

# 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Conditions of Transporter's Gas Tariff on file with the Canada Energy Regulator ("CER") as the same may be amended or superseded in accordance with the rules, regulations and legislation of the CER.

### **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 Canada Energy Regulator.

**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 Canada Energy Regulator 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 Canada Energy Regulator 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 email or mail 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. 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 Pipeline Limited Partnership  
c/o Vector Pipeline Limited  
38705 Seven Mile Road, Suite 490  
Livonia, Michigan 48152  
United States  
Attention: President

Or emailed to: [vector@vector-pipeline.com](mailto:vector@vector-pipeline.com)

Notices to Shipper under this Agreement shall be addressed to:

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

Electronic funds 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  
c/o: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Remittance detail supporting electronic funds transfer payments to Transporter, and any notice, request or demand regarding statements, bills, or payments shall be addressed to:

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

Or emailed to: [vector@vector-pipeline.com](mailto:vector@vector-pipeline.com)

**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 Canada Energy Regulator, 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)**

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

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: \_\_\_\_\_