

**Table of Contents**

<b><u>Article</u></b>	<b><u>Title</u></b>	<b><u>Page</u></b>
1	Applicability	2
2	Objectives of the TransGas Queue Policy	3
3	Definitions	3
4	The Queue Process	4
5	Changes to Applicant's Request for Service	6
6	Queue Deposit	7
7	Allocation of Capacity	8
8	Offer of Service	9
9	Open Season	12
10	Construction of New System Facilities	13
11	Construction of Customer Specific Facilities	14
12	Transfers within Queued Areas	12
13	Withdrawal from the Queue	12
14	General	13

The Queue Policy outlined herein is applicable to all TransGas Queues for Service.

**\*The uppercase terms used herein shall have the meanings as ascribed to the corresponding terms set out in the Definitions section of this Tariff.\***

## **1.0 APPLICABILITY**

- 1.1 A Queue may exist for any of the following TransGas Services:
  - (a) Firm Receipt Transportation Service,
  - (b) Firm Delivery Transportation Service,
  - (c) Hatton Transportation Service,
  - (d) Hub to Hub Service,
  - (e) Low Heating Value Surcharge Service,
  - (f) Storage Service.
- 1.2 The TransGas Queue is applicable to any applicant's request for Service, when there is a constraint on the System, either a Customer Specific Facility constraint or a System constraint, and where there is a reasonable expectation the constraint will be relieved at some future date.
- 1.3 The TransGas Queue is not applicable in those instances where there is no Capacity constraint or where there is no reasonable expectation that a constraint will be relieved at a future date.
- 1.4 To be included in the TransGas Queue, all requests for Service must be for a minimum term of one (1) year.
- 1.5 To be considered for inclusion in a TransGas Queue, the applicant must first have signed a TransGas Service Agreement.
- 1.6 There is no limit on how far into the future Service may be requested for transport related Services (Article 1.1 (a) to (e)).
- 1.7 The TransGas Queue Policy and the **Request for Registered Queue Position Forms** are available to all applicants in the TransGas Comprehensive Tariff found on the TransGas website.

**2.0 OBJECTIVES OF THE TRANSGAS QUEUE POLICY**

- 2.1. **To establish** the procedures by which an applicant acquires access to those applicable Services listed in Article 1.1 above.
- 2.2. **To provide** TransGas with a list of realistic Service requests from which an economic facility expansion may be planned.

**3.0 DEFINITIONS**

Where used in this TransGas Queue Policy the following terms shall have the meanings:

- 3.1 **"Offer of Service"** means an offer by TransGas to provide the Service described in the applicant's **Request for Registered Queue Position Form**, and includes, without limitation, the following:
  - (i) a letter of intent or letter of commitment describing the terms of Service;
  - (ii) an applicable TransGas Contract describing the terms of Service; or
  - (iii) an amendment to an existing TransGas Contract describing the terms of Service.
- 3.2 **"Open Season"** is a prescribed period in which interested parties will have an opportunity to obtain a position in a TransGas Queue "Binding" or to express an interest in future Service "Non-Binding".
- 3.3 **"Queue Deposit"** is a **refundable** deposit, subject to the default provisions described in Article 6 herein, that the applicant will be required to submit to reserve a place in the TransGas Queue.
- 3.4 **"Queued Area"** means that area of the TransGas System, as identified by TransGas or also Storage, where Capacity is currently constrained.
- 3.5 **"Request For Registered Queue Position Form"** means the Request for Registered Queue Position Forms found in the Standard Forms Section of the Tariff, which applicants use to outline their request for those Services as outlined in Article 1.1 above.
- 3.6 **"TransGas Queue"** means the Queue established by TransGas to provide applicants with access to those applicable Services.

**4.0 THE QUEUE PROCESS**

If an applicant requests Service at a location where TransGas is not currently able to fully provide the Service requested, the applicant's request is added to the TransGas Queue.

- 4.1 All applicants will be required to complete a **Request for Registered Queue Position Form**. A Request for Registered Queue Position Form is available in the Standard Forms Section of the Tariff.
- 4.2 By requesting a Queue position, the applicant has indicated a willingness to accept an Offer of Service for the Service requested in a Request for Registered Queue Position Form.
- 4.3 With the signing of the Request for Registered Queue Position Form, the applicant acknowledges and agrees to be bound by the provisions set forth in the Request for Registered Queue Position Form and its terms and conditions as follows:
  - a) In consideration of TransGas receiving the Request for Registered Queue Position Form and considering the inclusion of the applicant in the TransGas Queue and other good and valuable consideration, the applicant agrees to comply with and to be bound by the provisions of this TransGas Queue Policy that may be in force from time to time.
  - b) The applicant acknowledges having reviewed the TransGas Queue Policy, which is currently in force; provided, however, that it is understood and agreed that TransGas may change the TransGas Queue Policy without notice. Such new TransGas Queue Policy shall be binding on the applicant once it is posted on the TransGas website.
- 4.4 To ensure that only serious requests are received and in order to attain a registered Queue position, each prospective Customer will be required to post a Queue Deposit.
- 4.5 Upon receipt of a written request for Service, an applicant's request for Service will be added to the TransGas Queue. TransGas will inform the applicant that the request has been received and has been added to the TransGas Queue. A Queue Deposit and a fully completed Request for Registered Queue Position Form will be requested. The applicant will have 14 Days, or as otherwise indicated by TransGas, to submit both the Queue

Deposit and the fully completed Request for Registered Queue Position Form to TransGas. Failure to submit either or both within the time specified will result in the applicant's request being removed from the TransGas Queue.

If an applicant does not provide all the information required in the Request for Registered Queue Position Form and TransGas, acting reasonably, deems the information is significant, TransGas will notify the applicant of the missing information. Failure to provide the missing information will result in the applicant's request being removed from the TransGas Queue.

If the applicant does not provide all the information required in the Request for Registered Queue Position Form and TransGas, acting reasonably, deems the missing information is **not** significant, then the applicant's request will remain in the TransGas Queue. If, at a later date, TransGas, acting reasonably, deems the missing information as now significant, the applicant shall provide the information to TransGas. If the information is not provided in a time specified by TransGas, which shall be no less than seven (7) Days, the applicant will be removed from the TransGas Queue and any applicable Queue Deposit will be returned.

- 4.6 An applicant will be positioned in the TransGas Queue according to the **date** and **time** their written request for Service is received, subject to the applicant submitting the required Queue Deposit and Request for Registered Queue Position Form within 14 calendar Days of receipt of the request from TransGas. If the Queue Deposit or the Request for Registered Queue Position Form is not received within the 14 calendar Day window, the applicant's request will be positioned in the TransGas Queue according to the date and time their Queue Deposit and Request for Registered Queue Position Form are both received by TransGas.
- 4.7 TransGas will maintain a listing of the TransGas Queue. A Queue list will be provided upon request. The Queue list will identify the Capacity requested and, if so authorized by the applicant, the name of the applicant. Such authorization is requested from each applicant on the Request for Registered Queue Position Form.
- 4.8 TransGas will notify applicants in the TransGas Queue of any changes in the applicable Service rates, the timing of construction, the estimated Customer contributions, and any security deposit required.
- 4.9 TransGas may, at its discretion, close a Queued Area and no additional requests for Service will be accepted. Queued Areas that have been closed will be re-opened through an Open Season.

**5.0 CHANGES TO APPLICANT'S REQUEST FOR SERVICE**

- 5.1 An applicant may request minor, non-significant changes to their request without affecting the applicant's Queue position. However, if an applicant **requests a significant change** to their request with respect to a requested Point of Receipt, Point of Delivery, in-service date, type of Service, or other material terms, then the applicant's position in the TransGas Queue will be moved back to the date the requested change was received. The determination of whether a change is significant and should trigger a move back in the TransGas Queue will be determined by TransGas, acting reasonably.
- 5.2 A request to increase the Service Capacity of an applicant's original request will be considered as a second request for Service. The original request will remain unchanged and a second position in the TransGas Queue will be established for the additional Service Capacity requested.

An applicant may reduce his requested Service Capacity without losing his position in the TransGas Queue. The applicant's requested reduction in Service Capacity will be administered as a partial withdrawal from the TransGas Queue and the portion of the Queue Deposit relating to the reduced Capacity will be handled as outlined in Article 13 herein.

- 5.3 An applicant may request to transfer the Point of Receipt or the Point of Delivery as outlined in his Request for Registered Queue Position Form, to another location. The requested transfer will be allowed only if the transfer is considered not significant, as deemed by TransGas, acting reasonably.
- 5.4 With the exception of Storage, positions in the Queue are specific to a Point of Receipt or a Point of Delivery, as outlined in the Request for Registered Queue Position Form, and are **only assignable at these locations**. To facilitate the Assignment, both parties must submit written requests to TransGas.

**6.0 QUEUE DEPOSIT**

- 6.1 TransGas requires an applicant, making a request for Service, to submit a Queue Deposit to reserve their place in the TransGas Queue. The Queue Deposit must either be in cash or Letter of Credit. An acceptable form of Letter of Credit is found in the Standard Forms Section of the Tariff. The Letter of Credit must be current until the commencement of Service.
- 6.2 The amount of the Queue Deposit will be determined by the Service request and will be equivalent to the cost of one Month's Service, or a minimum of one thousand dollars (\$1,000). For this reason the exact amount of the Queue Deposit will vary according to the size and the type of Service requested.

The Queue Deposit is required to recover TransGas' investment and related costs in a facilities expansion and is a representation of the loss TransGas would face. It is not intended to be a penalty.

**7.0 ALLOCATION OF CAPACITY**

7.1 As Capacity in Queued Areas becomes available, TransGas will complete an Offer of Service, as detailed in Article 8.0 herein, for the Capacity and offer it sequentially to those applicants in a TransGas Queue until the available Capacity is fully committed, regardless of requested in-service date. The following exception to this process will be applied:

- a) The Request for Registered Queue Position Form allows for the specification of a minimum Service level by the applicant. In the event that Capacity becomes available that does not meet the minimum the applicant has specified, there will be no Capacity offered to the applicant and TransGas will offer the Capacity to the next position in the Queue. The applicant will maintain their position in the Queue for when future Capacity becomes available that meets their minimum specification.

In the event that Capacity becomes available that does not meet any applicants' specified minimum Service level, TransGas will proceed to offer it sequentially to those applicants in a TransGas Queue with no risk of forfeiture of any portion of the applicants' Queue Deposit or their position in the Queue should they choose not to take up the Capacity.

7.2 A future dated contract will be required for those applicants that accept the offer of Capacity and whose Service date is in the future. Any Capacity that becomes available prior to the start date of the future dated contract will be made available first to those Customers in the Queue, with renewal rights only up to the point of the future dated contract start date. If any of the temporary Capacity remains after offering it to the Queue it will become available to Customers who do not hold a Queue position.

7.3 In those instances when more than one request has the same Queue position and sufficient Capacity is not available to meet all requested Capacity, the available Capacity will be prorated among these applicants in proportion to their requested Capacity.



**8.0 OFFER OF SERVICE**

8.1 An applicant, receiving an Offer of Service, will have **30 Days** to fully execute the Offer of Service. An applicant, failing to fully execute an Offer of Service within 30 Days, will be removed from the TransGas Queue and forfeit the Queue Deposit unless:

- (a) the Service specified in the Offer of Service would require the applicant to accept an in-service date earlier than that requested in the Request for Registered Queue Position Form;
- (b) the Service specified in the Offer of Service would require the applicant to accept a Service Capacity less than the minimum requested in the Request for Registered Queue Position Form;
- (c) the Service specified in the Offer of Service would require the applicant to accept a term, more or less, than that requested in the Request for Registered Queue Position Form.\*

\* TransGas reserves the right to require a minimum initial term within the Offer of Service of up to a maximum of ten (10) contract years.

- (d) for any non-standard Service offering, the applicant may refuse the Offer of Service, remain in the TransGas Queue and will not forfeit the Queue Deposit.
- (e) the applicant has withdrawn from the TransGas Queue during the first seven Days of receiving a Final Quotation, as outlined in Article 13 herein.

In the case of (a), (b), (c), (d) or (e), the applicant may refuse the Offer of Service, will not forfeit their Queue Deposit and may remain in the TransGas Queue or may withdraw from the TransGas Queue and recover his full Queue Deposit.

- 8.2 Failure by an applicant to meet any of the requirements of an executed Offer of Service shall be deemed to be a rejection of the Offer of Service by the applicant and will result in the applicant forfeiting the Queue Deposit and Queue position. Further, TransGas shall be entitled to recover any other costs associated with the preparation of the Offer of Service.

TransGas, at its discretion, may accept changes to the Offer of Service, where it deems these changes are not significant and similar to those outlined in Article 8.3 and Article 8.5.

- 8.3 TransGas may accept changes to a Point of Receipt or a Point of Delivery, from that specified in the Offer of Service, which are deemed by TransGas to be non-significant changes. TransGas views this in the same manner as non-significant changes in requested Service prior to an Offer of Service.

If, after receiving an Offer of Service, the applicant requests a change to his Service request and the change is deemed significant by TransGas, this will be viewed as a refusal of the Offer of Service and the Queue Deposit is forfeited. The change in Service requested is then viewed as a new request and subject to the provisions of the TransGas Queue Policy with respect to new requests.

- 8.4 If TransGas offers a Service Capacity less than requested on the Request for Registered Queue Position Form and the Customer wishes to accept the lesser amount, the proportionate share of the Queue Deposit, applicable to the offered Capacity, will be returned to the Customer as per Article 8.6. The remainder of the Service request, and applicable Queue Deposit, may remain in the TransGas Queue to be dealt with as per the applicant's request and maintains the original request date or the applicant may withdraw from the TransGas Queue and the balance of the Queue Deposit will be returned as outlined in Article 13 herein.

- 8.5 If an applicant is willing to accept only a portion of the Service Capacity referred to in an Offer of Service, which matches the Capacity requested in the Request for Registered Queue Position Form and TransGas agrees to such a reduction, the applicant may receive Service in such reduced Capacity. However, the Queue Deposit returned to the applicant, as outlined in Article 8.6, will be that amount which would be applicable to such reduced Capacity. The remaining Capacity will be removed from the TransGas Queue and the applicant will forfeit the remainder of the Queue Deposit.

- 8.6 For applicants accepting an Offer of Service, their Queue Deposits will be returned no later than one (1) month following applicant accepting the Offer of Service.

- 8.7 A fully executed Offer of Service, preceding the applicable TransGas Contract, will:
- (a) bind the applicant to execute an applicable TransGas Contract or an amendment to a fully executed TransGas Contract with TransGas;
  - (b) confirm the terms outlined in the Request for Registered Queue Position Form or the terms under which TransGas is able to make Service available as described in this TransGas Queue Policy;
  - (c) request any additional information which TransGas may require to evaluate or proceed with a proposed facility expansion;
  - (d) bind the applicant to provide the Customer contribution specified which may be required if the applicant's Service request is accommodated in a proposed facility expansion;
  - (e) bind the applicant to provide a required Security Deposit if the applicant's Service request is accommodated in a proposed facility expansion.
- 8.8 Execution of an Offer of Service, in the form of a letter of intent or a letter of commitment by an applicant, does not bind TransGas to provide the Service described within the Offer of Service if TransGas determines not to provide the Service for economic reasons.

## 9.0 OPEN SEASON

At TransGas' discretion, an Open Season may be declared to ensure fair access to information for interested parties on a potential Service offering, to help TransGas evaluate potential facility expansions and/or to provide fair access to Capacity. Open Seasons may be Binding or Non-Binding.

TransGas will use reasonable effort to communicate the relevant details of each Open Season to those parties who TransGas may reasonably believe would be interested in the Open Season.

### 9.1 Binding Open Seasons

- (a) During a Binding Open Season all interested parties, or as per Article 9.2 (b), all parties who participated in the Non-Binding Open Season, as the case may be, may forward a fully completed Request for Registered Queue Position Form. All Forms received during the Binding Open Season window will maintain the same date and time-stamp, being the close of the Binding Open Season.
- (b) After the Request for Registered Queue Position has been received by TransGas, a Queue Deposit will be requested. The applicant will have 14 calendar Days, or as otherwise indicated by TransGas, to submit the Queue Deposit. Failure to submit within the time specified will result in the applicant's request being removed from the Binding Open Season responses.
- (c) All Requests by Registered Queue Position Forms received after the Binding Open Season will be positioned in the TransGas Queue as outlined in this TransGas Queue Policy.

### 9.2 Non-Binding Open Seasons

- (a) TransGas may declare a Non-Binding Open Season to gauge potential interest in a Service and evaluate whether it warrants spending further effort to detail how the Service interest could be met. Respondents to a Non Binding Open Season are **not** placed in a Queue.
- (b) TransGas will communicate if participation in a Non-Binding Open Season is a requirement to be included within any future Binding Open Seasons.

**10.0 CONSTRUCTION OF NEW SYSTEM FACILITIES**

10.1 TransGas will build new system facilities under the following conditions:

- (a) sufficient Queue Capacity is present and economically feasible to justify a facility expansion; and
- (b) an Offer of Service, signed by the applicant(s), is provided.

Any System facility expansion may be subject to approval by the TransGas Board of Directors. All applicants in the TransGas Queue, for whom the requested Service can be economically provided, may be asked to confirm their request for Service as outlined in the Request for Registered Queue Position Form by signing an Offer of Service and Article 8.0 will apply.

10.2 On the basis of the Capacity requirements in the TransGas Queue or confirmed in the Offer of Service, TransGas will develop and proceed with a facilities expansion plan. TransGas may determine that for economic reasons, the facilities expansion plan may not be able to accommodate all confirmed requests. The Capacity, made available through the facilities expansion plan, will be allocated to those applicants according to their position in the TransGas Queue, who have accepted an Offer of Service as outlined in Article 7.0.

10.3 Each applicant who signed an Offer of Service will be notified of their inclusion in the facility expansion plan. Applicants whose requests could not be accommodated may remain in the TransGas Queue at their option. Applicants whose requests are accommodated in the facility expansion plan and who have signed an Offer of Service are required to fulfill the commitments of the Offer of Service within 30 Days and execute an applicable TransGas Contract or sign an amendment to a current, fully executed TransGas Contract. In addition to any provisions outlined in the Offer of Service, failure to execute an applicable TransGas Contract will be dealt with in accordance with Article 8.2

**11.0 CONSTRUCTION OF CUSTOMER SPECIFIC FACILITIES**

11.1 Where Customer Specific Facilities are required in conjunction with a registered Queue position, TransGas will provide the applicant with a **“Final Quotation”**, which includes, without limitation, the following information:

- (a) the Customer contribution for the Service requested;
- (b) the amount of any required security deposit;
- (c) the amount of any TransGas Investment in Customer Specific Facilities;
- (d) the timing of construction indicating an in-Service date; and
- (e) a TransGas Contract.

Any changes that may impact the information found in the Final Quotation will result in TransGas issuing a **revised Final Quotation** and written notification will be forwarded to the applicant.

11.2 The applicant will have thirty (30) Days from receipt of the Final Quotation to fully execute and return the TransGas Contract to TransGas. Failure to do so will result in the applicant being removed from the TransGas Queue and forfeiture of the Queue Deposit.

If the applicant declines the offer of the Customer Specific Facilities Construction Service, he will be removed from the TransGas Queue and forfeit the Queue Deposit, unless the applicant declines this Service within the **first seven (7) Days** of receipt of the Final Quotation. If the applicant rejects the Final Quotation within the 7-Day window, he will be removed from the TransGas Queue and the Queue Deposit will be returned to the applicant.

11.3 The seven (7) Day period of rejection and the subsequent return of any Queue Deposit are only applicable when the construction of new Customer Specific Facilities is required.

Where the construction of new Customer Specific Facilities is NOT required, a Final Quotation is NOT issued.

A Customer contribution may be required when there is construction of Customer Specific Facilities. When a Customer contribution is required and there is no construction of Customer Specific Facilities, the Service is deemed to be Non-Standard.

11.4 Once TransGas receives a fully executed TransGas Contract, TransGas may issue a transportation Offer of Service and Article 8.0 will apply.

**12.0 TRANSFERS WITHIN QUEUED AREAS**

- 12.1 Customers, who already have Firm Receipt Capacity within a Queued Area, will have the right to transfer this Capacity to another receipt location within the Queued Area under standard transfer policies. Those applicants in a receipt Queue will **not** have first rights to this Firm Capacity.
- 12.2 Customers, who already have Firm Delivery Capacity within a Queued Area, will have the right to transfer this Capacity to another delivery location within the Queued Area under standard transfer policies, or to transfer to the export market, provided they provide a simultaneous request to transfer back to the original Point of Delivery. The transfer to the export market shall not exceed one Month. Those applicants in a delivery Queue will **not** have first rights to this Firm Capacity.
- 12.3 Customers holding Firm Capacity outside a Queued Area will not be able to transfer into a Queued Area but will be placed in the TransGas Queue upon completion of the Request for Registered Queue Position Form and will be subject to the provisions outlined in this TransGas Queue Policy.
- 12.4 With the exception outlined under Article 12.2, Customers transferring Firm Capacity out of a Queued Area will not have any future rights to the Capacity. The resulting Firm Capacity will be made available to the TransGas Queue as outlined in Article 7.0.

**13.0 WITHDRAWAL FROM THE QUEUE**

- 13.1 Prior to receiving the Offer of Service from TransGas, an applicant may withdraw from the TransGas Queue and receive a full refund of the Queue Deposit, providing that a **written notice of withdrawal** is received by TransGas.
- 13.2 Once an Offer of Service has been received, an applicant can no longer withdraw from the TransGas Queue without forfeiting the Queue Deposit, unless the Offer of Service falls under the exceptions outlined in Article 8.1 and Article 11.2.

**14.0 GENERAL**

14.1 Any notice or other document to be delivered under this TransGas Queue Policy shall be in writing and personally delivered to, forwarded by facsimile, email, or forwarded by registered mail to the following address:

- (a) In the case of TransGas,

TransGas Limited  
500-1777 Victoria Avenue  
Regina, Saskatchewan  
S4P 4K5

Email: [newfacilities@transgas.com](mailto:newfacilities@transgas.com)

Facsimile: (306) 525-3422

Attention: TransGas Customer Facility Requests

- (b) In the case of the applicant, the address set forth in the Request for Registered Queue Position Form or any such other addresses as may be designated in writing and delivered to TransGas. Any such notice or document shall be deemed to have been received as follows:

- (i) by facsimile, the same business Day;
- (ii) by email, the same business Day;
- (iii) by registered mail, 4 clear business Days, not including any time period that the relevant post office facilities are subject to a strike or other significant labor dispute;
- (iv) by personal delivery, the Day it is delivered.

For the purposes of this Article 14.1, "business Day" shall mean Monday to Friday, excluding designated Saskatchewan statutory holidays.

14.2 This TransGas Queue Policy shall be interpreted pursuant to, and governed by the laws of the Province of Saskatchewan.