

**RATE SCHEDULE FT-D**  
**FIRM TRANSPORTATION - DELIVERY**

**1.0 DEFINITIONS**

**1.1** The capitalized terms used in this Rate Schedule have the meanings attributed to them in the General Terms and Conditions of the Tariff unless otherwise defined in this Rate Schedule.

**2.0 SERVICE DESCRIPTION AND AVAILABILITY**

**2.1** Subject to the stated terms and conditions, service under Rate Schedule FT-D shall mean the delivery of gas by Company to Customer at either a Customer's Group 1 Delivery Point, Group 2 Delivery Point or Group 3 Delivery Point (the "Service"), which includes transportation of gas that Company determines necessary to provide services under the Tariff.

**2.2** Subject to paragraph 2.3, the Service is available to any Customer that has executed a Service Agreement and Schedule of Service under Rate Schedule FT-D. A standard form Service Agreement for Service under this Rate Schedule FT-D is attached.

**2.3** Service under Rate Schedule FT-D at a Group 3 Delivery Point is available to any Customer provided that:

- (i) such Customer is the Connecting Pipeline Operator for such Group 3 Delivery Point;
  - (ii) such Customer is the only Customer at such Group 3 Delivery Point;
  - (iii) such Customer is not entitled to any other Service at such Group 3 Delivery Point;
- and

- (iv) the aggregate Delivery Contract Demand at such Group 3 Delivery Point shall not be less than Customer's Group 3 Peak Day Demand Requirement for such Group 3 Delivery Point.

**2.4** If at any time, Company determines that:

- (a) the aggregate daily quantity of gas delivered at the FT-D3 Sub-Group Delivery Points exceeds the aggregate FT-D3 Sub-Group Delivery Contract Demand; or
- (b) the daily quantity of gas delivered at a Group 3 Delivery Point exceeds the aggregate Delivery Contract Demand at such Group 3 Delivery Point and such excess utilizes capacity in the Facilities required by Company to provide any other Service;

then Customer shall execute a Schedule of Service for such excess on terms and conditions determined by Company.

### **3.0 PRICING**

**3.1** Subject to paragraph 3.2, the rate used in calculating Customer's monthly demand charge under each of Customer's Schedules of Service for Service under Rate Schedule FT-D is the FT-D Demand Rate.

**3.2** If the Primary Term plus the Secondary Term of any of Customer's Schedules of Service for any new Service or any renewed or extended Service under Rate Schedule FT-D is:

- (i) five (5) years or greater the Price Point shall be 90% (Price Point "X");
- (ii) at least three (3) years but less than five (5) years the Price Point shall be 95% (Price Point "Y"); and
- (iii) at least one (1) year but less than three (3) years the Price Point shall be 100%

(Price Point “Z”).

#### 4.0 CHARGE FOR SERVICE

##### 4.1 Aggregate of Customer's Monthly Demand Charge

The aggregate of Customer's monthly demand charges for a Billing Month for Service under Rate Schedule FT-D shall be equal to the sum of the monthly demand charges for each of Customer's Schedules of Service under Rate Schedule FT-D, determined as follows:

$$\text{MDC} = \sum (F \times P) \left( A \times \frac{B}{C} \right)$$

Where:

“MDC” = the aggregate of the demand charges applicable to such Schedule of Service for such Billing Month;

“F” = the FT-D Demand Rate applicable to such Schedule of Service;

“P” = the applicable Price Point for such Schedule of Service;

“A” = each Delivery Contract Demand in effect for all or a portion of such Billing Month for such Schedule of Service;

“B” = the number of days in such Billing Month that Customer was entitled to such Delivery Contract Demand under such Schedule of Service;  
and

“C” = the number of days in such Billing Month.

#### 4.2 Aggregate of Customer's Surcharges

The aggregate of Customer's Surcharges for a Billing Month shall be equal to the sum of all Surcharges applicable to each of Customer's Schedules of Service under Rate Schedule FT-D.

#### 4.3 Aggregate of Customer's Over-Run Gas Charges

The aggregate of Customer's charges for Over-Run Gas in a Billing Month for Service under Rate Schedule FT-D shall be equal to the sum of the monthly charges for Over-Run Gas for each Delivery Point at which Customer is entitled to Service under Rate Schedule FT-D, determined as follows:

$$\text{MOC} = (\text{Q} \times \text{Z}) + (\text{Q} \times \text{A})$$

Where:

"MOC" = the monthly charge for Over-Run Gas at the Delivery Point;

"Q" = total quantity of gas allocated to Customer by Company as Over-run Gas in accordance with paragraph 4.7.1 for Service under all Rate Schedules at such Delivery Point for such Billing Month;

"Z" = the IT-D Rate at such Delivery Point; and

"A" = the Daily Abandonment Surcharge.

#### 4.4 The calculation of Customer's charge for Over-Run Gas in paragraph 4.3 shall not take into account Customer's Inventory on the last day of the Billing Month.

#### 4.5 FT-D Alternate Access

##### 4.5.1. Calculation of Customer's FT-D Unutilized Delivery Contract Demand

For each Group 1 Delivery Point and Group 2 Delivery Point, Customer's FT-D unutilized Delivery Contract Demand for a Billing Month for Service under Rate Schedule FT-D shall be a quantity determined as follows:

$$UCD = (\sum (A \times B)) - C$$

Where:

“UCD” = the FT-D unutilized Delivery Contract Demand applicable to such Delivery Point for such Billing Month;

“A” = each Delivery Contract Demand in effect for all or a portion of such Billing Month for each Schedule of Service at such Delivery Point; and

“B” = the number of days in such Billing Month that Customer was entitled to such Delivery Contract Demand under such Schedule of Service at such Delivery Point; and

“C” = the total quantity of gas allocated pursuant to paragraph 4.7.1 (iii) to Customer by Company under each Schedule of Service at such Delivery Point in such Billing Month.

**4.5.2. Calculation of Customer's FT-D Alternate Access Credit**

Customer's credit for FT-D Alternate Access for a Billing Month shall be determined as the lesser of:

- (a) The aggregate of Customer's charges for Over-Run Gas for Service under Rate Schedule FT-D plus the aggregate of Customer's charges for Service under Rate Schedule IT-D for such Billing Month; or
- (b) The aggregate of the product of Customer's unutilized Delivery Contract Demand determined in accordance with paragraph 4.5.1 applicable to each Delivery Point for such Billing Month multiplied by the IT-D rate at such Delivery Point.

**4.5.3 Calculation of Customer's FT-D Abandonment Charge Credit**

Customer's Abandonment Charge credit for FT-D Alternate Access for a Billing Month shall be determined as the lesser of:

- (a) The aggregate of the quantity of gas allocated to Customer by Company as Over-Run Gas for Service under Rate Schedule FT-D plus the aggregate of the quantity of gas delivered by Company to Customer for Service under Rate Schedule IT-D in such Billing Month multiplied by the Daily Abandonment Surcharge; or
- (b) The aggregate of the product of Customer's unutilized Delivery Contract Demand determined in accordance with paragraph 4.5.1 applicable to each Delivery Point for such Billing Month multiplied by the Daily Abandonment Surcharge.

**4.6 Aggregate Charge For Service**

Customer shall pay for each Billing Month the sum of the amounts calculated in accordance with paragraphs 4.1, 4.2, and 4.3 less the amount calculated in 4.5.2 and 4.5.3.

**4.7 Allocation of Gas Delivered****4.7.1. At Group 1 Delivery Points or Group 2 Delivery Points:**

Notwithstanding any other provision of this Rate Schedule, any Service Agreement or the General Terms and Conditions of the Tariff, and without regard to how gas may have been nominated, the aggregate quantity of gas delivered to Customer at a Group 1 Delivery Point or a Group 2 Delivery Point shall be allocated for billing purposes as follows:

- (i) first to Service to Customer under Rate Schedule FT-DW and Rate Schedule STFT to a maximum of such Customer's allocated FT-DW Capacity and STFT Capacity for such Delivery Point under each such Rate Schedule FT-DW and Rate Schedule STFT;
- (ii) secondly to Service to Customer under Rate Schedule FT-D to a maximum of such Customer's Delivery Contract Demand for such Delivery Point under such Rate Schedule FT-D; and
- (iii) thirdly to Service to Customer under Rate Schedule IT-D at such Delivery Point. If Customer is not entitled to Service under Rate Schedule IT-D at such Delivery Point, gas shall be allocated as Over-Run Gas and charged in accordance with paragraph 4.3.

**4.7.2. At Group 3 Delivery Points:**

Notwithstanding any other provision of this Rate Schedule, any Service Agreement or the General Terms and Conditions of the Tariff, and without regard to how gas may have been nominated, the aggregate quantity of gas delivered to Customer at a Group 3 Delivery Point shall be allocated for billing purposes to Service to Customer under Rate Schedule FT-D.

**5.0 TERM OF SERVICE****5.1 Term of a Schedule of Service**

If, in the provision of new Service, Company determines that:

- (i) no new Facilities are required to provide the Service requested, the minimum term of the Schedule of Service shall be a Secondary Term of one (1) year;
- (ii) new metering Facilities are required to provide the Service requested, the minimum term of the Schedule of Service shall be equal to the sum of:
  - (a) a minimum Primary Term of between two (2) and five (5) years as determined under the Criteria for Determining Primary Term in Appendix “E” of the Tariff; and
  - (b) a Secondary Term equal to six (6) years less the Primary Term; or
- (iii) other new Facilities are required to provide the Service requested, the minimum term of the Schedule of Service shall be equal to the sum of:
  - (a) a minimum Primary Term of two (2) years if no new metering Facilities are required or of between two (2) and five (5) years if new metering Facilities



are required as determined under the Criteria for Determining Primary Term in Appendix “E” of the Tariff; and

- (b) a Secondary Term equal to eight (8) years less the Primary Term.

**5.2** The Price Point for the term shall be determined in the manner described in paragraph 3.2.

**5.3 Change of Secondary Term**

Customer may change all or a portion of the Secondary Term to a Primary Term for all Service under a Schedule of Service Rate Schedule FT-D by providing Notice to Company of its request specifying the number of months of the Secondary Term to change to Primary Term.

**5.4 Extension of Primary Term**

- (i) Customer may extend the Primary Term for all Service under any Schedule of Service Rate Schedule FT-D that has no remaining Secondary Term by providing Notice to Company in accordance with paragraph 5.4(ii).
- (ii) A Notice to extend the Primary Term under any Schedule of Service Rate Schedule FT-D shall:
  - (a) be provided to Company at least one (1) year prior to the Service Termination Date; and
  - (b) specify the requested extended Service Termination Date;
- (iii) The Price Point for the Schedule of Service extended under this paragraph 5.4 shall be determined in the manner described in paragraph 3.2 using the extended Service Termination Date.

## **5.5 Term of Service Agreement**

Customer's Service Agreement shall terminate on the latest Service Termination Date of Customer's Schedules of Service for Service under Rate Schedule FT-D.

## **6.0 CAPACITY RELEASE**

**6.1** If Customer desires a reduction of Customer's Delivery Contract Demand for all or any portion of its Service under a Schedule of Service under Rate Schedule FT-D, Customer shall notify Company of its request for such reduction specifying the particular Delivery Point, Schedule of Service and the Delivery Contract Demand available to any other Person who requires Service under Rate Schedule FT-D. Company shall not have any obligation to find any Person to assume the Delivery Contract Demand Customer proposes to make available. If after Notice is given to Company a Person is found who agrees to assume the Delivery Contract Demand Customer proposes to make available, together with any applicable Surcharge, Company may reduce Customer's Delivery Contract Demand under such Schedule of Service, on terms and conditions satisfactory to Company, by an amount equal to the Delivery Contract Demand specified in a new Schedule of Service, executed by Company and such Person. Notwithstanding such reduction, Customer shall at Company's sole option either:

- (i) continue to pay any Surcharge until the Service Termination Date as described in the applicable Schedule of Service (unless any other Person acceptable to Company has agreed to pay such Surcharge); or
- (ii) in the event that Company retires any Facilities required to provide such Service, pay to Company within the time determined by Company, an amount equal to the net

book value of such Facilities adjusted for all costs and expenses associated with such retirement.

## **7.0 TRANSFER OF SERVICE**

### **7.1 Transfers Between Delivery Points Within the Same Delivery Design Area**

If Customer desires to transfer all or any portion of Service under a Schedule of Service from a Customer's current:

- (i) Group 1 Delivery Point or Group 2 Delivery Point within a Delivery Design Area to a different Group 1 Delivery Point or Group 2 Delivery Point within the same Delivery Design Area; or
- (ii) Group 3 Delivery Point within a Delivery Design Area to a different Group 3 Delivery Point within the same Delivery Design Area,

Customer shall submit a transfer request to Company specifying the Delivery Points, the Schedule of Service, the portion of the Delivery Contract Demand that Customer wishes to transfer and the minimum Delivery Contract Demand that Customer will accept for transfer.

### **7.2 Company is under no obligation to permit the transfer requested in paragraph 7.1 but may permit such transfer provided that:**

- (i) Company determines that sufficient capacity exists in the Facilities to accommodate the transfer, after allocating any requests for new service;

- (ii) Company determines that the construction or installation of new Facilities that are directly attributable to the transfer is not required;
- (iii) Customer's transfer request contains all the information specified in paragraph 7.1;
- (iv) the transfer does not occur during the Primary Term of the Schedule of Service;
- (v) the Price Point in effect for Service under the Schedule of Service, from which Customer wishes to transfer Service at the time of the transfer, applies to the new Schedule of Service for the Service that has been transferred;
- (vi) the FT-D Demand Rate applicable to Service under the Schedule of Service that has been transferred shall be the FT-D Demand Rate in effect at the Delivery Point to which the Service under the Schedule of Service has been transferred; and
- (vii) Customer executes a transfer of Service agreement for the Service that has been transferred.

### **7.3 Transfers Between Delivery Points in Different Delivery Design Areas**

If Customer desires to transfer all or any portion of Service under a Schedule of Service from a Customer's current:

- (i) Group 1 Delivery Point or Group 2 Delivery Point within a Delivery Design Area to a Group 1 Delivery Point or Group 2 Delivery Point in a different Delivery Design Area; or
- (ii) Group 3 Delivery Point within a Delivery Design Area to a Group 3 Delivery Point in a different Delivery Design Area,

Customer shall submit a transfer request to Company specifying the Delivery Points, the Schedule of Service, the portion of the Delivery Contract Demand that Customer wishes to transfer and the minimum Delivery Contract Demand that Customer will accept for transfer.

**7.4** Company is under no obligation to permit the transfer requested in paragraph 7.3 but may permit such transfer provided that:

- (i) Company determines that sufficient capacity exists in the Facilities to accommodate the transfer, after allocating any requests for new service;
- (ii) Company determines that the construction or installation of new Facilities that are directly attributable to the transfer is not required;
- (iii) Customer's transfer request contains all the information specified in paragraph 7.3;
- (iv) the transfer does not occur during the Primary Term of the Schedule of Service;
- (v) three (3) years shall be added to the balance of Customer's Secondary Term for the new Schedule of Service (the "New Term") for the Service that has been transferred;
- (vi) the Price Point for Service under the new Schedule of Service for the Service that has been transferred shall be determined in the manner described in paragraph 3.2 using the New Term;
- (vii) the FT-D Demand Rate applicable to the Service under the Schedule of Service that has been transferred shall be the FT-D Demand Rate in effect at the Delivery Point to which Service under the Schedule of Service has been transferred; and

- (viii) Customer executes a transfer of Service agreement for the Service that has been transferred.

## **7.5 Transfers Between Delivery Points and Receipt Points**

A Customer entitled to receive Service under Rate Schedule FT-D shall not be entitled to transfer all or any portion of Service under Rate Schedule FT-D to a Receipt Point.

- 7.6** All transfer requests shall be irrevocable and must be received by Company prior to the deadline specified on the Website.

## **8.0 TERM SWAPS**

- 8.1** A Customer entitled to receive Service under Rate Schedule FT-D shall not be entitled to swap the Service Termination Date of any Schedules of Service under Rate Schedule FT-D with the Service Termination Date under any Schedule of Service.

## **9.0 TITLE TRANSFERS**

- 9.1** A Customer entitled to receive Service under Rate Schedule FT-D may transfer all or a portion of Customer's Inventory to another Customer or may accept a transfer of all or a portion of Customer's Inventory from another Customer provided such Customer is entitled to receive service under any Rate Schedule that permits title transfers and such title transfer is in accordance with the Terms and Conditions of Service Respecting Title Transfers in Appendix "C" of the Tariff.

## **10.0 RENEWAL OF SERVICE**

**10.1 Renewal Notification**

Customer shall be entitled to renew all or any portion of Service under a Schedule of Service under Rate Schedule FT-D, if Customer gives Notice to Company of such renewal at least one (1) year prior to the Service Termination Date. If Customer does not provide such Notice, the Service shall expire on the Service Termination Date.

**10.2 Irrevocable Notice**

Customer's Notice to renew pursuant to paragraph 10.1 shall be irrevocable one (1) year prior to the Service Termination Date.

Any renewal of Service is subject to the Financial Assurances provisions in Article 10 of the General Terms and Conditions.

**10.3 Renewal Term**

Customer's Notice shall specify a renewal term of not less than one (1) year consisting of increments of whole months. The Price Point for the renewal term shall be determined in the manner described in paragraph 3.2 based on the length of the renewal term requested by Customer.

**11.0 TEMPORARY CONVERSION OF SERVICE**

- (i) Customer may request a Temporary Conversion provided that:

- (a) at the time of the request, the Schedule of Service Rate Schedule FT-D is a Conversion Eligible Schedule of Service with at least one (1) year Primary Term remaining;
  - (b) the Temporary Conversion:
    - (i) commences on the first day of a month, which is at least thirty (30) days following written request for Temporary Conversion; and
    - (ii) ends on the last day of a month which is at least one (1) year after the Temporary Conversion commencement date;
  - (c) all conditions set out in paragraphs 2.1 and 2.2 of Rate Schedule FT-P have been satisfied; and
  - (d) Company determines, in its sole discretion, it is able to accommodate the Temporary Conversion.
- (ii) The Temporary Conversion shall revert back to Service under Rate Schedule FT-D at the end of the term of the Temporary Conversion.
- (iii) Rate Schedule FT-P shall apply during Temporary Conversion, excluding however paragraphs 10.1 to 10.3, in which case paragraphs 10.1 to 10.3 of Rate Schedule FT-D shall apply.

## **12.0 APPLICATION FOR SERVICE**

- 12.1** Applications for Service under this Rate Schedule FT-D shall be in such form as Company may prescribe from time to time.



**13.0 GENERAL TERMS AND CONDITIONS**

- 13.1** The General Terms and Conditions of the Tariff and the provisions of any Service Agreement for Service under Rate Schedule FT-D are applicable to Rate Schedule FT-D to the extent that such terms and conditions and provisions are not inconsistent with this Rate Schedule.

**SERVICE AGREEMENT**  
**RATE SCHEDULE FT-D**

BETWEEN:

NOVA Gas Transmission Ltd., a body corporate having an office in  
Calgary, Alberta (“Company”)

- and -

•, a body corporate having an office in •, • (“Customer”)

IN CONSIDERATION of the premises and the covenants and agreements in this Service Agreement, the parties covenant and agree as follows:

1. Customer acknowledges receipt of a current copy of the Tariff.
2. The capitalized terms used in this Service Agreement have the meanings attributed to them in the General Terms and Conditions of the Tariff, unless otherwise defined in this Service Agreement.
3. Customer requests and Company agrees to provide Service pursuant to Rate Schedule FT-D in accordance with the attached Schedules of Service. The Service will commence on the Billing Commencement Date and will terminate, subject to the provisions of this Service Agreement, on the Service Termination Date.

4. Customer agrees to pay to Company each Billing Month, for all Service rendered under this Service Agreement, an amount equal to the aggregate charges for Service described in Rate Schedule FT-D.
5. Customer shall:
  - (a) provide such assurances and information as Company may reasonably require respecting any Service to be provided pursuant to this Rate Schedule FT-D including, without limiting the generality of the foregoing, an assurance that necessary arrangements have been made among Customer, producers of gas for Customer, purchasers of gas from Customer and any other Person relating to such Service, including all gas purchase, gas sale, operating, processing and common stream arrangements; and
  - (b) at Company's request provide Company with an assurance that Customer has provided the Person operating facilities downstream of any Delivery Point in respect of which Customer has the right to receive service with all authorizations necessary to enable such Person to provide Company with all data and information reasonably requested by Company for the purpose of allocating quantities of gas delivered by Company among Company's Customers and to bind Customer in respect of all such data and information provided.

If Customer fails to provide such assurances and information forthwith following request by Company, from time to time, Company may at its option, to be exercised by Notice to Customer, suspend the Service to which such assurances and information relate until such time as Customer provides the assurances and information requested, provided however that any such suspension of Service shall not relieve Customer from any obligation to pay any rate, toll, charge or other amount payable to Company.

6. Customer acknowledges that the Facilities have been designed based on certain assumptions and forecasts described in Company's Annual Plan, and that interruption and curtailment of Service may occur if the aggregate gas quantity actually received or the aggregate gas quantity actually delivered at the Facilities is different than forecast.
7. Every notice, request, demand, statement, bid or bill provided for in Rate Schedule FT-D, this Service Agreement and the General Terms and Conditions, or any other notice which either Company or Customer may desire to give to the other (collectively referred to as "Notice"), shall be in writing and each of them and every payment provided for shall be directed to the Person to whom given, made or delivered at such Person's address as follows:

Customer:

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- 
- Attention: •
- Fax: •

Company:

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- 
- 
- Attention: Customer Account Representative
- Fax: •

Notice may be given by fax or other telecommunication and any such Notice shall be deemed to be given four (4) hours after transmission. Notice may also be given by personal delivery or by courier and any such Notice shall be deemed to be given at the time of delivery. Any Notice may also be given by prepaid mail and any such Notice shall be deemed to be given four (4) business days after mailing, Saturdays, Sundays and statutory holidays excepted. In the event of disruption of regular mail, every payment not made electronically shall be personally delivered, and any other Notice shall be given by one of the other stated means.

- (a) Notwithstanding the foregoing:
  - (i) Company may give any Notice on the Website; and
  - (ii) Company and Customer shall give Notice for the matters listed in the Notice Schedule for Electronic Commerce in Appendix “F” of the Tariff via the Website unless the Website is inoperative, in which case Notice shall be given by any other alternative means set out herein.

Any Notice posted on the Website shall be deemed to be given one (1) hour after posting.

- (b) Notice may also be given by telephone followed immediately by fax, personal delivery, courier or prepaid mail, and in the case of Company, by posting on the Website, and any Notice so given shall be deemed to have been given as of the date and time of the telephone Notice.
- 8.** The terms and conditions of Rate Schedule FT-D, the General Terms and Conditions and Schedule of Service under Rate Schedule FT-D are by this reference incorporated into and made a part of this Service Agreement.

IN WITNESS WHEREOF the parties have executed this Service Agreement by their proper signing officers duly authorized in that behalf all as of the • day of •, •.

•

NOVA Gas Transmission Ltd.

Per:

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Per:

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Per:

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Per:

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SCHEDULE OF SERVICE  
RATE SCHEDULE FT-D

CUSTOMER: •

Schedule of Service Number	Delivery Point Number and Name	Legal Description	Maximum Delivery Pressure kPa	Secondary Term Start Date	Service Termination Date	Delivery Contract Demand GJ/d	Price Point	FT-D3 Sub- Group	Additional Conditions
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THIS SCHEDULE FORMS PART OF THE SERVICE AGREEMENT DATED • AND SHALL BE DEEMED TO BE ATTACHED THERETO.

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Per: \_\_\_\_\_

NOVA Gas Transmission Ltd.  
Per: \_\_\_\_\_

Per: \_\_\_\_\_

Per: \_\_\_\_\_