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**II. Transportation**  
**A. Non-Facility****General Business Policies****1.0 POINTS OF SUPPLY AND DELIVERY**

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**1.1 RECEIPT AND DELIVERY POINTS**

For Delivery Transportation Service, each Service may have as many Points of Delivery as the Customer wishes. Each Point of Delivery requires a Contract Demand or Maximum Daily Quantity. The Customer will be invoiced for each Point of Delivery, including one (1) Basic Monthly Charge for each Point of Delivery on the TransGas Contract, where applicable.

For Receipt Transportation Service, except Service which initiates at NIT, each Service may have as many Points of Receipt as the Customer wishes. Each Point of Receipt has a Contract Demand. All the Contract Demands are summed to arrive at the total Contract Demand for the Receipt Transportation Service.

Receipt Transportation Service that initiates at NIT will be contracted for under a separate Service.

**1.2 POINT-TO-POINT TRANSPORTATION SERVICE**

Point-to-Point Transportation Service includes Hatton Transportation Service and any other transportation Service flowing directly from a Point of Receipt to a Point of Delivery as agreed to between TransGas and Customer to meet specific Customer needs.

For Point-to-Point Transportation Service, with the exception of Hatton Transportation Service (Diverted), the Gas will flow from the Point of Receipt to the Point of Delivery, as specified on the TransGas Contract, and will not flow through TEP.

Hatton Transportation Service may have its Point of Delivery Diverted to TEP.

The toll for Point-to-Point Transportation Service includes a receipt component and a delivery component plus any Fuel Gas and Unaccounted for Gas requirement.

**II. Transportation**  
**A. Non-Facility*****General Business Policies*****1.0 POINTS OF SUPPLY AND DELIVERY**

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**1.3 ENERGY POOL**

Each Customer holding a valid transportation or Storage Service will be provided a TEP Service at no additional charge.

If the Customer does not hold a valid transportation Service, Customer may request a TEP Service. This Service will be subject to costs as specified in the Rates and Charges section of the Tariff.

All Gas flowing to or from TEP must flow into or from Shipper's own Shipper's Imbalance Account.

**1.4 MULTIPLE DELIVERY SERVICES**

Customer may have more than one Delivery Transportation Service to one Point of Delivery.

For Direct Purchase Points of Delivery, no more than one Shipper may hold Delivery Transportation Service to that Point of Delivery.

There may be more than one Point of Delivery at a Customer's facility under separate metering. If the Customer requests separate metering, then the cost of the separate metering is the Customer's responsibility.

If a Customer currently has two or more Services running to one location (being a contiguous piece of property), the Customer may amalgamate these Services. The cost of the amalgamation is the Customer's responsibility.

Separate metering may be required by TransGas for those Customers requesting Summer Use Service with year-round requirements. A separate meter will not be required if the Customer's Summer Use component can be otherwise determined.

**II. Transportation**  
**A. Non-Facilities*****General Business Policies*****2.0 COMMON STREAM OPERATIONS**

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**2.1 COMMON STREAM OPERATOR**

At each Point of Receipt, one Person is appointed, usually by mutual consent, the CSO. At TEP, TransGas is the CSO.

**2.2 COMMON STREAM OPERATIONS SERVICE**

TransGas and the CSO will have one Common Stream Operations TransGas Contract that will list all the Receipt Transportation Services under the CSO's responsibility at each Point of Receipt.

**2.3 TRANSPORTATION SERVICE**

Customers who hold transportation Service are bound to the Common Stream Operations Service Specification including the Terms and Conditions.

**II. Transportation**  
**A. Non-Facilities****General Business Policies****3.0 SECURITY**

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**3.1 CUSTOMER SPECIFIC COSTS**

TransGas reserves the right to request security **equal** to the TransGas Investment portion of the Customer Specific Facilities costs if the level of project risk is deemed higher than acceptable to TransGas.

TransGas reserves the right to request Information pertaining to Customer's project in order to assess the level of risk.

Security must be in place prior to the first flow of Gas under the applicable Receipt or Delivery Transportation Service.

**3.2 ACCOUNT SECURITY**

TransGas requires security to be posted for all transportation and Storage Services where, in the opinion of TransGas, there is potential account risk.

The determination of account security is solely at the discretion of TransGas.

TransGas reserves the right, at any time during the term of the Service, to request account security in an amount of up to **six (6) Months' anticipated revenue** from those accounts it deems to have potential account risk.

**3.3 FINANCING SECURITY**

TransGas reserves the right to request security for up to the total amount of a Customer's share of Customer Specific Facilities financed by TransGas.

**3.4 TERM OF SECURITY**

Security posted for the TransGas Investment in Customer Specific Facilities costs will remain in effect for the Initial Term as defined in the Service Specification. Once the Initial Term has expired, the security will be returned to the Customer.

Security posted for account security is subject to review by TransGas after **one (1) year**.

**II. Transportation**  
**A. Non-Facilities*****General Business Policies*****3.0 SECURITY**

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**3.5 TERMINATION OF SERVICE**

Upon early termination of the transportation Service, the posted security may be used to cover the unrecovered portion of the TransGas Investment.

**3.6 TEMPORARY ASSIGNMENTS**

If TransGas has deemed that either or both account and project security is required, then, in the event of a temporary Assignment, the Assignor shall remain obligated to post such security.

**II. Transportation**  
**A. Non-Facilities***General Business Policies***4.0 SHIPPER ELIGIBILITY**

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**4.1 INTRA-PROVINCIAL TRANSPORTATION**

Any intra-provincial Customer can apply for Delivery Transportation Service.

**4.2 RECEIPT AND DELIVERY TRANSPORTATION**

Any Customer may hold the Receipt Transportation Service, the Delivery Transportation Service or both.



**II. Transportation**  
**A. Non-Facilities****General Business Policies****5.0 SUMMER USE SERVICE**

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**5.1 APPLICABILITY**

Summer Use Service is applicable to all intra-Provincial Delivery Customers whose operational year extends **between April 1 and September 30**.

**5.2 EXTENSION OF TIME FRAME**

Summer Use Customers may not begin operation prior to, nor extend operations past the time frame of **April 1 — September 30** without prior approval from TransGas. Those Customers wishing to extend this time frame must apply for standard Interruptible Service.

**5.3 BASIC MONTHLY CHARGE**

A Summer Use Customer does not pay the Basic Monthly Charge for the period extending from **October 1 to March 31** under the Summer Use Service if the transportation Service has **not** been utilized.

**5.4 YEAR-ROUND CONSUMPTION**

A separate meter may be required to separately identify Summer Use consumption from year-round consumption for those Customers requesting Summer Use Service with year-round requirements. A separate meter will not be required if TransGas can otherwise determine the Customer's Summer Use component.

**5.5 DISCONNECTION**

Subject to provisions in **Items 5.2 and 5.4** above, a Summer Use Customer is disconnected at the end of an operational year.

**5.6 AVERAGE MONTHLY CONSUMPTION**

A Summer Use Customer is required to maintain a minimum average Monthly consumption of **550 GJ's** over each operational year.

**6.0 TRANSGAS ENERGY POOL**

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**6.1 NOMINATIONS**

To **deliver Gas** to TEP, a Shipper must place a Nomination, under a valid Receipt Transportation Service, a Point-to-Point Transportation Service (Diverted), or Storage Service with TransGas. The Nomination must indicate the amount of Energy, in GJ's, to be delivered to Shipper's Imbalance Account.

To **receive Gas** from TEP, a Shipper must place a Nomination, under a valid Delivery Transportation Service or Storage Service, with TransGas. The Nomination must indicate the amount of Energy, in GJ's, to be delivered from Shipper's Imbalance Account.

Nominations may also be placed to move Gas from one Shipper's Imbalance Account at TEP to another Shipper's Imbalance Account at TEP (Title Transfer).

**1.0 STANDARD INVESTMENT POLICY**

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**1.1 APPLICABILITY**

Standard Investment Policy applies to all new and existing Customers, who are adding Customer Specific Facilities.

Customer(s) shall pay all costs of Customer Specific Facilities except those costs covered by TransGas Investment. New Customers at an existing facility will be required to contribute toward their allocated share of prior Customer Specific Facility costs not covered by TransGas Investment.

The Customer Specific Facilities **will remain the property** of TransGas.

**1.2 TRANSPORTATION**

For both Firm and Interruptible Service, TransGas will invest in Customer Specific Facilities at both the Point of Receipt and the Point of Delivery. The level at which TransGas will invest is outlined in **Item 1.6**.

For TransGas Investment at the time of contracting, a minimum 1-year term is required. For short-term Firm Service and Interruptible Service, a deferred investment is available within the initial 5 years of facility operation. The deferred TransGas Investment on Interruptible Service is calculated based on the actual annual transport quantities and the deferred short term Firm Service Investment is based on the actual Contract Demand.

**1.3 NON-STANDARD SERVICE**

If the Customer requests non-standard Service, the Customer will be required to pay all costs incurred to provide non-standard Service. This is not subject to rebate.

**1.0 STANDARD INVESTMENT POLICY**

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**1.4 CUSTOMER SPECIFIC FACILITY COSTS**

System Lines are not included in the calculation of Customer contributions.

Customer Specific Facilities may include an allocated portion of existing non-System Line facilities. Further, TransGas, at its discretion and acting reasonably, may deem System construction, required to meet a new Service request, to be Customer Specific Facility Construction.

**1.5 REFUND OF CAPITAL CONTRIBUTION**

If another Customer begins to utilize a Customer Specific Facility **within the initial 5 years**, then the original Customer(s) may receive a proportionate refund of their capital contribution. No interest is paid on the refund of capital contributions.

If a Customer Specific Facility is deemed to have become a part of System Line **within 5 years**, all Customers on that line will receive a full refund of their capital contribution associated with that facility.

In the event Customer elects a temporary Assignment of transportation Service, Customer (Assignor) shall retain all rights to any rebates of outstanding Customer contributions, which may occur during the period of the temporary Assignment.

In the event Customer elects a permanent Assignment of transportation Service, Customer (Assignor) shall have assigned all rights and obligations, including any rebates of outstanding Customer contributions for the Capacity assigned away as of the Effective Date of the permanent Assignment.

In regards to Receipt Customer Specific Facilities, a change of Common Stream Operator does not automatically transfer the rights to any rebates of outstanding Customer contributions to the new Common Stream Operator, which the previous Common Stream Operator may have had. In order to transfer these rights, if applicable, to the new Common Stream Operator, in the absence of a transportation Service Agreement transferring these rights, an Assignment of the TransGas Contract relevant to these rights must be executed by both parties.

**1.0 STANDARD INVESTMENT POLICY**

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**1.6 STANDARD INVESTMENT LEVELS**

TransGas will invest in Customer Specific transmission facilities an amount up to the levels indicated in the table below.

**TransGas Investment Levels**

<b><u>Customer Class</u></b>	<b><u>Rate Code</u></b>	<b><u>Investment Level</u></b>
Receipt	R11.X	\$22.50/GJ/d/ year of term
Export	E11.X	\$22.50/GJ/d/ year of term
Large Industrial	D11	\$22.50/GJ/d/ year of term
Medium Industrial	D21	\$22.50/GJ/d/ year of term
Small Industrial (Deferred)	D31	\$0.154/GJ/ year of annual quantity
Commercial (Deferred)	D51	\$0.205/GJ/ year of annual quantity
Domestic (Deferred)	D61	\$0.205/GJ/ year of annual quantity
Summer Use (Deferred)	D41	\$0.073/GJ/ year of annual quantity
Interruptible (Deferred)		\$0.062/GJ/ year of annual quantity
Hatton Transportation	HXXXX	NIL

The maximum TransGas Investment level (over five year period) is equivalent for all Customers. This is expressed above on a Contract Demand basis per year of term for demand Customers. For non-demand Customers, the investment will be a deferred investment over a 5 year timeframe, and calculated using the investment levels above applied to the actual transport quantity each year.

**1.7 FINANCING OPTION**

TransGas will consider financing a Customer's share of Customer Specific Facility costs. A minimum down payment of 25 percent is required. Security may be required.

Financing will be available for up to 2 years for Interruptible Service or the length of a Firm Service term.

The financing rate of interest will be set to provide TransGas with similar returns to those being earned by TransGas on its other activities.

**1.0 STANDARD INVESTMENT POLICY**

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**1.8 DISCOUNTED CASH FLOW INVESTMENT**

At its discretion, TransGas may utilize a discounted cash flow analysis to determine the appropriate level of TransGas Investment in a project.

In utilizing the discounted cash flow analysis, TransGas will determine the appropriate required rate of return and the time frame over which that return will be earned. The standard cash flow analysis will recognize all incremental capital costs, operating costs, other costs, and revenues.

To be eligible for TransGas Investment based on a discounted cash flow analysis, a longer term of Service may be required.

**1.9 TRANSFERS OF FIRM DEMAND**

Transfer requests from Points of Receipt or Delivery at which TransGas has invested will be considered providing the Customer reimburses TransGas for any remaining portion of the TransGas Investment. Such a reimbursement shall not remove Customer's obligation for Demand Charge payments for the duration of the Service. (See General Business Policy II.G.6.0 Transfers of Firm Demand, for more information).

For Contract Demand transferred into a Point of Receipt or Delivery that utilizes a Customer Specific Facility within the initial 5 years, TransGas may invest in the remaining term of such Contract Demand, providing the remaining term is 1 month or longer. Remaining terms of 1 year or more may attract TransGas Investment at the time of the transfer. Investments in remaining terms of less than one year will be on a deferred basis.

**II. Transportation  
B. Facilities*****General Business Policies*****2.0 SYSTEM LINE DESIGNATION**

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**2.1 NEW CONSTRUCTION**

Any new construction may be considered System Line at the discretion of TransGas. Further, at TransGas' discretion, any construction of System Line, including the construction of Storage Facilities, may be deemed Customer Specific Facilities Construction.

**2.2 CUSTOMER SPECIFIC FACILITIES**

All Customer Specific Facilities become System Line after **5 years** from the date the facilities were available for use.

Any Customer Specific Facilities may become System Line before 5 years if so deemed by TransGas. Customer contribution refunds also apply.

If the Customer reimburses TransGas for TransGas Investment, pursuant to the General Business Policies (II. G6.2 Transferring Firm Capacity), the reimbursed amount would be recognized as a Customer contribution amount paid toward the applicable Customer Specific Facility, and would be eligible for capital contribution rebates within the initial 5 years of facility operation.

**2.3 CUSTOMER CONTRIBUTIONS**

System Lines are not included in the calculation of Customer contributions.

**II. Transportation  
B. Facilities*****General Business Policies*****3.0 SHIPPER BUILDS ON BEHALF OF TRANSGAS**

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**3.1 CONSTRUCTION AGREEMENT TO BUILD**

TransGas and the Customer may enter into a construction agreement to build the pipeline portion of the Customer Specific Facilities at the Customer's sole cost and risk.

The Customer Specific Facilities will remain the property of TransGas.

**3.2 TRANSGAS PROCEDURES AND SPECIFICATIONS**

The Customer who builds on behalf of TransGas must do so in accordance with all TransGas' procedures and specifications.

**3.3 INSPECTION**

TransGas reserves the right to inspect the construction to ensure that all standards are met.

Cost of the inspection is at the Customer's expense.

**3.4 METERING AND TIE-IN**

TransGas will provide and install a meter station at a location of its choice.

TransGas will also provide the tie-in to the Gas Transmission System.

**3.5 REIMBURSEMENT**

Once the pipeline portion is completed and a "Certificate of Completion" is issued by TransGas, TransGas will reimburse the Customer an amount equal to the TransGas Investment, not to exceed TransGas' estimated total cost of the project as agreed to prior to construction.



**4.0 CUSTOMER ACCESS TO FIELD MEASUREMENT**

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**4.1 POINTS OF DELIVERY AND RECEIPT**

TransGas, at its discretion, will install electronic communication devices on the meters at Points of Delivery and Receipt for purposes of remote meter reading.

TransGas, at its discretion, may elect not to install electronic communication devices at any Points of Receipt or Delivery. However, TransGas will continue to gather metering information manually and the Customer may request one of the following:

- (a) Website access – meter information presented on the TransGas website.
- (b) Customer signal – a pulse signal to Customer connection point located outside the meter building.
- (c) Customer display – digital display located outside the meter building.

**4.2 COSTS TO INSTALL ELECTRONIC COMMUNICATION DEVICES**

- (a) Customer is responsible for all capital costs for equipment described in Item 4.1. TransGas Investment will not apply where TransGas has elected, at its discretion, not to install electronic communication devices.
- (b) In the event TransGas, at its discretion, elects to install electronic communications devices on existing meters, TransGas will be responsible for the capital costs.
- (c) In the event TransGas, at its discretion, elects to install electronic communications devices on new Points of Receipt or Delivery, such capital costs may become part to the Customer Specific Facilities to which the TransGas Investment may apply.
- (d) All operations and maintenance costs related to the electronic communications devices will be the responsibility of TransGas.

**4.0 CUSTOMER ACCESS TO FIELD MEASUREMENT**

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**4.3 SECURE ZONE**

TransGas will provide password protected meter specific access to data located on the TransGas website to a Customer on the basis of the Customer's right to access a specific receipt or delivery meter, under any TransGas Service.

**4.4 ACCURACY AND TIMING**

Customer assumes all responsibility and risk with respect to the accuracy of the Information supplied from all options described herein. TransGas will endeavor to have Customer signal and Customer display information available on a continuous basis and the previous Day's information available to Customers on the TransGas website by 08:00 hours CCT the next Day.

**II. Transportation**  
**C. Energy Balances*****General Business Policies*****1.0 ENERGY IMBALANCE ADJUSTMENTS**

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**1.1 Estimated Daily Shipper Imbalance**

Each Day, TransGas will determine the Estimated Daily Shipper Imbalance on Shipper's Imbalance Accounts. TransGas will also determine and provide Shipper's Customer Daily Energy Imbalance.

**1.2** Shipper shall ensure that the Customer Daily Energy Imbalance is within the prescribed Shipper's Allowable Daily Tolerance. If the Customer Daily Energy Imbalance falls outside the prescribed Shipper's Allowable Daily Tolerance, Shipper may make one of the following adjustments to mitigate the imbalance:

- i) Adjust receipt Nominations and acquire more or less Gas into Shipper's(s) Imbalance Account.
- ii) Move Gas to or from Storage.
- iii) Adjust delivery Nominations for Gas leaving Shipper's(s) Imbalance Account.
- iv) Move Gas to or from Shipper's Imbalance Account at TEP by way of Title Transfers.

**1.3** If Customer fails to meet the Balancing obligation, TransGas reserves the right to restrict flows at the Points of Receipt and Delivery, TEP and Storage to ensure compliance.

**2.0 MONTH-END METER READING POLICY**

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**2.1 GENERAL PRINCIPLES**

The daily volumetric meter readings will be converted to Energy by TransGas using the applicable Heating Value.

The Month-end volumetric meter reading will be converted to Energy by TransGas using the applicable Actual Heating Value.

**2.2 DELIVERY**

TransGas will attempt to read all TransGas delivery meters **on the first calendar Day of each Month.**

Where meter reading on the first calendar Day of each Month is not practical, Month-end meter readings will be calculated by TransGas.

For export Service, the Month-end delivery Energy is determined by the total daily Nominations to TransGas subject to any adjustments by downstream pipelines.

**2.3 RECEIPTS**

Daily Point of Receipt Energy is Allocated pursuant to the Common Stream Operations Service.

TransGas will attempt to read all TransGas receipt meters **on the first calendar Day of each Month.**

Where meter reading on the first calendar Day of each Month is not practical, Month-end meter readings will be determined by TransGas.

**2.4 ELECTRONIC METERING**

TransGas will attempt to have electronic metering in place on larger locations on the System to permit the establishment of daily flows and its communication to Shippers.

II. Transportation  
C. Energy Balances

*General Business Policies*

**2.0 MONTH-END METER READING POLICY**

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**2.5 SECURE ZONE**

TransGas will post the Best Available Energy on the TransGas website. Customers may apply to access their specific information by completing an Electronic Access Application form.

**{See Electronic Business Service Specification within this Tariff, for more information}**

**3.0 OPERATIONAL FLOW ORDERS**

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**3.1 GENERAL PRINCIPLES**

When the pipeline is in a crisis or an emergency situation, as determined by TransGas in its absolute discretion, those Shippers that cause or contribute to the emergency will be accountable for the costs incurred to mitigate the emergency situation.

An emergency situation can occur when Shipper's Imbalance Accounts are out of balance in a manner which may, without limitation, impact the safe operation of the pipeline or hinder TransGas' ability to meet its Firm Service obligations, in which event, TransGas may issue an Operational Flow Order (OFO).

**3.2 OPERATIONAL FLOW ORDER**

An OFO is a mechanism TransGas may activate to protect the operational integrity of the pipeline. TransGas may issue and implement system-wide OFOs in the event of high or low pipeline inventory. The order requires all Shippers to take immediate action to bring their account balances back within a specified Shipper's Tolerance Percentage. Shippers will be required to adjust their supplies or deliveries to bring their Shipper's Imbalance Accounts into tolerance.

**3.3 OFO AND TOLERANCE LEVELS**

On each Day, TransGas provides all Shippers with a Shipper's Tolerance Percentage. Shippers shall ensure their Shipper's Imbalance Account is within the Shipper's Allowable Daily Tolerance. **(See General Terms and Conditions, Article 4)**. The Shipper's Tolerance Percentages are required to be observed since they are used by TransGas to adjust the amount of System Line pack required.

When the Shipper's Tolerance Percentages are adjusted by TransGas to the maximum levels of +20% to 0% or -20% to 0%, this indicates that TransGas is entering a potential crisis situation and Shippers are expected to react immediately.

**3.0 OPERATIONAL FLOW ORDERS**

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**3.4 OFOs ISSUED TO WHO**

An OFO will be issued to all Shippers that may potentially cause or contribute to what TransGas deems to be an emergency situation.

**3.5 OFO ISSUANCE**

TransGas will issue an OFO by means of an electronic message (email) to the Shippers. Further, TransGas will attempt, on a reasonable efforts basis, to contact and confirm notice of the issuance of an OFO with Shippers via telephone. A copy of the OFO issued will be concurrently posted on the TransGas website which will constitute deemed notice to all Shippers.

**3.5.1 Reason or Justification for the OFO**

The OFO will contain a description of the situation deemed by TransGas to be an emergency.

**3.5.2 Time and Date of Issuance**

The OFO will be issued with a time and date stamp.

**3.5.3. Compliance Deadline**

The Shipper will be required to take immediate action to bring their Shipper's Imbalance Accounts within the specified Shipper Allowable Daily Tolerance by the compliance deadline in the OFO. The compliance deadline will be no less than 20 hours from the time and date of issuance of the OFO.

**3.5.4 Duration of the OFO**

The OFO will indicate the time period over which strict compliance with the Shipper Allowable Daily Tolerance will be required. An OFO may be issued indicating it will be in effect until further notice to the Shippers. TransGas will take all reasonable actions to limit the duration an OFO is in effect and will promptly notify Shippers once same is no longer required.

**3.5.5 Account Tolerances in Effect**

The OFO will indicate the Shippers' Tolerance Percentage, minimum and maximum, for all Shipper's Imbalancing Accounts.

**3.0 OPERATIONAL FLOW ORDERS**

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**3.5.6 Consequences of Non-Compliance**

In order to maintain TransGas' System integrity due to Shipper's non-compliance with the OFO, TransGas may incur costs to purchase or sell Gas to temporarily affect TransGas line pack. Shippers' Imbalance Accounts will not be affected by the purchase or sale of this Gas and Shippers will not get title or ownership to any TransGas line pack Gas.

These costs on any Day will be the net of the purchase and sale of Gas and may include any associated costs or charges during that Day.

While an OFO is in effect and if TransGas does incur costs to protect the integrity of the System as a result of non-compliance by Shippers, these costs will be allocated to those Shippers who do not comply with the OFO. The allocation of the costs will be determined by prorating the costs to non-compliant Shippers based on the amount they are out of balance from the specified Shipper's Allowable Daily Tolerance range on the Day that the Gas was received or delivered to protect the system security.

**3.5.7 Determination of Imbalance from Specified Range**

The amount of imbalance, over the specified range, will be determined at the compliance deadline of the OFO and based on the Shipper Imbalance for the Gas Day in which non-compliance costs were incurred. TransGas will, in its discretion, determine the amount of imbalance after Daily reallocations have been obtained.

**3.5.8 Other Information**

The OFO may contain any other pertinent information.

**3.6 INVOICING OF COSTS**

Under separate invoice, the costs will be forwarded to Shippers immediately upon the allocation of costs by TransGas.



**II. Transportation**  
**D. Rate Administration*****General Business Policies*****1.0 RATES AND OTHER CHARGES**

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**1.1 SERVICE CHARGES**

Customer is required to pay for Service as outlined in the TransGas Contract. The TransGas Contract shall specify the rate code, which the Customer may use to determine the applicable rate under the Tariff Rates and Charges Schedules.

**1.2 COMMODITY CHARGES**

Where applicable, Commodity Charges for transportation Service are calculated based on the delivery Energy. The delivery Energy will be the verified metered volume converted to Energy using the Actual Heating Value.

**1.3 NON-STANDARD SERVICE**

Customer may be required to pay any additional costs incurred by TransGas to provide non-standard Service.

In the event that a program featuring non-standard service subject to additional costs is terminated in its entirety, TransGas shall collect or refund, on a pro-rata basis, any outstanding balances from or to those Customers that contributed to the balance.

For Elevated Pressure Service, Customer will be required to pay all incremental operating costs plus any incremental facility costs.

**1.4 THIRD PARTY CHARGES**

From the TransGas Point of Receipt to TEP, with the exception of receipts initiated at NIT, and from TEP to the Point of Delivery and also from Point of Receipt to Point of Delivery under Point-to-Point Transportation Service, third party charges are rolled into the TransGas tolls.

Any additional interconnecting pipeline charges for Service outside this are at the Customer's expense.

**II. Transportation**  
**D. Rate Administration*****General Business Policies*****1.0 RATES AND OTHER CHARGES**

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**1.5 MANY ISLANDS PIPELINES (CANADA) LIMITED [MIPL(C)L]**

Charges for MIPL(C)L contracts, held by TransGas, which flow Gas onto TransGas facilities, will be included in the TransGas rates. This will also be the case where MIPL(C)L facilities both receive and deliver Gas off the TransGas system.

**II. Transportation**  
**D. Rate Administration***General Business Policies***2.0 UNACCOUNTED FOR GAS**

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**2.1 DELIVERY OF GAS**

For Point-to-Point Transportation Service and Receipt Transportation Service, the Customer shall deliver to TransGas, at the Point of Receipt, the Customer's share of Unaccounted for Gas, excluding Lost Gas, from the Gas Transmission System. Delivery Transportation Service will not be required to deliver Gas for Unaccounted for Gas.

**II. Transportation**  
**D. Rate Administration*****General Business Policies*****3.0 FUEL GAS**

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**3.1 FUEL GAS REQUIREMENT**

For Point-to-Point Transportation Service and Receipt Transportation Service, the Customer shall deliver to TransGas, at the Point of Receipt, the Customer's share of Fuel Gas from the Gas Transmission System. Delivery Transportation Service will not be required to deliver Gas for Fuel Gas.

**II. Transportation**  
**E. Billing and Payments**

*General Business Policies*

**1.0 BILLING AND PAYMENT**

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**1.1 INTEREST ON OVERDUE INVOICES**

Interest may be charged on all unpaid portions after the due date **based on an annual interest rate of prime plus 4%.**

**II. Transportation**  
**F. Terminations and Renewals****General Business Policies****1.0 RENEWAL RIGHTS**

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**1.1 LONG TERM FIRM SERVICE**

For Firm Receipt and Delivery Transportation Service, except for Receipt Transportation Service initiating at NIT, which has a term of 1 year or longer, the term is automatically renewed for another 12-Month term, under the same terms and conditions, subject to Item 1.2 below, unless **written notice** is received by TransGas **sixty (60) Days prior** to the anniversary date, of the Customer's intent to terminate or amend the Service. For Export Firm contracts a written notice must be received at least **twenty-five (25) Months** prior to the anniversary date. For Receipt Transportation Service initiating at NIT, this written notice must be received at least **twenty-six (26) Months** prior to the anniversary date.

**1.2 LONG TERM FIRM SERVICE AND NRR**

In some instances, TransGas may, acting reasonably, offer a 1-year or longer TransGas Contract with No Renewal Rights (NRR), when, in TransGas' opinion, Capacity is only available for a finite period.

**1.3 SHORT TERM FIRM SERVICE**

For Firm Receipt and Delivery transportation Service with a term of less than 1 year, the term is not automatically renewed (NRR). The Customer must apply in writing to extend the Service. The application is subject to Capacity approval and may be subject to the Queue Policy.

**1.4 INTERRUPTIBLE SERVICE**

For standard Interruptible Service, the monthly term will Evergreen monthly, subject to termination by the Customer upon forty-eight (48) hours' prior written notice to TransGas.

**1.5 TEP SERVICE**

For all Shippers holding a valid transportation Service, Shipper's TEP Service is automatically renewed along with the renewal of any transportation Service. In those instances where Customer does not have a valid transportation Service, Customer's TEP Account is automatically renewed on a Monthly basis.

**2.0 RELIEF OF DEMAND CHARGES AND FIRM CAPACITY**

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**2.1 DEMAND CHARGES**

The Customer is liable for all Demand Charges for the term of the Service, however:

- a) The Customer may be relieved of Demand Charges by paying appropriate compensation in an amount determined by TransGas;
- b) Customer may also be relieved of any Demand Charges if another Customer assumes the Contract Demand pursuant to **Items 2.2 and 2.3; and**
- c) For an intra-Provincial Delivery Transportation Service, the Customer will be relieved of Demand Charges if the Customer becomes either a full service or a delivery service customer of SaskEnergy Incorporated.

**2.2 ALLOCATION OF FIRM CAPACITY**

Upon written request, TransGas will offer the Firm Capacity sequentially to Customers in the Queue.

If a Customer's unused Capacity becomes fully committed, relief will be granted.

If a Customer's unused Capacity is not fully committed, the Customer will continue to pay the Demand Charge for that portion not committed.

**2.3 ASSIGNMENT OF EXISTING FIRM CAPACITY**

Customers with Firm Capacity will have the right, at the option of TransGas, to assign this Capacity, in whole or in part, directly to another party. The assigning Customer transfers his rights, in whole or in part, to the second party.

The Assignment may be temporary (recallable or not) or permanent. The maximum duration of a temporary Assignment will be 12 Months or the Expiry Date of the assigned transportation Service.

Assignees will not be permitted to reassign temporarily assigned Capacity.

**2.0 RELIEF OF DEMAND CHARGES AND FIRM CAPACITY**

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For a temporary Assignment, the Assignor must post all security requirements. Further, the Assignor guarantees the fulfillment of all contractual obligations by the Assignee. For a permanent Assignment, the Assignee may be required to provide security prior to the Assignment.

In the event Customer elects a temporary Assignment of the transportation Service, Customer shall retain all rights to any rebates of outstanding Customer contributions which may occur during the period of the temporary Assignment.

Co-owners may split existing Firm Capacity upon written request from all owners. Total Capacity for all new transportation Service must equal total Capacity for the old Service(s).



**II. Transportation**  
**F. TERMINATIONS AND RENEWALS*****General Business Policies*****3.0 TERMINATION**

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**3.1 ENERGY BALANCES**

The Customer shall be responsible for zeroing any Energy Imbalance on any Shipper Imbalance Account that may exist upon the termination of that Service.

Upon termination of a Shipper Imbalance Account, Customer has **10 Days** after the determination of any remaining imbalance to zero the imbalance.

TransGas shall use reasonable effort to recover any remaining Energy Imbalance due to TransGas at the end of the 10 Day period. Thereafter, any remaining unrecoverable Imbalance will be considered Unaccounted for Gas and dealt with as specified in Clause 10.3 of the General Terms and Conditions.

**3.2 RETURN TO SASKENERGY SERVICES**

An intra-provincial Delivery Transportation Service shall terminate if Customer becomes either a full service or a delivery service customer of SaskEnergy Incorporated.

**II. Transportation**  
**G. Other*****General Business Policies*****1.0 NOMINATIONS**

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**1.1 RESPONSIBILITY FOR NOMINATIONS**

For all transportation Service and Title Transfers within TEP, Customer or Customer's Agent must Nominate for Service in accordance with the Nomination Procedure within this Tariff.

With the exception of Summer Use transportation, any Direct Purchase Customer, consuming less than 48,600 GJ per year, and any Direct Purchase Demand Customer, whose total Contract Demand at the Point of Delivery is less than 1,000 GJ per Day, may provide TransGas with one Nomination for Delivery Transportation Service, each Month, equal to their anticipated Monthly usage. Such Customer may make any additional Nominations throughout the Month to correct for any daily imbalances.

Notwithstanding the preceding, TransGas reserves the right, at its sole discretion, to require daily Nominations from any Customer.

**1.2 NOMINATION FORMS**

Appropriate Nomination forms can be found in the Standard Forms section of the Tariff.

**{See Nomination Procedures, within this Tariff, for further information}.**

**2.0 RECEIPT AND DELIVERY PRESSURE OF GAS**

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**2.1 ELEVATED PRESSURE SERVICE**

If a Customer requests a guaranteed delivery pressure above the standard operating pressure for that transmission line, and TransGas agrees to provide the higher delivery pressure, then Customer must pay incremental operating costs plus any incremental facility costs.

**3.0 INTERRUPTIBLE TRANSPORTATION SERVICE**

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**3.1 AVAILABILITY**

Interruptible transportation Service is available to all Customers.

**3.2 GENERAL PRINCIPLES**

For applicable Firm Demand transportation Service Customers, on any Day the Gas transported exceeds Contract Demand, the excess shall be transported, at the discretion of TransGas, and treated as Interruptible Service subject to the rates and charges as well as other sections of the Tariff applicable to Interruptible Service.

Any volume of Gas transported for Customers whose receipts initiate at NIT in excess of the Firm Service Contract Demand must be done through the Customer taking out a separate Interruptible Service contract in advance.

For non-Demand transportation Service Customers holding both Firm Service and Interruptible Service, the amount of Gas transported on a daily basis will be equal to the Nomination for Interruptible Service.

An Interruptible Receipt Service Customer may move an unlimited quantity of Gas each Day from any Point of Receipt on the Gas Transmission System, to TEP, on a reasonable efforts basis only.

An Interruptible Delivery Service Customer may move an unlimited quantity of Gas each Day from TEP, to any Point of Delivery on the Gas Transmission System, on a reasonable efforts basis only.

**3.3 LEVELS OF INTERRUPTIBLE SERVICE****3.3.1 HIGH PRIORITY**

In the event that TransGas is unable to provide Firm Receipt or Delivery Transportation Service, high priority Interruptible Service is available to those Customers who have executed a Firm Service TransGas Contract, are waiting for Firm Service, and have the appropriate security in place. While priority of Service is higher, the rate for high priority Interruptible Service is equal to the rate for standard low priority Interruptible Service.

**3.0 INTERRUPTIBLE TRANSPORTATION SERVICE**

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High priority Interruptible Service is eligible for Interruptible investment as outlined in **Item 3.3.2**.

**3.3.2 LOW PRIORITY**

TransGas will defer investment for Interruptible Service Customer Specific Facilities to connect or upgrade existing facilities. {Refer to Policy on Standard Investment (**II.B:1.0**)}.

TransGas will not invest in System Line expansion to accommodate low priority Service.

**3.4 MINIMUM MONTHLY BILL**

Shipper shall pay the minimum Monthly bill, as itemized in the Rates and Charges section of the Tariff.

**3.5 INTERRUPTIBLE PRIORITY OF SERVICE**

If TransGas' upstream and/or downstream Capacity is not normally deemed to be full, then Interruptible Service Nominations are accepted up to full Capacity. (See Nomination Procedure in the Tariff for further details).

If TransGas' upstream and/or downstream Capacity is considered full, then during times of restrictions, Interruptible Service Nominations will be prorated.

Single Nominations for Service are limited to the physical Capacity at each location.

**4.0 CURTAILMENT POLICY**

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**4.1 INTERRUPTIBLE TRANSPORTATION SERVICE**

TransGas will curtail Interruptible Transportation Service, Receipt and Delivery, as required to provide Service to Firm Service Customers, as well as for the other causes of Curtailment as outlined in the General Terms and Conditions.

If Capacity is limited, high priority Interruptible Service is not curtailed until all low priority Interruptible Service is curtailed.

TransGas reserves the right to curtail Customers with **4 hours'** notice, however, TransGas may implement immediate Curtailment if severe System problems are encountered.

**5.0 GAS QUALITY RESET**

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**5.1 APPLICABILITY**

The Gas Quality Reset Policy is applicable in those instances where TransGas is called out to a Point of Receipt to reinstate deliveries following a discontinuance due to the Shipper's failure to comply with any of the Gas quality requirements outlined in Clause 5.1 of the TransGas General Terms and Conditions.

**5.2 PROCEDURE**

TransGas will respond, in a timely manner, to Shipper requests for a Gas quality reset. This Service is normally available to Shippers on a 24 hour, 7 Day a week basis.

If TransGas deems that it has responded to an exceptional number of reset requests from one specific Shipper, then the Shipper will be advised that subsequent responses will be during normal working hours as soon as manpower is available.

TransGas will also indicate to the Shipper that if response during normal working hours is not acceptable to the Shipper, then overtime call outs may be subject to a reset fee. The circumstances surrounding overtime call outs will be reviewed by TransGas and, at its discretion, the reset fee will be charged.

**5.3 RESET CALL OUT FEE**

The reset call out fee will be the loaded hourly rate for a DMO II.

**6.0 TRANSFER OF FIRM DEMAND**

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**6.1 GENERAL PRINCIPLES**

All transfer requests will be for a permanent transfer. Temporary transfer requests will not be considered. At the time of a request for transfer, a Shipper may simultaneously request a second permanent transfer returning to the originating point. However, TransGas will not reserve Capacity at the originating point and the simultaneous request will be subject to Capacity constraints and may be subject to the Queue Policy.

All existing contractual terms and conditions will accompany all accepted transfer requests. Contracted Capacity may be transferred in whole or in part.

Transfers across the TransGas Energy Pool will not be considered.

Transfers from and to like Services will be considered only. For example, transfers from a Receipt Transportation Service to a Receipt Transportation Service or transfers from a gathering and compression point to a gathering and compression point only.

Transfers of contract Capacity will be incremental to any current Contract Demand at the point to which the Capacity is being transferred.

The transfer request may be subject to TransGas' Queue Policy.

**6.2 TRANSFERRING FIRM CAPACITY**

All transfer requests are subject to pipeline Capacity constraints. If TransGas has invested in Customer Specific Facilities, Customer must reimburse TransGas for any remaining TransGas Investment before a request for transfer will be considered. (See item 1.9 of the Standard Investment Policy). TransGas will invest in incremental Capacity to accommodate a Capacity transfer request.

Capacity transfers may be subject to an allocated share of Customer Specific Facility costs at the point being transferred to. {See Item 1.1 of the Standard Investment Policy}.



**6.0 TRANSFER OF FIRM DEMAND**

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**6.3 REQUESTS TO TRANSFER CONTRACT DEMAND**

Customers requesting a transfer of Contract Demand from one Point of Receipt to another, or from one Point of Delivery to another, must submit a Request for Service that is approved by TransGas

**6.4 INTRA TO EXPORT TRANSFERS**

Intra Delivery Customers may request a permanent transfer of Contract Demand to export.

For low Load Factor Intra Delivery Customers (less than 50 percent), a limit will be placed on the total quantity of Gas that can be transferred during a 12 month period from August 1 of one year to August 1 of the following year from one or a grouping of delivery locations, at the Customer's discretion. This limit will be the Shipper's historical Firm transport Load Factor at the Intra Delivery Customer's location(s) (based on 2 years of information or as can otherwise be determined by TransGas), plus a 5 percent cushion, applied to the total Contract Demand at the delivery location(s) or transferred to export from the delivery location(s) during the Gas year in question, less the quantity of Gas actually transported to the delivery location(s) during the Gas year in question. TransGas will inform Shipper of the Load Factor to be used for the Gas year (November to November).

If Shipper exceeds the limit specified by TransGas, the excess amount transported will be subject to a charge equal to the export Interruptible rate.

**6.0 TRANSFER OF FIRM DEMAND**

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**6.5 OPERATIONAL CONSIDERATIONS**

Transfers will be approved if Capacity is available. Capacity must be available at the point to which the transfer is requested and, in addition, transmission Capacity must also be available downstream for a receipt request and upstream for a delivery request.

If upstream or downstream Capacity is limited, a transfer request will be subject to the Queue Policy. Such requests will be included in the TransGas Queue.

If Customer Specific Facilities are required, the Customer will assume all such costs not covered by TransGas Investment.

**II. Transportation**  
**G. Other*****General Business Policies*****7.0 DIVERSIONS**

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**7.1 GENERAL PRINCIPLES**

With the exception of Hatton Transportation Service, Diversions will not be allowed. Hatton Transportation Service may only be diverted to TEP.

For Diversions of Hatton Transportation Service, prior authorization must be obtained from TransGas.

**1.0 STORAGE NOMINATIONS**

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**1.1 INJECTION INTO STORAGE**

Gas will be delivered into Storage from Customer's own Shipper's Imbalance Account at TEP through daily Nominations placed with TransGas. **{See Nomination Procedure, in this Tariff, for further information}.**

If a Nomination is not received within the specified time, the last Nomination remains in effect until the Customer makes a subsequent Nomination.

Injections into Storage will be on a Firm basis, either Base or Biddable, as outlined in the **Storage Terms and Conditions** in place from time to time. Excess Injections, above Firm entitlements, are on a reasonable efforts basis.

If required, daily Excess Injections will be prorated based on Nominations received.

**1.2 WITHDRAWALS FROM STORAGE**

Withdrawals from Storage will be made on the basis of daily Nominations up to Customer's Allowable Withdrawal rights. Nominations must be in place with TransGas.

If a Nomination is not received within the specified time, the last Nomination remains in effect until the Customer makes a subsequent Nomination.

Upon Withdrawal from Storage, Gas will be transferred to Customer's own Shipper's Imbalance Account at TEP.

If required, Withdrawals will be prorated based on Customer's Allowable Withdrawal rights except when Service must be maintained to Heating Load Customers.

**1.3 CHANGES TO NOMINATIONS**

Changes to Nominations, with **4-hours' notice**, are accepted on a reasonable efforts basis. Only on-the-hour changes to Nominations will be accepted.

Retroactive Nominations will not be permitted.

**2.0 STORAGE RENEWAL RIGHTS**

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**2.1 LONG TERM SUMMER USE STORAGE SERVICE**

For long-term Summer Use Storage Service, the term will not Evergreen but rather Customer will have the Right of First Refusal (RFR). With RFR rights, the Customer is given priority for the renewal of Service over a new Service request.

Once TransGas has determined the amount of long-term Summer Use Storage Capacity that will be available for the next Storage year, as defined in the Storage Terms and Conditions, the Customers will be informed by TransGas of any change in the amount of Capacity available. Customers will supply TransGas with a written request by the deadline specified by TransGas for long-term Summer Use Storage Service, for the next Storage year. Failure to notify TransGas will result in the termination of Service.

The request for long-term Summer Use Storage Service may be subject to the prorating of Capacity. In any given year, if sufficient Capacity is not offered to satisfy the current RFR Customer's requirements, then, at the Customer's option, the Capacity requirements not contracted for the current term will be placed in the TransGas Queue and given a priority position. The TransGas Queue Policy will apply.

**3.0 STORAGE SERVICE BILLINGS AND PAYMENTS**

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**3.1 INTEREST ON OVERDUE INVOICES**

Interest may be charged on all unpaid portions after the due date **based on an annual interest rate of prime plus 4 %.**

**4.0 STORAGE TOLLS AND OTHER CHARGES**

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**4.1 NON-STANDARD SERVICE**

Customer may be required to pay any additional costs incurred by TransGas to provide non-standard Service.

**5.0 STORAGE INVESTMENT POLICY**

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**5.1 APPLICABILITY**

The Storage Investment Policy applies to all new and existing Storage Customers, who contract incrementally for either existing Contracted Capacity and/or Contracted Rate of Withdrawal or for Contracted Capacity and/or Contracted Rate of Withdrawal associated with a new Storage project.

**5.2 CAPITAL CONTRIBUTION**

For a new Storage project, Customer(s) shall pay a capital contribution for facility costs except those costs covered by TransGas Investment. The capital contribution may also include a contribution toward their allocated share of prior facility costs, if Contracted Capacity and/or Contracted Rate of Withdrawal become available or if a new Storage project is initiated, within a Five-Year Window as described in 5.4 below.

The Storage Facility **will remain the property** of TransGas.

**5.3 TRANSGAS INVESTMENT LEVELS**

TransGas Investment in Storage Facility costs will be equal to that level supported by the present Storage tolls plus an equal sharing, with the Customers receiving incremental Storage Service from the facilities, of any project costs above the prior Customer capital contribution amounts which would be subject to refunds within the Five-Year Window.

**5.4 FIVE-YEAR WINDOW**

The Five-Year Window is the five year period, commencing with the Effective Date of the final contracting of a new Storage project during which Customer(s) may be required to make capital contributions toward these prior projects. Refunds to Customer(s) who have made capital contributions to that project will be available during this period.



**5.0 STORAGE INVESTMENT POLICY**

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**5.5 TERM**

At TransGas' discretion, Customers may be required to contract for a term of up to ten years associated with a new Storage project.

**5.6 NON-STANDARD SERVICE**

If the Customer requests non-standard Service, the Customer will be required to pay all costs incurred to provide non-standard Service. This is not subject to rebate.

**5.7 REFUND OF CAPITAL CONTRIBUTION**

If another Customer contracts incrementally for existing Storage Service or if TransGas initiates a new Storage project **within the Five-Year Window**, then the original Customer(s) may receive a proportionate refund of their capital contribution. No interest is paid on the refund of capital contributions.

In the event Customer elects a temporary Assignment of Storage Service, Customer (Assignor) shall retain all rights to any rebates of outstanding capital contributions, which may occur during the period of the temporary Assignment.

In the event Customer elects a permanent Assignment of Storage Service, Customer (Assignor) shall have assigned all rights and obligations, including any rebates of outstanding capital contributions for the Contracted Capacity and/or Contracted Rate of Withdrawal assigned away as of the Effective Date of the permanent Assignment.

**5.8 FINANCING OPTION**

TransGas will consider financing a Customer's capital contribution cost. A minimum down payment of 25 percent is required. Security may be required.

The financing rate of interest will be set to provide TransGas with similar returns to those being earned by TransGas on its other activities.