quo, to preserve assets, or to protect documents from loss or destruction, and such application will not be deemed inconsistent with or operate as a waiver of the party's right to arbitration. The arbitrators shall apply as the substantive law to the dispute the laws of Ontario, as specified in section 7.1 of this Agreement.

**IN WITNESS WHEREOF**, the parties hereto have duly executed this Agreement in one or more counterparts, which counterparts shall constitute one integrated agreement, by their duly authorized officers effective as of the day first above written.

**VECTOR PIPELINE LIMITED PARTNERSHIP**  
**By VECTOR PIPELINE LIMITED**  
**As General Partner**  
**(Transporter)**

\_\_\_\_\_  
Date

By: \_\_\_\_\_

Title: \_\_\_\_\_

**(Balancing Provider)**

\_\_\_\_\_  
Date

By: \_\_\_\_\_

Title: \_\_\_\_\_

**EXHIBIT A TO  
AGREEMENT FOR  
MANAGEMENT OF BALANCING AGREEMENT SERVICE  
UNDER TOLL SCHEDULE MBA**

I. Contact Information

Balancing Customer

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II. Balancing Point(s): \_\_\_\_\_

III. Market Point: \_\_\_\_\_

IV. Balancing Provider's Associated Transportation Agreement(s) \_\_\_\_\_

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V. Term of MBA Agreement \_\_\_\_\_



**FORM OF AGREEMENT FOR OPERATIONAL BALANCING AGREEMENT**

**OPERATIONAL BALANCING AGREEMENT  
BETWEEN  
VECTOR PIPELINE LIMITED PARTNERSHIP  
AND**

---

This OPERATIONAL BALANCING AGREEMENT ("OBA" or "Agreement") is made and entered into by and between Vector Pipeline Limited Partnership ("Vector"), with an office at 38705 Seven Mile Road, Suite 490 Livonia, Michigan 48152 United States and \_\_\_\_\_ ("Shipper"), with offices at \_\_\_\_\_ (collectively the "Parties" or individually as "Party"), this \_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.

WITNESSETH

WHEREAS, the facilities operated or to be operated by Vector and Shipper are at a location(s) specified in the Exhibit 1 attached hereto and incorporated herein by this reference (hereinafter referred to as "Location," whether one or more); and

WHEREAS, Vector and/or Shipper (at times hereinafter referred to as the "Parties" or individually as a "Party") have entered into one or more agreements with third party service requesters (hereinafter referred to as "Service Requester(s)") for the transportation of Gas to or from the Location on their respective systems (said agreements hereinafter referred to as "Service Requester Agreements"); and

WHEREAS, from time to time, the quantities of Gas confirmed and scheduled by the Parties to be delivered to or received from the Location (said quantities hereinafter referred to as the "Scheduled Quantities") may be greater or lesser than the quantities of Gas which are actually delivered at the Location, resulting in over or under-deliveries relative to Scheduled Quantities; and

WHEREAS, the Parties desire to implement an operational balancing agreement in order to facilitate more efficient operations, accounting, and systems management at the Location and on the Parties' respective systems.

[Additional WHEREAS clauses as necessary]

NOW, THEREFORE, in consideration of the premises and mutual covenants contained herein, the Parties agree as follows:

1. Prior to the date and time of flow at each Location, the Parties shall confirm and schedule nominations which will be delivered or received at each Location. Such

\_\_\_\_\_ <sup>1</sup> between the Parties shall be made  
\_\_\_\_\_, <sup>2</sup> unless otherwise mutually agreed to by the Parties.

2. The Parties intend that the quantity of Gas actually delivered and received each day at each Location will equal the Scheduled Quantities for that location. Each Party will allocate quantities which have been delivered and received at each Location among the Service Requester Agreements on its system pursuant to the Scheduled Quantities at such locations. Any imbalance created, when the actual physical flow is different than the Scheduled Quantities, will be the "Operational Imbalance," which will be the responsibility of the Parties to eliminate pursuant to this Agreement. [Parties may establish a maximum Operational Imbalance and procedures for immediate or accelerated resolution if such maximum is reached.]

3. Estimated operating quantities flowing at each Location shall be used \_\_\_\_\_ <sup>3</sup> during any current period to determine the estimated Operational Imbalance at such Location, with physical flow adjustments to be made during that current period as mutually agreed to by both Parties to attempt to maintain or achieve an Operational Imbalance of zero at such point; provided, however, \_\_\_\_\_ <sup>4</sup>.

4. a. The actual measured quantity of Gas at the Location each month shall be determined and communicated by the measuring party ("Measuring Party") by facsimile, electronic interface system or in writing to the other Party in accordance with NAESB Standard 2.3.7. The actual measured quantity shall be determined pursuant to the applicable provisions of the Measuring Party's Tariff or applicable measurement procedures. Operational Imbalances shall be calculated initially by the measuring Party and shall be agreed to \_\_\_\_\_ <sup>5</sup> by the Parties prior to the \_\_\_\_\_ Day of such period.

b. Operational imbalances shall be resolved as follows:

\_\_\_\_\_  
\_\_\_\_\_ <sup>6</sup>.

5. In the event that a capacity constraint occurs in either Party's system which results in curtailment of quantities through a location, \_\_\_\_\_ <sup>7</sup>.

6. This Agreement is entered into in order to facilitate operations and accounting between the Parties, and shall have no effect upon the Service Requester Agreements or upon the effectiveness of any Party's Gas Tariff or General Terms and Conditions. <sup>8</sup>

7. [Establish a procedure by which locations are added to or deleted from this Agreement or Exhibit 1.]

8. Notwithstanding the termination of this Agreement, the Parties agree to reconcile and eliminate any remaining Operational Imbalance pursuant to the terms and conditions

of this Agreement within \_\_\_\_\_ of termination of this Agreement or such other period of time which is mutually agreed to by the Parties.

9. This Agreement and the terms and conditions herein are subject to all present and future valid laws, orders, rules and regulations of duly constituted authorities having jurisdiction.

10. In the event a conflict exists or arises between this Agreement and a Parties' Gas Tariff or General Terms and Conditions, as amended from time to time, it is agreed and understood that the latter shall prevail.

11. This Agreement is for accounting and system management purposes only, and is entered into by the Parties with the understanding that the balancing activities provided for hereunder are not intended to subject any non-jurisdictional entity to regulation by the National Energy Board under the provisions of its rules, regulations and legislation. If, at any time, it should be determined that such balancing activities do result in such regulation, then this Agreement shall immediately terminate, and any remaining Operational Imbalance shall be resolved by the Parties within \_\_\_\_\_ after termination of this Agreement.

12. Any entity which shall succeed by purchase, merger or consolidation to the properties, substantially as an entity, of either Party, shall be subject to the obligations of its predecessor to this Agreement. No other assignment of this Agreement or of any of the rights or obligations hereunder shall be made.

13. AS TO ALL MATTERS OF CONSTRUCTION AND INTERPRETATION, THIS AGREEMENT SHALL BE INTERPRETED IN ACCORDANCE WITH THE LAWS OF THE PROVINCE OF ONTARIO.

14. Any notice, request, or statement provided pursuant to this Agreement shall be in writing and shall be considered as having been given, if delivered personally, when delivered, or, if either electronically communicated, mailed, postage prepaid, sent by express mail, or overnight delivery, or if faxed to the other Party, then, when sent, to the following:

Transporter:            Vector Pipeline Limited Partnership  
                                 c/o Vector Pipeline Limited  
                                 38705 Seven Mile Road, Suite 490  
                                 Livonia, Michigan 48152  
                                 United States

Shipper:                Company  
                                 Address  
                                 City, State, Zip  
                                 Attention:  
                                 Telephone: (xxx) xxx-xxxx

Fax: (xxx) xxx-xxxx

Changes to the above addresses shall be effectuated by a Party notifying the other Party in writing of the modification.

15. A waiver by either Party of any one or more defaults by the other Party hereunder shall not operate as a waiver of any future default or defaults, whether of like or different character.

16. [Additional provisions as necessary.]<sup>9</sup>

17. The Effective Date of this Agreement shall be \_\_\_\_\_, \_\_\_\_\_.

18. The primary term of this agreement shall be from the Effective Date until \_\_\_\_\_ and month to month thereafter unless terminated upon 10 days prior written notice.

**IN WITNESS WHEREOF**, the parties hereto have duly executed this Agreement in one or more counterparts, which counterparts shall constitute one integrated agreement, by their duly authorized officers as of the day first above written.

**VECTOR PIPELINE LIMITED PARTNERSHIP**  
**By VECTOR PIPELINE LIMITED**  
**As General Partner**  
**(Transporter)**

\_\_\_\_\_  
Date

By: \_\_\_\_\_

Title: \_\_\_\_\_

**(Shipper)**

\_\_\_\_\_  
Date

By: \_\_\_\_\_

Title: \_\_\_\_\_

**EXHIBIT 1 TO**  
**OPERATIONAL BALANCING AGREEMENT**  
**BETWEEN**  
**VECTOR PIPELINE LIMITED PARTNERSHIP**

and

\_\_\_\_\_  
Dated \_\_\_\_\_

LOCATION(S)

PARTY NAME <sup>10</sup>	D-U-N-S™	PROPRIETY GAS TRANSACTION	DRN. No.	DESCRIPTION	POINT CODE
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[Add any instructions or further provisions, if necessary.]

\_\_\_\_\_  
(A registered trademark of Dun & Bradstreet Corporation)

## **OPERATIONAL BALANCING AGREEMENT**

### **INSTRUCTION SHEET**

1. For paragraph 1, the first insert: Possible inserts include but are not limited to, for example: "reconciliation and confirmation," "discussion," or "verification."
2. For paragraph 1, the second insert: Possible inserts include but are not limited to, for example "verbally," "verbally with subsequent confirmation in writing," "in writing" or "electronically."
3. For paragraph 3, the first insert: Possible inserts include but are not limited to, for example: "on a daily basis" or it may be left blank.
4. For paragraph 3, the second insert: Possible inserts include but are not limited to, for example: whatever the parties agree upon for rescheduling during the period.
5. For paragraph 4a, the insert: Possible inserts include but are not limited to, for example "verbally," "verbally with subsequent confirmation in writing," "in writing" or "electronically."
6. For paragraph 4b, the first insert: Possible inserts include but are not limited to, for example: procedures for in-kind balancing, procedures for cash out, procedures for a combination of the two, some other mutually agreed procedure, or as provided by regulatory or contractual provisions.
7. For paragraph 5, the insert: Possible inserts include but are not limited to, for example "the Party on whose system the constraint has occurred shall determine the confirmation of quantities to the Service Requester(s) under the affected Service Requester Agreements. Such change in Scheduled Quantities shall be confirmed \_\_\_\_\_ [see Instruction 2] as required by Paragraph 1 above. If the constraint occurs at the Location, the operator of the Location shall determine the confirmation of quantities to the Service Requester(s) under the affected Service Requester Agreements, unless otherwise mutually agreed."
8. For paragraph 6, this paragraph may be deleted if the Agreement is contained within the Party's Gas Tariff or General Terms and Conditions.
9. For paragraph 16, optional merger language may be added such as: "This Agreement and the Exhibit(s) constitute the complete agreement of the parties relating to the matters specified in this Agreement and supersede all prior representations or agreements, whether oral or written, with respect to such matters."

10. For Exhibit 1, the column entitled "Party Name" should include entries for each interconnected party, for example: "party 1" and "party 2."

**FORM OF FT- \_\_\_\_\_ FIRM TRANSPORTATION AGREEMENT  
TEMPORARY ASSIGNMENT AGREEMENT**

**TEMPORARY ASSIGNMENT AGREEMENT FOR  
FT- \_\_\_\_\_ FIRM TRANSPORTATION AGREEMENT OF NATURAL GAS  
VECTOR PIPELINE LIMITED PARTNERSHIP**

**Number:** \_\_\_\_\_

This TEMPORARY ASSIGNMENT AGREEMENT FOR THE TEMPORARY ASSIGNMENT OF A FIRM TRANSPORTATION AGREEMENT ("ASSIGNMENT") is made and entered into this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_, by \_\_\_\_\_ ("Assignor") and \_\_\_\_\_ ("Assignee").

1. Assignor hereby assigns to Assignee, Assignor's service entitlement as the Shipper under a Firm Transportation Agreement with Vector, to the extent specified in paragraph 2 herein, together with the corresponding rights and obligations of Assignor as Shipper under such Firm Transportation Agreement and Vector's NEB Transportation Tariff, as the same may be hereafter revised or superseded.

2. The Transportation service assigned herein to Assignee consists of the following

Volume: \_\_\_\_\_ GJ/day under Shipper's FT\_\_\_ Firm Transportation Agreement No. \_\_\_\_\_ (the "Assigned Volume").

Term of Assignment: Commencing \_\_\_\_\_, \_\_\_\_\_ and terminating \_\_\_\_\_, \_\_\_\_\_.

Toll: \_\_\_\_\_.

3. During the term of this Assignment, Assignee shall perform and observe the covenants and obligations of Assignor as Shipper contained in the specified Firm Transportation Agreement and Vector's Tariff in so far as they pertain to the Assigned Volume, to the same extent as Assignee would be obligated so to do were Assignee a party to the specified Firm Transportation Agreement as Shipper.

4. Assignee acknowledges that Assignor will not seek Vector's consent to this Assignment and that Assignee will be required to satisfy Vector's Tariff creditworthiness standards in order to obtain service under the specified Firm Transportation Agreement. Accordingly, Assignor will remain obligated to Vector to perform and observe the covenants and obligations of Shipper contained in the specified Firm Transportation Agreement and the Vector Tariff in regard to the Assigned Volume in so far as Vector is concerned. Consequently, Assignee shall indemnify Assignor for and hold Assignor harmless from all charges that Vector may be entitled to collect from Assignor under the specified Firm Transportation Agreement and Vector's Tariff in regard to the Assigned Volume in the event that Assignee fails to satisfy its obligations to Vector thereunder.



5. This Assignment and the rights and obligations of the parties hereunder are subject to all valid and applicable present and future laws, rules, regulations, and orders of any governmental or regulatory authority having jurisdiction or control over the parties hereto or either of them, the specified Firm Transportation Agreement and Vector's Tariff.

**IN WITNESS WHEREOF**, the parties hereto have duly executed this Agreement in one or more counterparts, which counterparts shall constitute one integrated agreement, by their duly authorized officers effective as of the day first above written.

**(Assignor)**

\_\_\_\_\_ By: \_\_\_\_\_  
Date

Title: \_\_\_\_\_

**(Assignee)**

\_\_\_\_\_ By: \_\_\_\_\_  
Date

Title: \_\_\_\_\_

**FORM OF OPERATIONAL VARIANCE SERVICE AGREEMENT**

**AGREEMENT FOR OPERATIONAL VARIANCE SERVICE  
UNDER TOLL SCHEDULE OVS  
VECTOR PIPELINE LIMITED PARTNERSHIP**

Operational Variance Service Agreement No. \_\_\_\_\_

This AGREEMENT FOR OPERATIONAL VARIANCE SERVICE ("**OVS Agreement**" or "**Agreement**") is made and entered into this \_\_\_ day of \_\_\_\_\_, \_\_, between:

**VECTOR PIPELINE LIMITED PARTNERSHIP, ("Transporter"),**

and

\_\_\_\_\_, ("**Shipper**").

Witnesseth: That in consideration of the mutual covenants contained herein the parties agree as follows:

**Section 1. Service to be Rendered**

Transporter shall perform and Shipper shall receive service in accordance with the provisions of Transporter's effective Toll Schedule OVS and the applicable General Terms and Conditions of Transporter's Gas Tariff on file with the National Energy Board ("NEB") as the same may be amended or superseded in accordance with the rules, regulations and legislation of the NEB.

**Section 2. Term**

**2.1** This Agreement shall be effective from the date hereof (the "Effective Date"). Transporter's obligation to provide Operational Variance Service and Shipper's obligation to accept and pay for such service, shall commence on \_\_\_\_\_ for a term of \_\_\_\_\_, unless otherwise agreed to by mutual agreement of the parties.

**2.2** Shippers paying negotiated tolls may extend the term of this Agreement under terms acceptable to Transporter.

**Section 3. Tolls**

**3.1** Shipper shall pay Transporter, each month for which the OVS service is provided, for services rendered pursuant to this Agreement in accordance with Transporter's Toll Schedule OVS, or superseding toll schedule(s), on file with and subject to the jurisdiction of the National Energy Board.

**3.2** Unless otherwise mutually agreed to, Shipper shall pay Transporter for services hereunder the maximum applicable tolls and charges, as established under Toll Schedule OVS and set forth on the Statement of Tolls in Transporter's effective National Energy Board Gas Tariff, including any applicable surcharges.

**3.3** Shipper shall pay Transporter for any applicable Daily Overrun Charges, calculated in accordance with Toll Schedule OVS.

**3.4** Transporter shall have the unilateral right from time to time to propose and file with the National Energy Board such changes in the tolls and charges applicable to Operational Variance Service pursuant to this Agreement, the toll schedule(s) under which this service is hereunder provided, or any provisions of Transporter's GT&C applicable to such services. Shipper shall have the right to protest any such changes proposed by Transporter and to exercise any other rights that Shipper may have with respect thereto.

#### **Section 4. Notices**

Unless herein provided to the contrary, any notice called for in this Agreement shall be in writing and shall be considered as having been given if delivered by certified mail or fax with all postage or charges prepaid, to either Transporter or Shipper at the location designated herein. Written communications shall be considered as duly delivered when received by ordinary mail. Unless otherwise notified in writing, the addresses of the parties are as set forth herein.

Notices to Transporter under this Agreement shall be addressed to Vector@vector-pipeline.com, or to:

Vector Pipeline Limited Partnership  
c/o Vector Pipeline Limited  
38705 Seven Mile Road, Suite 490  
Livonia, Michigan 48152  
United States  
Attention: President  
Fax: (734) 462-0231

Notices to Shipper under this Agreement shall be addressed to:

Company  
Address  
City, State, Zip  
Attention: \_\_\_\_\_  
Telephone: (xxx) xxx-xxxx  
Fax: (xxx) xxx-xxxx

Wire transfer payments to Transporter shall be accompanied with the instructions "to credit the account of Vector Pipeline Limited Partnership." and shall be sent to the following bank and account number:

Vector Pipeline Limited Partnership  
TD Canada Trust - Main Branch, Edmonton  
Edmonton, AB  
Account Number: 0701 0572337  
Bank Code/Transit Number: 004-82389  
SWIFT: TDOMCATTOR

Remittance detail supporting wire transfer payments to Transporter, and any notice, request or demand regarding statements, bills, or payments shall be mailed to the following address:

Vector Pipeline Limited Partnership  
c/o Vector Pipeline Limited  
38705 Seven Mile Road, Suite 490  
Livonia, Michigan 48152  
Attention: President

#### **Section 5. Superseded Agreements**

This OVS Operational Variance Service Agreement supersedes and cancels as of the effective date hereof the following agreements:

\_\_\_\_\_, \_\_\_\_\_

#### **Section 6. Miscellaneous**

**6.1** This Agreement shall be interpreted according to the laws of the Province of Ontario.

**6.2** Performance of this Agreement shall be subject to all valid laws, orders, decisions, rules and regulations of duly constituted governmental authorities having jurisdiction or control of any matter related hereto. Should either of the parties, by force of any such law, order decision, rule or regulation, at any time during the term of this Agreement be ordered or required to do any act inconsistent with the provisions hereof, then for the period during which the requirements of such law, order, decision, rule or regulation are applicable, this Agreement shall be deemed modified to conform with the requirement of such law, order, decision, rule or regulation; provided, however, nothing in this section 6.2 shall alter, modify or otherwise affect the respective rights of the parties to cancel or terminate this Agreement under the terms and conditions hereof.

**6.3** A waiver by either party of any one or more defaults by the other hereunder shall not operate as a waiver of any future default or defaults, whether of a like or of a different character.

**6.4** This Agreement may only be amended by an instrument in writing executed by both parties hereto.

**6.5** Nothing in this Agreement shall be deemed to create any rights or obligations between the parties hereto after the expiration of the term set forth herein, except that termination of this Agreement shall not relieve either party of the obligation to correct any quantity imbalances or Shipper of the obligation to pay any amounts due hereunder to Transporter.

**6.6** Exhibit A attached hereto is incorporated herein by reference and made a part hereof for all purposes.

**6.7** The parties hereby agree, subject to the primary jurisdiction of the National Energy Board, that any dispute arising out of or relating to this Agreement, or any breach thereof shall be submitted to final and binding arbitration in Toronto, Ontario in accordance with the Commercial Arbitration Rules and Mediation Procedures of the American Arbitration Association (AAA) then in effect. The dispute shall be decided by a panel of three neutral arbitrators, qualified by education, training, and experience to hear the dispute, chosen as follows. The party initiating the arbitration proceeding shall name one arbitrator at the time it notifies the other party of its intention to arbitrate their dispute, and the responding party shall name an arbitrator within fifteen (15) days of receiving the above notification. Within twenty (20) days of the appointment of the second arbitrator, the two arbitrators shall select a third arbitrator to act as chairman of the tribunal. If either party fails to appoint an arbitrator within the allotted time or the two party-appointed, neutral arbitrators fail to appoint a third arbitrator as provided above, the AAA shall appoint the arbitrator(s). Any vacancies will be filled in accordance with the above procedure. The parties expressly agree to the consolidation of separate arbitral proceedings for the resolution in a single proceeding of all disputes that arise from the same factual situation, and the parties further expressly agree that any issue of arbitrability or the existence, validity, and scope of the agreement to arbitrate shall be decided by the arbitrators. The parties further agree that either party may apply to a court of competent jurisdiction, pending arbitration, for injunctive relief to preserve the status quo, to preserve assets, or to protect documents from loss or destruction, and such application will not be deemed inconsistent with or operate as a waiver of the party's right to arbitration. The arbitrators shall apply as the substantive law to the dispute the laws of Ontario, as specified in section 6.1 of this Agreement.

**IN WITNESS WHEREOF**, the parties hereto have duly executed this Agreement in one or more counterparts, which counterparts shall constitute one integrated agreement, by their duly authorized officers effective as of the day first above written.

**VECTOR PIPELINE LIMITED PARTNERSHIP**  
**By VECTOR PIPELINE LIMITED**  
**As General Partner**  
**(Transporter)**

\_\_\_\_\_  
Date

By: \_\_\_\_\_

Title: \_\_\_\_\_

**(Shipper)**

\_\_\_\_\_  
Date

By: \_\_\_\_\_

Title: \_\_\_\_\_

**Exhibit A**  
**To**  
**Operational Variance Service Agreement No. \_\_\_\_\_**  
**Under Toll Schedule OVS**  
**Between**  
**Vector Pipeline Limited Partnership and \_\_\_\_\_**

Primary Term: \_\_\_\_\_  
Daily Variance Quantity (DVQ): \_\_\_\_\_ GJ/day  
Hourly Variance Quantity (HVQ): \_\_\_\_\_ GJ/hour  
Primary Receipt Point: \_\_\_\_\_  
Primary Delivery Point: \_\_\_\_\_  
Toll Election (maximum or negotiated): \_\_\_\_\_  
Associated FT-H Agreement: \_\_\_\_\_