- A -

Access Code: means the unique identification code and password for use by Customer within the TransGas website Secure Zone.

Actual Energy: means the amount of Energy equal to the verified metered volume converted to Energy using the Actual Heating Value.

Actual Heating Value: means the Heating Value of Gas determined by TransGas in accordance with the provisions of Clause 7.6 of the General Terms and Conditions.

Agency Release: means an arrangement, which allows a Customer to give an Agent authority to act on Customer's behalf to arrange or administer Service with TransGas.

Agent: means the Person named in an Agency Release to act on behalf of Customer.

Allocation: means the Gas flow, actual or expected, allocated to each Customer at a Point of Receipt by the CSO.

Allowable Withdrawal: means the amount of Gas that can be withdrawn from a Storage account each Day. This is equivalent to the Contracted Rate of Withdrawal plus any injections nominated for that Day. During the period November 1 to April 30, the Allowable Withdrawal is limited based on Customer's Storage Inventory level. Customer also has the ability to request Excess Withdrawal, which is available on an Interruptible basis.

Assignee: means the Person to whom another Customer assigns contractual rights or obligations, in whole or in part.

Assignments: means the transfer of contractual rights or obligations from the Customer then holding such contractual rights or obligations to another Person, in whole or in part through a Capacity Release or other like action.

Assignor: means the Customer who assigns contractual rights or obligations to an Assignee, in whole or in part through a Capacity Release or other like action.

Authorized Overrun Capacity: means the quantity of Gas in excess of the Contract Demand, which TransGas has agreed in writing in advance to transport, for the purposes of Impaired Receipts or Deliveries: re Planned Outages Only.

Authorized Overrun Volume (AOV): see Authorized Overrun Capacity.

- B -

Back Haul: means the transportation of Gas in a direction opposite to the aggregate physical flows on Gas in the pipeline. This is typically achieved when the pipeline redelivers Gas upstream of the Point of Receipt.

Balancing: means equalizing Energy delivered from a Shipper's Imbalance Account with the Energy received into a Shipper's Imbalance Account.

Basic Monthly Charge: means the monthly fee required to be paid by Customer for the Service provided by TransGas irrespective of the Gas usage or contracted quantities.

Best Available Energy (BAE): means the resulting Energy from converting the Best Available Volume to Energy using the Last Available Heating Value. (BAE=BAV x LAHV).

Best Available Volume (BAV): means that volume reflecting flows of Gas through a meter, determined by TransGas, using the following information relied on in sequential priority:

(i) verified metered flows,
(ii) non-verified metered flows,
(iii) SCADA Estimated Flows,
(iv) Nominations.

Business Party's Class of Service: means a grouping of types of Services, held by a Customer, which flow from the same Point of Receipt to the same Point of Delivery, irrespective of the types of transportation Service.

Billing Demand: is the Contract Demand.

- C -

Capacity: means the maximum quantity, which can be transported in a given time interval governed by the existing conditions of the Gas Transmission System.

Capacity Release: means Assignment.

Central Clock Time (CCT): means Central Daylight Time when daylight savings time is in effect and Central Standard Time when daylight savings time is not in effect.

Class of Service: means a grouping of transport Services as follows: Receipt to TEP, TEP to export delivery, TEP to intra-delivery, and Point-to-Point Transportation Service, irrespective of the types of transportation Service.

Closing Balance: means the aggregate Energy of Gas in a Shipper's Imbalance Account at the end of a period that is calculated in accordance with the following formula:

Closing Balance = Opening Balance for the period + A-B-C

Where:

A = Energy received into a Shipper's Imbalance Account.
B = Energy delivered out of a Shipper's Imbalance Account.
C = Fuel Gas and Unaccounted for Gas, where applicable.

Commodity Charge: means that portion of a Service rate based on the per unit of Service actually delivered to the Customer.

Common Stream Gas: means Gas that has been commingled with or exchanged for Gas owned by Person other than Customer, prior to delivery by TransGas to the Customer at a Point of Delivery or prior to delivery by Customer to TransGas at the Point of Receipt.

Common Stream Operating Service or Common Stream Operations Service: means the Service between TransGas and the Common Stream Operator, as set out in the Common Stream Operation Service Specification.

Common Stream Operator (CSO): means the Person at a Point of Receipt who accepts Nominations and provides TransGas with Allocations.

Compression: means the action on a material, which decreases its volume as the pressure to which it is subjected increases. Natural Gas is usually compressed while it is being transported.

Confirmed Nomination: means a Nomination for Service or a change in a Customer's existing level of Service is verified by TransGas.

Contract Brief: means a document summarizing the particulars of a fully executed Request for Service.

Contract Term: means the period of time from the Effective Date of the initial or renewed Service to the Expiry Date.

Contract Year: means a period of twelve (12) consecutive Months, beginning at 09:00 hours CCT on the first Day of the Month and ending 09:00 hours CCT on the first Day of the Month, twelve Months following, unless otherwise designated by TransGas.

Contract Demand: means the maximum quantity of Gas in any one Day that TransGas is obligated to transport as identified on the TransGas Contract.

Contracted Capacity: means the net cumulative amount of Gas measured in GJ's which Customer has the right to inject into Customer's Inventory at any time during the Storage Period as identified on the TransGas Contract.

Contracted Rate of Withdrawal: means the nominal rate of Withdrawal, specified on a Storage Customer's TransGas Contract, which is used to determine the Customer's Allowable Withdrawal rights, as well as Customer's Allowable Injection rights.

Cubic Meter: means that quantity of Gas which, at a temperature of fifteen (15) degrees Celsius and at a pressure of one hundred and one and three hundred and twenty-five thousandths kilopascals absolute (101.325 kPa), occupies one (1) cubic meter.

Curtailment: means the temporary reduction or termination in Firm Service by TransGas due to pipeline constraints. Curtailment may include planned outages or unplanned outages (See also Impaired Receipts and Deliveries), excluding Force Majeure.

Customer: means a Person who has executed a TransGas Service Agreement.

Customer's Daily Energy Imbalance: means the sum of the Estimated Daily Shipper Imbalances on each Shipper's Imbalance Account.

Customer's Inventory: means the amount of Gas expressed in GJs which Customer has in Storage and is entitled, upon prior satisfaction of all Customer's obligations, to withdraw from Storage.

Customer Specific Facilities: means those facilities installed by TransGas for the benefit of Customer, particulars of which are more fully described on the Customer Specific Facilities Construction TransGas Contract. Such facilities remain Customer Specific for:

1. a 5-year period from the in-Service date of the facilities, or
2. until TransGas, at its sole discretion, elects to designate the Customer Specific Facilities as System Line.

Customer Specific Facilities Construction Service: means the Service provided for under the TransGas Service Agreement and as outlined in the Customer Specific Facilities Construction Service Specification.

Customer's Total Daily Activity: means the summation of the Daily Activity on each Shipper's Imbalance Accounts.

- D -

Daily Activity: means the estimated Energy received into a Shipper's Imbalance Account the previous Day plus the estimated Energy delivered out of a Shipper's Imbalance Account the previous Day divided by 2.

Day: means a period of twenty-four (24) consecutive hours beginning at 09:00 hours Central Clock Time.

Deliverability: means the rate of Withdrawal.

Delivery Transportation Service: means the Service provided under the TransGas Service Agreement and as outlined in the Delivery Transportation Service Specification.

Demand Charge: means that portion of a Service rate that reflects the reservation of Capacity not the per unit of Service actually delivered to the Customer.

Direct Purchase: means the acquisition of Gas supply transported to Customer by means of an intra-Provincial Delivery Transportation Service.

Diversions: means the daily transfer of Gas already on the Gas Transmission System from the Point of Delivery to a non-contracted Point of Delivery without a TransGas Contract amendment. With the exception of Hatton Transportation Service, diversions are not allowed. Authorization from TransGas must be obtained prior to the diversion of Hatton Transportation Service.

- E -

Effective Date: means the commencement date of the Service as identified on the TransGas Contract.

Electronic Business Service: means the Service provided for under the TransGas Service Agreement and as outlined in the Electronic Business Service Specification.

Elevated Pressure Service: means the Service provided to a Customer by which TransGas agrees to provide a delivery pressure above the standard operating pressure for that transmission line, in accordance with the General Business Policies.

End of Primary Term: means No Renewal Rights.

Energy: means the heat content of Gas expressed in GJs.

Estimated Daily Shipper Imbalance: means the amount of Energy equal to the estimated Opening Balance on the Shipper's Imbalance Account plus the estimated Energy received into a Shipper's Imbalance Account (including any amounts moved from Shipper's inactive area), during a period, less the estimated amount of Energy delivered out of the Shipper's Imbalance Account during the period.

Evergreen: means the automatic, continuous renewal of a designated term of Service until the Customer provides the required notification to alter or terminate the Service. This type of renewal applies only to those terms of Service as designated in the Tariff.

Excess Injection: means Interruptible Storage Injection.

Excess Withdrawal: means Interruptible Storage Withdrawal.

Expiry Date: means the date the Services contracted for by the Customer will cease, more specifically identified on the TransGas Contract, subject to Renewal Rights.

- F -

Firm: means Service that is not subject to prior claim by another Customer or class of Service. The highest priority class of Service offered to Customers, which anticipates no interruptions except for Force Majeure and specific Curtailment.

First Month: the period commencing on the Effective Date and ending at 09:00 hours on the first Day of the succeeding calendar Month, unless otherwise designated by TransGas.

Fuel Gas: means a quantity of Gas required by TransGas under transportation Service to provide Service and is supplied by Customer, as outlined in the Tariff.

Fuel Rate: means the sum of Fuel Gas and Unaccounted for Gas assessments as identified and updated from time to time in the Tariff.

Force Majeure: means any cause or occurrence not reasonably within the control of TransGas or Customer, which impacts the ability to perform certain contractual obligations, particulars of which are more specifically set out in the Tariff.

- G -

Gas: means natural gas. A gaseous material composed of mainly hydrocarbons, which may be burned to produce heat or heat and light.

Gas Transmission System (System): includes all those facilities, including the Customer Specific Facilities, owned or used by TransGas in the receipt, transport and delivery of Gas. (See also Storage Facilities).

General Business Policies: means those policies governing the Customer's ability to obtain and maintain Service from TransGas as set out in the Tariff.

General Terms and Conditions: means those terms and conditions set out in the Tariff which are applicable to any Service provided to a Customer, by TransGas, unless designated to the contrary in the Service Specifications.

Gigajoule (GJ): means Joules x 10^9, and shall be calculated as the product of the Heating Value in MJ per Cubic Meter and the volume of Gas expressed in 10^3 m^3.

- H -

Handshake: means the transfer of Gas, at an interconnecting pipeline or other point of interconnection, from one upstream Person to a Person that has no service on either system, and subsequent transfer to a downstream Person.

Hatton Transportation Service: means the Service provided under the TransGas Service Agreement and as outlined in the Hatton Transportation Service Specification.

Hatton Tolling Zone: means the area of Saskatchewan from which Gas may be received to be eligible for Hatton Transportation Service as outlined in the Hatton Transportation Service Specification.

Heating Load Customer: means consumers of Gas, within Saskatchewan, designated as heating load Customers by TransGas due to the nature of that consumer's Gas use.

Heating Value: means the gross heating value of Gas expressed in MJ per Cubic Meter, produced by the complete combustion of one (1) Cubic Meter of Gas with air, at a temperature of fifteen (15) degrees Celsius and at a pressure of one hundred and one and three hundred and twenty-five thousandths (101.325) kilopascals absolute, with the Gas free of all water vapor, the products of combustion cooled to a temperature of fifteen (15) degrees Celsius, and the water formed by the combustion condensed to a liquid state.

- I -

Impaired Receipts and Deliveries: means the inability of TransGas to receive or deliver the quantities of Gas contracted for under the TransGas Contract. (See also Curtailment).

Initial Term: means the term the Customer is obligated to hold Service upon first contracting for the Service with TransGas.

Information: means all knowledge and information concerning the business of the other Person which may be acquired in the course of the negotiation or performance of a Service.

Injection: means the act of placing Gas into Storage under Storage Service from Customer's own Shipper's Imbalance Account at TEP.

Interchangeability: shall mean the ability to substitute one gaseous fuel for another in a combustion application without materially changing the operational safety, efficiency, performance, or increasing air pollutant emissions.

Interruptible: means a low priority Service supplied to a Customer which anticipates and permits interruption on short notice at the discretion of TransGas, subject to conditions set out in the Tariff.

Inventory: means the amount of Gas held by TransGas, at any point in time, on behalf of Customer under Storage Service.

Inventory Transfers: means the transfer Gas in Storage from one Customer to another.

- J -

Joule: means the amount of work done when the point of application of one (1) Newton is displaced a distance of one (1) meter in the direction of the force.

- L -

Last Available Heating Value: means the most recent measured Heating Value as determined by TransGas.

Load Factor: means the average quantity of Gas delivered or used over a specified time interval divided by the maximum quantity of Gas delivered or used at any time during the time interval. This may be an hour, a Day, a week, a Month, or a year. Where the time interval is not specified, the term is generally assumed to mean the annual load factor.

Lost Gas: means Gas missing due to an event of Force Majeure.

Low Heating Value Surcharge Service: means the Service provided for under the TransGas Service Agreement and as outlined in the Low Heating Value Surcharge Service Specification.

- M -

Max Day: means the Contract Demand for demand Customers and Maximum Daily Quantity for non-demand Customers.

Maximum Daily Quantity: means the anticipated maximum amount of Gas a non-demand transportation Customer may require on any one Day during a year.

Megajoules (MJ): means Joules x 10^6.

Month: means a period beginning at 09:00 hours Central Clock Time on the first Day of a calendar Month and ending at 09:00 hours Central Clock Time of the first Day of the next succeeding calendar Month, unless otherwise designated by TransGas.

Monthly Capacity Charge: for any Month during the Storage Period, means the Monthly Capacity Charge Rate specified in the Tariff Rates and Charges Schedules, multiplied by the Contracted Capacity.

Monthly Energy Imbalance: means the sum of the estimated Energy Allocated into a Shipper's Imbalance Account, net of the estimated Energy delivered out of the Shipper's Imbalance Account, during a Month; less the final CSOs' Allocation of Gas to the Customer's transportation Services which flow into the Shipper's Imbalance Account net of the Actual Energy delivered out of the Shipper's Imbalance Account, during a Month.

Monthly Withdrawal Charge: for any Month during the Storage Period, means the Monthly Withdrawal Charge Rate specified in the Tariff Rates and Charges Schedules, multiplied by the Contracted Rate of Withdrawal.

- N -

NIT – means the NOVA Inventory Transfer point on the NOVA Gas Transmission Ltd. pipeline system in Alberta.

No Evergreen: Means No Renewal Rights

No Renewal Rights (NRR): applies to a Service, which is not subject to Evergreen and requires the Customer to request renewal of Service, which will be considered a new Service request subject to Capacity approval and to the Queue Policy and Procedures. Failure to request renewal of Service will automatically result in the termination of the Service.

Nomination: means a Customer's request or a change in an existing request as outlined in the Nomination Procedure.

Nomination Procedure: means the procedure identified as the "Nomination Procedure", amended from time to time, included in the Tariff.

- O -

Opening Balance: means the Closing Balance of the preceding period.

Overholding Charge: means the amount, set out in the Tariff Rates and Charges Schedules, which is payable by Customer when:

(a) Customer's Inventory exceeds Contracted Capacity, or
(b) Customer fails to withdraw his Inventory from Storage upon expiry of his Storage Service.

- P -

Person: means and includes TransGas, a Customer, a corporation, a company, a partnership, an association, a joint venture, a trust, an unincorporated organization, a government, or department of a government or a section, branch, or division of a department of a government.

Point of Delivery: means the point or points on the Gas Transmission System at the outlet side of TransGas' meter installation, or other such Points of Delivery that the Persons may agree on, specified on the TransGas Contract, at which TransGas delivers, from its Gas Transmission System, to Customer, the Gas that has been transported on Customer's behalf.

Point of Receipt: means the point or points on the Gas Transmission System or such other Point of Receipt as the parties may agree, specified on the TransGas Contract, at which TransGas receives from, or on behalf of Customer, Gas to be transported.

Point-to-Point Transportation Service: means the transportation Service which is contracted from a Point of Receipt on the TransGas System directly to a Point of Delivery, other than TEP, on the TransGas System.

Pre-determined Allocation Methodology: means the direction given to TransGas by the CSO, in accordance with allocation methodologies specified by TransGas from time to time, to be used by TransGas, on a daily basis, to allocate the Best Available Energy or on a Monthly basis to Allocate the Actual Energy, amongst the various Shippers transporting Gas from a Point of Receipt.

- Q -

Queue Policy and Procedure: means those terms and conditions as set out in the Tariff, which identifies the process used by TransGas to administer requests for Service ensuring fair and equitable treatment to all prospective Customers seeking Service.

- R -

Rates and Charges Schedule: means any of the schedules identified as a "Rates and Charges Schedule" included in the Tariff, specifying costs required to be paid by Customer for provision of Service.

Receipt Transportation Service: means the Service provided under the TransGas Service Agreement and as outlined in the Receipt Transportation Service Specification.

Renewal Right: means the right the Customer has to renew Service provided by TransGas, as outlined in the Tariff.

Request for Service: means the electronic submission by the Customer providing the particulars of a transportation, Storage, or Common Stream Operating Service

Return Date: means the date a temporary Assignment reverts back to the original Service holder.

Right of First Refusal (RFR): applies to a Service, which is not subject to Evergreen however, the Customer is given priority for the renewal of Service over a new Service request and requires the Customer to request renewal of Service. The Capacity not renewed may be placed in a priority position in the TransGas Queue. Failure to request renewal of Service will automatically result in the termination of the Service.

- S -

SCADA Estimated Flows: means the estimation of the flow through a meter determined by TransGas using information obtained from meters before the end of the Day and projected to the end of the same Day.

Schedule of Service: means any of the schedules identified as a "Schedule of Service", included in the Tariff, detailing the particulars of a Customer's Service. May also be referred to as TransGas Contract.

Secure Zone: means an area within the TransGas website that may contain certain Information specific to the Customer and has access limited to TransGas and Customer or Customer's designate.

Service: means a set of contractual rights and obligations provided under the TransGas Service Agreement as outlined in the Tariff.

Service Specifications: means those terms and conditions set out in the Tariff which provide further detail for a designated Service provided to Customer, by TransGas, and supplement to the General Terms and Conditions and General Business Policies. In the event of a conflict, the Service Specification shall prevail.

Shipper: means Customer.

Shipper Allowable Daily Tolerances: means the range within which Customer's Daily Energy Imbalance must fall. This range is determined by multiplying the daily Shippers' Tolerance Percentage by the Customer's Total Daily Activity expressed in GJ's.

Shipper's Imbalance Account: means a notional location on the Gas Transmission System or in TEP through which Gas may flow and in which an imbalance may reside. The Shipper's Imbalance Account are features of TEP Service and Point-to-Point Transportation Service.

Shippers' Tolerance Percentage: means the amount of tolerance, determined by TransGas, that a Shipper might be out of balance on a daily basis. This is expressed as a minimum and maximum percentage.

Storage: means the Storage Facilities or those commercial arrangements that TransGas may enter into to provide Storage Service.

Storage Facilities: means all underground Storage caverns and Storage fields and all ancillary and related equipment or any other Storage facility utilized by TransGas from time to time for the storage of Gas. (See also Gas Transmission System).

Storage Period: means the period of twelve (12) consecutive Months, beginning at 09:00 hours Central Clock Time on May 01 and ending 09:00 hours Central Clock Time on May 01 next following, or unless otherwise designated by TransGas.

Storage Service: means the Service provided under the TransGas Service Agreement and as outlined in the Storage Service Specification.

Summer Use: means the type of Service provided during the summer season as defined for each applicable Service, transportation or Storage.

System Line: means the Gas Transmission System, which is not Customer Specific Facilities.

- T -

Tariff: means this published TransGas Comprehensive Tariff, including, but not limited to, the Rates and Charges Schedules, the General Terms and Conditions, the Service Specifications, Procedures, TransGas Service Agreement, Schedules of Service, and the General Business Policies, under which Service will be supplied to a Customer. The Tariff is subject to amendment as set out in the General Terms and Conditions.

TEP: means the TransGas Energy Pool.

TEP Service: means the Service provided under the TransGas Service Agreement and as outlined in the TransGas Energy Pool Service Specification.

TGL: means TransGas Limited.

Thousand Cubic Meters or 10^3 m^3: means one thousand (1,000) Cubic Meters of Gas.

Title Transfer: means the transfer of ownership of Gas by movement in TEP from one Shipper's Imbalance Account to another Shipper's Imbalance Account, as outlined in the Tariff.

Transfer of Contract Demand: means the ability of a Customer to transfer Contract Demand from one location on the Gas Transmission System to another location subject to the approval of TransGas in accordance with the provisions of the Tariff.

TransGas: means TransGas Limited.

TransGas Contract: means any of the documents containing the particulars of a Customer's Service including but not limited to those identified as a "Schedule of Service", "Request for Service", or "Contract Brief".

TransGas Energy Pool: means the collection of Shipper's Imbalance Accounts into which Receipt Transportation Services flow and out of which Delivery Transportation Services flow, as well as, Title Transfers from one Shipper's Imbalance Account to another. Gas may also flow from Shipper's Imbalance Accounts to and from Storage, subject to Storage Injection and Withdrawal rights.

TransGas Investment: the amount of money TransGas will invest towards Customer Specific Facilities based on contractual commitments agreed to by Customer(s) utilizing those Customer Specific Facilities on a Firm basis or on an actual usage basis for Interruptible Transportation Service as outlined in the General Business Policies.

TransGas Service Agreement: means the agreement between TransGas and Customer respecting the provision of any Service described in the Tariff.

- U -

Unaccounted For Gas: means the difference between the amount of Gas delivered to the Gas Transmission System for transportation and that redelivered by TransGas, taking into account Fuel Gas, plant shrinkage and imbalances. This difference includes leakage, discrepancies due to meter inaccuracies, unrecoverable Energy Imbalances, and other variants.

Undiverted: means a transportation Service which has not been diverted and Gas flows to the Point of Delivery specified on the TransGas Contract.

- W -

Withdrawal: means the act of removing Gas from Storage under Storage Service and delivering it to Customer's own Shipper's Imbalance Account at TEP.

Wobbe Index: shall mean a measure of the thermal input through a fixed orifice, calculated by dividing the Gas Heating Value in Mega joules per Cubic Meter by the square root of the Gas specific gravity with respect to air, based on a gross or higher heating value (HHV) at standard conditions 101.325 Kpa/15° C real, dry basis.

- Y -

Yearly After Initial Term (YAIT): means that the Service Evergreens on a yearly basis.